doValue S.p.A.

a joint-stock company (società per azioni) governed by the laws of Italy with its registered office at Viale dell'Agricoltura 7, 37135 – Verona, Italy

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Offer and admission to trading of a minimum of 34,401,997 new ordinary shares with pre-emptive subscription rights for the existing shareholders and holders of convertible bonds of doValue S.p.A. for a maximum subscription price of €4.36 per new ordinary share and for a maximum amount of €149,992,706.92 calculated on the basis on the maximum subscription price and admission to trading of 4,000,000 new ordinary shares of doValue S.p.A. resulting from the conversion of 4,000,000 convertible bonds

This prospectus (the "**Prospectus**") has been prepared exclusively in connection with (i) the offering by doValue S.p.A. (the "**Issuer**" and, together with its subsidiaries, the "**Group**") of new ordinary shares, with no par value (the "**New Rights Issue Shares**"), pursuant to transferable pre-emptive subscription rights (the "**Rights**") granted to existing holders of its ordinary shares (the "**Shareholders**") and holders of Convertible Bonds (the "**Bondholders**") under Article 2441, paragraphs 1, 2 and 3, of the Italian Civil Code (the "**Offer**" or "**Offering**" or "**Rights Issue**"), and (ii) the admission to trading of the New Rights Issue Shares and 4,000,000 new shares resulting from the conversion of 4,000,000 convertible bonds (the "**Conversion Shares**" and, together with the New Rights Issue Shares, the "**New Shares**") on the STAR segment of Euronext Milan ("**Euronext Milan**"), a regulated market organized and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**" and such admission, the "**Admission**").

Each Shareholder will receive 1 (one) Right for every ordinary share of the Issuer held, and each Bondholder will receive 1 (one) Right for every Convertible Bond held. On November 18, 2024, the Board of Directors resolved to offer a minimum of 34,401,997 New Rights Issue Shares with pre-emptive subscription rights for the existing Shareholders and Bondholders, for a maximum subscription price of €4.36 (the "**Maximum Subscription Price**"), at the ratio of 23 New Rights Issue Shares for every 13 Rights, calculated on the basis on the Maximum Subscription Price.

Shareholders or Bondholders who do not wish to exercise, or who are prohibited from or otherwise unable to exercise, the Rights credited to their accounts may sell such Rights on Euronext Milan from November 25, 2024 to December 6, 2024. Shareholders, Bondholders or purchasers of Rights who wish to subscribe for New Rights Issue Shares must exercise their Rights during the period from November 25, 2024 to December 12, 2024 (inclusive) (the "**Offer Period**"). Securities intermediaries must give the relevant instructions to Monte Titoli S.p.A., the Italian centralized securities clearing system ("**Euronext Securities Milan**") by 2:00 p.m. (Italian time) on the last day of the Offer Period. Each subscriber must therefore submit its subscription application in the manner and within the deadline established by the relevant intermediary in order to validly exercise any Rights.

To the extent that any Rights remain unexercised following the Offer Period, such Rights will be forfeited by the holders thereof without compensation and will be offered by the Issuer on the Euronext Milan for a period of at least two trading days in the rights auction pursuant to Article 2441, paragraph 3, of the Italian Civil Code, unless the Rights have already been sold in full.

On June 7, 2024, (i) (A) AVIO S.à r.l., Principal Holdings I LP, Adige Investments S.à r.l., FIG LLC, Fortress Operating Entity I LP, and Sankaty European Investments S.à r.l. (the "**Principal Shareholders**"), (B) Tiber Investments S.à r.l ("**Tiber** or the "**Majority Seller**") and (C) Mr. Mirko Gianluca Briozzo, Harvip S.r.l., and Mr. Guido Giulio Lombardo Fortunato (collectively, the "**Management Sellers**" and, together with Tiber, the "**Committed Sellers**"), have agreed, on the terms set forth into their respective commitment documents, to subscribe, directly or through any of their affiliates, for the New Rights Issue Shares which they, or any of their affiliates, will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code as Shareholders or holders of Convertible Bonds for a maximum aggregate amount equal to €79,553,005.07, and (ii) Tiber has further undertaken, at the conditions set forth into the share purchase agreement relating to the acquisition of Gardant S.p.A. (the "**Gardant SPA**"), to subscribe for the New Rights Issue Shares to which certain minority shareholders of Gardant S.p.A. ("**Gardant**") will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code and not subscribed by them, for a maximum amount equal to €2,955,186.44 (the "**Tiber Underwriting Obligation**"). The aggregate maximum amount of the Principal Shareholders' undertakings and the Committed Sellers' undertakings in item (i), with the Tiber Underwriting Obligation in item (ii) (collectively, the "**Shareholders Irrevocable Undertakings**") is equal to €82,508,191.51. The Principal Shareholders (or any affiliate to whom they have transferred their shareholding before the commencement of the Offer) will deposit before the start of the Offer Period their respective Euro amounts corresponding to their Shareholders Irrevocable Undertaking to be applied for the subscription of the New Rights Issue Shares into escrow (the "**Principal Shareholders Rights Offering Escrow**"), which will be automatically released conditionally upon the closing of the acquisition of Gardant S.p.A (the "**Gardant Group Acquisition**"). Concurrently, the Committed Sellers have agreed that at the Gardant Group Acquisition Completion (as defined below) the Issuer will deposit in a bank account, dedicated for the subscription of the Rights, the amounts corresponding to their respective Shareholders Irrevocable Undertakings, by deducting such amounts from the consideration due at closing of the Gardant Group Acquisition (the "**Committed Sellers Rights Offering Escrow**", and together with the Principal Shareholders Rights Offering Escrow, the "**Rights Offering Escrows**"). The Rights of the Principal Shareholders shall be exercised on the 1st day of the Offer (or 2nd day of the Offer, in case of transfer of the Rights to the Principal Shareholders' affiliates). Contextually, the Rights of the Committed Sellers shall be exercised no later than the 5th business day following the beginning of the Offer. This Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (including any relevant delegated regulations), as subsequently amended and updated (the "**Prospectus Regulation**"). This document has been prepared in accordance with the requirements for a prospectus as set out in Article 14 of the Prospectus Regulation and Annexes 1 and 11 to the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, as subsequently amended and updated ("**Regulation 2019/980**"). This Prospectus has been approved as a prospectus for the purposes of Article 3, Paragraphs 1 and 3, of the Prospectus Regulation by, and filed with, CONSOB as competent authority under the Prospectus Regulation.

Neither the Rights nor the New Rights Issue Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any other state in the United States or any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, the Offering is being made only to "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A of the Securities Act ("**Rule 144A**") in reliance on Section 4(a)(2) under the Securities Act or, only with respect to the New Rights Issue Shares, under Rule 144A or another exemption from the registration requirements of the Securities Act and, outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Prospectus is valid for 12 months after its approval *provided that* it is completed by any supplement if required pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies shall cease to apply when this Prospectus is no longer valid (see "*Important Information—Supplements*").

This Prospectus has been published on November 21, 2024, following the notice of approval issued by CONSOB on November 20, 2024, no. 0106398/24, and is available at the Issuer's registered office, Viale dell'Agricoltura 7, 37135 – Verona, Italy, as well as on the Issuer's website (www.doValue.it).

Joint Global Coordinators

Mediobanca – Banca di Credito Finanziario S.p.A.	UniCredit Bank GmbH, Milan Branch	Banca Akros S.p.A. – Gruppo Banco BPM	Intesa Sanpaolo S.p.A.

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SUMMARY

This summary (the "**Summary**") is prepared pursuant to Article 7 of the Prospectus Regulation, Delegated Regulation 979/2019 and Delegated Regulation 980/2019 and provides the key information that investors need in order to understand the nature and risks of the Issuer, the Group and the securities being offered and admitted to trading on a regulated market. Investors, when considering whether to invest in such securities, should read this Summary in conjunction with the Prospectus. Capitalized terms used in this Summary and not otherwise defined have the same meaning ascribed to them in sections "**Glossary**" and "**Defined Terms**".

Section A – Introduction Containing Warnings (Pursuant To Article 7, Paragraph 4, Letter (A), of the Prospectus Regulation)

Securities' name and ISIN: ordinary shares of doValue S.p.A. (ISIN IT0005610958).
Identity and contact details of the Issuer and entity seeking admission to a regulated market, LEI code: doValue S.p.A.; telephone: +39 0647979184; email: dovalue.pec@actaliscertymail.it website: www.doValue.it; LEI code: 8156007AF7DB5FE05555.
Identity and contact details of the competent authority approving the Prospectus: Commissione Nazionale per le Società e la Borsa, with registered office at Via G.B. Martini no. 3, Rome (Italy); telephone: +39 06 84771; email: protocollo@consob.it; website: www.consob.it.
Prospectus approval date: November 20, 2024.

It is expressly warned that:

(i) this Summary should be read as an introduction to the Prospectus;
(ii) any decision to invest in the New Rights Issue Shares should be based on a consideration of the Prospectus as a whole by the investor;
(iii) the investor could lose all or part of the invested capital;
(iv) where a claim relating to the information contained in a Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
(v) civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Shares.

Section B – Key information to the Issuer

B.1 – Who is the issuer of the securities?

B.1.1 **Domicile, Legal Form, LEI Code, Governing Law, and Country of Incorporation**: The Issuer is doValue S.p.A., incorporated as a joint-stock company governed by the laws of Italy. The Issuer's registered office at Viale dell'Agricoltura 7, 37135, Verona (VR), Italy, and it is registered with the Companies Register of Verona under no. 00390840239 and REA number VR–19260, with LEI code 8156007AF7DB5FE05555.
SME Status of the Issuer: As of the Prospectus Date, the Issuer qualifies as a Small and Medium-Sized Enterprise (SME) pursuant to Article 1, paragraph 1, letter w-quater.1) of Legislative Decree No. 58/98 and Article 2-ter of the Issuers' Regulation. The qualification as SME is based on not exceeding the market capitalization threshold of €1 billion in at least one of the three consecutive years (2021, 2022, and 2023). The market capitalization is calculated as the simple average of daily capitalizations (official price multiplied by the number of shares) of ordinary shares admitted to trading on Euronext Milan. The loss of SME status occurs only if the capitalization threshold is exceeded for three consecutive years. For further details, please refer to the list of SMEs published by CONSOB on its website at www.consob.it/web/area-pubblica/emittenti-quotati-pmi.

B.1.2 **Main activities**: The Issuer is currently listed on the STAR segment of Euronext Milan. The Group is the leading independent credit and real estate servicer in Southern Europe in terms of asset under management as of December 31, 2023 and the largest Servicer by GBV of assets under management in Italy, Greece and Cyprus as of December 31, 2023. The Group has been a strategic long-term partner of international institutional investors specializing in loan and real estate portfolios and leading financial institutions of systemic importance. The Group's client base of over 140 clients includes a diverse range of public and private clients, investors and banks, including UniCredit, Banco Santander, the Greek systemic banks and various private credit funds such as Fortress, Bain Capital Credit LP and Cerberus. The Group operates an asset-light model with limited balance sheet risk, limited asset pricing risk, limited exposure to interest risk associated with purchasing portfolios, which is resilient to swing in economic cycles. The Group's model comprises five main business units which span the entire credit management value chain, providing its customers with: (i) non-performing loans servicing, (ii) real estate servicing, (iii) unlikely-to-pay loans servicing, (iv) early arrears and performing loans servicing, and (v) ancillary and other services. The table below sets forth the Group's gross revenues by business unit for the nine months September 30, 2023 and September 30, 2024.

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
	(*€ thousand*)	
NPL Servicing	220,814	212,992
Real Estate Servicing	39,875	32,179
UTP Servicing	22,452	19,265
Early Arrears and Performing Loans Servicing	8,357	8,357
Value Added Services	43,657	43,910

As of the Prospectus Date, the Issuer is finalizing the Gardant Group Acquisition that will be completed before the commencement of the Offer.

B.1.3 The following information regarding the Group's principal shareholders as of the Prospectus Date is based on the results of the Issuer's shareholder register, supplemented by the notifications received pursuant to Article 120 of the Consolidated Financial Act. The table below sets forth the Group's principal shareholders as of the Prospectus Date.

Declarant (meaning the entity at the top of the ownership chain)	% Share of Declarant	Shareholders	% Share of Shareholders
Bain Capital Credit Member, LLC	13.58%	Sankaty European Investments S.A R.L.	13.58%
FIG Buyer GP, LLC	28.27%	Principal Holdings I LP	0.11%
		Adige Investments SARL	2.79%
		Avio SARL	25.05%
		FIG LLC	0.32%
		Fortress Operating Entity I LP	0.00%
Total	**41.85%**	**Total**	**41.85%**

The following table sets forth the Group's principal shareholders following the conversion of the Convertible Bonds into Conversion Shares. The Convertible Bonds have been subscribed by the Sellers, proportionally to the shareholdings in Gardant, by way of set-off with the down-payment of an amount of €80 million agreed in the Gardant SPA.

Declarant (meaning the entity at the top of the ownership chain)	% Share of Declarant	Shareholders	% Share of Shareholders
Bain Capital Credit Member, LLC	10.86%	Sankaty European Investments S.A R.L.	10.86%
FIG Buyer GP, LLC	22.61%	Principal Holdings I LP	0.09%
		Adige Investments SARL	2.23%
		Avio SARL	20.04%
		FIG LLC	0.25%
		Fortress Operating Entity I LP	0.00%
Paul E. Singer (in his capacity as the ultimate controlling person of the fund(s) holding interests in doValue S.p.A.)	17.75%	Tiber Investments S.à r.l.	17.75%
Total	**51.22%**	**Total**	**51.22%**

Assuming that (x) the shareholders indicated in the table above will not purchase shares of the Issuer outside of the Rights Issue, (y) the Rights Issue is fully subscribed without any subscription of New Rights Issue Shares by Tiber and the Underwriters pursuant to, respectively, the Tiber Underwriting Obligation and the Underwriting Agreement; and (z) none of the shareholders or bondholders shall transfer their shareholding or ownership of

Convertible Bonds to any of their affiliates before the commencement of the Offer, and taking into account that, as of the Prospectus Date, the Issuer owns 555.385 treasury shares which will not receive Rights in the context of the Offer, at the end of the Offer Period the Issuer does not expect any material changes to the shareholdings of the principal shareholders set forth into the table above.

As of the Prospectus Date, no shareholder exercises control over the Issuer pursuant to Article 2359 paragraph 1, item 1) of the Italian Civil Code and Article 93 of the Consolidated Financial Act. Following the Offer, assuming that the Rights Issue is fully subscribed without any subscription of New Rights Issue Shares by the Underwriters pursuant to the Underwriting Agreement, no shareholder is expected to exercise control over the Issuer pursuant to Article 93 of the Consolidated Financial Act.

B.1.4 **Chief Executive Officer**: As of the Prospectus Date, Manuela Franchi is the Chief Executive Officer of the Issuer. The Chief Executive Officer Manuela Franchi will remain in office until a period of three financial years through the approval of the financial statements as of December 31, 2026.

B.1.5 **Independent Auditors**: As of the Prospectus Date, EY S.p.A. is the independent auditor of the Issuer. EY S.p.A. will remain in office until the approval of the financial statements as of December 31, 2024.

B.2 – What is the key financial information regarding the Issuer?

B.2.1 The following tables set forth the Group's summary consolidated balance sheet, income statement and statement of cash flows information as of the dates and for the periods indicated. The (i) selected consolidated financial information as of and for the years ended December 31, 2021, 2022 and 2023 has been derived from the Audited Consolidated Financial Statements, (ii) summary consolidated financial information as of September 30, 2024 and for the nine-month period ended September 30, 2023 and 2024 has been derived from the Unaudited Interim Condensed Consolidated Financial Statements and (iii) the unaudited pro-forma consolidated financial information as of September 30, 2024 and for the nine months ended September 30, 2024 and for the year ended December 31, 2023 has been derived from the Unaudited Pro Forma Consolidated Financial Information.

Summary Consolidated Balance Sheet Information

	As of December 31,			As of September 30,	Unaudited Pro-forma as of September 30,
	2021	2022	2023	2024	2024
			(€ thousand)		
Total non-current assets	754,472	743,462	650,695	617,850	881,226
Total current assets	430,134	383,123	380,853	343,226	377,141
Assets held for sale	30	13	16	10	10
Total assets	**1,184,636**	**1,126,598**	**1,031,564**	**961,086**	**1,258,377**
Shareholders' equity attributable to the shareholders of the Issuer	156,645	136,559	53,031	57,371	208,416
Shareholders' equity attributable to non-controlling interests	37,358	44,361	51,660	57,755	84,336
Total shareholders' equity	**194,003**	**180,920**	**104,691**	**115,126**	**292,752**
Total non-current liabilities	739,957	715,344	689,640	422,061	738,409
Total current liabilities	250,676	230,334	237,233	423,899	227,216
Liabilities associated with assets held for sale	—	—	—	-	-
Total liabilities	**990,633**	**945,678**	**926,873**	**845,960**	**965,625**
Total shareholders' equity and liabilities	**1,184,636**	**1,126,598**	**1,031,564**	**961,086**	**1,258,377**

Summary Consolidated Income Statement Information

	For the year ended December 31,			Unaudited Pro-forma for the year ended December 31,	For the nine months ended September 30,		Unaudited Pro-forma for the nine months ended September 30,
	2021	2022	2023	2023	2023	2024	2024
				(€ thousand)			
Total revenues	**565,139**	**559,780**	**481,705**	**572,334**	**336,658**	**318,039**	**411,224**
Total costs	**(496,216)**	**(448,806)**	**(418,693)**	**(512,800)**	**(311,860)**	**(284,574)**	(366,048)
Operating income	**68,923**	**110,974**	**63,012**	**59,534**	**24,798**	**33,465**	**45,176**
Financial (expense)/income	(22,337)	(49,757)	(37,130)	(56,502)	(20,935)	(18,992)	(29,857)
Profit (loss) from equity investments	83	-	768	756	0	(2,959)	(2,959)
Profit (loss) before tax	**46,669**	**61,217**	**26,650**	**3,788**	3,863	**11,514**	**12,360**
Income tax (expense) benefit	(13,496)	(34,742)	(40,291)	(41,968)	(29,797)	4,921	(2,618)
Net profit (loss) from continuing operations	**33,173**	**26,475**	**(13,641)**	**(38,180)**	**(25,934)**	**16,435**	**9,742**
Net profit (loss) for the period	**33,173**	**26,475**	**(13,641)**	**(38,180)**	**(25,934)**	**16,435**	**9,742**
o.w. Profit (loss) for the period attributable to the shareholders of the Parent Company	*23,744*	*16,502*	*(17,830)*	*(44,683)*	*(25,667)*	*10,341*	*(1,484)*
o.w. Profit (loss) for the period attributable to non-controlling interests	*9,429*	*9,973*	*4,189*	*6,503*	*(267)*	*6,094*	*11,227*

Summary Consolidated Statement of Cash Flows Information

	For the year ended December 31,			For the nine months ended September 30,	
	2021	2022	2023	2023	2024
			(€ thousand)		
Cash flow provided by operations	123,604	62,302	71,508	15,508	10,214
Cash flow used in investing activities	(64,766)	(31,057)	(21,361)	9,171	15,527
Cash flow used in funding activities	(24,656)	(63,649)	(72,035)	44,934	16,554
Net cash flow	**34,182**	**(32,404)**	**(21,888)**	**38,597**	**21,867**

Non-IFRS Measures

The following tables set forth certain Group's selected non-IFRS consolidated financial information as of and for the years ended December 31, 2021, 2022 and 2023 and as of September 30, 2024 and for the nine-month periods ended September 30, 2023 and 2024.

In a this Prospectus, the Issuer presents certain non-IFRS measures and other data, including "*Operating EBITDA*," "*Operating EBITDA margin*," "*EBITDA*," "*EBITDA margin*," "*EBITDA Excluding Non-recurring Items*," "*EBITDA Excluding Non-recurring Items margin," "EBIT," "EBT," "EBT Excluding Non-Recurring Items," "Net financial indebtedness," "Net financial position."*
The non-IFRS financial measures are not measurements of performance or liquidity under IFRS. Therefore, investors should not place undue reliance on this data.

	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2021	2022	2023	2023	2024
			(€ thousand, except from %)		
Total revenues	565,139	559,780	481,705	336,658	318,039
Percentage of change in total revenues period over period	34.0%	(0.9%)	(13.9%)	20.9%	5.5%
EBITDA	199,347	198,708	175,345	115,335	92,152
EBITDA margin	34.9%	35.6%	36.1%	34,4%	29,1%

EBITDA Excluding Non-recurring Items	200,919	201,687	178,700	115,414	95,785
EBITDA Excluding Non-recurring Items margin	35.1%	36.1%	36.8%	34.4%	30.5%
EBIT	80,057	114,217	65,965	27,089	32,611
EBT	48,289	62,829	28,251	5,062	12,587
EBT Excluding Non-Recurring Items	81,638	98,730	47,925	16,894	27,437
Net Financial Indebtedness	(476,292)	(546,340)	(572,194)	(601,263)	(563,276)
Net Financial Position	(401,791)	(429,859)	(475,654)	(485,512)	(494,509)
Ratio Financial expense / EBITDA	11.2%	25.0%	21.2%	18.15%	20.61%
Gross Book Value (EoP)-Group (*in € million*)	149,487	120,478	116,355	117,768	116,678
Collections-Group (*in € million*)	5,743	5,494	4,947	3,399	3,121
Collection Rate	4.3%	4.1%	4.6%	4.5%	4.2%

Other Non-IFRS Measures

	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2021	2022	2023	2023	2024
			(*€ thousand, except from %*)		
Operating EBITDA	165,186	182,127	155,754	100,141	76.368
Operating EBITDA margin	28.9%	32.6%	32.1%	29.9%	24.1%

B.2.2 ***Net Financial Indebtedness***

As of September 30, 2024, the Group had Net Financial Indebtedness of € 563.3 million (calculated in accordance with paragraphs 175-189 of ESMA Guidelines 32-382-1138 and not reflecting the Gardant Group Acquisition).

As of September 30, 2024 the net financial indebtedness on a pro-forma basis, which gives effect to the Gardant Group Acquisition, the Rights Issue and part of the 2024 Senior Facilities Agreement, amounts to € 625.7 million. The Group's gross financial indebtedness on a pro-forma basis as of September 30, 2024 amounted to €714.4 million of which €77.0 million current and €637.4 million non-current.

The Issuer's net current financial indebtedness was €224,663 thousand as of September 30, 2024.

B.2.3 The consolidated financial statements of the Group as of December 31, 2023, and for the financial year ended on that date, were audited by EY S.p.A., as the independent auditor, which issued the English translation of its report on March 28, 2024, without qualifications.

The unaudited interim condensed consolidated financial statements of the Group as of and for the nine months ended September 30, 2024, have been reviewed by EY S.p.A., independent auditors, as stated in the English translation of their review report thereon appearing herein, issued on November 6, 2024.

EY S.p.A. issued its reports in accordance with ISAE 3420 on the unaudited pro-forma consolidated financial information for the year ended December 31, 2023 and as of and for the nine months ended September 30, 2024.

B.3 - What are the key risks that are specific to the Group?

The most significant risk factors relating to the Group are summarized below. The full risk factors are detailed below in this Prospectus and must be read.

RISKS RELATED TO THE GROUP'S ECONOMIC AND FINANCIAL CONDITION

The Group is subject to the risk of not successfully reaching the strategic goals and financial targets announced to the market, which are based on various assumptions and factors outside its control

The Group's EBITDA for the year ended December 31, 2023, was €175 million (with an EBITDA margin of 36.1%), representing a decrease of 11.8% from €199 million (with an EBITDA margin of 35.6%) compared to the year ended December 31, 2022. The Group's EBITDA for the year ended December 31, 2022, was €199 million (with an EBITDA margin of 35.6%), representing a decrease of 0.3% from €199 million (with an EBITDA margin of 34.8%) compared to the year ended December 31, 2021. The Group's EBITDA for the year ended December 31, 2021, was €199 million (with an EBITDA margin of 34.8%), representing an increase of 41.5% from €117 million (with an EBITDA margin of 27.7%) compared to the year ended December 31, 2020. For the nine months ended September 30, 2024, the Group's EBITDA was €92 million, representing an decrease of 20.1% from €115 million for the same period in 2023. The decrease in margin was mainly due to unfavourable market conditions and the termination in February 2022 of one of the Group's principal clients in Spain (Sareb). In response to the changing market dynamics and in order to counteract the deterioration of profit margins, the Group launched its Business Plan, setting forth the Group's strategy and operating, economic and financial targets for the years ending 2024 and 2026 (the "**doValue Standalone Targets**"). In order to accelerate the execution of its Business Plan strategies and strengthen the Issuer's position in the Italian market, on June 7, 2024, the Group agreed to acquire Gardant Group. On the date of the announcement of the Gardant Group Acquisition, the Issuer announced to the market the Combined Targets (as defined below) for the Group combined with the Gardant Group (the "**Combined Group**"), as well as specific targets for Gardant for 2024 (the "**Gardant Group Targets**"). The Combined Targets are the result of the (i) doValue Standalone Targets for 2026 as included in the Business Plan, which represent the most significant and material component; (ii) Gardant Group Targets for 2026 and (iii) potential revenue and costs synergies deriving from the Gardant Group Acquisition and the cumulative restructuring costs required to achieve synergies. Therefore, the Combined Targets do not represent a business plan of the Combined Group. On August 7, 2024, the Issuer announced to the market a review of certain doValue Standalone Targets for 2024 but confirmed validity of the Combined Targets (the doValue Standalone Targets, the Combined Targets and the Gardant Group Targets collectively the "**Targets**"). These updates reflect primarily the effects of the postponing in 2025 of certain secondary sales in Greece. To the Issuer's knowledge, the Targets are valid as of the Prospectus Date. The Group's achievement of its financial Targets, especially the Combined Targets, is subject to significant uncertainties due to external factors and challenges related to the Gardant Group Acquisition. These Targets depend on assumptions, such as new business mandates across different regions, stable debt levels, successful integration of Gardant, and realization of synergies. However, if the assumptions do not hold, it may adversely impact the Group's financial health. Integration risks include delayed or incomplete IT and cost savings, which could hinder expected synergies. Additional risks include high implementation costs, limited financial resources, and external factors like regulatory changes. The failure to implement and execute its Business Plan in a timely manner or at all, to realize the cost savings or other benefits or improvements associated with this plan, to have the financial resources necessary to fund the costs associated with this plan or to incur costs in excess of anticipated amounts or to sufficiently assess and reassess its Business Plan, could have a material adverse effect on the Group's business, results of operations and financial condition. Should the operational and financial performance of the Group significantly deviate from the business dynamics assumed in the Business Plan, the Group's profit margins would deteriorate, potentially resulting in a negative impact on the return on investment in the Issuer's Shares.

The partial subscription of the Rights Issue and the inability to draw all the new banking facilities may compromise the ability to sustain the Combined Group's financial indebtedness in the medium term

The Group has significant financial indebtedness, with gross financial indebtedness of approximately €653.8 million as of September 30, 2024. This includes €266.2 million (of which €264.0 million as principal and €2.2 million as accrued interest) in 2025 Notes due on August 4, 2025, requiring refinancing within the next twelve months. The execution of the Gardant Group Acquisition and related financing transactions will result in an increase in the gross financial debt of the Group. The Group's gross pro forma financial indebtedness (giving effect to the Gardant Group Acquisition, the Rights Issue and the bank facilities entered into in connection with the Gardant Group Acquisition as part of the 2024 Senior Facilities Agreement), as of September 30, 2024 amounts to €714.4 million. The estimated Group's total net financial needs for the twelve months following the Prospectus Date, excluding any of the net proceeds of the Offer (although the Offer is characterized by underwriting commitments for a maximum amount equal to €79,553,005.07 pursuant to the Rights Offering Escrow) is approximately €41 million. Upon full subscription of the Rights Issue, the estimated net proceeds, approximately €142 million, will be used along with €110 million from the Refinancing Term Facility and cash of the Group to repay the 2025 Notes. The €150 million Rights Issue, approved in divisible form, is supported by a commitment from the Principal Shareholders and Committed Sellers for €82,508,191.51, with (a) €79,553,005.07 placed in escrow before the Offer Period and released within five business days from its start, and (b) up to €3 million is subject has been committed by Tiber to subscribe any New Rights Issue Shares not purchased by Other Minority Shareholders, subject to the condition of non-triggering a mandatory tender offer. A Pre-Underwriting Agreement with Joint Global Coordinators covers the remaining €67,491,808.17 million. If the Joint Global Coordinators or Tiber do not fulfil their commitments, the Issuer may need to revise its repayment plan, affecting available cash for its strategy and funding needs. Access to the €206 million Refinancing Term Facility, critical for the Issuer's financial strategy, is subject to strict conditions. These include securing at least €150 million in total funding, comprising a minimum of €82.5 million from the Rights Issue, up to €30 million from the Issuer's available cash reserves (€91 million as of September 30, 2024), and additional cash proceeds from the sale or issuance of equity or quasi-equity instruments subscribed by third-party investors. If the Rights Issue is not fully subscribed and the Refinancing Term Facility is not drawn, the Issuer, considering the proceeds deriving from the Rights Offering Escrow, shall have to repay the 2025 Notes using the €80 million Revolving Facility, which is not contingent on the Rights Issue, and its existing cash reserves to repay r the 2025 Notes. Further, for the purpose of repaying the 2025 Notes the Issuer cannot **rule out the possibility** to issue new bonds, possibly also through an exchange offer with existing bondholders and/or **securing** new bank credit facilities. In light of the above, taking into account the limitations of the Refinancing Term Facility and depending on the final subscribed amount of the Rights Issue, any worsening in the Combined Group's economic and financial performance, which is subject to a variety of internal and external factors, and the inability of the Combined Group to adopt timely actions necessary to secure new financial resources, could compromise the sustainability of its indebtedness in the medium term.

There are risks associated with the variation in the Group's financial results, which may also limit the distribution of the Group's dividends

The Group's operational results are affected by external and internal factors such as market conditions, GBV under management, success in securing new servicing mandates, seasonal debt collection fluctuations and geopolitical uncertainties. The Group's EBITDA decreased from €199 million in 2022 to €175 million in 2023, mainly due to losing a major client in Spain, slower ramp-up of new contracts, and lower revenues in Italy and Greece. For the nine months ended September 30, 2024, EBITDA was €92 million down from €115 million in 2023. For the financial year ending December 31, 2023, the Group reported EBITDA Ex-NRIs of €179 million, with an EBITDA Ex-NRIs margin of 37.2%, compared to €204 million for the financial year ending December 31, 2022, with an EBITDA Ex-NRIs margin of 37.0% (both EBITDA Ex-NRIs and EBITDA Ex-NRIs margin for the financial year ending December 31, 2022 exclude the contribution of doValue Portugal, which was divested by the Group on July 24, 2024). As of September 30, 2024, the Group recorded an EBITDA Ex-NRIs of €96 million, with a margin of 30.5%, compared to €117 million for the same period in 2023, with a margin of 35.3% (both EBITDA Ex-NRIs and EBITDA Ex-NRIs margin for the nine months ended September 30, 2023 exclude the contribution of doValue Portugal, which was divested by the Group on July 24, 2024). As for the Combined Targets, the Group expects revenue and income to stand between €605 to €625 million with an EBITDA ex NRIs margin of approximately 40%-41%. If the assumptions underlying the Business Plan prove incorrect, the Group's expected results could be materially impacted, potentially jeopardizing the earnings turnaround expected for 2026 and negatively affecting investment returns. The Group faces the risk of achieving lower-than-expected margins, potentially affecting its ability to service obligations and debt. The Group may face difficulties sustaining existing debts, obtaining new loans, or renewing existing ones on acceptable terms. In addition, the Group's ability to distribute dividends is restricted by its financing agreements, specifically the 2024 Senior Facilities Agreement, which prohibits dividend distributions unless certain conditions are met, such as the full redemption or refinancing of the 2025 and 2026 Notes and a Consolidated Net Leverage Ratio not exceeding 3.25:1.00. Failure to refinance debt or comply with covenants could prevent dividend distribution. These risks could materially impact the Group's business, operations, and financial condition, adversely affecting investment returns.

The valuation of the Group's and the Gardant Group's goodwill and other intangible assets is susceptible to impairment under IFRS.

The valuation of the Group's and Gardant Group's goodwill and other intangible assets is subject to impairment under IFRS, with periodic impairment testing required at the time of preparing the consolidated financial statements and, under certain conditions, more frequently. As of September 30, 2024, the Group's total intangible assets amounted to €454,701 thousand (47% of total assets), with goodwill at €224,367 thousand (23% of total assets). The ratio of intangible assets to net equity was 3.9. The impairment test, conducted on Cash Generating Units (CGUs), identifies "value in use" as recoverable based on projected future cash flows approved in the Group's business plan, updated as of August 7, 2024. The impairment test for the Group was performed as of December 31, 2023, resulting in a recognition of an impairment loss of €26,111 thousand, and as September 30, 2024, without evidence of impairment. For Gardant the impairment test has been performed as December 31, 2023, without evidence of impairment instead as of September 30, 2024, when the impairment test has not been performed due to the absence of triggering events indicating the need for an impairment test. As of September 30, 2024 the comparison between the recoverable amount and the net book value of the CGUs (represented by the sum of the residual carrying amounts of all intangible assets allocable to the individual CGU, including goodwill, and deferred taxes) shows an excess of the recoverable amount over the net book value and does not result in impairment losses. Stress testing of the WACC and growth rate parameters confirmed no need for impairment across all regions. In January 2024, the Group's Board of Directors approved a restatement of €28,210 thousand for goodwill impairment and €14,541 thousand for the adjustment of deferred tax assets in the Iberia region, based on the preliminary 2024-2026 business plan for the Iberia region. In the Gardant Group, as of September 30, 2024, intangible assets totaled €206.6 million (54% of total assets), with goodwill at €159.5 million (42% of total assets). Any of the restatements made, or other restatements the Group may have to make in the future, may affect investor confidence in the accuracy of the value of goodwill, other intangible assets and deferred tax assets recorded on the Group's balance sheet or otherwise, and may adversely affect its reputation. In addition, the Group may be subject to additional regulatory inquiries, legal proceedings and other challenges, which could have a material adverse effect on its business, results of operations and financial condition.

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

The Group may fail to realize the anticipated benefits of the Gardant Group Acquisition, those benefits may take longer to realize than expected, and the Group may encounter significant integration difficulties which could cause delays to implement its strategy on its anticipated timeline.

On April 26, 2024, the Group agreed to acquire 100% of Gardant for approximately €230 million to consolidate doValue's leadership in Italy, enhance partnerships with banks and investors, and diversify the Group's product offering, including expansion into UTP and asset management. The acquisition is expected to accelerate the Group's revenue diversification process and its deleveraging targets. The success of this acquisition depends on the Group's ability to integrate Gardant effectively. Key integration challenges include extending operating, risk, and IT systems to Gardant's operations, managing increased personnel costs, upgrading IT systems, acquiring new software and hardware, and aligning business models and IT systems. These challenges could impact the Group's profitability and operational efficiency. Additionally, the integration of new activities such as asset management, which the Group has not previously performed, may present difficulties and affect business standards. Significant management resources will be required for integration, potentially distracting from day-to-day operations. Failure to effectively integrate Gardant could prevent the Group from achieving anticipated growth opportunities, synergies, and financial targets, negatively impacting business results and investment returns in the Shares. Additionally, the Gardant Group Acquisition may force the Group to execute contingent payments based on future events due to the fulfilment of agreements with put/call options that may require additional cash outlays and potential tax liabilities. Despite indemnities from the Sellers, the Gardant Group Acquisition may also expose the Group to potential undisclosed liabilities, as such indemnities may have limitations, and failure to meet procedural requirements could limit recoverable amounts. Moreover, under the Gardant SPA, the Issuer provided warranties limited to €80 million for fundamental breaches and 20% of the Consideration Receivable (as defined in the Gardant SPA) for specific warranties, which, if breached, could impact the Group's financial condition and prospects. If the liabilities are higher than expected or not properly managed, the Issuer may be subject to a claim for damages. Should the described events occur, they may result in a material adverse effect on the Group's business, results of operations, financial condition, or prospects.

The Group and the Gardant Group are reliant on the key terms and exclusivity provisions under their main servicing agreements.

The Group and Gardant Group primarily manage and recover non-performing loans (NPL) for banks and financial institutions, with revenues recognized on an accrual basis through complex IT management procedures. NPL servicing revenues accounted for approximately 66-67% of the Group's Gross Revenues from 2021 through September 30, 2024. Key servicing agreements with clients contributing 13.8% to total revenues as of September 30, 2024, are set to expire during the Business Plan period, potentially reducing Group's revenue streams. Macroeconomic conditions also pose risks: in a strong economy, fewer new NPLs are generated, reducing opportunities for revenue; in a weak economy, while more NPLs may exist, recovering these loans becomes more difficult, impacting collections. Additionally, no servicing agreements guarantee a minimum number of loans, and revenue from Forward Flow Agreements depends on client-generated NPL levels, influenced by factors beyond the Group's control. Failure to meet expected NPL flows could reduce fees and revenue. The Gardant Group faces similar operational and performance risks in REO, NPE, and Master Servicing. Master Gardant S.p.A. handles master servicing, while Special Gardant S.p.A. and Gardant Liberty S.p.A. manage special servicing. As of December 31, 2023, Gardant's assets under special servicing were €19.7 billion, and assets under master servicing were €38.4 billion. Collection Rates were 5.11% and 4.97% for 2023 and the first nine months of 2024. The termination of the Group's main servicing agreements, whether due to breaches, failure to meet KPIs, or other factors like a downgrade in the Group's servicer rating, could adversely affect the Group's business by reducing its portfolio size and necessitating layoffs.

The Group's and the Gardant Group's business success depends on engaging and retaining key clients. The loss of any key clients or a significant decrease in their respective business with the Group and the Gardant Group could have a material adverse effect on their business, results of the Group's operations, financial condition or prospects.

The Group derives a significant portion of its revenues from a limited number of key customers, with the top five accounting for 42% of Gross Revenues and 16.7% of GBV under management as of September 30, 2024. Accordingly, the Group's revenue generation relies heavily on key customers renewing contracts; non-renewal or termination, as seen with the loss of the agreement with Sareb (which generated 12% of 2021 revenues) and the upcoming UniCredit agreement termination (impacting 5.2% of September 30, 2024 revenues), could materially and adversely affect its financial performance. The Group often needs to renegotiate contracts due to changes in client relationships or structural shifts like acquisitions, which may result in less favourable terms and impact revenues. For instance, the Servicing Agreement with Santander, contributing 8% of the Group's Gross Revenues in 2023, expires on December 31, 2025, and its renewal is uncertain. Failure to renew such contracts could materially affect the Group's financial condition. Agreements with state-owned or regulated entities pose additional challenges due to required approvals outside the Group's control. Similarly, the Gardant Group relies heavily on key clients, with top customers accounting for 27% and 47% of Gross Revenues as of December 31, 2022 and September 30, 2024, respectively. Loss of these key clients or failure to renew contracts on favourable terms could materially impact both the Group's and Gardant Group's business, results of operations, financial condition, or prospects.

RISKS RELATED TO THE LEGAL AND REGULATORY FRAMEWORK

A failure to comply with applicable laws, regulations, licenses and codes of practice applicable to the Group's and the Gardant Group's business or changes in such provisions could have a material adverse effect on their business.

The Group is subject to complex regulatory and compliance requirements across multiple European markets, including labor laws, consumer credit regulations, data protection, anti-corruption, and anti-money laundering statutes. Following the implementation of the new NPL Directive, effective as of December 29, 2023, entities performing credit servicing must obtain authorization and comply with specific requirements, potentially increasing costs and affecting the Group's financial position. Greece and Italy have transposed the NPL Directive, but its practical implementation remains uncertain, potentially increasing competition and impacting the Group's business. In Italy, credit servicing is regulated for securitization transactions, with new provisions under the NPL Directive introducing more stringent requirements, possibly affecting unregulated debt collection agencies. The impact of new regulations in various jurisdictions could hinder the Group's operations or increase competition, adversely affecting its business, results, and financial condition. The Gardant Group also operates under complex Italian and European laws related to securitization, credit servicing, and asset management. Gardant's activities are governed by Law 130/1999 and state-backed programs like GACS, adding regulatory oversight. Gardant Investor SGR operates under AIFMD, requiring compliance with strict European financial regulations. Failure to comply with these evolving regulations could result in audits, fines, license revocation, or operational restrictions, adversely affecting the Group's reputation, business and financial condition.

Section C – Key Information On The Securities

C.1 – What are the main features of securities?

C.1.1	**Type, Class And ISIN**: The New Shares will be ordinary shares in the share capital of the Issuer,-will have regular dividend entitlement and will be fungible with the outstanding Shares at the date of their issue. The New Shares will have the ISIN code IT0005610958. During the Offer Period (including the trading period of the Rights on Euronext Milan) the Rights will have the ISIN code IT0005619496. The Rights not exercised at the end of the Offer Period will be offered on the STAR Segment of Euronext Milan with the ISIN code IT0005619504.
C.1.2	**Currency and par value**: The New Shares are denominated in and will trade in Euro on the STAR segment of Euronext Milan.
C.1.3	**Rights Attached To The Shares**: The New Shares have the same characteristics and grant the same rights as each other. Each New Share confers a right to cast one vote at the Issuer's ordinary and extraordinary shareholders' meeting (except for those situations in which voting rights are suspended pursuant to applicable law). There are no restrictions on voting rights attaching to the New Shares. Holders of the New Shares will be entitled to receive dividends or other distributions declared, made or paid on them, if any. Holders of the New Shares have a right of pre-emption in proportion to their respective shareholdings, that will be granted also in case of other issuance of shares made by the Issuer. Such a pre-emptive right may, however, be excluded or limited under certain circumstances provided for by Italian law. No guarantee is attached to the New Shares.
C.1.4	**Dissolution And Liquidation**: If the Issuer is dissolved or liquidated, the New Shares entitle their holders to participate in the distribution of capital resulting from the liquidation of the Issuer only after all of the Issuer's creditors have been satisfied. Recovery and resolution proceedings under Directive 2014/59/EU of the European Parliament and of the Council are not applicable to the Issuer.
C.1.5	**Restrictions on free transferability of the New Shares**: As of the Prospectus Date there are no limitation on the free transferability of the New Shares pursuant to law or the Issuer's By-laws.
C.1.6	**Dividend Policy**: On September 26, 2024, the Issuer's Board of Directors approved a new dividend policy for the Group, which, assuming the occurrence of the Gardant Group Acquisition Completion, aims to distribute between 50% and 70% of the Group's consolidated net income, excluding non-recurring items (ex-NRI), beginning in 2026, based on the 2025 financial statements and subject to financial covenants. Dividend distribution decisions for 2025, based on the 2024 financial statements, will be contingent on prevailing market conditions, the refinancing of the 2026 Notes, and the progress of the Gardant Group's integration into the Group. Furthermore, the 2024 Senior Facilities Agreement includes a prohibition on dividends distributions, unless the following conditions are met: (i) the 2025 Notes and the 2026 Notes are redeemed and/or refinanced in full, (ii) such payments or distributions are consistent with the Group dividend ordinary policy disclosed to the market; and (iii) the Consolidated Net Leverage Ratio, calculated on a pro forma basis at the end of the most recently ended relevant period for which semi-annual financial statements are required to be delivered to the facility agent pursuant to the 2024 Senior Facilities Agreement and taking into account the proposed payment or distribution as if it had been made at the beginning of that relevant period, does not exceed 3.25:1.00.

C.2 – Where will the securities be traded?

The New Shares will be admitted to trading on the STAR segment of Euronext Milan in the same manner as the Issuer's ordinary shares outstanding as of the Prospectus Date.

C.3 – What are the key risks that are specific to securities?

The most significant risk factors in relation to the New Shares are set out below.

RISKS RELATED TO THE OFFER

The market for the Shares and the Rights may be volatile or illiquid, and a decline in the free float below 20% could result in exclusion from the STAR segment of Euronext Milan.

The Shares which are the subject of this Prospectus comprise (i) the shares resulting from the conversion of Convertible Bonds, and (ii) the shares resulting from the exercise of the Rights in the Rights Issue. On November 6, 2024 the Board approved the issuance of 4,000,000 Convertible Bonds to be subscribed by the Sellers, which will automatically convert into 4,000,000 shares of the Issuer, representing 20% of the share capital post-conversion. Both the Conversion Shares and New Rights Issue Shares will share the same characteristics as the existing shares of the Issuer and will trade on the STAR segment of Euronext Milan. However, there is no guarantee of a liquid market for the Shares or Rights, and their prices may fluctuate significantly due to external factors like geopolitical tensions, macroeconomic uncertainties, and industry changes. The trading prices may also be affected by substantial sales of Rights or Shares, or the perception of such sales and the price of the Rights may fluctuate more significantly than the Shares, influenced by various factors, including the Shares' performance. Additionally, the price of both the Rights and the Shares may be impacted by shareholders choosing to sell their Rights instead of exercising them. Significant fluctuations in the trading volume or price can impact investors' ability to sell their securities at or above the purchase price, leading to potential losses. As of the Prospectus Date, the Principal Shareholders collectively hold 41.847% of the Issuer's share capital. To remain in the STAR segment, the Issuer must maintain a free float of at least 20% of its share capital. If the Underwriting Agreement is terminated and only the Principal Shareholders, Tiber, and Management Sellers subscribe to the New Rights Issue Shares, the free float could fall below 20%. Failure to restore the 20% free float within the required timeframe could lead to the Issuer's exclusion from the STAR segment, restricting its shares to trade only on Euronext Milan. This would result in the loss of visibility benefits associated with the STAR segment, potentially causing reputational damage and reducing investor interest in the Issuer.

Shareholders will suffer dilution as a consequence of the issuance of the Conversion Shares. Shareholders who do not exercise in full their Rights will be diluted.
The Convertible Bonds will be automatically converted into 4,000,000 Conversion Shares within three trading days following the Gardant Group Acquisition Completion, resulting in a 20% dilution in all Shareholders' ownership in the Issuer's share capital. The New Rights Issue Shares will be offered pro rata to all shareholders and Bondholders under Article 2441, paragraph 1, of the Italian Civil Code. Shareholders who fully exercise their Rights will avoid dilution of their ownership after the issuance of the Conversion Shares. However, those who do not exercise their Rights will face dilution. The total dilution for these Shareholders, calculated on the post-issuance share capital, will be at least 63.24% if the Offer is fully subscribed, and at least 48.62% if only the New Rights Issue Shares tied to Shareholders Irrevocable Undertakings are subscribed. The exact percentage of dilution for Shareholders who do not exercise their Rights, based on the Subscription Price, will be disclosed in a notice filed with CONSOB and published on the Issuer's website.

The obligations set forth into the Shareholders Irrevocable Undertakings and in the Pre-Underwriting Agreement, respectively, are conditional upon the occurrence of certain events and may be terminated.
On June 7, 2024, the Principal Shareholders, Tiber, and the Management Sellers entered into Shareholders Irrevocable Undertakings. As of the Prospectus Date, the Principal Shareholders (or any affiliate to whom they have transferred their shareholding before the commencement of the Offer) agreed to deposit their respective Euro amounts into escrow before the Offer Period, which will be released within five business days after the commencement of the Offer Period. Part of the base consideration for the Gardant Group Acquisition will be transferred by the Issuer into a fiduciary bank account to fund Tiber and Management Sellers' subscription of New Rights Issue Shares. The Shareholders Irrevocable Undertakings are subject to the following conditions precedent, which can be waived at the Principal Shareholders' discretion: (i) Gardant Group Acquisition Completion, and (ii) execution of the Underwriting Agreement. On June 7, 2024, the Joint Global Coordinators entered into a Pre-Underwriting Agreement with the Issuer. They are expected to subscribe up to €67,491,808.17 of New Rights Issue Shares that remain unsubscribed at the end of the Offer. The conditions for this commitment include, among others, a reverse stock split, issuance of Convertible Bonds, agreement on the timing and terms of the Offer, obtaining necessary permits and approvals, and completion of due diligence. Furthermore, the Underwriting Agreement will allow the Joint Global Coordinators to withdraw under specific circumstances, such as material adverse changes, suspension or limitation of trading, certain breaches of representations and undertakings under the Underwriting Agreement by the Issuer, and other significant events, such as the publication of a supplement to this Prospectus. If the Gardant Group Acquisition Completion will not occur, the Issuer does not intend to proceed with the Rights Issue. In the event that the Underwriting Agreement is terminated, it cannot exclude that any worsening in the Combined Group's economic and financial performance, which is subject to a variety of internal and external factors, and the inability of the Combined Group to adopt timely actions necessary to secure new financial resources, could compromise the sustainability of its indebtedness in the medium term. The occurrence of any of these events could have a significant negative impact on the prospects for returns on the investment in doValue shares and the business, operating results and financial condition of the Group.

Section D – Key Information On The Offer Of Securities To The Public And The Admission To Trading On A Regulated Market

D.1. – Under which conditions and timetable can I invest in the Shares?

D.1.1 **General terms and conditions of the Offer**: Each Shareholder will receive 1 (one) Right for every ordinary Share held and each Bondholder will receive 1 (one) Right for every Convertible Bond held. On November 18, 2024, the Board of Directors resolved to offer a minimum of 34,401,997 New Rights Issue Shares with pre-emptive subscription rights for the existing Shareholders and Bondholders, for a maximum subscription price of €4.36 (the "**Maximum Subscription Price**"), at the ratio of 23 New Rights Issue Shares for every 13 Rights, calculated on the basis on the Maximum Subscription Price. The subscription price for the Offer will not exceed the Maximum Subscription Price. The total amount of the Offer calculated on the basis of the Maximum Subscription Price is equal to €149,992,706.92. The Subscription Price, together with the maximum number of New Rights Issue Shares to be offered pursuant to the Rights Issue, the maximum amount of the Rights Issue, the final subscription ratio, the amount of outstanding Shares after the Offer and the issue of the Conversion Shares in case of full subscription of the Rights Issue and the percentage of dilution resulting from the Offer for Shareholders who do not exercise their Rights, will be announced by notice filed with CONSOB and made available to the public on the Issuer's website (www.dovalue.it) pursuant to Articles 17, paragraph 2, and 21, paragraph 2, of the Prospectus Regulation. The Issuer will announce the publication of such notice as set forth in Chapter I, Title II, Part III, of the Issuers' Regulations by the start of the trading day prior to the start of the Offer Period.

The expected timetable of the Offer is expected to be the following:

Event	Date
Offer Period and trading of Rights on the STAR segment of Euronext Milan commences.........................	November 25 , 2024
Trading of Rights ceases on the STAR segment of Euronext Milan...	December 6, 2024
Expiration of the Offer Period and the term to subscribe for the New Rights Issue Shares.........................	2:00 p.m. on December 12, 2024
Publication of the Offer's results..	Within five business days of the conclusion of the Offer Period

Rights that are neither sold on the Euronext Milan nor exercised within the Offer Period will expire without compensation to the relevant holders and will be offered by the Issuer to the public for a period of at least two trading days in the Rights Auction on Euronext Milan pursuant to Article 2441, paragraph 3, of the Italian Civil Code, unless the Rights have already been sold in full.
This timetable is indicative and may be subject to changes if some events or circumstances outside the Issuer's control occur, which could prejudice the success of the Offer. Any change (if any) to the Offer Period will be announced by press release to be published on the system for dissemination of regulated information and in the Issuer's website (www.doValue.it).
The Offer is supported by (i) a commitment from the Principal Shareholders and the Committed Sellers to subscribe for an amount of €82,508,191.51, of which, €79,553,005.07 will be deposited in escrow before the Offer Period and released to the Issuer within five business days after the commencement of the Offer Period (the "**Shareholders Irrevocable Undertakings**") and (ii) a pre-underwriting agreement by with the Joint Global Coordinators (the "**Pre-Underwriting Agreement**"), which, severally and not jointly, are expected to enter into an underwriting agreement governed by Italian law for the balance of €67,491,808.17 (the "**Underwriting Agreement**").

D.1.2 **Details of admission to trading on a regulated market and allocation plan**: As of the Prospectus Date, the Issuer's Ordinary Shares are admitted to trading on the STAR segment of Euronext Milan. The New Shares will be traded automatically, pursuant to Article 2.4.1, paragraph 7, of the Stock Exchange Regulations and Article IA.2.1.9, paragraph 3, of the related instructions, on the same market where the Issuer's shares are already admitted to trading, organized and managed by Borsa Italiana.

D.1.3 **Dilution**: The issuance of the 4,000,000 Conversion Shares will lead to a dilution of the Shareholders' ownership interest in doValue's share capital as at the date hereof equal to 20%. In connection with the Rights Issue, Shareholders who fully exercise all of their Rights to subscribe for the New Rights Issue Shares will not experience any dilution of their proportional ownership in the Issuer's share capital, even after the additional Conversion Shares have been issued. Shareholders who do not exercise their Rights in full would suffer a total dilution (calculated on the Issuer's share capital as resulting after the issuance of the Conversion Shares) of: (i) a minimum of 63.24% assuming the full subscription of the Offer and (ii) a minimum of 48.62%, assuming only the subscription of the New Rights Issue Shares related to the Shareholders Irrevocable Undertakings.

D.1.4 **Estimated Expenses**: Total expenses related to the Offer, including maximum commissions payable to the Joint Global Coordinators and other costs, are expected to amount to €8 million, equal to approximately 5.3% of the maximum amount of the Offer.

D.2 – Who is the offeror and/or the person asking for admission to trading?

The Issuer is the entity requesting the admission of the Shares to trading.

D.3 – Why is this Prospectus being produced?

D.3.1 **Reasons For The Offer And Admission**: Given that the 2025 Notes mature on August 4, 2025, the net proceeds from the Offer will be used to support the reduction of the Group's indebtedness which will increase further due to the drawdown of the Acquisition Term Facility needed for the Gardant Group Acquisition.
Net Proceeds: The estimated net proceeds from the Offer are approximately €142 million after expenses, assuming full subscription. Total expenses, including maximum commissions, are expected to be around €8 million (5.3% of the Offer). The net proceeds of the Offer will be used, along with €110 million from the Refinancing Term Facility and €14.2 million of available cash for the remaining amount, to repay the 2025 Notes plus accrued interest, which, as of September 30, 2024 amounted to €266.2 million, of which €264.0 million as principal and €2.2 million as accrued interest. In the event that the Underwriting Agreement is terminated and the proceeds from the Rights Issue will not be sufficient to meet the conditions for borrowing under the Refinancing Term Facility, the Issuer cannot exclude that a deterioration of the Combined Group's performance or an inability of the Combined Group to adopt timely actions necessary to secure new financial resources would make its indebtedness unsustainable in the medium term.

D.3.2 **Underwriting Agreement And Other Irrevocable Undertakings:**
(i) With reference to the New Rights Issue Shares, pursuant to the Pre-Underwriting Agreement, immediately prior to the commencement of the Offer and subject to the satisfaction of certain terms and conditions, it is envisaged that the Joint Global Coordinators will enter into the Underwriting Agreement. According to the Pre-Underwriting Agreement, the undertaking of each Joint Global Coordinator to enter into the Underwriting Agreement shall be subject to the following conditions: a) the Issuer must complete, prior to the launch of the Rights Issue, a reverse stock split in a ratio of 1 new share for every 5 existing shares (the "**Reverse Stock Split**"); b) the Convertible Bonds must be duly issued, fully subscribed, and paid, with the Reserved Capital Increase aimed at its conversion approved by the shareholders' meeting; c) the Issuer and the Joint Global Coordinators must agree in good faith on the timing of the Offer, on the option ratio of the Rights Issue and on the Subscription Price; d) the Issuer and the Joint Global Coordinators must agree on the terms and condition of the Underwriting Agreement, which shall be customary; e) the Issuer must obtain all permits, consents, approvals and authorisations (corporate, regulatory, third-party or otherwise) for the issuance of the Convertible Bonds, the Reserved Capital Increase, and the Rights Issue (including, any and all authorizations from the relevant competent corporate bodies of the Issuer and CONSOB); f) the Issuer must prepare an Offering Circular and a Prospectus for the Rights Issue in compliance with applicable laws and regulations, with the Prospectus approved by CONSOB; g) completion of customary management, legal, accounting, financial, and business due diligence by the Joint Global Coordinators; h) the Principal Shareholders Irrevocable Undertakings shall not be suspended, revoked, withdrawn or made null and void prior to the execution of the Underwriting Agreement; i) the Gardant SPA shall remain in full force and effect without amendments to the Gardant Group Acquisition structure; l) the 2024 Senior Facilities Agreement shall provide for the Acquisition Facility and the Refinancing Facility having been signed and remaining in full force and effect without amendments to their terms; m) the absence of any fact or circumstance impeding the drawdown of the Acquisition Term Facility; n) the Issuer, directly or through a third party, shall conduct Investors' Engagement Activities (as defined in the Pre-Underwriting Agreement), and based on feedback Mediobanca and UCI, acting in good faith and considering market practice for such transactions, shall be satisfied that the Rights Issue can be successfully completed; o) there must not have been any material adverse change affecting the financial, operational, or legal conditions of the Issuer, Gardant, or their respective groups that could prejudice the successful completion of the Rights Issue or make it impracticable to proceed; p) there must not have occurred: (A) (i) material adverse change in the financial markets in the United States, Italy, the European Economic Area ("**EEA**") or the United Kingdom and (ii) outbreaks or escalations of hostilities, war, act of terrorism, declarations of a national emergency or martial law or other calamity or crisis; (B) (i) suspension or material limitation of trading in any securities of the Issuer for a period of at least 1 (full) trading day other than due to (a) the announcement and/or the implementation of the Rights Issue; (b) technical reasons; (ii) a suspension or material limitation of trading generally on the Italian Stock Exchange, the New York Stock Exchange or the London Stock Exchange, or; (iii) the fixing of minimum or maximum prices for trading, or maximum ranges for prices of securities by any of the exchanges or governmental authority set out in the previous paragraph; or (iv) a material disruption in commercial banking or securities settlement or clearance services in the United States, United Kingdom, Italy or other jurisdictions in the EEA; (C) a general moratorium on commercial banking activities declared by the United States, United Kingdom, Italy, or any other member of the EEA; p) (i) the representations and warranties

given by the Issuer must be true and accurate at the time they are expressed to be made and remaining true and accurate, and (ii) except in case of breach of slight importance ("*inadempimento di scarsa importanza*") under the meaning of Article 1455 of the Italian Civil Code, the Issuer shall have duly performed its undertakings pursuant to the Pre-Underwriting Agreement; q) other than in connection with the Reverse Stock Split, the Rights Issue and the Reserved Capital Increase, there must not have occurred changes in share capital, announcements of dividend distributions or special dividend distributions in relation to the Issuer; and r) the Principal Shareholders must enter into a lock-up agreement, valid for 180 days after the settlement of the Rights Issuer.

Pursuant the Underwriting Agreement each of the Joint Global Coordinators will undertake to underwrite any New Rights Issue Shares not subscribed for by the end of the Offer at the Subscription Price up to an aggregate amount of €67,491,808.17.

The Underwriting Agreement shall contain the following clauses that will give the Joint Global Coordinators the right to withdraw from the Underwriting Agreement, by notice to the Issuer, at any time at or prior to the closing of the Rights Issue: a) upon the occurrence of any event which causes in the reasonable and good faith opinion of the Joint Global Coordinators having consulted with the Issuer, a material adverse change to the financial, operational or legal conditions, results of operations, earnings of the Issuer and the Group (taken as a whole), the effect (actual and/or prospective) of which would, in the good faith opinion of the Joint Global Coordinators, having consulted with the Issuer, materially prejudice the successful completion of the Offering; b) upon the occurrence of: (i) any material adverse change in the financial markets in the United States, the United Kingdom, Italy, the EEA or in the national or international financial, political, economic, monetary or market conditions or in the currency exchange rates or in the exchange controls; (ii) any outbreak or escalation of hostilities, war, act of terrorism, declaration of a national emergency or martial law or other calamity or crisis; (iii) a suspension or material limitation of trading of any securities of the Issuer for a period of at least 1 (full) trading day, other than due to (1) the announcement and/or the implementation of the Rights Issue; (2) technical reasons; (iv) a suspension or material limitation of trading generally on the Italian Stock Exchange the New York Stock Exchange or the London Stock Exchange, (v) the fixing of minimum or maximum prices for trading by any of the exchanges or governmental authority set out in the previous paragraph, (vi) a material disruption in commercial banking or securities settlement or clearance services in the United States, United Kingdom, Italy or other jurisdictions in the EEA; (vii) a general moratorium on commercial banking activities declared by the United States, Italy or any other member of the EEA, which, solely or taken together, the Joint Global Coordinators (having consulted with the Issuer) consider, acting in good faith, to be sufficiently material in the context of the Rights Issue such as to make it impracticable to proceed with the Rights Issue or that would materially prejudice the successful completion of the Offering; c) except in case of breach of slight importance ("*inadempimento di scarsa importanza*") under the meaning of Article 1455 of the Italian Civil Code, upon a breach by the Issuer of any of its undertakings in the Underwriting Agreement and/or (B) upon certain breaches of representations and undertakings under the Underwriting agreement by the Issuer; d) upon publication of a supplement to this Prospectus if following such publication, the amount of withdrawals made by the subscribers in the Rights Issue or the negative impact on demand in the Offering prior to the Closing Date, in the judgement of the Joint Global Coordinators (having consulted with the Issuer to the extent the Issuer is promptly available to participate in such consultation), would materially prejudice the successful completion of the Offering; e) upon the occurrence of any fact or circumstance impeding the Gardant Group Acquisition Completion; f) if, unless, waived, any of the conditions set forth in the Underwriting Agreement are not satisfied when due, or become no longer capable of being satisfied or waived; g) in case the Offer Period does not start on the first trading day discussed and agreed with Borsa Italiana at the time of subscription of the Underwriting Agreement.

Further to the above, on June 7, 2024, (i) the Principal Shareholders, Tiber and the Management Sellers (together with Tiber, the "**Committed Sellers**"), have agreed, on the terms set forth into their respective commitment documents, to subscribe for the New Rights Issue Shares which they will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code as Shareholders or holders of Convertible Bonds respectively for a maximum amount equal to €51,651,232.03 (the "**Principal Shareholders Undertaking**") and for a maximum amount equal to €27,901,773.04 (the "**Committed Sellers Undertaking**"), the maximum total amount being equal to €79,553,005.07, and (ii) Tiber has further undertaken, at the conditions set forth into the share purchase agreement relating to the acquisition of Gardant S.p.A. (the "**Gardant SPA**"), to subscribe for the New Rights Issue Shares to which certain minority shareholders of Gardant S.p.A. ("**Gardant**") will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code and not subscribed by them, for a maximum amount equal to €2,955,186.44 (the "**Tiber Underwriting Obligation**") The aggregate maximum amount of the Principal Shareholders Undertaking and the Committed Sellers Undertaking in item (i), with the Tiber Underwriting Obligation in item (ii) (collectively, the "**Shareholders Irrevocable Undertakings**") is equal to €82,508,191.51. Of this amount, €79,553,005.07 will be deposited into an escrow account, as follows: (i) €51,651,232.03 million from the Principal Shareholders will be deposited into an escrow account prior to the Gardant Group Acquisition Completion (the "**Principal Shareholders Rights Offering Escrow**"), and (ii) €27,901,773.04 will be transferred at the Gardant Group Acquisition Completion by the Issuer on behalf of the Committed Sellers as capital subscription payment ("*versamento a titolo di sottoscrizione di aumento di capitale*") in a dedicated fiduciary bank account opened with an escrow agent by the Issuer to the benefit of the Committed Sellers in order to fund the subscription of their respective New Rights Issue Shares (the "**Committed Sellers Rights Offering Escrow**").By no later than the 5th business day following commencement of the Offer, the Committed Sellers Rights Offering Escrow will be automatically released in order to pay in full the Committed Sellers' subscription of the new ordinary shares of the Issuer in the context of the Rights Issue.

The Principal Shareholders Undertaking, the Committed Sellers Undertaking and the Tiber Underwriting Obligation are irrevocable commitments. The Principal Shareholders Undertaking and the Tiber Underwriting Obligation are subject to certain conditions, such as for Tiber that the subscription of the New Rights Issue Shares does not require Tiber to launch a mandatory tender offer for the share capital of the Issuer. In particular, the Principal Shareholders Undertaking is conditional among others upon the 2024 Senior Facilities Agreement being in full force and effect. The Principal Shareholders can transfer shares and pre-emptive rights to affiliates, with specific joint liability clauses and escrow provisions. No fees are stipulated under the Shareholders Irrevocable Undertakings, while under the Underwriting Agreement the fees payable to the Joint Global Coordinators are included in the total expenses related to the Offer which, together with other costs, are expected to amount to approximately €8 million (representing approximately 5.3% of the maximum amount of the Offer). However, both the Shareholders Irrevocable Undertakings and the Underwriting Agreement are subject to the condition of the Gardant Group Acquisition Completion.

(ii) With reference to the Conversion Shares, this section is not applicable.

D.3.3. Lock-Up Arrangements

***Issuer's Lock-Up Arrangement*:** Pursuant to the Underwriting Agreement, the Issuer will agree with the Joint Global Coordinators that, from the date of the Underwriting Agreement to and including the day falling 180 days after the date of subscription for and payment of the Remaining Underwritten New Rights Issue Shares (if any) by the Joint Global Coordinators (the "Closing Date") or, if no Closing Date takes place, from the day falling 3 business days following the last day of the Rights Auction, or if no Rights Auction takes place, from the day falling 3 business days from the last day of the Offer Period, neither the Issuer nor any of its affiliates (as defined in Rule 501(b) of the Securities Act) (the "**Affiliates**") nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): a) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any New Rights Issue Shares or other shares of the Issuer, or any securities convertible into or exercisable or exchangeable for the New Rights Issue Shares or other shares of the Issuer or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any New Rights Issue Shares or other shares of the Issuers, or c) publicly announce such an intention to effect any such transaction. Notwithstanding the above, the following transactions are excluded from the lock-up limitation: (i) issuance, offer, or transfer of New Shares under the Rights Issue; (ii) issuance, offer, or transfer of shares related to existing or new management/employee stock option plans, in line with regulations and disclosed in the 2024 remuneration report;(iii) any capital increase without consideration; and (iv) any transactions required by authorities or to comply with applicable laws.

Principal Shareholders' Lock-Up Arrangement: In the context of the Offer, the Principal Shareholders will agree with the Issuer to abide by lock-up commitments (the "Principal Shareholders Restrictions") for a period of 180 days from the Closing Date or, if no Closing Date takes place, from the day falling 3 business days following the last day of the Rights Auction, or if no Rights Auction takes place, from the day falling 3 business days from the last day of the Offer Period, in respect of the New Rights Issue shares and other shares of the Issuer owned by them. Pursuant to the Principal Shareholders Restrictions, the Principal Shareholders shall not: a) directly or indirectly carry out sales operations, disposals and/or transactions which have as object and/or effect the assignment and/or transfer to third parties, with any entitlement or in any form, of the ownership or any other right over the New Rights Issue shares and other shares of the Issuer owned by them (or other financial instruments, including equity securities, which grant the right to purchase, subscribe, convert into, and/or trade with, New Rights Issue shares and other shares of the Issuer) or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing, as well as not to enter into derivative contracts on the New Rights Issue shares and other shares of the Issuer and/or in any case carry out transactions on derivative instruments that have the same effects, even only economic, of the transactions referred to above; b) promote and/or approve any share capital increase and/or issue of convertible bonds in (and/or exchangeable with) shares and/or vouchers for purchase/subscription of the New Rights Issue shares and other shares of the Issuer or of other instruments financial, even with voting rights, that confer the right to purchase, subscribe, exchange with or convert into New Rights Issue shares and other shares of the Issuer. Notwithstanding the above, the Principal Shareholders Restrictions shall not apply to: a) transactions involving New Rights Issue Shares and other Issuer shares with companies controlling, controlled by, or under common control with the Principal Shareholders (provided these companies commit to the same lock-up terms for the remaining period); and b) transfers of New Rights Issue Shares and other Issuer shares to an offeror in a public tender offer.

Sellers' Conversion Shares Lock-Up Arrangement: The Sellers will agree to abide by lock – up commitments ("**Sellers' Conversion Shares Transfer Restrictions**") for (i) a period of 12 months from the Gardant Group Acquisition Completion with reference to the Committed Sellers and (ii) a period of 6 months from the Gardant Group Acquisition Completion, with reference to the Other Minority Shareholders, in respect of the Conversion Shares. Pursuant to the Sellers' Conversion Shares Transfer Restrictions, the Sellers shall not: a) carry out any acts, agreements or arrangements, with or without consideration (including, without limitation, any sale, exchange, equity contribution, distribution in kind of dividends or equity reserves, granting and/or enforcement of pledges or other security, granting of any beneficial ownership rights, mergers, demergers, preliminary contracts, options, deferred performance contracts, donations, contributions to a trustee) that directly or indirectly (even with reference to transfers upstream to the relevant control chain) result in the voluntary transfer (even temporarily and/or on a fiduciary basis) of, or a commitment to transfer, or a restriction against transfer (even temporarily and/or on a fiduciary basis) the ownership (including bare legal title or ownership to) or any rights attaching to or interest in, or relating to, any Conversion Shares to any person other than the Issuer or another Seller previously owning such Conversion Shares; b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of the Conversion Shares; and c) enter into any derivative contract or transaction relating to the Conversion Shares that may have any of the consequences indicated in points a) and b) above (the "**Conversion Shares Transfer**"). The Sellers' Conversion Shares Transfer Restrictions shall not apply in the case of: (a) disposals resulting from mandatory legal provisions, judicial orders, or inheritance; (b) Conversion Shares Transfer by Tiber to its affiliates; (c) Conversion Shares Transfer by any Seller other than Tiber to entities under their control, controlling them, or under common control; (d) public takeover bids for the Issuer's shares directed to all shareholders pursuant to Article 123, para. 3 of the Consolidated Financial Act; (e) sales by Other Minority Shareholders of some or all of their Rights attached to Convertible Bonds, subject to specific conditions; or (f) sale by anyone of the Other Minority Shareholders of some or all of its Rights to a third party, provided that such Rights were offered in compliance with the procedure set forth under this lock- up agreement.

Committed Sellers' New Rights Issue Shares Lock-Up Restrictions: In the context of the Offer, the Committed Sellers will agree to abide by lock-up commitments (the "**Committed Sellers Restrictions**") for a period of 180 days from the Closing Date or, if no Closing Date takes place, from the day falling 3 business days following the last day of the Rights Auction, or if no Rights Auction takes place, from the day falling 3 business days from the last day of the Offer Period, in respect of the New Rights Issue Shares. The Committed Sellers' Restrictions, along with the following exceptions thereto, shall also apply *mutatis mutandis* to the New Rights Issue Shares subject to the Tiber Underwriting Obligation, where subscribed by Tiber. Pursuant to the Committed Sellers' Restrictions, the Committed Sellers shall not: a) directly or indirectly carry out sales operations, disposals and/or transactions which have as object and/or effect the assignment and/or transfer to third parties, with any entitlement or in any form, of the ownership or any other right over the New Rights Issue Shares (or other financial instruments, including equity securities, which grant the right to purchase, subscribe, convert into, and/or trade with, the New Rights Issue Shares), or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing, as well as not to enter into derivative contracts on the New Rights Issue Shares and/or in any case carry out transactions on derivative instruments that have the same effects, even only economic, of the transactions referred to above; b) promote and/or approve any share capital increase and/or issue of convertible bonds in (and/or

	exchangeable with) shares and/or vouchers for purchase/subscription of shares of the Issuer or other financial instruments, even with voting rights, that confer the right to purchase, subscribe, exchange with or convert into shares of the Issuer. Notwithstanding the above, the Committed Sellers Restrictions shall not prevent the Committed Sellers from: a) accepting a general offer for all Issuer shareholders on equal terms; b) transferring New Rights Issue Shares to an affiliate (which must assume similar lock-up commitments for the remaining period); and c) transferring New Rights Issue Shares if required by law, regulatory authority, or court order.
D.3.4.	**Material Conflict of interest pertaining to the Offer and the Admission**: Tiber and the Joint Global Coordinators have an interest in the Offer as it is expected that, if the New Rights Issue Shares will not be fully subscribed for by the end of the Offer, they will underwrite any New Rights Issue Shares not subscribed in the following manners: (i) Tiber will subscribe for a maximum amount equal to €2,955,186.44, pursuant to the Shareholder Irrevocable Undertaking of Tiber and (ii) the Joint Global Coordinators will subscribe for a maximum amount equal to €67,491,808.17, pursuant to the Underwriting Agreement. As of the Prospectus Date, the Joint Global Coordinators or their affiliates have an interest in the Offer as: (i) they are receiving and/or will receive commissions in connection with their roles as Joint Global Coordinators, in addition to their commitments under the Pre-Underwriting Agreement and, upon its execution, the Underwriting Agreement; (ii) each of the Joint Global Coordinators or their affiliates may provide a variety of different services, in the ordinary course of their business, in relation to the Offer and also in the context of the Gardant Group Acquisition and the Transactions (e.g., lending; financial advisory and/or investment services) to the Group, the Principal Shareholders, Elliott, their respective shareholders and/or subsidiaries and/or associated companies and/or other parties directly or indirectly involved in the Offer and/or other companies operating in the same business sector, and receive, or will receive, commissions or fees in connection with the provision of such services, and the entry into such agreements and transactions, including: (a) the 2020 Indenture and the 2021 Indenture entered into *inter alia* by the Issuer and UniCredit S.p.A., as security agent and in its role as representative (*rappresentante*) pursuant to article 2414-bis, third paragraph of the Italian Civil Code; (b) the Intercreditor Agreement; (c) the 2024 Senior Facilities Agreement entered into *inter alia* by the Issuer and UniCredit S.p.A. as agent and security agent and together with Mediobanca - Banca di Credito Finanziario S.p.A. as bookrunners, global coordinators and mandated lead arrangers, and by Intesa Sanpaolo S.p.A. and Banco BPM S.p.A. as mandated lead arrangers; (d) as of October 31, 2024, total credit lines to the Group from the consolidated corporate group to which UniCredit Bank GmbH, Milan Branch belongs amounted to approximately €79.2 million. Furthermore, the Issuer and UniCredit S.p.A. and, *inter alia*, by way of an accession agreement, UniCredit Bank GmbH, Milan branch, entered into the UniCredit Servicing Agreements according to which the Issuer shall service and manage certain existing NPLs of UniCredit S.p.A. and UniCredit Bank GmbH, Milan branch, as well as future flows of NPLs with a GBV not exceeding €2 billion. The consideration for the Issuer's services is composed, *inter alia*, of: (i) a base fee; (ii) a performance fee; and (iii) a variable discretionary over-performance fee. Certain of the Joint Global Coordinators and/or the companies respectively controlling, controlled or under common control could also, at any time, have short or long positions and trade, on their own account or on behalf of their clients, in equity or debt instruments, loans or other financial instruments (including derivative securities) of the Issuer, the Principal Shareholders and/or their affiliates and/or of other companies operating in the same business sector and/or other parties directly or indirectly involved in the Offer or in financial instruments (including derivative securities) whose value depends on the latter as well as enter into transactions of a similar nature involving loans provided to the Issuer, to the Principal Shareholders and/or to their affiliates and/or to other companies operating in the same business sector and/or to other parties directly or indirectly involved in the Offer.

NOTA DI SINTESI

(ITALIAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS)

La presente nota di sintesi (la "**Nota di Sintesi**"), redatta ai sensi dell'art. 7 del Regolamento 1129/2017, del Regolamento Delegato 979/2019 e del Regolamento Delegato 980/2019, fornisce le informazioni chiave di cui gli investitori necessitano per comprendere la natura e i rischi dell'Emittente, del Gruppo e dei titoli che sono offerti o ammessi alla negoziazione in un mercato regolamentato e deve essere letta insieme con le altre parti del Prospetto per aiutare gli investitori al momento di valutare l'opportunità di investire in tali titoli. I termini riportati con la lettera maiuscola hanno il significato loro attribuito nell'apposita sezione "**Glossary**" e "**Defined Terms**" del Prospetto.

Sezione A – Introduzione Contenente Avvertenze (ai sensi dell'articolo 7, comma 4, lettera (A), del Regolamento (UE) 1129/2017)

Denominazione dei titoli e codice internazionale di identificazione dei titoli (ISIN): azioni ordinarie di doValue S.p.A. (ISIN IT0005610958).
Identità e dati di contatto dell'Emittente e del soggetto che richiede l'ammissione alle negoziazioni sul mercato regolamentato, codice identificativo del soggetto giuridico (LEI): doValue S.p.A.; telefono: +39 0647979184; e-mail: dovalue.pec@actaliscertymail.it; sito web: www.doValue.it; codice LEI: 8156007AF7DB5FE05555.
Identità e dati di contatto dell'autorità competente che approva il Prospetto: Commissione Nazionale per le Società e la Borsa, con sede in Roma Via Giovanni Battista Martini, 3; telefono: +39 06 84771; email: protocollo@consob.it; sito web: www.consob.it.
Data di approvazione del Prospetto: 20 novembre 2024.

Si avverte espressamente che:

(i) questa Nota di Sintesi dovrebbe essere letta come un'introduzione al Prospetto;
(ii) qualsiasi decisione di investire nelle Nuove Azioni dell'Aumento di Capitale dovrebbe basarsi sull'esame del Prospetto considerato nella sua interezza da parte dell'investitore;
(iii) l'investitore potrebbe incorrere in una perdita totale o parziale del capitale investito;
(iv) qualora sia proposto un ricorso dinanzi ad un organo giurisdizionale in merito alle informazioni contenute nel Prospetto, l'investitore ricorrente potrebbe essere tenuto a sostenere le spese di traduzione del Prospetto prima dell'inizio del procedimento, a norma del diritto nazionale applicabile; e
(v) la responsabilità civile incombe solo sulle persone che hanno presentato la Nota di Sintesi, comprese le sue eventuali traduzioni, ma soltanto se tale nota risultasse fuorviante, imprecisa o incoerente se letta insieme con le altre parti del Prospetto o non offrisse, se letta insieme con le altre parti del Prospetto, le informazioni fondamentali per aiutare gli investitori al momento di valutare l'opportunità di investire nelle Nuove Azioni.

Sezione B – Informazioni Fondamentali sull'Emittente

B.1 – Chi è l'Emittente dei titoli?

B.1.1 **Domicilio, Forma Giuridica, Codice LEI, Ordinamento in base al quale opera e Paese in cui ha sede**: L'Emittente è doValue S.p.A., costituita come società per azioni disciplinata dall'ordinamento italiano. L'Emittente ha sede legale in Viale dell'Agricoltura 7, 37135, Verona (VR), Italia, ed è registrato presso il Registro delle Imprese di Verona al n. 00390840239 e numero REA VR-19260, con codice LEI 8156007AF7DB5FE05555.
Status di PMI dell'Emittente: Alla Data del Prospetto, l'Emittente rientra nella qualifica di Piccola e Media Impresa (PMI) ai sensi dell'Articolo 1, comma 1, lettera w-quater.1) del Decreto Legislativo n. 58/98 e dell'Articolo 2-ter del Regolamento Emittenti. La qualifica di PMI si basa sul non superamento della soglia di capitalizzazione di mercato pari a €1 miliardo in almeno uno dei tre anni consecutivi (2021, 2022 e 2023). La capitalizzazione di mercato è calcolata come la media semplice delle capitalizzazioni giornaliere (prezzo ufficiale moltiplicato per il numero di azioni) delle azioni ordinarie ammesse alla negoziazione su Euronext Milan. La perdita dello status di PMI si verifica solo se la soglia di capitalizzazione viene superata per tre anni consecutivi. Per ulteriori dettagli, si prega di fare riferimento ai dati disponibili nell'elenco delle PMI pubblicato da CONSOB sul suo sito web all'indirizzo www.consob.it/web/area-pubblica/emittenti-quotati-pmi.

B.1.2 **Attività principali**: L'Emittente è attualmente quotato sul segmento STAR di Euronext Milan. Al 31 dicembre 2023, il Gruppo è il principale operatore nell'Europa meridionale nell'ambito dei servizi di credit e real estate servicing in termini di asset in gestione e il più grande servicer per GBV degli asset in gestione in Italia, Grecia e Cipro. Il Gruppo è un partner strategico di lunga data di investitori istituzionali internazionali specializzati nell'investimento in portafogli di crediti e portafogli immobiliari, nonché di importanti istituzioni finanziarie di rilevanza sistemica. La clientela del Gruppo si compone di oltre 140 clienti pubblici e privati, inclusi investitori istituzionali e banche, tra cui UniCredit, Banco Santander, banche greche di rilevanza sistemica e vari fondi di credito privati quali Fortress, Bain Capital Credit LP e Cerberus. Il modello operativo del Gruppo è fondato su un approccio asset light che permette al Gruppo di limitare la propria esposizione al rischio di bilancio e al rischio di pricing delle proprie attività, nonché al rischio di tasso di interesse associato all'acquisto di portafogli. Grazie a questo approccio, il modello operativo del Gruppo rimane resiliente a fronte delle oscillazioni dei cicli economici. Il modello operativo del Gruppo comprende cinque principali business unit che coprono l'intera catena di valore della gestione dei crediti, offrendo ai propri clienti: (i) servicing di crediti non-performing, (ii) real estate servicing, (iii) servicing di crediti unlikely to pay, (iv) servicing di crediti early arrears e performing, e (v) servizi accessori o di altro genere. La tabella sottostante riporta i ricavi lordi del Gruppo divisi per business unit, per l'esercizio chiuso al 30 settembre 2023 e per i nove mesi conclusi al 30 settembre 2024.

	Per i nove mesi conclusi il 30 settembre, 2023	Per i nove mesi conclusi al 30 settembre 2024
	(*€ migliaia*)	
NPL Servicing	220.814	212.992
Real Estate Servicing	39.875	32.179
UTP Servicing	22.452	19.265
Early Arrears and Performing Loans Servicing	8.357	8.357
Value Added Services	43.657	43.910

Alla Data del Prospetto, l'Emittente sta finalizzando l'Acquisizione del Gruppo Gardant, che sarà completata prima dell'inizio dell'Offerta.

B.1.3 Le seguenti informazioni riguardanti i principali azionisti del Gruppo alla Data del Prospetto si basano sui risultati del libro soci dell'Emittente, e sulle comunicazioni ricevute ai sensi dell'Articolo 120 del TUF. La tabella sottostante riporta i principali azionisti del Gruppo alla Data del Prospetto.

Dichiarante (soggetto collocato al vertice della catena proprietaria)	% Partecipazione del Dichiarante	Azionisti	% Partecipazione degli Azionisti
Bain Capital Credit Member, LLC	13,58%	Sankaty European Investments S.A R.L.	13,58%
FIG Buyer GP, LLC	28,27%	Principal Holdings I LP	0,11%
		Adige Investments SARL	2,79%
		Avio SARL	25,05%
		FIG LLC	0,32%
		Fortress Operating Entity I LP	0,00%
Totale	**41,85%**	**Totale**	**41,85%**

La seguente tabella riporta i principali azionisti del Gruppo a seguito della conversione delle Obbligazioni Convertende in Azioni di Conversione. Le Obbligazioni Convertende sono state sottoscritte dai Venditori in via proporzionale alle rispettive partecipazioni detenute in Gardant a titolo di compensazione con le somme ad acconto dell'ammontare di €80 milioni, previsto dallo SPA di Gardant.

Dichiarante (soggetto collocato al vertice della catena proprietaria)	% Partecipazione del Dichiarante	Azionisti	% Partecipazione degli Azionisti
Bain Capital Credit Member, LLC	10,86%	Sankaty European Investments S.A R.L.	10,86%
FIG Buyer GP, LLC	22,61%	Principal Holdings I LP	0,09%
		Adige Investments SARL	2,23%
		Avio SARL	20,04%
		FIG LLC	0,25%
		Fortress Operating Entity I LP	0,00%
Paul E. Singer (nella sua qualità di ultimo soggetto controllante dei fondi che detengono partecipazioni in doValue S.p.A.)	17,75%	Tiber Investments S.à r.l	17,75%
Totale	**51,22%**	**Totale**	**51,22%**

Assumendo che (x) gli azionisti indicati nella tabella di cui sopra non acquisteranno azioni dell'Emittente al di fuori dell'Aumento di Capitale, (y) l'Aumento di Capitale sia integralmente sottoscritto senza alcuna sottoscrizione di Nuove Azioni dell'Aumento di Capitale da parte di Tiber e dei Sottoscrittori in conformità, rispettivamente, all'Obbligo di Sottoscrizione di Tiber e all'Accordo di Sottoscrizione; e (z) nessuno degli azionisti o Obbligazionisti trasferirà la propria partecipazione azionaria o parte delle Obbligazioni Convertende a nessuna delle loro affiliate prima dell'inizio dell'Offerta, e tenuto conto che, alla Data del Prospetto, l'Emittente possiede 555.385 azioni proprie che non riceveranno Diritti nel contesto dell'Offerta, al termine del Periodo di Offerta l'Emittente non si aspetta variazioni significative nella composizione dei principali azionisti indicati nella tabella sovrastante.

Alla Data del Prospetto, nessun azionista esercita il controllo sull'Emittente ai sensi dell'Articolo 2359, comma 1, punto 1) del Codice Civile Italiano e dell'Articolo 93 del Testo Unico della Finanza. A seguito dell'Offerta, assumendo che l'Aumento di Capitale sia interamente sottoscritto senza che gli Azionisti Garantiti sottoscrivano alcuna nuova azione emessa nell'ambito dell'Aumento di Capitale ai sensi dell'Accordo di Garanzia, nessun azionista è previsto esercitare il controllo sull'Emittente ai sensi dell'Articolo 93 del TUF.

B.1.4 **Amministratore Delegato**: Alla Data del Prospetto, Manuela Franchi è l'Amministratore Delegato dell'Emittente. L'Amministratore Delegato Manuela Franchi rimarrà in carica per un periodo di tre esercizi finanziari, fino all'approvazione del bilancio al 31 dicembre 2026.

B.1.5 **Revisori Indipendenti**: Alla Data del Prospetto, EY S.p.A. è il revisore indipendente dell'Emittente. EY S.p.A rimarrà in carica fino all'approvazione del bilancio al 31 dicembre 2024.

B.2 – Quali sono le informazioni finanziarie fondamentali relative all'Emittente?

B.2.1 Le seguenti tabelle presentano i dati selezionati dello stato patrimoniale consolidato, del conto economico consolidato e del rendiconto finanziario consolidato del Gruppo con riferimento alle date e agli esercizi finanziari ivi indicati. Le (i) informazioni finanziarie consolidate selezionate rispettivamente al 31 dicembre 2021, 2022 e 2023 e per gli esercizi chiusi a tali date sono state ricavate dai Bilanci Consolidati Revisionati, (ii) le informazioni finanziarie consolidate selezionate al 30 settembre 2024, nonché per i nove mesi rispettivamente chiusi al 30 settembre 2023 e 30 settembre 2024 sono state ricavate dai Bilanci Consolidati Intermedi Non Revisionati e (iii) le informazioni finanziarie consolidate pro-forma non assoggettate a revisione al 30 settembre 2024, per i nove mesi chiusi a tale data e per l'esercizio chiuso al 31 dicembre 2023 sono state ricavate dalle Informazioni Finanziarie Pro-Forma Consolidate non Assoggettate a Revisione.

Informazioni finanziarie consolidate selezionate ricavate dallo stato patrimoniale

	Al 31 dicembre			**Al 30 settembre**	**Pro-forma al 30 settembre**
	2021	**2022**	**2023**	**2024**	**2024 non assoggettato a revisione**
			(€ migliaia)		
Totale attività non correnti	754.472	743.462	650.695	617.850	881.226
Totale attività correnti	430.134	383.123	380.853	343.226	377.141
Attività detenute per la vendita	30	13	16	10	10
Totale attività	**1.184.636**	**1.126.598**	**1.031.564**	**961.086**	**1.258.377**
Patrimonio netto attribuibile agli azionisti dell'Emittente	156.645	136.559	53.031	57.371	208.416
Patrimonio netto attribuibile a soci di minoranza	37.358	44.361	51.660	57.755	84.336
Totale patrimonio netto	**194.003**	**180.920**	**104.691**	**115.126**	**292.752**
Totale passività non correnti	739.957	715.344	689.640	422.061	738.409
Totale passività correnti	250.676	230.334	237.233	423.899	227.216
Passività associate ad attività detenute per la vendita	—	—	—	0	-
Totale passività	**990.633**	**945.678**	**926.873**	**845.960**	**965.625**
Totale patrimonio netto e passività	**1.184.636**	**1.126.598**	**1.031.564**	**961.086**	**1.258.377**

Informazioni finanziarie consolidate selezionate ricavate dal conto economico

	Per l'esercizio chiuso al 31 dicembre,			**Pro-forma per l'esercizio chiuso al 31 dicembre**	**Per i nove mesi conclusi al 30 settembre,**		**Pro-forma per i nove mesi conclusi al 30 settembre**
	2021	**2022**	**2023**	**2023 non assoggettato a revisione**	**2023**	**2024**	**2024 non assoggettato a revisione**
				(€ migliaia)			
Ricavi totali	**565.139**	**559.780**	**481.705**	**572.334**	**336.658**	**318.039**	**411.224**
Costi totali	**(496.216)**	**(448.806)**	**(418.693)**	**(512.800)**	**(311.860)**	**(284.574)**	(366.048)
Reddito operativo	**68.923**	**110.974**	**63.012**	**59.534**	**24.798**	**33.465**	**45.176**
(Oneri)/proventi finanziari	(22.337)	(49.757)	(37.130)	(56.502)	(20.935)	(18.992)	(29.857)
Utile (perdita) da partecipazioni	83	-	768	756	0	(2.959)	(2.959)
Utile (perdita) prima delle imposte	**46.669**	**61.217**	**26.650**	**3.788**	3.863	**11.514**	**12.360**
Imposte sul reddito (onere)/beneficio	(13.496)	(34.742)	(40.291)	(41.968)	(29.797)	4.921	(2.618)
Utile (perdita) netto da operazioni continuative	**33.173**	**26.475**	**(13.641)**	**(38.180)**	**(25.934)**	**16.435**	**9.742**
Utile (perdita) netto del periodo	**33.173**	**26.475**	**(13.641)**	**(38.180)**	**(25.934)**	**16.435**	**9.742**
Utile (perdita) del periodo attribuibile agli azionisti della società madre	*23.744*	*16.502*	*(17.830)*	*(44.683)*	*(25.667)*	*10.341*	*(1.484)*
Utile (perdita) del periodo attribuibile a interessi di minoranza	*9.429*	*9.973*	*4.189*	*6.503*	*(267)*	*6.094*	*11.227*

Informazioni finanziarie consolidate selezionate ricavate dal rendiconto finanziario

	Per l'esercizio chiuso al 31 dicembre,			**Per i nove mesi conclusi al 30 settembre,**	
	2021	**2022**	**2023**	**2023**	**2024**
			(in € migliaia)		
Flusso di cassa generato dalle operazioni	123.604	62.302	71.508	15.508	10.214
Flusso di cassa utilizzato nelle attività di investimento	(64.766)	(31.057)	(21.361)	9.171	15.527
Flusso di cassa utilizzato nelle attività di investimento	(24.656)	(63.649)	(72.035)	44.934	16.554
Flusso di cassa netto	**34.182**	**(32.404)**	**(21.888)**	**38.597**	**21.867**

Misure finanziarie non conformi ai principi IFRS

Le seguenti tabelle presentano alcune informazioni finanziarie consolidate del Gruppo relative agli esercizi chiusi al 31 dicembre 2021, 2022 e 2023 e ai nove mesi conclusi al 30 settembre 2023 e 2024 che non sono conformi ai principi contabili internazionali ("**IFRS**").
In questo Prospetto, l'Emittente presenta determinate misure finanziarie conformi ai principi IFRS e altri dati, tra cui "*EBITDA Operativo*", "*Margine EBITDA operativo*", "*EBITDA*", "*Margine EBITDA*", "*EBITDA Escluso Elementi Non Ricorrenti*", *"EBIT," "EBT," "EBT Escluso Elementi Non Ricorrenti,"* "*Margine EBITDA Escluso Elementi Non Ricorrenti*", "*Indebitamento finanziario netto*", "*Posizione finanziaria netta*".
Le altre misure finanziarie non conformi ai principi IFRS non rappresentano rilevazioni dei risultati economici o della liquidità del Gruppo ai sensi dei principi IFRS. Pertanto, gli investitori non dovrebbero riporre un indebito affidamento su tali dati.

	Al 31 dicembre e per l'esercizio chiuso a tale data,			Al 30 settembre e per i nove mesi conclusi a tale data	
	2021	**2022**	**2023**	**2023**	**2024**
			(in € migliaia, ad eccezione delle %)		
Ricavi totali	565.139	559.780	481.705	336.658	318.039
Percentuale di variazione dei ricavi totali di periodo	34,0%	(0,9%)	(13,9%)	(20,9%)	(5,5%)
EBITDA	199.347	198.708	175.345	115.335	92.152
Margine EBITDA	34,9%	35,6%	36,1%	34,4%	29,1%
EBITDA Escluso Elementi Non Ricorrenti	200.919	201.687	178.700	115.414	95.785
Margine EBITDA Escluso Elementi Non Ricorrenti	35,1%	36,1%	36,8%	34,4%	30,5%
EBIT	80.057	114.217	65.965	27.089	32,611
EBT	48.289	62.829	28.251	5.062	12,587
EBT Escluso Elementi Non Ricorrenti	81.638	98.730	47.925	16.894	27,437
Indebitamento Finanziario Netto	(476.292)	(546.340)	(572.194)	(601.263)	(563.276)
Posizione Finanziaria Netta	(401.791)	(429.859)	(475.654)	(485.512)	(494.509)
Rapporto Oneri Finanziari / EBITDA	11,2%	25,0%	21,2%	18,15%	20,61%
Gross Book Value (EoP)-Group *(in milioni di €)*	149.487	120.478	116.355	117.768	116.678
Collections-Group *(in milioni di €)*	5.743	5.494	4.947	3.399	3.121
Collection Rate	4,3%	4,1%	4,6%	4,5%	4,2%

Altre misure finanziarie non conformi ai principi IFRS

	Al 31 dicembre e per l'esercizio chiuso a tale data,			Al 30 settembre e per i nove mesi conclusi a tale data	
	2021	**2022**	**2023**	**2023**	**2024**
			(in € migliaia, ad eccezione delle %)		
EBITDA operativo	165.186	182.127	155.754	100.141	76.368
Margine EBITDA operativo	28,9%	32,6%	32,1%	29,9%	24,1%

B.2.2 ***Indebitamento finanziario netto***

Al 30 settembre 2024, il Gruppo aveva un Indebitamento Finanziario Netto di €563,3 milioni (calcolato in conformità ai paragrafi 175-189 delle Linee guida ESMA 32-382-1138 e senza riflettere l'Acquisizione del Gruppo Gardant).
Al 30 settembre 2024, l'indebitamento finanziario netto su base pro-forma, che tiene conto dell'Acquisizione del Gruppo Gardant, dell'Aumento di Capitale e parte del 2024 Senior Facilities Agreement, ammonta a €625,7 milioni. L'indebitamento finanziario lordo del Gruppo su base pro-forma al 30 settembre 2024 ammonta a €714,4 milioni, di cui €77,0 milioni correnti e €637,4 milioni non correnti.
L'indebitamento finanziario netto corrente dell'Emittente era pari a €224.663 mila al 30 settembre 2024.

B.2.3 I bilanci consolidati del Gruppo al 31 dicembre 2023 e per l'esercizio concluso a tale data sono stati revisionati da EY S.p.A., in qualità di revisore indipendente, che ha emesso la traduzione inglese del proprio rapporto il 28 marzo 2024 senza rilievi.
I bilanci consolidati condensati novestrali non revisionati del Gruppo al 30 settembre 2024 e per i nove mesi conclusi a tale data sono stati assoggettati a revisione limitata da EY S.p.A, in qualità di revisore indipendente, che ha emesso la traduzione inglese della propria relazione di revisione limitata il 6 novembre 2024 senza rilievi.
EY S.p.A ha pubblicato i propri rapporti in conformità all'ISAE 3420 sulle informazioni finanziarie consolidate pro forma non revisionate per l'esercizio chiuso al 31 dicembre 2023 e per i nove mesi conclusi al 30 settembre 2024.

B.3 - Quali sono i principali rischi specifici per il Gruppo?

I rischi principali per l'Emittente e il Gruppo sono sintetizzati di seguito. L'elenco completo dei fattori di rischio è illustrato di seguito all'interno del presente Prospetto e dev'essere letto.

RISCHI RELATIVI ALLA CONDIZIONE ECONOMICA E FINANZIARIA DEL GRUPPO

Il Gruppo potrebbe non riuscire a raggiungere con successo gli obiettivi strategici e finanziari annunciati al mercato, i quali si basano su varie ipotesi e fattori al di fuori del suo controllo

L'EBITDA del Gruppo per l'esercizio chiuso al 31 dicembre 2023 è stato di €175 milioni (con un margine EBITDA del 36,1%), con un calo dell'11,8% rispetto ai 199 milioni di euro (con un margine EBITDA del 35,6%) rispetto all'esercizio chiuso al 31 dicembre 2022. L'EBITDA del Gruppo per l'esercizio chiuso al 31 dicembre 2022 è stato di €199 milioni (con un margine EBITDA del 35,6%), con un calo dello 0,3% rispetto ai €199 milioni (con un margine EBITDA del 34,8%) rispetto all'esercizio chiuso al 31 dicembre 2021. L'EBITDA del Gruppo per l'esercizio chiuso al 31 dicembre 2021 è stato di €199 milioni (con un margine EBITDA del 34,8%), con un incremento del 41,5% rispetto ai €117 milioni (con un margine EBITDA del 27,7%) dell'esercizio chiuso al 31 dicembre 2020. Per i nove mesi chiusi al 30 settembre 2024, l'EBITDA del Gruppo è stato di €92 milioni, con un calo del 20,1% rispetto ai €115 milioni dello stesso periodo del 2023. La diminuzione del margine è dovuta principalmente a condizioni di mercato sfavorevoli e alla perdita, nel febbraio 2022, di uno dei principali clienti del Gruppo in Spagna (Sareb). In risposta al cambiamento delle dinamiche del mercato e per contrastare la decrescita dei margini di profitto, il Gruppo ha lanciato il proprio Business Plan, che definisce la strategia e gli obiettivi operativi, economici e finanziari del Gruppo per gli anni che terminano nel 2024 e nel 2026 (i "**doValue Standalone Targets**"). Per accelerare il raggiungimento del Business Plan e rafforzare la posizione dell'Emittente sul mercato italiano, il 7 giugno 2024 il Gruppo ha deciso di acquisire il Gruppo Gardant. Alla data dell'annuncio dell'acquisizione del Gruppo Gardant, l'Emittente ha comunicato al mercato gli Obiettivi Combinati (come definiti di seguito) per il Gruppo combinato con il Gruppo Gardant (il "**Gruppo Combinato**")., nonché obiettivi specifici per Gardant per il 2024 (gli "**Obiettivi del Gruppo Gardant**"). Gli Obiettivi Combinati rappresentano il risultato dei (i) doValue Standalone Targets per il 2026 inclusi nel Business Plan, che rappresentano la componente più significativa e rilevante; (ii) gli Obiettivi del Gruppo Gardant per il 2026 e (iii) le potenziali sinergie di ricavi e costi derivanti dall'Acquisizione del Gruppo Gardant e i costi complessivi di ristrutturazione richiesti per il raggiungimento di tali sinergie. Di conseguenza, gli Obiettivi Combinati non costituiscono il business plan del Gruppo Combinato. In data 7 agosto 2024, l'Emittente ha annunciato al mercato la revisione di alcuni doValue Standalone Targets per il 2024 ma ha confermato la validità degli Obiettivi Combinati (i doValue Standalone Targets, gli Obiettivi Combinati e gli Obiettivi del Gruppo Gardant, collettivamente gli "**Obiettivi**"). Questi aggiornamenti riflettono primariamente gli effetti della posposizione al 2025 di alcune vendite secondarie in Grecia. Secondo la conoscenza dell'Emittente, gli Obiettivi rimangono validi alla Data del Prospetto. Il raggiungimento degli Obiettivi del Gruppo, e in particolare degli Obiettivi Combinati, è soggetto a significative incertezze dovute a fattori esterni e alle sfide legate all'Acquisizione del Gruppo Gardant. Il raggiungimento di tali obiettivi dipende dal verificarsi di ipotesi, quali l'acquisizione di nuovi mandati in diverse regioni, il mantenimento di livelli di indebitamento stabili, il successo dell'integrazione di Gardant e la realizzazione di sinergie. Tuttavia, se le ipotesi non dovessero avverarsi, ciò potrebbe avere un impatto negativo sulla salute finanziaria del Gruppo. I rischi legati all'integrazione del Gruppo Gardant sono legati ai ritardi nel conseguimento di risparmi di costo sull'IT e sul personale che potrebbero ostacolare il conseguimento delle sinergie previste. Ulteriori rischi sono rappresentati da elevati costi di implementazione, risorse finanziarie limitate e fattori esterni quali le modifiche del quadro normativo. L'incapacità del Gruppo di implementare ed eseguire il Business Plan o di farlo in maniera tempestiva, ottenere i risparmi di costo o altri benefici o migliorie associate con questo piano, avere le risorse finanziarie necessarie per fare fronte ai costi associati al piano o incorrere in costi più elevati di quelli previsti o di valutare in maniera adeguata il proprio Business Plan, potrebbe avere un significativo effetto negativo sull'attività del Gruppo, sui suoi risultati operativi e sulla sua condizione finanziaria. Se le prestazioni operative e finanziarie del Gruppo dovessero discostarsi significativamente dalle dinamiche aziendali ipotizzate nel Business Plan, i margini di profitto del Gruppo potrebbero deteriorarsi, con un potenziale impatto negativo sul rendimento dell'investimento nelle Azioni dell'Emittente.

La sottoscrizione parziale dell'Aumento di Capitale e l'incapacità di utilizzare tutte le nuove linee di credito bancarie potrebbero compromettere la capacità di sostenere l'indebitamento finanziario del Gruppo Combinato nel breve termine.

Il Gruppo ha un significativo livello di indebitamento finanziario, con un indebitamento finanziario lordo di circa €653.8 milioni al 30 settembre 2024, comprensivo di €266,2 milioni (di cui €264,0 milioni come capitale e €2,2 milioni come interessi maturati) derivanti dalle 2025 Notes con scadenza al 4 agosto 2025, che dovranno essere rifinanziate entro i prossimi dodici mesi. L'Acquisizione del Gruppo Gardant e le relative operazioni di finanziamento comporteranno un aumento dell'indebitamento finanziario lordo del Gruppo. L'indebitamento finanziario lordo pro forma del Gruppo (tenendo conto dell'Acquisizione del Gruppo Gardant, dell'Aumento di Capitale e delle linee di credito bancarie stipulate in relazione all'Acquisizione del Gruppo Gardant nell'ambito del Senior Facilities Agreement 2024), al 30 settembre 2024, ammonta a €714,4 milioni. Il fabbisogno finanziario del Gruppo stimato per i 12 mesi successive alla Data del Prospetto, escludendo i proventi netti dell'Offerta (anche se l'Offerta è caratterizzata da un impegno di sottoscrizione per un ammontare massimo pari to €79.553.005,07 come stabilito nel Rights Offering Escrow) è stimata approssimativamente a €41 milioni**.** In caso di piena sottoscrizione dell'Aumento di Capitale, i proventi netti stimati, pari a circa €142 milioni, verranno utilizzati insieme ai €110 milioni della Refinancing Term Facility e alla cassa del Gruppo per rimborsare le 2025 Notes. L'Aumento di Capitale di €150 milioni, approvato in forma scindibile, è supportato da un impegno di sottoscrizione degli Azionisti Principali e dei Venditori Obbligati per €82.508.191,51, di cui (a) €79.553.005,07 saranno depositati in escrow prima del Periodo di Offerta e svincolati entro cinque giorni lavorativi dall'inizio dello stesso, e (b) fino a €3 milioni corrispondenti all'impegno di Tiber di sottoscrivere eventuali Nuove Azioni dell'Aumento di Capitale non acquistate dagli Altri Azionisti di Minoranza purché ciò non determini l'obbligo di lanciare un'offerta pubblica d'acquisto. Un Accordo di Pre-Sottoscrizione con i Joint Global Coordinators copre i restanti €67,491,808.17 milioni. Qualora i Joint Global Coordinators o Tiber non adempissero ai propri impegni, l'Emittente potrebbe dover modificare la propria strategia di rimborso, incidendo sulla liquidità disponibile per le esigenze strategiche e di finanziamento. L'accesso alla Refinancing Term Facility di €206 milioni, fondamentale per la strategia finanziaria dell'Emittente, è soggetto a condizioni rigorose. Queste includono l'ottenimento di almeno €150 milioni, di cui almeno 82,5 milioni di euro provenienti dall'Aumento di Capitale, fino a €30 milioni della cassa disponibile dell'Emittente e ulteriori proventi di cassa derivanti dalla vendita o dall'emissione di strumenti di capitale o quasi capitale sottoscritti da investitori terzi. Qualora l'Aumento di Capitale non fosse integralmente sottoscritto e il Refinancing Term Facility non venisse utilizzato, l'Emittente, considerando i proventi derivanti dal Rights Offering Escrow, sarà tenuto a rimborsare le Notes 2025 utilizzando il Revolving Facility da €80 milioni, che non è subordinato all'Aumento di Capitale, e le proprie riserve di cassa esistenti per rimborsare le Notes 2025. Inoltre, ai fini del rimborso delle Notes 2025, l'Emittente non esclude la possibilità di emettere nuovi bond, anche attraverso un'offerta di scambio con obbligazionisti esistenti e/o l'ottenimento di nuove linee di credito bancarie. Alla luce di quanto sopra, tenendo conto delle limitazioni del Refinancing Term Facility e in base all'importo finale sottoscritto nell'Aumento di Capitale, qualsiasi peggioramento della performance economica e finanziaria del Gruppo Combinato, soggetta a una varietà di fattori interni ed esterni, e l'incapacità del Gruppo Combinato di adottare tempestivamente le azioni necessarie per garantire nuove risorse finanziarie, potrebbero compromettere la sostenibilità del suo indebitamento nel medio termine.

Vi sono rischi legati alla variazione dei risultati finanziari del Gruppo che possono limitare la distribuzione dei dividendi del Gruppo

I risultati operativi del Gruppo sono influenzati da fattori esterni e interni quali le condizioni di mercato, il valore del GBV in gestione, la capacità di assicurarsi nuovi mandati di servicing, le fluttuazioni stagionali nella riscossione dei crediti e le incertezze geopolitiche. L'EBITDA del Gruppo è diminuito da €199 milioni nel 2022 a €175 milioni nel 2023, principalmente a causa della perdita di un importante cliente in Spagna, del rallentamento dell'avvio di nuovi contratti e della realizzazione di minori ricavi in Italia e Grecia. Alla fine dei 9 mesi terminati al 30 settembre 2024, l'EBITDA era pari a €92 milioni diminuendo rispetto ai €115 milioni del 2023. Per l'esercizio chiuso al 31 dicembre 2023, il Gruppo ha registrato un EBITDA Ex-NRIs di €179 milioni, con un margine EBITDA Ex-NRIs del 37,2%, rispetto a €204 milioni per l'esercizio chiuso al 31 dicembre 2022, con un margine EBITDA Ex-NRIs del 37,0% (sia l'EBITDA Ex-NRIs che il margine EBITDA Ex-NRIs per l'esercizio finanziario conclusosi il 31 dicembre 2022 escludono il contributo di doValue Portogallo, che è stato ceduto dal Gruppo il 24 luglio 2024). Al 30 settembre 2024, il Gruppo ha registrato un EBITDA Ex-NRIs di €96 milioni, con un margine EBITDA Ex-NRIs del 30,5%, rispetto a €117 milioni nello stesso periodo del 2023, con un margine EBITDA Ex-NRIs del 35,3% (sia l'EBITDA Ex-NRIs che il margine EBITDA Ex-NRIs per i nove mesi conclusi al 30 settembre 2023 escludono il contributo di doValue Portogallo, che è stato ceduto dal Gruppo il 24 luglio 2024). Per quanto riguarda gli Obiettivi Combinati, il Gruppo prevede di generare ricavi compresi tra €605 ed €625 milioni nel 2026 con un EBITDA ex NRIs margin rettificato di circa il 40%-41%. Se le ipotesi alla base del Business Plan si dovessero rivelare errate, i risultati attesi del Gruppo potrebbero cambiare significativamente, compromettendo l'inversione degli utili prevista per il 2026 e influenzando negativamente i rendimenti degli investimenti. Il Gruppo è soggetto al rischio di ottenere margini inferiori alle aspettative, il che potrebbe influire sulla sua capacità di adempiere alle proprie obbligazioni e rimborsare il proprio indebitamento. Il Gruppo potrebbe avere difficoltà a sostenere l'indebitamento esistente, ottenere nuovi prestiti o rinnovare i prestiti in essere a condizioni accettabili. Inoltre, la capacità del Gruppo di distribuire dividendi è limitata dalle clausole incluse nei contratti di finanziamento in essere, in particolare dal 2024 Senior Facilities Agreement, che vieta la distribuzione di dividendi a meno che non siano soddisfatte determinate condizioni, tra cui ad esempio il completo rimborso o rifinanziamento delle 2025 e 2026 Notes e un Consolidated Net Leverage Ratio non superiore a 3,25:1,00. Il mancato rifinanziamento del debito o il mancato rispetto dei covenant potrebbe impedire la distribuzione dei dividendi. Questi rischi potrebbero influenzare in modo significativo l'attività, le operazioni e la situazione finanziaria del Gruppo, con effetti negativi sui rendimenti degli investimenti.

La valutazione dell'avviamento e delle altre attività immateriali del Gruppo e del Gardant Group è soggetta a svalutazione secondo l'IFRS

Al 30 settembre 2024, le attività immateriali totali del Gruppo ammontavano a €454,701 mila (47% del totale delle attività), con un avviamento pari a €224,367 mila (23% del totale delle attività). Il rapporto tra attività immateriali e patrimonio netto era di 3,9. Il test di impairment, condotto sui Cash Generating Units (CGU), identifica il "valore d'uso" come recuperabile, basato sui flussi di cassa futuri approvati nel piano aziendale del Gruppo, aggiornato al 7 agosto 2024. Il test di impairment è stato effettuato per il Gruppo sia al 31 dicembre 2023, registrando una perdita di svalutazione di €26,111 mila, sia al 30 settembre 2024, senza evidenza di svalutazioni. Per Gardant il test di impairment è stato effettuato al 31 dicembre 2023 senza evidenza di svalutazioni, mentre al 30 settembre 2024 non è stato effettuato il test di impairment grazie all'esito positivo degli eventi di innesco. Al 30 settembre 2024, il confronto tra il valore recuperabile e il valore contabile netto dei CGU (rappresentato dalla somma dei valori residui di tutte le attività immateriali allocabili al singolo CGU, incluso l'avviamento e le imposte differite) mostra un'eccedenza del valore recuperabile rispetto al valore contabile netto, senza evidenza di perdite per impairment. Lo stress test sui parametri WACC e sul tasso di crescita ha confermato l'assenza di necessità di svalutazione in tutte le regioni. Nel gennaio 2024, il Consiglio di Amministrazione del Gruppo ha approvato una rettifica di €28,210 mila per la svalutazione dell'avviamento e di €14,541 mila per l'adeguamento delle imposte differite nella regione Iberica, basata sul piano aziendale preliminare 2024-2026 per la regione Iberica. Nel Gardant Group, al 30 settembre 2024, le attività immateriali ammontavano a €206,6 milioni (54% del totale delle attività), con un avviamento pari a €159,5 milioni (42% del totale delle attività). Qualsiasi delle rettifiche effettuate o altre rettifiche che il Gruppo potrebbe dover effettuare in futuro potrebbe influenzare la fiducia degli investitori nell'accuratezza del valore dell'avviamento, delle altre attività immateriali e delle attività fiscali differite registrate nello stato patrimoniale del Gruppo o in altri contesti, con potenziali effetti negativi sulla sua reputazione. Inoltre, il Gruppo potrebbe essere soggetto a ulteriori indagini regolatorie, procedimenti legali e altre sfide, che potrebbero avere un impatto negativo significativo sulle sue attività, sui risultati operativi e sulla condizione finanziaria.

RISCHI RELATIVI ALL'ATTIVITÀ E AL SETTORE DEL GRUPPO

Il Gruppo potrebbe non riuscire a realizzare i benefici dell'Acquisizione del Gruppo Gardant, tali benefici potrebbero richiedere più tempo del previsto per essere realizzati e il Gruppo potrebbe incontrare significative difficoltà di integrazione che potrebbero causare ritardi nella sua roadmap.

Il 26 aprile 2024, il Gruppo ha sottoscritto un accordo per l'acquisizione del 100% di Gardant per circa €230 milioni, al fine di consolidare la leadership di doValue in Italia, rafforzare le collaborazioni con banche e investitori, e diversificare l'offerta di servizi del Gruppo, con un'espansione nei settori UTP e asset management. Inoltre, si prevede che l'Acquisizione del Gruppo Gardant accelererà il processo di diversificazione dei ricavi del Gruppo e i suoi obiettivi di riduzione dell'indebitamento. Il successo dell'Acquisizione del Gruppo Gardant dipende dalla capacità del Gruppo di integrare efficacemente Gardant nella propria struttura. Le principali sfide di integrazione includono l'estensione dei sistemi operativi, di rischio e IT alle operazioni di Gardant, la gestione dell'aumento dei costi del personale, l'aggiornamento dei sistemi IT, l'acquisizione di nuovi software e hardware, e l'allineamento dei modelli di business e dei sistemi IT. Queste sfide potrebbero influire sulla redditività e sull'efficienza operativa del Gruppo. Inoltre, l'integrazione di nuove attività come l'asset management, che il Gruppo non ha mai svolto in precedenza, potrebbe presentare degli ostacoli e influire sugli standard aziendali. Saranno necessarie risorse significative per la gestione dell'integrazione, che potrebbero distogliere l'attenzione dalle operazioni tradizionali del Gruppo. Un'inefficiente integrazione di Gardant potrebbe impedire al Gruppo di raggiungere le opportunità di crescita anticipata attese, le sinergie e gli obiettivi finanziari, influenzando negativamente i risultati aziendali e i rendimenti degli investimenti nelle Azioni. Inoltre, l'Acquisizione del Gruppo Gardant potrebbe costringere il Gruppo a eseguire pagamenti contingenti al verificarsi di eventi futuri per adempiere a contratti con opzioni put/call, che potrebbero richiedere ulteriori esborsi di liquidità e comportare l'insorgenza di potenziali passività fiscali. Nonostante l'assunzione da parte dei Venditori di determinati obblighi di indennizzo, l'Acquisizione del Gruppo Gardant potrebbe esporre il Gruppo all'insorgenza di potenziali passività, in quanto gli obblighi di indennizzo potrebbero essere limitati, e il mancato rispetto dei requisiti procedurali per la loro attivazione potrebbe limitare gli importi recuperabili. Inoltre, ai sensi dello SPA di Gardant, l'Emittente ha prestato garanzie limitate a €80 milioni per violazioni fondamentali e il 20% del Corrispettivo Ricevuto (come definito nel Gardant SPA) per garanzie specifiche che, se violate, potrebbero avere un impatto sulla condizione finanziaria e sulle prospettive del Gruppo. Nel caso in cui le passività siano superiori a quanto previsto o non adeguatamente gestite, l'Emittente potrebbe essere soggetto a richieste di risarcimento danni. Se gli eventi descritti dovessero verificarsi, potrebbero avere un effetto negativo rilevante sull'attività, sui risultati operativi, sulle condizioni finanziarie o sulle prospettive del Gruppo.

Il Gruppo e il Gruppo Gardant dipendono dai termini chiave e dalle clausole di esclusività previste nei suoi principali contratti di servicing.

Il Gruppo e il Gruppo Gardant focalizzano il proprio business sulla gestione e il recupero di crediti deteriorati (NPL) per banche e istituzioni finanziarie, con ricavi imputati su base di competenza, attraverso complesse procedure di gestione IT. I ricavi derivanti dal servicing di NPL hanno rappresentato circa il 66-67% dei ricavi lordi del Gruppo a partire dal 2021 fino al 30 settembre 2024. I principali contratti di servicing che contribuiscono per il 13,8% ai ricavi totali al 30 settembre 2024 sono destinati a scadere nell'arco del periodo del Business Plan, potendo potenzialmente ridurre i flussi di ricavi del Gruppo. Anche le condizioni macroeconomiche comportano dei rischi: in un contesto economico florido, vengono generati meno nuovi NPL, riducendo le opportunità di guadagno del Gruppo; in un contesto economico difficile, sebbene possano essere generati più NPL, il loro recupero diventa più difficile, con un impatto sugli incassi del Gruppo. Inoltre, gli accordi di servicing non garantiscono un numero minimo di crediti che vengono forniti in gestione, e i ricavi derivanti dai Forward Flow Agreements sono incerti e dipendono dai livelli di NPL detenuti dai clienti, che dipendono a loro volta da fattori al di fuori del controllo del Gruppo. Il mancato raggiungimento dei flussi di NPL previsti potrebbe ridurre le commissioni e i ricavi del Gruppo. Il Gruppo Gardant affronta rischi operativi e di performance simili nei settori REO, NPE e Master Servicing. Master Gardant si occupa di master servicing, mentre Special Gardant e Gardant Liberty Servicing gestiscono lo special servicing. Al 31 dicembre 2023, gli asset di Gardant in special servicing ammontavano a €19,7 miliardi, mentre gli asset in master servicing erano pari a €38,4 miliardi. I Tassi di Riscossione sono stati pari al 5,11% per il 2023 e al 4,97% nei primi nove mesi del 2024. La risoluzione dei principali contratti di servicing del Gruppo, dovuta a inadempimenti, al mancato rispetto dei KPI o ad altri fattori come il declassamento del rating di servicer del Gruppo, potrebbe influire negativamente sull'attività del Gruppo riducendo le dimensioni del relativo portafoglio e rendendo necessario effettuare licenziamenti.

Il successo dell'attività del Gruppo e del Gruppo Gardant dipende dalla relativa capacità di attrarre e mantenere clienti chiave. La perdita di clienti chiave o un significativo decremento nelle rispettive attività del Gruppo Gardant potrebbe avere un effetto negativo rilevante sulle rispettive attività, il reddito operativo, le condizioni finanziarie e le sue prospettive.

Il Gruppo deriva una parte significativa dei propri ricavi da un numero limitato di clienti chiave: i primi cinque clienti rappresentano il 42% dei ricavi lordi e il 16,7% del GBV in gestione al 30 settembre 2024. Di conseguenza, la capacità del Gruppo di generare ricavi dipende in larga misura dal rinnovo dei contratti con i clienti chiave; il mancato rinnovo o la risoluzione, come si è visto con la perdita dell'accordo con Sareb (il quale ha generato il 12% dei ricavi del 2021) e l'imminente risoluzione dell'accordo UniCredit (con un impatto del 5,2% sui ricavi del 30 settembre 2024), potrebbero incidere in modo sostanziale e negativo sulla performance finanziaria del Gruppo. Il Gruppo deve spesso rinegoziare i propri contratti a causa di cambiamenti nelle relazioni con i propri clienti a causa di acquisizioni nonché di interventi di autorità amministrative nazionali o europee che possono comportare condizioni meno favorevoli per la sua attività e incidere sui relativi ricavi. Ad esempio, il Contratto di Servicing con Santander, che ha contribuito per l'8% ai ricavi lordi del Gruppo nel 2023, scade il 31 dicembre 2025 e il suo rinnovo è incerto. Il mancato rinnovo di tali contratti potrebbe influire in modo significativo sulla condizione finanziaria del Gruppo. Gli accordi con enti statali o soggetti a regolamentazione pongono ulteriori problemi a causa della necessità di ottenere approvazioni il cui ottenimento sfugge al controllo del Gruppo. Analogamente, anche il Gruppo Gardant fa notevole affidamento sui propri clienti chiave, che hanno rappresentato rispettivamente il 27% e il 47% dei Ricavi Lordi al 31 dicembre 2022 e al 30 settembre 2024. La perdita di questi clienti chiave o il mancato rinnovo dei contratti a condizioni favorevoli potrebbe avere un impatto sostanziale sull'attività, sui risultati operativi, sulla condizione finanziaria o sulle prospettive del Gruppo e del Gruppo Gardant.

RISCHI RELATIVI AL QUADRO LEGALE E NORMATIVO

Il mancato rispetto delle leggi, normative, licenze e codici di condotta applicabili all'attività del Gruppo o le modifiche a tali disposizioni potrebbero avere un effetto negativo rilevante sull'attività del Gruppo.

Il Gruppo è soggetto a un sistema di requisiti normativi e regolamentari applicabili in molteplici mercati Europei, tra cui la disciplina in materia di lavoro, credito al consumo, protezione dei dati personali, norme anticorruzione e antiriciclaggio. A seguito dell'implementazione della nuova Direttiva NPL, in vigore dal 29 dicembre 2023, gli enti che svolgono attività di credit servicing devono ottenere delle autorizzazioni e conformarsi a requisiti specifici. Questo potrebbe aumentare i costi e influenzare la posizione finanziaria del Gruppo. Grecia e Italia hanno recepito la Direttiva NPL, ma la sua implementazione pratica rimane incerta e ciò potrebbe sottoporre il Gruppo a un maggiore rischio di concorrenza e impattare sulla sua attività. In Italia, il credit servicing è oggetto di regolamentazione per le operazioni di cartolarizzazione, e le nuove disposizioni della Direttiva NPL introducono requisiti più stringenti, che potrebbero influenzare le agenzie di recupero crediti non regolamentate. L'impatto delle nuove normative in diverse giurisdizioni potrebbe ostacolare le operazioni del Gruppo o aumentare la concorrenza, influenzando negativamente l'attività, i risultati e la condizione finanziaria del Gruppo. Il Gruppo Gardant è sottoposto a complesse leggi italiane ed europee relative alla cartolarizzazione, al credit servicing e alla gestione patrimoniale. Le attività di Gardant sono regolate dalla Legge 130/1999 e da programmi statali come le GACS, che prevedono un ulteriore livello di controllo normativo. L'attività di Gardant Investor SGR è sottoposta alla disciplina dell'AIFMD e deve conformarsi a rigorose normative finanziarie europee. Il mancato rispetto di queste normative in evoluzione potrebbe comportare la necessità di revisioni contabili, multe, revoche di licenze o restrizioni operative, con ripercussioni negative sulla reputazione, sull'attività e sulla condizione finanziaria del Gruppo.

Sezione C – Informazioni Principali Sui Titoli	
C.1 – Quali sono le principali caratteristiche dei titoli?	
C.1.1	**Tipologia, classe e codice ISIN**: Le Nuove Azioni saranno azioni ordinarie del capitale sociale dell'Emittente, con godimento regolare e fungibili con le azioni in circolazione alla data della loro emissione. Le Nuove Azioni avranno il codice ISIN IT0005610958. Durante il Periodo di Offerta (compreso il periodo di negoziazione dei Diritti su Euronext Milan) i Diritti avranno il codice ISIN IT0005619496. I Diritti non esercitati al termine del Periodo di Offerta saranno offerti sul Segmento STAR di Euronext Milan con il codice ISIN IT0005619504.
C.1.2	**Valuta e valore nominale**: Le Nuove Azioni sono denominate in Euro e saranno negoziate in Euro sul segmento STAR di Euronext Milan.
C.1.3	**Diritti Associati Alle Azioni**: Le Nuove Azioni hanno le stesse caratteristiche e conferiscono gli stessi diritti l'una rispetto all'altra. Ogni Nuova Azione conferisce il diritto di esprimere un voto nelle assemblee ordinarie e straordinarie dell'Emittente (fatte salve le situazioni in cui i diritti di voto sono sospesi ai sensi della normativa applicabile). Non ci sono restrizioni ai diritti di voto associati alle Nuove Azioni. I detentori delle Nuove Azioni avranno diritto a ricevere dividendi o altre distribuzioni dichiarate, effettuate o pagate su di esse, se presenti. I detentori delle Nuove Azioni hanno un diritto di opzione proporzionato alle rispettive partecipazioni, che sarà concesso anche in caso di altre emissioni di azioni effettuate dall'Emittente. Tale diritto di opzione può, tuttavia, essere escluso o limitato in determinate circostanze previste dalla legge italiana. Nessuna garanzia è associata alle Nuove Azioni.
C.1.4	**Scioglimento e Liquidazione**: Se l'Emittente viene sciolto o liquidato, le Nuove Azioni danno diritto ai loro detentori di partecipare alla distribuzione del capitale risultante dalla liquidazione dell'Emittente solo dopo che tutti i creditori dell'Emittente sono stati soddisfatti. Le procedure di risanamento e risoluzione ai sensi della Direttiva 2014/59/UE del Parlamento Europeo e del Consiglio non sono applicabili all'Emittente.
C.1.5	**Restrizioni alla libera trasferibilità delle Azioni Ordinarie**: Alla Data del Prospetto non vi sono limitazioni alla libera trasferibilità delle Nuove Azioni ai sensi della legge o dello Statuto dell'Emittente.

C.1.6	**Politica dei Dividendi**: Il 26 settembre 2024 2024, il Consiglio di Amministrazione dell'Emittente ha approvato la nuova politica di distribuzione dei dividendi del Gruppo che prevede la distribuzione in dividendi di una quota compresa tra il 50% e il 70% dell'utile netto consolidato del Gruppo a partire dal 2026, in via condizionata al Completamento dell'Acquisizione del Gruppo Gardant e al netto degli elementi non ricorrenti (*non recurring items*, NRIs), sulla base del bilancio consolidato relativo all'esercizio del 2025 e nei limiti del rispetto dei covenant finanziari applicabili al Gruppo. Le decisioni relative alla distribuzione dei dividendi per l'esercizio del 2025, adottate sulla base del bilancio consolidato relativo all'esercizio del 2024, saranno subordinate alle condizioni di mercato, al rifinanziamento delle 2026 Notes, e allo stato di avanzamento del processo di integrazione del Gruppo Gardant all'interno del Gruppo. Inoltre, il 2024 Senior Facilities Agreement prevede un divieto di distribuzione dei dividendi, a meno che non siano soddisfatte le seguenti condizioni: (i) le 2025 Notes e le 2026 Notes siano interamente riscattate e/o rifinanziate, (ii) tali pagamenti o distribuzioni siano coerenti con la politica ordinaria sui dividendi del Gruppo comunicata al mercato; e (iii) il rapporto di leva finanziaria consolidato netto, calcolato su base pro forma alla fine del periodo rilevante più recentemente concluso per il quale sono richiesti i bilanci semestrali da consegnare al facility agent ai sensi del 2024 Senior Facilities Agreement e tenendo conto del pagamento o distribuzione proposto come se fosse stato effettuato all'inizio di tale periodo rilevante, non superi 3,25:1,00.

C.2 – Dove saranno negoziati i titoli?

Le Nuove Azioni saranno ammesse alla negoziazione nel segmento STAR di Euronext Milan allo stesso modo delle Azioni Ordinarie dell'Emittente in circolazione alla Data del Prospetto.

C.3 – Quali sono i principali rischi specifici dei titoli?

I fattori di rischio più significativi relativi alle Nuove Azioni sono riportati di seguito.

RISCHI LEGATI ALL'OFFERTA

Il mercato delle Azioni e dei Diritti potrebbe essere volatile o illiquido, e una riduzione del flottante al di sotto del 20% potrebbe comportare l'esclusione delle Nuove Azioni dal segmento STAR di Euronext Milan.

Le Azioni oggetto di questo Prospetto derivano dalla conversione delle Obbligazioni Convertende e dall'Aumento di Capitale. In data 6 novembre 2024, il Consiglio di Amministrazione ha approvato l'emissione di 4.000.000 Obbligazioni Convertende destinate alla sottoscrizione da parte dei Venditori, che verranno automaticamente convertite in 4.000.000 azioni dell'Emittente, rappresentanti il 20% del capitale sociale post-conversione. Sia le Azioni di Conversione che le Nuove Azioni dell'Aumento di Capitale avranno le stesse caratteristiche delle azioni dell'Emittente esistenti e saranno negoziate sul segmento STAR di Euronext Milan. Tuttavia, non vi è alcuna garanzia di un mercato liquido per le Azioni o i Diritti, e i loro prezzi possono fluttuare significativamente a causa di fattori esterni come tensioni geopolitiche, incertezze macroeconomiche e cambiamenti nel settore. I prezzi di negoziazione possono essere influenzati anche da vendite considerevoli di Diritti o Azioni, o dalla percezione di tali vendite, e il prezzo dei Diritti può fluttuare maggiormente rispetto a quello delle Azioni, influenzato da vari fattori, tra cui la performance delle Azioni. Inoltre, sia il prezzo dei Diritti che il prezzo delle Azioni possono essere influenzati dal fatto che gli azionisti scelgono di vendere i loro Diritti anziché esercitarli. Fluttuazioni significative nel volume di negoziazione o nel prezzo possono influire sulla capacità degli investitori di vendere i propri titoli al di sopra del prezzo di acquisto, portando a potenziali perdite. Alla data del Prospetto, gli Azionisti Principali detengono collettivamente il 41,847% del capitale sociale dell'Emittente. Per rimanere nel segmento STAR, l'Emittente deve mantenere un flottante pari ad almeno il 20% del suo capitale sociale. Qualora l'Accordo di Sottoscrizione dovesse essere risolto e solo gli Azionisti Principali, Tiber e i Management Sellers dovessero sottoscrivere le Nuove Azioni dell'Aumento di Capitale, il flottante potrebbe scendere al di sotto del 20%. Il mancato ripristino di un flottante pari ad almeno il 20% entro il periodo richiesto potrebbe portare all'esclusione dell'Emittente dal segmento STAR, con l'effetto che le Azioni potrebbero essere negoziate solo su Euronext Milan. Questo comporterebbe la perdita dei benefici in termini di visibilità associati al segmento STAR e potrebbe causare potenzialmente dei danni reputazionali e ridurre l'interesse degli investitori per l'Emittente.

Gli Azionisti subiranno una diluizione a seguito dell'emissione delle Azioni di Conversione. Gli azionisti che non esercitano integralmente i propri Diritti subiranno una diluizione.

Le Obbligazioni Convertende verranno automaticamente convertite in 4.000.000 Azioni da Conversione entro tre giorni di negoziazione successivi al Completamento dell'Acquisizione del Gruppo Gardant, con conseguente diluizione del 20% della partecipazione azionaria degli Azionisti nel capitale sociale dell'Emittente. Le Nuove Azioni dell'Aumento di Capitale con diritto di opzione saranno offerte pro-rata a tutti gli azionisti e agli Obbligazionisti ai sensi dell'articolo 2441, comma 1, del Codice Civile Italiano. Gli azionisti che eserciteranno i propri Diritti eviteranno la diluizione della loro partecipazione azionaria dopo l'emissione delle Azioni da Conversione. Tuttavia, coloro che non esercitano integralmente i propri Diritti subiranno una diluizione. La diluizione totale per questi Azionisti, calcolata sul capitale sociale post-emissione, sarà pari ad almeno 63,24% qualora l' Offerta venga integralmente sottoscritta, e ad almeno 48,62% nel caso in cui vengano sottoscritte solamente le Nuove Azioni legate agli Impegni Irrevocabili degli Azionisti. La percentuale esatta di diluizione per gli Azionisti che non eserciteranno i propri Diritti, basata sul Prezzo di Sottoscrizione, sarà comunicata in un avviso depositato presso la CONSOB e pubblicato sul sito web dell'Emittente.

Gli obblighi previsti dagli Impegni Irrevocabili degli Azionisti e dall'Accordo di Pre-Sottoscrizione sono condizionati all'avverarsi di determinati eventi e possono essere oggetto di risoluzione.

Il 7 giugno 2024, gli Azionisti Principali, Tiber e i Management Sellers hanno sottoscritto gli Impegni Irrevocabili degli Azionisti. Alla data del Prospetto, gli Azionisti Principali (o gli affiliati cui essi abbiano trasferito la propria partecipazione prima dell'inizio dell'Offerta) hanno concordato di depositare gli importi rispettivi in euro in un conto escrow prima del Periodo di Offerta, che saranno rilasciati entro il quinto giorno successivo all'inizio dell'Offerta . Parte dell'importo per l'Acquisizione del Gruppo Gardant sarà trasferita dall'Emittente in un conto fiduciario per finanziare la sottoscrizione delle Nuove Azioni dell'Aumento di Capitale da parte di Tiber e dei Management Sellers. Gli Impegni Irrevocabili degli Azionisti sono soggetti alle seguenti condizioni sospensive, che possono essere derogate a discrezione degli Azionisti Principali: (i) completamento dell'Acquisizione del Gruppo Gardant e (ii) sottoscrizione dell'Accordo di Pre-Sottoscrizione. Il 7 giugno 2024, i Joint Global Coordinators hanno stipulato un Accordo di Pre-Sottoscrizione con l'Emittente, ai sensi del quale si sono impegnati a sottoscrivere fino a €67.491.808,17 di Nuove Azioni dell'Aumento di Capitale che rimarranno non sottoscritte al termine dell'Offerta. Le condizioni sospensive a tale impegno includono, *inter alia*, un reverse stock split, l'emissione di Obbligazioni Convertibili, il raggiungimento di un accordo sui tempi e i termini dell'Offerta, l'ottenimento dei permessi e delle approvazioni necessari e il completamento dell'attività di due diligence. Inoltre, l'Accordo di Sottoscrizione consentirà ai Joint Global Coordinators di recedere in determinate circostanze, quali il verificarsi di cambiamenti avversi significativi, la sospensione o la limitazione del commercio, violazioni da parte dell'Emittente e altri eventi significativi, quale la pubblicazione di un supplemento a questo Prospetto. Se il completamento dell'Acquisizione del Gruppo Gardant non dovesse avvenire, l'Emittente non intende procedere con l'Offerta. Nel caso in cui l'Accordo di Sottoscrizione dovesse essere risolto, non si può escludere che un eventuale peggioramento della performance economica e finanziaria del Gruppo Combinato, soggetta a una serie di fattori interni ed esterni, e l'incapacità del Gruppo Combinato di adottare tempestivamente le azioni necessarie per reperire nuove risorse finanziarie, possano compromettere la sostenibilità del suo indebitamento nel medio termine. Il verificarsi di uno qualsiasi di questi eventi potrebbe avere un impatto negativo significativo sulle prospettive di rendimento dell'investimento nelle azioni dell'Emittente e sull'attività, i risultati operativi e la condizione finanziaria del Gruppo.

Sezione D – Informazioni Fondamentali Sull'ammissione Alla Negoziazione In Un Mercato Regolamentato

D.1. – A quali condizioni posso investire in questo titolo e qual è il calendario previsto?

D.1.1 **Termini generali e condizioni dell'Offerta**: Ciascun Azionista riceverà 1 (uno) Diritto per ogni Azione ordinaria posseduta nel capitale dell'Emittente e ciascun Obbligazionista riceverà 1 (uno)Diritto per ogni obbligazione convertibile posseduta. In data 18 novembre 2024, il Consiglio di Amministrazione ha deliberato di offrire in opzione agli Azionisti e agli Obbligazionisti un minimo di 34.401.997,00 Nuove Azioni dell'Aumento di Capitale, per un prezzo massimo di sottoscrizione di €4,36 (il "**Prezzo Massimo di Sottoscrizione**") al rapporto di opzione di 23 Nuove Azioni dell'Aumento di Capitale per ogni 13 Diritti, calcolato sulla base del Prezzo Massimo di Sottoscrizione (l'"**Offerta**"). Il prezzo di sottoscrizione per l'Offerta non supererà il Prezzo Massimo di Sottoscrizione. L'ammontare complessivo dell'Offerta calcolato sulla base del Prezzo Massimo di Sottoscrizione è pari a €149.992.706,92. Il Prezzo di Sottoscrizione, unitamente al numero massimo di Nuove Azioni dell'Aumento di Capitale offerte nell'Aumento di Capitale, all'ammontare massimo dell'Aumento di Capitale, al rapporto finale di sottoscrizione, all'ammontare delle Azioni in circolazione dopo l'Offerta e all'emissione delle Azioni di Conversione in caso di integrale sottoscrizione dell'Aumento di Capitale e alla percentuale di diluizione derivante dall'Offerta per gli azionisti che non eserciteranno i Diritti, saranno resi noti mediante avviso depositato presso la CONSOB e messo a disposizione del pubblico sul sito internet dell'Emittente (www.dovalue.it) ai sensi degli articoli 17, comma 2, e 21, comma 2, del Regolamento Prospetto. L'Emittente comunicherà la pubblicazione di tale avviso secondo quanto previsto dal Capo I, Titolo II, Parte III, del Regolamento Emittenti entro l'inizio del giorno di mercato aperto precedente l'inizio del Periodo di Offerta.

Il calendario dell'Offerta previsto è il seguente:

Eventi	**Data**
Inizio del Periodo di Offerta e negoziazione dei Diritti sul segmento STAR dell'Euronext Milan	25 novembre, 2024
Ultimo periodo di negoziazione dei Diritti sul segmento STAR dell'Euronext Milan.............	6 dicembre, 2024
Termine del Periodo di Offerta e dell'esercizio dei Diritti di sottoscrizione delle Nuove Azioni dell'Aumento di Capitale	Ore 14:00 il 12 dicembre, 2024
Pubblicazione dell'Avviso sui Risultati di Offerta...	Entro cinque giorni lavorativi dalla conclusione del Periodo di Offerta

I Diritti che non sono venduti su Euronext Milan né esercitati entro il Periodo di Offerta scadranno senza rimborso ai titolari interessati e saranno offerti dall'Emittente al pubblico per un periodo di almeno due giorni di negoziazione nell'Asta dei Diritti su Euronext Milan ai sensi dell'articolo 2441, paragrafo 3, del Codice Civile Italiano, a meno che i Diritti non siano già stati venduti integralmente.

Il calendario dell'Offerta è indicativo ed è suscettibile di modifiche al verificarsi di eventi o circostanze al di fuori del controllo dell'Emittente idonee a pregiudicare il successo dell'Offerta. Ogni modifica al Periodo di Offerta sarà comunicata mediante un avviso pubblicato sul sistema per la diffusione delle informazioni regolamentate e sul sito web dell'Emittente (www.doValue.it). L'Offerta è supportata da (i) un impegno di sottoscrizione dei Principali Azionisti e dei Venditori Obbligati per un ammontare pari a €82.508.191,51, di cui €79.553.005,07 depositati in un *escrow account* prima del Periodo di Offerta e rilasciati all'Emittente entro cinque giorni lavorativi dopo l'inizio del Periodo di Offerta ((gli "**Impegni Irrevocabili degli Azionisti**") e (ii) un accordo di pre-sottoscrizione con i Joint Global Coordinators (il "**Accordo di Pre-Sottoscrizione**"), i quali, in via disgiunta e non congiunta, dovrebbero stipulare un accordo di sottoscrizione regolato dal diritto italiano per il saldo di €67.491.808,17 (l'"**Accordo di Sottoscrizione**").

D.1.2	**Dettagli dell'ammissione alla negoziazione in un mercato regolamentato e piano di ripartizione:** Alla Data del Prospetto, le Azioni Ordinarie dell'Emittente sono ammesse alla negoziazione sul segmento STAR Euronext Milan. Le Nuove Azioni saranno automaticamente ammesse alla negoziazione, ai sensi dell'articolo 2.4.1, paragrafo 7, del Regolamento di Borsa Italiana e dell'articolo IA.2.1.9, paragrafo 3, delle relative istruzioni, sul medesimo mercato regolamentato, organizzato e gestito da Borsa Italiana, dove sono ammesse alla negoziazione le azioni dell'Emittente.
D.1.3	**Diluizione:** L'emissione di 4,000,000 Azioni di Conversione porterà alla diluizione della partecipazione degli Azionisti nel capitale sociale dell'Emittente pari al 20% alla presente data. In relazione all'Emissione, gli Azionisti che abbiano esercitato tutti i propri Diritti per sottoscrivere le Nuove Azioni dell'Aumento di Capitale non soffriranno la diluizione della propria partecipazione nel capitale sociale dell'Emittente anche a seguito dell'emissione delle Azioni di Conversione. Gli Azionisti che non esercitassero integralmente i Diritti subirebbero una diluizione totale (calcolata sul capitale sociale dell'Emittente quale risultante dopo l'emissione delle Azioni di Conversione) di: (i) una percentuale minima del 63,24% assumendo l'integrale sottoscrizione dell'Offerta e (ii) una percentuale minima del 48,62%, assumendo che le Nuove Azioni dell'Aumento di Capitale vengano sottoscritte esclusivamente in esecuzione degli Impegni Irrevocabili degli Azionisti.
D.1.4	**Stima delle spese**: I costi e le spese totali relative all'Offerta, incluse le commissioni massime dovute ai Joint Global Coordinators, sono stimati in ammontare pari a circa €8 milioni, pari a circa il 5,3% dell'ammontare massimo dell'Offerta.

D.2 – Chi è l'offerente e/o il soggetto che chiede l'ammissione alla negoziazione?

L'Emittente è il soggetto che chiede l'ammissione delle Azioni alla negoziazione.

	D.3 – Perché è redatto il presente Prospetto?
D.3.1	**Ragioni dell'Offerta e dell'Ammissione**: Tenendo conto della data di scadenza delle 2025 Notes, fissata per il 4 agosto 2025, i proventi netti dell'Offerta saranno utilizzati per sostenere la riduzione dell'indebitamento del Gruppo, che aumenterà ulteriormente a causa dell'utilizzo dell'Acquisition Term Facility necessario per l'Acquisizione del Gruppo Gardant.. **Proventi Netti**: I proventi netti stimati dall'Offerta sono di circa €142 milioni al netto delle spese, assumendo la piena sottoscrizione. Le spese totali, comprese le commissioni massime, sono previste intorno a €8 milioni (5,3% dell'Offerta). I proventi netti dell'Offerta saranno utilizzati, insieme a €110 milioni provenienti dal Refinancing Term Facility ed €14,2 milioni di liquidità disponibile per l'importo residuo, per ripagare le 2025 Notes più gli interessi maturati, che, al 30 settembre 2024, ammontavano a €266,2 milioni, di cui €264,0 milioni in linea capitale e €2,2 milioni come interessi maturati. Qualora l'Underwriting Agreement venga risolto e i proventi derivanti dall'aumento di capitale non risultino sufficienti a soddisfare le condizioni per il finanziamento previste ai sensi della Refinancing Term Facility, l'Emittente non può escludere che un deterioramento della performance del Gruppo Combinato o l'incapacità del Gruppo Combinato di adottare tempestivamente le azioni necessarie per assicurarsi nuove risorse finanziarie possano rendere il suo indebitamento insostenibile nel medio termine.
D.3.2	**Accordo di Sottoscrizione e Altri Impegni Irrevocabili:** (i) Con riferimento alle Nuove Azioni dell'Aumento di Capitale, ai sensi dell'accordo di Pre-Sottoscrizione stipulato tra l'Emittente e i Joint Global Coordinators in data 7 giugno 2024, immediatamente prima dell'inizio dell'Offerta e subordinatamente al soddisfacimento di determinate condizioni, è previsto che i Joint Global Coordinators stipulino l'Accordo di Sottoscrizione. Ai sensi del Accordo di Pre-Sottoscrizione, l'impegno di ciascun Joint Global Coordinator a stipulare l'Accordo di Sottoscrizione sarà soggetto alle seguenti condizioni: a) l'Emittente deve eseguire, prima del lancio dell'Aumento di Capitale, un raggruppamento di azioni nel rapporto di 1 nuova azione ogni 5 azioni esistenti (il "**Reverse Stock Split**"); b) le Obbligazioni Convertende devono essere regolarmente emesse, integralmente sottoscritte e liberate, e l'Aumento di Capitale Riservato finalizzato alla sua conversione approvato dall'assemblea degli azionisti; c) l'Emittente e i Joint Global Coordinators dovranno concordare in buona fede la tempistica dell'Offerta, il rapporto di cambio dell'Aumento di Capitale Riservato e il Prezzo di Sottoscrizione; d) l'Emittente e i Joint Global Coordinators dovranno concordare i termini e le condizioni dell'Accordo di Sottoscrizione, che saranno usuali per questo tipo di operazioni; e) l'Emittente deve ottenere tutti i permessi, i consensi, le approvazioni e le autorizzazioni (societarie, regolamentari, di terzi o di altra natura) necessarie per l'emissione delle Obbligazioni Convertende, l'Aumento di Capitale Riservato e l'Aumento di Capitale (ivi incluse le autorizzazioni dei competenti organi sociali dell'Emittente e della CONSOB); f) l'Emittente deve predisporre un Offering Circular e un Prospetto per l'Aumento di Capitale in conformità alle leggi e ai regolamenti applicabili, e il Prospetto deve essere approvato dalla CONSOB; g) i Joint Global Coordinators devono completare la consueta due diligence gestionale, legale, contabile, finanziaria e commerciale; h) gli Impegni Irrevocabili dei Principali Azionisti non devono essere sospesi, revocati, ritirati o annullati prima della sottoscrizione dell'Accordo di Sottoscrizione; i) il Gardant SPA deve rimanere in vigore senza che vengano apportate modifiche alla struttura dell'Acquisizione del Gruppo Gardant; l) il 2024 Senior Facilities Agreement deve prevedere che la Acquisition Term Facility e la Refinancing Facility vengano sottoscritte e rimangano in vigore senza modifiche ai rispettivi termini; m) l'assenza di alcun fatto o circostanza che impedisca l'utilizzo della Acquisition Term Facility; n) l'Emittente, direttamente o tramite terzi, deve condurre le attività di Investors' Engagement (come definite nell'Accordo di Pre-Sottoscrizione), e sulla base dei riscontri ottenuti, Mediobanca e UCI, secondo buona fede e considerando la prassi di mercato per tali operazioni, devono essere persuasi del fatto che l'Aumento di Capitale possa essere completato con successo; o) non devono verificarsi cambiamenti negativi sostanziali delle condizioni finanziarie, operative o giuridiche dell'Emittente, di Gardant o dei rispettivi gruppi, tali da pregiudicare il buon esito dell'Aumento di Capitale o renderne impraticabile la realizzazione; p) non devono essersi verificati: (A) (i) cambiamenti negativi sostanziali nei mercati finanziari degli Stati Uniti, dell'Italia, dello Spazio Economico Europeo ("**SEE**") o del Regno Unito e (ii) scoppi o *escalation* di ostilità, guerre, atti di terrorismo, dichiarazioni di emergenza nazionale o di legge marziale o altre calamità o crisi; (B) (i) una sospensione o limitazione sostanziale della negoziazione di qualsiasi titolo dell'Emittente per un periodo di almeno 1 (intero) giorno di negoziazione che non sia dovuto a (a) l'annuncio e/o l'esecuzione dell'Aumento di Capitale; (b) ragioni tecniche; (ii) una sospensione o una limitazione sostanziale delle negoziazioni in generale sulla Borsa Italiana, sulla Borsa di New York o sulla Borsa di Londra, o; (iii) la fissazione di prezzi minimi o massimi per la negoziazione, o di intervalli massimi per i prezzi dei titoli da parte di una qualsiasi delle borse o autorità governative di cui al paragrafo precedente; o (iv) un'interruzione sostanziale nell'attività dei servizi bancari commerciali o di regolamento delle transazioni o di liquidazione dei titoli negli Stati Uniti, nel Regno Unito, in Italia o in altre giurisdizioni del SEE; (C) una moratoria generale sulle attività bancarie commerciali dichiarata dagli Stati Uniti, dal Regno Unito, dall'Italia o da qualsiasi altro membro del SEE; p) (i) le dichiarazioni e le garanzie fornite dall'Emittente devono essere vere e accurate al momento in cui sono state espresse e rimanere tali, e (ii) salvo il caso di inadempimento di scarsa importanza ai sensi dell'articolo 1455 del Codice Civile, l'Emittente dovrà aver debitamente adempiuto ai propri impegni ai sensi dell'Accordo di Pre-Sottoscrizione; q) al di fuori dell'operazione di Reverse Stock Split, dell'Aumento di Capitale e dell'Aumento di Capitale Riservato, non devono essersi verificate variazioni del capitale sociale, annunci di distribuzione di dividendi o distribuzioni di dividendi speciali in relazione all'Emittente; e r) gli Azionisti Principali devono stipulare un accordo di lock-up, valido per 180 giorni dopo il regolamento dell'Aumento di Capitale. Ai sensi dell'Accordo di Sottoscrizione, ciascuno dei Joint Global Coordinator si incaricherà di sottoscrivere tutte le Nuove Azioni dell'Aumento di Capitale non sottoscritte al termine dell'Offerta al Prezzo di Sottoscrizione per un importo complessivo non superiore a €67.491.808,17. L'Accordo di Sottoscrizione conterrà le seguenti clausole che attribuiranno ai Joint Global Coordinators il diritto di recedere dall'Accordo di Sottoscrizione in qualsiasi momento o prima della chiusura dell'Aumento di Capitale, dandone comunicazione all'Emittente: a) al verificarsi di qualsiasi evento che provochi, secondo il ragionevole giudizio in buona fede dei Joint Global Coordinators, formulato previa consultazione con l'Emittente, un cambiamento negativo sostanziale delle condizioni finanziarie, operative o legali, dei risultati operativi, degli utili dell'Emittente e del Gruppo (nel loro complesso), il cui effetto (attuale e/o prospettico), secondo il giudizio in buona fede dei Joint Global Coordinators, consultati con l'Emittente, pregiudicherebbe in modo sostanziale il buon esito dell'Offerta; b) al verificarsi di: (i) qualsiasi cambiamento negativo sostanziale sui mercati finanziari degli Stati Uniti, del Regno Unito, dell'Italia, del SEE o nelle condizioni finanziarie, politiche, economiche, monetarie o di mercato nazionali o internazionali o nei tassi di cambio delle valute o nei controlli sui cambi; (ii) qualsiasi scoppio o escalation di ostilità, guerra, atto di terrorismo, dichiarazione di emergenza nazionale o legge marziale o altre calamità o crisi; (iii) una sospensione o una limitazione sostanziale della negoziazione di qualsiasi titolo dell'Emittente per un periodo di almeno 1 (intero) giorno di negoziazione, diversa da quella dovuta a (1) l'annuncio e/o l'attuazione dell'Aumento di Capitale; (2) ragioni tecniche; (iv) una sospensione o una limitazione sostanziale delle negoziazioni in generale su Borsa Italiana, New York Stock Exchange o London Stock Exchange, (v) la fissazione di prezzi minimi o massimi per la negoziazione da parte di una qualsiasi delle borse o autorità governative di cui al paragrafo precedente, (vi) un'interruzione sostanziale dei servizi bancari commerciali o di regolamento o liquidazione dei titoli negli Stati Uniti, nel Regno Unito, in Italia o in altre giurisdizioni del SEE; (vii) una moratoria generale sulle attività bancarie commerciali dichiarata dagli Stati Uniti, dal Regno Unito, dall'Italia o da qualsiasi altro membro del SEE, che, da soli o nel loro insieme, i Joint Global Coordinators (dopo essersi consultati con l'Emittente) ritengono, agendo in buona fede, sufficientemente rilevante nel contesto dell'Aumento di Capitale tale da rendere impraticabile la procedura di Aumento di Capitale o che pregiudicherebbe in modo sostanziale il buon esito dell'Offerta; c) salvo il caso di inadempimento di scarsa importanza ai sensi dell'articolo 1455 del Codice Civile, in caso di violazione da parte dell'Emittente di uno qualsiasi degli impegni assunti nell'Accordo di Sottoscrizione e/o (B) in caso di violazione da parte dell'Emittente di una qualsiasi delle dichiarazioni e garanzie da esso fornite nell'Accordo di Sottoscrizione; d) in occasione della pubblicazione di un supplemento al presente Prospetto qualora, a seguito di tale pubblicazione, l'ammontare dei ritiri effettuati dai sottoscrittori dell'Aumento di Capitale o l'impatto negativo sulla domanda dell'Aumento di Capitale prima della Data di Chiusura, a giudizio dei Joint Global Coordinators (dopo essersi consultati con l'Emittente nella misura in cui quest'ultimo sia prontamente disponibile a partecipare a tale consultazione), pregiudichino in modo sostanziale il buon esito della Data di Chiusura; e) al verificarsi di qualsiasi fatto o circostanza che impedisca il Completamento dell'Acquisizione del Gruppo Gardant; f) nel caso in cui, salvo rinuncia, una qualsiasi delle condizioni previste dall'Accordo di Sottoscrizione non sia stata soddisfatta entro il termine previsto per la sua soddisfazione, o non sia più suscettibile di essere soddisfatta o rinunciata; g) nel caso in cui il Periodo di Offerta non inizi il primo giorno di mercato aperto discusso e concordato con Borsa Italiana al momento della sottoscrizione dell'Accordo di Sottoscrizione. In aggiunta a quanto sopra, il 7 giugno 2024, (i) i Principali Azionisti, Tiber e i Management Sellers (con Tiber, i "**Committed Sellers**"), hanno concordato, alle condizioni stabilite nei rispettivi documenti di impegno, di sottoscrivere le Nuove Azioni dell'Aumento di Capitale che avranno diritto a ricevere con prelazione ai sensi dell'Articolo 2441, comma 1, del Codice Civile italiano in qualità di Azionisti o detentori di Obbligazioni Convertibili rispettivamente per un importo massimo pari a €51.651.232,03 (l' "**Impegno dei Principali Azionisti**") e per un importo massimo pari a €27.901.773,04 (l' "**Impegno dei Committed Sellers**"), per un importo massimo totale pari a €79.553.005,07, e (ii) Tiber si è inoltre impegnata, alle condizioni previste nell'accordo di compravendita di azioni relativo all'acquisizione di Gardant S.p.A. (il "**Gardant SPA**"), a sottoscrivere le Nuove Azioni dell'Aumento di Capitale a cui alcuni azionisti di minoranza di Gardant S.p.A. ("**Gardant**") avranno diritto a ricevere con prelazione ai sensi dell'Articolo 2441, comma 1, del Codice Civile italiano e non sottoscritte da loro, per un importo massimo pari a €2.955.186,44 (l'"**Obbligo di Sottoscrizione di Tiber**"). L'importo massimo complessivo dell'Impegno degli Azionisti Principali e dell'Impegno dei Venditori Impegnati al punto (i), insieme all'Obbligo di Sottoscrizione di Tiber al punto (ii) (collettivamente, gli "**Impegni Irrevocabili degli Azionisti**") è pari a €82.508.191,51. Di tale importo, €79.553.005,07 saranno depositati in un conto escrow, come segue: (i) €51.651.232,03 milioni da parte dei Principali Azionisti saranno depositati in un conto escrow prima del Completamento dell'Acquisizione del Gruppo Gardant (il "**Conto Escrow degli Azionisti Principali per l'Aumento di Capitale**"), e (ii) €27.901.773,04 saranno trasferiti al Completamento dell'Acquisizione del Gruppo Gardant dall'Emittente per conto dei Venditori Impegnati come pagamento per la sottoscrizione di capitale ("*sottoscrizione di capitale*") in un conto corrente fiduciario dedicato aperto dall'Emittente presso un agente escrow a beneficio dei Venditori Impegnati per finanziare la sottoscrizione delle rispettive Nuove Azioni dell'Aumento di Capitale (il "**Conto Escrow dei Venditori Impegnati per l'Aumento di Capitale**"). Non oltre il 5° giorno lavorativo successivo all'inizio dell'Offerta, il Conto Escrow dei Venditori Impegnati per l'Aumento di Capitale sarà automaticamente svincolato per pagare integralmente la sottoscrizione dei Venditori Impegnati delle nuove azioni ordinarie dell'Emittente nell'ambito dell'Aumento di Capitale. In aggiunta a quanto sopra, il 7 giugno, 2024, per un importo massimo totale di €82.508.191,51 (i) i Principali Azionisti, Tiber e i Manager Venditori si sono reciprocamente impegnati a sottoscrivere per un importo massimo di €79.553.005,07 le Nuove Azioni dell'Aumento di Capitale che hanno diritto di sottoscrivere con prelazione ai sensi dell'Articolo 2441, comma 1, del codice civile; e (ii) Tiber si è inoltre impegnata, alle condizioni previste nel Gardant SPA, a sottoscrivere le Nuove Azioni dell'Aumento di Capitale, che gli Altri Azionisti di Minoranza di Gardant abbiano il diritto di sottoscrivere con prelazione ai sensi dell'art. 2441, comma 1, del codice civile e che siano rimaste da loro non sottoscritte, per un importo massimo pari a €2.955.186,44, fermo che alcuni Altri Azionisti di Minoranza di Gardant non devono aver sottoscritto la rispettiva quota pro rata delle azioni e le azioni non devono essere state altrimenti sottoscritte o collocate sul mercato e che tale sottoscrizione non debba implicare l'obbligo di Tiber a lanciare un'offerta pubblica di acquisto del capitale sociale dell'Emittente. Di questo importo, €79,6 milioni verranno depositati in un conto escrow, secondo quanto segue: (i) €51,651,232.03 milioni provenienti dagli Azionisti Principali verranno depositati in un conto escrow prima del Completamento dell'Acquisizione del Gruppo Gardant e (ii) €27,9 milioni saranno depositati dall'Emittente per conto dei Venditori Obbligati a titolo di sottoscrizione di capitale su un conto corrente fiduciario aperto dall'Emittente (su incarico fiduciario di Tiber e dei Manager Venditori, a seconda del caso) al Completamento dell'Acquisizione del Gruppo Gardant per finanziare la sottoscrizione da parte di Tiber e dei Manager Venditori delle Nuove Azioni dell'Aumento di Capitale. Gli Impegni Irrevocabili dei Principali Azionisti, dei Committed Sellers e l'Obbligo di Sottoscrizione di Tiber costituiscono impegni irrevocabili. Gli Impegni Irrevocabili dei Principali Azionisti e l'Obbligo di Sottoscrizione di Tiber sono soggetti a determinate condizioni. In particolare, gli Impegni Irrevocabili dei Principali Azionisti prevedono tra le condizioni anche che il 2024 Senior Facilities Agreement sia ancora in vigore. I Principali Azionisti possono trasferire le proprie azioni e diritti di prelazione ai rispettivi affiliati, ferma la relativa responsabilità solidale e l'operatività delle disposizioni in tema di garanzia. Non sono previste commissioni ai sensi degli Impegni Irrevocabili degli Azionisti. Tuttavia, ai sensi dell'Accordo di Sottoscrizione, le commissioni pagabili ai Joint Global Coordinators sono incluse nell'insieme delle spese totali relative all'Offerta che, insieme ad altri costi, sono stimate in un ammontare pari a circa €8 milioni (rappresentando approssimativamente il 5,3% dell'ammontare massimo dell'Offerta. Tuttavia, sia gli Impegni Irrevocabili degli Azionisti che l'Accordo di Sottoscrizione sono soggetti alla condizione del Completamento dell'Acquisizione del Gruppo Gardant. (i) Questa sezione non è applicabile con riferimento alle Azioni di Conversione.
D.3.3	**Accordi di Lock-Up** *Accordo di Lock-Up dell'Emittente*: Ai sensi dell'Accordo di Sottoscrizione, l'Emittente concorderà con i Joint Global Coordinators che, dalla data dell'Accordo di Sottoscrizione fino al giorno che cade 180 giorni dopo la data di sottoscrizione e pagamento delle Azioni della Nuova Emissione di Diritti Rimanenti Sottoscritte (se esistenti) da parte dei Joint Global Coordinators (la "**Data di Chiusura**") o, se non ha luogo la Data di Chiusura, dal giorno che cade 3 giorni lavorativi dopo l'ultimo giorno dell'Asta dei Diritti, o se non ha luogo l'Asta dei Diritti, dal giorno che cade 3 giorni lavorativi dopo l'ultimo giorno del Periodo di Offerta, né l'Emittente né alcuna delle sue affiliate (come definite nella Rule 501(b) del Securities Act) (le "**Affiliate**") né alcuna persona che agisca per suo conto o per loro conto, senza il previo consenso scritto dei Joint Global Coordinators (tale consenso non deve essere irragionevolmente rifiutato o ritardato): a) direttamente o indirettamente emettere, offrire, dare in pegno, vendere, stipulare contratti di vendita, vendere o concedere qualsiasi opzione, diritto, warrant o contratto di acquisto, esercitare qualsiasi opzione di vendita, acquistare qualsiasi opzione o contratto di vendita, o prestare o altrimenti trasferire o disporre di qualsiasi Nuova Azione dell'Aumento di Capitale o di altre azioni dell'Emittente, o di qualsiasi titolo convertibile in o esercitabile o scambiabile con Nuove Azioni dell'Aumento di Capitale o altre azioni dell'Emittente o depositare con riguardo alle stesse una dichiarazione di registrazione (*registration statement*) ai sensi del Securities Act o un documento analogo presso qualunque altra autorità di regolamentazione dei valori mobiliari, mercato regolamentato o autorità di borsa; o b) stipulare uno swap o qualsiasi altro accordo o qualsiasi operazione che trasferisca, in tutto o in parte, direttamente o indirettamente, la conseguenza economica della proprietà delle Nuove Azioni dell'Aumento di Capitale o di altre azioni dell'Emittente, o c) annunciare pubblicamente l'intenzione di effettuare tali operazioni. Fermo restando quanto sopra, le seguenti operazioni sono escluse dalla limitazione del lock-up: (i) emissione, offerta o trasferimento di Nuove Azioni nell'ambito dell'Aumento di Capitale; (ii) emissione, offerta o trasferimento di azioni relative a piani di stock option esistenti o nuovi per dirigenti/dipendenti, in conformità con le normative e come indicato nella relazione sulla remunerazione 2024; (iii) qualsiasi operazione straordinaria che richieda l'approvazione degli azionisti e che comporti l'emissione, offerta o trasferimento di azioni; (iv) qualsiasi aumento di capitale gratuito; e (v) qualsiasi operazione richiesta da un'autorità o necessaria per conformarsi alle normative applicabili.

	Accordo di Lock-Up degli Azionisti Principali: Nell'ambito dell'Offerta, gli Azionisti Principali concorderanno con l'Emittente il rispetto di impegni di lock-up (le "**Restrizioni degli Azionisti Principali**") per un periodo di 180 giorni dalla Data di Chiusura o, in mancanza della Data di Chiusura, dal giorno che cade 3 giorni lavorativi dopo l'ultimo giorno dell'Asta dei Diritti, o in mancanza dell'Asta dei Diritti, dal giorno che cade 3 giorni lavorativi dall'ultimo giorno del Periodo di Offerta, in relazione alle azioni di Nuove Azioni dell'Aumento di Capitale e alle altre azioni dell'Emittente di loro proprietà. Conformemente alle Restrizioni degli Azionisti Principali, gli Azionisti Principali non potranno: a) compiere, direttamente o indirettamente, operazioni di vendita, cessione e/o transazione che abbiano per oggetto e/o per effetto l'assegnazione e/o il trasferimento a terzi, a qualsiasi titolo o in qualsiasi forma, della proprietà o di qualsiasi altro diritto sulle Nuove Azioni dell'Aumento di Capitale e sulle altre azioni dell'Emittente di loro proprietà (o su altri strumenti finanziari, anche partecipativi, che attribuiscono il diritto di acquistare, sottoscrivere, convertire in, e/o negoziare con, le Nuove Azioni dell'Aumento di Capitale e le altre azioni dell'Emittente) o depositare con riguardo alle stesse una dichiarazione di registrazione (*registration statement*) ai sensi del Securities Act o un documento analogo presso qualunque altra autorità di regolamentazione dei valori mobiliari, mercato regolamentato o autorità di borsa nonché non stipulare contratti derivati sulle Nuove Azioni dell'Aumento di Capitale e sulle altre azioni dell'Emittente e/o comunque effettuare operazioni su strumenti derivati che abbiano i medesimi effetti, anche solo economici, delle operazioni di cui sopra; b) promuovere e/o deliberare aumenti di capitale e/o emissioni di obbligazioni convertibili in (e/o scambiabili con) azioni e/o buoni per l'acquisto/sottoscrizione di Nuove Azioni dell'Aumento di Capitale e di altre azioni dell'Emittente o di altri strumenti finanziari, anche con diritto di voto, che conferiscano il diritto di acquistare, sottoscrivere, scambiare con o convertire in Nuove Azioni dell'Aumento di Capitale e altre azioni dell'Emittente. Fermo restando quanto sopra, le Restrizioni degli Azionisti Principali non si applicano a: a) operazioni relative alle Nuove Azioni dell'Aumento di Capitale e altre azioni dell'Emittente effettuate dagli Azionisti Principali con società che le controllano, da esse controllate o soggette a controllo comune (a condizione che tali società si impegnino a rispettare le stesse condizioni di lock-up per la durata residua); e b) trasferimenti delle Nuove Azioni dell'Aumento di Capitale e altre azioni dell'Emittente a un offerente nell'ambito di un'offerta pubblica di acquisto. *Accordo di Lock-Up delle Azioni di Conversione dei Venditori*: I Venditori si impegnano a rispettare impegni di lock-up ("**Restrizioni al Trasferimento delle Azioni oggetto di Conversione dei Venditori**") per (i) un periodo di 12 mesi dal Completamento dell'Acquisizione di Gardant Group con riferimento ai Venditori Obbligati e (ii) un periodo di 6 mesi dal Completamento dell'Acquisizione di Gardant Group, con riferimento agli Altri Azionisti di Minoranza, con riferimento alle Azioni di Conversione. Ai sensi delle Restrizioni al Trasferimento delle Azioni oggetto di Conversione dei Venditori, i Venditori non potranno: a) porre in essere atti, accordi o intese, con o senza corrispettivo (ivi inclusi, a titolo esemplificativo e non esaustivo, vendita, permuta, conferimento, distribuzione in natura di dividendi o riserve di capitale, concessione e/o escussione di pegni o altre garanzie, concessione di diritti di godimento, fusioni, scissioni, contratti preliminari, opzioni, contratti ad esecuzione differita, donazioni, donazioni, conferimenti a fiduciari) che direttamente o indirettamente (anche con riferimento a trasferimenti a monte della relativa catena di controllo) comportino il trasferimento volontario (anche temporaneo e/o su base fiduciaria) di, o l'impegno a trasferire, o una restrizione al trasferimento (anche temporaneo e/o su base fiduciaria) della proprietà (ivi compresa la nuda proprietà o titolarità) o di qualsiasi diritto connesso o interesse in, o relativo a, qualsiasi Azione di Compendio a qualsiasi soggetto diverso dall'Emittente o da un altro Venditore precedentemente proprietario di tali Azioni di Conversione; b) stipulare uno swap o qualsiasi altro accordo o qualsiasi operazione che trasferisca, in tutto o in parte, la conseguenza economica della proprietà delle Azioni di Conversione; e c) stipulare qualsiasi contratto derivato o operazione relativa alle Azioni di Conversione che possa avere una qualsiasi delle conseguenze indicate ai punti a) e b) di cui sopra (il "**Trasferimento delle Azioni di Conversione**"). Le Restrizioni al Trasferimento delle Azioni oggetto di Conversione dei Venditori non si applicheranno nei seguenti casi: (a) disposizioni derivanti da norme di legge imperative, ordini dell'autorità giurisdizionale o successioni ereditarie; (b) Trasferimento delle Azioni di Conversione da parte di Tiber a sue affiliate; (c) Trasferimento delle Azioni di Conversione da parte di qualsiasi Venditore, diverso da Tiber, a soggetti sotto il loro controllo, che li controllano o sotto controllo comune; (d) offerte pubbliche di acquisto lanciate sulle azioni dell'Emittente e rivolte a tutti gli azionisti dell'Emittente ai sensi dell'Articolo 123, comma 3 del TUF (e) vendite da parte di altri Azionisti di Minoranza di alcuni o di tutti i loro Diritti collegati alle Obbligazioni Convertende, soggette a condizioni specifiche; oppure (f) la vendita da parte di uno qualunque degli Altri Azionisti di Minoranza di alcuni o tutti i propri Diritti a una terza parte, a condizione che tali Diritti siano stati offerti in conformità con la procedura prevista dal presente accordo di lock-up. *Accordo di lock-up delle Nuove Azioni dell'Aumento di Capitale dei Venditori Obbligati*: Nell'ambito dell'Offerta, i Venditori Obbligati si impegnano a rispettare impegni di lock-up (le "**Restrizioni dei Venditori Obbligati**") per un periodo di 180 giorni dalla Data di Chiusura o, in caso di assenza della Data di Chiusura, dal giorno che cade 3 giorni lavorativi dopo l'ultimo giorno dell'Asta dei Diritti, o in caso di assenza dell'Asta dei Diritti, dal giorno che cade 3 giorni lavorativi dopo l'ultimo giorno del Periodo di Offerta, in relazione alle Nuove Azioni dell'Aumento di Capitale. Le Restrizioni dei Venditori Obbligati, unitamente alle seguenti eccezioni, si applicheranno *mutatis mutandis* anche con riferimento alle Nuove Azioni dell'Aumento di Capitale soggette all'Obbligo di Sottoscrizione di Tiber, ove sottoscritte da Tiber. Conformemente alle Restrizioni dei Venditori Obbligati, i Venditori Obbligati non potranno: (a) effettuare, direttamente o indirettamente, operazioni di vendita, cessione e/o transazione che abbiano per oggetto e/o per effetto l'assegnazione e/o il trasferimento a terzi, con qualsiasi titolo o in qualsiasi forma, della proprietà o di qualsiasi altro diritto sulle Nuove Azioni dell'Aumento di Capitale (o su altri strumenti finanziari, inclusi i titoli di capitale, che attribuiscono il diritto di acquistare, sottoscrivere, convertire in, e/o negoziare con, le Nuove Azioni dell'Aumento di Capitale), né depositare alcuna dichiarazione di registrazione ai sensi del Securities Act o alcun documento analogo presso qualsiasi altra autorità di vigilanza su titoli, borsa valori o autorità di quotazione in relazione a quanto sopra, nonché non stipulare contratti derivati sulle Nuove Azioni dell'Aumento di Capitale e/o comunque effettuare operazioni su strumenti derivati che abbiano gli stessi effetti, anche solo economici, delle operazioni di cui sopra; (b) promuovere e/o deliberare aumenti di capitale e/o emissioni di obbligazioni convertibili in (e/o scambiabili con) azioni e/o certificati per l'acquisto/sottoscrizione di azioni dell'Emittente o altri strumenti finanziari, anche con diritto di voto, che conferiscano il diritto di acquistare, sottoscrivere, scambiare con o convertire in azioni dell'Emittente. Fermo restando quanto sopra, le Restrizioni dei Venditori Obbligati non impediranno ai Venditori Obbligati di: (i) accettare un'offerta generale rivolta a tutti gli azionisti dell'Emittente a condizioni uguali; (ii) trasferire le Nuove Azioni dell'Aumento di Capitale a una società affiliata (che dovrà assumere impegni di lock-up simili per la durata residua); e (iii) trasferire le Nuove Azioni dell'Aumento di Capitale, se sottoscritte, qualora richiesto dalla legge, da un'autorità competente o da ordine di un tribunale.
D.3.4	**Conflitto di interessi rilevante relativo all'Offerta e all'Ammissione**: Tiber e i Joint Global Coordinators sono portatori di un interesse in relazione all'Offerta in quanto, qualora le Nuove Azioni dell'Aumento di Capitale non fossero interamente sottoscritte entro il termine dell'Offerta, essi sottoscriveranno le Nuove Azioni dell'Aumento di Capitale non sottoscritte secondo le seguenti modalità: (i) Tiber sottoscriverà un importo massimo pari a €2.955.186,44, in esecuzione dell'Impegno Irrevocabile dell'Azionista Tiber e (ii) i Joint Global Coordinator e Tiber sottoscriveranno le Nuove Azioni dell'Aumento di Capitale per un importo massimo pari a €67.491.808,17 ai sensi dell'Accordo di Pre-Sottoscrizione. Alla Data del Prospetto, i Joint Global Coordinators o i relativi affiliati si considerano soggetti interessati nel contesto dell'Offerta se: (i) stanno ricevendo e/o riceveranno commissioni in relazione al proprio ruolo di Joint Global Coordinators, in aggiunta a quelli previsti per i propri obblighi ai sensi dell'Accordo di Pre-Sottoscrizione nonché dell'Accordo di Sottoscrizione al momento della sua sottoscrizione; (ii) ciascuno dei Joint Global Coordinators o delle relative affiliate potrà erogare, nell'ambito della propria attività ordinaria, una diversa serie di servizi, nel contesto dell'Offerta, dell'Acquisizione del Gruppo Gardant e delle Operazioni (consistenti, ad esempio, nell'attività di erogazione del credito o nel servizio di consulenza finanziaria e/o di investimento) al Gruppo, ai Principali Azionisti, a Elliott, ai rispettivi azionisti e/o società controllate e/o collegate e/o ad altri soggetti direttamente o indirettamente coinvolti nell'Offerta e/o ad altre società operanti nel medesimo settore di attività, e ricevono, o riceveranno, commissioni o compensi in relazione alla prestazione di tali servizi e alla conclusione di tali accordi e operazioni, tra cui: (a) l'Indenture 2020 e l'Indenture 2021 stipulati, tra gli altri, dall'Emittente e da UniCredit S.p.A., in qualità di security agent e in qualità di rappresentante degli obbligazionisti ai sensi dell'articolo 2414-*bis*, terzo comma, del codice civile; (b) l'Intercreditor Agreement; (c) il 2024 Senior Secured Facilities Agreement stipulato, tra l'altro, dall'Emittente e da UniCredit S.p.A. in qualità di agent e security agent e congiuntamente a Mediobanca – Banca di Credito Finanziario S.p.A. in qualità di bookrunners, global coordinators e mandated lead arrangers, e da Intesa Sanpaolo S.p.A. e Banco BPM S.p.A. in qualità di mandated lead arrangers; (d) le esposizioni creditizie verso il gruppo societario a cui appartiene UniCredit Bank GmbH, Succursale di Milano, che alla data del 31 ottobre, 2024, ammontano a circa €79,2 milioni. In particolare, le esposizioni creditizie per cassa completamente utilizzate ammontano a €0, corrispondenti a circa lo 0% dell'indebitamento finanziario lordo del Gruppo al 30 settembre, 2024. Inoltre, l'Emittente e UniCredit S.p.A. e, tra l'altro, a seguito della relativa adesione, UniCredit Bank GmbH, filiale di Milano, hanno stipulato i Contratti di Servicing UniCredit in base ai quali l'Emittente si occuperà della gestione di alcuni NPL di UniCredit S.p.A. e di UniCredit Bank GmbH, filiale di Milano, nonché di futuri flussi di NPL con un GBV non superiore a €2 miliardi. Il corrispettivo per i servizi dell'Emittente è composto, tra l'altro, da: (i) una commissione base; (ii) una commissione di performance; e (iii) una commissione discrezionale variabile di over-performance. Alcuni dei Joint Global Coordinator e/o le società rispettivamente controllanti, controllate o sottoposte a comune controllo potrebbero anche, in qualsiasi momento, assumere posizioni corte o lunghe e negoziare, per conto proprio o dei propri clienti, strumenti azionari o di debito, prestiti o altri strumenti finanziari (inclusi titoli derivati) dell'Emittente, dei Principali Azionisti e/o delle relative affiliate e/o di altre società operanti nel medesimo settore di attività e/o di altri soggetti direttamente o indirettamente coinvolti nell'Offerta o in strumenti finanziari (inclusi titoli derivati) il cui valore dipende da questi ultimi, nonché effettuare operazioni di natura analoga su finanziamenti erogati all'Emittente, ai Principali Azionisti e/o a loro affiliate e/o ad altre società operanti nel medesimo settore di attività e/o ad altri soggetti direttamente o indirettamente coinvolti nell'Offerta.

RISK FACTORS

An investment in the Shares involves risks. Before investing in the Shares, prospective investors should consider carefully the following risk factors and all information contained in this Prospectus to ensure that they have understood the general and specific risks that the Group faces and that affect the industry in which the Group operates, as well as the risks related to investing in the Shares. If any of the events described below were to occur, the Group's business, financial condition, results of operations or prospects could be materially and adversely affected, and investors could lose all or part of their investment.

All of these risks and events are contingencies which may or may not occur. The Group may face a number of the risks described below simultaneously, and the risks described below may be interdependent. Although the most material risks have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks, or of the scope of any potential negative impact on the Group's business, results of operations, financial condition or prospects. While the risk factors below have been divided into categories and the Group has included each risk in the most appropriate category, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

The risk factors featured in the Prospectus are limited to risks that are specific to the Group or the Shares and that are material for taking an informed investment decision. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are presented in categories depending on their nature. In each category, the most material risk factors are mentioned first according to an assessment based on the probability of their occurrence and the expected magnitude of their impact. The risks mentioned may materialize individually or cumulatively.

Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to the Shares.

RISKS RELATED TO THE GROUP'S ECONOMIC AND FINANCIAL CONDITION

The Group is subject to the risk of not successfully reaching the strategic goals and financial targets announced to the market, which are based on various assumptions and factors outside its control

The Rights Issue is part of an interconnected series of actions involving the Gardant Group Acquisition and the drawdown of certain financing agreements, which all together serves to implement the Group's diversification process through the integration of the Gardant Group subject to Gardant Group Acquisition, and to support the reduction of the Group's indebtedness.

The Group showed highly unpredictable performance due to the macroeconomic environment, fluctuations in the collection of debt receivables due to seasonal factors, the Servicing market and other industry trends. The Group's EBITDA for the year ended December 31, 2023, was €175 million (with an EBITDA margin of 36.1%), representing a decrease of 11.8% from €199 million (with an EBITDA margin of 35.6%) compared to the year ended December 31, 2022. The Group's EBITDA for the year ended December 31, 2022, was €199 million (with an EBITDA margin of 35.6%), representing a decrease of 0.3% from €199 million (with an EBITDA margin of 34.8%) compared to the year ended December 31, 2021. The Group's EBITDA for the year ended December 31, 2021, was €199 million (with an EBITDA margin of 34.8%), representing an increase of 41.5% from €117 million (with an EBITDA margin of 27.7%) compared to the year ended December 31, 2020.

The Group's EBITDA Ex-NRIs (calculated as EBITDA adjusted to exclude (i) the increased value of earn-out relating to doValue Greece; (ii) termination of incentive plans; (iii) legal expenses for an ongoing arbitration in Spain; (iv) insurance reimbursements; and (v) related tax effects) for the year ended December 31, 2023, was €179 million (with an EBITDA Ex-NRIs margin of 37.2%), representing a decrease of 12.3% from €204 million (with an EBITDA Ex-NRIs margin of 37.0%) compared to the year ended December 31, 2022. The Group's EBITDA Ex-NRIs for the year ended December 31, 2022, was €204 million (with an EBITDA Ex-NRIs margin of 37.0%), representing an increase of 1.3% from €201 million (with an EBITDA Ex-NRIs margin of 35.1%) compared to the year ended December 31, 2021. The Group's EBITDA Ex-NRIs for the year ended December

31, 2021, was €201 million (with an EBITDA Ex-NRIs margin of 35.1%), representing an increase of 36.5% from €128 million (with an EBITDA Ex-NRIs margin of 30.3%) compared to the year ended December 31, 2020.

The Group's Gross Book Value as of December 31, 2023, was €116 billion, showing a decrease of 3.4% from €120 billion as of December 31, 2022. The Group's Gross Book Value as of December 31, 2022, was €120 billion, showing a decrease of 19.4% from €149 billion as of December 31, 2021. The Group's Gross Book Value as of December 31, 2021, was €149 billion, showing a decrease of 5.2% from €158 billion as of December 31, 2020.

The decrease in margin and Gross Book Value was mainly due to unfavourable market conditions and the termination in February 2022 of one of the Group's principal clients in Spain (Sareb).

For the nine months ended September 30, 2024, the Group's EBITDA was €92 million, representing a decrease of 20.1% from €115 million for the same period in 2023. For the nine months ended September 30, 2024, the Group's EBITDA Ex-NRIs was €96 million, representing a decrease of 18.3% from €117 million for the same period in 2023.

As of September 30, 2024, the Group's Gross Book Value was €116.7 billion, which represented a decrease of 0.9% compared to September 30, 2023, and a slight increase of 0.3% from December 31, 2023.

The decrease in EBITDA is primarily attributable to reduced collections from the Real Estate Owned business (REOs) in Spain, a decline in ancillary revenues in Greece, and lower portfolio sales in Greece.

Gross Book Value remained largely stable compared to December 31, 2023, supported by a consistent inflow of new business, unrelated to the NPE business, which offset collections.

In response to the changing market dynamics and in order to counteract the deterioration of profit margins, on March 21, 2024 the Board of Directors of the Issuer approved the stand-alone business plan of the Group 2024-2026 "*Unlocking New Frontiers*" (this business plan, as updated August 7, 2024 with reference to certain doValue standalone targets for 2024 referred to below, the "Business Plan"), which sets forth the Group's strategy and operating, economic and financial targets for the years ending 2024 and 2026 (the "doValue Standalone Targets"). The Business Plan focuses on several actions, including the growth and expansion into adjacent non-NPL areas which the Issuer deems to have attractive long-term growth prospects, and which the Issuer believes are key actions in order to protect Group's profitability.

In order to accelerate the execution of its Business Plan strategies and strengthen the Issuer's position in the Italian market, on June 7, 2024, the Issuer announced the signing of a share purchase agreement with the shareholders of Gardant S.p.A. for the acquisition of its entire share capital (the "Gardant Group Acquisition") and a connected financing package, which includes a combination of new bank financings through the 2024 Senior Facilities Agreement and the Rights Issue. The Gardant Group Acquisition is expected to close after the approval of this Prospectus but before the commencement of the Offer Period (the "Gardant Group Acquisition Completion") and is not contingent upon the completion of the Rights Issue.

In light of the above, the partial or incomplete subscription of the Offer will not affect the completion of the Gardant Group Acquisition. Conversely, the commencement of the Rights Issue is conditional upon the completion of the Gardant Group Acquisition and aims at supporting the reduction of the Group's indebtedness, which will increase further with the Gardant Group Acquisition. Should the operational and financial performance of the Group significantly deviate from the business dynamics assumed in the Business Plan, the Group's profit margins would deteriorate, potentially resulting in a negative impact on the return on investment in the Issuer's Shares.

In the context of the Gardant Group Acquisition, the Issuer received, among others, the clearance by the Bank of Italy on November 19, 2024. In its letter to the Issuer, Bank of Italy reserved the right to conduct, following the Gardant Group Acquisition Completion and in light of additional documents to be provided to the authority, further assessments to evaluate the potential application of the provisions outlined in Article 109, paragraph 2, of the Italian Banking Act.

On the date of the announcement of the Gardant Group Acquisition, the Issuer announced to the market the Combined Targets (as defined below) for the Group combined with the Gardant Group (the "Combined Group") and (ii) certain operating, economic and financial targets of the Gardant Group for the year ending 2024 (the "Gardant Group Targets") . The Combined Targets are the combination of the (i) doValue Standalone Targets for 2026 as included in the Business Plan; (ii) Gardant Group Targets for 2026 and (iii) potential revenue and costs synergies deriving from the Gardant Group Acquisition and the cumulative restructuring costs required to achieve these synergies. Therefore, the Combined Targets do not represent a business plan of the Combined Group. In addition, on August 7, 2024, the Issuer announced to the market a review of certain doValue Standalone Targets for 2024 but confirmed validity of the Combined Targets (the doValue Standalone Targets, the Combined Targets and the Gardant Group Targets collectively the "Targets"). These revisions were primarily made to reflect the effects of postponing certain Greek secondary sales transactions to the last month of the year or possibly the first quarter of 2025, thus making the full achievement of the original 2024 target more uncertain. The Issuer deems the Targets to be valid as of the Prospectus Date.

The Combined Targets, of which the doValue Standalone Targets represent the most significant and material component, are based on assumptions and strategic approaches which are consistent with those used for the preparation of the Business Plan, with the addition of assumptions specific to the Gardant Group's business, such as the growth in the corporate mid-small UTP segment, the expansion of the types of credits served through the collection of thematic funds specialized in specific high-profitability clusters and the maintenance capex amounting about to 1% of revenues over the 2024-2026 timeframe. The main strategic goals underlying the Combined Targets to: (i) establish the Group as the leader in Italy, (ii) expand product and service offerings, including the development of an integrated alternative asset management business, (iii) foster collaborations with key industry players, (iv) maximize synergies between the Group companies and (v) accelerate the execution of the Business Plan.

The Targets are based on assumptions and strategic approaches, which may involve a higher degree of uncertainty in their achievement and this could have a material adverse effect on the Group's business, results of operations and financial condition.

Specifically, the Group's ability to reach the Targets and, particularly, the Combined Targets, is subject to uncertainties and contingencies, some of which are independent from the Offer and beyond the Group's control, also as result of the Gardant Group Acquisition. In particular, the objectives set out in the Combined Targets also depends on certain assumptions relating to the Gardant Group, which, as of the Prospectus Date is not part of the Group and includes potential revenue and/or costs synergies deriving from the Gardant Group Acquisition. The main assumptions for the Combined Targets, *inter alia*, are: (A) for the doValue Standalone Targets, (i) (a) new mandates expected to generate revenues of €2.2 billion (of which €2.1 billion in Greece and €0.1 billion in Cyprus), from new mandates from 2024 transactions already in the market and other new business in 2025 in the Hellenic region, (b) approximately €9 billion in new mandates, of which €6.0 billion in NPL and approximately €3 billion from UTP and Stage 2 in Italy, and (c) new mandates of €6.5 billion, both from banks and new portfolio investors in Spain; (ii) rapid deleveraging profile in 2025 and 2026, as provided in the Business Plan, due the combined effect of (a) an increase both in EBITDA and in operating cash flow in all the regions where the Group operates and (b) a gross debt stable over the 2024-2026 timeframe; (iii) 2025 and 2026 maintenance capex amounting to 4% of Gross Revenues; (B) for the Gardant Group Targets that (i) the Gardant Group Acquisition closes on the timeline and on the terms and conditions agreed, (ii) the Gardant Group Acquisition increases the Group's earnings per share (EPS) in the medium-term, and (iii) the platform and capabilities of Gardant, with forward flow agreements with both Banco BPM (NPLs) and BPER (mostly UTPs) will endow the Combined Group with a know-how to compete in the forward flow agreements segment; (C) for the synergies deriving from the Gardant Group Acquisition, (i) that the Gardant Group Acquisition delivers pre-tax synergies of up to €15 million per annum starting from 2026 (approximately €5 million in 2025), of which 80% to be derived from costs synergies and 20% from revenue synergies; (ii) that synergies are expected to primarily derive from (a) reduction in headquarters costs relating to legal, human resources and finance departments of approximately €9 million and (b) reduction in selected external costs through insourcing and various operating costs savings, integration of IT functions and sharing of best practices in terms of efficiency and productivity; and (D) for the 2026 Gross Revenue Combined Target , that revenue of €135 million to €140 million will be generated by contracts not signed as of the Prospectus Date, of which 70% and 30% related to the NPL and non-NPL businesses, respectively. If the assumptions underlying the Targets do not materialize or occur to a different extent and/or timing than anticipated, the Group may need to revise the Targets in the future, with a negative impact on the return on any investment in the Issuer's Shares, which, could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition. Additionally, due to the uncertainty associated with the occurrence of any future event, there may be deviations, potentially significant, between actual results and the Targets.

To the Issuer's knowledge, the main risks to achieving the expected synergies relate to the expected IT and staff costs savings. Specifically, synergies are expected to be derived from (i) insourcing the Group's Asset Managers within Gardant Group, reducing external costs by €7 million, which is expected to be offset by higher initial labour costs of €8 million; (ii) headquarters staff cost synergies, reducing corporate functions costs by €9 million; (iii) administrative and IT savings of €11 million; and (iv) revenue synergies of €1 million in 2026. In light of the above, there is a risk that the integration of the Gardant Group into the Group may not proceed successfully, potentially taking longer than anticipated and with costs higher than those expected.

Any of the above could have a material adverse effect on the Group's business, results of operations and financial condition.

Consequently, no assurance can be given that the Group will be able to reach the Targets, which could have a material adverse effect on the Group's business, results of operations and financial condition. The Group may also face delays or difficulties in implementing process and system improvements (such as the investments made in its digital platform to expand into new segments (*e.g.* consumer finance, utilities)), which could adversely affect its ability to successfully compete in the markets in which it operates. In addition, the cost associated with implementing the Targets may exceed those anticipated and the Group may not have sufficient financial resources to fund all of the desired or necessary investments required in connection with its plans, including one-time costs associated with its operating improvement plans. These factors could prevent the Group from achieving the Targets, on the timeline expected or at all.

The Targets were prepared based on certain assumptions developed by the Group's management – relating to, among others, the development of its industry, business, results of operations and financial condition – on the basis of its specific knowledge of and experience in the Servicing market as well as the available data regarding the Gardant Group and the market as of the date they were prepared. Assumptions underlying the Targets concern future events, which are subject to inherent uncertainty, or relate to matters outside management's control. The Group's business, results of operations and financial condition, and the development of the industry and the macroeconomic environment in which the Group operates, may differ materially from, and be more negative than, those assumed by the Group when preparing the Targets. Additionally, although the Issuer has performed an independent due diligence on Gardant Group, the Issuer has no control on the financial information prepared by the Gardant Group and its management, that was used in preparation of the Combined Targets. Further, the Issuer currently has no experience operating the Gardant Group, which has not yet been integrated into the Group's operations, and the synergies that the acquisition will actually generate may be lower than those estimated by the Group.

The existing and future execution of the Targets, will, to some extent, also be dependent on other external factors that the Group cannot control, such as legal or regulatory changes, changes in investors' investment policies, systemic failures in the Group's industry or those of its clients and changes in fiscal and monetary policies. In addition, these strategic and operational plans need to be continually reassessed to meet the challenges and needs of the Group's businesses in order for the Group to remain competitive. The failure to implement and execute its Business Plan in a timely manner or at all, to realize the cost savings or other benefits or improvements associated with this plan, to have the financial resources necessary to fund the costs associated with this plan or to incur costs in excess of anticipated amounts or to sufficiently assess and reassess its Business Plan, could have a material adverse effect on the Group's business, results of operations and financial condition.

The partial subscription of the Rights Issue and the inability to draw all the new banking facilities may compromise the ability to sustain the Combined Group's financial indebtedness in the medium term.

The net proceeds from the Rights Issue are aimed at supporting the reduction of the Group's indebtedness, which will increase due to the use of new bank facilities entered into in connection with the acquisition of the Gardant Group. The failure to achieve the full subscription of the Rights Issue and the inability to draw all the new banking facilities may compromise the ability to sustain the Combined Group's financial indebtedness in the medium term.

The Group has a significant amount of debt, a portion of which matures in the next twelve months. The Group's gross financial indebtedness as of September 30, 2024 amounted to €653.8 million of which €315.2 million is current and €338.6 million is non-current. The Gardant Group's gross financial indebtedness as of September 30, 2024 amounted to €81.2 million of which €21.6 million is current and €59.6 million is non-current.

The execution of the Gardant Group Acquisition and related financing transactions will result in an increase in the gross financial debt of the Group. The Group's gross pro forma financial indebtedness (giving effect to the Gardant Group Acquisition, the Rights Issue and the bank facilities entered into in connection with the Gardant Group Acquisition as part of the 2024 Senior Facilities Agreement), as of September 30, 2024 amounts to €714.4 million.

The estimated Group's total net financial needs for the twelve months following the Prospectus Date, excluding the net proceeds from the Offer (although the Offer is characterized by underwriting commitments for a maximum amount equal to €79,553,005.07 pursuant to the Rights Offering Escrow, as defined below), is approximately €41 million, according to ESMA Guidelines 32-382-1138. Part of the Group's gross financial indebtedness is represented by the 2025 Notes due on August 4, 2025, which principal amount is equal to €264 million. In the event of full subscription of the Offer, the estimated net proceeds, equal to approximately €142 million, will be used, along with €110 million from the Refinancing Term Facility and available cash of the Group for the remaining amount, for the repayment of the remaining amount of the 2025 Notes, which as of September 30, 2024 amount to €266.2 million, of which €264.0 million as principal and €2.2 million as accrued interest.

Specifically, the Rights Issue of €150 million, which has been approved in divisible form, is supported by (i) a commitment from the Principal Shareholders and Committed Sellers' for a maximum amount of €82,508,191.51, of which (a) €79,553,005.07 (the "Rights Offering Escrow Amount") will be deposited in escrow before the Offer Period and released to the Issuer within five business days after the commencement of the Offer Period (the "Rights Offering Escrow"); and (b) up to €3 million has been committed by Tiber to subscribe the New Rights Issue Shares not purchased by the other minority shareholders (the "Other Minority Shareholders") (the "Tiber Underwriting Obligation"), subject to the condition of the obligation to conduct a mandatory tender offer will not be triggered; and (ii) a pre-underwriting agreement with the Joint Global Coordinators for the balance of approximately €67.5 million (the "Pre-Underwriting Agreement"). The Issuer may be unable to raise in full the targeted amount by way of the Rights Issue in the event the Joint Global Coordinators terminate the Underwriting Agreement and Tiber does not comply with the Tiber Underwriting Obligation.

Under the terms of the Refinancing Term Facility, under which a maximum of €206 million is available, the Issuer is entitled to borrow subject to the condition that it receives no less than €150 million from the sum of (i) the Rights Issue, in an amount not lower than €82,508,191.51, (ii) no more than €30 million in cash available from the Issuer (as of September 30, 2024 the Issuer has cash available of approximately €91 million) and (iii) the cash proceeds received by the Issuer from the sale and/or issuance of equity or quasi-equity instruments subscribed for by third-party investors.

If the Rights Issue is not fully subscribed and the Refinancing Term Facility is not drawn, , the Issuer, considering the proceeds deriving from the Rights Offering Escrow, shall repay the 2025 Notes using (i) the Revolving Facility, which is available for up to €80 million and the use of which is not subject to the outcome of the Rights Issue, and (ii) for the remaining amount, a portion of the available cash of (a) the Group, which, as of September 30, 2024 is equal to €91 million and (b) the Gardant Group, which, as of September 30, 2024 is equal to €50.4 million. In this scenario, the Issuer will be required to utilize a greater amount of available cash reserves to offset the absence of the Refinancing Term Facility drawdown, thereby exposing the Group to a potential risk of financial tension following the repayment of the 2025 Notes.

Further, for the purpose of repaying the 2025 Notes the Issuer cannot rule out the possibility to issue new bonds, possibly also through an exchange offer with existing bondholders (which would involve offering new bonds with a longer maturity and higher interest rate in exchange for bonds maturing in 2025) and/or securing new bank credit facilities. In addition, the Group could consider issuing equity, quasi-equity or subordinated debt instruments underwritten by third-party investors, if not the bondholders themselves. The feasibility of these measures is uncertain at the Prospectus Date given their dependence on future market conditions and investor appetite.

In light of the above, taking into account the limitations of the Refinancing Term Facility and depending on the final subscribed amount of the Rights Issue, any worsening in the Combined Group's economic and financial performance, which is subject to a variety of internal and external factors, and the inability of the Combined Group to adopt timely actions necessary to secure new financial resources, could compromise the sustainability of its indebtedness in the medium term. The occurrence of any of these events could have a significant negative impact on the business, operating results, financial condition and prospects of the Combined Group.

There are risks associated with the variation in the Group's financial results, which may also limit the distribution of the Group's dividends

The Group's results of operations are potentially affected by, among other things, (i) changes in the general conditions of the industry, including regulatory shifts, (ii) the GBV of assets under management (iii) the Group's ability to secure new Servicing mandates, (iv) fluctuations in the collection of debt receivables due to seasonal factors, and (v) the potential deterioration in the macroeconomic landscape due to the international geopolitical context. The Group's primary source of liquidity derives from its operations. Specifically, the Group's economic results, particularly in terms of profitability, are significantly influenced by the NPE Servicing mandates it wins and the GBV of assets under its management.

NPE Servicing clients primarily include banks that outsource the management of their loan portfolios, either in full or in part, and investors who acquire such loans (or notes in a securitized loan portfolio) from banks or other investors. The services offered by the Group under NPE Servicing primarily encompass (i) in-court and out-of-court collection and recovery processes related to non-performing loans and lease liabilities, and (ii) additional management and administrative services that support recovery activities. Revenue from NPL Servicing is derived from both fixed and variable components. The fixed component is calculated as a percentage of the GBV of assets under management, while the variable component is based on collection performance.

For the nine months ended September 30, 2024, the Group's NPE Servicing activities generated €240.6 million, representing 76.0% of the Group's total gross revenue. However, the European NPE market has significantly declined over the past decade, driven by regulatory pressure that resulted in a deleveraging process, reducing the NPE stock held by Systemically Important Institutions (SIIs) from €896 billion in Q1 2017 to €373 billion as of Q2 2024 (Source: European Banking Authority, EBA Risk Dashboard, data as of Q2 2024).

For the financial year ending December 31, 2023, the Group reported EBITDA of €175 million, with an EBITDA margin of 36.1%, compared to €199 million for the financial year ending December 31, 2022, with an EBITDA margin of 35.6%. For the financial year ending December 31, 2023, the Group reported EBITDA Ex-NRIs of €179 million, with an EBITDA Ex-NRIs margin of 37.2%, compared to €204 million for the financial year ending December 31, 2022, with an EBITDA Ex-NRIs margin of 37.0% (both EBITDA Ex-NRIs and EBITDA Ex-NRIs margin for the financial year ending December 31, 2022 exclude the contribution of doValue Portugal, which was divested by the Group on July 24, 2024). The decrease in EBITDA for 2023 can be attributed to several factors that affected the Group's overall profitability and operational efficiency, including (i) the Sareb portfolio offboarding effect in Spain; (ii) the collections slowdown in Italy, and a downside in Greece majorly tied to the Mexico portfolio indemnity accrued in 2022. As of September 30, 2024, the Group recorded EBITDA of €92 million, with a margin of 29.1%, compared to €115 million for the same period in 2023, with a margin of 34.4%. As of September 30, 2024, the Group recorded an EBITDA Ex-NRIs of €96 million, with a margin of 30.5%, compared to €117 million for the same period in 2023, with a margin of 35.3% (both EBITDA Ex-NRIs and EBITDA Ex-NRIs margin for the nine months ended September 30, 2023 exclude the contribution of doValue Portugal, which was divested by the Group on July 24, 2024). The decrease in EBITDA for the nine months of 2024 can be attributed to several factors, which affected the Group's overall profitability and operational efficiency, such as (i) the drop in Spain revenues due to the slow ramp-up of new contracts and REO revenue trend more pronounced due to lower stock of REO GBV and challenging real-estate market, (ii) contraction in revenues in the Hellenic region, due to lower NPL disposals and lower curing fees in Greece, partly compensated by higher revenues in Cyprus; and (iii) revenues stable in Italy with lower NPL but higher non NPL revenues.

As for the Combined Targets, the Group expects Gross Revenue of between €605 to €625 million with an EBITDA ex NRIs margin of approximately 40%-41%. The achievement of these targets may potentially be impacted by the uncertainties related to the evolution of the macroeconomic environment including the performance of the real estate market, NPE ratio and trends, changes in the current legal-regulatory framework, real GDP per capita, the interbank interest rate and inflation rate. Should the assumptions underlying the Business Plan prove incorrect, the Group's expected results could be materially negatively impacted potentially jeopardizing the achievement of the Combined Targets and negatively impacting any return on investment in the Issuer's Shares.

Additionally, the Group's ability to distribute dividends is restricted by provisions in its financing agreements. Specifically, the 2024 Senior Facilities Agreement includes a prohibition on dividend distributions unless the following conditions are met: (i) the 2025 Notes and the 2026 Notes are redeemed and/or refinanced in full, (ii) such payments or distributions are consistent with the Group's dividend policy disclosed to the market; and (iii) the Consolidated Net Leverage Ratio, calculated on a pro forma basis at the end of the most recently ended relevant period for which semi-annual financial statements are required to be delivered to the facility agent pursuant to the 2024 Senior Facilities Agreement and taking into account the proposed payment or distribution as if it had been made at the beginning of that relevant period, does not exceed 3.25:1.00. On September 26, 2024, the Issuer's Board of Directors approved a new dividend policy for the Group, which, assuming the occurrence of the Gardant Group Acquisition Completion, aims to distribute between 50% and 70% of the Group's consolidated net income, excluding non-recurring items (ex-NRI), beginning in 2026, based on the 2025 financial statements and subject to financial covenants. Dividend distribution decisions for 2025, based on the 2024 financial statements, will be contingent on prevailing market conditions, the refinancing of the 2026 Notes, and the progress of the Gardant Group's integration into the Group.

In light of the above, the Group is exposed to the risk of achieving operating margins that are lower than expected, which may prevent the Group from servicing its obligations and debt. The Group may also be unable to sustain its indebtedness in the medium term, obtain new loans or to renew existing ones on acceptable terms, or may breach the covenants contained in its financing agreements. In addition, should the Issuer not be able to refinance its debt in line with the expectations and comply with the covenants contained in the 2024 Senior Facilities Agreement, it will be not in a position to distribute dividends.

If any of these risks were to materialize, they could have a material adverse effect on the business, results of operations or financial condition of the Group and, following the Gardant Group Acquisition Completion, the Combined Group, with a material adverse impact on any return on investment in the Shares.

The Group's leverage and financial covenants could adversely affect its business and limit its ability to finance its future operations and capital needs and pursue business opportunities and activities.

The Group's leverage and financial position could adversely affect its business or prevent the Group from fulfilling its debt obligations, forcing the Group to resort to extraordinary actions to meet its obligations under its indebtedness, which may not be successful.

The Group's Net Financial Indebtedness as of September 30, 2024 amounted to €563.3 million (calculated in accordance with paragraphs 175-189 of ESMA Guidelines 32-382-1138), with a decrease of €8.9 million compared to the €572.2 million as of December 31, 2023. This reduction was primarily driven by seasonal dynamics and a decrease in other current financial debt, mainly due to the payment of earn-out liabilities related to the sale and purchase agreement governing the Issuer's acquisition of 85% of the share capital of Altamira Asset Management S.A. (now doValue Spain Servicing S.A.) ("Altamira" or "doValue Spain") in June 2019, which was subsequently finalized with the acquisition of the remaining 15% in October 2023, (the "Altamira Acquisition") following the settlement of the Altamira Tax Claim.

The Issuer's Consolidated Net Leverage, calculated as the Net Financial Position (which differs from Net Financial Indebtedness as it excludes certain liabilities) divided by EBITDA, as of September 30, 2024 amounted to 3.1x, with an increase of 0.2x compared to 2.9x as of September 30, 2023. Historically, the Issuer's Consolidated Net Leverage was 2.7x as of December 31, 2023, 2.1x as of December 31, 2022, and 2.0x as of December 31, 2021. Additionally, the ratio between financial expense, as reported in the consolidated income statements of the Issuer, and EBITDA, as of September 30, 2024 amounted to 20.6%, with a decrease of 2.4% compared to 18.2% as of September 30, 2024. This ratio was 21.2% as of December 31, 2023, 25.0% as of December 31, 2022, and 11.2% as of December 31, 2021. The Issuer's net current financial indebtedness was €224,663 thousand as of September 30, 2024, €30,968 thousand as of December 31, 2023, €62,038 thousand as of December 31, 2022, and €124,980 thousand as of December 31, 2021. The Issuer intends to use all of the net proceeds from the Offer, which, assuming the Offer is fully subscribed, will amount to approximately €142 million, along with €110 million in borrowings under the Refinancing Term Facility and available cash of the Group for the remaining amount, to repay the 2025 Notes plus accrued interest, which, as of September 30, 2024 amounted to €266.2 million, of which €264.0 million as principal and €2.2 million as accrued interest. The Group's leverage has important consequences on its operations and financial performance, including, but not limited to: (i) restricting its ability to distribute dividends, (ii) making it difficult for the Group to service its indebtedness; (iii) leaving the Group vulnerable to, and reducing its flexibility to respond to, general adverse economic and industry conditions; (iv) requiring the Group to dedicate a substantial portion of cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash for trade working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes; (v) limiting the Group's flexibility to plan for, or react to, changes in its business and in the competitive environment and industry in which it operates; (vi) placing the Group at a competitive disadvantage, to the extent that its competitors are not as highly leveraged; and (vii) limiting the Group's ability to borrow additional funds and increasing the cost of any such borrowing.

In addition, the Group's gross financial indebtedness as of September 30, 2024 amounted to €653.8 million, of consisting of €315.2 million in current debt and €338.6 million in non-current debt. The Group's guaranteed indebtedness as of September 30, 2024 amounted to €559.5 million of which €265.5 million was current and €294.0 million non-current, represented by the 2025 Notes and 2026 Notes (the 2025 Notes and 2026 Notes collectively, the "Notes"). The Group's Net Financial Indebtedness on a pro-forma basis, which gives effect to the Gardant Group Acquisition, the Rights Issue and the 2024 Senior Facilities Agreement (as described below), as of September 30, 2024 amounted to €625.7 million. The Group's gross financial indebtedness on a pro-forma basis as of September 30, 2024 amounted to €714.4 million, of which €77.0 million was current and €637.4 million was non-current.

To enable the Group to reduce its financial leverage and net indebtedness as envisaged in its Targets, the Group entered into the 2024 Senior Facilities Agreement, which, along with the net proceeds of the Rights Issue and the liquidity deriving from the operating activities, will be used to repay the Notes.

In light of the above and taking into account the limitations set forth in the 2024 Senior Facilities Agreement, the Group's ability to service its indebtedness will depend on the outcome of the Rights Issue and its future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Many of these factors are beyond the Group's control. If the Group cannot service its indebtedness and meet its other obligations and commitments, it may be required to refinance its debt or to dispose of its assets to obtain funds for such purpose. There can be no assurance that refinancing or asset dispositions could be effected on a timely basis or satisfactory terms, if at all, or would be permitted by the terms of its debt instruments. Moreover, there can be no assurance that in the future the Group will be able to negotiate and obtain the financing necessary to develop its business, respond to competitive challenges or fund its other liquidity or capital needs or refinance maturing loans, at least on the same terms and conditions in effect on the Prospectus Date. Consequently, any less favourable financial terms of new indebtedness and any future deterioration in creditworthiness could adversely affect the Group's business, results of operations or financial condition.

In particular, the 2024 Senior Facilities Agreement contains the following financial covenants: (i) consolidated net leverage ratio (being the ratio of the sum of the aggregate outstanding indebtedness of the Group less cash and temporary cash investments and the aggregate amount of consolidated EBITDA, being the consolidated net income of the Group plus any adjustments and/or add-backs expressly set out in the 2024 Senior Facilities Agreement) covenant, pursuant to which the Issuer shall ensure that, on June 30 and December 31 of each year, the consolidated net leverage ratio (as shown in the relevant compliance certificate) in respect of the relevant period ending on that semester date (as defined under the 2024 Senior Facilities Agreement) does not exceed 3.50:1.00; and (ii) fixed charge coverage ratio covenant (being the ratio of (a) the aggregate amount of consolidated EBITDA, being the consolidated net income of the Group plus any adjustments and/or add-backs set out in the 2024 Senior Facilities Agreement to (b) the fixed charges being the consolidated interest expense of the Group, whether paid or accrued, plus any additional interest, costs and charges expressly set out in the 2024 Senior Facilities Agreement), pursuant to which the Issuer shall ensure that, on June 30 and December 31 of each year, the fixed charge coverage ratio (as shown in the relevant compliance certificate) in respect of the relevant period ending on that semester date (as defined under the 2024 Senior Facilities Agreement) exceeds 2.00:1.00, subject, in each case, to a 30-business day equity cure period provision. In addition, the 2024 Senior Facilities Agreement limits the Group's ability to make acquisitions, including by requiring compliance with a consolidated net leverage ratio, calculated on a pro forma basis taking into account the proposed acquisition, of no greater than 2.50:1.00. If greater, the Issuer will be required to (i) give evidence that the consolidated net leverage ratio does not exceed 2.75:1.00 at the end of the most recently ended relevant period, taking into account the proposed acquisition as if it had occurred at the beginning of that period, (ii) give evidence that the consolidated net leverage ratio (being the ratio of the sum of the aggregate outstanding indebtedness of the Group less cash and temporary cash investments and the aggregate amount of consolidated EBITDA) is not expected to exceed 3.00:1.00 for the two relevant periods ending after the Gardant Group Acquisition Completion and (iii) provide a detailed cash flow forecast showing that the Issuer is expected to have sufficient funds to pay the next two repayment instalments under the 2024 Senior Facilities Agreement (including interest) due after the Gardant Group Acquisition Completion. Additionally, prior to the date on which both the 2025 Notes and the 2026 Notes are fully redeemed, the aggregate enterprise value of such acquisitions (including with any acquisition made through JVs) are capped at €30 million. Should the Group breach any of these covenants or restrictions, it could be in default under the Notes and the 2024 Senior Facilities Agreement with a material negative effect on the Group's business, results of operations, financial condition, or prospects.

The Notes, the 2020 Indenture and the 2021 Indenture contain negative covenants restricting, *inter alia*, the Group's ability to: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) create or incur certain liens; (iii) make certain payments, including dividends or other distributions, with respect to the shares of such entity; (iv) prepay or redeem subordinated debt or equity; (v) make certain investments; (vi) create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to such entity; (v) sell, lease or transfer certain assets, including stock of restricted subsidiaries; (vi) engage in certain transactions with affiliates; and (vii) consolidate or merge with other entities.

The covenants to which the Group is subject could affect its ability to operate its business and could limit its ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect its ability to finance its operations, make strategic acquisitions, investments or joint ventures or change its corporate structure. Additionally, the Group's ability to comply with these covenants and restrictions may be affected by events beyond its control. These include prevailing economic, financial and industry conditions.

If an event of default occurs and is continuing under any of the Group's debt instruments or financing agreements that is not cured or waived within the stipulated grace period, the holders or lenders of the defaulted instruments could terminate their commitments thereunder, cause all amounts outstanding with respect to such indebtedness to be due and payable immediately and enforce any security provided in connection with such instruments, which in turn could result in cross defaults under the Group's other debt instruments, causing them to become immediately due and payable and could adversely affect the Group's business. Any such actions could force the Group into bankruptcy or liquidation.

Restrictive covenants may generally adversely affect the Group's capacity to finance future operations and capital needs and to pursue business opportunities and activities, with material adverse effects on the Group's business, results of operations or financial condition.

The valuation of the Group's and the Gardant Group's goodwill and other intangible assets is susceptible to impairment under IFRS.

Upon preparing the consolidated financial statements, the value of goodwill and other intangible assets is tested and may be subject to impairments. Further, deferred tax assets are tested for recoverability. IFRS requires periodic impairment testing of goodwill and other intangible assets on balance sheet at the time of the preparation of each consolidated balance sheet and, under certain circumstances, more frequently. The impairment test is usually conducted by determining the value in use or the fair value of the intangible assets. If the book value of the intangible asset exceeds the greater of the either the value in use or the fair value less costs to sell, an impairment must be recorded. As of September 30, 2024, the Group's total intangible assets was €454,701 thousand, or 47% of its total assets (as of December 31, 2023, was €473,784 thousand or 46% of its total assets), of which goodwill was €224,367 thousand, or 23% of its total assets (as of December 31, 2023, €224,367 thousand, or 22% of its total assets). The Group's total intangible assets represented 3.9 times total net equity, equal to €115,126 thousand (as of December 31, 2023, represented 4.5 times total net equity, equal to €104,691 thousand). At the same date the Group's deferred tax assets were €75,421 thousand, or 8% of its total assets (as of December 31, 2023, were €78.351 thousand , or 8% of its total assets.

Goodwill, which is not subject to systematic amortization, and other intangible assets, which are systematically amortized, as required by IAS 36 "Impairment of Assets", are subject at least annually to an impairment test by comparing the carrying amounts of the cash generating units "CGUs"), including goodwill and other intangible assets relating to servicing contracts, and its recoverable amount represented by the estimated future flows of servicing contracts. The directors of the Issuer identified the "value in use" as the recoverable amount of the Cash Generating Units ("CGUs") to be used for the purposes of the impairment test, determined through a procedure that provides for the discounting of expected cash flows and assumptions that by their nature imply the use of judgment by the directors. In this context, for the purpose of estimating future cash flows, directors use the forward-looking information determined in line with the Group's Business Plan, based on the forecast data relating to servicing contracts, approved by the directors on March 20, 2024 and updated on August 7, 2024.

The Business Plan includes total expected doValue Standalone revenues in 2026 of approximately €480-490 million compared to total revenues for the year ended December 31, 2023 of €481 million, and expected EBITDA margin excluding non-recurring items in 2026 of between €185 million to €195 million compared to €179 million for the year ended December 31, 2023. The growth rate assumed in the calculation of the terminal value is equal to zero (g=0).

The impairment test for the Group was performed as of December 31, 2023, resulting in an impairment loss of €26,111 thousand (recognised for €29,418 thousand as of September 30, 2023 and partially compensated by an increase in the recoverable amount of the other intangible assets in the last quarter of 2023), and as of September 30, 2024, when the result of the test did not require to recognition of impairment losses. For Gardant, the impairment test was performed as of December 31, 2023 with no impairment loss required. As of September 30, 2024 there were no triggering events indicating the need for an impairment test and, accordingly, no test was performed.

As of September 30, 2024 the comparison between the recoverable amount and the net book value of the CGUs (represented by the sum of the residual carrying amounts of all intangible assets allocable to the individual CGU, including goodwill, and deferred taxes) shows an excess of the recoverable amount over the net book value and does not result in impairment losses. The detail of the headroom by CGU follows: i) CGU Iberia (which as of September 30, 2024 includes only Spain since companies based in Portugal have been sold) €48,394 thousand, and ii) CGU Hellenic Region which includes Cyprus for €119,759 thousand and Greece for €399,994 thousand, all based on the Business Plan. The weighted average cost of capital ("WACC") utilized was 6.9% for the CGU Iberia and regarding the CGU Hellenic Region, the WACC is 7.8% for the Cyprus component and 7.4% for Greece. The result of this test indicates that for Spain, no impairments would arise until a decrease in the g-rate to -3.2% compared to the 0% used, a WACC of 9.1% compared to the 6.9% applied, or an EBITDA stress of -27%. For Greece, no impairment would be recognized unless there is a reduction in the g-rate below -100%, a WACC of 23% compared to the 7.4% applied, or an EBITDA stress of -48%. For Cyprus, the absence of impairments would be maintained with a g-rate reduction below -100%, a WACC of 40% compared to the 7.8% applied, or an EBITDA stress of -72%.

Given the significance of the amount of goodwill and other intangible assets relating to servicing contracts for the consolidated financial statements as a whole, as well as the subjectivity of the assumptions made by the directors in the process of estimating the recoverable amount of the CGUs, the impairment test has been considered to be a key audit matter by the independent auditors as reported in their audit reports.

An impairment of goodwill and other intangible assets may result from, among other things, deterioration in the Group's performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations and a variety of other factors. If the Group concludes that an impairment of goodwill or other intangible assets is necessary, the Group will have to record the appropriate impairment charge in the consolidated income statement, which could result in a material adverse effect on its results of operations.

On January 12, 2024, the Group's Board of Directors approved the restatement of certain items included in its unaudited interim condensed consolidated financial statements as of September 30, 2023 and for the nine month period then ended, which had been approved by the Board of Directors on November 9, 2023. These restatements related to the impairment of goodwill and other intangible assets for €28,210 thousand and the write-down of deferred tax assets for €14,541 thousand relating to the Spanish region based on the preliminary 2024-2026 business plan for the Iberia region, which was approved by the Board of Directors on January 12, 2024. In addition, this restatement included the reversal of a risk provision following the signing of a settlement agreement with a customer.

Any of the restatements made, or other restatements the Group may have to make in the future, may affect investor confidence in the accuracy of the value of goodwill, other intangible assets and deferred tax assets recorded on the Group's balance sheet or otherwise, and may adversely affect its reputation. In addition, the Group may be subject to additional regulatory inquiries, legal proceedings and other challenges, which could have a material adverse effect on its business, results of operations and financial condition.

With respect to the Gardant Group, it is noted that as of December 31, 2023 the Gardant Group held intangible assets of €113.3 million, representing: (i) 32% of its total consolidated assets, €54.4 million of which was goodwill, representing 15% of its total consolidated assets and (ii) 49% of its total equity. As of September 30, 2024, these amounts had increased, with intangible assets totalling €206.6 million, representing: (i) 54% of its total consolidated assets, of which €159.5 million was goodwill, representing 42% of its total consolidated assets, and (ii) 86% of its total equity. All intangible assets of the Gardant Group are measured at cost, and those with a defined useful life are amortized on a straight-line basis. Impairments are recorded whenever the carrying value of these assets exceeds their recoverable amount, as determined either by their value in use or fair value. In 2024 an impairment was recorded. The impairment was due to write-off of the intangible asset related to the ex-Carige contract, resolved as a result of the new contract finalized between BPER and GBS. No impairments were recorded in 2022 and 2023.

On a pro forma basis, the sum of goodwill and other intangible assets as of September 30, 2024 is €664,252 thousand representing 2.3 times total pro-forma net equity (equal to €292,752 thousand). At the same date the Group's deferred tax assets were €96,337 thousand, or 7.7% of its total assets. Should performance and cash flows be expected to decline, whether due to adverse market conditions, changes in applicable laws and regulations, or other relevant factors, the Group may be required to record significant impairments of the aforementioned items.

The Group's and the Gardant Group's business are subject to seasonality, including closure of courts, customers' receipt of tax refunds and holiday bonus payments, leading to volatility in margins and profitability between quarters.

The Group's business depends on its ability to collect debt receivables on the portfolios it manages. Debt collection is highly affected by seasonal factors, which affect debtors' decisions and behaviour, which in turn affects the Group's results. For the year ended December 31, 2023, the Issuer's collections of debt receivables were €1.1 billion for the first quarter, €1.4 billion for the second quarter, €1.0 billion for the third quarter and €1.6 billion for the fourth quarter, respectively. Accordingly, collections within portfolios, and therefore related revenue, tend to have high seasonal variation, while the Group's costs are more evenly spread out over the year, resulting in high variation of margins and profitability between quarters. In particular, the Group's margins are generally lower in the first and third quarters, whereas collections are generally higher in the second and fourth quarters, due in part to customers' receipt of tax refunds, holiday bonus payments and the closure of courts during the third quarter. Moreover, depending on the decision of the Group's clients to sell the loan portfolios that the Group manages, revenues in the fourth quarter may be positively influenced by Disposal Fee payments.

Depending on the specific circumstances and the periods in which payments occur, the Group's business could experience fluctuations in terms of revenues, which could have a material adverse effect on the Group's business, results of operations or financial condition.

With respect to the Gardant Group, it is noted that the Gardant Group is subject to the same seasonal factors impacting the Group's debt collection. For the year ended December 31, 2023, the Gardant Group's collections of debt receivables were €453 million for the first semester and €549 million for the second semester, respectively.

The Group is exposed to interest rate risk, as some of its borrowings bear interest at floating rates that could rise significantly, with an adverse impact on the Group's debt service obligations.

Certain financing agreements to which the Group and the Gardant Group are a party, including the 2024 Senior Facilities Agreement, bear interest at floating rates. The Issuer's net current financial indebtedness was €224,663 thousand as of September 30, 2024, €30,968 thousand as of December 31, 2023, €62,038 thousand as of December 31, 2022, and €124,980 thousand as of December 31, 2021. As of September 30, 2024, the Group's indebtedness bearing interest at floating rates represented 5.2% of the Group's Net Financial Indebtedness (compared to 1.9%, 0.0% and 5.4% as of December 31, 2021, 2022 and 2023, respectively). In particular, the main drawn financing agreement bearing interest at floating rates was a revolving credit facility in Greece entered into with Eurobank S.A. ("Eurobank") on March 8, 2023 and subsequently amended on April 10, 2023 and August 25, 2023, for an aggregate principal amount of €25 million (corresponding to 100% of the Group's indebtedness bearing interest at floating rates as of December 31, 2023 and September 30, 2024) (the "Eurobank Credit Facility"). As of September 30, 2024, the Gardant Group's indebtedness bearing interest at floating rates represented 4% of the Gardant Group's Net Financial Indebtedness (compared to 0%, 0% and negative 3% as of December 31, 2021, 2022 and 2023, respectively, mainly deriving from the facilities that will be reimbursed in the context of the Gardant Group Acquisition). Exposure to floating rates will increase significantly at drawdown of the 2024 Senior Facilities Agreement. An increase of 100 bps of the Euribor 3M would have a negative effect of approximately €4.4 million on the Group's cash flow.

Changes in interest rates are caused by many factors and the effect of such changes on the Issuer's financial liabilities bearing floating interest is beyond the control of the Issuer's management. For example, in 2022, the intensification of the inflationary crisis in Europe, prompted many central banks to rapidly remove the monetary stimuli introduced in previous years and the European Central Bank (the "ECB") raised official rates rapidly.

If interest rates were to rise significantly, the Group's cash flow available for capital expenditures would decrease and its ability to service its debt would be negatively impacted, with material adverse effects on the Group's business, results of operations or financial condition.

The assumptions, judgments and estimates used to assess the fair value of the Group's assets and liabilities may prove unreliable.

Under IFRS, the Issuer recognizes certain assets and liabilities at fair value. As of September 30, 2024 the assets and liabilities measured at fair value consist of: (i) financial assets measured at fair value through profit or loss which amounted to €34,751 thousand and consisted of: a) notes issued by the securitisation vehicle companies, b) units in collective investment undertakings and c) a call option on equity instruments, (ii) financial assets measured at fair value through comprehensive income of €6,607 thousand which consisted of the value of certain equity instruments, and (iii) other financial liabilities of €33,984 thousand which consisted of the earn-out portion of the liability relating the acquisition price of doValue Greece.

All assets and liabilities of the Issuer measured at fair value relate to the Level 3 category which requires that the fair value 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.

These internal valuation models are complex, and the assumptions, judgments and estimates the Issuer is required to make often relate to matters that are inherently uncertain. Such assumptions, judgments and estimates may prove unreliable and may need to be updated to reflect changing trends and market conditions. The resulting change in fair values of the financial instruments could have a material adverse effect on the Group's business, results of operations or financial condition.

The Unaudited Pro Forma Consolidated Financial Information included herein may not accurately reflect the effects of the Gardant Group Acquisition.

In this Prospectus the Issuer also presents the unaudited *pro forma* consolidated financial information as of and for the year ended December 31, 2023 and as of and for nine months ended September 30, 2024 and related explanatory notes (the "Unaudited Pro Forma Consolidated Financial Information"). The Unaudited Pro Forma Consolidated Financial Information has been prepared to represent the Gardant Group Acquisition, the Rights Issue and the partial use of the 2024 Senior Facilities Agreement (the "Transactions").

The Unaudited Pro Forma Consolidated Financial Information is presented for illustrative purposes only and may not be an accurate indication of the Issuer's financial position or results of operations if the Transactions had been completed on the dates indicated or the Group's performance after the Gardant Group Acquisition. The Unaudited Pro Forma Consolidated Financial Information is based on assumptions and its usefulness is, therefore, inherently limited. In preparing the Unaudited Pro Forma Consolidated Financial Information, the Issuer has made adjustments to the Issuer's and Gardant's historical financial information based on currently available information and on assumptions that the directors and management of the Issuer believe are reasonable in order to reflect, on a *pro forma* basis, the effect of the Transactions. The estimates and assumptions used in the preparation of the Unaudited Pro Forma Consolidated Financial Information may be materially different from actual results. Accordingly, the Unaudited Pro Forma Consolidated Financial Information should not be considered representative of the results that would have been obtained had the Transactions actually taken place on the assumed dates for the periods presented. The Unaudited Pro Forma Consolidated Financial Information presents a hypothetical situation and does not, therefore, show actual or prospective financial performance.

The Unaudited Pro Forma Consolidated Financial Information does not represent a forecast of future results and investors should not use them as such. Furthermore, the Unaudited Pro Forma Consolidated Financial Information does not give effect to any other events than those described in the Unaudited Pro Forma Consolidated Financial Information and the notes thereto, nor do they reflect forward-looking data, as they were prepared to represent only the objectively measurable effects of the Transactions, without taking into account the potential effects of changes in management policy and operating decisions resulting from the Transactions. In addition, the assumptions used in preparing the Unaudited Pro Forma Consolidated Financial Information may not prove to be accurate. There may be differences between preliminary estimates shown in the Unaudited Pro Forma Consolidated Financial Information and the Group's actual results following completion of all of the Transactions.

Further, the purchase price allocation process required by IFRS 3 Business Combinations ("IFRS 3") for the Gardant Group Acquisition had not yet been completed as of the date of the Unaudited Pro Forma Consolidated Financial Information. This process could lead to the attribution of different values to the assets, liabilities and contingent liabilities acquired compared to those shown in the Unaudited Pro Forma Consolidated Financial Information. Any adjustments to the provisional values will be completed within twelve months of the Gardant Group Acquisition Completion, in accordance with IFRS 3. Given that the purchase price allocation process has not yet been completed for this acquisition, the difference between the consideration paid and the fair value of the net assets acquired has been provisionally allocated to goodwill. If, upon completion of the purchase price allocation process, this amount is allocated to assets with a finite useful life, such as servicing contracts, the related amortization, which could be significant, this would be recognized in the income statement.

On December 1, 2022, Gardant entered into a strategic partnership with the BPER Group for the management of non-performing exposures originated by the BPER Group. To facilitate the partnership, BPER incorporated Gardant Bridge Servicing and contributed its UTP and NPL management and recovery business units to it with a contribution deed executed on December 18, 2023, effective as of January 15, 2024. On January 15, 2024, Gardant Bridge Servicing was integrated into the Gardant Group, with Gardant Bridge purchasing 70% of its share capital from BPER and BPER retaining a 30% shareholding. With respect to the contributions of UTP and NPL management business units from BPER to Gardant Bridge Servicing, no stand-alone financial information relating to the UTPs and NPLs on January 1, 2023 and on December 31, 2023 or the related flows for the year ended December 31, 2023 are available and, consequently, the Issuer was unable to include, on a *pro forma* basis, revenues and costs of such operations in the unaudited *pro forma* consolidated income statement for the year ended December 31, 2023. Accordingly, the unaudited *pro forma* consolidated income statement for the year ended December 31, 2023 is not fully comparable with the unaudited *pro forma* consolidated income statement for the nine months ended September 30, 2024 since the 2023 activities of Gardant Bridge Servicing are not reported in the unaudited *pro forma* consolidated income statement for the year ended December 31, 2023.

The Unaudited Pro Forma Consolidated Financial Information should be read in conjunction with the Issuer's Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements included in this Prospectus.

Alternative performance measures used in this Prospectus may not be consistent with those used by other companies

To facilitate the understanding of the Group's economic and financial performance, certain alternative performance measures (the "Alternative Performance Measures" or "APMs") have been identified. Pursuant to the ESMA/2015/1415 guidelines dated October 5, 2015 (effective as of July 3, 2016), APMs refer to indicators of financial performance, financial debt, or historical or future cash flows that are not defined or specified in applicable financial reporting standards. The APMs utilized by the Group have been consistently defined and represented for all periods for which financial information is included in this Prospectus.

In relation to the interpretation of these Alternative Performance Measures, investors are cautioned that: (i) APMs are based on historical data and are not indicative of the Group's future performance. APMs are derived from the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements and related accounting records, in compliance with the recommendations outlined in ESMA document No. 1415 of 2015, as implemented by CONSOB Communication No. 0092543 dated December 3, 2015; (ii) the determination of APMs is not governed by IFRS, and although they are derived from the Group's Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements and related accounting records, they are not subject to audit or review; (iii) APMs should not be considered as substitutes for the measures specified by IFRS; (iv) the APMs must be interpreted in conjunction with the financial information extracted from the Group's consolidated financial reports presented in this Prospectus; and (v) since the definitions of the APMs employed by the Group are not derived from applicable accounting standards, they may not align with APMs used by other entities and therefore may not be comparable.

In addition, in order to measure the Group's operating and financial performance, the Issuer's management has identified certain other measures, namely Operating EBITDA and Operating EBITDA Margin. These measures (i) are not measures regulated by international accounting standards and, therefore, are not subject to audit, (ii) have been prepared in accordance with ESMA Guidelines 2015/1415, as they are directly derived from the Group's financial statements items and are comparable across years, (iii) may not be consistent with those adopted by other companies operating in the Group's sector and, therefore, may not be comparable with them.

Should investors assess the above mentioned alternative performance measures without considering these factors, they may be misled in their evaluation of the Group's financial position, results of operations, and cash flow, potentially resulting in erroneous, inappropriate, or unsuitable investment decisions.

With respect to the Gardant Group, it is noted that the Gardant Group also makes use of APMs. Specifically, the definition of APMs adopted by the Gardant Group in previous years may differ from those used by the Group, and therefore may not be fully comparable.

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

The Group may fail to realize the anticipated benefits of the Gardant Group Acquisition, those benefits may take longer to realize than expected, and the Group may encounter significant integration difficulties which could cause delays to implement its strategy on its anticipated timeline.

On April 26, 2024 the Issuer originally entered into the Original Gardant SPA, as subsequently amended and restated on May 10, 2024 by the First A&R Gardant SPA and on June 7, 2024 by the Second A&R Gardant SPA to acquire 100% of the share capital of the Gardant Group, from its shareholders (the "Gardant SPA"). As of the Prospectus Date the Cash Consideration payable by the Issuer for the Gardant Group Acquisition is equal to approximately €230 million. This amount is subject to certain adjustments as set forth in the Gardant SPA.

The Gardant Group Acquisition was carried out in order to further support the consolidation of doValue's leadership position in Italy, while also enhancing partnerships with banks and investors and diversifying the Group's product offering, with expansion into the UTP and asset management businesses. The transaction is expected to accelerate the execution of the Business Plan, in particular with respect to the targets of revenue diversification and deleverage. The ability of the Group to realize the anticipated benefits of the Gardant Group Acquisition, including anticipated growth opportunities and synergies, will depend, to a large extent, on the Group's ongoing ability to integrate the Gardant Group into the existing Group's business, operations and strategy. The Group may fail to realize some or all of the anticipated benefits of the Gardant Group Acquisition. The success of the integration of the Gardant Group will depend on the Group's ability to manage a variety of issues, including the following: (i) extension of the Group's operating, risk and internal control IT systems to the Gardant Group's operations;(ii) the Group's ability to absorb the increased personnel cost associated with the acquisition; (iii) the integration and potential upgrade of IT systems, which may affect the Group's IT and platform services costs; (iv) the need to acquire and deploy upgraded software and hardware which may affect the costs of the Group's internal IT and platform services; (v) managing newly acquired business counterparties; and (vi) market consolidation among its suppliers and competitive dynamics. Furthermore, the integration of certain activities, such as the asset management, which are currently not part of the Group's business, following the Gardant Group Acquisition, will require the Group to engage in operations it has not previously performed. Thus, the Group may face difficulties in implementing the new activities, which may not align with its existing standards, and this could have adverse effects on the Group's business, results of operations, financial condition or prospects. Additionally, the integration of certain operations and the differences in operational culture following the Gardant Group Acquisition will require the dedication of significant management resources, which may distract management's attention from day-to-day business operations. Failure to effectively integrate the Gardant Group could mean that the Group will not achieve the assumed growth opportunities, synergies and results set forth in the Targets, with adverse effects on the Group's business, results of operations, financial condition and potentially material adverse impacts on any return on investment in the Shares.

The Group also expects to incur certain one-time costs in connection with the Gardant Group Acquisition. The costs and liabilities actually incurred in connection with the Gardant Group Acquisition and subsequent integration process may exceed those anticipated. Moreover, the Group cannot guarantee that, in the context of this due diligence activity, all relevant change of control provisions contained in Gardant Group agreements, or all potential liabilities, have been identified. Should such an event occur, this may result in a material adverse effect on the Group's business, results of operations, financial condition, or prospects.

Additionally, following the Gardant Group Acquisition, the Group shall be subject to the following put and call options and trade provision agreements that may result in cash outlays and costs not yet determined as of the Prospectus Date:

(i) pursuant to the shareholders' agreement entered into on January 15, 2024 between BPER, Gardant Bridge S.p.A. ("Gardant Bridge") and Special Gardant S.p.A. ("Special Gardant") (the "GBS SHA") if no new servicing agreements are entered into between BPER and Gardant Bridge Servicing, Gardant Bridge S.p.A. shall have a call option to purchase all (but no less than all) of the shares in Gardant

Bridge Servicing owned by BPER, for a cash consideration as determined in accordance with the provisions of the GBS SHA;

(ii) pursuant to the investment agreement entered into on December 4, 2023 between Special Gardant and certain shareholders of FBS next S.p.A. ("FBS"), Gardant Bridge and Special Gardant (the "FBS Investment Agreement"), (a) Special Gardant shall have a call option to purchase, directly or indirectly, within a 20-day period from the occurrence of certain triggering events, all (but not less than all) the shares held by FBS in Gardant Bridge, for a cash consideration as determined in accordance with the provisions of the FBS Investment Agreement; (b) FBS shall have a put option to sell to Special Gardant, within a 20-day period from the occurrence of certain triggering events, all (but not less than all) the shares in Gardant Bridge held by FBS, for a cash consideration as determined in accordance with the provisions of the FBS Investment Agreement; and

(iii) pursuant to a shareholders' agreement entered into on May 31, 2019 by, among others, Banco BPM ("BBPM") and Tiber and from time to time supplemented to include the Issuer in the context of the Gardant Group Acquisition (the "GLS SHA"), BBPM has the right (but not the obligation) to cause the sale of 100% of the share capital of Gardant Liberty Servicing S.p.A. (the "Trade Sale"). If BBPM intends to initiate the procedure for a Trade Sale, the Issuer shall have a call option in respect of all (but not less than all) the shares in Gardant Liberty Servicing S.p.A. owned by BBPM for their fair market value. The Trade Sale and the call option in favour of the Issuer are exercisable 1 year after the Gardant Group Acquisition Completion.

Furthermore, the Gardant Group Acquisition, like any similar extraordinary transaction, may expose the Group to undisclosed or undetected liabilities, including civil, administrative and tax liabilities, pertaining to the Gardant Group. With respect to Italian tax on the Gardant Group, although the Issuer is indemnified in relation to certain tax liabilities, the Issuer may nonetheless be required to (i) carry out additional actions and/or procedures and (ii) experience delays in or limitations on any indemnification. The Issuer cannot guarantee that any possible indemnification rights it may eventually obtain will be enforceable or collectible or sufficient in scope or duration to fully offset the risk of liabilities associated thereto. As a result, should the Issuer incur losses or liabilities, any possible tax indemnities it may eventually obtain may be insufficient to mitigate the damage suffered. Moreover, failure to adhere to certain procedural requirements may result in the Issuer being unable to recover the due amount under any eventual tax indemnities, thereby potentially limiting the amounts the Issuer may recover. Any of the above issues regarding the Gardant Group Acquisition could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Additionally, under the Gardant SPA each Seller has severally undertaken to indemnify and hold harmless the Issuer from and against certain amounts in connection with certain special events (the "Special Indemnities"). However, the Sellers' liability under the Special Indemnities is subject to certain limitations, including monetary limitations. As a result, should the Issuer incur losses or liabilities the Special Indemnities may be insufficient to mitigate the damage suffered. Moreover, the Sellers shall not be liable for any Special Indemnity claim unless the Issuer has notified such Special Indemnity claim to each Seller within the applicable term provided under the Gardant SPA. Failure to provide timely and adequate notice, may result in the Issuer being unable to recover the due amount under the Special Indemnities, thereby potentially limiting the amounts recoverable by the Issuer.

Lastly, under the Gardant SPA, the Issuer has provided certain warranties to the Sellers, which are (i) limited to (a) €80 million (the entire amount of the Consideration Receivable, as defined in the Gardant SPA) for a breach of the fundamental warranties, and (b) 20% of the Consideration Receivable depending on the specific warranties and (ii) enforceable only within the timeline specified in the agreement. In the event of a breach of the warranties above, the Issuer may be subject to a claim for damages.

Should any of the risks described above materialize, they could have a material adverse effect on the Group's business, results of operations, financial condition, or prospects.

The Group and the Gardant Group are reliant on the key terms and exclusivity provisions under their main servicing agreements.

The Group and the Gardant Group operate mainly in the management and recovery of NPL for banks and other financial institutions and the related revenues are recognized on an accrual basis, through the use of information technology management procedures and complex processes to account for the activities carried out, taking into account the different contractual specificities of each mandate.

With reference to the Group, for the years ended December 31, 2023, 2022 and 2021 and for the nine months ended September 30, 2024, NPL servicing revenues accounted for 66.7%, 66.2%, 66.2%, 67.3%

With reference to the Gardant Group, for the years ended December 31, 2023, 2022 and 2021 and for the nine months ended September 30, 2024, NPL servicing revenues accounted for 56.6%, 76.2%, 48.9% and 46.3% of the Gardant Group's consolidated Gross Revenues, respectively.

For the year ended December 31, 2023 the Group's NPL servicing revenues accounted for 68% in Italy, 56% in Spain and 69% in Hellenic of the consolidated region Gross Revenues, respectively. For the nine ended September 30, 2024, NPL servicing revenues accounted for 66% in Italy, 59% in Spain and 70% in Hellenic of the consolidated region Gross Revenues, respectively.

For the year ended December 31, 2023 and for the nine months ended September 30, 2024 the Group's long-term servicing agreements revenues accounted for 62% and 64% of the consolidated Gross Revenues, respectively.

For the year ended December 31, 2023 and for the nine months ended September 30, 2024 the Group's servicing agreements in the context of Securitization transactions revenues accounted for 38% and 36% of the consolidated Gross Revenues, respectively.

During the Business Plan period, the key servicing agreements set to expire include those with Banco Santander S.A. ("Santander"), UniCredit, Solar, and Eclipse. By geographical distribution, this consists of seven contracts in Spain, four in Greece, and one in Italy. For the nine-month period ended September 30, 2024, these agreements contributed 13.8% to the Group's Gross Revenues. The expiration of these agreements may lead to a decrease in the Group's gross revenues streams, which could have a significant adverse effect on the Group's business, results of operations, financial condition or prospects.

The Servicing agreements which the Group enters into in relation to its Servicing activities can be generally divided into the following two categories: (i) long-term servicing agreements, with a duration varying from one to ten years; and (ii) servicing agreements in the context of Securitization transactions, including transactions assisted by the asset protection schemes approved by the European Commission (such as the GACS in Italy and the HAPS in Greece). Servicing securitization agreements generally last for the entire duration of the Securitization (*i.e.*, for as long as the notes are outstanding), which is typical for loan Securitization transactions, unless terminated in advance. The Group's servicing agreements usually permit termination by the client upon the occurrence of specific contractual breaches by the Group or the occurrence of certain specified events, such as a significant downgrade of its Servicer rating. The termination of material servicing agreements could adversely affect the Group's business, results of operations, financial condition or prospects as the loss of an agreement does not only reduce the size of the Group's portfolio and its ability to collect under such agreements, but also can have additional impacts, such as requiring the Group to lay off employees who manage the affected portfolios. While the Group's Servicing agreements generally include disposal fee provisions in the event the Group's client sells the loan portfolio covered by such agreements, such disposal fees may not fully cover the Group's losses or expected income from such portfolios or may have time limits or other restrictions which make them less protective. Any such sales of loan portfolios to third parties, or limitations on the scope of the related disposal fees, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In addition, in line with market practice, the majority of the Group's servicing agreements require the quality of its services to be monitored and assessed against certain quantitative and qualitative KPIs. Depending on the significance of the breach, failure to meet such KPIs may entail: (i) the deduction of applicable penalties from the Group's fees, (ii) the loss of exclusivity rights with respect to new flows of NPLs, (iii) the loss of exclusivity rights with respect to ongoing loans under management, and/or (iv) in cases of material breach, the termination of the agreement. Furthermore, the Group's Servicing agreements provide for market-standard termination clauses, which include in some cases, the right for the client to exercise the termination at will (*ad nutum*) or, under an SLA, for poor performance by the Group. The failure to meet KPI goals or the unexpected termination of the Group's agreements could have a material adverse effect on its business, results of operations, financial condition or prospects.

For the years ended December 31, 2023 and for the nine months ended September 30, 2024, the collections managed by the Group were €4,947 million and €3,121 million, respectively, with a GBV under management of €116,355 million and €116,678 million, respectively. The Group's Collection Rates for the same periods were 4.6% and 4.2%, respectively.

At end year, a part of the revenues from contracts with customers is determined with a procedure of estimating the accruals for services matured during the period, taking into account the contractual agreements, the dynamics of the recoveries actually occurred and any contractual indemnities to be paid in relation to particular events or specific circumstances. As of December 31, 2023, the portion of servicing revenues without a clear acceptance by the counterparty amounted to 25% of the total invoices to be issued and 8% of the "Total revenues" of the Group's Audited Consolidated Financial Statements.

Furthermore, the estimate of the accrued portion of servicing revenues and the effects deriving from the application of servicing contracts have been identified as a key audit matters from EY S.p.A. in the context of the Group's Audited Consolidated Financial Statements.

None of the Group's servicing agreements provides for a guaranteed minimum number of loans to be managed or serviced, save for the existing stock at inception which is subject to ordinary course of management. Even the Group's Forward Flow Agreements carry uncertainty, as the revenue generated under such agreements is influenced by the level of NPLs generated by the Group's clients, which is outside of its control. For example, the flow of NPLs could be negatively affected by an improvement in the economic climate, disposals of loans under management or extraordinary transactions (such as, by way of example, mergers and acquisitions) by the Group's clients which may cause them to change their relationship with the Group. If the amount of such flows of NPLs were to be significantly lower than the amount the Group expects or has budgeted for, the Group would receive less fees under the relevant servicing agreements and its revenues would be affected which, in turn, could have a material adverse effect on its business, results of operations, financial condition or prospects.

Although the Group's current Servicing agreements generally provide for contractual compensation mechanisms and protections upon assignment to other Servicers of loans under management or upon internalization of the servicing, the Group's clients may not fulfil their contractual obligations or the amount that they pay may not be sufficient to fully offset the loss of loans under management and collections, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In addition to the risks described above, the Group is also exposed to specific risks associated with the types of servicing activities it performs, namely: REO Servicing, NPE Servicing, and Master Servicing. Servicing mandates related to REO and NPE activities are subject to (i) operational risks, where the Issuer is required to meet certain operational KPIs, and (ii) performance risks.

Regarding Master Servicing activities, the Master Servicer is required not only to meet certain operational KPIs (as in REO and NPE Servicing) but also to ensure ongoing compliance with applicable regulatory standards. If the Group fails to manage operational risks, meet performance requirements, or ensure compliance with applicable regulatory standards, it may face a reduction in the number of mandates for REO Servicing, NPE Servicing, and Master Servicing, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Similarly, the Gardant Group is exposed to these operational and performance risks within its servicing activities. The Gardant Group engages in REO Servicing, NPE Servicing, and Master Servicing through its key entities: Master Gardant S.p.A. for master servicing and Special Gardant S.p.A. and Gardant Liberty S.p.A. for special servicing. As with the Group, the agreements entered into by the Gardant Group typically follow standard industry practices, encompassing long-term servicing arrangements and agreements related to securitization transactions. As of December 31, 2023, assets under special servicing mandates totaled €19.7 billion, increasing from the €19.6 billion recorded at the end of 2022. This growth was driven by new mandates secured in 2023, including those from BCC NPL 2018 S.r.l. and, as part of the partnership with the BPER Group, from Loira SPV S.r.l. and AMCO S.p.A. As of December 31, 2023, assets under master servicing mandates totaled €38.4 billion, spread across 622 thousand exposures and 48 SPVs pursuant to Law 130/99. For the years ended December 31, 2023 and for the nine months ended September 30, 2024, the Gardant Group's Collection Rates were 5.11% and 4.97%, respectively.

The Group's and the Gardant Group's business success depends on engaging and retaining key clients. The loss of any key clients or a significant decrease in their respective business with the Group and the Gardant Group could have a material adverse effect on their business, results of operations, financial condition or prospects.

The Group derives a material portion of its revenues from a limited number of key customers. The Group's top five customers represented approximately 53%, 48%, 49% and 42% of its Gross Revenues for the years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2024, respectively, and approximately 34%, 18%, 22% and 16.7% of its GBV of assets under management as of December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2024, respectively. As of and for the nine months ended September 30, 2024, the Group's largest customers were Eurobank (accounting for approximately 15.8% of its Gross Revenues and approximately 1.7% of its GBV of assets under management), Cairo securitization vehicles (accounting for approximately 7.8% of its Gross Revenues and approximately 4.4% of its GBV of assets under management), Santander (accounting for approximately 6.2% of its Gross Revenues and approximately 4.9% of its GBV of assets under management) and Kedipes Asset Management ("Kedipes") (accounting for approximately 7.2% of its Gross Revenues and approximately 4.4% of its GBV of assets under management).

The Group's ability to generate revenues also depends on its key customers renewing their contractual arrangements on acceptable terms. Any non-renewal, termination or interruption of the Group's contractual relationships could have a material adverse effect on its business, results of operations, financial condition or prospects. For example, in February 2022, the Group's principal client in Spain, Sareb, did not renew its servicing agreement with the Group ("Sareb Agreement"). The Sareb Agreement, which covered a €23 billion portfolio, represented 12% of the Group's Gross Revenues for the year ended December 31, 2021 and 15% of GBV of its assets under management as of the same date. The Sareb Agreement expired on June 30, 2022, and the portfolio was offboarded by October 2022. No disposal fees were incurred, but the termination had a significant impact, prompting the Group to downsize its Spanish operations and incur €6 million in reorganization costs in 2023. Moreover, pursuant to a termination letter from UniCredit received by the Issuer in 2023, the UniCredit Servicing Agreement with the Group will not be renewed at its expiration date. This contract, as of September 30, 2024 represents a portfolio of €1.5 billion or 1.3% of GBV of the Group's assets under management and 5.2% of its Gross Revenues for the nine months ended September 30, 2024. The expiration of the UniCredit Servicing Agreements, which has already been considered in the Business Plan, will relieve the UniCredit Parties from the obligation to supply additional flows of NPL and service them, but the Issuer will continue to service the UniCredit Loans under management as of the date of termination, i.e., October 31, 2025.

From time to time, the Group is also required to renegotiate its existing contracts if there are changes in its business relationship with its clients or its clients undergo structural changes themselves, such as acquisitions, or in the case of intervention by local or European authorities, including bank regulators. Additionally, when the Group's contracts expire at the end of their terms, potential renewals are subject to negotiations which may require the Group to agree to terms that may be less favourable than the original contracts, with consequent impact on the GBV of assets under its management and the Group's ability to generate revenues. For example, the Group's Servicing Agreement with Santander, which represented 8.0% of the Group's Gross Revenues for the year ended December 31, 2023, expires on December 31, 2025. Upon expiration of this initial term, the contract provides for automatic renewal on an annual basis unless terminated by either party with a 45-day prior written notice. The Group has engaged in initial discussions with Santander to renegotiate the renewal of such agreement. Although the Group has a good relationship with Santander and discussions are envisaged to progress, there can be no assurance that the servicing agreement will be renewed on similar terms or at all, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Agreement with the Group's counterparties can be even more difficult to reach when its counterparties are state-owned, public entities or regulated entities, as in some cases they are subject to third-party approvals, clearances or other conditions precedent (such as, by way of example, clearances and approvals by regulators), which may be unsatisfied or delayed due to factors outside the Group's control. The Group's failure to renegotiate or renew its agreement with any of its clients, or obtain new agreements or new portfolios of bad loans to replace those recovered from time to time, could have a material adverse effect on its business, results of operations, financial condition or prospects.

The Gardant Group recorded total revenues and other income equal to €103 million for the year ended December 31, 2023 and €98 million for the nine months ended September 30, 2024. Like the Group, the Gardant Group derives a significant share of its income from a limited number of key customers, making the retention and renewal of these relationships critical to its financial performance. As of and for the nine months ended September 30, 2024, the Gardant Group's largest customers were BPER and its subsidiaries (the "BPER Group") (accounting for approximately 28.5% of its Gross Revenues and approximately 5.1% of its GBV of assets under management), Banco di Sardegna S.p.A. ("Banco di Sardegna") (accounting for approximately 1.2% of its Gross Revenues and approximately 0.5% of its GBV of assets under management), BPM Group (accounting for approximately 9.2% of its Gross Revenues and approximately 3.0% of its GBV of assets under management). For the years ended December 31, 2023, 2022, and for the nine months ended September 30, 2024, the Gardant Group's top customers accounted for approximately 27%, 40% and 47% of its Gross Revenues and 15%, 16% and 20% of the GBV of its assets under management, respectively. As with the Group, the loss of any of these key clients, a significant decrease in their business with the Gardant Group, or the failure to renew or renegotiate existing servicing agreements on favourable terms could materially impact the Gardant Group's business, results of operations, financial condition, or prospects.

The Group's and the Gardant Group's business are concentrated in Southern Europe and their results are impacted by the currently volatile macroeconomic environment in this region and globally.

The Group operates solely in Italy, Spain, Cyprus and Greece and its results depend in particular on general business and economic conditions in those countries and globally. For the nine months ended September 30, 2024, the Group generated 36.4 % of its Gross Revenues in Italy, 41.2% in Greece, 12.8% in Spain, and 9.7% in Cyprus. Following the Gardant Group Acquisition, the Combined Group's geographic footprint will remain unchanged, given that the Gardant Group operates exclusively in Italy.

Global macroeconomic conditions in Southern Europe have been volatile due to various factors, including the COVID-19 pandemic, the Russia-Ukraine conflict, rising interest rates, and recent hostilities in the Middle East. COVID-19 caused a decrease in collections and Gross Revenues and similar or future epidemics could have material adverse effects on the Group. Furthermore, the Russia-Ukraine conflict and the ongoing conflict in the Middle East could impact the financial markets and the economy, including in Southern Europe, and affect debtors' disposable income, leading to higher default rates and lower payments, which may have material negative effects on the Group's business, results of operations or financial conditions.

Additionally, global credit and financial markets have recently faced extreme volatility, with reduced liquidity, high inflation, rising unemployment, and general economic uncertainty. In response, central banks began raising interest rates in 2022-2023, now maintaining them at high levels. While most mortgages in Southern Europe have fixed rates, SME and consumer loans often have floating rates, increasing debt service costs. Persistent high interest rates could strain households and SMEs, reducing their repayment capacity and potentially lowering collections from the Group's Servicing activities, prolonging loan recovery times.

If the macroeconomic environment in Southern Europe were to deteriorate, recovery of bad loans could become more difficult, and adverse economic conditions could reduce the propensity of financial institutions to lend to customers in the geographic markets in which the Group operates. This could potentially impair the growth of new loans under management and reduce the supply of debt available for collection.

In the event that a deterioration in the macroeconomic environment leads to an increase in the number of debtors subject to insolvency proceedings that significantly exceeds the number reflected in the Group's projection models, the amounts collected by the Servicing activity may be lower than those assumed in determining the Targets and/or the time necessary for the loan collection may increase, including as a result of possible objections made by the debtors themselves. On the other hand, flows from Forward Flow Agreements would likely increase to the benefit of the Group. This effect, connected to the continuation of negative macroeconomic conditions like those witnessed during the most recent financial crisis, may not be offset, either wholly or partially, by an increase in the volume of NPEs that could be available in the market precisely due to such macroeconomic deterioration and, therefore, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. As collection levels are likely to decrease during a downturn, this may affect the Group's performance as measured by its contractually agreed KPIs.

Lastly, there can be no assurance that economic conditions will improve in the markets where the Group operates, nor that any changes will have a positive impact. While economic improvement could increase competition in debt collection services, it may not necessarily lead to better outcomes for the Group. As a result, these developments could materially and adversely affect the Group's business, operations, and financial condition.

The Group generated in Italy 36.4% of its Gross Revenues for the nine months ended September 30, 2024 and, following the acquisition of the Gardant Group, its exposure to the Italian market is expected to grow. In October 2024, Fitch Ratings affirmed Italy's sovereign credit rating of BBB with a positive outlook. Should current Italian economic or political conditions not improve or worsen, this could impact the Group's business, also as a result of the acquisition of the Gardant Group, or lead to other negative events that could have a material adverse effect on its business, results of operations and financial condition.

In Greece, where the Group generated 41.2% of its Gross Revenues for the nine months ended September 30, 2024, the economic and business environment has improved significantly since 2017, after nine consecutive years of recession. Despite the current positive macroeconomic outlook in Greece, there is still uncertainty and the risk of potential changes with respect to Greece's economic situation and going forward.

In Spain, where the Group generated 12.8% of its Gross Revenues for the nine months ended September 30, 2024, political fragmentation and uncertainty may slow reforms and fiscal adjustments or lead to changes in laws and policies that could affect economic growth and the Group's business. Additionally, government measures to support the economy after the COVID-19 pandemic and rising inflation have raised concerns about the sustainability of Spain's public debt. With inflation at 3.1% in December 2023, core inflation at 3.8% (Source: National Statistics Institute, Press Release January 12, 2024), slow wage growth, and persistent structural unemployment, these factors could materially impact the Group's business, financial condition, and results.

In Cyprus, where the Group generated 9.7% of its Gross Revenues for the nine months ended September 30, 2024, ongoing tensions with Turkey over the island's division and offshore natural gas claims continue to pose risks. Additionally, the Russia-Ukraine conflict has impacted the local economy, affecting tourism and fuelling inflation, while escalating tensions in the Middle East present further threats. The Group also works with Kedipes Asset Management, a state-owned asset manager, which could be affected by changes in Cypriot politics and public policy. These factors may negatively impact the Group's business, results of operations and financial condition.

The Group and the Gardant Group may be unable to win new Servicing mandates, which may result in a decrease in collections.

The Group requires new stocks of NPEs to be added to its assets under management on a regular basis to maintain its revenue and cash flow given its "asset-light" business model (which does not rely on the deployment of capital to purchase NPE portfolios to generate future cash flows).

The significant risk is tied to the potential failure to secure new business within the planned horizon, which has an impact on the Group's total combined revenues, specifically, this would represent 22.2% in 2026 of Gross Revenues.

Moreover, the probability of loans' collections generally decreases over time starting from when the relevant loans were classified as NPEs.

The Group's ability to collect loans under management tend to decrease gradually over time as such loans age. For example, annual marginal collection rates can be well below 1% when the NPE is nine or ten years old, which may cause the Group's overall collection rate growth to be reduced. In addition, while some of the contracts with the Group's largest clients are Forward Flow Agreements (such as its contract with Eurobank), other contracts are "closed" portfolio contracts which provide that no new assets are compelled to be added to the original portfolio under management during the term of the contract. The GBV of assets under management is correlated to the revenues the Group is able to generate from each portfolio the Group services. As a result, as the Group progresses with the collection of loans it manages, the GBV of assets under management progressively decreases and this may entail a decrease in the amount of revenues generated under such "closed" portfolio contracts.

The Group depends on the willingness and ability of its clients to continue to engage it to provide Servicing services, which depends on, but is not limited to, the strength of the Group's reputation as a contractual counterparty and Servicer, the value proposition that the Group offers and its Servicer rating. Should the Group not be able to duly provide its Servicing activities to its clients or to reliably manage their loans or should the Group's Servicer rating decrease, its available liquidity and its business profitability may considerably decrease. In addition, the Group's ability to win new Servicing mandates may also depend on its ability to acquire new or additional platforms for the collection of loans, which generally require an expensive investment in advance and could have a material adverse effect on its business, results of operations, financial condition or prospects. In order to obtain new business the Group generally participates in competitive bidding processes, which entail competition on price levels, and margins that could be lower than past mandates.

If the Group is unable to obtain new Servicing mandates from new and/or existing clients, or if the Group is unable to negotiate satisfactory conditions under its servicing agreements, the Group would experience a decrease in the GBV of the assets it manages and, as a result, in its collections, which could have a material adverse effect on its business, results of operations, financial condition or prospects.

With respect to the Gardant Group, it is noted that also the Gardant Group similarly operates under an "asset light" business model, relying on new stocks of NPEs being regularly added to its assets under management to sustain revenue and cash flow.

Like the Group's, the Gardant Group's ability to collect on loans diminishes over time as the loans age, with marginal collection rates declining as the NPEs become older. Gardant's success in securing new servicing mandates is largely dependent on its reputation, service quality, and servicer rating. Any reduction in performance or a decline in its rating could negatively impact its liquidity and profitability. Additionally, like the Group, Gardant Group competes in a highly competitive bidding environment to win new mandates, where pricing pressure can reduce margins. The inability to secure new mandates or negotiate favorable conditions could lead to a decrease in the GBV of Gardant's assets under management, affecting both its collections and overall financial performance.

Operational efficiency improvements from continued efficiency improvements programs may not materialize.

As part of its efforts to further increase its operational efficiency, the Group continues to identify and target strategic efficiency improvements and organizational transformation initiatives to positively impact the Group's bottom-line earnings. The risks tied to operational efficiency improvements in the Business Plan are primarily related to the delay of the efficiencies, both in terms of staff costs, equal to €35 million, and operational expenses, equal to €13 million.

The Group's ability to fully realize its operational efficiency improvements depends on a variety of factors, including, among others, legal, regulatory and contractual restrictions. External factors beyond the Group's control, such as systemic failures in its industry or the industry sectors of its clients and changes in fiscal and monetary policies, may impact the Group's ability to realize such operational efficiency improvements. Estimates regarding the impact of its operational efficiency improvements are subject to a number of assumptions about the timing, execution and costs associated with realizing such operational efficiency improvements. There can be no assurance that such assumptions will turn out to be correct and, as a result, the amount and impact of operational efficiency improvements actually realized over time may differ significantly from any estimates.

In this overall context, the Group will continue to pursue the implementation of rationalization measures to support organizational changes and address efficiency imbalances, also to better align its workforce with the needs of the Group's business. These measures might include the use of all legal and contractual procedures and tools aimed to manage potential redundancies and might subject the Group to reputational and litigation risks and expenses including potential temporary impacts on productivity.

The Group may also incur significant costs in achieving such operational efficiency improvements, which may be higher than expected. In addition, to the extent the Group determines that actions required to be taken to achieve operational efficiency improvements could disrupt or otherwise harm the ongoing operation of the Group's business, including by adversely impacting its revenues, or that the costs associated with realizing operational efficiency improvements outweigh the anticipated benefits, the Group may decide to take alternative actions or forego their achievement. Any of the above developments could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's Co-Investment in Securitization transactions and its potential lending activities with regard to UTPs may lead to losses, or the projection models adopted for such Co-Investment and UTPs lending may not be accurate.

The Group's activity in the Servicing market includes co-investing in loan portfolios with financial investors when such activity is instrumental to obtaining or securing Servicing contracts. This activity mainly consists of purchasing a minority share (usually below 20%) of securities issued by an SPV, collateralized by a performing loan and/or NPLs serviced by the Group, though it may decide to commit to purchasing a higher percentage of securities with the objective of selling such securities in the market prior to or after closing of the relevant acquisition, which exposes the Group to the potential risk of significant capital losses. Although co-investing is not the Group's core business activity, the Group intends to continue to develop its Co-Investment business, with the risk that it may not be capable of delivering results in line with its expectations. In addition, as carrying out this activity may be instrumental to obtaining new Servicing mandates in the future, a failure to adequately develop the Group's Co-Investment business may entail the loss of certain servicing agreements.

The Group's Co-Investments pertain to classes of notes that are not covered by the GACS or HAPS schemes. Specifically, while the co-investments held by doValue in Greek securitizations fall under the HAPS scheme, the particular classes of notes in which the Group has invested are not covered by this guarantee.

Co-Investment revenues amounted to €8.8 million, €1.5 million and €1.3 million, for the years ended December 31, 2021, 2022 and 2023, respectively, and to €1.0 million for the nine months ended September 30, 2024, while the relative net income (loss) on financial assets measured at fair value amounted to net income for €1.2 million, net losses for €0.5 million and €1.6 million, for the years ended December 31, 2021, 2022 and 2023, respectively, and to net losses for €0.5 million for the nine months ended September 30, 2024. The Business Plan does not forecast any revenues or collections from Co-Investments, excluding management fees associated with the alternative co-investment fund initiative, which will be linked to co-investment activities conducted on behalf of the third party fund's investors and will not be recorded as revenue from co-investments.

Where the Group succeeds in co-investing, by purchasing securities issued by Securitization vehicles, the Group remains exposed to the actual performance of such securities. In particular, these investments could generate lower revenues than expected or could lead to a loss of the entire value of the securities purchased. Furthermore, the Group's valuation of a Co-Investment is based on its collection projection models that take into account the timescale expected for the collection of individual NPLs and their respective amounts. The actual return on securities issued by Securitization vehicles generally depends on the state of the economy, and, more specifically, on the ability of debtors to meet their payment obligations relating to the securitized loans on a regular basis, or, in any case, in line with the projection model.

In addition, in order to capture new opportunities arising from the emerging UTPs market, the Group has developed a specialized team (primarily run through its subsidiary, doNext) which provides services aimed at the recovery and rescue of companies to help them fulfill their obligations. Within its UTP Servicing activity the Group may also offer, when appropriate, limited financing (usually, alongside other investors, and participating with a minority share of up to 20%) to support business plan of the borrower. This is the structure implemented by doNext, as servicer, for the exclusive management of a portfolio of Italian UTPs contributed to a fund by, among others, UniCredit, Intesa Sanpaolo, Banca Nazionale del Lavoro with GBV of €2.1 billion as of September 30, 2024. Any failure to recover the amount lent on such transactions may harm the Group's future cash flows or simply limit the scope of further balance sheet interventions on UTP positions, which may negatively affect the Group's recovery rates. An inability to procure sufficient funding or co-investments at favorable terms necessary to purchase portfolios (or notes) as they become available, whether due to macroeconomic conditions or to the Group's indebtedness, or for any other reason, could prevent it from purchasing notes tied to the securitization, thereby preventing the Group from acting as servicer for such portfolios, and therefore have a material adverse effect on its business, results of operations and financial condition.

Should the number of debtors in default significantly exceed that reflected in the Group's models, the actual return on the Group's Co-Investment or UTP Servicing activities may be significantly lower than expected. The partial or total inaccuracy of the Group's predictions regarding the expected returns could have a material adverse effect on its business, results of operations, financial condition or prospects.

Negative real estate market trends may have a negative impact on the Group's and the Gardant Group's business.

REO Servicing revenues accounted for 11% of the Group's Gross Revenues as of December 31, 2023 and 10.2% as of September 30, 2024, and are composed of loans secured by real estate assets. Activities of managing and transferring real estate properties are subject to real estate market trends, in terms of both price and liquidity. Although the Spanish and Italian real estate markets have been recovering since 2013, the market is cyclical and depends on a number of macroeconomic and tax variables, as well as on other factors associated with the development of compulsory sale procedures and insolvency sales. In particular, market supply and demand are influenced by a number of factors, such as the general economic conditions, interest rates, inflation, the tax and regulatory regimes applied to these procedures and market liquidity. Consequently, average real estate prices may fall and the procedures to liquidate real estate assets as collateral may take more time. An imbalance in supply, such as the one occurring in Spain between 2008 and 2015, could have a significant impact on the fees the Group receives.

A decrease in real estate prices, together with continuing difficult market conditions and/or, more generally, the current volatile macroeconomic environment, may have a negative impact on the Group's results due to the depreciation of the mortgage-backed securities relating to the securitized NPLs serviced by the Group or in which it invests as part of its Co-Investment activities. Such events may lead to lower profits from enforcement of the collateral and an increased difficulty in complying with its KPIs and, therefore, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. For instance, the Group's REO Servicing revenues as of December 31, 2023, were €53.2 million, and for the nine months ended September 30, 2024, were €32.2 million, representing a 30.6% and 19.3% decrease, respectively, compared to December 31, 2022, and the nine months ended September 30, 2023. This decrease was primarily attributable to a reduction in volumes and prices of real estate transactions as real estate became less affordable following the significant increase in interest rates. In addition, conditions making it unfavorable for buyers to purchase REO could result in lower recovery volumes and longer recovery times. Any of the foregoing situations would delay and/or make it more difficult for the Group to recover debt or commercialize REO and therefore may negatively affect this segment of the Group's business.

With respect to the Gardant Group, it is noted that also the Gardant Group carries out REO Servicing activities. REO Servicing revenues accounted for 0.4% of the Gardant Group's total revenue and other income for the nine months ended September 30, 2024. As of December 31, 2023, the Gardant Group's REAM unit managed 660 properties, covering approximately 700,000 square meters. Similar to the Group, the Gardant Group's gross revenues from REO Servicing are influenced by real estate market trends, including fluctuations in both prices and liquidity.

The Servicing market is concentrated and competitive and the strategic decisions of the investors operating in this market can have a material negative impact on the business of the Group and the Gardant Group.

The Servicing market in which the Group and the Gardant Group operate is highly concentrated and competitive and is influenced by a number of factors outside the Group's and the Gardant Group's control.

Although jurisdictional differences exist, the European servicing industry is becoming increasingly standardized and integrated as markets mature and competition intensifies. Ongoing market consolidation of third-party loan servicers resulted in specialized firms by geographies or asset type, enabling integrated solutions and expertise (Source: elaboration on Deloitte data "Deleveraging Europe – June 2021). In addition, this competitive landscape may further intensify as a result of a number of factors beyond the Group's control, such as laws and regulatory provisions, governmental policies, market shrinkage, aggressive fee competition, the entry of new players and shifts in the strategies of the Group's and the Gardant Group's clients. For example, the Italian NPE market has experienced heightened competition in recent years, with new entrants supported by an increasing number of primary NPE transactions.

In the broader Southern European area, specialized entities are increasingly targeting the Servicing market in which the Group operates. New competitors may enter, or existing ones may enhance their position, becoming more efficient and potentially attracting the Group's clients. This could threaten the Group's competitive standing and limit its business opportunities by offering products or services of higher quality or at a lower cost.

As of December 31, 2023 the Group is the market leader in Southern Europe by assets under management, measured by GBV. It holds the top position in Italy, Greece, and Cyprus, with market shares of 16%, 34%, and 53%, respectively. In Spain, the Group ranks sixth, with a 6% market share. With respect to the Gardant Group, it is noted that the Gardant Group operates only in Italy, in the same Servicing markets as the Group. The Italian market is expected to receive approximately €45 billion of new NPE inflows for the two-year period 2024-25 with a low backlog of NPE to be sold to investors, while the Greek and Cypriot Markets have still sizable portfolios to be sold but are not expected to generate significant primary volumes given the relative size of their economy.

If the Group, including following the Gardant Group Acquisition, fails to respond effectively to increased competition, maintain its market share, expand its business or adapt to changing market needs, it may be unable to sustain or grow its activity levels and profitability, which could materially and adversely affect its business, results of operations, financial condition, or prospects.

In addition, the Servicing market remains characterized by the presence of a limited number of significant independent operators whose strategic decision can influence the business and results of operations of the Group and the Gardant Group. In particular, during the last years the Servicing sector has experienced the following scenarios: (i) the increasing tendency of both banks and investors to manage assets internally, often through vertical integration, which reduces the volume of assets outsourced to independent servicers like the Group (ii) the formation of exclusive partnerships between banks, investors, and other servicers and (iii) the consolidation of financial institutions and investment entities, which often leads to a reduction in the number of servicers the newly merged entities engage with. Although these scenarios are applicable to all investors, they have become more pronounced with reference to the banking sector, where the Group and the Gardant Group have significant exposure. For the year ended December 31, 2023 and for the nine months ended September 30, 2024, the Group servicing revenues originated by agreement with banks accounted for 36.5% and 37.8% of the consolidated Gross Revenues, respectively. As regards the Gardant Group, substantially the entirety of its Gross Revenues in the Servicing sector derive from clients active in the financial and banking services industry.

Should these circumstances persist or intensify, the Group and the Gardant Group could face a significant reduction in the volume of loans managed by them and/or will face increased difficulties related to their recovery, which could have a material adverse effect on their business, results of operations, financial condition or prospects.

The Group and the Gardant Group are regularly involved in legal proceedings and audits by tax and regulatory authorities, the outcome of which may not be favourable.

From time to time, the Group and the Gardant Group are involved in various litigation matters and governmental or regulatory audits, prosecutions or similar matters arising out of its current or future business, including civil proceedings (such as proceedings with debtors objecting to forced loan collection), tax and labor proceedings and other arbitration or litigation.

As of September 30, 2024, monetary claims in judicial proceedings against the Group totaled approximately €432.0 million, the majority of which relate to matters arising from the routine enforcement of claims the Group manages. Of this amount: (i) approximately €206.0 million pertains to two claims for damages allegedly caused by the termination of a common bond loan in 2022, which were brought by the issuer and guarantor of the bond against several Greek banks (acting as originators and bondholders' agents), securitization vehicles (as bondholders), and doValue Greece (as the servicer of bond-related claims). Hearing in both lawsuits were held on February 14, 2024 before the Multimember First Instance Court of Lassithi and they are still pending. A decision is expected by the end of 2024; (ii) €1.3 million is related to labor proceedings; (iii) approximately €43.7 million is related to claims in connection with tax proceedings; and (iv) approximately 400 proceedings involve either amounts below €1 million or unspecified values and do not fall in the categories above.

As mentioned above, the Group is party to a number of consulting contracts with consultants and contractors (including lawyers), both on behalf of itself or on behalf of the principal owner of the loans under management, in accordance with existing servicing agreements. The Group is currently involved, and may be involved, in legal proceedings brought by these contractors and consultants who seek either to requalify their contracts, effectively converting their relationship with the Group into open-ended employment contracts, or to claim that their compensation should be increased to meet the standards of fair compensation (*equo compenso*). Article 13-bis of Italian Law Decree 148/2017, converted into law by Italian Law 172/2017, introduced provisions requiring that agreements on fee arrangements between legal counsels and banks, insurance companies, or companies (not classified as SMEs under the Commission Recommendation of May 6, 2003) shall provide for fees to be paid to the relevant legal counsel that are adequate and proportionate (*equo compenso*) to the quality and quantity of assistance required from such counsel. Under Italian Law No. 49 of April 21, 2023, such fees must comply with parameters issued by the Minister of Justice, which may be higher than what the Group originally negotiated with consultants. Consequently, some consultants have claimed and others may in the future claim that, based on these regulations, their compensation should be set higher than the compensation contractually negotiated with the Group in the relevant consultancy agreement. Consequently, it cannot be excluded that (a) courts may interpret the provisions unfavorably or (b) changes of law (including, without limitation, changes of law resulting from the enactment of any interpretative law or regulation (*norme di interpretazione autentica*)) may cause the "*equo compenso*" requirements to apply to the Group's fee arrangements. An unfavorable outcome of these proceedings, or of other similar proceedings in which the Group may be involved in the future, could have a material adverse effect on its business, results of operations, financial condition or prospects.

As to the Italian tax matters, the Group and the Gardant Group are subject to routine tax audits by local tax authorities. As of September 30, 2024 total claims against the Issuer in connection with tax proceedings amounted to approximately €43.7 million, which pertain solely to tax underpayments, excluding penalties and interest that are applicable under ordinary rules, as a result of a tax audit carried out by the Italian Tax Authority ("**ITA**") on the Issuer with respect to tax years 2015, 2016 and 2017. In relation to this audit, the ITA issued a tax audit report (*processo verbale di constatazione*) in September 2022 raising two claims for tax years 2016 and 2017 (no claims were raised for the tax year 2015). In particular, for the tax year 2016, the ITA notified a tax assessment (*avviso di accertamento*) challenging the sale of a non-performing loan portfolio whose price was deemed lower than the relevant market value. The Issuer appealed and the first-instance tax court ruled in its favor. On September 13, 2024, the ITA appealed the first-instance judgment and the Issuer filed its counter-appeal on November 11, 2024; the second-instance judgement may result in an unfavourable outcome for the Issuer, considering the unpredictability of tax litigation. Moreover, for the tax year 2017, the ITA notified a tax assessment (*avviso di accertamento*) claiming the failure to apply withholding taxes on dividend distributions made by the Issuer to one of its shareholders. In May 2024, the Issuer appealed and the ITA then filed a counter-appeal. As of the Prospectus Date, the hearing before the competent first-instance Italian tax court is yet to be scheduled. It is not possible to exclude the risk of defeat in a court proceeding, considering that the Italian Supreme Court (*Corte di Cassazione*) has not adopted a uniform approach in similar cases.

The Group has not recorded any specific provision for risks relating to these tax proceedings in its financial accounts.

Furthermore, the ITA carried out a tax audit on the Issuer with respect to the tax years 2018, 2019, 2020, 2021 and 2022 and required the Issuer to provide clarifications on its potential obligations to apply withholding tax on dividend distributions occurred during the tax years under scrutiny. The Issuer provided the requested clarifications in due course. On November 6, 2024, the ITA concluded the aforementioned tax audit and served the Issuer a tax audit report (*processo verbale di constatazione*) without raising claims on the issue under scrutiny.

Also, there can be no assurance that the outcome of any audits by tax and regulatory authorities and/or legal proceedings will be favorable to the Group or that any amount set aside in a provision will be sufficient to fully cover the losses that could result from a negative outcome in such proceedings. Any unfavorable outcome of pending proceedings or audits, as well as any future legal proceedings or audits could have a material adverse effect on its business, results of operations, financial condition or prospects.

The Group is also required to comply with legal and regulatory requirements regarding, among others, conflicts of interest, ethical issues, anti-money laundering, competition, privacy, and information safety. Any actual or alleged failure to comply with these provisions may entail litigation and audits, and expose the Group to claims for compensation for damages, fines or other sanctions. Any of these events could affect the Group's reputation and have a material adverse effect on its business, results of operations, financial condition or prospects.

With respect to the Gardant Group, it is noted that as of the Prospectus Date the Gardant Group is not involved in any material litigation that could have a significant impact on its group.

Certain companies within the Group and the Gardant Group were subject to an inspection by the Bank of Italy.

Certain companies of the Group and the Gardant Group are subject to oversight by regulatory authorities in the jurisdictions in which they operate regulated activities and have been, and may be in the future, subject to sanctions by these authorities. doNext qualifies as a financial intermediary which is subject to the oversight of the Bank of Italy. Similarly, doValue Greece and doValue Cyprus are subject to licensing and regulatory monitoring, including by the Bank of Greece and the Central Bank of Cyprus, respectively. Exercising their supervisory and oversight powers, regulatory authorities carried out, and may carry out in the future, periodic audits on doNext, doValue Greece and doValue Cyprus. These audits could result in fines, requests for organizational measures and the tightening of controls aimed at overcoming any shortcomings detected, or, depending on the extent of any such shortcomings, could lead to the commencement of disciplinary proceedings against corporate representatives or, with regard to the Group's subsidiaries in the Hellenic region, also the suspension of revocation of doValue Greece's or doValue Cyprus's license as servicers. Any such event could have a material adverse effect on its business, results of operations and financial condition.

From September 21, 2022 to December 23, 2022, the Bank of Italy conducted an industry-wide inspection, including doNext S.p.A. ("doNext"), to assess compliance with regulations. The audit identified areas for improvement, particularly in servicing activities, governance, and anti-money laundering controls. On March 24, 2023, the Bank of Italy notified doNext of the start of two administrative proceedings concerning: (i) deficiencies in organization and internal controls; and (ii) non-compliance with anti-money laundering provisions. Specifically, the Bank of Italy classified the inspection results as "partially unfavorable" (*parzialmente sfavorevoli*) due to certain deficiencies identified in the governance and control framework, which could potentially expose the intermediary to operational and reputational risks, mainly associated with the initiation of minor non-captive activities in healthcare loans in 2022, in certain cases undertaken without the prior engagement of the Group's anti-money laundering function. On May 8, 2024, the Bank of Italy imposed two fines of €30,000 (the minimum applicable) each for these deficiencies, which doNext has promptly paid.

Following the inspection and issuance of these sanctions, doNext proposed a detailed remediation plan to enhance specific areas of its business model, governance, and controls, including reviewing internal regulations and procedures, introducing a new operating model, and implementing a recruitment process focused on second-level controls ("doNext Remediation Plan"). As of the Prospectus Date, all remediation measures communicated to the Bank of Italy to address the areas of improvement flagged by the inspection have been completed by doNext and the related costs of implementation are included in its economical results. The Group's Internal Audit function monitored progress on a quarterly basis, reporting to the Board of Directors the results and submitting closure proposals for board approval. Moreover, in order to facilitate the process of strengthening the doNext internal control framework, the Group's Internal Audit function conducted two additional audits focused on the second-level control functions at the end of 2023 and the beginning of 2024. Such audits highlighted the presence of certain specific areas for additional improvement in the management of risks. DoNext's management has defined appropriate corrective actions for all the areas identified and their execution has been monitored by Internal Audit quarterly. As of the Prospectus Date, all of these actions have been completed, except for those strictly related to the delivery of the annual 2024 compliance plan, which is still ongoing and which will be completed by the first half of March 2025. Specifically, with regard to anti-money laundering, within the context of an overall positive evaluation of the measures already implemented, the Group's Internal Audit function has recommended considering a strengthening of the anti-money laundering function's staffing, with the identified shortage amounting to less than 0.5 FTEs.

Separately, between June and September 2023, the Bank of Italy conducted an inspection of Master Gardant S.p.A., which resulted in a "partially unfavorable" outcome with 12 findings, and highlighted an exposure to operational and reputational risks. This outcome was due to certain deficiencies identified in the governance and control structures and vulnerabilities observed in the business model, as well as exposure to potential operational and reputational risks, particularly connected to shortcomings identified in servicing activities and the fulfilment of anti-money laundering obligations. The 10 "management findings" relate to issues pertaining to various areas, including but not limited to (i) Master Gardant's business model profitability level; (ii) shortcomings in risk management, compliance, and internal audit activities; (iii) instances of unclear upfront fee accounting; and (iv) shortcomings in data retention procedures. The two "compliance findings" pertain to anti-money laundering issues.

One of such finding, concerning the AML profile, related to an alleged delay in suspicious transaction reporting, resulted in the initiation of a sanctioning proceeding. As of the Prospectus Date, such sanctioning proceeding is currently pending, even if with communication number 2011082/24 dated October 15, 2024, the Bank of Italy's competent office (*Dipartimento Vigilanza Bancaria e Finanziaria, Servizio Rapporti Istituzionali di Vigilanza*) issued a proposal for dismissal, as the conditions for imposing an administrative sanction were not deemed to be met, considering that the defensive briefs presented by Master Gardant were deemed adequate to overcome the contested facts. Indeed, the defensive briefs *(i)* provided evidence of the controls and investigations conducted following the identification of potentially suspicious transactions, and *(ii)* explained the reasons that led Master Gardant to submit the reports to the Italian Financial Intelligence Unit at a later stage. Following the issuance of the proposal for dismissal and the subsequent observations of Master Gardant, the Bank of Italy's Directorate may officially dismiss the sanctioning proceeding. Notwithstanding the proposal for dismissal, the Bank of Italy's Directorate has any case the authority to, among others, order a supplement of investigations or impose a sanction for the alleged breaches.

Following the Bank of Italy's findings, Master Gardant submitted its responses and proceeded to define 36 remedial actions (the "Master Gardant Remediation Plan"), the majority of which have been completed as of the Prospectus Date. The definition of the Master Gardant Remediation Plan was recommended by Bank of Italy upon the delivery of the inspection report to the corporate bodies, in light of Master Gardant's significant role in the Italian market, especially in the area of GACS transactions. The remaining remedial actions expected to be completed by the end of 2024 are the following: (i) definition of tools that enable the automated analysis of variances between the new and the old business plan drafted by the special servicer, as well as the ability to conduct back testing on the assumptions used; (ii) definition of monitoring indicators for the performance of securitization transactions; (iii) definition of monitoring indicators for the operational activities of the special servicers; (iv) update of the internal regulation “Special Servicing Oversight Functional Regulation” (*Regolamento funzionale Special Servicing Oversight*) to include and formalize the collection of recovery strategy guidelines from special servicers; (v) enhancement of the procedure to periodically monitor positions that show a residual credit (recorded in the administrative accounting system) but for which no recovery is forecasted in the updated business plans, and implementation by the Servicer of specific information flows to request explanations from the special servicers regarding the reasons for the presence of residual credits in the absence of specific forecasts in the business plan; (vi) identification of a suitable solution to ensure automated control (and therefore continuous monitoring) to support the timely detection of changes in the ownership structures of legal entities involved in transactions for which the Servicer acts as master servicer; (vii) update of Master Gardant’s anti-money laundering policies to redefine the type of proceeds (*incassi*) for which due diligence activities are performed, including judicial proceeds (*incassi giudiziari*), and to enhance control measures in cases where transfers originate from foreign countries; and (viii) evaluate the most suitable tool to effectively process transactional monitoring for proceeding with the implementation of automated alerts to support the adopted AML regulation.

If the Bank of Italy deems that doNext and/or Master Gardant have failed to duly complete or implement, as the case may be, the doNext Remediation Plan and the Master Gardant Remediation Plan respectively, the Bank of Italy may take a variety of actions ranging from a mere request to implement new additional remedial actions to the initiation of sanctioning proceeding(s) with potential material adverse effect on the Group’s business, financial condition, operations or prospects. Further, if any Group or Gardant Group company should fail to meet Bank of Italy requirements in the future, they may face similar fines, penalties or requests for remedial action.

Any malfunction or defect in or attack on the Group and the Gardant Group’s information and technology (“IT”) systems could materially impact their ability to operate the Group’s and the Gardant Group’s business or cause reputational damage.

The Group and the Gardant Group are exposed to the risk that functional problems in their technological and IT architecture could lead to business interruptions, unauthorized access to their systems, or successful external cyber-attacks. While the Group and the Gardant Group regularly maintain and update their IT systems and are equipped with disaster recovery and protection solutions, issues such as inefficient maintenance, delayed updates, unauthorized access, or a successful cyber-attack (such as through email fraud or other means) could still occur, potentially harming their reputation and jeopardizing client trust.

In particular, during the portfolio onboarding phase or the IT migration of a portfolio from one loan management system to another, an IT failure could impair or delay the readiness of the newly onboarded or migrated loans, negatively affecting the business performance. Additionally, due in part to the implementation and/or continuation of remote working, employees have been exposed to phishing attempts and are generally at higher risk of data breaches and other cyber frauds.

The Group’s and the Gardant Group’s services also rely on protecting their databases and related technology from interruptions. To ensure smooth operations, they must regularly update their technological equipment, maintain the professional skills of their IT personnel and invest significant amounts in the development and upgrade of their technologies. As regards the Group, it expects to invest approximately €5 million over 2024-2026, subject to annual budget, to implement IT services aimed at strengthening its protections systems and to ensure the security of the IT systems. IT and telecommunications technologies evolve rapidly with short product life cycles. Although the Group and the Gardant Group carefully monitor their IT systems, including carrying out regular technological upgrades, the possibility of internal system failures, malfunctions or technical faults in hardware, telephone, or internet lines remains, including as a consequence of extraordinary events such as fires, floods, acts of war or terrorism or the possibility of interruptions in the power system and telecommunications services, security breaches or human error by the personnel in charge of the IT system.

The occurrence of one or more of these or similar events, along with potential regulatory fines, could (i) cause interruptions or delays in services, leading to missed deadlines under existing agreements, liability for damages, and harm to the Group’s and the Gardant Group’s reputation and client trust; (ii) result in business delays or disruptions during portfolio migrations, affecting both onboarding and migration phases; and (iii) disrupt corporate operations, including the fulfilment of compliance and administrative obligations, potentially having a material adverse effect on the Group's and the Gardant Group's business, operations, financial condition, or prospects.

Furthermore, the Group has entered into agreements to outsource operational support and production activities for IT and back office services (previously performed by its subsidiary, doSolutions S.p.A.), including first-level operational controls related to AML registration. Any significant system failure resulting from these outsourcing agreements could lead to the loss or inaccuracy of payment pattern and timing information in its database, compromising the Group's ability to competitively purchase or manage receivables. This could requires substantial investments to resolve the issue, potentially having a material adverse effect on the Group's business, operations, financial condition, or prospects.

Errors in the Group's and the Gardant Group's collection process, any decrease in their Servicer Rating, other operational failures or difficulties or negative attention relating to the Servicing industry in general, or to the Group and the Gardant Group's in particular, could have a negative effect on their business and reputation.

The Group is subject to operational risks, including risks that are partially or entirely outside of its control, such as the risk of loss resulting from: (i) fraud, whether internal or external; (ii) claims and disputes involving clients; (iii) fines resulting from violations of laws and regulations; (iv) errors, omissions, and delays in providing services; (v) inadequacy and/or malfunction in corporate procedures, including in particular non-compliance with procedures regarding identification, monitoring, and management of corporate risks; (vi) inadequate preparation and/or maintenance of documents relating to transactions; (vii) errors or inadequacy of human resources; (viii) business interruptions or inability to conduct the Group's business in its normal manner resulting from weather events, health crises, pandemics or other natural disasters, including limitations on mobility or the closure of public services; and (ix) onboarding large portfolios of titles. The Group's ability to promptly and accurately collect the NPEs under management and to satisfy the requests of clients is crucial for developing business and preserving its reputation in the market.

Typically, the Service Level Agreements (SLAs) that the Group enters into with its clients do not include limitations on the Group's liability. As a result, any material errors or operational failures in the Group's collection process of the NPE it manages, whether due to human resources, system failures, or procedural deficiencies, can expose the Group to requests to pay penalties and/or reimburse customers for associated costs and damages. Although the Group recognizes provisions for risks according to IFRS, there can be no assurance that it will be able to avoid any material errors or operational failures that may arise in the course of its business and, consequently, that any amount set aside in its provisioning will be sufficient to fully cover the requests to pay the associated penalties and/or damages.

Additionally, the Group's reputation is important in maintaining its relationships with current and potential clients. Negative media campaigns or negative publicity relating to the Servicing industry, in general, or to the Group or its clients on the basis, for instance, of alleged unlawful loan collection practices attributable to the Group or to third parties the Group uses in the loan collection process may harm its reputation in the market. In addition, other factors that may have negative effects on its reputation and its financial results are, among others, failure in its collection and data protection processes, IT security failure or other operational issues, litigation, regulatory restrictions, audits, fines or enforcement actions. Such factors could result in a negative perception of the Group's business by clients who, as a result, may terminate existing agreements, or, if possible, initiate proceedings against the Group. In addition, violations of the rules and regulations to which the Group is subject (including usury, data protection, antimoney laundering and antibribery legislation, or prudential supervision law provisions) may also negatively affect its reputation.

Furthermore, any decrease in the Servicer Rating assigned to the Group by Fitch Ratings, Standard & Poor's or any other rating agency, may impact the Group's ability to win more Servicing mandates. Additionally, a downgrade of the notes under its management issued during a Securitization process may negatively affect the Group's ability to perform its services. Any of these circumstances or any other factor that results in the Group's inability to promptly and accurately collect the NPEs under management, could negatively affect its reputation, jeopardize its relationships with its clients or the Group's ability to establish new client relationships and have a material adverse effect on its business, results of operations, financial condition or prospects.

With respect to the Gardant Group, it is noted that also the Gardant Group relies on its ability to promptly and accurately collect NPEs under management and meet client expectations in order to maintain its reputation in the market. Like the Group, the Gardant Group's Servicing agreements typically do not include liability limitations. As a result, any significant errors or operational failures in its collection processes could expose the Gardant Group to penalties or claims for damages from clients. While the Gardant Group sets aside provisions for risks in accordance with IFRS, there is no assurance that these provisions will be sufficient to cover potential claims for penalties or damages arising from such issues.

Additionally, the Gardant Group's reputation is essential for retaining existing clients and securing new mandates. A downgrade in the Gardant Group's Servicer ratings could significantly impact its ability to win new servicing agreements. On July 21, 2023, Fitch Ratings confirmed the Gardant Group's "CSS2+" and "RSS2+" ratings for its commercial and residential special servicer activities, respectively. Fitch also reaffirmed its "MS2+" rating for Gardant Group's master servicing of mortgage-backed and unsecured loans in Italy. Similarly, on February 7, 2023, Standard & Poor's reaffirmed Gardant Group's above average rating for its master and special servicing of residential and commercial mortgage loans and asset-backed securities, maintaining a "stable" outlook.

The Group and the Gardant Group rely on subcontractors and other third parties for the operation of their businesses.

The Group employs subcontractors in the performance of its collections (in particular with respect to loans of a smaller size) and other obligations under certain contracts from time to time. The Group also relies on third-party suppliers to provide much of the IT used in its business. The main risk associated with the Group's subcontractor and/or third parties' reliance primarily stems from contractual dependencies with its main outsourcer, Dock. In 2023, Dock accounted for approximately 28% or €20 million, of the Issuer's standalone operational costs. Additionally, outsourcing fees regarding external collectors and ancillary activities totaled €43 million for the year ended December 31, 2023.

In particular, the Group relies on subcontractors for the following services: back office, applications and security services and IT infrastructure services. If the Group is unable to find reliable suppliers or hire qualified subcontractors, its ability to successfully operate could be impaired. Furthermore, if a subcontractor fails to provide timely or quality services as required under a contract, it could negatively impact the profitability of the Group's contracts or its reputation as the Group remains liable for the actions of any subcontractor under its servicing agreements. Although the contractual arrangements with its subcontractors would ordinarily provide for the Group to receive compensation or indemnification in such cases, there can be no guarantee that any such amounts would be sufficient to satisfy the applicable liability or that the subcontractors would have sufficient funds to fulfil their payment obligations.

As part of its REO business, the Group also enters into contracts for construction work or similar requirements related to developing any real estate assets it manages. Although in such cases the Group seeks to exclude liability for problems with the construction project, any mistakes or failures to complete projects on time could negatively impact the property value, the Group's ability to resell or to otherwise obtain revenue from that piece of developed real estate.

Finally, the Group's third-party subcontractors may face a number of operational risks, including risks that are out of their control. For instance, during the lockdown imposed by the Italian, Greek and Spanish governments as a response to the outbreak of the COVID-19 pandemic, services usually provided by real estate brokers, on which the Group relies for its REO Servicing activity, were severely reduced, and debt collection agencies that used to outsource certain parts of the NPE servicing business had difficulty working efficiently. Any such failures by the Group's third-party partners could have a material adverse effect on its business, results of operations, financial condition or prospects.

With respect to the Gardant Group, it is noted that the Gardant Group also relies on subcontractors and third-party suppliers to support its business activities. As of September 30, 2024, the percentage of operating costs related to outsourcing for the Gardant Group was 3%. In particular, Gardant Group's master servicing activity is conducted by delegating the operational management of receivables to one or more third parties, known as sub-servicers or special servicers.

If the Gardant Group is unable to find reliable subcontractors or qualified suppliers for key services, such as IT infrastructure, back-office support, or security services, its ability to operate efficiently could be compromised. Moreover, any failure by a subcontractor to provide services on time or at the expected level of quality could harm the Gardant Group's reputation and profitability, as the company remains liable under its servicing agreements for the actions of its subcontractors. While contractual provisions typically require compensation or indemnification from the subcontractors, there is no guarantee that these measures would cover the full extent of the liability, or that subcontractors would have the financial capacity to fulfil their obligations.

The Group and the Gardant Group collect, store and process personal data and any unauthorized disclosure of such data could result in legal liability, sanctions and/or reputational damage.

In performing its activities, the Group collects, stores and processes personal data and sensitive personal data of employees, the debtors of its clients and/or of its clients themselves, which the Group collects, stores and processes in compliance with the Regulation (EU) 2016/679, as subsequently amended and supplemented ("GDPR"); Legislative Decree No. 196 of June 30, 2003, as amended as supplemented by Legislative Decree No. 101 of August 10, 2018, Law No. 160 of December 27, 2019 and Legislative Decree No. 53 of June 14, 2019, to comply with the provisions of the GDPR (the "Italian Personal Data Protection Code"), the Spanish Data Protection Act passed by Ley Orgánica LO 3/2018, Greek law 4624/2019, as well as with other applicable law and regulatory provisions in force in the relevant jurisdictions where the Group operates. The GDPR sets a high standard for consent obtained from the individuals protected by data protection laws and also requires organizations to appoint a data protection officer in certain situations. In addition, the GDPR enables national data protection authorities to issue more severe fines in case of violations of data protection rules, with regulatory requirements varying across the jurisdictions in which the Group operates. In particular, for the most serious violations, Article 83(5) of the GDPR establishes an administrative fine up to €20 million, or in the case of an undertaking, up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. Non-compliance with an order of the supervisory authority requesting the implementation of corrective measures, such as an order to the controller or processor to bring processing operations into compliance with the provisions of the GDPR, where appropriate, in a specified manner and within a specified period, is subject to the same administrative fine (i.e., up to €20 million, or in the case of an undertaking, up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher). Such an administrative fine should be determined by the competent supervisory authority in each individual case, taking into account all relevant circumstances of the specific situation, with due regard in particular to the nature, gravity and duration of the infringement and of its consequences and the measures taken to ensure compliance with the obligations under the GDPR and to prevent or mitigate the consequences of the infringement.

While the Group has data protection policies and procedures in place, they may fail or prove insufficient, which may lead to accidental or unlawful disclosure, loss, alteration, transmission or processing of personal data for purposes other than those authorized by the clients, either by persons within the Group or third parties.

Any failure of its policies, systems or security measures relating to processing of personal data that the Group collects and stores could negatively affect its reputation, relationships with customers or business activity and may lead the Italian, Spanish and Greek or any other competent data protection authorities to impose sanctions on the Group or its subsidiaries, which could have a material adverse effect on its business, results of operations, financial condition or prospects. For example, in 2022 and 2024, the Group notified the Italian Data Protection Authority of two breaches that turned out to be of low risk, with no follow up or fines imposed from such authority. However, in Greece, the Hellenic Data Protection Authority was notified of two data breaches in 2022 and 2024. More specifically, the data breach notified to the Hellenic Data Protection Authority in 2022 was of high risk and was immediately addressed through mitigation actions and corrective measures at the organizational, procedural, and IT levels, to manage the breach, eliminate the risk, and prevent similar incidents in the future. Since the breach was notified with a slight delay, the Hellenic Data Protection Authority responded with a recommendation to ensure timely reporting in the future. No fines were imposed. The data breach notified to the Hellenic Data Protection Authority in 2024 was of medium risk and was addressed through mitigation actions, including the immediate cessation of the process related to the breach upon its discovery and the launch of an investigation into the causes of the incident. Additionally, the Data Protection Officer issued recommendations to the Group's staff for managing similar incidents and scheduled relevant in-person trainings. The Hellenic Data Protection Authority has not yet responded to the notification.

Furthermore, any changes in the legislation governing the processing of personal data could result in additional compliance costs or sanctions if such adjustments required by such changes are not completed on time, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. In particular, as specified above, failure to comply with the required adjustments or with the order of a supervisory authority requesting the implementation of corrective measures may result in the administrative fine up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher.

With respect to the Gardant Group, it is noted that also the Gardant Group processes vast amounts of personal and sensitive data daily, including hundreds of billions of data points collected in its data warehouse. This data is used to develop forecast models for collection strategies. Any failure of Gardant's data protection policies, systems, or security measures could lead to unauthorized disclosure, loss, or misuse of personal data, negatively affecting Gardant Group's reputation and client relationships. Additionally, the Gardant Group could face sanctions from data protection authorities in the jurisdictions where it operates, which could have a material adverse impact on its business, financial condition, and results of operations. Furthermore, changes in data protection legislation may result in increased compliance costs or penalties if adjustments are not implemented in a timely manner.

The Group and the Gardant Group may incur liabilities for the actions of their current or former executives, directors, employees or another related party.

The actual and perceived integrity of the Group's executives, directors and employees and the security of its systems is critical to the Group's ability to attract clients and comply with applicable regulations. The Group strives to set high standards of personal integrity for its employees and maintain a highly secure system for services that the Group provides to its clients. The Group's reputation in this regard is an important factor in the Group's business dealings with governmental agencies, the Group's business partners and its customers. Accordingly, a finding or allegation of improper conduct on the Group's part, or on the part of one or more of its current or former executives, directors, employees or another related party, or a security system defect or failure, could result in civil or criminal liability and could have a material adverse effect on the Group's reputation, business, results of operations, financial condition or prospects.

In Italy, the Group and the Gardant Group are subject to the obligations arising from Legislative Decree No. 231 of June 8, 2001, as amended and supplemented from time to time ("Legislative Decree 231/2001"), which introduced a specific system of enterprise liability for several types of criminal offenses committed in the corporate interest and/or to its advantage by persons in senior management positions or those persons' subordinates.

The Issuer, along with its Italian subsidiaries, has adopted an organization, management and control system pursuant to Legislative Decree 231/2001 ("231 Model") as a defence against the administrative responsibility that could be attributed to the Group pursuant to Legislative Decree 231/2001 for offenses committed in its interest or for its benefit by its executives, directors, employees and representatives. The adoption of organizational, management, and control models does not automatically exclude the applicability of the sanctions provided for in Legislative Decree No. 231/2001, and the adequacy and suitability of the model to prevent the crimes contemplated by the legislation is assessed on a case-by-case basis by the judicial authority called to examine individual cases of crime. Additionally, the 231 Models of the Issuer's and the Group's Italian subsidiaries were last updated in May 2023, meaning they may not fully reflect the latest legislative amendments introducing new offenses under Legislative Decree 231/2001.

Should the Model 231 be deemed inadequate by the judicial authority, and if the Group is not granted exemption from liability in case of wrongdoing, a monetary sanction may be imposed on the Group, along with the confiscation of any price or profit gained from the crime, the publication of the conviction, and, in more serious cases, the potential application of disqualifying sanctions such as a ban on conducting business, suspension or revocation of authorizations, licenses, or concessions, prohibition from contracting with the public administration, exclusion from incentives, loans, contributions, or subsidies, and the possible revocation of those already granted, as well as a ban on advertising goods and services. The monetary sanctions correspond to the specific breaches, with amounts varying according to the severity of the violation.

These measures could have significant negative effects on the operations, prospects, reputation, and economic, asset, and financial position of the Group. The Group has also adopted a Code of Ethics applicable to all the Group. While the Group is not currently involved in any proceedings pursuant to Legislative Decree 231/2001, the adoption of a 231 Model and a Group Code of Ethics does not in itself exclude any form of liability under Legislative Decree 231/2001, and any failure to update this model increases the risk that administrative liability under Legislative Decree 231/2001 may arise.

While Legislative Decree 231/2001 is technically only applicable to companies organised under Italian law, the Issuer would be liable if its foreign subsidiaries committed any of the crimes provided for by Legislative Decree 231/2001. Consequently, since 2021 the Group has in place specific measures to prevent commission of the crimes provided for in the Legislative Decree 231/2001 also by its foreign subsidiaries.

Any proceedings relating to alleged offences covered by Legislative Decree 231/2001, regardless of their outcome, could be costly and divert management's attention from other aspects of the business, cause adverse publicity and reputational damage and could have an adverse effect on the Group's business, financial condition and results of operations.

With respect to the Gardant Group, the Gardant Group is likewise subject to Legislative Decree 231/2001. Any allegations of misconduct by the Gardant Group's leadership or staff, or failures in its security systems, could expose the Gardant Group, and, following the Gardant Group Acquisition Completion, the Group to civil or criminal liability, significantly damaging its reputation and financial stability.

Specifically, Gardant S.p.A., Gardant Investor SGR S.p.A., Master Gardant S.p.A., Special Gardant S.p.A., and Gardant Liberty Servicing S.p.A. have each adopted a 231 Model (both general and special parts) that aligns with applicable laws, regulations, and best practices. However, the 231 Models of these companies were last updated in 2022, and may not fully reflect the latest legislative amendments introducing new predicate offenses under Legislative Decree 231.

Furthermore, Gardant Bridge S.p.A. and Gardant Bridge Servicing S.p.A. are in the process of adopting their own 231 Models and appointing supervisory bodies. Until these models are fully adopted and implemented, Gardant Group, and, following the Gardant Group Acquisition Completion, the Group, remains exposed to additional compliance risks.

Lastly, the Gardant Group Acquisition will result in a significant structural change for the Group with the incorporation of the Gardant Group Companies. This transformation will require an update to the current organizational and management model adopted by the Group in accordance with Legislative Decree 231/2001, under the supervision of the compliance body. The amendments, along with those related to the integration with the Gardant Group, will be undertaken following the Gardant Group Acquisition Completion. As a result, it is possible that, during the interim period before the Group adopts the revised model, the current model may be temporarily inadequate in addressing new types of events that could arise in the meantime.

The Group and the Gardant Group rely on certain public services, publicly available data, and third-party sources to operate their business.

The Group's and the Gardant Group's operations depend on the availability and efficiency of certain public services to carry out their business activities. For instance, the Group and the Gardant Group rely on the effectiveness of judicial systems, and any increase in court delays could adversely impact the Group's and the Gardant Group's ability to collect debts, thereby materially affecting its financial results. This risk is particularly relevant in Italy, where, in the first half of 2024, approximately 50% of NPE collections were achieved through in-court recovery processes. Since the Gardant Group operates in Italy, following the Gardant Group Acquisition Completion, this risk will become more substantial for the Combined Group.

When out-of-court solutions, such as proposed payment plans or settlements, are ineffective, the Group and the Gardant Group may pursue legal action, which involves securing competent legal representation and appearing before relevant courts. However, the current backlog in many courts, leading to significant delays in legal proceedings, may hinder the Group's and the Gardant Group's ability to secure favourable judgments or enforce them effectively. For example, in Greece, delays in the workout processes are mainly attributable to low recovery rates from collateral liquidations, largely exacerbated by the suspension of enforcement proceedings during the COVID-19 pandemic. These delays also stem from inefficiencies in court procedures and a high rate of unsuccessful auctions.

In Spain, civil courts, including those managing foreclosures and debt recovery cases, recorded an average resolution time of 8 months in 2023, which extended to 39 months in cases involving a final appeal. In Italy, foreclosure and bankruptcy procedures in northern courts typically last 5-6 years, compared to around 7 years in southern courts. Delays in southern Italy are primarily due to staff shortages, delayed implementation of new IT systems (e.g., the civil telematic process), and issues with advertising properties for auction. Should the public services on which the Group relies function less effectively or cease altogether, this could have a material adverse effect on its business, results of operations, and financial condition.

In addition to public services, the Group and the Gardant Group rely on publicly available data provided by their clients, credit information suppliers, and other third-party sources to conduct their business. Any interruption in the provision of such data, whether due to changes in laws or regulations or an increase in the cost of services, could negatively affect the Group's and the Gardant Group's operations. Moreover, the Group and the Gardant Group rely on property valuations provided by third parties in relation to mortgage loans managed as part of its Real Estate Owned ("REO") business. Any inaccuracies in property valuations or a lack of reliable public data on which the Group and the Gardant Group depend could have a material adverse effect on their business, financial condition, results of operations, or prospects.

With respect to KYC activities, the Group and the Gardant Group rely, in part, on confirmations provided by their clients regarding underlying debtors. Any failure or inaccuracy in this data could also have a significant impact on the Group's and the Gardant Group's operations.

RISKS RELATED TO CORPORATE GOVERNANCE MATTERS

The Group and the Gardant Group have a number of ongoing commercial relationships with their principal shareholders and other related parties.

In the ordinary course of its business, the Group has entered into, and will continue to enter into, agreements with related parties. The principal existing relationships involve loan Servicing contracts for certain securitisation vehicles that are related parties. For example, the Group provides Servicing activities such as administrative, accounting, cash management and reporting services in support of the securitisation of loans, as well as structuring services for securitisation transactions. For the year ended December 31, 2023 revenues from contracts with customers from related parties amount to €54,199 thousand (12.9% of total revenues from contracts with customers), while other revenues from related parties amount to €5,184 thousand (8.6% of total other revenues). Accounts receivable trade from related parties as of December 31, 2023 amount to €15,358 thousand (7.7% of total trade receivables).

The Group's transactions with related parties carry the typical risks associated with transactions with parties which, being part of the Group's decision-making structures or otherwise closely connected to them, may not be objective or impartial in their decisions relating to these transactions. If the objectivity and impartiality of the decisions related to such transactions were deemed to be compromised, this could (i) result in inefficiencies in the process of allocating resources; (ii) expose the Group to risks which have not been adequately measured or safeguarded against, including tax-related risks; and (iii) cause potential damage to the Group.

While the Group has policies, procedures and control tools to monitor its related-party transactions, it cannot ensure that, had its related party transactions been carried out between, or with, non-related parties, such non-related parties would have negotiated and entered into the relevant agreements, or concluded the transactions governed therein, under the same terms and conditions and in the same manner. Furthermore, the termination for any reason of one or more of the relationships with related parties may lead to difficulties in the short term, due to the need to replace such relationships, as well as the possibility of being unable to enter into substantially similar agreements on the same terms or at all with other (unrelated) parties, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

With respect to the Gardant Group, it is noted that the Gardant Group similarly engages in transactions with related parties as part of its ordinary business activities. The Gardant Group's principal relationships with related parties involve the relevant directors. For the year ended December 31, 2023, revenues from contracts with customers from related parties amount to €359 thousand (0.4% of revenues), and there are no other revenues from related parties. Assets from related parties as of December 31, 2023 amount to €0 thousand.

The continued success of the Group depends on its senior management team, and the Group may face challenges in hiring and retaining a sufficient number of adequately trained personnel to support its operations.

The Group's success depends significantly on its ability to attract and retain qualified senior managers and personnel. The industry in which the Group operates is labour-intensive, and there is high demand for personnel with the relevant capabilities and experience, particularly in loan management, collection, technical support, and real estate management. A loss of one or more members of senior management, or the inability to hire, train, and retain enough qualified personnel, could negatively impact the Group's business and require additional time and costs to find suitable replacements.

The Group relies on its senior management's relationships with public and regulatory authorities, as well as investors and banks, and losing these key individuals could disrupt its operations. Furthermore, a higher turnover rate among employees would increase recruiting, compliance, and training costs and reduce the number of experienced personnel available to service the Group's and its clients' portfolios. This could hinder the Group's ability to grow and operate profitably.

While the Group has implemented various measures to retain and incentivize staff, such as training programs and loyalty schemes, these efforts may not be sufficient. Additionally, events such as office closures or the run-off of loan portfolios could negatively affect staff retention, and the Group's unionized employees may involve their representatives in strikes or other union-led actions.

Any of these developments could have a material adverse effect on the Group's business, results of operations, financial condition, or prospects.

Following the Gardant Group Acquisition Completion, the Group's senior management team will include executives from Gardant Group, whose expertise in loan management, collection, technical support, and real estate management will be integrated to the Group's operations. The potential loss and/or failure by the Group, following the Gardant Group Acquisition, to retain qualified resources would expose the Group to the risk of losing personnel with critical know-how.

RISKS RELATED TO THE LEGAL AND REGULATORY FRAMEWORK

A failure to comply with applicable laws, regulations, licenses and codes of practice applicable to the Group's and the Gardant Group's business or changes in such provisions could have a material adverse effect on their business.

The Group's business is subject to various local risks due to its operations in several European markets, including regulatory and compliance requirements related to labor, consumer credit, data protection, anti-corruption, AML, and other regulatory regimes. Compliance with these regulations requires significant investment in time, resources, and management, and failure to comply could result in audits, fines, license revocation, or restrictions on the Group's ability to operate. Non-compliance or a revoked license could damage the Group's reputation, deterring customers from choosing the Group's services and leading to adverse impacts on its business, financial condition, and prospects.

On November 24, 2021, the European Parliament and Council adopted the Directive No. 2021/2167 of the European Parliament and of the Council on credit servicers and credit purchasers, amending Directives 2008/48/EC and 2014/17/EU on credit services, credit purchasers and the recovery of collateral (the "NPL

Directive”), aimed at creating an EU-wide framework to facilitate the transfer of non-performing loans (NPLs) by credit institutions and develop a secondary market for NPLs. Legal entities performing “credit servicing activities” under the NPL Directive must obtain authorization from their national authorities and comply with specific communication, disclosure, and licensing requirements, which could increase the Group’s costs and affect its financial position, which could, in turn, have a material adverse effect on its business, results of operations, financial condition or prospects.

Member states are required to implement the NPL Directive by December 29, 2023. The NPL Directive has been transposed into national law in Greece (by virtue of Law 5072/2023 effective as of December 4, 2023) and Italy (by virtue of Legislative Decree Legislative Decree No. 116 of July 22, 2024, published in the Official Gazette No. 189 on August 13, 2024 (the “NPL Decree”). As of the Prospectus Date, provisions implementing the NPL Directive in Italy are still evolving and, therefore, it remains to be seen how the NPL Directive will be enforced in practice by the Italian regulators, such as the Bank of Italy. While incumbent players may benefit from the framework set out by the NPL Directive, for example, if the NPL Directive leads to more purchases of NPLs from credit institutions, competition by new players may increase, which could, in turn, have an adverse effect on the Group’s business, results of operations, financial condition and prospects.

Pursuant to Italian law, credit servicing activity is regulated in the context of securitization transactions and can be performed by credit institutions and Italian financial intermediaries enrolled in a dedicated register kept by the Bank of Italy. However, the implementation of the NPL Directive in Italy introduces a new regulated credited servicer (under Bank of Italy surveillance) authorized to manage NPL credits in the secondary market. Activities of credit recovery are usually outsourced to debt collection agencies, licensed pursuant to Art. 115 of Royal Decree 773/1931 (TULPS) – such as the Issuer – which are not subject to the supervision of the Bank of Italy. With respect to the NPLs originated by credit institutions, the NPL Directive introduces more stringent requirements for servicing of NPLs than those currently applicable to debt collection agencies, which may affect the current (relatively) unregulated debt collection agencies operating in Italy, providing opportunities for more structured financial entities to enter the Italian market. As of the Prospectus Date, Italy has not fully implemented the NPL Decree, which is subject to a consultation procedure by the Bank of Italy.

In Spain, the implementation of the NPL Directive into Spanish law is still pending. In Spain, on May 14, 2024, the Council of Ministers approved the draft preliminary law on servicers and purchasers of NPLs originated by credit institutions and financial credit establishments, with the aim of reflecting the provisions introduced by the NPL Directive into the Spanish legal framework. To date, the law is still in the consultation phase.

There can be no assurance that the impact of such new regulations enacted or imposed in other jurisdictions will not affect the Group’s ability to conduct its operations or increase the amount of competition in the industry and have a negative impact on its business, results of operations, financial condition or prospects.

The Gardant Group also operates under complex Italian and European laws related to securitisation, credit servicing, and asset management. Gardant’s servicing activities, particularly through Master Gardant, are also governed by Law 130/1999, which regulates securitisation activities in Italy, allowing Master Gardant to act as a master servicer while outsourcing credit management to sub-servicers or special servicers. The Gardant Group also participates in state-backed programs such as GACS, adding an additional layer of regulatory oversight.

In the area of fund management, Gardant Investor SGR, in contrast to the Group, operates under the supervision of the Bank of Italy in accordance with Directive 2011/61/EU, regulating alternative investment funds (AIFs) (“AIFMD”). This means that the Gardant Group must comply with strict European financial regulations, particularly in managing illiquid and impaired loans.

A failure to comply with these regulatory requirements, or with any future amendments to applicable laws, could expose the Gardant Group to significant risks.

Changes to the legal, regulatory and/or political environment in the future in the countries in which the Group and the Gardant Group operate, or an increasing volume of legislation may materially and adversely affect the collection industry and impede their business and/or increase its costs.

The volume of legislation that is applicable to the Group's business in Italy, Greece, Spain and Cyprus has increased over the last few years, and this trend may continue depending on the prevailing political and regulatory environment and attitudes towards the credit Servicing market in the jurisdictions in which it operates. The political and regulatory focus is on ensuring that credit businesses treat their debtors fairly and that business processes throughout the credit cycle are focused on achieving fair outcomes for debtors, from assessing affordability of credit at the outset through to treating borrowers in financial difficulties with forbearance. New laws and regulations or changes in existing laws or regulations (or the manner in which they are interpreted or applied by supervisory authorities and courts) may reduce the Group's operational flexibility and could subject it to additional operating costs or delays in the collection process or potentially expose it to additional liability, or otherwise adversely impact the manner in which the Group operates its business, with a material adverse effect on its business, results of operations or financial condition.

For example, Greek authorities are taking a stricter stance towards protection of debtors' rights, with a focus on compliance with laws and regulations relating to communication with debtors applicable to debt collection companies. In particular, the Group's subsidiary, doValue Greece, like other servicers in the market, has received an increasing number of monetary fines issued by the Greek Ministry of Development in connection with alleged breaches of the aforementioned rules. In the period 2020-2024, the aggregate amount of fines received by doValue Greece was €1.86 million. Although the Group is required to pay these fines within a limited period of time, it is entitled to challenge them with competent authorities. While such fines are not uncommon and are considered part of the Group's day-to-day operations, the Group cannot rule out that in the future it might face monetary fines, which may be material, and, in the most severe cases, administrative sanctions (the strictest of them including temporary interruption of activities, loss of license and removal of certain executives).

Depending on their nature and scope, change to laws, practices, regulations and guidance could require additional investments and resources in the Group's risk compliance governance frameworks, which could have a material adverse effect on its business, results of operations and financial condition.

The Gardant Group also operates within a similarly growing regulatory framework in Italy. Increasing legislation, particularly regarding debtor protection and fair treatment, may impose additional compliance burdens, raising operating costs and slowing debt collection processes.

The Group and the Gardant Group may be subject to the application of the Golden Power Legislation, which could negatively affect their business.

As a participant in the credit sector, the Group, the Gardant Group and, following the Gardant Group Acquisition, the Combined Group may be subject to the Italian Golden Power Legislation.

Under the Golden Power Legislation, the Italian Golden Power Authority may veto or impose conditions, limitations or similar measures on, among others, (i) the acquisition of interests in companies having assets and relationships in strategic sectors (e.g., defense and national security, energy, transport, communications, healthcare, supply of critical input to the steel industry, agri-business, financial and insurance sectors) and (ii) resolutions, acts or transactions approved by or involving companies having assets and relationships in the relevant strategic sectors that result in a change in the ownership, control, possession or intended use of such assets or relationships. Specifically, under the Golden Power Legislation, the Italian Cabinet of the Prime Minister (*Presidenza del Consiglio dei Ministri*) must give pre-clearance on such resolutions, acts or transactions.

Since the Combined Group may be subject to the application of the Golden Power Legislation as a credit sector participant, if the Combined Group adopts or is involved in resolutions, acts or transactions falling in the scope of the Golden Power Legislation, the Combined Group may be required to notify such resolutions, acts or transactions to the Italian Golden Power Authority. As a result, the Combined Group's ability to pursue commercial or industrial strategic transactions may be subject to the review and potential exercise by the Italian Golden Power Authority of its special powers under the Golden Power Legislation.

Breach of the Golden Power rules could lead to the application of sanctions, including: (i) the suspension of voting rights; (ii) the voidability of any acts improperly undertaken; (iii) the initiation of a procedure for the imposition certain specific conditions or the enforcement of special powers by the Cabinet of the Italian Prime Minister; and/or (iv) the application of an administrative fine.

Italian tax legislation may restrict the deductibility of all or a portion of the interest expense on the Group and/or the Gardant Group indebtedness.

Article 96 of Italian Presidential Decree of December 22, 1986, No. 917, as amended and supplemented from time to time, generally allows for the full tax deductibility, for Italian corporate income tax (*IRES*) purposes, of interest expense incurred by an Italian company (other than certain financial intermediaries/entities) in each fiscal year. According to this decree, interest expense is deductible up to the amount of the interest income registered during the same fiscal year, as evidenced by the relevant annual profit and loss account. A further deduction of interest expense is allowed up to a threshold of 30% of EBITDA of a company (*i.e.*, *risultato operativo lordo della gestione caratteristica* or "ROL"), determined according to the tax rules for the calculation of the corporate income taxable base. The amount of ROL and interest income exceeding the interest expenses not used for the deduction of interest expenses in a fiscal year can be carried forward for the following five fiscal years and without time limits. Net interest expense not deducted in a relevant fiscal year can be carried forward and deducted in the following fiscal years, provided and to the extent that, in such fiscal years, the amount of interest expense that exceeds interest income is lower than 30% of ROL. In the case of an Italian tax group, interest expense not deducted by an entity in the Italian tax group due to lack of ROL can be deducted at the tax unit level, within the limit of the excess of ROL of the other companies within the Italian tax group.

The ability to deduct interest expense and other indebtedness incurred by the Issuer, its Italian subsidiaries and/or the Gardant Group will therefore depend on the ROL capacity accrued by the relevant entity. In addition, there can be no assurance that, in the event of a tax audit, the Italian tax authorities (i) would not try to challenge the deductibility of interest expense arising in connection with the component of any financing used, in whole or in part, to refinance an outstanding loan or debt, when the terms and conditions of the refinancing transaction appear less favorable than those of the previous financing transaction, or that (ii) based on Circular of March 30, 2016, No. 6/E, of the ITA on the tax treatment applicable to interest and dividends paid out to foreign shareholders, would not try to re-qualify financing transactions involving foreign shareholders (if any).

Moreover, (i) any future change in Italian tax laws or in their interpretation or application (including any future limitation on the use of the ROL by the Issuer and/or its Italian subsidiaries), or (ii) the failure to satisfy the applicable legal requirements relating to the deductibility of interest expense, may result in the Group's and/or the Gardant Group's inability to fully deduct its interest expense, which may have a material adverse effect on the Group's and/or the Gardant Group's business, results of operations and financial condition.

The tax deduction of a negative item of income (interest expenses included) may also be denied under the Italian anti-hybrid mismatch rules laid down in Article 6 and ff. of Italian Legislative Decree No. 142 of November 29, 2018 ("Decree 142"), which transposed into national law EU Directive 2016/1164 ("ATAD 1"), as amended by EU Directive 2017/952 ("ATAD 2"). The Italian anti-hybrid rules only apply if a hybrid mismatch outcome arises between associated enterprises or in the context of a structured arrangement, as defined in Decree 142. A hybrid mismatch outcome may occur in the following cases: (i) the interest expenses are tax deductible in Italy and in another jurisdiction (double deduction); (ii) the interest expenses are tax deductible in Italy and the corresponding interest income is not included in the taxable income of the payee jurisdiction (deduction without inclusion); or (iii) the payment directly or indirectly funds deductible payments giving rise to an hybrid mismatch (imported mismatch).

The Group conducts its business in multiple jurisdictions and is exposed to the tax laws of such jurisdictions; the Group and the Gardant Group are exposed to risks in connection with challenges to their tax positions.

The Group and the Gardant Group are subject to complex tax laws and regulations, and may conduct extraordinary transactions in different jurisdictions, including, with regard to the Group, Italy, Greece, Cyprus and Spain. The Group and the Gardant Group often rely on generally available interpretations of applicable tax laws and regulations. There cannot be certainty that the relevant tax authorities are in agreement with, and will not question, the Group's and/or the Gardant Group's interpretation of these laws and regulations. If the Group's and/or the Gardant Group's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require the Group and/or the Gardant Group to pay taxes that the Group and/or the Gardant Group currently do not collect nor pay, or increase the costs of the Group's and/or the Gardant Group's services to track and collect such taxes, which could increase the Group's and/or the Gardant Group's costs of operations or the Group's and/or the Gardant Group's effective tax rate and have a negative effect on the Group's and/or the Gardant Group's business, financial condition and results of operations. Moreover, given that tax laws and regulations are subject to change (possibly with retroactive effects) and may not provide clear-cut or definitive interpretation by the competent tax authorities, the Group's and/or the Gardant Group's tax burden may be affected. More generally, any failure to comply with tax laws, regulations or requirements under certain double taxation treaties applicable to the Group and/or the Gardant Group, as interpreted by the relevant tax authorities, may result in reassessments, late payment of interest, fines and penalties. Any tax audit, tax proceeding or changes in tax legislation or guidance could also have a material adverse effect on its business, results of operations, financial condition or prospects.

As of January 1, 2024, the implementing provisions of Directive (EU) 2022/2523 (the "Pillar 2 Directive") became effective in Italy. The Pillar 2 Directive provides, in general terms, that, in the event that the effective level of taxation of entities belonging to the same group and located in the same jurisdiction is lower than 15%, a supplementary tax shall be due up to the specified percentage. Although there is still uncertainty about the concrete application of the Pillar 2 Directive, the Group's profitability could be impacted by such additional tax.

RISKS RELATED TO THE OFFER

The market for the Shares and the Rights may be volatile or illiquid and a decline in the free float below 20% could result in exclusion from the STAR segment of Euronext Milan.

The Shares which are the subject of this Prospectus comprise (i) the shares resulting from the conversion of the Convertible Bonds (i.e., the Conversion Shares); and (ii) the shares resulting from the exercise of Rights in the Rights Issue (i.e., the New Rights Issue Shares). On November 6, 2024, the Board of Directors approved the issuance of 4,000,000 convertible bonds of the Issuer to be subscribed for by the Sellers (the "Convertible Bonds"). The Convertible Bonds were subscribed and issued on November 13, 2024. Within three trading days from the Gardant Group Acquisition Completion, the Convertible Bonds will be automatically converted into the Conversion Shares, corresponding to 20% of the outstanding share capital of the Issuer after the conversion of the Conversion Shares. The Rights are expected to trade on Euronext Milan from November 25, 2024 until December 6, 2024 (inclusive).

The Conversion Shares and the New Rights Issue Shares will have the same characteristics as the Shares, which trade on the STAR segment of Euronext Milan. There is no certainty that trading in the Rights will develop, or that a significantly liquid market for the Shares or the Rights will be maintained during the Rights trading period. The trading price of both the Shares and the Rights may fluctuate significantly due to factors which are outside of the Group's control, such as uncertainties in the macroeconomic and geopolitical environments caused by ongoing military conflicts, like the conflict between Russia and Ukraine, and tensions in the Middle East. Additional factors may include changes in sentiment towards the Issuer due to its future performance, changes in its financial condition, or changes within the industry in which the Issuer operates. Furthermore, the trading price of the Rights and the Shares may be adversely affected by sales of substantial amounts of Rights by shareholders who decide not to exercise, in whole or in part, their Rights in the Offer and by significant sales of Shares, or the perception of potential sales. In addition, the trading price of the Rights may fluctuate depending on the performance of the Shares on the market and it may be subject to greater price fluctuations than the Shares.

Significant fluctuations in the trading volume or price of the Shares or Rights may affect investors' ability to sell their securities at or above the purchase price, or at all, resulting in potential losses on their investment. At the same time, investors may suffer losses on their investment should they decide to purchase Rights or Shares.

Additionally, as of the Prospectus Date, the Principal Shareholders collectively hold 41.847% of the Issuer's share capital. According to the Stock Exchange Regulations and the related instructions, in order to remain on the STAR segment of Euronext Milan, the Issuer must maintain a free float of at least 20% of its share capital, excluding any shareholdings of between 2% and 5%. Given the divisible nature of the Rights Issue, if the Underwriting Agreement is terminated and only the Principal Shareholders, Tiber and the Management Sellers subscribe for the New Rights Issue Shares, the Issuer's free float could fall below the 20% free float threshold.

In such an event, there is a risk that, should the Issuer fail to restore a free float of at least 20% of its share capital within the timeframe set forth by the Stock Exchange Regulations and related instructions, the Stock Exchange could exclude the Issuer's Shares from the STAR segment of Euronext Milan. This would mean the Shares would only trade on the Euronext Milan market, causing the Issuer to lose the visibility benefits associated with being part of the STAR segment, which attracts investor attention by adhering to certain regulatory requirements. This could also lead to potential reputational damage.

Shareholders will suffer dilution as a consequence of the issuance of the Conversion Shares. Shareholders who do not exercise in full their Rights will be diluted.

The Convertible Bonds will be automatically converted into the Conversion Shares within three trading days from the Gardant Group Acquisition Completion. The issuance of the 4,000,000 Conversion Shares will lead to a dilution of the Shareholders' ownership interest in the Issuer's share capital as of the Prospectus Date equal to 20%.

The New Rights Issue Shares are offered *pro rata* by way of option to all the Issuer's shareholders and to all holders of the Convertible Bonds in accordance with Article 2441, paragraph 1 of the Italian Civil Code.

Shareholders exercising all of their Rights to subscribe for New Rights Issue Shares in the Rights Issue will not suffer dilution of their proportional ownership interest in the Issuer's share capital (as calculated to take into account the issuance of the Conversion Shares).

Shareholders who do not exercise their Rights in full would suffer total dilution (based on the Issuer's share capital following the issuance of the Conversion Shares) of: (i) a minimum of 63.24% assuming the full subscription of the Rights Issue and (ii) a minimum of 48.62%, assuming only the subscription of the New Rights Issue Shares pursuant to the Shareholders Irrevocable Undertakings.

The percentage of dilution resulting from the Offer (based on the Issuer's share capital following the issuance of the Conversion Shares) for Shareholders who do not exercise their Rights, on the basis of the Subscription Price, will be announced by notice filed with CONSOB and made available to the public on the Issuer's website (https://dovalue.it/en.) pursuant to Articles 17, paragraph 2, and 21, paragraph 2, of the Prospectus Regulation.

The obligations set forth in the Shareholders Irrevocable Undertakings and in the Pre-Underwriting Agreement, respectively, are conditional upon the occurrence of certain events and may be terminated.

On June 7, 2024, the Principal Shareholders, Tiber and the Management Sellers entered into the Shareholders Irrevocable Undertakings. As of the Prospectus Date, (i) the Principal Shareholders (or any affiliate to whom they have transferred their shareholding before the commencement of the Offer) have undertaken to deposit into escrow before the start of the Offer Period their respective Euro amounts corresponding to their Shareholders Irrevocable Undertaking, which will be automatically released within five business days from the commencement of the Offer Period and (ii) part of the base consideration payable to Tiber and to Management Sellers for the Gardant Group Acquisition will be transferred by the Issuer as capital subscription payment ("*versamento a titolo di sottoscrizione di aumento di capitale*") in a dedicated fiduciary bank account opened with an escrow agent by the Issuer for the benefit of the Committed Sellers in order to fund the subscription by Tiber and the Management Sellers of New Rights Issue Shares.

As of the Prospectus Date, the Shareholders Irrevocable Undertakings of the Principal Shareholders are subject to the fulfilment of the following conditions precedent, waivable at the Principal Shareholder's discretion: (i) the Gardant Group Acquisition Completion, and (ii) the signing of the Underwriting Agreement.

Moreover, on June 7, 2024, Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit Bank GmbH, Milan Branch, Banca Akros S.p.A. – Gruppo Banco BPM and Intesa Sanpaolo S.p.A. (the "Joint Global Coordinators") entered into a pre-underwriting agreement with the Issuer (the "Pre-Underwriting Agreement"). Pursuant to the Pre-Underwriting agreement, the Joint Global Coordinators, severally and not jointly, on the date hereof, are expected to enter into an underwriting agreement governed by Italian law for the subscription, subject to the terms and conditions set forth therein, of up to €67,491,808.17 of New Rights Issue Shares that remain unsubscribed at the end of the Offer (the "Underwriting Agreement"). According to the Pre-Underwriting Agreement, the undertaking of each Joint Global Coordinator to enter into the Underwriting Agreement shall be subject to the following conditions: a) the Issuer must complete, prior to the launch of the Rights Issue, a reverse stock split in a ratio of 1 new share for every 5 existing shares (the "Reverse Stock Split"), that as of the Prospectus Date has been satisfied; b) the Convertible Bonds must be duly issued, fully subscribed, and paid, with the Reserved Capital Increase aimed at its conversion approved by the shareholders' meeting; c) the Issuer and the Joint Global Coordinators must agree in good faith on the timing of the Offer, on the option ratio of the Rights Issue and on the Subscription Price; d) the Issuer and the Joint Global Coordinators must agree the terms and conditions of the Underwriting Agreement, which shall be customary; e) the Issuer must obtain all permits, consents, approvals and authorisations (corporate, regulatory, third-party or otherwise) for the issuance of the Convertible Bonds, the Reserved Capital Increase, and the Rights Issue (including, any and all authorizations from the relevant competent corporate bodies of the Issuer and CONSOB); f) the Issuer must prepare an offering circular and a prospectus for the Rights Issue in compliance with applicable laws and regulations, with the prospectus approved by CONSOB; g) completion of customary management, legal, accounting, financial, and business due diligence by the Joint Global Coordinators; h) the Principal Shareholders Irrevocable Undertakings shall not be suspended, revoked, withdrawn or made null and void prior to the subscription of the Underwriting Agreement; i) the Gardant SPA shall remain in full force and effect without amendments to the Gardant Group Acquisition structure; l) the 2024 Senior Facilities Agreement shall provide for the Acquisition Facility and the Refinancing Facility having been signed and remaining in full force and effect without amendments to their terms; m) the absence of any fact or circumstance impeding the drawdown of the Acquisition Term Facility; n) the Issuer, directly or through a third party, shall conduct Investors' Engagement Activities (as defined in the Pre-Underwriting Agreement), and, based on feedback, Mediobanca and UCI, acting in good faith and considering market practice for such transactions, shall be satisfied that the Rights Issue can be successfully completed; o) there must not have been any material adverse change affecting the financial, operational, or legal conditions of the Issuer, Gardant, or their respective groups that could prejudice the successful completion of the Rights Issue or make it impracticable to proceed; p) there must not have occurred: (A) (i) material adverse change in the financial markets in the United States, Italy, the EEA or the United Kingdom and (ii) outbreaks or escalations of hostilities, war, act of terrorism, declarations of a national emergency or martial law or other calamity or crisis; (B) (i) suspension or material limitation of trading in any securities of the Issuer for a period of at least 1 (full) trading day other than due to (a) the announcement and/or the implementation of the Rights Issue; (b) technical reasons; (ii) a suspension or material limitation of trading generally on the Italian Stock Exchange, the New York Stock Exchange or the London Stock Exchange, or; (iii) the fixing of minimum or maximum prices for trading, or maximum ranges for prices of securities by any of the exchanges or governmental authority set out in the previous paragraph; or (iv) a material disruption in commercial banking or securities settlement or clearance services in the United States, United Kingdom, Italy or other jurisdictions in the EEA; (C) a general moratorium on commercial banking activities declared by the United States, United Kingdom, Italy, or any other member of the EEA; q) (i) the representations and warranties given by the Issuer must be true and accurate at the time they are expressed to be made and remaining true and accurate, and (ii) except in case of breach of slight importance ("*inadempimento di scarsa importanza*") under the meaning of Article 1455 of the Italian Civil Code, the Issuer shall have duly performed its undertakings pursuant to the Pre-Underwriting Agreement; r) other than in connection with the Reverse Stock Split, the Rights Issue and the Reserved Capital Increase, there must not have occurred changes in share capital, announcements of dividend distributions or special dividend distributions in relation to the Issuer; and s) the Principal Shareholders must enter into a lock-up agreement, valid for 180 days after the settlement of the Rights Issue.

Furthermore, the Underwriting Agreement allows the Joint Global Coordinators to terminate the Underwriting Agreement, by notice to the Issuer, at any time at or prior to the closing of the Rights Issue in the following circumstances: (a) the occurrence of any event which causes in the reasonable and good faith opinion of the

Joint Global Coordinators, having consulted with the Issuer, a material adverse change to the financial, operational or legal conditions, results of operations, earnings of the Issuer and its group (taken as a whole), the effect (actual and/or prospective) of which would, in the good faith opinion of the Joint Global Coordinators, having consulted with the Issuer, materially prejudice the successful completion of the Offering; (b) the occurrence of: (i) any material adverse change in the financial markets in the United States, the United Kingdom, Italy, the EEA or in national or international financial, political, economic, monetary or market conditions or in the currency exchange rates or in exchange controls; (ii) any outbreak or escalation of hostilities, war, act of terrorism, declaration of a national emergency or martial law or other calamity or crisis; (iii) a suspension or material limitation of trading of any securities of the Issuer for a period of at least 1 full trading day, other than due to the announcement and/or the implementation of the Rights Issue or technical reasons; (iv) a suspension or material limitation of trading generally on the Euronext Milan the New York Stock Exchange or the London Stock Exchange; (v) the fixing of minimum or maximum prices for trading by any of the exchanges or governmental authority set out in the previous sub-clause; (vi) a material disruption in commercial banking or securities settlement or clearance services in the United States, United Kingdom, Italy or other jurisdictions in the EEA; (vii) a general moratorium on commercial banking activities declared by the United States, Italy or any other member of the EEA, which, solely or taken together, the Joint Global Coordinators (having consulted with the Issuer) consider, acting in good faith, to be sufficiently material in the context of the Rights Issue such as to make it impracticable to proceed with the Rights Issue or that would materially prejudice the successful completion of the Offering; (c) except in case of breach of slight importance ("*inadempimento di scarsa importanza*") under the meaning of Article 1455 of the Italian Civil Code, upon a breach by the Issuer of any of its undertakings in the Underwriting Agreement and/or (B) upon breach by the Issuer of any of its representations and warranties in the Underwriting Agreement; (d) upon publication of a supplement to this Prospectus if following such publication, the amount of withdrawals made by the subscribers in the Rights Issue or the negative impact on demand in the Offering prior to the Closing Date, in the judgement of the Joint Global Coordinators (having consulted with the Issuer to the extent the Issuer is promptly available to participate in such consultation), would materially prejudice the successful completion of the Offering; (e) upon the occurrence of any fact or circumstance impeding the Gardant Group Acquisition Completion; (f) if, unless, waived, any of the conditions set forth in the Underwriting Agreement, which include, among others, the satisfaction of the Principal Shareholders Undertaking, the Committed Sellers Undertaking and the Tiber Underwriting Agreement Obligation, are not satisfied when due, or become no longer capable of being satisfied or waived; and (g) in case the Offer Period does not start on the first trading day discussed and agreed with Borsa Italiana at the time of subscription of the Underwriting Agreement.

If the Gardant Group Acquisition Completion does not occur, the Issuer does not intend to proceed with the Rights Issue. In the event that the Underwriting Agreement is terminated (including in the event of the non-fulfilment of the Principal Shareholders Undertaking and/or the Committed Sellers Undertaking and/or the Tiber Underwriting Obligation), its performance and, following the Gardant Group Acquisition Completion, the Combined Group's performance, may deteriorate, and the Combined Group's inability to take action necessary to secure new financial resources, could compromise the sustainability of the Group's indebtedness in the medium term. The occurrence of any of these events could have a significant negative impact on the market price of the Issuer's shares and on the Combined Group's business, operating results and financial condition.

Certain relationships between the Joint Global Coordinators and the Issuer and its Principal Shareholders present and may present conflicts of interest

As of the Prospectus Date, the Joint Global Coordinators or their affiliates have an interest in the Offering as: (i) they are receiving and/or will receive commissions in connection with their roles as Joint Global Coordinators, in addition to their commitments under the Pre-Underwriting Agreement and, under the Underwriting Agreement, if signed; (ii) each of the Joint Global Coordinators or their affiliates may provide a variety of different services, in the ordinary course of their business, in relation to the Offering and also in the context of the Gardant Group Acquisition and the Transactions (*e.g.*, lending; financial advisory and/or investment services) to the Group, the Principal Shareholders, Elliott, their respective shareholders and/or subsidiaries and/or associated companies and/or other parties directly or indirectly involved in the Offering and/or other companies operating in the same business sector, and receive, or will receive, commissions or fees in connection with the provision of such services, and the entry into such agreements and transactions, including: (a) the 2020 and the 2021 Indenture entered into *inter alia* by the Issuer and UniCredit, as security agent and in its role as representative (*rappresentante*) pursuant to article 2414-*bis*, third paragraph of the Italian Civil Code; (b) the Intercreditor Agreement; (c) 2024 Senior Facilities Agreement entered into *inter alia* by the Issuer and UniCredit as agent and security agent and together with Mediobanca - Banca di Credito Finanziario S.p.A. as bookrunners, global coordinators and mandated lead arrangers, and by Intesa Sanpaolo S.p.A. and Banco BPM S.p.A. as mandated lead arrangers; (d) as of October 31, 2024, total credit lines to the Group from the consolidated corporate group to which UniCredit Bank GmbH, Milan Branch belongs amounted to approximately €79.2 million. Furthermore, the Issuer and UniCredit and, *inter alia*, by way of an accession agreement, UniCredit Bank GmbH, Milan branch, entered into the UniCredit Servicing Agreements pursuant to which the Issuer shall service and manage certain existing NPLs of UniCredit and UniCredit Bank GmbH, Milan branch, as well as future flows of NPLs with a GBV not exceeding €2 billion. The consideration for the Issuer's services is composed, *inter alia*, of: (i) a base fee; (ii) a performance fee; and (iii) a variable discretionary over-performance fee.

Certain of the Joint Global Coordinators and/or the companies respectively controlling, controlled or under common control could also, at any time, have short or long positions and trade, on their own account or on behalf of their clients, in equity or debt instruments, loans or other financial instruments (including derivative securities) of the Issuer, the Principal Shareholders and/or their affiliates and/or of other companies operating in the same business sector and/or other parties directly or indirectly involved in the Offering or in financial instruments (including derivative securities), whose value depends on the latter, as well as enter into transactions of a similar nature involving loans provided to the Issuer, to the Principal Shareholders and/or to their affiliates and/or to other companies operating in the same business sector and/or to other parties directly or indirectly involved in the Offering.

IMPORTANT INFORMATION

General

Responsibility statement

This Prospectus is made available by the Issuer. The Issuer accepts full responsibility for the information contained in this Prospectus. The Issuer declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Presentation of financial and other information

General

In this Prospectus the Issuer presents (i) the Issuer's historical consolidated financial information, (ii) the Issuer's unaudited *pro forma* consolidated financial information, prepared to present the main effects of the Transactions (as defined below), and (iii) the Gardant's historical consolidated financial information.

Historical financial information

This Prospectus includes (i) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the years ended December 31, 2021, 2022 and 2023 (the "**Audited Consolidated Financial Statements**"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), audited by EY S.p.A. and containing the independent auditors' reports thereon and (ii) the unaudited interim condensed consolidated financial statements of the Issuer and its subsidiaries as of and for the nine months ended September 30, 2023 and 2024 (the "**Unaudited Interim Condensed Consolidated Financial Statements**"), prepared in accordance with IAS 34, *Interim Financial Reporting*, reviewed by EY S.p.A. and containing the independent auditors' review reports thereon. The consolidated financial information of the Issuer and its subsidiaries presented herein as of and for the years ended December 31, 2021, 2022 and 2023 and as of and for the nine months ended September 30, 2023 and 2024 has been extracted or derived from the Audited Consolidated Financial Statements and from the Unaudited Interim Condensed Consolidated Financial Statements respectively. It should also be noted that the data as of September 30, 2023 included in the Unaudited Interim Condensed Consolidated Financial Statements are those contained in the consolidated interim report as of September 30, 2023, approved by the Board of Directors on January 12, 2024. These figures have been restated compared to the interim report approved on November 9, 2023, to reflect the effects of certain events that occurred between such date and January 12, 2024. These adjustments related mainly to (i) the impairment of intangible assets and deferred tax assets of the Iberian region based on the Preliminary Industrial Plan 2024-2026, and (ii) the reversal of a risk provision following the signing of a settlement agreement with a customer. A courtesy translation into English of the Audited Consolidated Financial Statements, and of the independent auditors' reports dated April 6, 2022, March 30, 2023 and March 28, 2024, with respect thereto, is included elsewhere in this Prospectus. A courtesy translation into English of the Unaudited Interim Condensed Consolidated Financial Statements and of the independent auditors' review reports dated November 12, 2024, with respect thereto, is included elsewhere in this Prospectus. Such annual financial statements and interim financial statements in Italian and the independent auditors' reports and independent auditors' review reports thereon in Italian are not included or incorporated by reference in this Prospectus. The Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements are contained in Annex A to this Prospectus and should be read in conjunction with the relevant notes thereto.

Further, this Prospectus includes (i) the audited consolidated financial statements of the Gardant Group as of and for the years ended December 31, 2022 and December 31, 2023 (the "**Gardant Group Audited Consolidated Financial Statements**") prepared in accordance with IFRS-EU and containing the independent auditors' reports thereon and (ii) the unaudited interim condensed consolidated financial statements of the Gardant Group and as of September 30, 2024 and for the nine months ended September 30, 2023 and September 30, 2024 (the "**Gardant Group Unaudited Interim Condensed Consolidated Financial Statements**"), prepared in accordance with IAS 34 and containing the independent auditors' review reports thereon. The consolidated financial information of Gardant presented herein as of and for the years ended December 31, 2022 and 2023 and as of September 30, 2024 and for the nine months ended September 30, 2023 and 2024 has been extracted or derived from the Gardant Group Audited Consolidated Financial Statements and from the Gardant Group Unaudited Interim Condensed Consolidated Financial Statements. Such annual financial statements and interim financial statements in Italian and the independent auditors' reports and independent auditors' review reports thereon in Italian are not included or incorporated by reference in this Prospectus. The Gardant Group Audited Consolidated Financial Statements and the Gardant Group Unaudited Interim Condensed Consolidated Financial Statements are contained in Annex B this Prospectus and should be read in conjunction with the relevant notes thereto.

Prospective investors are advised to consult their professional advisors for an understanding of the differences: (i) between IFRS and other systems of generally accepted accounting principles and how those differences might affect the financial information included in this Prospectus, and (ii) the impact that future additions to, or amendments of, IFRS principles may have on the Group's results of operations and/or financial condition, as well as on the comparability of the Group's prior financial periods.

Information contained in Annex A and Annex B are part of this Prospectus.

Unaudited pro forma consolidated financial information

In this Prospectus the Issuer also presents the unaudited *pro forma* consolidated financial information as of and for the year ended December 31, 2023 and as of and for nine months ended September 30, 2024 and related explanatory notes (the "**Unaudited Pro Forma Consolidated Financial Information**"). The Unaudited Pro Forma Consolidated Financial Information has been prepared to represent the Gardant Group Acquisition, the conversion of the Conversion Shares and the related transactions including the 2024 Senior Facilities Agreement and the Rights Issue (the "**Transactions**"). See "*Unaudited Pro Forma Consolidated Financial Information*".

The Unaudited Pro Forma Consolidated Financial Information was approved by the Board of Directors of the Issuer on November 11, 2024 and is accompanied by the independent auditors' reports based on ISAE 3420 - Assurance Engagements to Report on the Compilation of Pro Forma Financial Information part of this Prospectus.

The purpose of the preparation of the Unaudited Pro Forma Consolidated Financial Information is to present, using accounting principles that are consistent with those used in relation to the preparation of the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements, the main potential effects of the Transactions on the Issuer's consolidated balance sheet and consolidated income statement, as if each of such transactions had occurred on December 31, 2023 and September 30, 2024, respectively for the purpose of the unaudited *pro forma* consolidated balance sheet, as of January 1, 2023 and as of January 1, 2024 and for the purpose of the unaudited *pro forma* consolidated income statement for the year ended December 31, 2023, nine months ended September 30, 2024, respectively.

The explanatory notes to the Unaudited Pro Forma Consolidated Financial Information include an explanation of the basis of preparation and the accounting principles used in their preparation. The Unaudited Pro Forma Consolidated Financial Information presented in this Prospectus is based on available information and certain assumptions that the Issuer believes are reasonable, including assumptions described in the explanatory notes. The Unaudited Pro Forma Consolidated Financial Information is presented for illustrative purposes only and does not purport to represent what the financial condition or the actual results of operations would have been if the events for which the *pro forma* adjustments were made had occurred on the dates assumed, nor does it purport to project the Issuer's results of operations for any future period or its financial condition at any future date. The Issuer's future operating results may differ materially from the *pro forma* amounts set out herein due to various factors, including changes in operating results.

Furthermore, in consideration of the different purposes of the Unaudited Pro Forma Consolidated Financial Information as compared to the historical financial statements and the different methods of calculation of the effects of the Transactions on the unaudited *pro forma* consolidated balance sheet and on the unaudited *pro forma* consolidated income statement, the latter two statements should be read and examined separately, without attempting to establish any accounting relationship between them.

The Unaudited Pro Forma Consolidated Financial Information is based on and derived from and should be read in conjunction with the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements.

Alternative Performance Measures – Non-IFRS measures and Other Data

This Prospectus contains certain alternative performance measures as defined by the ESMA Guidelines on Alternative Performance Measures ("**APMs**") issued by ESMA in October 2015 that are non-IFRS measures and have not been subject to audit or review. These items are identified as "**Unaudited non-IFRS measures**" as they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS. More specifically, the Unaudited non-IFRS measures are constructed on the basis of historical data and do not indicate the future performance of the Group, in accordance with the provisions of the recommendations contained in the document prepared by ESMA, no. 1415 of 2015, as incorporated by Consob Communication 0092543 dated December 3, 2015, as updated. The Unaudited non-IFRS measures presented herein have been prepared for illustrative purposes only and may not necessarily be representative of the Issuer's results for such prior periods or any future period. The Issuer believes that presenting the Unaudited non-IFRS measures is useful to investors in providing them with certain additional measures used by its management to evaluate its financial performance.

The Unaudited non-IFRS measures have been derived by applying adjustments to the Issuer Audited Consolidated Financial Statements and the Issuer Unaudited Restated Consolidated Financial Information included elsewhere in this Prospectus, which adjustments and reclassifications are not recognized by IFRS or any other generally accepted accounting standards. The Unaudited non-IFRS measures reflect the application of adjustments and reclassifications that are based upon available management account information and certain assumptions that the Issuer's management believes are reasonable under the circumstances. Actual results may differ materially from the Unaudited non-IFRS measures. Neither the assumptions underlying the adjustments and reclassifications nor the resulting Unaudited non-IFRS measures has been audited or reviewed.

The Unaudited non-IFRS measures presented in this Prospectus consist of "*EBITDA*", "*EBITDA margin*", "*EBITDA Excluding Non-recurring Items*", "*EBITDA Excluding Non-recurring Items margin*", "*EBIT*", "*EBT*", "*EBT Excluding Non-Recurring Items*", "*Net financial position*", "*Leverage*", "*Ratio Financial expenses EBITDA*", "*Gross Revenues,*" "*Gross Book Value*" or "*GBV*", "*Collections*", "*Free cash flow*", "*Cash flow conversion*", "*Capital expenditures*", "*FTE*" and "*Pro Forma net financial indebtedness*" and "*Net financial indebtedness*".

Other Unaudited non-IFRS measures include "*Operating EBITDA*" and "*Operating EBITDA margin*".

The Issuer measures the profitability of its business using GBV of assets under its management and the related Gross Revenues. The Issuer calculates GBV as the book value of the loans under management at the end of the reference period, gross of any potential write-downs due to expected loan losses. Gross Revenues is calculated based on the following line items of the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements: (i) Total Revenues, (ii) minus Recovery of expenses and other minor items included in Other Revenues, (iii) plus Income from financial assets measured at fair value through P&L included in Financial (expense)/income and (iv) plus other income related to revenues included in Other operating (expense)/income.

The Unaudited non-IFRS measures are not measurements of performance or liquidity under IFRS. Therefore, investors should not place undue reliance on this data.

These Unaudited non-IFRS measures are not prepared in accordance with IFRS or any other accounting principles and may be used by different companies for different purposes and are often calculated in ways that reflect the particular circumstances of those companies. Prospective investors should exercise caution in comparing this data to similar measures used by other companies. The Issuer presents Unaudited non-IFRS measures because it believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Unaudited non-IFRS measures may not be comparable to similarly titled measures of other companies, have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of the Issuer's operating results as reported under IFRS. Non-IFRS measures and ratios such as EBITDA, EBITDA Excluding Non-recurring Items, leverage and coverage ratios are not measurements of the Issuer's performance or liquidity under IFRS or any other generally accepted accounting principles. Other companies in the Issuer's industry may calculate these measures differently and, consequently, its presentation may not be readily comparable to other companies' figures. In particular, Prospective Investors should not consider EBITDA and EBITDA Excluding Non-recurring Items as an alternative to (a) operating income or income for the period (as determined in accordance with IFRS) as a measure of the Issuer's operating performance, (b) cash flows provided by operating, investing and financing activities as a measure of the Issuer's ability to meet its cash needs or (c) any other measures of performance under generally accepted accounting principles. Operating EBITDA and other non-IFRS measures have limitations as an analytical tool, and Prospective Investors should not consider it in isolation, or as a substitute for an analysis of the Issuer's results as reported under IFRS.

For a reconciliation between such Unaudited non-IFRS measures and the Issuer Audited Consolidated Financial Statements, see "*Selected Financial and Other Information", "Operating and Financial Review" and "Statement of reconciliation between Consolidated Income Statement and Non-IFRS Reclassified Consolidated Income Statement*."

Rounding

Certain numerical figures contained in this Prospectus, including financial information and certain operating data, including financial data presented in thousand or in million, have been subject to rounding adjustments.

Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Market and industry data

All references to market share, market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by analysts, competitors, industry associations and consultants, other non-public external data obtained by the Issuer from research companies and governmental entities or of the Group's own assessment of its markets and business. Certain statements made in this Prospectus are based on the Group's own proprietary information, insights, opinions or estimates, and not on third party or independent sources; these statements contain words such as "the Issuer believes" and "the Issuer expects", and as such do not purport to cite, refer to or summarize any third party or independent source and should not be so read.

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of multiple sources, including IMF, ISTAT and PricewaterhouseCoopers, which are publicly available, and other publicly available third-party information not commissioned or paid for by the Issuer, in detail:

- Axis Corporate: Assets Under Management, 2024;
- Banca Ifis: NPL Market Watch. NPL Transaction Market and Servicing Industry, September 2023;
- Bank of Greece: Financial Stability Review, April 2024;
- Bank of Greece: Press Sources and Reports;
- Bank of Italy: Press Sources and Reports;
- Banco de España reports for Spain region;
- BCG: Global Asset Management Report, 2024;
- CBRE: Real Estate Market Outlook, 2023;

- Deloitte: Deleveraging Europe, 2019;
- Deloitte: Deleveraging Europe, 2021;
- Deloitte: European Banking & Loan Portfolio Outlook 2023 – Market Update, Q2 2023;
- European Commission: Spain In-Depth Review, 2024;
- European Commission: Country Report Spain, 2022;
- European Commission: Economic Forecast for Greece, May 2024;
- European Banking Authority: EBA Risk Dashboard, data as of Q2 2024;
- European Banking Authority: EBA Risk Dashboard, data as of Q1 2024;
- European Banking Authority: EBA Interactive Dashboard, data as of Q2 2023;
- Eurostat Database: July 2024;
- Eurostat Database: October 2023;
- EY: Non-performing exposures tracker, Q4 2022;
- Fitch: Press Releases and Reports;
- Hellenic Statistics Authority;
- International Monetary Fund, Datamapper, August 2024;
- International Monetary Fund: Press Release n. 24/286, July 2024;
- International Monetary Fund: IMF Executive Board Concludes 2024 Article IV Consultation with Cyprus, May 2024;
- International Monetary Fund: World Economic Outlook, July 2024;
- International Monetary Fund: World Economic Outlook, October 2023;
- ISTAT: Quarterly National Accounts, December 2023;
- Issuer Information as of Q3 2023 and 1H 2024;
- Management estimates based on publicly available data;
- Moody’s: Press Releases and Reports;
- National Statistics Institute, January 2024;
- Published reports of Piraeus Bank, Alpha Bank and Eurobank over the period 2015-2022;
- PwC analysis based on data provided by Servicers, December 2022;
- PwC: The Italian NPE Market. Navigating Tranquility, July 2024;
- PwC: The Italian NPL Market. A New Era is coming, July 2023;
- PwC: The Italian NPL Market. Brand New Day?, December 2022;
- PwC: The Italian NPL Market. The calm before the storm, December 2020;

- Results reporting of Piraeus Bank, Alpha Bank, Eurobank, National Bank of Greece;
- Reports from a leading international consultant;
- Scenari Immobiliari: *Fondi Immobiliari in Italia e all'Estero, Aggiornamento Rapporto*, 2023;
- Standard & Poors, Global Greece Manufacturing PMI, July 2024; and
- Standard & Poors, Press Releases and Reports.

Supplements

If a significant new factor, material mistake or material inaccuracy relating to the information part of this Prospectus that may affect the assessment of the New Shares, arises or is noted between the Prospectus Date and the end of the Offer, a supplement to this Prospectus will be published in accordance with relevant provisions under the Prospectus Regulation. Such a supplement will be subject to approval by Consob in accordance with Article 23 of the Prospectus Regulation and will be made public in accordance with the relevant provisions under the Prospectus Regulation. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference in such supplement) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document that is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus.

Information regarding forward-looking statements

In addition to the information contained under "*Forecast Data and Estimates*", any forward-looking statements contained in this Prospectus are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "aim", "annualised", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "goal", "hope", "intend", "may", "objective", "plan", "position", "potential", "predict", "project", "risk", "seek", "should", "target", "will" or "would" or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements that reflect the Issuer's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. In particular, the statements under the headings "*Summary*", "*Risk Factors*", "*Reasons for the Offer and Use of Proceeds*", "*Dividends and Dividend Policy*", and "*Business*" regarding the Group's strategy, targets, expectations, objectives, future plans and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

For important factors, but not limited to, that could cause the Group's actual results to vary see "*Forecast Data and Estimates*".

Defined terms and language

Defined terms used in this Prospectus are defined in "Defined Terms". This Prospectus is published in English only.

Websites

The Issuer's website is (https://dovalue.it/en.). The information contained on the Issuer's website, or on websites accessible from hyperlinks on that website, does not form part of this Prospectus.

REASONS FOR THE OFFER AND USE OF PROCEEDS

The estimated proceeds from the Offer will be approximately €142 million, net of expenses and underwriting commissions, if the New Rights Issue Shares are fully subscribed. Total expenses related to the Offer, including maximum commissions payable to the Joint Global Coordinators and other costs, are expected to amount to approximately €8 million (representing approximately 5.3% of the maximum amount of the Offer).

Given that the 2025 Notes mature on August 4, 2025, the net proceeds from the Offer will be used to support the reduction of the Group's indebtedness which will increase further due to the drawdown of the Acquisition Term Facility needed for the Gardant Group Acquisition. In particular, the net proceeds of the Offer will be used, along with €110 million from the Refinancing Term Facility and €14.2 million of available cash (assuming at the repayment event the amount of accrued interest is equal to the one accounted as of September 30, 2024) to repay the 2025 Notes plus accrued interest, which, as of September 30, 2024 amounted to €266.2 million, of which €264.0 million as principal and €2.2 million as accrued interest. In the event that the Underwriting Agreement is terminated and the proceeds from the Rights Issue will not be sufficient to meet the conditions for borrowing under the Refinancing Term Facility, the Issuer cannot exclude that a deterioration of the Combined Group's performance or an inability of the Combined Group to adopt timely actions necessary to secure new financial resources would make its indebtedness unsustainable in the medium term. For more information on the 2025 Notes, see "*Business—Material Agreements—2025 Notes*".

DIVIDENDS AND DIVIDEND POLICY

General

In accordance with Italian law, payment of any annual dividends by the Issuer may be made out of its distributable profits and reserves on an unconsolidated basis for each relevant year pursuant to a resolution of the shareholders' meeting. Any such resolution is subject to approval by the Issuer's shareholders at an annual general meeting, which must be convened to approve the Issuer's financial statements within 120 days or, under certain circumstances, within 180 days after the end of the financial year to which such financial statements relate.

The Issuer's ability to pay dividends in line with the dividends policy will depend, among other factors, on whether it receives dividends from its subsidiaries, on market conditions, on the Group's profitability as well as on its investment needs and financial covenants. The Issuer's payment of dividends will also depend on the results achieved, the establishment and maintenance of reserves required by law, general operating performance and development plans prepared by management as well as future actions by shareholders at regular shareholders' meetings approving (in whole or in part) the payment of distributable profits.

Legal Limitations

Mandatory reserves

The payment of any annual dividend is proposed by the Board of Directors and is subject to approval by the shareholders at the annual general meeting. Before dividends may be paid out of the Issuer's unconsolidated net income in any year, an amount equal to 5% of such net income must be allocated to the Issuer's legal reserve until such reserve is at least equal to one-fifth of the par value of the Issuer's issued share capital. The Issuer's legal reserve is currently lower than one-fifth of the par value of its issued share capital. If the Issuer's share capital is reduced as a result of accumulated losses, dividends may not be paid until the capital is reconstituted or reduced by the amount equivalent to the corresponding losses. Pursuant to articles 2433 *et seq*. of the Italian Civil Code and article 26 of the Issuers' By-laws, the Board of Directors may authorize the distribution of interim dividends, subject to certain limitations.

Manner and time of dividend payments

Any dividends the Issuer may declare will be paid to shareholders through Euronext Securities Milan or such other authorized centralized securities custody and administration systems with which the intermediaries instructed by the shareholders have deposited their shares.

Repayment and Prescription

A shareholder's claim to payment of dividend lapses five years after the day on which the claim became payable. Shareholders will not be required to repay annual dividends paid on the basis of duly approved financial statements if the shareholders collected such dividends in good faith. Any dividends that are not collected within the five-year period revert to the Issuer.

Contractual limitations

The 2024 Senior Facilities Agreement includes a prohibition on dividends distributions, unless the following conditions are met: (i) the 2025 Notes and the 2026 Notes are redeemed and/or refinanced in full, (ii) such payments or distributions are consistent with the Group dividend ordinary policy disclosed to the market; and (iii) the consolidated net leverage ratio, calculated on a *pro forma* basis at the end of the most recently ended relevant period for which semi-annual financial statements are required to be delivered to the facility agent pursuant to the 2024 Senior Facilities Agreement and taking into account the proposed payment or distribution as if it had been made at the beginning of that relevant period, does not exceed 3.25:1.00. See "*Business—Material Agreements—Existing Financing Arrangements*".

Taxation

The tax legislation of a shareholder's country of tax residence or other relevant jurisdictions, as well as that and of the Issuer's country of incorporation and tax residency, may have an impact on the income received from the Shares. The Issuer is exclusively resident in Italy for corporate income tax purposes, and dividends paid by the Issuer are subject to Italian dividend withholding tax.

See "*Taxation—Italian Taxation—Taxation of Dividends*" for information on Italian taxation of dividends and "*Taxation—Certain U.S. Federal Income Tax Considerations—Taxation of Distributions with Respect to New Shares*" for information on US taxation of dividends.

Dividend history

For the fiscal years ending December 31, 2023, 2022, and 2021, the Issuer distributed dividends of €47.5 million, €39.5 million, and €20.8 million, respectively.

Dividend policy

On September 26, 2024, the Issuer's Board of Directors approved a new dividend policy for the Group, which, assuming the occurrence of the Gardant Group Acquisition Completion, aims to distribute between 50% and 70% of the Group's consolidated net income, excluding non-recurring items (ex-NRI), beginning in 2026, based on the 2025 financial statements and subject to financial covenants. Dividend distribution decisions for 2025, based on the 2024 financial statements, will be contingent on prevailing market conditions, the refinancing of the 2026 Notes, and the progress of the Gardant Group's integration into the Group.

INDUSTRY OVERVIEW

Introduction

This section contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of multiple sources and information believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While the Issuer believes that these industry publications, surveys and forecasts are reliable, the Issuer has not independently verified them and cannot guarantee their accuracy or completeness. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Prospectus contains information about the development of the market in which the Group operates; however, there can be no assurance that this information will prove to be correct and that the market will develop as forecast, due to known and unknown risks, uncertainties, and other factors.

Industry

The Group is an independent leading servicer in Europe specializing in services for the management of loans and real estate assets for banks and investors. The Group uses an asset-light model which does not involve debt purchasing and focuses on large-sized, secured, corporate loans which differentiates the Group from debt purchasers and debt collection agencies. The Group's economic and financial performance is correlated to the evolution of non-performing loans ("**NPLs**"), the volume of transactions related to loans, real estate assets, and the propensity of financial institutions to outsource the management of such assets. The Group services four asset classes: (i) NPLs, (ii) real estate, (iii) unlikely-to-pay ("**UTP**") loans, (iv) early arrears and performing loans (collectively, "**Servicing**") in the four European markets in which the Group operates, Italy, Spain, Greece and Cyprus.

Overview of the European Non-Performing Exposures ("NPE") Market and Debt Servicer / Purchaser Market Participants

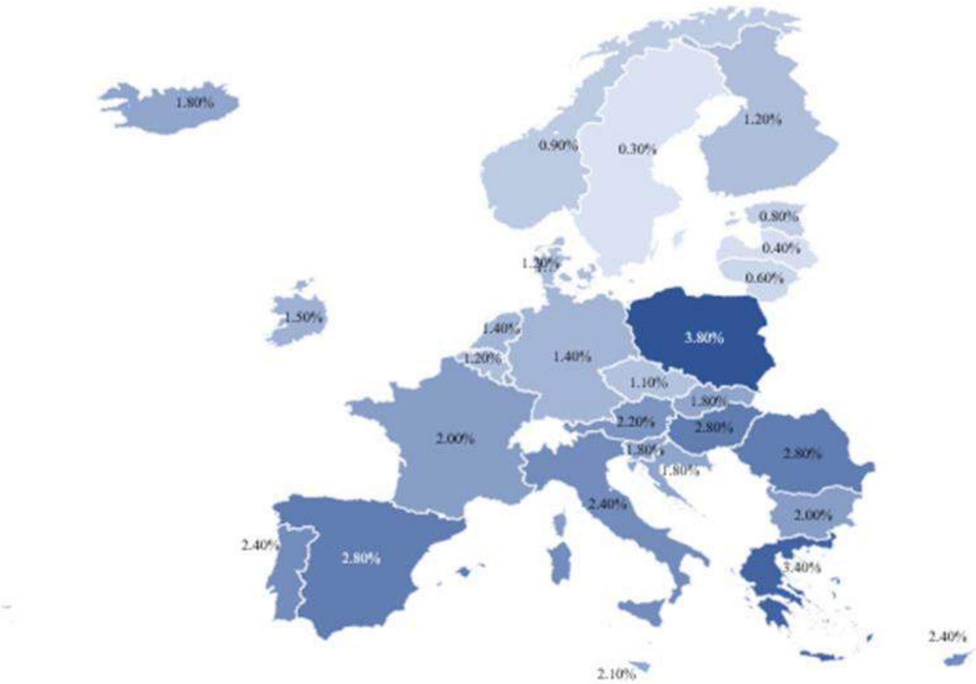
Overview of the European NPE sector

The European landscape has been characterized by a strong deleveraging process over the last decade, as a consequence of the continuous pressure imposed by the European authorities on financial institutions to reduce current levels of NPLs and avoid a future build-up of NPLs.

The stock of European NPLs (excluding the United Kingdom) held by Systemically Important Institutions (SIIs) has reduced by over €524 billion from approximately €896 billion in the first quarter of 2017 to approximately €373 billion in the second quarter of 2024 (Source: EBA Risk Dashboard, data as of Q2 2024).

Similarly, the gross NPL ratio (the gross value of non-performing loans divided by the total value of the loan portfolio, including non-performing loans before the deduction of loan loss provisions) has decreased from 5.1% (including the United Kingdom) in the fourth quarter of 2016 to 1.9% (excluding the United Kingdom) in the second quarter of 2024 (Source: EBA Risk Dashboard, data as of Q2 2024). As shown below, the markets in which the Group operates (Italy, Greece, Spain and Cyprus) are among the markets with the highest gross NPL ratios.

European Gross NPL Ratios as of Q2 2024



Source: EBA Risk Dashboard, data as of Q2 2024.

Notes: (1) Source: PwC for Italy and management estimates for the rest. For Greece, data is based on public reporting with GBV of assets under management including off balance sheet claims, such as penalties, commissions and additional interest on late payments. These claims are relevant because fixed fees are calculated on the GBV of assets under management including these. (2) Deloitte European Banking and Loan Portfolio Outlook 2023 – Market Update, Q2 2023. (3) No investors. (4) Data as of FY 2022, Source: PwC: The Italian NPE Market. A New Era is coming, July 2023. (5) SNL as of FY2022. (6) Includes Austria and CEE. (7) Stage 2 loans and advances to total gross loans and advances.

In the second quarter of 2024, the stock of NPL in Italy amounted to €41 billion, €121 billion in France, €76 billion in Spain, €41 billion in Germany, €28 billion in the Netherlands, €7 billion in Greece, €5 billion in Portugal, €5 billion in Ireland and €1 billion in Cyprus (Source: EBA Risk Dashboard, data as of Q2 2024). As a result, combined NPL stock for the Group's focus markets (Italy, Spain, Greece and Cyprus) in the second quarter of 2024 represented approximately €124 billion. These figures only comprise the stock of NPL on the balance sheet of European financial institutions and excludes the significant stock of NPL held by investors and SPVs as a result of the aforementioned NPL disposals.

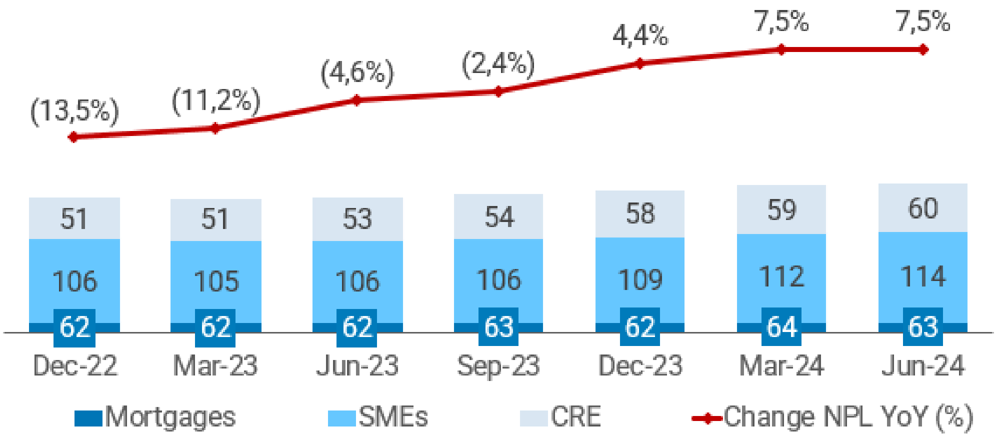
As a result of the deleveraging actions and focus on organic reduction of NPLs, especially in Italy and Greece, the stock of NPLs on financial institutions balance sheets sharply reduced. In Italy and Greece, deleveraging was largely driven by government-guaranteed securitization schemes, namely Garanzia Cartolarizzazione Sofferenze ("GACS") in Italy and Hellenic Asset Protection Scheme ("HAPS") in Greece.

Particularly, GACS (which was introduced in 2016 to provide state backed guarantees for qualifying NPLs portfolios and expired on June 14, 2022) proved transformational in helping financial institutions reduce the number of defaulted loans in their portfolio. The Hellenic Asset Protection Scheme (renamed the "Hercules" scheme) was designed to assist banks in securitizing NPLs and moving them out of their balance-sheets. The Hercules scheme was initially approved by the Greek Parliament in December 2019 and extended in April 2021 under the "Hercules II" programme, which expired on October 9, 2022. Greece announced its plans to re-introduce the scheme, which will run until the end of December 2024.

Despite the ongoing deterioration in the macroeconomic environment and high interest rates putting pressures on households and SMEs, the cost of risk for European banks has remained at historical lows. This scenario, coupled with a low NPL ratio resulting from an extensive de-risking process throughout Southern Europe, has created a challenging landscape for debt servicers and purchasers, marked by a shrinking pipeline for primary deals.

The current macroeconomic environment points to recession fears and higher NPLs in the market. Early signs of worsening asset quality for banks began to appear in 2023 and continued in the first half of 2024: weak economic growth, rising living costs and higher inflation rates are limiting borrowers' debt repayment ability. The latest EBA updates show the first positive net NPL inflow in ten years, indicating a reversal of the cycle.

EU/EEA Stock Evolution December 2022 – June 2024 (€ billion)



Source: EBA, Ifis NPL market watch, Bank of Greece, Bank of Italy, press search, Deloitte NPL report, Eurostat DB, Companies financial statements, press search. Estimate of NPEs within Banks' balance sheet as well as held by investors and / or investment vehicles.

Overview of the European Loan Servicing Market

Professional loan servicers are companies operating in the collection and management of overdue debt and receivables, typically acting as partners to financial institutions and financial investors in NPL management. Professional loan servicers focus on large portfolios of bank loans with a prevalence of secured, corporate loans with a high degree of complexity and barriers to entry with respect to, among others, scale, data, regulatory compliance and IT expenditure.

The European loan servicing market is fragmented and characterized by the presence of several hundred companies presenting different characteristics in terms of product offering, geographical presence and scale. The entities that operate in the industry can be classified into four different categories:

1. Pure loan servicers: includes independent market participants specialized in the management of bank loans, including NPLs, UTPs, and real estate assets. Pure loan servicers typically do not purchase or hold the assets they manage on their balance sheet, rather, they service their clients' assets and are compensated with a fee structure typically comprised of a fixed fee and a variable fee. The Group belongs to this category.

2. Pure portfolio investors: includes international investors specialized in the acquisition of portfolios with distressed assets. Pure portfolio investors operate in the debt purchasing segment and specialize in evaluating portfolios and capital raising activities. These pure portfolio investors generally do not have in-house servicing capabilities and represent potential clients of pure loan servicers, including the Group.

3. Debt purchasers and servicers: includes companies which buy overdue debt from debt originators through either a one-off sale of the entire portfolio or a Forward Flow Agreement which allows them to buy a given volume of claims at a pre-defined price on an ongoing basis. This category includes

market participants specialized in both the acquisition and management of NPLs who act as servicers for their own proprietary portfolios and potentially for third party portfolios.

4. Debt collection agencies include a large number of smaller companies involved mostly in the collection of non-banking, unsecured, retail, small sized receivables. These debt collection agencies use call centres and a network of individual debt collection professionals to meet their servicing needs. The Group outsources a portion of its loan book to certain debt collection agencies.

Pure loan servicers and pure portfolio investors have played a fundamental role in the deleveraging process mentioned above. The landscape has changed over time considering changes in regulation, market development and the competitive framework and as a result, the credit servicing industry is undergoing a significant transformation. Since 2015 the stock of bad debts on banks' books has significantly reduced, reaching record lows which has caused banks to shift their focus to performing loans and in particular performing loans showing signs of concern, e.g., high risk loans and Stage 2 exposures.

In order to keep up with these market trends, servicers operators need to adjust their models to a changing market scenario, introducing new services and embracing a novel approach to capitalize on emerging business opportunities (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024).

Overview of the Asset Management Market

The global asset management industry saw substantial growth over the past few years with Assets under Management growing from $37tn in 2005 to $119 trillion in 2023.

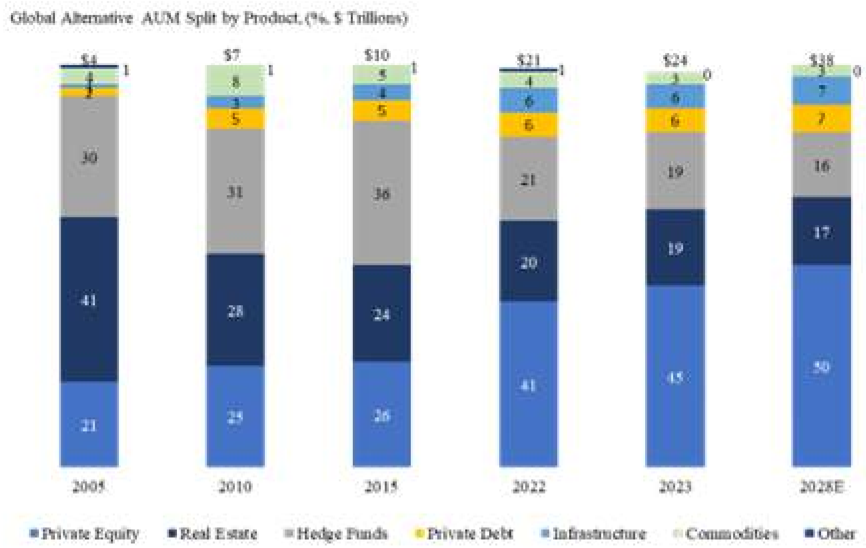
Most of the assets under management growth over this period is attributable to Alternative Assets, whose share of the total global Assets under Management increased from 12% to 20% in the same period. Private Debt alongside Private Equity and Infrastructure are among the strongest contributors to this increased allocation.

Private credit assets stood at $1.44 trillion at the end of 2023. Thus, as a share of Global Assets under Management, Private Debt has risen from ca. 0.2% in 2005 to ca.1.2% in 2023. Preqin's Private Debt Quarterly Index had a total capitalization of $1.58 trillion at the 1H 2024 stage, with $0.41tn attributable to Europe, and the same amount to Distressed Debt.

Private Debt, and within this category the distressed portfolio management, has developed into a significant asset class even by the standards of the wider, global asset management industry. This trend is expected to continue with BCG forecasting $2.66 trillion assets under management (7% of $38 trillion alternative assets) by 2028. Private Debt is therefore expected to show the highest growth rate (11.6% 2023-2028E CAGR) among any asset class across alternative asset management. At the same time, net revenue margins are expected to remain well above all other asset classes, with the exception of hedge funds and private equity.

Asset Servicers, including Gardant, have successfully developed asset management capabilities and have raised significant funds from LPs. This trend is expected to continue, providing Asset Servicers with deep expertise and size potential competitive advantages. Developing AM capabilities provides for scale benefits and synergies with the Asset Servicing business.

Private Equity and Private Debt Are Expected to Generate Approximately 70% of Total Revenue from Alternatives by 2028



Source: BCG Global Asset Management Report 2024

Overview of the Group's Key Markets

The Italian NPEs and Servicing Market

The Italian Macroeconomic Environment

In Italy, real GDP growth broadly mirrors the European GDP and has shown a significant recovery following the COVID-19 pandemic. Specifically, in 2021 GDP increased by 8.3%, mainly driven by a 7.4% increase in domestic demand (Source: IMF, Press Release n. 24/286, July 23, 2024). The annual GDP growth for 2024 and 2025 is estimated at 0.7% and 0.9% respectively (Source: IMF, World Economic Outlook, July 2024).

In Italy, real GDP growth broadly mirrors the European GDP and has shown a significant recovery following the COVID-19 pandemic. GDP increased by 8.3%, 4.0% and 0.9% in 2021, 2022 and 2023, respectively, mainly driven by a 7.4%, 4.9% and 2.0% increase in domestic demand in 2021, 2022 and 2023, respectively (Source: IMF, Press Release n. 24/286, July 23, 2024). The annual GDP growth for 2024 and 2025 is estimated at 0.7% and 0.9% respectively (Source: IMF, World Economic Outlook, July 2024).

One of the major concerns for the Italian economy is the high amount of public debt. The debt-to-GDP ratio was 137.3% in 2023 and it is expected to slightly increase to 139.1% in 2024 and 140.6% in 2025 (Source: IMF, Press Release n. 24/286, July 23, 2024).

On 18 October, 2024, S&P affirmed its 'BBB/A-2' long- and short-term foreign and local currency sovereign credit ratings on Italy and maintained the stable outlook.

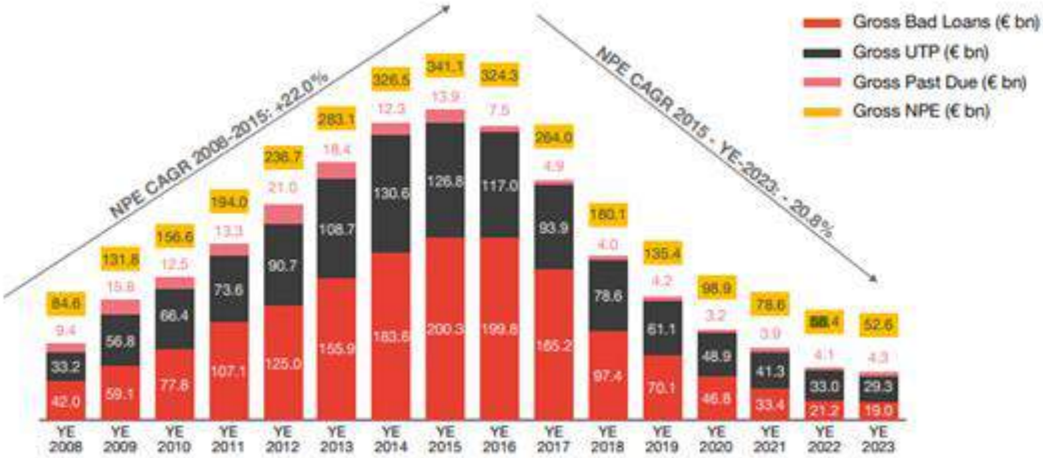
On 18 October, 2024, Fitch Ratings affirmed Italy's long-term rating of 'BBB' with a positive outlook upgraded from stable.

On 17 November, 2023, Moody's affirmed its rating at 'Baa3' but upgraded the outlook to stable from negative.

On 25 October, 2024, DBRS Morningstar confirmed the ratings of Italy at BBB (high) and changed the trends Long-Term Foreign and Local Currency - Issuer Ratings to Positive from Stable.

The Italian NPEs Market

Despite Italy representing one of the largest markets in Europe for NPEs, NPE volumes generated by Italian banks has significantly reduced since 2015 from the peak of €341 billion as of December 31, 2015 to approximately €53 billion as of December 31, 2023 (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024). The volume decrease is likely the result of two main drivers: (i) the prevailing macroeconomic conditions, and (ii) lower NPE stock in the banking system.



Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024.

Despite the fact that the relatively low levels of NPL inflows decreased the stock of NPLs in the Italian market, NPL portfolio disposals via Securitization benefited from the GACS scheme and allowed for the development of an NPL secondary market, which prompted banks to deleverage and caused the bid/ask spread of NPLs to widen and increased the number of NPL portfolios sold. See "*Regulatory Overview—Regulation in Italy—GACS Law*". The GACS scheme for securitizations expired on June 14, 2022.

Overall, the Italian NPE market is expected to receive approximately €45 billion of NPE inflows for the two-year period 2024-25 and banks will have to assess and manage this new wave of NPE proactively due to the stringent regulation like calendar provisioning and capital absorption. During 2023, UTP exposures remained at low volumes in the NPE market accounting for approximately 24% of the 2023 volumes and expected stay around 25% of total volumes in 2024-2025 (Source: Banca Ifis: NPL Market Watch. NPL Transaction Market and Servicing Industry, February 2024).

The boost in the Stage 2 stock and the related direct impacts on banks' income statement due to the high coverage, as well as the expected increase of the default rates in 2023 and 2024, has led to more attention on Stage 2 Loans. The stock of Stage 2 loans on EU Significant banks' books amounted to €1,413 billion as of December 31, 2023 (compared to €1,380 billion at the end of 2022). Stage 2 loans include assets that have seen a significant increase in credit risk since initial recognition. The portfolio is primarily composed of medium to small-sized positions, thus requiring a management approach that is as industrialized as possible and based on insightful data analysis.

The level of Stage 2 exposures remained high and stable throughout all European countries during 2021-2023, when Italy ranked as the third country in Europe (following France and Germany) with €174 billion (11.48% of total loans from Significant banks) (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024). In Q2 2024, the incidence of Stage 2 financing of Italian banks experienced a significant decline, closing the gap with the European Union average. The Stage 2 Ratio is expected to moderately increase between the end of 2024 and 2026 (Source: Banca Ifis: NPL Transaction Market and Servicing Industry, September 2024).

The Peculiarities of the Italian Gross Non-Performing Loans Market

The Italian NPL market has distinguishing features in terms of geography, counterparties, level of Securitization, economic sectors and ticket size. Such peculiarities may represent an opportunity to those servicers, including the Issuer with an extensive local presence and a long-standing expertise in managing a high degree of complexity. These peculiarities may also represent a barrier to entry to potential new competitors. As of December 31, 2023, gross NPLs amounted to approximately €19 billion and represented approximately 36% of gross NPEs (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024).

Within Italy, central and southern regions show a higher gross NPL ratio compared to northern regions. The region with the highest value is Calabria (2.3%), followed by Sicily (2.1%), Campania, Basilicata and Puglia (2.0%) and Sardinia (1.6%). It is worth highlighting that Lombardy, one of the regions with the lowest gross NPL ratio (0.9%), possesses about 19.6% of total Italian NPLs.

Gross NPLs Ratio by Region* (2023)

Breakdown of NPLs by Region* (2023)

Source: PwC analysis on Banca d'Italia "Banche e istituzioni finanziarie: condizioni e rischiositá del credito per settori e territori", June 2024. Note: (*) Unique percentage for 1. Valle d'Aosta and Piemonte, 2. Abruzzo and Molise; 3. Puglia and Basilicata PwC: The Italian NPE Market. Navigating Tranquility, July 2024

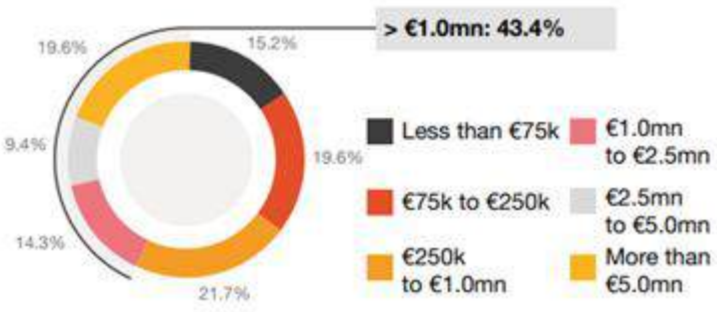
In terms of counterparties, data from the Bank of Italy show that the "Corporate and SME" sector is the main component of Italian gross NPLs as of YE 2023, with a share of 64.5%, followed by the "Consumer loans" sector with 26.1% and the "Family Business" sectors with 7.0% and "Others" (including the Public Administration and financial institutions) with 2.4% (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024).

The percentage of Secured NPLs reached its minimum level since December 31, 2008, passing from 35.4% in 2022 to 30.9% in 2023. Like in 2022, most of the Secured NPLs are related to the "Corporate & SME" (58.9%) sector, followed by the "Retail" (31.3%) and "Family business" (7.0%) sectors (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024).

When analysed by industry sectors, as of December 31, 2023, the "Manufacturing Products" sector generated 33.4% of gross NPLs, followed by the "Real Estate and Construction", "Wholesale and retail trade," "Professional services" and "Industrial" sectors which generate 29.4%, 15.8%, 9.4% and 4.2% of total gross NPLs, respectively (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024).

As of December 31, 2023, data from the Bank of Italy showed that large-size exposures, or rather, loans with an exposure higher than €1 million accounted for 43.4% of total gross NPLs.

Breakdown of Gross NPLs by Ticket Size (YE 2023)



Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024.

The Italian UTPs Market

Whereas NPLs are exposures to debtors who are in a position of insolvency or in similar circumstances, UTPs are exposures to borrowers who, according to the judgment of banks are unlikely to fulfil their credit obligations, but might return to performing status after a successful turnaround or restructuring.

UTPs represent one of the major areas of attention for the Italian banking system. During recent years, volumes of UTPs have decreased more slowly than NPLs and represent an increasing percentage of total NPEs. However, UTPs present a significant opportunity for servicers to expand their services due to the high volume and the nature of UTP portfolios, which are characterized by higher and more frequent recoveries. Nevertheless, since the features of the UTP market are different from those of the NPLs market, especially in terms of deterioration level and recovery, servicers must adopt different strategies. In particular, servicers have to establish strong relationships with borrowers and help borrowers define restructuring plans.

During 2023, the asset class of UTP exposures continued to play a central role in the context of the NPE market. Banks are pursuing a strategy of reducing the operating burden of managing UTP credits that they judge to be unlikely to be fully paid back but which might return to performing status as a result of a successful turnaround or restructuring, and they seem increasingly willing to enter into partnerships with specialized servicers, outsourcing the loan servicing for the existing stock and eventually signing Forward Flow Agreements. Two examples of this trend are the ongoing partnership of Intesa Sanpaolo and UniCredit with Prelios for UTP loans and the agreement between BPER Group and Gardant. These long-term partnerships are mutually beneficial: banks can improve the collection and recovery performance of NPEs by outsourcing their servicing to specialized operators and reduce the operational impact of NPEs on their internal structure and organization while servicers can secure future inflows of new loans classified as UTP or NPLs over a certain period of time which increases their revenue forecasting abilities and allows them to better plan their investment in the servicing platform, both in terms of technology and human capital.

Overview of the Italian Real Estate Market

Following several years of increasing house prices, in the second quarter of 2023 house prices stabilized with the same pricing observed until the first quarter of 2024 (Source: Eurostat, July 2024). In terms of size, the real estate asset management market reached a net asset value ("**NAV**") of assets under management of €114 billion in 2023 and is expected to increase to €120 billion by 2024 (Source: Fondi Immobiliari in Italia e all'Estero, Aggiornamento Rapporto 2024).

The Italian real estate market represents a significant opportunity for servicers, due not only to the aspects discussed above, but also due to the structural reforms, already introduced or yet to be, which are aimed at improving or creating favourable conditions for such industry. For example, the so-called *Growth Decree* (*Decreto Crescita*), introduced in Italy in April 2019, which has provided certain legislative and tax measures to benefit the Italian NPLs market (e.g., tax neutrality for real estate companies in securitization transactions) or the PNRR (*Piano Nazionale di Ripresa e Resilienza*, approved by the Italian Government in the context of the Next Generation EU program) represents a unique opportunity to grow the Italian real estate market.

Overview of the Italian Servicing Market

The Italian servicing market is highly polarized between large market participants and small to mid-sized firms. The Group is the market leader in Italy with a gross book value ("**GBV**") of assets under management of approximately €68.0 billion of gross NPEs in 2023 (Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024).

The competitive landscape for NPEs servicers in Italy is characterized by a few independent specialists focused on the elaboration and execution of individual collection strategies, with a high level of specialization (including with the involvement of law firms, specialized real estate companies and commercial information providers).

The following table lists the top ten largest servicers in the Italian servicing market by asset under management as of December 31, 2023.

Top 10 Servicers in the Italian Servicing Market by Asset Under Management – Total AuM[1] (€bn)

Source: PwC: The Italian NPE Market. Navigating Tranquility, July 2024

Business models in credit management are changing due to a number of recent trends. First, there is a growing demand for servicers to manage both NPLs and UTPs, which requires not only financing and refinancing expertise, but also industry and legal skills, real estate capabilities and an advisory approach. Secondly, the scope of servicing activities is expanding to encompass all phases of the credit cycle (from early arrears and performing loans to real estate assets originally placed as guarantees to loans) as client needs for more outsourcing services that are offered only by specialized entities focused on Servicing activities.

The deterioration rate is estimated to remain limited from 2023 to 2025, on the back of a resilient economy and strong bank credit quality. Despite the supportive macroeconomic environment, the Italian market is still expected to generate approximately €45 billion of NPE inflows for the two-year period 2024-2025, resulting in significant business opportunities for servicers (Source: Banca Ifis: NPL Market Watch. NPL Transaction Market and Servicing Industry, February 2024).

The moderate dynamics of new NPE flows together with the continued de-risking kept the NPE ratio stable in 2023 (3.1%) and is expected to slightly increase the NPE ratio in 2024 and 2025 to 3.3% and 3.5%, respectively (Source: Banca Ifis: NPL Market Watch. NPL Transaction Market and Servicing Industry, February 2024).

Italy's prospective risk is higher than the EU average for both Stage 2 and performing forborne loans (subject to concessions) (Source: Banca Ifis: NPL Market Watch. NPL Transaction Market and Servicing Industry, February 2024).

The boost in the Stage 2 stock and the related direct impacts on the banks' income statement have led to more attention on this asset class. In Italy, several significant banks have activated dedicated assessment on Stage 2 portfolios and identified preliminary actions to reinforce the current management strategies with the aim of mitigating further deterioration and creating an additional potential revenue source for servicers.

The Greek NPLs and Servicing Market

The Greek Macroeconomic Environment

The Greek economy rebounded swiftly from the COVID-19 pandemic with GDP growing at 8.4% in 2021, 5.6% in 2022 and 2.0% in 2023, primarily driven by private consumption and export of services and products. GDP growth in 2024 and 2025 is forecasted at 2.0%, and 1.9% (Source: IMF, World Economic Outlook, April 2024), respectively, with inflation forecasted to decrease from 4.2% in 2023 to 2.8% in 2024 and to 2.1% in 2025 (Source: EU Commission, Economic Forecast for Greece, May 15, 2024). The growth of the Greek economy is supported by combined national & EU funds, including support expected from the Recovery and Resilience Facility ("**RRF**") worth an overall €36.6 billion, to mitigate the effects of high energy prices and inflation, which continued through the end of 2023. In addition, the purchasing managers' index ("**PMI**") was 50.3 points as of September 30, 2024 (Source: S&P Global Greece Manufacturing PMI, October 2024) with an expected HICP annual inflation rate of 2.9%, marking a 1.3% increase in the last year (Source: Hellenic Statistic Authority - ELSTAT). In 2023, the labour market continued to strengthen on the back of solid economic activity, with the unemployment rate falling by 1.4 percentage points to 11.1%. Employment is projected to rise further, but the increase is likely to be constrained by labour market segmentation, especially due to skill mismatches, and by a low activity rate. The public debt-to-GDP ratio declined to 161.9% in 2023 driven both by the increase in nominal GDP and the surplus of the primary balance and it is expected to fall further to 153.9% of GDP in 2024 and 149.3% in 2025. (Source: EU Commission, Economic Forecast for Greece, May 15, 2024).

On 20 October, 2023, S&P improved the Greek local and foreign currency long-term issuer ratings at BBB-, with a positive outlook affirmed on 19 April, 2024.

On 1 December, 2023, Fitch improved the Greek local and foreign currency long-term issuer ratings at BBB-, with a stable outlook.

On 6 September, 2024, DBRS Morningstar confirmed the Greek rating at BBB (low) and changed the trends to Positive from Stable.

For Moody's, Greece is still non-investment-grade (Ba1 with a stable outlook assigned on 13 September, 2024).

The Greek NPEs Market

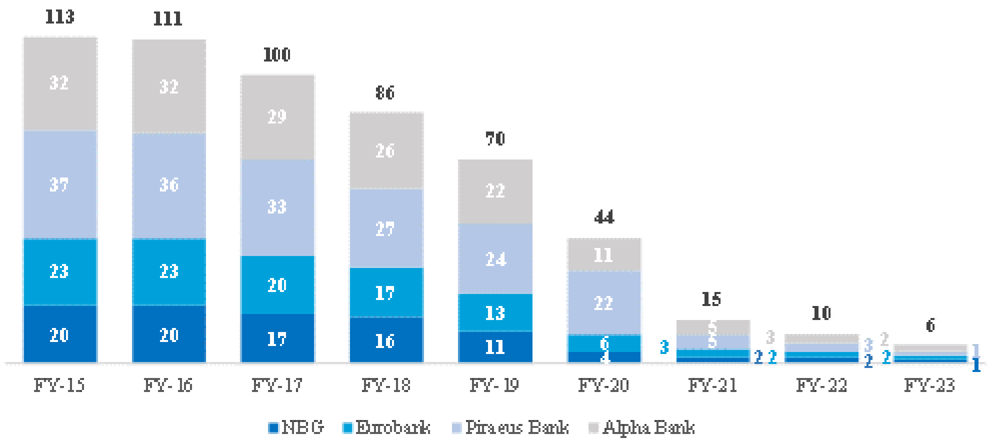
Following the financial crisis in 2009-2015, Greek banks accumulated high levels of NPEs (approximately €107 billion in 2015). This became one of the main areas of concern for the four systemic Greek banks (*i.e.*, Eurobank, Alpha Bank, Piraeus Bank and National Bank of Greece) and led to persistently high costs of risk and a reduction in profitability. Over the past five years, Greek banks have started a successful de-risking path, significantly reducing their NPEs exposure. By early 2024, the ratio of NPEs to total loans in Greece had dropped significantly from its peak levels during the financial crisis, according to reports from the Bank of Greece and other financial institutions, the total amount of NPEs in the Greek banking system was approximately €30 billion. This represents a significant reduction compared to previous years. (Source: Published reports of Eurobank, Alpha Bank, Piraeus Bank and National Bank of Greece).

According to the European Banking Authority ("**EBA**"), the percentage of loans classified as Stage 3 reached single digits (7.0%) during the first quarter of 2024 at systemically important Greek banks tracked by the EBA (Source: Bank of Greece, Financial Stability Review, April 2024) which reflects the significant progress made by Greek banks in de-risking their balance sheets over the past decade. Greek banks have primarily de-risked their balance sheets through portfolio sales and securitizations under the Hellenic Asset Protection Scheme ("**HAPS**"), also known as the "Hercules" scheme, which operates in a similar way to the Italian GACS, and concurrent NPE platform carve-outs.

The Greek NPLs Market

Over the past three years, Greek NPL resolution has also benefited from legislative reform, as well as improvements in court proceedings and in enforcement processes, including favourable judicial decisions allowing licensed credit servicing firms to participate in and conduct auctions directly, rather than by proxy on behalf of clients for whom they are acting. This has expedited the process for seizure and subsequent enforcement over acquired real estate collateral.

Greek Systemic Banks' NPEs Evolution (€bn)



Source: Companies' financial statements

NPLs transaction activity tapered in 2022 with ten completed transactions amounting to €6.3 billion in total (compared to €43.7 billion in 2021). Volumes in 2021 were driven by several highly material HAPS transactions. Consequently, by the fourth quarter of 2022, each of the four systemically important banks achieved their targets of reducing their NPLs to a single-digit percent for the first time in over a decade. As legacy of NPLs' reduction, Greek banks moved to synthetic securitizations of performing loan portfolios to further decrease RWA's and drive capital ratio improvement.

Notwithstanding a reduction in NPLs, the level of loans marked as Stage 2 remains elevated (11.4% in the fourth quarter of 2022) and higher than the EU average of 9.4% in the fourth quarter of 2022. The current inflation environment combined with the negative effect on household real disposal income may translate into higher NPLs in the medium term, which banks will need to continue to proactively manage (Source: Deloitte: European Banking & Loan Portfolio Outlook – Market Update, Q2 2023).

The servicing market was liberalized through the Greek Law 4354/2015 on NPLs, superseded by Law 5072/2023 (transposing into Greek law Directive (EU) 2021/2167 on credit servicers and credit purchasers) which sets out the framework for the licensing and operations of servicers of loans originated by banks and financial institutions in the EU.

The legal framework established by Directive (EU) 2021/2167 has been enhanced through the introduction of the Out-of-Court Workout ("**OCW**") (Greek Law 4469/2017), which provides extrajudicial debt settlement solutions to both individuals and legal entities as well as an online platform for debt settlement. In addition, the Bankruptcy Code (Law 3588/2007) and revision of the Individual's Bankruptcy Law, also known as the Katseli Law (Law 3869/2010), simplified bankruptcy processes and allowed for greater flexibility to creditors against non-cooperative debtors thereby facilitating the recovery process for debt servicers. More recently, the provisions of Law 4469/2017 and Law 3869/2010 and the New Greek Bankruptcy Code (Law 4738/2020) establish a single legislative instrument to govern extra-judicial debt settlement and the bankruptcy of both individuals and legal persons.

Further, the introduction of obligatory electronic auctions was intended to reverse the trend of only a small portion of auctions being conducted. The auction process under the Greek Civil Procedure Code ("**GCPC**"), introduced in February 2019, replaced physical auctions with e-auctions to address process deficiencies by reducing the time needed to complete an auction to less than twelve months, facilitating enforcement proceedings and improving timing for recoveries. All the real estate assets repossessed by banks go through e-auctions.

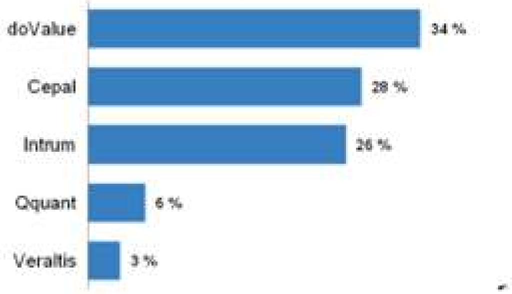
Overview of the Greek Servicing Market

Prior to 2014, the Greek servicing market was primarily composed of debt collection agencies and law firms. Following the measures taken by the Greek government, in particular the introduction of Greek Law 4354/2015, there has been a rapid increase in loan servicer licenses.

Concurrently, international market participants showed significant interest to enter the Greek market.

The Greek third party debt servicing market is currently dominated by five leading companies, which all manage a wide range of secured, unsecured, non-performing and early four exposures on behalf of banks and financial investors. According to the Issuer's estimates, as of September 2023, doValue Greece leads the market with 34% market share, followed by Cepal, Intrum, Quant and Veraltis.

Key Greek Servicers Rankings (€bn)



Source: Issuer estimate. For doValue, Cepal and Intrum, estimates based on public reporting with GBV of assets under management including off balance sheet claims, such as penalties, commissions and additional interest on late payments. These claims are relevant because fixed fees are calculated on the GBV of assets under management including these. For the rest of peers, estimates are based on Bank of Greece disclosure.

In addition to the four leading third party servicers, there are a number of smaller operators acting as "debt purchasers and servicers" that manage proprietary exposures. However, these smaller operators do not have the volumes and breadth of the leading third party services. Smaller operators include SFS, APS, EOS, Hoist Financial, First Capital, EuPraxis, UCI and DV01.

The Spanish NPAs and Servicing Market

The Spanish Macroeconomic Environment

Spain's actual GDP contracted by 11.2% in 2020 after the COVID-19 pandemic, but significantly grew in both 2021 and 2022 at 6.4% and 5.8%, respectively. The rebound continued in 2023 to 2.5% and is expected to continue in 2024 to 1.7% (Source: European Commission, Spain In-Depth Review 2024). In addition, Spain's PMI was 53 points as of September 2024 with an expected HICP annual inflation rate of 3.2%, marking a 0.2% decrease compared to the previous year (Source: S&P Global).

The debt-to-GDP ratio in Spain is still elevated (and was estimated at 107% in 2023), although it has decreased by almost 13% since the peak in 2020. The debt-to-GDP ratio is expected to further reduce to 107% from 2024 onwards (Source: European Commission, Spain In-Depth Review).

On 15 March, 2024, S&P Global Ratings affirmed its 'A/A-1' long and short-term foreign and local currency sovereign credit ratings on Spain and maintained the stable outlook.

On 8 November, 2024, Fitch Ratings affirmed Spain's long-term rating at 'A-' with an outlook improved from stable to positive.

In September, 2024 Moody's affirmed Baa1 ratings and upgraded outlook from negative to positive.

On 31 May, 2024, DBRS Morningstar confirmed Spain's ratings at "A" and changed the trend Long-Term Foreign and Local Currency – Issuer Ratings to Positive from Stable.

The Spanish NPAs Market

The Spanish non-performing assets ("**NPAs**") market is comprised of NPLs and Real Estate Owned Assets ("**REO**") real estate properties underlying a defaulted credit position which have been repossessed by banks following the financial crisis. The Spanish NPA market is one of the largest alongside Italy's. Since 2014, Spain's NPA stock has reduced significantly due to improving underlying macroeconomic conditions and reached approximately €100 billion, of which approximately €78 billion were NPLs (as of March 2024) and €20 billion were REOs (as of December 2022) (Sources: EBA Risk Dashboard Q1 2024, Bank of Spain Financial Stability Report Spring 2023).

With regards to the NPL segment, NPL volumes of Spanish banks remained stable between December 31, 2022 and June 30, 2024 (€76 billion). This amount represents about 20% of the total European NPL market, maintaining Spain as one of the largest holders of NPLs in Europe to that date. The share of household NPLs increased in comparison to 2022. (Source: EBA Risk Dashboard Q2 2024).

Spanish banks continue to have broadly stable asset quality metrics, with the percentage of loans classified as Stage 3 remaining at 2.9% in the second quarter of 2024. In absolute terms, loans classified as Stage 3 remained at the same level of €79 billion in the second quarter of 2024 in comparison to first quarter 2023. In the last year, Spanish banks have seen an increase in the level of Stage 2 exposures from 6.9% (€189 billion) as of 31 March 2023, to 7.3% (€200 billion) as of June 30, 2024, which may point to future asset quality concerns if the current macroeconomic conditions are prolonged (Source: EBA Risk Dashboard Q2 2024). As such, regulatory pressure and the need to proactively manage risk weighted assets ("**RWAs**") could be the catalyst for increased market activity in the upcoming years.

Brief Overview of the Spanish Real Estate Market

The Spanish real estate market has been recovering since 2013 even though, after several years of expansion, the growth cycle has shifted into a more mature phase. Notwithstanding, the real estate market keeps recovering and, after activity slowed down in 2019 and 2020 due to the COVID-19 pandemic, investments in the first half of 2024 reached €5.5 billion, an increase of almost 4% compared to the same period of the previous year. (Source: CBRE Spain Real Estate Investment, Volumes Q2 2024).

House prices, after a limited decrease in the fourth quarter of 2020 (0.8%), increased in both 2021 (6.3%) and 2022 (5.5%), and the trend continued during 2023 (4.3%). House prices have continued to climb in Q1 and Q2 2024, showing an increase of 7.9% in Q2 2024 (Source: Eurostat).

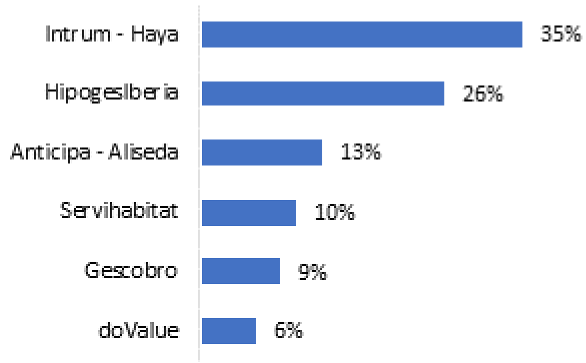
The Spanish real estate servicing market is still relatively fragmented and offers opportunity for consolidation. At the same time, the post crisis rebound in the real estate market and demand for new residential assets across the country, along with the effects of the recovery and resilience plan ("**RRP**"), may provide additional volumes and business opportunities for the large servicing players.

Overview of the Spanish Servicing Market

The total addressable NPA Spanish Servicing market is approximately €76 billion, corresponding to the stock of NPLs in the economy as of June 30, 2024. NPAs owned by funds are entirely serviced by specialized servicers, either independent servicers or those owned by NPA investors' themselves. On the other hand, banks outsource the Servicing of NPAs to specialized servicers. Carve-outs of real estate and credit platforms have led and will continue to lead banks to outsource significant parts of their servicing businesses to specialized servicers however, a portion of NPAs is currently, and will continue to be, managed internally by banks, mostly due to the type of client (*i.e.*, large corporates).

The Spanish servicing market is highly concentrated. According to the market estimates, as of December 2023 Intrum / Haya leads the market with 35% market share, followed by HipogesIberia at 26%, Aliseda / Anticipa at 13%, Servihabitat at 10%, Gescobro at 9% and the Group at 6%.

Key Spanish Servicers Rank by Market Share (Total AuM)



Source: Axis Corporate: Assets Under Management Edicion 2024

THE GARDANT GROUP ACQUISITION

The Gardant Group Acquisition (as defined below) represents a significant financial commitment pursuant to the provisions of Article 18 of the Regulation (EU) 2019/980. This Prospectus contains information related to the Gardant Group, as well as to the Group.

Overview of the Gardant Group Acquisition

On April 26, 2024, the Issuer and Tiber Investments S.à r.l. ("**Tiber**" or the "**Majority Seller**"), an affiliate of funds advised by Elliott Advisors (UK) Limited ("**Elliott**"), Harvip S.r.l., Mirko Gianluca Briozzo, and Guido Giulio Fortunato Lombardo (the "**Management Sellers**" and together with Tiber, the "**Committed Sellers**") entered into a sale and purchase agreement (the "**Original Gardant SPA**") to acquire 100% of the share capital of Gardant S.p.A. ("**Gardant**"), a joint-stock company incorporated in Italy, along with its consolidated subsidiaries (the "**Gardant Group**"). On May 10, 2024, the Issuer and the Committed Sellers amended and restated the Original SPA (the "**First A&R Gardant SPA**") and, along with certain other minority shareholders of Gardant (the "**Other Minority Shareholders**" and together with the Committed Sellers, the "**Sellers**") entered into the First A&R Gardant SPA.

On June 7, 2024 the Issuer and the Sellers amended the First A&R Gardant SPA by way of a second amended and restated SPA (the "**Second A&R Gardant SPA**" and together with the Original Gardant SPA and the First A&R Gardant SPA, the "**Gardant SPA**") to take into account the impact of the financing structure of the envisaged acquisition, which, as of the date the First A&R Gardant SPA, was still under discussion between the Issuer and the lenders (the "**Gardant Group Acquisition**").

The Gardant Group Acquisition, the Rights Issue, and the facilities provided under the 2024 Senior Facilities Agreement are functionally interconnected. The Net Cash Consideration (as defined below) will be funded through the Acquisition Term Facility, (in addition to the cash available on the Gardant Group Acquisition Completion), while the proceeds from the Rights Issue will be used to support the reduction of the Group's indebtedness which will increase further due to the drawdown of the Acquisition Term Facility. The Issuer shall not proceed with the Rights Issue if the Gardant Group Acquisition is not completed.

The Gardant Group Acquisition Completion is subject to the satisfaction (or, to the extent permitted by applicable laws, waiver) of the following conditions:

(a) the obtainment of the merger control clearance, to the extent applicable (the "**Merger Control Condition**");

(b) the obtainment of foreign direct investments or golden power clearance (the "**FDI Condition**");

(c) the obtainment of the Bank of Italy's clearance (the "**BoI Condition**");

(d) the obtainment of the Bank of Greece and Central Bank of Cyprus' clearances;

(e) the appraisal to be issued by an expert pursuant to Article 2343-ter, para. 2, let. B) of the Italian Civil Code, in connection with the issuance of the Convertible Bonds and the relevant Conversion Shares confirming that the pro-rata of the value of Gardant is at least equal to the amount of the Reserved Capital Increase, to the extent applicable (the "**Appraisal Condition**"). For further information on the Conversion Shares and the Convertible Bonds, see "*The Gardant Group Acquisition – Conversion Shares*" and "*Business – Material Agreements – Convertible Bonds*";

(f) the approvals of the Issuer's extraordinary and ordinary shareholders' meeting of the transactions contemplated by the Gardant SPA for the execution and implementation of the Gardant Group Acquisition and the Rights Issue;

(g) Banco BPM having waived or agreed to waive (a) its tag-along rights in connection with the Gardant Group Acquisition; and (b) for a period of one (1) year after the Gardant Group Acquisition Completion, the right to unilaterally trigger the sale of 100% of the share capital of Gardant Liberty Servicing, as set forth under the shareholder's agreement entered into, among others, Banco BPM and the Majority Seller on May 31, 2019, and from time to time amended and supplemented (the "**GLS SHA**");

(h) Consob having provided a written response to the request of opinion by the Issuer and the Majority Seller in relation to the non-applicability of any mandatory tender offer obligation under Italian Legislative Decree no. 58/1998 on any of the Issuer's major shareholders and/or the Majority Seller, in which Consob determines that the Majority Seller and/or the Issuer's major shareholders are not required to make a mandatory tender offer (the "**CONSOB Condition**");

(i) no effective termination of the financing agreements contemplated in the Gardant Group Acquisition's financing structure (including all rights of the Issuer to drawdown funds pursuant to the financing agreements) by the lenders exclusively on the grounds of a "material adverse effect" event having occurred in respect of Gardant as defined under such financing agreements;

(j) (i) Principal Shareholders Undertaking related to the subscription of their pro rata portion of the Rights Issue and (ii) the Underwriting Agreement (the "**UWA Condition**"), and (iii) in the event the Underwriting Agreement is terminated and to the extent required for the subscription of the entire outstanding proportion of the Rights Issue, an alternative underwriting agreement (the "**Alternative Underwriting Agreement**"), having been signed and remaining in full force and effect;

(k) the obtainment of the approval of this Prospectus by Consob;

(l) (i) no notice of termination being notified or event of termination having occurred in connection with certain servicing agreements; or (ii) the circumstance where the preliminary adjusted GBV not being lower than the reference GBV by an amount equal or higher than the maximum difference threshold between the reference GBV and the adjusted GBV, set at €6,500,000,000.00 (six billion five hundred million /00) (the "**GBV Condition**");

(m) the following events related to the Issuer not having occurred at any time on or prior to the Gardant Group Acquisition Completion: (i) any order having been made, petition presented or meeting convened for the winding up of the Issuer or any of its group undertakings, or a moratorium being agreed or declared in respect of, or affecting, all or a material part of the Issuer or any of its group indebtedness, or any other action taken in relation to the appointment of an administrator, liquidator, receiver, administrative receiver, compulsory manager or any provisional liquidator (or equivalent in any other jurisdiction) (or other process whereby the business is terminated and the assets of the company concerned are distributed amongst the creditors or shareholders or any other contributors), or the commencement of any proceedings under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction, or any events having occurred which, under applicable laws, would justify any such proceedings; (ii) the revocation of listing and trading of the Issuer's shares on Euronext Milan; and (iii) the suspension of trading of the Issuer's shares on Euronext Milan for at least five consecutive trading days; and

(n) the obtainment by Credito Fondiario of a hold harmless letter (the "**CF HH Letter**") for the benefit of the beneficiary companies of the demerger transactions carried out by Credito Fondiario on August 2021 whereby the assets forming the business unit involved in debt purchasing and servicing including the shareholdings at the time owned by Credito Fondiario (e.g., the shareholding held by the latter in Gardant Liberty Servicing S.p.A.) (the "2021 Demergers"), on terms and conditions satisfactory to the Issuer, in relation to any tax incurred by or imposed on the Gardant Group Companies relating to the periods proceeding the date of effectiveness of the 2021 Demergers as a consequence of its joint liability with Credito Fondiario by reason of the 2021 Demerger.

As of the Prospectus Date, all the aforementioned conditions have been satisfied, other than: (i) the Appraisal Condition, which has been deemed not applicable; (ii) the UWA Condition, which is expected to be fulfilled immediately before the Gardant Group Acquisition Completion and, as such, the Issuer has neither negotiated nor entered into the Alternative Underwriting Agreement; and (iii) the CF HH Letter (in addition to the coverage granted by the Majority Seller under the Gardant SPA) which is in the exclusive interest of the Issuer and, as such, may be waived by the Issuer prior to the Gardant Group Acquisition Completion if the relevant terms are not deemed in its best interests. For more information on the amendments to the GLS SHA, see "*The Gardant Group Acquisition—Overview of the Gardant Group—Partnership with Banco BPM*".

Furthermore, with reference to the FDI Condition, on September 13, 2024, the Group received the "golden power" clearance from the Presidency of the Italian Council of Ministers for the Gardant Group Acquisition, without any conditions. With reference to the Merger Control Condition, on October 3, 2024, the Group received an opinion from the AGCM, which exempted the Group from any obligation for antitrust notification in relation to the Gardant Group Acquisition. On October 25, 2024, the Group received the Bank of Greece clearance, while on November 12, 2024 the Central Bank of Cyprus clearance was also received. Finally, on November 19, 2024 the Group also received clearance from the Bank of Italy. In its letter to the Issuer, Bank of Italy reserved the right to conduct, following the Gardant Group Acquisition Completion and in light of additional documents to be provided to the authority, further assessments to evaluate the potential application of the provisions outlined in Article 109, paragraph 2, of the Italian Banking Act.

The perimeter of the Gardant Group Acquisition will include, *inter alia*, the following material subsidiaries of Gardant, including, without limitation, Master Gardant S.p.A., Special Gardant S.p.A., Gardant Investor SGR S.p.A., Gardant Bridge S.p.A., Gardant Bridge Servicing S.p.A. and Gardant Liberty Servicing S.p.A., as well as certain Gardant Group's SPVs listed in the Gardant SPA, including, without limitation, LeaseCo One S.r.l. and LeaseCo Europa S.r.l.

The Gardant Group Acquisition will be completed before the commencement of the Offer.

The Gardant Group Acquisition is a material acquisition for the Group. For further information on the materiality of the Gardant Group Acquisition and impact on the Group's financial results, see "*Unaudited Pro Forma Consolidated Financial Information*".

The total net cash consideration required for the Gardant Group Acquisition is estimated to be €180.9 million as of the Prospectus Date, comprising (i) a base cash consideration of €230.0 million (the "**Cash Consideration**"), reduced by an agreed amount of €50.4 million set forth in the Gardant SPA, representing the adjusted net financial position of Gardant Group as of December 31, 2023, resulting in a net amount of € 179.6 million (the "**Net Cash Consideration**"), plus (a) the Incremental Cash Consideration as of the Prospectus Date (as defined below) estimated to be approximately €0.9 million, minus (b) the M&A Bonuses as of the Prospectus Date (as defined below) in connection with the Gardant Group Acquisition (as defined below) estimated to be approximately € 2.5 million, plus (c) the Seller's relevant proportion of pre-completion notes adjustment as of the Prospectus Date estimated to be approximately €7.2 million (of which €6.8 million relates to the Ex-perimeter Notes and €0.4 million relates to the Ex-perimeter Assets), minus (d) notified leakages and/or deductible costs as of the Prospectus Date estimated to be approximately € 2.3 million, minus (e) Seller's relevant proportion of the W&I policy costs as of the Prospectus Date estimated to be approximately €2.0 million (the "**Total Net Cash Consideration**").

The Terms of the Gardant Group Acquisition

The total consideration for the Gardant Group Acquisition consists of (i) the Cash Consideration; and (ii) the issuance of new ordinary shares of the Issuer to the Sellers representing 20% of the Issuer's share capital taking into account the issuance of the Conversion Shares, to be delivered upon conversion of certain convertible bonds subscribed by the Sellers prior to the Gardant Group Acquisition within the third trading day immediately following the date of the Gardant Group Acquisition Completion (the "**Conversion Shares**" and together with the Cash Consideration, the "**Consideration**").

Net Cash Consideration

The Net Cash Consideration is composed of the Cash Consideration (determined on a locked box basis as of December 31, 2023 and subject to post-completion leakage adjustment) reduced by an agreed amount of €50.4 million set forth in the Gardant SPA, representing the adjusted net financial position of Gardant Group as of December 31, 2023, resulting in a net amount of €179.6 million.

The Net Cash Consideration is subject to:

(i) certain increases equal to €39,364 per each day of delay if the Gardant Group Acquisition Completion does not occur by October 31, 2024 (the "**Incremental Cash Consideration**");

(ii) the amount of any transaction bonuses paid after by the Issuer to certain senior managers in connection, pursuant to the letters dated July 2023, with the Gardant Group Acquisition Completion (the "**M&A Bonuses**"). With regard to the M&A Bonuses, the Gardant SPA provides that if the M&A Bonuses actually paid by the Issuer exceed the estimated amount of such M&A Bonuses (as notified by the Sellers prior to Gardant Group Acquisition Completion), then the Issuer shall be entitled to receive from the Sellers a payment in an amount equal to the difference between the paid amount and estimated amount of such M&A Bonuses. If, instead, the M&A Bonuses actually paid by the Issuer are less than the estimated amount of such M&A Bonuses (as notified by the Sellers prior to Gardant Group Acquisition Completion), then the Sellers shall be entitled to receive from the Issuer a payment in an amount equal to the difference between the estimated amount and paid amount of such M&A Bonuses;

(iii) certain customary adjustments related to the occurrence of any leakage notified to the Issuer by the Sellers at least five business days prior to the Gardant Group Acquisition Completion. With respect to leakage adjustments, the Gardant SPA provides that by no later than the date which is nine months from the Gardant Group Acquisition Completion, the Issuer shall have the right to verify and notify the Sellers of (i) the existence of a leakage (other than permitted leakage payments or any notified leakage that was already deducted from the consideration at the Gardant Group Acquisition Completion) which occurred between the Locked Box Date (exclusive) and the date of the Gardant Group Acquisition Completion (inclusive); and (ii) any other leakage whose amount (A) resulted from incorrect calculation of any notified leakage; and (B) is higher than the amount of any such notified leakage;

(iv) the amount of the W&I Insurance Policy's cost;

(v) any applicable pre-completion adjustment linked to the cash flows received by any of the company of the Gardant Group (each a "**Gardant Group Company**" and together the "**Gardant Group Companies**") from the Ex-perimeter Notes and the Ex-perimeter Assets (to the extent such amounts have not already been distributed to the Sellers as permitted leakage); and/or

(vi) adjustment pursuant to certain earn-in events (the "**Earn-In Events**") linked to the termination of certain material servicing agreements by the relevant counterparties of the Gardant Group occurring, depending on the relevant material servicing agreement, (i) on or before the Gardant Group Acquisition Completion or before the date that is four (4) years following the Gardant Group Acquisition Completion or (ii) on or before the Gardant Group Acquisition Completion, or within the date that is two (2) years following the Gardant Group Acquisition Completion. The occurrence of any of the Earn-In Events will result in a decrease in the Net Cash Consideration and therefore, if an Earn-In Event occurs, the Sellers shall pay the relevant amounts to the Issuer in proportion to their *pro rata* portion of Gardant's sale shares, *provided however that* the decrease in the Net Cash Consideration determined by the occurrence of an Earn-In Event shall not result in a decrease of the Committed Sellers Rights Offering Escrow (as defined below).

Pursuant to the Gardant SPA:

a) at the Gardant Group Acquisition Completion, a portion equal to € 27,901,773.04 (unless otherwise agreed upon between the Issuer and Tiber) of the base consideration payable to the Committed Sellers will be transferred by the Issuer as capital subscription payment ("*versamento a titolo di sottoscrizione di aumento di capitale*") in a dedicated fiduciary bank account opened with an escrow agent by the Issuer to the benefit of the Committed Sellers in order for fund the subscription by Tiber and the Management Sellers of their respective (the "**Committed Sellers Rights Offering Escrow**"); and

b) at the Gardant Group Acquisition Completion, the balance of the Net Cash Consideration will be paid to the Sellers *pro rata* to their ownership of Gardant's sale shares.

For the avoidance of doubt, pursuant to the Gardant SPA, the parties have agreed that if the Rights Issue is not launched by the 15th business day following the Gardant Group Acquisition Completion and/or the pro rata funding of the Rights Issue is not paid in full by the Principal Shareholders, then the Issuer shall immediately repay to the Committed Sellers their respective portions of the amount of the Committed Sellers Rights Offering Escrow.

Pursuant to the Gardant SPA, the Consideration payable by the Issuer does not reflect nor include the value of (i) 50% of certain asset-backed securities, held by Gardant and issued by certain Italian securitisation SPVs and 50% of certain units of a closed-end reserved alternative investment fund named "Fondo Forward" managed by Gardant Investor SGR S.p.A. (together with the Forward Fund, the "Ex-perimeter Assets") or (ii) 100% of certain asset-backed securities in the accounting books, held by Gardant and issued by certain Italian securitisation SPVs (the "**Ex-perimeter Notes**" and, together with the Ex-perimeter Assets, the "**Carved-out Assets**"), which are excluded from the Gardant Group Acquisition.

With reference to the Ex-perimeter Notes, as of September 30, 2024, they have been redeemed entirely. The related net proceeds, amounting to €6.8 million, included in Gardant's available cash as of September 30, 2024, will be transferred to the Sellers before the Gardant Group Acquisition Completion or, if technically not feasible, the Cash Consideration to be paid to the Sellers would be increased by the same amount. In both cases, the Ex-perimeter Notes will not affect the net cash outflows that the Issuer will have to bear to finalize the Gardant Group Acquisition. Specifically, if the transfer takes place before the Gardant Group Acquisition Completion, the Issuer will not incur any costs for these assets. Conversely, if the transfer takes place after the Gardant Group Acquisition Completion, the Issuer would essentially acquire the aforementioned proceeds of €6.8 million, and the Cash Consideration to be paid to the Sellers would increase by the same amount.

With reference to the Ex-perimeter Assets, pursuant to the Gardant SPA, Tiber and the Issuer agreed to discuss in good faith an appropriate structure for the transfer of the Ex-perimeter Assets from Gardant, taking into consideration any tax, accounting and regulatory outcomes of such structure for each of the Sellers and the Issuer. In the event that Tiber and the Issuer are not able to reach an agreement regarding the Ex-perimeter Assets prior to the Gardant Group Acquisition Completion, the Gardant SPA provides that any proceeds that the Issuer would acquire from the Ex-perimeter Assets shall be returned to the Sellers at the terms set forth in the Gardant SPA, and the Sellers severally (and not jointly or jointly and severally) would have to indemnify any relevant Gardant Group Company in relation to (i) the breach by the Sellers of certain obligations as set forth in the Gardant SPA and (ii) any outstanding liabilities, commitments or costs borne by the Issuer or any Gardant Group Companies in relation to the subscription and/or payments for the Ex-perimeter Assets.

Whether the transfer of the Ex-perimeter Assets occurs either before or after the Gardant Group Acquisition Completion, the Ex-perimeter Assets will not affect the net cash outflows that the Issuer will have to bear to finalize the Gardant Group Acquisition. The Gardant SPA does not provide a right for the Issuer to purchase such assets.

The Gardant SPA does not provide for a cap for adjustments to the Net Cash Consideration.

Conversion Shares

The Conversion Shares consist of 4,000,000 newly issued shares of the Issuer, representing 20% of the Issuer's share capital taking into account the issuance of the Conversion Shares, to be delivered by the third trading day immediately following the date of the Gardant Group Acquisition Completion.

In particular, the Conversion Shares will be issued following the conversion of the 4,000,000 Convertible Bonds issued by the Issuer on November 13, 2024. The Convertible Bonds have been subscribed for by the Sellers, proportionally to their shareholdings in Gardant, by way of set-off with the down-payment of an amount of €80 million due from the Issuer to the Sellers under the terms of the Gardant SPA . For further details on the terms and conditions of the Convertible Bonds, see "*Business – Material Agreements – Convertible Bonds*" and " *Unaudited Pro Forma Consolidated Financial Information*".

Other Key Terms

Under the terms of the Gardant SPA, before the Gardant Group Acquisition Completion, 10% of the Net Cash Consideration, payable to the Management Sellers and the Other Minority Shareholders, will be paid at Completion to an escrow account as guarantee for the Management Sellers and the Other Minority Shareholders' timely and full performance of any payment obligation arising under the Gardant SPA provisions relating to Earn-In Events, leakage, interim covenants, representations and warranties and special indemnities.

The Gardant SPA provides for certain pre-completion obligations, which include, *inter alia*, ordinary course interim covenants on the part of the Sellers and access rights in favour of the Issuer as well as certain limitations to the Issuer's conduct prior to Completion, which include, by way of example, without limitation, an obligation of the Issuer not to carry out, without the Sellers' consent, certain extraordinary transactions.

The Sellers provided the Issuer customary title, capacity and solvency representations and warranties (the "**Sellers' Warranties**"), whereas the Issuer has entered into a synthetic warranty and indemnity insurance policy (the "**W&I Insurance Policy**") in connection with certain warranties relating to business matters (such as tax, employment, contracts, among others, but excluding information technology, advice to customers, breach of data protection laws, and certain tax liabilities and obligations (the "**Excluded Warranties**"). With respect to the Excluded Warranties, prior to the Gardant Group Acquisition Completion, the Issuer entered into a top-up warranty and indemnity insurance policy (the "**Top-Up W&I Policy**"), whose costs shall be paid by the Sellers up to an additional amount of €300 thousand by all the Sellers in their relevant proportions and in excess of an additional cost of €300 thousand by the Majority Seller. The Top-Up W&I Policy does not cover certain matters initially included in the list of the Excluded Matters pursuant to the Gardant SPA, namely certain warranties related indirect taxes on employment and real estate as well as reorganisation transactions, which cannot be covered under the Top-Up W&I Policy (the "**Top-Up W&I Excluded Matters**"). Pursuant to the SPA, the Sellers shall amend the Gardant SPA to include appropriate warranty or indemnity provisions by the Majority Seller in relation to the Top-Up W&I Excluded Matters (subject to certain time and monetary limitations), so as to ensure that the Issuer is put in the same position as it would have been in had the Top-Up W&I Excluded Matters been covered under the W&I Policy or the Top-Up W&I Policy. None of the Other Minority Shareholders (including, without limitation, the Management Sellers) has issued or granted to the Issuer any further warranties in addition to their respective Sellers' Warranties pursuant to the Gardant SPA. In any event, in connection with the W&I Insurance Policy, the Sellers undertook to procure that Gardant shall, on the date that is one business day prior to the date of the Gardant Group Acquisition Completion, notify the Issuer on the basis of a bring down certificate in form and substance satisfactory to Gardant (acting reasonably) and the W&I Insurer, of any matter in relation to the business warranties covered by the W&I Insurance Policy or the Top-Up W&I Policy arisen between the date of the Gardant SPA and the date of the Gardant Group Acquisition Completion. The Gardant Group SPA provides that no liabilities of any kind may arise to Gardant or to any of its managers, *vis-à-vis* any party to the Gardant SPA as a consequence of their cooperation in connection with the bring down certificate and/or for the purposes of the W&I Insurance Policy or the Top-Up W&I Policy, save for the responsibility of the Management Sellers in their capacity as Sellers exclusively in proportion of their respective participation in accordance with the Gardant SPA.

The Sellers' Warranties are subject to certain limitations: in particular, the aggregate amount of the liability of each Seller in respect of the aggregate of all claims against the Sellers (or any of them), pursuant to the Gardant SPA or the other transaction documents relating to the Gardant Group Acquisition, shall not exceed the amount of Consideration actually received by the relevant Seller. Furthermore, the Sellers shall not be liable for any Sellers' Warranty's claim unless the Issuer has notified such claim within 3 years of the date of the Gardant Group Acquisition Completion and proceedings have been commenced in respect of the same claim by being both issued and served within 9 months from the date of the relevant notification.

Furthermore, each Seller severally (and not jointly or severally and jointly), in accordance with their respective shareholding in Gardant, undertook to indemnify and hold harmless the Issuer from and against certain losses (the "**Special Indemnities**") in connection with certain:

(i) labour disputes (the "**Labour Disputes Special Indemnity**");

(ii) contingent awards in an amount equal to 105% of the price per share ("**Price per Share**") multiplied by the numbers of the total rights granted ("*diritti assegnati*") to the beneficiaries (who are still employees of the relevant Gardant Group Company as of the Gardant Group Acquisition Completion) in accordance with a certain stock grant plan, being the maximum total contingent amount of the 2023 Cash Awards (as defined in the Gardant SPA) payable pursuant to that certain stock grant plan for 2023, 2024 and 2025 adopted by Gardant on or about June 28, 2023 (the "**2023 Cash Awards Special Indemnity**");

(iii) the amount of the monetary sanction imposed on Master Gardant S.p.A. by the Bank of Italy as a direct and exclusive result of the Bank of Italy's inspection carried out from June 5, 2023 to September 22, 2023 (to the extent the amount of such sanction has been actually paid by a material Gardant Group Company) (the "**BoI Special Indemnity**"); and

(iv) any losses incurred by any Gardant Group Company in respect of a claim by a person (including, for the avoidance of doubt, any notice by any authority (including any tax authority) of any actual or alleged infringement of any applicable law) against any Gardant Group Company notified to the Issuer through the W&I bring down certificate covering matters that arose in relation to certain business warranties between signing of the Gardant SPA and Gardant Group Acquisition Completion(the "**W&I Special Indemnity**").

The Majority Seller (independently from its shareholding percentage in Gardant) undertook to indemnify and keep indemnified the Issuer and/or any of the Gardant Group Companies (at the Issuer's sole discretion) from and against certain (i) tax losses (the "**Tax Indemnities**") and (ii) fees and compensation payable to certain consultants (the "**Consultants Special Indemnity**").

The Special Indemnities are subject to certain limitations: in particular, the aggregate amount of the liability of each Seller in respect of the following Special Indemnities (without prejudice to any gross-up), shall not exceed that Seller's relevant proportion of:

(i) €5 million in respect of the Labour Disputes Special Indemnity;

(ii) €500 thousand in respect of the BoI Special Indemnity;

(iii) €1.7 million in respect of the 2023 Cash Awards Special Indemnity; and

(iv) €10 million in respect of the W&I Special Indemnity;

and, the aggregate amount of the liability of the Majority Seller in respect of the following Special Indemnities (without prejudice to any gross-up), shall not exceed:

(i) €24 million (of which €14 million for Tax Indemnities is related to tax consolidation and VAT and €10 million for Tax Indemnities is related to taxes due in relation to the 2021 Demerger) in respect of the Tax Indemnities; and

i. €15 million in respect of the Consultants Special Indemnity.

Furthermore, the Sellers shall not be liable for any Special Indemnity claim unless the Issuer has:

(i) notified details of such Special Indemnity claim and proceedings have been commenced in respect of the same by being both issued and served, by:

1. January 31, 2028 in connection with the Tax Indemnity related to tax consolidation;

2. with respect to Tax Indemnity related to VAT, (A) January 31, 2028 for tax losses related to the financial year ended on December 31, 2021, and (B) January 31, 2029 for tax losses related to the financial year ended on December 31, 2022;

3. with respect to Tax Indemnity related to the 2021 Demerger, (A) January 31, 2025 for taxes and tax relief related to the financial year ended on December 31, 2018, (B) January 31, 2026 for

taxes and tax relief related to the financial year ended on December 31, 2019; and (C) January 31, 2027 for taxes and tax relief related to the financial year ended on December 31, 2020;

4. with respect to Labour Disputes Special Indemnity, the 30th business day following the date on which the business transfer labour action is final and not subject to further appeal;

5. with respect to the BoI Special Indemnity, within the 30th business day following the date in which the sanctioning procedure initiated by the BoI following the BoI inspection has been completed in accordance with the applicable BoI regulations, or if the procedure has been completed prior to Completion, within six (6) months from Completion;

6. in respect of the Consultants' Special Indemnity, within two (2) years from Completion;

7. within forty-five (45) calendar days after the 30 business days from the approval by the Issuer's shareholders meeting of the Issuer's financial statements as at December 31, 2025, in respect of the 2023 Cash Awards Special Indemnity; and

8. in respect of the W&I Special Indemnity within such time limit as may be agreed in good faith between the Majority Seller and the Issuer, and

(ii) notified details of such Special Indemnity claim within 30 business day of becoming aware of the details of the Special Indemnity claim, specifying the subject matter of the Special Indemnity claim and the reasons for such disagreement together with all reasonable particulars relating thereto, it being agreed that in connection with the Tax Indemnity related to the 2021 Demergers, (i) the Issuer shall first seek to recover the relevant indemnity under the CF HH Letter; and (ii) if and to the extent that the Issuer has not received recovery for the relevant indemnity under the CF HH Letter within 30 business days, then the Issuer shall send the relevant notice of claim within the following 30 business days.

The Other Minority Shareholders' timely and full performance of any payment obligation arising in connection with Earn-In Events, the interim conduct between signing of the Gardant SPA and the Gardant Group Acquisition Completion, and their Sellers' Warranties and special indemnification obligations pursuant to the Gardant SPA is guaranteed by the amount being held in escrow.

With respect to the Consultants' Special Indemnity, the Issuer undertook to notify the Sellers' representative for two years following the date of the Gardant Group Acquisition Completion of the existing arrangements with certain consultants, that, from time to time, the Issuer intends for Gardant to terminate (the "**Arrangements in Termination**"), providing to the Sellers' representative reasonable advance notice and all the information reasonably required in connection therewith, it being understood that the Issuer shall, from time to time, at its sole discretion, (i) identify the Arrangements in Termination, and (ii) proceed with the termination of such arrangements. In the context of the Gardant SPA, the Issuer has provided to the Sellers certain warranties related to the Issuer's due incorporation, power and authority, no conflict, consents, litigation, solvency, share capital and accounts, anti-corruption and bribery, compliance with laws and regulatory framework. In case of breach of any of the Issuer's warranties, the Issuer's aggregate liability shall be limited to (i) €80 million (the entire amount of the Consideration Receivable, as defined in the Gardant SPA) for a breach of the fundamental warranties, and (ii) 20% of the Consideration Receivable for a breach of any of the other warranties. The Issuer shall not be liable for a breach of warranties after (i) three years of the date of the Gardant Group Acquisition Completion in the case of the fundamental warranties, and (ii) 18 months of the date of the Gardant Group Acquisition Completion in the case of the other warranties.

The Gardant SPA is governed by English law and any dispute relating to the Gardant Group Acquisition shall be referred to arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in force from time to time.

Overview of the Gardant Group

The Gardant Group's History

The Gardant Group is a leading player in the Italian asset management and debt purchasing sector, offering comprehensive credit management services to banking and financial institutions, as well as institutional investors both in Italy and internationally.

The Gardant Group's Corporate Structure Chart

As of December 31, 2023, the Gardant Group's principal companies were the following:

- Gardant, the parent company, established in the context of the spin-off from Credito Fondiario, which includes centralized structures and various business units, including capital markets and portfolio monitoring;

- Gardant Investor SGR S.p.A. ("**Gardant Investor SGR**"), an asset management company, established in the context of the spin-off from Credito Fondiario, and which commenced operations since November 2021 with the launch of two alternative investment funds, the Fondo Forward and the Italian Distressed Debt & Special Situations Fund;

- Master Gardant S.p.A. ("**Master Gardant**"), a company licensed under Article 106 of the Consolidated Banking Act, established in the context of the spin-off from Credito Fondiario, specializing in master servicing over both non-performing and performing assets and other securitization-related activities, and selected UtP and lending support activities;

- Special Gardant S.p.A. ("**Special Gardant**"), a company licensed under Article 115 of the TULPS, established in the context of the spin-off from Credito Fondiario, specialized in managing securitized assets and impaired loans (Stage 2, UtP and NPL) on behalf of banks;

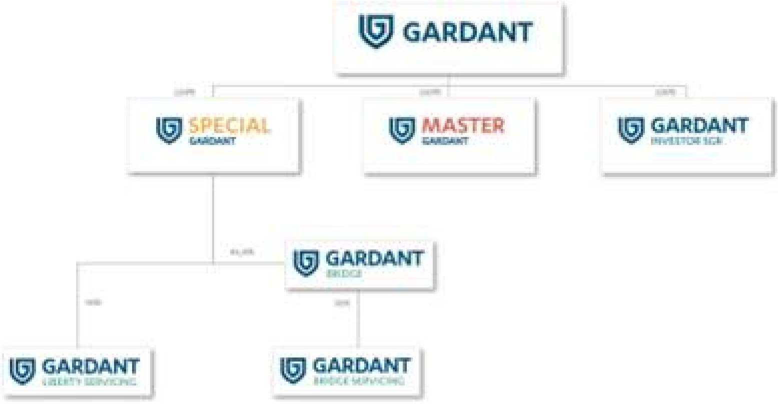
- Gardant Liberty Servicing S.p.A. ("**Gardant Liberty Servicing**"), a company licensed under Article 115 of the TULPS, operating as a joint venture with Banco BPM Group since 2019, specializing in the special servicing of impaired positions originated by Banco BPM Group;

- Gardant Bridge S.p.A. ("**Gardant Bridge**"), a company established in 2023 as a holding company as part of the joint venture project with the BPER Group; and

- Gardant Bridge Servicing S.p.A. ("**Gardant Bridge Servicing**"), a company licensed under Article 115 of the TULPS, operating as a joint venture with BPER Group since 2024, specializing in the special servicing of impaired positions originated by the BPER Group, whose acquisition has been perfected in January 2024.

The Gardant Group also includes special purpose vehicles incorporated pursuant to Law No. 130 of April 30, 1999 (the "**Italian Securitization Law**"), some real estate companies and some Lease.Cos (lease companies).

The Gardant Group's Business Model



The Gardant Group operates under an integrated business model and manages various distressed asset classes. Specifically, the Gardant Group's principal operating areas are: (i) fund management, (ii) credit management, (iii) master servicing, (iv) special servicing, (v) real estate asset management, and (vi) ancillary services.

The table below sets forth the Gardant Group's revenues by business area for the nine months ended September 30, 2023 and for the nine months ended September 30, 2024.

	For the nine months ended September 30, 2023	**For the nine months ended September 30, 2024**
	(*€ thousand*)	
Fund Management	3,932	4,071
Master Servicing	5,139	6,142
Special Servicing	44,793	70,071
Ancillary Services	(254)	11,283
of which Change in fair value on investments	*(1,295)*	*(63)*
Real Estate Asset Management	761	374
Interest on investments	6,484	4,121

Fund management

Gardant Investor SGR is the fund management company of the Gardant Group. It focuses primarily on the credit sector (impaired and/or illiquid and *in bonis*). As of December 31, 2023, Gardant Investor SGR had assets under management totalling approximately €559 million.

Gardant Investor SGR supplements the origination, underwriting, and portfolio management infrastructure of other Gardant Group companies, by focusing on due diligence, deal execution, structuring, pricing and monitoring and management. It enables the Gardant Group to offer specialized solutions to institutional investors interested in alternative investment funds.

As of December 31, 2023, Gardant Investor SGR managed two alternative investment funds:

The "*Fondo Forward*" fund, with a subscribed capital of €500 million (of which €10 million was subscribed by Gardant); and

The "*Italian Distressed Debt & Special Situations Fund*" fund, with a subscribed capital of €62.55 million, invested in mezzanine and junior asset-backed securities of securitizations with underlying portfolios of banking and leasing loans already classified as non-performing.

On December 15, 2022, a new fund, "*Terre Agricole Italiane*", was formed, with a focus on direct investments in land and real estate companies within the agricultural sector. Following the marketing authorization granted by CONSOB on February 14, 2023, set up activities have been completed and the first investment has been made in July 2024, with marketing efforts in progress with €53 million commitment secured in May 2024 and an envisaged subscription target of €80 million by the end of 2024.

On April 18, 2023, the "*Gardant Re-Credit*" fund was formed, focusing on investments in UTP or single name UtP predominantly secured by real estate assets. Following the marketing authorization granted by CONSOB on July 3, 2023, set up activities for this fund are currently underway, with marketing efforts in progress. The closing for the Gardant Re-Credit fund is expected for the end of 2024, with an envisaged minimum subscription target of €50 million.

On April 24, 2024, the "*Caesar*" fund was formed, focusing on secured real estate financing, such as refinancing or debt restructuring for companies with solid fundamentals and underlying real estate assets. Subscriptions of capital by institutional investors have reached €100 million in May 2024, thus achieving the maximum subscribed amount of this fund.

Gardant Investor SGR is also pre-marketing the "*Lounge*" fund and a notification letter has been sent to CONSOB. The closing of the Lounge fund, which is a contribution fund, is expected to occur by the end of 2024, with an envisaged minimum subscription target of €100 million.

Additionally, Gardant Investor SGR is carrying out early preliminary activities with reference to a potential new direct lending fund, following a reverse enquiry by an institutional investor.

Credit management and special servicing

The Gardant Group provides extensive credit management services, including the management of performing (e.g. credit investigation, primary servicer activities) and impaired loans, whether secured or unsecured, for corporate or retail clients, and those backed by real estate, other tangible assets, or leasing arrangements.

Master Servicing

The Gardant Group, via its subsidiary Master Gardant, a financial institution licensed under Article 106 of the Consolidated Banking Act, is one of Italy's largest managers of securitization operations, providing third party investors – amongst others – with a comprehensive array of product and services as servicer within the framework of the Italian law No. 130 of April 30, 1999.

Also thanks to an advanced technological infrastructure, Master Gardant, with a platform rated by S&P and Fitch Rating, provides the entire chain of services for securitization transactions, including that of set-up, primary servicer, corporate servicer, calculation agent, representative of noteholders, paying agent, fronting entity and back-up servicer.

Master Gardant is also active in the UtP management process, supporting investment vehicles (e.g., securitization vehicles, investment fund) with lending and fronting activities.

Special Servicing

The Gardant Group, through Special Gardant and its subsidiaries Gardant Liberty Servicing and Gardant Bridge Servicing, carries out the judicial and the out-of-court collection of mortgage-backed, unsecured, performing, impaired, bank-originated, institutional, and leased receivables.

As support for the special servicing business, Special Gardant also manages ReoCo and LeaseCo by providing advisory services for identification of investment opportunities and asset management services on repossessed assets. For further information, see "*The Gardant Group Acquisition - Partnership with BPER Group*" and "*The Gardant Group Acquisition - Partnership with Banco BPM*".

*Real Estate Asset Management ("**REAM**")*

Gardant Group's Real Estate Asset Management ("**REAM**") function is responsible for the analysis, management, marketing, and sale (including, without limitation, identification of recovery strategies based on the property's characteristics and repossession actions) of real estate assets derived from:

- purchases of lease portfolios;
- ReoCo's participation in enforcement actions and bankruptcies; and
- servicing activities for third parties

Ancillary services

As part of its strategy to offer a comprehensive service to its clients, the Gardant Group offers other services to investors, banks, and financial companies, which include origination, structuring, due diligence, and advising on transactions to increase the value of performing or impaired loan portfolios.

Data valorization

The Gardant Group owns proprietary databases related to Italian impaired loans, which enables it to develop and monitor detailed credit recovery strategies, multidimensional segmentation of different asset classes, develop predictive statistical models with back-testing activities, and prepare advanced predictive pricing models.

Alignment between business needs and IT expansion activities is provided by the Data Gardant Lab ("DGLab"), which provides strategic direction, bridging business and technical-specialist functions within the Gardant Group.

Partnership with BPER Group

Gardant Bridge Servicing

On December 1, 2022, Gardant entered into a strategic partnership with the BPER Group for the management of non-performing exposures originated by the BPER Group.

To facilitate the partnership, BPER incorporated Bridge Servicing S.p.A. (now Gardant Bridge Servicing) and contributed its UtP and NPL management and recovery business units to it with a contribution deed executed on December 18, 2023, effective as of January 15, 2024.

On January 15, 2024, Gardant Bridge Servicing was integrated into the Gardant Group, with Gardant Bridge purchasing 70% of its share capital from BPER and BPER retaining a 30% shareholding, for a purchase price of approximately €105 million (the "**GBS Purchase Price**"), subject to an earn-out mechanism described below.

Specifically, Gardant Bridge has approved a €59.4 million capital increase, underwritten by Special Gardant for an amount of €56.86 million, with the issuance of 1,137,200 new class A Shares (the "**GB Class A Shares**"), and by FBS next S.p.A. ("**FBS**") for an amount of €2.54 million, with the issuance of 50,800 new class B shares (the "**GB Class B Shares**").

Gardant Bridge has also entered into the Bridge Facility Agreement (as defined below) for the purpose of, *inter alia*, covering part of the GBS Purchase Price and part of the transaction costs related to the acquisition of Gardant Bridge Servicing. See "*Gardant Group Acquisition—Overview of the Gardant Group—Material Financing Agreements*".

As of the Prospectus Date, the GBS Purchase Price is subject to an earn-out mechanism, whereby Gardant Bridge may have to pay to BPER in 2026 and 2028 an earn-out for an aggregate amount up to €10.5 million, based on specific overperformance conditions.

On January 15, 2024, BPER, Gardant Bridge and Special Gardant entered into a shareholders' agreement, whereby the parties agreed on Gardant Bridge Servicing's corporate governance structure and the transfer of the shares in Gardant Bridge Servicing by its shareholders (the "**GBS SHA**").

The GBS SHA provides for certain mechanisms of unwinding the partnership through put and call options for all (but not less than all) of the shares of Gardant Bridge Servicing owned by BPER, for a cash consideration as determined in accordance with the provisions of the GBS SHA, either (a) in case no new servicing agreements are entered into between BPER and Gardant Bridge Servicing in the period starting from January 15, 2033 and until the third month after expiration of the Framework Servicing Agreement or (b) at BPER's discretion, in certain predetermined timeframes.

In case of the early termination (*risoluzione anticipata*) of the Framework Servicing Agreements with BPER and Banco di Sardegna (as defined below) for any reason prior to their respective expiration date and, in any case, prior to January 15, 2029, BPER shall have a put option to sell to Gardant Bridge all (but not less than all) of the shares in Gardant Bridge Servicing owned by BPER for a cash consideration as determined in accordance with the provisions of the GBS SHA.

Framework Servicing Agreements with BPER and Banco di Sardegna

Gardant Bridge Servicing, licensed under Article 115 of the TULPS, manages an NPL and UTP portfolio with an aggregate GBV of approximately €3.4 billion as of September 30, 2024, entrusted to it under special servicing agreements.

As part of its strategic partnership with BPER, on January 15, 2024, Gardant Bridge Servicing has entered into, among others, two framework servicing agreements with BPER and Banco di Sardegna (collectively, the "**FSA Banks**") respectively for the servicing of NPLs (the "**NPL Framework Servicing Agreement**") and UtPs (the "**UtP Framework Servicing Agreement**") (collectively, the "**Framework Servicing Agreements with BPER and Banco di Sardegna**"), described hereunder.

The NPL Framework Servicing Agreement

Under the NPL Framework Servicing Agreement, Gardant Bridge Servicing performs special servicing activities for NPLs held by the FSA Banks on their respective balance sheets, including but not limited to the management and recovery of the receivables, the initiation and management of judicial proceedings (including the appointment of lawyers), and the entry into settlement, restructuring, and set-off agreements.

The NPL Framework Servicing Agreement represented 9.8% of the Gardant Group's total revenue and other income for the nine months ended September 30, 2024.

During the period ending December 31, 2033 (the "**NPL Entrustment Period**"), the FSA Banks shall entrust Gardant Bridge Servicing with the exclusive mandate for the servicing of NPLs representing at least 90.0% of the NPLs classified as "*sofferenze*" held on the respective balance sheets, during each semester of the NPL Entrustment Period (the "**NPL Reference Period**").

The appointment to carry out special servicing activities for NPLs under the NPL Framework Servicing Agreement does not entail any exclusivity obligation on the part of Gardant Bridge Servicing.

The NPL Framework Servicing Agreement provides for a minimum threshold of NPLs to be entrusted to Gardant Bridge Servicing during each NPL Reference Period, whereby failure to meet such threshold (the "**NPL Shortfall**") requires the FSA Banks to provide additional NPLs or, if unavailable and no UtP Shortfall (as defined below) exists, offer eligible UtPs. If the NPL Shortfall is not cured by December 31, 2033, the NPL Entrustment Period will be extended by 12 months, during which the FSA Banks must again provide additional NPLs or eligible UtPs. If still not cured, the FSA Banks will continue to provide eligible UtPs until all NPL Shortfalls are cured.

The NPL Framework Servicing Agreement provides that the services to be performed by Gardant Bridge Servicing under the NPL Framework Servicing Agreement shall be carried out until the date of recovery (or impossibility of recovery) of all receivables from time to time entrusted for servicing to Gardant Bridge

Servicing under the NPL Framework Servicing Agreement. Starting from December 31, 2033, or once the FSA Banks have resolved any outstanding NPL Shortfalls, the FSA Banks shall have the right to extend the duration of the NPL Entrustment Period for additional periods of 12 months, by agreeing with GBS on an amount of NPL minimum flows to be entrusted to the management of GBS in the relevant 12-month period. Furthermore, there are certain acceleration mechanisms of the unwinding of the NPL Framework Servicing Agreement.

The NPL Framework Servicing Agreement provides for a remuneration structure, whereby each BPER and Banco di Sardegna shall pay to Gardant Bridge Servicing certain management and performance fees for the performance of the servicing activities under the NPL Framework Servicing Agreement.

Without prejudice to any other remedies provided for under applicable law, the appointment of Gardant Bridge Servicing as servicer may be terminated by the FSA Banks pursuant to the NPL Framework Servicing Agreement upon occurrence of any of the following events:

- change of control of Gardant Bridge Servicing or Gardant Bridge, whereby respectively (i) Gardant Bridge ceases to hold a majority shareholding in Gardant Bridge Servicing, or (ii) Special Gardant ceases to hold a majority shareholding in Gardant Bridge;
- failure by Gardant Bridge Servicing to pay to the relevant FSA Bank, by the due date thereof (i) any individual amount due under the NPL Framework Servicing Agreement equal to or higher than €300 thousand to the extent such delay exceeds 60 calendar days after receipt of a notice thereof by BPER, and/or (ii) over a rolling period of 12 months and to the extent that at the end of the relevant 12-month period, three individual amounts due under the NPL Framework Servicing Agreement, each equal to or higher than €100 thousand have not been cured;
- opening of a crisis or insolvency proceeding with respect to Gardant Bridge Servicing;
- occurrence of a situation of illegality whereby, for whatever other reason, it becomes unlawful for Gardant Bridge Servicing to fulfil any of its obligations under the NPL Framework Servicing Agreement;
- adoption of a corporate resolution approving the voluntary liquidation or the cessation of activity of Gardant Bridge Servicing by the competent bodies of Gardant Bridge Servicing (except in case of merger, demerger or assignment of going concern);
- breach of one or more representations and warranties given by Gardant Bridge Servicing in the NPL Framework Servicing Agreement, whereby one or more of such representations and warranties proves to be or becomes at any time untrue, incorrect or misleading and this may materially adversely affect the carrying out by the Servicer of its duties under the NPL Framework Servicing Agreement, unless the relevant situation is cured within the following 60 business days (without taking into account any delays caused by force majeure events, fortuitous events, technical delays or other technical causes), unless the breach is not capable of being cured, in which case no grace period shall be applicable;
- loss of requirements for the performance of servicing activities whereby, Gardant Bridge Servicing is no longer in possession of all or any of the legal or regulatory requirements, authorizations and registrations necessary for the performance of its services, unless such loss of requirements is, upon agreement between the parties, remedied within the term provided for by law or the competent authority;
- breach of the law whereby, Gardant Bridge Servicing is in breach of applicable laws and regulations unless the breach is cured within 60 business days after receipt of a notice thereof by BPER (without considering any delays caused by force majeure events, fortuitous events, technical delays or other technical causes), unless the breach is not capable of being cured, in which case no notice thereof shall be delivered by BPER;

- serious impediments whereby, deficiencies are ascertained in the management of data or confidential information (whether personal or, in any case, sensitive) caused by Gardant Bridge Servicing or by serious impediments capable of altering or compromising the execution of outsourced activities;

- material breach of obligations by Gardant Bridge Servicing with respect to one or more of its obligations under the NPL Framework Servicing Agreement unless the breach is cured within 60 business days after receipt of a notice thereof by BPER (without considering any delays caused by force majeure events, fortuitous events, technical delays or other technical causes);

- Gardant Bridge or any of its legal representatives are definitively convicted for a felony under Legislative Decree 231/2001, in direct or indirect connection to the activities performed by Gardant Bridge Servicing under the NPL Framework Servicing Agreement and such conviction negatively impacting the ability of Gardant Bridge Servicing to perform the services provided under the NPL Framework Servicing Agreement or causing a reputational issue for one of the FSA Banks, unless the circumstance is cured within 60 business days (without taking into account any delays caused by force majeure events, fortuitous events, technical delays or other technical causes);

- significant events which prejudice the ability of Gardant Bridge Servicing to perform its servicing activities and/or to ensure compliance with applicable laws;

- any event in which the FSA Banks are required to terminate the NPL Framework Servicing Agreement as a result of and in compliance with a mandatory legal or regulatory provision (including the decisions or the instructions of the ECB or the Bank of Italy);

- material changes affecting the NPL Framework Servicing Agreement or Gardant Bridge Servicing including, but not limited to, sub-delegation or change of sub-delegates operated in a manner which is not in accordance with the NPL Framework Servicing Agreement or if the activities of said entities result in an increased risk exposure of the FSA Banks and the consequences resulting from such material changes are not cured within 60 business days after receipt of a notice thereof from BPER (without taking into account any delays caused by force majeure events, fortuitous events, technical delays or other technical causes);

- any changes to business continuity and disaster recovery plans from time to time approved by Gardant Bridge Servicing being non-compliant with the obligations of Gardant Bridge Servicing pursuant to the NPL Framework Servicing Agreement or with applicable laws and regulations, unless the relevant situation is cured within 180 (one hundred and eighty) business days (without taking into account any delays caused by force majeure events, fortuitous event, technical delays or other technical causes);

- failure by Gardant Bridge Servicing to achieve the performance KPI relating to the annualized TMR, which occurs if the annualized TMR – calculated as annualized net recoveries (total recoveries minus expenses) divided by the average monthly GBV – falls below 50% of the agreed target for two years (even if non-consecutive).

The NPL Framework Servicing Agreement also provides for additional KPIs and related penalties other than the FSA Banks' right of termination in case of breach.

To the Issuer's knowledge, as of the Prospectus Date there are no material breaches of the NPL Framework Servicing Agreement.

Additionally, the Gardant Group Acquisition does not constitute a change of control event under the NPL Framework Servicing Agreement and, therefore, does not qualify as a termination event with respect to the appointment of Gardant Bridge Servicing under its servicing mandate pursuant to the NPL Framework Servicing Agreement.

The UtP Framework Servicing Agreement

Under the UtP Framework Servicing Agreement, Gardant Bridge Servicing shall perform special servicing activities for UtPs held by the FSA Banks on their respective balance sheets, including but not limited to the management and recovery of the receivables, the initiation and management of judicial proceedings (including the appointment of lawyers), and the entry into settlement, restructuring, and set-off agreements.

The UtP Framework Servicing Agreement represented 19.9% of the Gardant Group's total revenue and other income for the nine months ended September 30, 2024.

During the period ending December 31, 2033 (the "**UtP Entrustment Period**"), the FSA Banks shall entrust Gardant Bridge Servicing with the exclusive mandate for the servicing of UtPs representing at least 50.0% of the UtPs held on the respective balance sheets, during each semester of the UtP Entrustment Period (the "**UtP Reference Period**"), in any case for an amount at least equal to a minimum threshold.

The appointment to carry out special servicing activities for UtPs under the UTP Framework Servicing Agreement does not entail any exclusivity obligation on the part of Gardant Bridge Servicing.

The UtP Framework Servicing Agreement provides for a minimum threshold of UtPs to be entrusted to Gardant Bridge Servicing during each UtP Reference Period, whereby failure to meet such threshold (the "**UtP Shortfall**") requires the FSA Banks to provide additional UtPs. If the UtP Shortfall is not cured by December 31, 2033, the UtP Entrustment Period will be extended by 12 months, during which the FSA Banks shall again provide eligible UtPs until all UtP Shortfalls are fully cured.

The UtP Framework Servicing Agreement provides that the services to be performed by Gardant Bridge Servicing under the UtP Framework Servicing Agreement shall be carried out until the date of recovery (or impossibility of recovery) of all receivables from time to time entrusted for servicing to Gardant Bridge Servicing under the UtP Framework Servicing Agreement. Furthermore, there are certain acceleration mechanisms of the unwinding of the UtP Framework Servicing Agreement. From December 31, 2033, or once the FSA Banks have resolved any outstanding UtP Shortfalls, the FSA Banks may extend the servicing period in 12-month increments by agreeing with Gardant Bridge Servicing on a minimum UtP flow for the period. Furthermore, there are certain acceleration mechanisms of the unwinding of the NPL Framework Servicing Agreement.

The UtP Framework Servicing Agreement provides for a remuneration structure whereby each BPER and Banco di Sardegna shall pay to Gardant Bridge Servicing certain management, performance and back to performing fees agreed in the NPL Framework Servicing Agreement.

Without prejudice to any other remedies provided for under applicable law, the appointment of Gardant Bridge Servicing as servicer may be terminated by the FSA Banks pursuant to the UtP Framework Servicing Agreement upon occurrence of any of the following events:

- change of control of Gardant Bridge Servicing or Gardant Bridge, whereby respectively (i) Gardant Bridge ceases to hold a majority shareholding in Gardant Bridge Servicing, or (ii) Special Gardant ceases to hold a majority shareholding in Gardant Bridge;

- failure by Gardant Bridge Servicing to pay to the relevant FSA Bank, by the due date thereof (i) any individual amount due under the UtP Framework Servicing Agreement equal to or higher than €300,000.00 to the extent such delay exceeds 60 calendar days after receipt of a notice thereof by BPER, and/or (ii) over a rolling period of 12 months and to the extent that at the end of the relevant 12-month period, three individual amounts due under the UtP Framework Servicing Agreement, each equal to or higher than €100,000.00;

- opening of a crisis or insolvency proceeding with respect to Gardant Bridge Servicing;

- occurrence of a situation of illegality whereby, for whatever other reason, it becomes unlawful for Gardant Bridge Servicing to fulfil any of its obligations under the UtP Framework Servicing Agreement;

- adoption of a corporate resolution approving the voluntary liquidation or the cessation of activity of Gardant Bridge Servicing by the competent bodies of Gardant Bridge Servicing (except in case of merger, demerger or assignment of going concern);

- breach of one or more representations and warranties given by Gardant Bridge Servicing in the UtP Framework Servicing Agreement, whereby one or more of such representations and warranties proves to be or becomes at any time untrue, incorrect or misleading and this may materially adversely affect the carrying out by Gardant Bridge Servicing of its duties under the UtP Framework Servicing Agreement, unless the relevant situation is cured within the following 60 business days (without taking into account any delays caused by force majeure events, fortuitous events, technical delays or other technical causes), unless the breach is not capable of being cured, in which case no grace period shall be applicable;

- loss of requirements for the performance of servicing activities whereby, Gardant Bridge Servicing is no longer in possession of all or any of the legal or regulatory requirements, authorizations and registrations necessary for the performance of its services, unless such loss of requirements is, upon agreement between the parties, remedied within the term provided for by law or the competent authority;

- breach of the law whereby, Gardant Bridge Servicing is in breach of applicable laws and regulations unless the breach is cured within 60 business days after receipt of a notice thereof by BPER (without considering any delays caused by force majeure events, fortuitous events, technical delays or other technical causes), unless the breach is not capable of being cured, in which case no notice thereof shall be delivered by BPER;

- serious impediments whereby, deficiencies are ascertained in the management of data or confidential information (whether personal or, in any case, sensitive) caused by Gardant Bridge Servicing or by serious impediments capable of altering or compromising the execution of outsourced activities;

- material breach of obligations by Gardant Bridge Servicing with respect to one or more of its obligations under the UtP Framework Servicing Agreement unless the breach is cured within 60 business days after receipt of a notice thereof by BPER (without considering any delays caused by force majeure events, fortuitous events, technical delays or other technical causes);

- Gardant Bridge or any of its legal representatives are definitively convicted for a felony under Legislative Decree 231/2001, in direct or indirect connection to the activities performed by Gardant Bridge Servicing under the UtP Framework Servicing Agreement and such conviction negatively impacting the ability of Gardant Bridge Servicing to perform the services provided under the UtP Framework Servicing Agreement or causing a reputational issue for one of the FSA Banks, unless the circumstance is cured within 60 business days (without taking into account any delays caused by force majeure events, fortuitous events, technical delays or other technical causes);

- significant events which prejudice the ability of Gardant Bridge Servicing to perform its servicing activities and/or to ensure compliance with applicable laws;

- any event in which the FSA Banks are required to terminate the UtP Framework Servicing Agreement as a result of and in compliance with a mandatory legal or regulatory provision (including the decisions or the instructions of the ECB or the Bank of Italy);

- material changes affecting the UtP Framework Servicing Agreement or Gardant Bridge Servicing including, but not limited to, sub-delegation or change of sub-delegates operated in a manner which is not in accordance with the UtP Framework Servicing Agreement or if the activities of said entities result in an increased risk exposure of the FSA Banks and the consequences resulting from such material changes are not cured within 60 business days after receipt of a notice thereof from BPER (without taking into account any delays caused by force majeure events, fortuitous events, technical delays or other technical causes);

- any changes to business continuity and disaster recovery plans from time to time approved by Gardant Bridge Servicing being non-compliant with the obligations of Gardant Bridge Servicing pursuant to the UtP Framework Servicing Agreement or with applicable laws and regulations, unless the relevant situation is cured within 180 (one hundred and eighty) business days (without taking into account any delays caused by force majeure events, fortuitous event, technical delays or other technical causes);

- failure by Gardant Bridge Servicing to achieve the performance KPI relating to the annualized TMR, which occurs if the annualized TMR – calculated as annualized net recoveries (total recoveries minus expenses) divided by the average monthly GBV – falls below 50% of the agreed target for two years (even if non-consecutive).

The UtP Framework Servicing Agreement also provides for certain additional KPIs and related penalties other than the FSA Banks' right of termination in case of breach.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the UtP Framework Servicing Agreement.

Additionally, the Gardant Group Acquisition does not constitute a change of control event under the UtP Framework Servicing Agreement and, therefore, does not qualify as a termination event with respect to the appointment of Gardant Bridge Servicing under its servicing mandate pursuant to the UtP Framework Servicing Agreement.

Partnership with FBS

In the context of its partnership with BPER, on December 4, 2023, the Gardant Group has established a partnership with FBS, whereby FBS purchased a 4.1% shareholding in Gardant Bridge represented by class B shares (the "**FBS Investment Agreement**").

The FBS Investment Agreement provides for certain mechanisms of unwinding customary for this kind of arrangements, in case of, inter alia, (a) an underperformance of FBS in the performance of the recovery and collection activities sub-delegated to it, and/or (b) a change of control over FBS.

Upon occurrence of certain triggering events, Special Gardant shall have a call option to purchase, directly or indirectly, all (but not less than all) of the shares held by FBS in Gardant Bridge, for a cash consideration as determined in accordance with the provisions of the FBS Investment Agreement.

Upon occurrence of certain triggering events, FBS shall have a put option to sell to Gardant Bridge all (but not less than all) the shares in Gardant Bridge held by FBS, for a cash consideration as determined in accordance with the provisions of the FBS Investment Agreement.

Partnership with Banco BPM

Gardant Liberty Servicing

The Gardant Group has a strategic partnership with Banco BPM for the servicing of NPLs held by BBPM on its balance sheet.

On January 10, 2019, Credito Fondiario has entered into a sale and purchase agreement with BBPM, purchasing 70% of the share capital of First Servicing S.p.A. (now Gardant Liberty Servicing), with BBPM retaining a 30% shareholding. Subsequently, on May 31, 2019, BBPM, Credito Fondiario and Tiber entered into a shareholders agreement (as from time to time amended and supplemented, the "**GLS SHA**"), regulating, *inter alia*, the terms and conditions relating to the governance of Gardant Liberty Servicing and the relationship between its shareholders.

The GLS SHA is valid for 5 (five) years from June 1, 2019, with automatic renewal for an additional 5-year term unless either party terminates it by giving the other party 6 (six) months' notice. The GLS SHA has been automatically renewed on June 1, 2024.

In the context of the 2021 corporate reorganization of the Credito Fondiario Group, the shareholding of Credito Fondiario in Gardant Liberty Servicing was transferred to Special Gardant.

Accordingly, on April 15, 2021, BBPM, Tiber, Credito Fondiario, Gardant and Special Gardant entered into an addendum to the GLS SHA, whereby, *inter alia*, starting from August 1, 2021 (being the date of effectiveness of the corporate reorganization of Credito Fondiario): (x) Credito Fondiario has ceased to be a party to the GLS SHA; (y) Gardant and Special Gardant have become parties to the GLS SHA and agreed to succeed in all rights and obligations of Credito Fondiario under the GLS SHA, thereby agreeing to become jointly and severally liable for all the obligations and liabilities of Special Gardant under the GLS SHA; and (z) certain amendments to the GLS SHA have been agreed upon.

As of the Prospectus Date, the GLS SHA provides for certain rights in favour of BBPM in relation to the shares held by BBPM in Gardant Liberty Servicing, among which: (a) a so-called tag-along rights (the "**Tag Along Rights**") in favour of BBPM in respect of the shares held by BBPM in Gardant Liberty Servicing in case: (i) Special Gardant intends to transfer, in whole or in part, its shareholding in Gardant Liberty Servicing to a potential third-party purchaser; and/or (ii) Elliott or any of its affiliates intends to transfer to a potential third-party purchaser an equity interest in Special Gardant or an equity interest in Gardant, as a result of which either Special Gardant or Gardant would cease to be controlled by Elliott (the "**GLS SHA Change of Control Clause**"); (b) the right to convert the shares held by BBPM in Gardant Liberty Servicing into ordinary shares of Gardant at any time during the term of the GLS SHA (the "**Conversion Rights**"); and (c) the right in favour of BBPM to cause the sale, through process to be conducted jointly by Special Gardant and BBPM, of 100% of the share capital of Gardant Liberty Servicing (the "**Trade Sale**"). Under the terms of the GLS SHA, if BBPM intends to initiate the procedure for a Trade Sale, Special Gardant has a call option in respect of all (but not less than all) the shares in Gardant Liberty Servicing S.p.A. owned by BBPM for their fair market value.

In the context of the Gardant Group Acquisition, BBPM, Tiber, Gardant, Special Gardant and the Issuer have entered into a waiver and amendment letter to the GLS SHA (the "**Waiver**") whereby BBPM agreed, for the Gardant Group Acquisition Completion: (i) to irrevocably and unconditionally waive the Tag Along Rights with respect to the Gardant Group Acquisition; (ii) irrevocably and unconditionally waive any and all Conversion Rights; and (iii) not to exercise, for a period ending on the date falling one year after the Gardant Group Acquisition Completion the Trade Sale. Under the terms of the Waiver, if BBPM intends to initiate the procedure for a Trade Sale, the Issuer has a call option in respect of all (but not less than all) the shares in Gardant Liberty Servicing owned by BBPM for their fair market value, as adjusted pursuant to certain adjustments in line with the market practice for similar transactions.

Framework Servicing Agreement with Banco BPM

In the context of the strategic partnership between the Gardant Group and BBPM, Gardant Liberty Servicing is party to a framework servicing agreement with BBPM for the servicing of NPLs (the "**Framework Servicing Agreement with BBPM**").

The Framework Servicing Agreement with Banco BPM represented 9.1% of the Gardant Group's total revenue and other income for the nine months ended September 30, 2024.

Under the Framework Servicing Agreement with BBPM, Gardant Liberty Servicing performs special servicing activities for NPLs held by BBPM on its balance sheet, including but not limited to ensuring compliance with the provisions of the facility agreements from which the receivables arise, activities concerning the commencement and/or management of the judicial proceedings (including the appointment of lawyers), monitoring payments with respect to the receivables and entering into settlement, restructuring, and set-off agreements.

During the period ending December 31, 2029 (the "**Entrustment Period**"), BBPM shall entrust Gardant Liberty Servicing with the servicing of NPLs representing at least 80% of the receivables qualified as "*sofferenze*" held on the respective balance sheets, during each calendar year of the Entrustment Period.

The appointment to carry out special servicing activities for NPLs under the Framework Servicing Agreement with BBPM does not entail any exclusivity obligation on the part of Gardant Liberty Servicing.

Gardant Liberty Servicing shall carry out its services until the earlier of the expiry date of the Framework Servicing Agreement with BBPM (*i.e.*, 23:59 of December 31, 2029) and the date on which the termination and/or withdrawal therefrom becomes effective. Save for exceptional circumstances, the Framework Servicing

Agreement with BBPM shall remain effective and Gardant Liberty Servicing will continue to perform its services and to maintain the management of the receivables entrusted to its management prior to the expiry date until completion of the recovery activities in relation to such receivables.

The Framework Servicing Agreement with BBPM provides for a remuneration structure, whereby, BBPM shall pay to Gardant Liberty Servicing certain management, performance and incentive fees agreed in the Framework Servicing Agreement with BBPM.

Without prejudice to any other remedies provided for under applicable law, the appointment of Gardant Liberty Servicing as servicer may be terminated by BPPM pursuant to the Framework Servicing Agreement with BPPM, as integrated by the Waiver, upon occurrence of any of the following events:

- change of control of Gardant Liberty Servicing, whereby Gardant Liberty Servicing ceases to be directly or indirectly controlled (pursuant Article 2359, paragraph 1, numbers (1) and (2) of the Italian Civil Code) by Gardant;

- failure to pay by Gardant Liberty Servicing certain amounts agreed in the Framework Servicing Agreement with BBPM within the due date thereof (i) any individual amount due under the Framework Servicing Agreement with BBPM equal to or higher than €300,000.00 to the extent such delay exceeds 30 calendar days from the relevant due date, and/or (ii) over a rolling period of 12 months: three individual amounts due under the Framework Servicing Agreement with BBPM, each equal to or higher than €100,000.00;

- failure to deliver reports, whereby Gardant Liberty Servicing fails to deliver any semi-annual report or annual report to the extent that (i) an individual delay exceeds 65 business days, and (ii) over a rolling period of 24 months there are at least 2 consecutive delays and the cumulative delays exceed 130 business days in aggregate, in each case without considering days on which the delay is caused by force majeure, fortuitous event, technical delays or other just cause;

- opening of a compulsory insolvency or a reorganization proceeding with respect to Gardant Liberty Servicing;

- occurrence of a situation of illegality whereby, for whatever other reason, it becomes unlawful for the Gardant Liberty Servicing to fulfil any of its obligations under the Framework Servicing Agreement with BBPM;

- adoption of a corporate resolution approving the voluntary liquidation of Gardant Liberty Servicing by the competent bodies of Gardant Liberty Servicing;

- material breach of obligations by Gardant Liberty Servicing regarding some of the clauses under the Framework Servicing Agreement with BBPM, unless such breach is cured within 5 business days (if the breach concerns the obligation to provide reasonably requested information by BBPM for the timely and correct performance of statutory obligations required by law or applicable supervisory regulations) or 20 business days (in all other cases) after receipt of a notice thereof by BBPM (without considering any delays caused by force majeure events, fortuitous events, technical delays or other technical causes);

- breach of one or more of the representations and warranties given by Gardant Liberty Servicing in the Framework Servicing Agreement with BBPM proves to be or becomes at any time (taking into account the circumstances then existing) untrue, incorrect or misleading and this may materially adversely affect the performance by Gardant Liberty Servicing of its duties under the Framework Servicing Agreement with BBPM, unless the relevant situation is cured within the following twenty business days after receipt of a written notice thereof by BBPM (unless the breach is not capable of being cured, in which case no grace period shall be applicable);

- underperformance event, whereby Gardant Liberty Servicing underperforms in respect of one or more clusters of receivables having an aggregate GBV higher than 50% of the total GBV of the receivables managed by Gardant Liberty Servicing under the Framework Servicing Agreement with BBPM to a degree falls within the 2nd rank (underperformance between 25% and 50% compared to the business plan) or 3rd rank (underperformance exceeding 50% compared to the business plan);

- any audit conducted by an independent third party entity appointed by BBPM evidences that one or more of Gardant Liberty Servicing's report or the data and information set out thereunder are inaccurate, untruthful, incomplete or misleading in a material manner, unless such inaccuracy or incompleteness, if capable of being remedies, is not cured within the following 10 business days after receipt of a written notice thereof by BBPM;

- Gardant Liberty Servicing or any of its respective top managers and chief officers (including, but not limited to, the board members, the managing director, the chief executive officer and the chief financial officer, if any) are definitively or provisionally convicted for any crime (other than crimes under usury legislation) connected with the activities performed by Gardant Liberty Servicing under the Framework Servicing Agreement with BBPM and/or committed in the performance of the servicing activities under the Framework Servicing Agreement with BBPM and/or which materially negatively affects the Gardant Liberty Servicing's reputation or ability to carry out the services provided under the Framework Servicing Agreement with BBPM and cause a reputational issue for BBPM;

- any event in which BBPM is required to terminate the Framework Servicing Agreement with BBPM as a result of and in compliance with a mandatory legal or regulatory provision of a competent governmental, or supervisory authority; and/or

- only in the event that BBPM has initiated a Trade Sale and the Issuer has not exercised its call option right under the Waiver, significant deviations from certain key performance indicators set forth under the Framework Servicing Agreement with BBPM relating to expected collections and GBV reductions.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the Framework Servicing Agreement with Banco BPM.

Other Material Servicing Agreements

As of September 30, 2024, the Gardant Group is party to the material servicing agreements described below.

Aurelia Servicing Agreement

On June 3, 2021 Aurelia SPV S.r.l. ("**Aurelia SPV**"), Credito Fondiario and CF Liberty Servicing S.p.A. (now Gardant Liberty Servicing) entered into a servicing agreement (the "**Aurelia Servicing Agreement**"), whereby Aurelia SPV appointed (i) Credito Fondiario as master servicer, to which Master Gardant subsequently succeeded (ii) CF Liberty Servicing S.p.A. (now Gardant Liberty Servicing) as special servicer of the securitization transaction carried out by Aurelia SPV under the Italian Securitization Law.

The Aurelia Servicing Agreement represented 4% of the Gardant Group's total revenue and other income for the nine months ended September 30, 2024.

The appointment to carry out master servicing activities and special servicing activities for receivables under the Aurelia Servicing Agreement does not impose any exclusivity obligation on Master Gardant or Gardant Liberty Servicing.

Under the Aurelia Servicing Agreement, (a) Master Gardant performs master servicing activities, including (i) collecting the assigned receivables and providing the collection and payment services pursuant to Article 2, paragraph 3, point (c) of the Italian Securitization Law, and (ii) verifying the compliance of the securitization transaction with the law and the prospectus pursuant to Article 2, paragraphs 6 and 6-bis, of the Italian Securitization Law, and (b) Gardant Liberty Servicing performs special servicing activities, including *inter alia* the management and recovery of the receivables, activities concerning judicial proceedings, the entry into settlement, restructuring, set-off agreements, and the performance of anti-money laundering and reporting activities).

The Aurelia Servicing Agreement shall terminate with respect to Master Gardant on the earlier of (i) the day of appointment of a substitute master servicer in replacement for Master Gardant (following the termination of Master Gardant's appointment upon occurrence of certain termination events, customary for this kind of arrangement), or (ii) the date on which the receivables have been redeemed and/or sold and/or waived in full by Aurelia SPV and the relevant funds have been distributed in accordance with the transaction documents, without prejudice to the fees already accrued in favour of Master Gardant.

Notwithstanding the above and without prejudice to any other remedies provided for under the applicable law, the appointment of Master Gardant as master servicer may be terminated by Aurelia SPV upon the occurrence of any of the following events:

- Master Gardant is insolvent, an insolvency proceeding occurs with respect to Master Gardant, or a corporate resolution approving an insolvency proceeding, the voluntary liquidation or cessation of business of Master Gardant is passed by the competent body of Master Gardant;
- failure by Master Gardant to transfer any collection received by it, within 2 business days following the reconciliation of such collection, in accordance with the provisions of the Aurelia Servicing Agreement or to liquidate any other payment instruments received by it and transfer the relevant collections, unless such breach is due to extraordinary technical reasons;
- breach by Master Gardant of any of its material obligations under the Aurelia Servicing Agreement failure to remedy such breach (i) with respect of any reporting obligation of Master Gardant, within 5 business days from the day on which delivery was expected, (ii) with respect of any other obligation, within 15 business days from the notice by Aurelia SPV of the occurrence thereof;
- breach or failure to perform by Master Gardant the reporting and cooperation obligations *vis-à-vis* the monitoring agent, with such breach or failure to perform being confirmed and not being remedied within 15 business days after receipt of a written performance request;
- breach of representations and warranties whereby, any of the representations and warranties under the Aurelia Servicing Agreement proves to be untrue, incorrect or inaccurate in any respect and such breach, if capable of remedy, is not remedied (in a manner satisfactory for Aurelia SPV) within 15 business days from the occurrence thereof;
- disposal by Master Gardant of all, or a significant part of, its company or company group that is not part of the same group, or dismisses the organization entrusted with the activities of administration and collection of receivables without the prior consent of Aurelia SPV, if such cases, individually or jointly, may prejudice the regular performance of the master servicing activities; and/or
- loss by Master Gardant of any requirement imposed by law, the Bank of Italy or any other competent authority as condition for the performance of servicing activities in the context of securitization transactions performed pursuant to the Italian Securitization Law unless such loss can be remedied and it is remedied within the specific time imposed by law or the competent authority.

The Aurelia Servicing Agreement shall terminate with respect to Gardant Liberty Servicing on the earlier of (i) the day of appointment of a substitute special servicer in replacement for Gardant Liberty Servicing (following the termination of appointment the appointment of Gardant Liberty Servicing upon occurrence of certain termination events, customary for this kind of arrangement), or (ii) the date on which the receivables have been redeemed and/or sold and/or waived in full by Aurelia SPV and the relevant funds have been distributed in accordance with the transaction documents, without prejudice to the fees already accrued in favour of Gardant Liberty Servicing.

Notwithstanding the above and without prejudice to any other remedies provided for under the applicable law, the appointment of Gardant Liberty Servicing as special servicer may be terminated by Aurelia SPV upon the occurrence of:

- failure by Gardant Liberty Servicing to transfer any collection received by it, within 2 business days following the reconciliation of such collection, in accordance with the provisions of the Aurelia Servicing Agreement or to liquidate any other payment instruments received by it and transfer the relevant collections, unless such breach is due to extraordinary technical reasons;

- opening of a crisis or insolvency proceeding with respect to Gardant Liberty Servicing;

- adoption of a corporate resolution approving the voluntary liquidation of Gardant Liberty Servicing by the competent bodies of Gardant Liberty Servicing;

- failure by Gardant Liberty Servicing to comply with (i) its reporting obligations under the Aurelia Servicing Agreement for two consecutive times, and (ii) with respect to its obligation to deliver the Loan by Loan (as defined in the Aurelia Servicing Agreement), and such breach is not remedied within 15 (fifteen) business days from the notice by Aurelia SPV;

- failure by Gardant Liberty Servicing to comply with any of its other obligations under the Aurelia Servicing Agreement or any relevant documentation under the Aurelia Securitization, with such breach being confirmed by the Committee (as defined in the terms and conditions of the notes issued as part of the Aurelia Securitization) and not being remedied within 15 business days from the notice by Aurelia SPV of the occurrence thereof;

- transfer by Gardant Liberty Servicing of all or a significant part of its business or business group to a company not belonging to its same group, or dismissal of the organization entrusted with the activities of administration and collection of receivables, without the prior consent of Aurelia SPV, if such cases taken individually or jointly may prejudice the regular performance of the special servicing activities;

- loss by Gardant Liberty Servicing of any requirement imposed on it by law, the Bank of Italy or any other competent authority as condition for the performance of servicing activities under securitization transactions performed pursuant to the Italian Securitization Law unless such loss can be remedied and it is remedied within the specified time imposed by law or the competent authority;

- breach of representations and warranties whereby, any of the representations and warranties under the Aurelia Servicing Agreement proves to be untrue, incorrect or inaccurate in any respect and such breach, if capable of remedy, is not remedied (in a manner satisfactory for Aurelia SPV) within 15 business days from the occurrence thereof;

- disposal by Gardant Liberty Servicing of all or a significant part of, its company or company group to a company that is not part of the same group, or dismisses the organization entrusted with the activities of administration and collection of receivables, without the prior consent of Aurelia SPV, if such cases taken individually or jointly may prejudice the regular performance of the special servicing activities;

- loss of the legal or regulatory requirement for the performance (or the efficient performance) of servicing activities by Gardant Liberty under the Aurelia Servicing Agreement;

- the special servicer underperformance termination event where, (a) the cumulative collection ratio (as defined in the Aurelia Servicing Agreement) is lower than 85% for two 2 consecutive semi-annual payment dates (as defined in the Aurelia Servicing Agreement); or (b) the net present value cumulative profitability ratio (as defined in the Aurelia Servicing Agreement) is lower than 80% for 2 consecutive semi-annual payment dates (the "**Special Servicer Underperformance Termination Event**");

- a Special Servicer Underperformance Termination Event has occurred on the preceding payment date and, if Gardant Liberty Servicing's appointment as special servicer is not revoked on such payment date, on the immediately succeeding payment date, the available funds (as defined in the Aurelia

Servicing Agreement, net of the amounts referred to in item (viii) of the definition) have not been sufficient to pay the interest on the senior notes, pursuant to the applicable order of priority of payments; or

- the circumstance where the cumulative collection ratio is lower than 100% for 2 consecutive semi-annual payment dates.

To the Issuer's knowledge, as of the Prospectus Date, there have been no material breaches of the Aurelia Servicing Agreement.

Pursuant to the Aurelia Servicing Agreement, Master Gardant and Gardant Liberty Servicing are entitled to receive certain fees as consideration for the performance of their respective activities under the Aurelia Servicing Agreement, whereas the remuneration of Gardant Liberty Servicing consists of management and performance fees.

Leviticus Servicing Agreement

On February 4, 2019 Leviticus SPV S.r.l. ("**Leviticus SPV**") and Credito Fondiario entered into a servicing agreement (as from time to time amended and supplemented, the "**Leviticus Servicing Agreement**"), whereby Leviticus SPV appointed Credito Fondiario as servicer of the securitization transaction carried out by Leviticus S.P.V. under the Italian Securitization Law ("**Leviticus Securitization**").

In the context of the 2021 corporate reorganization of the Credito Fondiario Group, Master Gardant succeeded Credito Fondiario as master servicer, whereas Special Gardant succeeded Credito Fondiario as special servicer.

The Leviticus Servicing Agreement represented 0.3% of the Gardant Group's total revenue and other income for the nine months ended September 30, 2024.

Under the Leviticus Servicing Agreement, (a) Master Gardant performs master servicing activities, including (i) collecting the assigned receivables and providing the collection and payment services pursuant to Article 2, paragraph 3, point (c) of the Italian Securitization Law, and (ii) verifying the compliance of the securitization transaction with the law and the prospectus pursuant to Article 2, paragraphs 6 and 6-bis, of the Italian Securitization Law, and (b) Special Gardant performs special servicing activities, including, *inter alia*, the management and recovery of the receivables, activities concerning enforcement proceedings, insolvency proceedings and judicial proceedings and the entry into settlement and set-off agreements.

The appointment to carry out master servicing activities and special servicing activities for receivables under the Leviticus Servicing Agreement does not impose any exclusivity obligation on Master Gardant or Special Gardant.

The Leviticus Servicing Agreement shall terminate with respect to Master Gardant on the earlier of (i) the day of termination of the appointment of Master Gardant as master servicer (which shall be terminated upon occurrence of certain termination events, customary for this kind of arrangements), or (ii) the date on which the receivables have been redeemed and/or sold and/or waived in full by Leviticus SPV and the relevant funds have been distributed in accordance with the transaction documents, save for the limited recourse provisions and other similar provisions of the Leviticus Servicing Agreement.

The same provisions concerning the duration of the Leviticus Servicing Agreement summarized above with respect to Master Gardant also apply, *mutatis mutandis*, to Special Gardant.

Without prejudice to any other remedies provided for under the applicable law, the appointment of Master Gardant as master servicer and Special Gardant as special servicer may be terminated by Leviticus SPV upon the occurrence of:

- failure by Master Gardant or Special Gardant to transfer any collection received by it, within 2 business days following the reconciliation of such collection, in accordance with the supervisory instructions issued by the Bank of Italy, unless such breach is due to technical reasons;

- opening of a voluntary or compulsory proceeding with respect to Master Gardant and/or Special Gardant;
- breach by Master Gardant or Special Gardant under the Leviticus Servicing Agreement due to wilful misconduct or gross negligence, not remedied within 15 business days after receipt of a written performance request by Leviticus SPV (or, with respect to the obligation to deliver the semi-annual report, not remedied within 5 business days from the supposed date of delivery of the semi-annual report), any obligation (other than the obligation to transfer, deposit or pay any collections) incumbent upon Master Gardant or Special Gardant respectively, under the Leviticus Servicing Agreement or the other transaction documents to which Master Gardant or Special Gardant are parties;
- breach or failure to perform by Master Gardant or Special Gardant of the reporting and cooperation obligations *vis-à-vis* the monitoring agent, with such breach or failure to perform being confirmed by the Committee (as defined in the terms and conditions of the notes issued as part of the Leviticus Securitization) and not being remedied within 15 business days after receipt of a written performance request;
- breach of representations and warranties provided under the Leviticus Servicing Agreement by Master Gardant or Special Gardant where any of the representations and warranties under the Leviticus Servicing Agreement proves to be untrue, incorrect or inaccurate in any respect and such breach (i) has a negative effect on Leviticus SPV and/or the securitization transaction, and (ii) is not remedied within 15 business days after receipt of the first written complaint of breach of the representations and warranties;
- loss by Master Gardant or Special Gardant of any requirement imposed by law, the Bank of Italy or any other competent authority as condition for the performance of servicing activities under securitization transactions carried out pursuant to the Italian Securitization Law, or failure to meet other requirements that may be required in the future by the Bank of Italy or other competent authorities;
- transfer by Master Gardant or Special Gardant of its business or of its significant part to a company that is not part of the same group, or disposal of the organization entrusted with the activities of receivables management and collection, without the prior consent of Leviticus SPV, if such transfers considered individually or jointly may reasonably prejudice the regular performance of the master servicing or the special servicing activities;
- occurrence of a servicer underperformance termination event where, cumulatively (a) the cumulative collection ratio (as defined in the Leviticus Servicing Agreement), calculated in the semi-annual report preceding the relevant payment date, is less than 75% or, after December 31, 2023, 90% and (b) the NPV cumulative profitability ratio (as defined in the Leviticus Servicing Agreement), calculated in the semi-annual report preceding the relevant payment date, is less than 75% or, after December 31, 2023, 90%; or
- occurrence of either of the circumstances envisaged in points (a) and (b) above, coupled with a circumstance where Leviticus SPV's available funds are insufficient to pay interest on the senior notes issued by Leviticus SPV.

Pursuant to the Leviticus Servicing Agreement, Master Gardant and Special Gardant are entitled to receive certain fees as consideration for the performance of their respective activities under the Leviticus Servicing Agreement. In particular, the Leviticus Servicing Agreement also provides for a subordination mechanism whereby the payment of a portion of the Special Gardant performance fees shall be subordinated as set out in the agreement upon the occurrence of specified events of underperformance by Special Gardant.

To the Issuer's knowledge, as of the Prospectus Date, there have been no material breaches of the Leviticus Servicing Agreement.

Leviticus Sub-Servicing Agreement

In the context of the Leviticus Securitization, on May 31, 2019, Leviticus SPV, Credito Fondiario and First Servicing S.p.A. (now Gardant Liberty Servicing) entered into a sub-servicing agreement ("**Leviticus Sub-Servicing Agreement**"), whereby First Servicing S.p.A. was appointed as sub-servicer in accordance with the Italian Securitization Law.

The Leviticus Sub-Servicing Agreement represented 7.8% of the Gardant Group's total revenue and other income for the nine months ended September 30, 2024.

Upon the 2021 corporate reorganization of the Credito Fondiario Group, Gardant Liberty Servicing (formerly, First Servicing S.p.A.) continued to act as sub-servicer, performing master servicing and special servicing activities typically performed by the master and the special servicer, respectively, except for certain activities reserved to the master servicer or to banks or financial intermediaries under the Italian Securitization Law.

The appointment to carry out sub-servicing activities for receivables under the Leviticus Servicing Agreement does not impose any exclusivity obligation on Gardant Liberty Servicing.

Under the Leviticus Sub-Servicing Agreement, Leviticus SPV shall pay to Gardant Liberty Servicing certain management and performance fees for the performance of the sub-servicing activities.

The Leviticus Sub-Servicing Agreement shall terminate with respect to Gardant Liberty Servicing upon the occurrence of on the earlier of (i) the day of termination of the appointment of Gardant Liberty Servicing as sub-servicer, upon occurrence of certain termination events, customary for this kind of arrangements, or (ii) the date on which the receivables have been redeemed and/or sold and/or waived in full by Leviticus SPV and the relevant funds have been distributed in accordance with the transaction documents, save for the limited recourse provisions and other similar provisions set forth under the Leviticus Sub-Servicing Agreement, which shall in any case remain in force.

Without prejudice to the rights and remedies of Master Gardant as master servicer and Special Gardant as special servicer provided for by the applicable laws, the appointment of Gardant Liberty Servicing as sub-servicer may be terminated – or shall be terminated, if so requested by Leviticus SPV – by Master Gardant and/or Special Gardant upon the occurrence of the following events:

- revocation of the appointment of Master Gardant as master servicer and/or revocation of Special Gardant as special servicer;
- non-payment of any received collection whereby, Gardant Liberty Servicing fails to transfer, deposit or pay any collection received by it, within 2 business days following the reconciliation of such collection, in accordance with the supervisory instructions issued by the Bank of Italy, unless such breach is due to technical reasons;
- failure by Gardant Liberty Servicing to transfer any collection received by it, within 2 business days following the reconciliation of such collection, in accordance with the supervisory instructions issued by the Bank of Italy, unless such breach is due to technical reasons;
- opening of a voluntary or compulsory insolvency proceeding with respect to Gardant Liberty Servicing;
- Gardant Liberty Servicing's breach or failure to perform, not remedied within 15 business days after receipt of a written performance request by Master Gardant and/or Special Gardant (or, with respect to the cooperation obligations concerning the preparation of the relevant reports, not remedied within 2 business days), any obligation (other than obligations to transfer, deposit or pay any collection) incumbent upon Gardant Liberty Servicing or the other transaction documents to which Gardant Liberty Servicing is a party;
- any of the representations and warranties under the Leviticus Sub-Servicing Agreement prove to be untrue, incorrect or inaccurate in any respect and such breach (i) has a negative effect on Leviticus SPV and/or the Leviticus Securitization and/or Master Gardant and/or Special Gardant, and (ii) is not

remedied within 15 business days after receipt of the first written complaint of breach of the representations and warranties;

- transfer by Gardant Liberty Servicing of all or a material part of its business to a company that is not part of the same group or disposal of the organization entrusted with the activities of management and collection of receivables, without the prior consent of Master Gardant or Special Gardant (as the case may be), if such transfers considered individually or jointly prejudice the regular performance by Gardant Liberty Servicing of sub-servicing activities;
- loss by Gardant Liberty Servicing of any requirement imposed by law, the Bank of Italy or any other competent authority as condition for the performance of servicing activities under securitization transactions carried out pursuant to the Italian Securitization Law, or failure to meet other requirements that may be required in the future by the Bank of Italy or other competent authorities;
- occurrence of a servicer underperformance termination (as defined in the Leviticus Servicing Agreement) event where, cumulatively (a) the cumulative collection ratio (as defined in the Leviticus Servicing Agreement), calculated in the semi-annual report preceding the relevant payment date, is less than 75% or, after December 31, 2023, 90%, and (b) the NPV cumulative profitability ratio (as defined in the Leviticus Servicing Agreement), calculated in the semi-annual report preceding the relevant payment date, is less than 75% or, after December 31, 2023, 90%; or
- occurrence of either of the circumstances envisaged in points (a) and (b) above, coupled with a circumstance where Leviticus SPV's available funds are insufficient to pay interest on the senior notes issued by Leviticus SPV.

In particular, the Leviticus Sub-Servicing Agreement also provides for a subordination mechanism whereby the payment of a portion of the Gardant Liberty Servicing performance fees shall be subordinated as set out in the agreement upon the occurrence of specified events of underperformance by Gardant Liberty Servicing. As of September 30, 2024, the subordination mechanism was in effect for Gardant Liberty Servicing, with 10% of its performance fees becoming subordinated pursuant to the applicable priority of payments.

Non-Compete and Exclusivity Agreement with Tiber

Under the Gardant SPA, on the Gardant Group Acquisition Completion the Issuer and Tiber shall enter into a non-compete and exclusivity agreement (the "**Non-Compete and Exclusivity Agreement**"), whose terms and conditions have been preliminarily agreed upon among the parties. Pursuant to the agreed terms of the Non-Compete and Exclusivity Agreement, for the 3 years following the execution of the Non-Compete and Exclusivity Agreement, Tiber shall not, and shall cause its affiliates not to, in the territory of Italy (i) carry on, invest in or participate in, any business competing with business of the Gardant Group, or (ii) solicit or seek to entice away any clients of the Gardant Group. These non-compete and non-solicit undertakings are subject to customary exceptions and carve-outs.

Furthermore, for the five years following the execution of the Non-Compete and Exclusivity Agreement, Tiber shall, and shall procure that only certain of its affiliates, offer, only in relation to portfolios of non-performing receivables acquired in the territory of Italy, the Issuer the opportunity to submit a proposal in relation to the appointment of the Issuer (or any of its affiliates) as servicer of such portfolios, in accordance with the terms and conditions set forth in the Non-Compete and Exclusivity Agreement.

Pursuant to the agreed terms of the Non-Compete and Exclusivity Agreement, Tiber shall not be entitled to any compensation (either in cash or in kind) for its exclusivity and non-compete obligations as these were already taken into account in the wider context of the Gardant Group Acquisition as contemplated under the Gardant SPA.

Material Financing Agreements

As of September 30, 2024, the Gardant's gross nominal financial indebtedness excluding lease liabilities under IFRS 16 is equal to approximately €71.7 million (including net liabilities deriving from derivative financial instruments equal to approximately €0.4 million and excluding unamortized transaction costs equal to approximately €2.8 million).

Gardant Group is part of the following two main financing agreements, namely:

(i) the €50 million facility agreement (€16.9 million of residual nominal portion as of September 30, 2024) entered into on August 6, 2021 (amended and restated from time to time including on November 2, 2021, December 21, 2022, and January 12, 2024) between BBPM (as lender) and Special Gardant (as borrower) (the "**Bilateral Term Facility Agreement**"). The Bilateral Term Facility Agreement contains a change of control clause, whereby a change of control over Gardant results in a mandatory prepayment event, which is triggered by the Gardant Group Acquisition. Thus, the residual nominal portion as of September 30, 2024 of the Bilateral Term Facility Agreement will be repaid at the Gardant Group Acquisition Completion.

(ii) the €61 million facility agreement (€53.3 million of residual nominal portion as of September 30, 2024) entered into between BBPM, BPER and UniCredit (as lenders), BBPM (as agent and security agent) and Gardant Bridge S.p.A. (as borrower) (the "**Bridge Facility Agreement**"). The obligations arising from the Bridge Facility Agreement are secured in favor of the lenders under the following security documents:

    a. a pledge over 70% of the Gardant Bridge Servicing shares held by Gardant Bridge executed on January 15, 2024;

    b. a pledge over 100% of the Gardant Bridge shares granted by Special Gardant and FBS on January 15, 2024;

    c. a pledge over certain selected bank accounts of Gardant Bridge executed on January 15, 2024; and

    d. an assignment by way of security in relation to the receivables arising from any claim, right, receivables and indemnity claim owed by Gardant Bridge pursuant to the sale and purchase agreement entered into between Gardant Bridge and BPER on January 15, 2024, the contribution deed executed on December 18, 2023, by Gardant Bridge Servicing and BPER and the GBS SHA executed on January 15, 2024.

Moreover, the Bridge Facility Agreement is guaranteed by a first demand personal guarantee (*garanzia a prima richiesta*) granted by Gardant on January 15, 2024 for a maximum guaranteed amount of €91.5 million. The Bridge Facility Agreement also contains a change of control clause, whereby a change of control over Gardant results in a mandatory prepayment event, which is triggered by the Gardant Group Acquisition. Thus, the residual nominal portion as of September 30, 2024 of the Bridge Facility Agreement will be repaid at the Gardant Group Acquisition Completion.

In addition to the above, the Gardant Group is also part of a credit line, which as of September 30, 2024 has a residual amount of €1.1 million. Such residual amount in addition to: (i) the residual amounts of the Bilateral Term Facility Agreement and (ii) the Bridge Facility Agreement, (iii) the liabilities deriving from derivative financial instruments equal to approximately €0.4 million, is equal to €71.7 million of gross nominal financial indebtedness of the Gardant Group excluding lease liabilities under IFRS 16, as of September 30, 2024.

As of the Prospectus Date, (i) the Bilateral Term Facility Agreement is expected to be repaid exclusive with cash available (also by use of Gardant Group cash pooling) at Gardant level and (ii) on the basis of the funds deriving from the Acquisition Term Facility, the Bridge Facility Agreement is expected to be repaid in full (a) in part through funds made available – by way of intercompany loan(s) – by the Issuer directly to Gardant Bridge and (b) in part through cash available at Gardant Bridge, and the relevant security and guarantees are expected to be released and cancelled in the same context.

Inspection of the Bank of Italy on Master Gardant

The Bank of Italy carried out a general inspection at the premises of Master Gardant from June 5, 2023, to September 22, 2023 (the “**Inspection**”).

The Inspection had a “partially unfavorable” (*parzialmente sfavorevole*) outcome and issued 12 findings, of which:

- 10 were classified as “management findings” (*rilievi gestionali*), which do not result in sanctions proceedings; and
- 2 were classified as “compliance findings” (*rilievi di conformità*), one of which resulted in a sanctions proceeding;

and highlighted an exposure of Master Gardant to operational and reputational risks. This outcome was due to deficiencies identified in the governance and control structures and vulnerabilities observed in the business model, as well as exposure to operational and reputational risks, particularly connected to shortcomings identified in servicing activities and the fulfilment of anti-money laundering obligations.

Specifically, the 10 “management findings” related to the following issues:

(i) the potential misjudgment by the board of directors regarding operational costs and strategic risks, as well as the delayed evaluation of possible impacts stemming from the unfavorable performance of certain operations and their effect on Master Gardant's financial results;

(ii) gaps in the board of directors assessments of reputational and operational aspects during the onboarding phase of new securitizations, delays in the Board of Directors’ actions to adapt Master Gardant’s organizational and control structures, and lack of timely actions in relation to the underperformance of state-guaranteed securitizations, as well as improvable information flow to the Board of Directors;

(iii) weaknesses in the Risk Management function’s monitoring of risks and the assessment methodology of Master Gardant’s business;

(iv) lack of full effectiveness in the compliance function’s actions, characterized by a limited workforce;

(v) the need for improved effectiveness of Internal Audit's activities, concerning both the scope of verifications and the depth and incisiveness of analyses, particularly in relation to the verification planning process and the follow-up on performed verifications and identified deficiencies;

(vi) weaknesses in the procedure for granting a loan to a special purpose vehicle and erroneous reporting to the central risks database (*Centrale dei Rischi*);

(vii) deficiencies in the procedure for evaluating situations of potential conflicts of interest and in the actual management of such risks in one case;

(viii) erroneous accounting for up-front fees in some securitizations;

(ix) deficiencies related to the lack of precise control over the compliance of securitization operations with contractual and regulatory requirements, as well as adequate monitoring of the special servicer; and

(x) deficiencies in the feeding of the *Archivio Unico Informatico*, in terms of completeness, exhaustiveness, and timeliness of registrations.

The two “compliance findings” pertained to anti-money laundering-related issues, namely:

(i) deficiencies in the customer profiling process and the concrete execution of customer due diligence activities, largely attributable to an operational model replaced in May 2023; and

(ii) failure to report four suspicious transactions to the Italian Financial Intelligence Unit (*Unità di Informazione Finanziaria*, “FIU”).

The first "compliance finding" was resolved during the inspection. However, the second finding, concerning the delayed reporting of four suspicious transactions, resulted in the initiation of a sanctions proceeding, described in further detail below.

Following the Bank of Italy's findings, Master Gardant submitted its responses and proceeded to define 36 remedial actions (the "**Master Gardant Remediation Plan**"), the majority of which have been completed as of the Prospectus Date. The definition of the Master Gardant Remediation Plan was recommended by Bank of Italy upon the delivery of the inspection report to the corporate bodies, in light of Master Gardant's significant role in the Italian market, especially in the area of GACS transactions. The remaining remedial actions expected to be completed by the end of 2024 are the following:

(i) definition of tools that enable the automated analysis of variances between the new and the old business plan drafted by the special servicer, as well as the ability to conduct back testing on the assumptions used;

(ii) definition of monitoring indicators for the performance of securitization transactions;

(iii) definition of monitoring indicators for the operational activities of the special servicers;

(iv) update of the internal regulation "Special Servicing Oversight Functional Regulation" (*Regolamento funzionale Special Servicing Oversight*) to include and formalize the collection of recovery strategy guidelines from special servicers;

(v) enhancement of the procedure to periodically monitor positions that show a residual credit (recorded in the administrative accounting system) but for which no recovery is forecasted in the updated business plans, and implementation by the Servicer of specific information flows to request explanations from the special servicers regarding the reasons for the presence of residual credits in the absence of specific forecasts in the business plan;

(vi) identification of a suitable solution to ensure automated control (and therefore continuous monitoring) to support the timely detection of changes in the ownership structures of legal entities involved in transactions for which the Servicer acts as master servicer;

(vii) update of Master Gardant's anti-money laundering policies to redefine the type of proceeds (*incassi*) for which due diligence activities are performed, including judicial proceeds (*incassi giudiziari*), and to enhance control measures in cases where transfers originate from foreign countries; and

(viii) evaluate the most suitable tool to effectively process transactional monitoring for proceeding with the implementation of automated alerts to support the adopted AML regulation.

Master Gardant submits quarterly updates on the progress of its remedial actions to the Bank of Italy. All remediation actions scheduled for completion by September 30, 2024 have been successfully completed by Master Gardant. As of the Prospectus Date, no observations have been made by the Bank of Italy.

If the Bank of Italy deems that Master Gardant has failed to duly complete or implement, as the case may be, its Master Gardant Remediation Plan, the Bank of Italy may take a variety of actions ranging from a mere request to implement new additional remedial actions to the initiation of sanctioning proceeding(s).

On January 30, 2024, the Bank of Italy notified Master Gardant of the initiation of a sanctioning proceeding, on the grounds of an alleged delay in reporting four suspicious transactions, which Master Gardant filed with the FIU only during the Inspection. As of the Prospectus Date, such sanctioning proceeding is currently pending, even if with communication number 2011082/24 dated October 15, 2024, the Bank of Italy's competent office (*Dipartimento Vigilanza Bancaria e Finanziaria, Servizio Rapporti Istituzionali di Vigilanza*) issued a proposal for dismissal of the above-cited sanctioning proceeding, as the conditions for imposing an administrative sanction were not deemed to be met, considering that the defensive briefs presented by Master Gardant were deemed adequate to overcome the contested facts. Indeed, the defensive briefs *(i)* provided evidence of the controls and investigations conducted following the identification of potentially suspicious transactions, and *(ii)* explained the reasons that led Master Gardant to submit the reports to the Italian Financial Intelligence Unit at a later stage. Following the issuance of the proposal for dismissal and the subsequent observations of Master Gardant, the Bank of Italy's Directorate may officially dismiss the sanctioning proceeding. Notwithstanding the proposal for dismissal, the Bank of Italy's Directorate has any case the authority to, among others, order a supplement of investigations or impose a sanction for the alleged breaches.

Gardant Group Historical Operating and Financial Review

The following section includes information regarding the results of operations and financial condition of the Gardant Group Audited Consolidated Financial Statements and for the Gardant Group Unaudited Interim Condensed Consolidated Financial Statements. This following discussion should be read together with, and is qualified in its entirety by, reference to the Audited Consolidated Financial Statements of the Gardant Group as of December 31, 2022 and 2023 and for the Years then Ended and Unaudited Interim Condensed Consolidated Financial Statements of the Gardant Group as of September 30, 2024 and for the nine months ended September 30, 2023 and 2024 and the related audit reports of the Gardant Group's external auditors part of this Prospectus. The following information should also be read in conjunction with "Selected Financial and Other Information".

Unless the context indicates otherwise, in this "—Gardant Group Historical Operating and Financial Review," references to "Gardant Group", refer to Gardant Group and such references do not take into account the effects of the Gardant Group Acquisition, unless the context otherwise requires.

Results of operations for the years ended December 31, 2023 compared to the year ended December 31, 2022

The following table presents the key results of operations of the Gardant Group for the years ended December 31, 2022, and December 31, 2023:

Summary of Statement of financial position data

	For the year ended December 31,	
	2022	**2023**
Assets	*in € thousand*	
Non-current assets		
Property, plant and equipment	13,804	12,316
Intangible assets	121,823	113,312
Deferred tax assets	24,572	20,645
Investments	12	-
Other non-current financial assets	35,725	68,271
Other non-current assets	2,341	1,959
Total non-current assets	**198,276**	**216,503**
Current assets		
Trade receivables	40,451	42,586
Tax assets	5,862	2,094
Cash and cash equivalents	29,460	86,801
Other current assets	4,112	5,526
Financial assets	-	-
Total current assets	**79,884**	**137,006**
Total assets	**278,161**	**353,510**
Liabilities		
Equity		
Share capital	210	210
Share premium	157,466	140,506
Reserves	10,830	64,010

Profit/(loss) for the year attributable to the owners of the Parent…...........	(12,172)	5,495
Equity attributable to non-controlling interests...	20,882	20,915
Total equity...	**177,217**	**231,136**
Non-current liabilities		
Non-current loans..	34,268	23,365
Deferred tax liabilities...	17,212	14,893
Employee benefits..	2,688	2,745
Provisions for risks and charges...	51	58
Other payables..	-	21
Total non-current liabilities..	**54,219**	**41,081**
Current liabilities		
Trade payables..	12,364	13,698
Current loans..	12,043	13,141
Other payables..	20,457	53,458
Tax liabilities..	1,861	996
Total current liabilities...	**46,724**	**81,293**
Total liabilities and equity..	**278,161**	**353,510**

Summary of Statement of profit or loss and other comprehensive income data

	For the year ended December 31,				Changes	
	2022	% of revenues and other income	2023	% of revenues and other income	2023-2022	%
	(in € thousand, and as a percentage of revenues and other income)					
Revenues	61,785	81.70%	83,648	81.22%	21,863	35.39%
Interest on investments	7,701	10.18%	13,201	12.82%	5,500	71.42%
Other income	6,139	8.12%	6,138	5.96%	(1)	(0.02)%
Total revenues and other income	**75,625**	**100.0%**	**102,987**	100.00%	**27,362**	**36.18%**
Costs for services	(25,555)	(33.79)%	(23,349)	(22.67)%	2,206	8.63%
Expenses for the use of third party assets	(3,476)	(4.60)%	(3,027)	(2.94)%	449	12.92%
Personnel expenses	(37,116)	(49.08)%	(40,888)	(39.70)%	(3,772)	(10.16)%
Amortisation, depreciation and write-downs	(12,479)	(16.50)%	(15,524)	(15.07)	(3,045)	(24.40)%
Other operating expenses	(1,353)	(1.79)%	(4,151)	(4.03)%	(2,798)	(206.80)%
Operating result	**(4,354)**	**(5.76)%**	**16,048**	**15.58%**	**20,402**	**468.58%**
Financial charges	(1,649)	(2.18)%	(5,420)	(5.26)%	(3,771)	(228.63)%
Value adjustments to financial assets	—	—	(29)	(0.03)%	(29)	n.a.
Profit (loss) before tax	**(6,003)**	(7.94)%	**10,599**	**10.29%**	**16,602**	**276.54%**
Tax	(3,577)	(4.73)%	(2,914)	(2.83)%	663	18.54%
Profit (loss) for the period	**(9,580)**	**(12.67)%**	**7,685**	**7.46%**	**17,265**	**180.22%**
Profit (loss) of the year attributable to third parties	*2,592*	*3.43%*	*2,190*	*2,13%*	*(402)*	*(15.51)%*
Group's profit (loss) for the year	*(12,172)*	*(16.10)%*	*5,495*	*5,34%*	*17,667*	*145.14%*
Other comprehensive income net of taxes without reversal to the Income Statement	—	—	—	—	—	—
Defined benefit plans	600	0.79%	(576)	(0.56)%	(1,176)	(196.00)%
Cash flow hedges	—	—	(1,272)	(1.24)%	(1,272)	n.a.
Total other comprehensive income net of taxes	600	0.79%	(1,848)	(1.79)%	(2,448)	(408)%
Comprehensive income	**(8,980)**	**(11.87)%**	**5,837**	**5.67%**	**14,817**	**165%**
Comprehensive income attributable to third parties	*2,641*	*3.49%*	*2,126*	*2.06%*	*(515)*	*(19.50)%*
Comprehensive income attributable to the Parent Company	*(11,622)*	*(15.37)%*	*3,711*	*3.60%*	*15,333*	*131.93%*

Summary of Statement of cash flows data

	For the year ended December 31,	
	2022	2023
A. OPERATING ACTIVITIES	*in € thousand*	
1. Operations	**6,683**	**24,952**
- profit (loss) for the year (+/-)	(9,580)	7,685
- net depreciation and amortization and impairment gains/ losses on plant and equipment and intangible assets (+/-)	11,456	12,072
- net provisions for risks and charges (+/-)	1,023	3,452
- interest and financial charges	-	(1,027)
- unpaid taxes, fees and tax credits (+/-)	3,577	2,914

- other adjustments (+/-)	208	(143)
2. Cash generated by/used in financial assets	**7,051**	**(31,373)**
- trade receivables	(4,611)	(5,587)
- other assets	11,662	(25,786)
3. Cash generated by/used in financial liabilities	**6,441**	**26,507**
- trade payables	1,812	1,334
- other liabilities	4,629	25,173
4. Other changes	**237**	**(1,586)**
- interest collected	1,057	1,468
- interest paid	(765)	(1,562)
- payment of income taxes	(55)	(1,492)
Net cash generated by/used in operating activities	**20,412**	**18,500**
B. INVESTMENT ACTIVITIES		
1. Cash generated by	**151**	**122**
- sales of property, plant and equipment	151	122
2. Cash used in	**(10,844)**	**(2,335)**
- purchases of property, plant and equipment	(9,536)	(908)
- purchases of intangible assets	(1,308)	(1,427)
Net cash generated by/used in investment activities	**(10,693)**	**(2,214)**
C. FINANCING ACTIVITIES		
- issues/ purchases of ordinary shares	-	51,001
- loans	(7,470)	(7,853)
- distribution of dividends and other purposes	(1,835)	(2,093)
Net cash generated by/used in financing activities	**(9,305)**	**41,055**
NET CASH GENERATED/USED DURING THE YEAR	**414**	**57,341**

Reconciliation	**For the year ended December 31,**	
Financial statement items	**2022**	**2023**
	in € thousand	
- Cash and cash equivalents at the beginning of the year	29,046	29,460
- Total net cash generated/used during the year	414	57,341
- Cash and cash equivalents at the close of the year	29,460	86,801

Summary of Statement of changes in equity for the year ended December 31, 2022 data

in € thousand	Total equity as of January 1, 2022	Equity attributable to the owners of the Parent as of January 1, 2022	Equity attributable to non-controlling interests January 1, 2022	Changes in the year Allocation of profit for the previous year	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity as of December 31, 2022	Equity attributable to the owners of the Parent as of December 31, 2022	Equity attributable to non-controlling interests as of December 31, 2022
Share capital	255	210	45	-	-	-	-	255	210	45
Reserves	71,857	53,193	18,663	(44,047)	(1,835)	627	-	26,603	8,393	18,209
Share premium	157,658	157,658	-	-	-	(191)	-	157,466	157,466	-
Fair value reserve	(82)	(69)	(13)	-	-	1,955	600	2,473	2,437	36
Profit (loss) for the year	(44,047)	(45,428)	1,381	44,047	-	-	(9,580)	(9,580)	(12,172)	2,592
Equity	**185,640**	**165,564**	**20,076**	**-**	**(1,835)**	**2,391**	**(8,980)**	**177,217**	**156,335**	**20,882**
Equity attributable to the owners of the Parent	**165,564**	**165,564**	**-**	**-**	**-**	**2,391**	**(11,621)**	**156,335**	**156,335**	**-**
Equity attributable to non-controlling interests	**20,076**	**-**	**20,076**	**-**	**(1,835)**	**-**	**2,641**	**20,882**	**-**	**20,882**

Summary of Statement of changes in equity for the year ended December, 2023 data

in € thousand	Total equity as of January1, 2023	Equity attributable to the owners of the Parent as of January 1, 2023	Equity attributable to non-controlling interests as of January 1, 2023	Changes in the year Allocation of profit for the previous year	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity as of December 31, 2023	Equity attributable to the owners of the Parent as of December 31, 2023	Equity attributable to non-controlling interests as of December 31, 2023
Share capital	255	210	45	-	-	-	-	255	210	45
Reserves	26,603	8,393	18,209	8,327	(2,093)	49,228	-	82,065	63,357	18,708
Share premium	157,466	157,466	-	(17,907)	-	947	-	140,506	140,506	-
Fair value reserve	2,473	2,437	36	-	-	-	(1,848)	625	653	(28)
Profit (loss) for the year	(9,580)	(12,172)	2,592	9,580	-	-	7,685	7,685	5,495	2,190
Equity	**177,217**	**156,335**	**20,882**	**-**	**(2,093)**	**50,175**	**5,837**	**231,136**	**210,221**	**20,915**
Equity attributable to the owners of the Parent	**156,335**	**156,335**	**-**	**-**	**-**	**50,175**	**3,711**	**210,221**	**210,221**	**-**
Equity attributable to non-controlling interests	**20,882**	**-**	**20,882**	**-**	**(2,093)**	**-**	**2,126**	**20,915**	**-**	**20,915**

Revenues

Revenues include the items set forth in the table below.

	For the year ended December 31,	
	2022	**2023**
	(*in € thousand*)	
Change in fair value of ABS investments	(17,065)	(1,130)
Special servicing fees	63,838	69,422
Master servicing and administrative management fees	6,772	6,715
Other fees	1,759	1,240
Income from management of AIF funds	4,150	5,400
Carige indemnity	1,715	1,715
Other revenue	615	286
Total	**61,785**	**83,648**

Interest on investments

The caption includes interest on ABS investments.

Other income

Other income includes the items set forth in the table below.

	For the year ended December 31,	
	2022	**2023**
	(*in € thousand*)	
Recovery of employee contributors	396	140
Rental income	84	—
Capital gains on sale of capital goods	25	—
Recovery of expenses – Due Diligence	2,386	—
Recovery of Bridge project costs	—	3,064
Recharging of sundry costs	—	784
Other SPV revenue	1,393	1,737
Other	1,856	413
Total	**6,139**	**6,138**

Total revenues and other income

Total revenues and other income include the items set forth in the tables above.

Costs for services

Costs for services include the items set forth in the table below.

	For the year ended December 31,	
	2022	**2023**
	(*in € thousand*)	
Rating agencies	150	166
Consultancies	6,285	2,439
IT costs	1,597	1,495
Costs for business development	2,959	506
Maintenance	477	255
Corporate bodies	1,355	1,488
Policies	198	371
Postal services	337	541
Corporate advertising	296	321
Cleaning	263	197
Entertainment	248	212
Retainer fees for business combinations	220	—
Accounting audit	807	913
Services received for personnel selection and payroll processing	417	392
Notary fees	65	335
External support for activities	2,487	2,511
Administrative support to debt collection activities	6,493	10,200
Telephony	263	121
Land registry searches and mortgage registrations	171	—
Other	467	885
Total	**25,555**	**23,349**

Expenses for the use of third-party assets

Expenses for the use of third-party assets include the items set forth in the table below.

	For the year ended December 31,	
	2022	**2023**
	(*in € thousand*)	
Annual fees for IT products	2,321	2,401
Rent and condominium charges	1,118	561
Equipment rental	37	65
Total	**3,476**	**3,027**

Personnel expenses

Personnel expenses include the items set forth in the table below.

	For the year ended December 31,	
	2022	**2023**
	(*in € thousand*)	
Wages and salaries	26,200	29,494
Social charges	7,945	8,690
Post-employment benefits	1,659	1,134
Net revenue from secondment of staff	42	-
Other personnel expense	1,269	1,571
Total	**37,116**	**40,888**

Amortization, depreciation, and write-downs

Amortization, depreciation and write-downs include the items set forth in the table below.

	For the year ended December 31,	
	2022	2023
	(*in € thousand*)	
Depreciation of property, plant and equipment	400	477
Depreciation pursuant to IFRS 16	1,316	1,669
Software amortisation	893	1,089
Amortisation of intangible assets	8,847	8,848
Credit losses	1,023	3,440
Total	**12,479**	**15,524**

Other operating expenses

Other operating expenses include the items set forth in the table below.

	For the year ended December 31,	
	2022	2023
	(*in € thousand*)	
Other expenses	825	1,875
Other income	—	(1,192)
Other from SPV	—	212
DTA Law Decree 59/2016	241	247
Membership contributions	66	93
Indirect taxes	221	208
Operating losses	—	37
Bridge costs to be charged back	—	2,671
Total	**1,353**	**4,151**

Operating Result

Operating result includes "*Total revenues and other income*" less the sum of: cost for services, expenses for the use of third-party assets, personnel expense, amortisation, depreciation and write downs and the other operating expenses.

Financial charges

Financial charges include the items represented in the table below.

Financial expense

	For the year ended December 31,	
	2022	2023
	(*in € thousand*)	
Interest on listed assets according to IFRS 16	330	411
Interest on bank loans	1,107	1,825
Bank costs	10	6
Other interest and financial expense	214	4,800
Total	**1,661**	**7,042**

Financial revenue

	For the year ended December 31,	
	2022	2023
	(*in € thousand*)	
Negative differentials on derivatives	3	1,080
Interest income on current accounts	8	427
Interest income on government bonds	—	115
Total	**11**	**1,622**

Profit (loss) before tax

Profit (loss) before tax includes operating result more/less financial charges and more/less Value adjustments to financial assets.

Tax

Tax includes the items set forth in the table below.

	For the year ended December 31,	
	2022	2023
	(*in € thousand*)	
Income from deferred tax assets	—	(865)
Reversal of deferred tax liabilities to income statement	4,786	4,678
Tax effects of consolidation entries	(2,070)	(2,070)
IRES on profit for the year	—	62
IRAP on profit for the year	862	945
IRES previous years	—	(180)
IRAP previous years	—	442
Tax credit	—	(98)
Total	**3,577**	**2,914**

Profit (loss) for the period

Profit (loss) for the period includes the Profit (loss) before tax less the Tax.

Nine months ended September 30, 2024 compared to the nine months ended September 30, 2023

The following tables present the key results of operations of the Gardant Group for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2024:

Summary of Condensed consolidated statement of financial position data

	As of December 31, 2023	As of September 30, 2024
Assets	*in € thousand*	
Non-current assets		
Property, plant and equipment…	12,316	11,851
Intangible assets…	113,312	206,602
Deferred tax assets…	20,645	19,038
Other non- current financial assets…	68,271	30,203
Other non- current assets…	1,959	5,114
Total non- current assets…	**216,503**	**272,808**
Current assets		
Trade receivables…	42,586	28,204
Cash and cash equivalents…	86,801	55,643
Tax assets…	2,094	1,660
Other current assets…	5,526	8,760
Financial assets…	-	14,950
Total current assets…	**137,007**	**109,217**
Total assets…	**353,510**	**382,025**
Liabilities		
Equity		
Share capital…	210	260
Share premium…	140,506	191,456
Reserves…	64,010	16,866
Profit/(loss) for the year attributable to the owners of the Parent…	5,495	6,402
Equity attributable to non- controlling interests…	20,915	26,581
Total equity…	**231,136**	**241,565**
Non-current liabilities		
Non- current loans…	23,365	59,643
Deferred tax liabilities…	14,893	13,397
Employee benefits…	2,745	4,002
Provisions for risks and charges…	58	81
Other non-current payables…	21	32
Other non-current financial payables…	-	975
Total non- current liabilities…	**41,081**	**78,130**
Current liabilities		
Trade payables…	13,698	9,287
Current loans…	13,141	21,638
Other payables…	53,458	22,762

Tax liabilities…...	996	8,643
Total current liabilities……...	**81,293**	**62,330**
Total liabilities and equity...	**353,510**	**382,025**

Summary of Condensed consolidated statement of profit or loss and other comprehensive income data

	For the nine months ended September 30,				Changes	
	2023	% of revenues and other income	2024	% of revenues and other income	2024-2023	%
	(in € thousand, and as a percentage of revenues and other income)					
Revenues	54,370	84.41%	91,941	93.92%	37,571	69.10%
Interest on investments.............	6,484	10.07%	4,121	4.21%	(2,363)	(36.44)%
Other income............................	3,561	5.53%	1,833	1.87%	(1,728)	(48.53)%
Total revenues and other income	**64,415**	**100%**	**97,895**	**100%**	**33,480**	**51.98%**
Costs for Services......................	(14,456)	(22.44)%	(17,171)	(17.54)%	(2,715)	(18.78%)
Expenses for the use of third-party assets	(2,084)	(3.24)%	(2,597)	(2.65)%	(513)	(24.63%)
Personnel expenses....................	(29,382)	(45.61)%	(38,701)	(39.53)%	(9,319)	(31.72%)
Amortisation, depreciation, and write-downs...............................	(10,163)	(15.78)%	(16,690)	(17.05)%	(6,527)	(64.22)%
Other operating expenses	(4,431)	(6.88)%	(1,219)	(1.25)%	3,212	72.48%
Operating result.......................	**3,899**	**6.05%**	**21,516**	**21.98%**	**17,617**	**451.85%**
Financial charges.......................	(2,834)	(4.40)%	(3,696)	(3.78)%	(862)	(30.42)%
Value adjustments to financial assets	-	-	109	0.11%	109	n.a.
Profit (loss) before tax............	**1,065**	**1.65%**	**17,929**	**18.31%**	**16,864**	**1583.50%**
Tax	(3,271)	(5.08)%	(6,565)	(6.71)%	(3,294)	(100.70)%
Profit (loss) for the period.......	**(2,206)**	**(3.42)%**	**11,364**	**11.61%**	**13,570**	**615.15%**
Profit (loss) for the period attributable to third parties	*625*	*0.97%*	*4,962*	*5.07%*	*4,337*	*693.88%*
Group's profit (loss) for the period	*(2,831)*	*(4.39)%*	*6,403*	*6.54%*	*9,234*	*326.16%*
Other comprehensive income net of taxes without reversal to the Income Statement.............	**(316)**	**(0.49)%**	**(1,040)**	**(1.06)%**	**(725)**	**(229.60)%**
Defined benefit plans...........	-	-	(27)	(0.03)%	(27)	n.a.
Cash flow hedges.................	(316)	(0.49)%	(1,013)	(1.03)%	(697)	(220.92)%
Other comprehensive income net of taxes with reversal to the Income Statement...................	**12**	**0.02%**	**101**	**0.10%**	**89**	**711.33%**
Financial assets evaluated at fair value to OCI	12	0.02%	101	0.10%	89	711.33%
Total other comprehensive income net of taxes	**(303)**	**(0.47)%**	**(939)**	**(0.96)%**	**(636)**	**(209.82)%**
Comprehensive income	**(2,509)**	**(3.90)%**	**10,425**	**10.65%**	**12,934**	**515.48%**
Comprehensive income attributable to third parties	*625*	*0.97%*	*4,925*	*5.03%*	*4,300*	*688.00%*
Comprehensive income attributable to the Parent Company	*(3,134)*	*(4.87)%*	*5,499*	*5.62%*	*8,633*	*275.46%*

Summary of Condensed consolidated statement of cash flows data

	For the nine months ended September 30,	
	2023	2024

			in € thousand	
A.	**OPERATING ACTIVITIES**		*in € thousand*	
1	**Operations**		**9,641**	**35,314**
-	profit (loss) for the year (+/-)...		(2,206)	11,364
-	net depreciation, amortisation and impairment on property, plant and equipment and intangible assets (+/-)		8,960	14,572
-	net provisions for risks and charges (+/-)...		1,205	2,158
-	interest and financial expense...		(725)	(516)
-	unpaid taxes, fees and tax credits (+/-)..		3,271	8,529
-	other adjustments (+/-)..		(864)	(793)
2	**Cash generated by/ used in financial assets..**		**(2,619)**	**28,142**
-	trade receivables..		5,954	12,263
-	other assets..		(8,572)	15,878
3	**Cash generated by/ used in financial liabilities.....................................**		**(359)**	**(33,212)**
-	trade payables..		130	(4,411)
-	other liabilities..		(489)	(28,801)
4	**Other changes..**		**(1,136)**	**9,932**
-	interest collected...		767	14,374
-	interest paid..		(844)	(4,106)
-	payment of income taxes...		(1,059)	(337)
	Net cash generated by/ used in operating activities...............................		**5,527**	**40,175**

		2023	2024
B.	**INVESTMENT ACTIVITIES...**	**2023**	**2024**
1	**Cash generated by...**	**122**	**8,082**
-	sales of property, plant and equipment..	122	82
-	repayment of financial assets..	-	8,000
2	**Cash used in..**	**(1.968)**	**(127,300)**
-	acquisition of business net of cash acquired...	(350)	(103,207)
-	purchases of financial assets..	-	(22,732)
-	purchases of property, plant and equipment...	(663)	(296)
-	purchases of intangible assets...	(955)	(1,065)
	Net cash generated by/ used in investment activities.............................	**(1,846)**	**(119,218)**

C.	**FINANCING ACTIVITIES...**	**2023**	**2024**
-	issue/ purchases of shares..	-	2,540
-	proceeds for loans and borrowing...	-	55,500
-	repayment of borrowing...	(5,817)	(8,265)
-	distribution of dividends and other purposes...	(2,093)	(1,890)
	Net cash generated by/ used in financial activities.................................	**(7,911)**	**47,885**
	NETCASH GENERATED/ USED DURING THEYEAR........................	**(4,230)**	**(31,158)**

		For the nine months ended September 30,	
	Reconciliation		
	Financial statement items	**2023**	**2024**
		in € thousand	
-	Cash and cash equivalents at the beginning of the year................................	29,460	86,801
-	Total net cash generated/used during the year...	(4,230)	(31,158)
-	Cash and cash equivalents at the close of the year......................................	25,230	55,643

Summary of condensed consolidated statement of changes in equity for the nine months ended September 30, 2023 data

in € thousand	Total equity as of December 31, 2022	Equity attributable to the owners of the Parent as of December 31, 2022	Equity attributable to non-controlling interests as of December 31, 2022	Changes in the period Allocation of previous year's result	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity as of September 30, 2023	Equity attributable to the owners of the Parent as of September 30, 2023	Equity attributable to non-controlling interests as of September 30, 2023
Share capital..	255	210	45	-	-	-	-	255	210	45
Reserves..	26,603	8,393	18,210	8,327	(2,093)	813	-	33,650	14,942	18,708
Share premium...	157,466	157,466	-	(17,907)	-	947	-	140,506	140,506	-
Fair value reserve..	2,473	2,437	36	-	-	-	(303)	2,170	2,134	36
Profit (loss) for the year...	(9,580)	(12,172)	2,592	9,580	-	-	(2,205)	(2,205)	(2,830)	625
Equity..	**177,217**	**156,335**	**20,882**	**-**	**(2,093)**	**1,760**	**(2,508)**	**174,376**	**154,962**	**19,414**
Equity attributable to the owners of the Parent.........	**156,335**	**156,335**	**-**	**-**	**-**	**1,760**	**(3,133)**	**154,962**	**154,962**	**-**
Equity attributable to non-controlling interests........	**20,882**	**-**	**20,882**	**-**	**(2,093)**	**-**	**625**	**19,414**	**-**	**19,414**

Summary of condensed consolidated statement of changes in equity for the nine months ended September 30, 2024 data

in € thousand	Total equity of December 31, 2023	Equity attributable to the owners of the Parent as of December 31, 2023	Equity attributable to non-controlling interests 31.12.2023	Changes in the period Allocation of profit for the previous year	Issue of new Shares	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity of September 30, 2024	Equity attributable to the owners of the Parent as of September 30, 2024	Equity attributable to non-controlling to interests as of September 30, 2024
Share capital..	255	210	45	-	150	-	-	-	405	260	145
Reserves..	82,065	63,357	18,708	7,685	(50,947)	(1,890)	(645)	-	36,268	17,115	19,153
Share premium...	140,506	140,506	-	-	53,337	-	-	-	193,843	191,456	2,387
Fair value reserve..	625	653	(28)	-	-	-	-	939	(314)	(250)	(65)
Profit (loss) for the year...	7,685	5,495	2,190	(7,685)	-	-	-	11,364	11,364	6,402	4,962
Equity..	**231,136**	**210,221**	**20,915**	**-**	**2,540**	**(1,890)**	**(645)**	**10,425**	**241,566**	**214,985**	**26,581**
Equity attributable to the owners of the Parent.........	**210,221**	**210,221**	**-**	**-**	**-**	**-**	**(736)**	**5,499**	**214,985**	**214,985**	**-**
Equity attributable to non-controlling interests........	**20,915**	**-**	**20,915**	**-**	**2,540**	**(1,890)**	**91**	**4,925**	**26,581**	**-**	**26,581**

Revenues

Revenues include the items set forth in the following table.

	For the nine months ended September 30,	
	2023	**2024**
	(*in € thousand*)	
Change in fair value on investments	(1,295)	(63)
Special servicing fees	45,554	70,445
Master Servicing and administrative management fees	5,139	6,142
Other fees	917	2,306
Income from management of AIF funds	3,932	4,071
Carige special servicing agreement Indemnity	-	9,035
Other revenue	124	5
Total	**54,371**	**91,941**

Interest on investments

The caption includes interest on ABS investments.

Other income

Other income includes the items set forth in the following table.

	For the nine months ended September 30,	
	2023	**2024**
	(*in € thousand*)	
Recovery of employee contributors	98	120
Other income on government bonds	-	29
Recovery of expenses – Due Diligence	1,822	68
Other SPV revenue	1,168	1,429
Other	473	187
Total	**3,561**	**1,833**

Total revenues and other income

Total revenues and other income include the items set forth in the tables above.

Costs for services

Costs for services include the items set forth in the following table.

	For the nine months ended September 30,	
	2023	2024
	(*in € thousand*)	
Rating agencies	110	125
Consultancies	1,345	1,574
IT costs	1,006	1,052
Costs for business development	142	1,233
Maintenance	140	221
Corporate bodies	1,093	1,154
Policies	280	279
Postal services	290	222
Corporate advertising	162	175
Cleaning	137	179
Entertainment	107	111
Accounting audit	665	853
Services received for personnel selection and payroll processing	216	183
Notary fees	269	133
External support for activities	1,655	1,754
Administrative support to debt collection activities	6,774	7,085
Telephony	72	164
Lower administrative costs previous years	(637)	(49)
Other	630	723
Total	**14,456**	**17,171**

Expenses for the use of third-party assets

Expenses for the use of third-party assets include the items set forth in the table below.

	For the nine months ended September 30,	
	2023	2024
	(*in € thousand*)	
Annual fees for IT products	1,622	1,914
Rent and condominium charges	413	621
Equipment rental	49	62
Total	**2,084**	**2,597**

Personnel expenses

Personnel expenses include the items set forth in the table below.

	For the nine months ended September 30,	
	2023	2024
	(*in € thousand*)	
Wages and salaries	20,968	27,032
Social charges	6,269	8,642
Post-employment benefits	1,077	1,705
Other personnel expense	1,068	1,322
Total	**29,382**	**38,701**

Amortization, depreciation, and write-downs

Amortization, depreciation and write-downs include the items set forth in the table below.

	For the nine months ended September 30,	
	2023	2024
	(*in € thousand*)	
Depreciation of property, plant and equipment	355	330
Depreciation pursuant to IFRS 16	1,248	1,380
Software amortisation	737	977
Amortisation of intangible assets	6,620	5,577
Write-off of intangible assets	-	6,308
Credit losses	1,203	2,118
Total	**10,163**	**16,690**

Other operating expenses

Other operating expenses include:

	For the nine months ended September 30,	
	2023	2024
	(*in € thousand*)	
Other expenses	2,099	719
Other from SPV	-	156
DTA D.L. 59/2016	182	183
Membership contributions	88	100
Indirect taxes	160	61
Operating losses	80	-
Chargeback of various costs to Gardant Bridge	1,822	-
Total	**4,431**	**1,219**

Operating result

Operating result includes the "Total revenues and other income" less the sum of: costs for services, expenses for the use of third-party assets, personnel expense, amortisation, depreciation and write-downs and the other operating expenses.

Financial charges

Financial charges includes the items set forth in the table below.

Financial expense

	For the nine months ended September 30,	
	2023	2024
	(*in € thousand*)	
Interest on listed assets according to IFRS 16	310	346
Interest on bank loans	1,297	4,905
Bank costs	16	87
Other interest and financial expense	2,238	-
Total	**3,861**	**5,338**

Financial revenue

	For the nine months ended September 30,	
	2023	2024
	(*in € thousand*)	
Differentials on derivatives	707	898
Interest income on current accounts	267	391
Interest on government bonds	53	75
Interest on bank loans	-	6
Other interest and financial revenue	-	272
Total	**1,027**	**1,642**

Profit (loss) before tax

Profit (loss) before tax includes operating profit more/less financial charges and more/less Value adjustments to financial assets.

Tax

Tax includes the items set forth in the following table.

	For the nine months ended September 30,	
	2023	2024
Reversal of deferred tax assets to the Income Statement	3,396	3,616
DTA recognised in the period	-	(1,780)
Reversal of deferred tax liabilities to the Income Statement	101	113
Tax effects of consolidation entries	(1,548)	(1,555)
IRES on profit for the year	399	4,746
IRAP on profit for the year	654	1,427
IRES previous years	(61)	5
IRAP previous years	330	(7)
Total	**3,271**	**6,565**

Profit (loss) for the period

Profit (loss) for the period includes the profit before tax less the Tax.

BUSINESS

OVERVIEW

The Group is the leading independent credit and real estate servicer in Southern Europe (defined to comprise the Group's markets of Italy, Spain, Greece and Cyprus) in terms of asset under management as of December 31, 2023 (Source: management estimates based on public data and PWC reports) and the largest Servicer by GBV of assets under management in Italy and Cyprus as of December 31, 2023 (Source: PwC, The Italian NPE Market – Navigating Tranquillity, with respect to Italy and management estimates with respect to Cyprus). The Group has been a long-term partner of international institutional investors specializing in loan and real estate portfolios and leading financial institutions of systemic importance. The Group operates an asset-light model with limited balance associated with purchasing portfolios.

The Group's model is based on two main units spanning the entire credit management value chain:

- Core Engine 1 (NPL), which focuses on the servicing of non-performing loans (as defined in Annex V of EU Regulation 680/2014) that are over 90 days past due and owned by the Group's clients ("**NPE**"). Focused on corporate and secured medium to large loans, the NPL Servicing unit provides recovery services through judicial and extra-judicial processes, primarily for banks outsourcing loan management and investors in securitized loan portfolios (the "**NPE Servicing**"); and
- Engine 2 of Growth (Non-NPL), which includes:
    - real estate servicing ("**REO Servicing**" or "**Real Estate Servicing**"), consisting of the management of real estate assets throughout their lifecycle, including loan collateral properties and assets acquired by the Group's clients through enforcement actions or settlements with respective debtors ("**Real Estate Owned**" or "**REO**");
    - servicing of unlikely-to-pay loans ("**UTP**"), with the ultimate goal of allowing the debtor company to return to making timely interest and principal payments, thus converting UTPs into performing loans ("**UTP Servicing**");
    - management of performing loans or those less than 90 days past due, not yet classified as non-performing, consisting of managing performing loans during their normal lifespan and helping debtors in early arrears return to regular payments through negotiated agreements and payment plans ("**Early Arrears and Performing Loans Servicing**"); and
    - services complementary to the Group's servicing activities, including:(i) due diligence services; (ii) data quality & data enrichment services; (iii) master servicing and securitization services related to the structuring of securitization transactions; (iv) legal support services connected with in-court recovery processes and (v) co-investment activities consisting in participating in loan securitizations with clients to secure exclusive Service Level Agreements (together, with the Group's data services, "**Value Added Services**").

In 2022, Sareb, the Group's largest customer in Spain, did not extend its service arrangement with the Issuer which, as a result, expired in June 2022. The table below sets forth the Group's Gross Revenues, including and excluding revenues arising from the Sareb Agreement, for the periods presented therein.

	For the year ended December 31,			For the nine months ended September 30,	
	2021	**2022**	**2023**	**2023**	**2024**
	(in € thousand, except %)				
Gross Revenues	572,051	558,249	485,731	335,154	316,703
Gross Revenues from Sareb Agreement	70,089	48,838	—	—	—
Gross Revenues excluding Sareb Agreement	501,962	509,411	485,731	335,154	316,703
Gross Revenues from Sareb Agreement (% of total Gross Revenues)	12%	9%	0%	0%	0%

The charts below set forth Gross Revenues from the Group's Servicing activities (calculated as total Gross Revenues excluding revenues from Value Added Services) by asset and client type as of December 31, 2023.

The Group had assets under management with a GBV of €149.5 billion, €120.5 billion and €116.4 billion for the years ended December 31, 2021, 2022 and 2023, respectively, and of €116.7 billion for the nine months ended September 30, 2024, while it generated Gross Revenues of €572.1 million, €558.2 million and €486 million for the years ended December 31, 2021, 2022 and 2023, respectively, and of €316.7 million for the nine months ended September 30, 2024. The EBITDA Excluding Non-recurring Items of the Group was €200.9 million, €201.7 million and €178.7 million for the years ended December 31, 2021, 2022 and 2023, respectively, and of €95.8 million for the nine months ended September 30, 2024.

The Group is well-diversified in terms of geographies, clients and products.

The table below sets forth the Group's GBV of assets under management as of December 31, 2021, 2022 and 2023 and as of September 30, 2024, by geographic region.

	Year ended December 31			**As of September 30,**
	2021	**2022**	**2023**	**2024**
		(in € billion)		
Italy	76.0	72.0	68.2	66.9
Hellenic region (Greece and Cyprus)	32.0	36.8	37.3	38.3
Spain[1]	41.5	11.7	10.9	11.4

1 The figures for the Spain region (previously referred to by the Issuer in its financial statements as "Iberia") also include the contribution of doValue Portugal, which was divested by the Group on July 24, 2024. See "*Business – Material acquisitions and sales*".

The table below sets forth the Group's Gross Revenues for the year ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2024, by geographic region.

Gross Revenues (in € thousand)	**Year ended December 31**			**As of September30,**
	2021	**2022**	**2023**	**2024**
		(in € thousand)		
Italy	180,005	182,511	163,587	115,404
Hellenic region (Greece and Cyprus)	218,419	253,247	251,140	160,686
Spain[1]	173,627	122,491	71,004	37,733

1 The figures for the Spain region also include the contribution of doValue Portugal, which was divested by the Group on July 24, 2024. See "*Business – Material acquisitions and sales*".

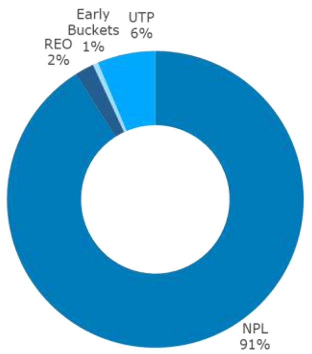
The table below sets forth the Group's EBITDA Excluding Non-Recurring Items for the year ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2024, by geographic region.

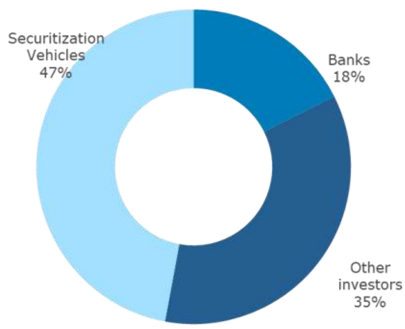
See "*Selected Financial and Other Information-Other financial and operating information*" for the details of the reconciliation.

	Year ended December 31			As of September 30,
	2021	**2022**	**2023**	**2024**
		(*in € thousand*)		
Italy	39,935	48,078	32,035	17,123
Hellenic region (Greece and Cyprus)	118,716	149,183	144,400	78,539
Spain[1]	42,268	4,426	(158)	124

1 The figures for the Spain region also include the contribution of doValue Portugal, which was divested by the Group on July 24, 2024. See "*Business – Material acquisitions and sales*".

The charts below set forth the GBV of the Group's assets under management by asset and client type as of September 30, 2024.





The Group is a strategic long-term partner to specialized credit and real estate investors and major banks, across Southern Europe. The Group's client base of over 140 clients includes a diverse range of public and private clients, investors and banks, including UniCredit, Santander, Kedipes, the Greek systemic banks and various private credit funds such as Fortress, Bain Capital Credit LP, Bracebridge, Waterwheel Capital Management and Cerberus.

More specifically, the Group's client base includes:

- investors, which accounted for 82% of GBV of assets under management as of September 30, 2024 (with 47% of GBV of assets under management represented by securitization vehicles and 35% of GBV of assets under management represented by other investors). For investors, contracts typically span the full life of the serviced NPEs, from ten years to portfolio run-off. Portfolios, often securitized and held by SPVs, may include government guarantees in Italy and Greece. Beyond collections, recovery, and real estate asset management, investors engage the Group for due diligence, master servicing, and structuring, provided by its Value Added Services unit; and

- banks, which accounted for 18% of GBV of assets under management as of September 30, 2024. For banks, the typical contractual engagement is either entered into for a specific fixed NPE portfolio until the full collection of such NPE stock ("**Stock Agreements**") or also include the management, generally on an exclusive basis, of certain or all future non-performing and similar assets and REOs generated during the term of the relevant Service Level Agreement ("**Forward Flow Agreements**"). The Group's main Forward Flow Agreement, accounting for 33% of its revenues for the nine months ended September 30, 2024, does not expire until June 4, 2034. The Group clients include UniCredit in Italy, Santander in Spain, Eurobank in Greece and Kedipes in Cyprus. Forward Flow Agreements and Stock Agreements provide a predictable, recurring revenue stream in the long-term and as such are a valuable feature of its business model. For the nine months ended September 30, 2024, Forward Flow Agreements generated €104.3 million, or 32.9% of the Group's gross revenues, while adding nearly €2.3 billion in GBV of assets under management during the period.

COMPETITIVE STRENGTHS

The management team believes the Group possesses the following strengths that set it apart from competitors and will allow it to grow in the coming years.

Independent, large scale, European, capital light financial services provider, well positioned to take advantage of market tailwinds.

The Group is the leading independent credit and real estate Servicer in Southern Europe, with a 16% market share based on assets under management as of December 31, 2023 (Source: PwC reports and management estimates based on public data). The Group is the largest Servicer by GBV of assets under management in Italy, with a 16% market share as of December 31 2023, in Greece, with a 34% market share as of December 31, 2022, and in Cyprus, with a 53% market share as of December 31, 2023 (Sources: PwC, The Italian NPE Market – Navigating Tranquility, with respect to Italy and Axis Corporate, Hellenic Loan Servicers Association and management estimates with respect to Greece and Cyprus). As of the second quarter of 2023, Italy was the first and Greece, the fifth, largest NPL market in Europe based on the number of servicing mandates by country since 2015 (Source: *Deloitte European Banking and Loan Portfolio Outlook 2023 – Market Update, data as of Q2 2023*).

The Group's four key markets, Italy, Greece, Cyprus and Spain, have an aggregate of approximately €124.4 billion of NPLs stock owned or originated by banks (Source: *EBA Risk Dashboard, data as of Q2 2024*) and have recorded NPE transactions with a value of more than €620 billion since 2015 (Source: *Deloitte European Banking and loan Portfolio Outlook 2023 – Market Update, Q2 2023*). NPL ratios of banks in Southern Europe are typically higher than the European average. As a result, banks in these regions face regulatory pressure to reduce their NPE stock through disposals or improved collections for which they increasingly use specialized NPE servicers like doValue. (Source: *EBA Risk Dashboard, data as of Q2 2024; EBA Risk Assessment Report, July 2024*).

As the leading Servicer in Southern Europe, the Group is well positioned to be the Servicer of choice for banks who decide to outsource NPE Servicing activities, and for investors who have bought NPE or real estate assets from banks or other investors, and do not have any NPE Servicing capacities. In 2023, the Group was awarded new servicing mandates for a total of €9.7 ha Bank Cyprus and €0.8 billion of new contracts in Spain from major Spanish banks (including Banco Sabadell and CaixaBank) and investors.

The Group is the largest independent servicer in Southern Europe, considering Italy, Greece, Cyprus and Spain (with a GBV of €117 billion of assets under management as of September 30, 2024) operating in a business sector where clients and investors in NPE look at opportunities in several geographies and benefit from having a single trusted partner across various markets with local expertise (Source: doValue presentation 1H 2024).

The European NPE Servicing market is characterized by significant economies of scale and any potential new entrants would need to overcome significant technological demands, complex regulatory frameworks, high termination fees and scarcity of specialized talent. The Group's established presence in this market, together with its highly developed IT infrastructure and systems and its specialized personnel, which includes, among others, over 200 professionals specialized in technology and data functions, provide the Group with a competitive advantage. Moreover, the Group's size, especially in the context of each single geographic market in which it operates, offers it significant economies of scale that allow it to spread compliance, regulatory and other operating costs, in a more efficient manner than smaller competitors. This includes an advanced Group-wide IT platform blue print, already implemented at all Group companies to accommodate the needs of both existing and new customers. A group-wide operating model supported by advanced technology offers synergies among the Group companies, faster introduction of new products and services that result in higher barriers to new competition. The Group's experience with over 1,600,000 debt positions has enabled it to develop analytics built with over 20 years of proprietary data that allow the Group to offer superior collection efficiency and accuracy of business planning, especially for large and secured loans. The Group's database includes detailed information covering the entire collection history of NPE serviced by it over the last 20 years. The Group's information technology system offers a sophisticated loan stratification and query system that enables it to evaluate each loan's time to foreclosure, recovery levels and other key outcomes against a reference pool of loans with a similar geography, collateral, court system and debtor profile, among other features. This constitutes a competitive advantage as it allows the Group's clients to overcome the limitations of public property records, which cannot be effectively replicated by recently established competitors.

In addition, the Group expects the Gardant Group Acquisition to positively impact the Group's IT infrastructure.

By integrating the Gardant Group's operations, the Group can spread its compliance, regulatory, and operating costs more efficiently. This efficiency stems from the Group's established presence and large scale in various geographic markets, allowing for the creation of a leading asset-light servicer and asset manager in Europe with leadership positions in Italy, Greece and Cyprus, and material operations in Spain.

Independent one-stop shop Servicer with highly diversified business across geographies, type and number of clients and products offered

The Group has traditionally focused on NPE Servicing and debt management, advisory roles and portfolio management, as well as Value Added Services such as collecting, and processing business information and management of various legal activities. The Issuer believes its diversified service offering, asset-light model, geographic exposure and client portfolio are important features of its business. The Group distinguishes itself from its competitors by virtue of its independence as many servicers in the market provide their services to single clients, in a limited geographic area, or purchase NPE portfolios directly with their own capital.

The Group's focus has allowed it to develop a high level of expertise in an array of services that the Issuer believes are attractive to its clients and which enables it to outpace its competitors. The Group has traditionally been focused not only on NPE and debt management, but also on advisory services and portfolio management, as well as Value Added Services such as collecting and processing business information and management of various legal activities. Through doValue Spain, the Group's expertise extends to REO management (*i.e.*, selling, developing and managing real estate assets for investors and banks) leveraging doValue Spain's long-standing and successful REO servicing model, including the increased use of repossession which the Group has transferred successfully in Italy, Greece and Cyprus. The Group is also expert in structuring securitizations of NPE portfolios which are used to hold NPE investments and which have been the go-to execution strategy for credit investors. From time to time, the Group also co-invests in notes issued in such securitizations in line with its co-investment strategy.

The Group provides each of its key services across all four of its geographic markets. Its geographical diversification has helped the Group to sustain value creation capability thanks to a dynamic contribution from different countries with different market characteristics. For example, its geographic diversity has enabled the Group to take advantage of sustained NPE disposals in favourable markets like Greece, while consolidating its position in pioneering markets like Italy. Assets under management in Italy account for 57% of the total assets under the Group's management as of September 30, 2024, and revenues generated in Italy for approximately 36% of the Group's overall consolidated revenues for the nine months ended September 30, 2024.

The Group has maintained longstanding relationships with major market participants, such as Investors (e.g. Fortress, Bain Capital, Cerberus, Waterwheel, Bracebridge) and large European Banks (e.g. Santander, Eurobank, Kedipes). The increasing diversity of its clients and its client base of more than 140 clients has reduced the Group's dependence on any single client and the Group has reduced the impact of revenues generated by its top three and top five clients from 41% and 53% for the year ended December 31, 2021 to 31% and 42% for the nine months ended September 30, 2024, respectively, and by its top client from 17% for the year ended December 31, 2021 to 16% for the nine months ended September 30, 2024. The Group has achieved further client diversification and benefited from banks selling NPE stock to investors through securitizations supported also by government schemes, in particular GACS in Italy and HAPS in Greece.

The Group is well placed to act as Servicer for government guaranteed securitizations, having consistently received the highest special Servicer rating from Standard & Poor and Fitch since 2008 (Source: public reports from rating agencies) which is currently held by few market participants in Italy. The rating of the Servicer is a factor considered by the rating agencies when assigning a credit rating to a securitized NPE portfolio which is a requirement under state guarantee schemes (including GACS in Italy and HAPS in Greece). See "*Regulatory Overview—Regulation in Italy—Law on Guarantees on Securitization of Bank Non-Performing Loans*," "*Regulatory Overview—Regulation in Greece—Guarantee program in securitizations of credit institutions—HAPS scheme*".

Including new mandates awarded as part of its commercial efforts and assets being added under Forward Flow Agreements, the Group recorded additional assets under management with a GBV of €8.5 billion during the nine months ended September 30, 2024, of which €2.3 billion originated from existing clients under Forward Flow Agreements.

Attractive, asset-light business model characterized by long-term contracts, recurring revenue streams and proven track record of resiliency

The Group does not require ownership of the NPEs, REOs, UTPs or early arrears and performing exposures it manages. The Group operates an asset-light business model that typically entails only minority co-investments in securitizations if such investment is supportive of gaining the exclusive Servicing mandate of the entire securitized NPE portfolio. The Issuer believes this model allows it to minimize conflicts of interest with its investor clients, ensuring that it will not compete with them in the bidding process for any NPE portfolio. From 2019 to 2023, the Group made co-investments in an aggregate amount of approximately €12.6 million.

In addition, the Group's business model is attractive at every stage of the economic cycle. In positive macroeconomic cycles its collections and restructurings tend to improve (as they are linked to real estate asset prices and private wealth, among other factors) while new NPE generation slows down. Conversely, in negative macroeconomic cycles, NPE generation is expected to increase (since loan default rates would be expected to go up) but collections might be postponed or reduced. As a result of the above, the Group's business model has proven to be resilient during recent years, whereby on a pro-forma basis excluding the impact of the loss of the Sareb contract, GBV declined at a CAGR of -4,2% from €127 billion in 2021 to €116 billion in 2023, collection rates grew from 4.3% in 2021 to 4.6% in 2023. Excluding the Sareb Agreement, Gross Revenues contracted at a CAGR of -1,6% from 2021 to 2023 from €502 million in 2021 to €486 million in 2023, and the EBITDA ex NRI increased from €176 million in 2021 to €179 million in 2023, despite the negative macroeconomic scenario resulting from the COVID-19 pandemic, the outbreak of the Russia-Ukraine conflict and, more recently, the reemerging of hostilities in the Middle East. Furthermore, the Group has adopted a rigorous approach in the management of capital expenditures, which are mainly related to the evolution of IT technology and infrastructure. The Group's capital expenditures in the period from 2021 to 2023 amounted to approximately €81.8 million, on average 5.1% of yearly revenues.

The NPE servicing industry typically features a long-term contractual structure, relying on third-party servicers to improve overall collections, asset quality and achieving an appropriate return on investment. The Group's business model is based on multi-year framework agreements entered into with its clients containing the terms and conditions applicable to a servicing mandate, which may cover the management of portfolios of existing NPEs or similar exposures and/or REOs, and/or future exposures and/or REOs generated by its clients during the term of the relevant agreement ("**Service Level Agreement**" or "**SLA**"). Service Level Agreements with investors and banks generate stable, highly predictable revenues and strong cash flows. The Group enters into Service Level Agreements with special purpose vehicles ("**SPV**") holding NPEs for securitized portfolios which usually only expire at run-off of the relevant NPEs. With banking clients, the Group generally enters into long-term Service Level Agreements which may cover future flows of all or certain newly generated NPEs. These agreements support a lower volatility and high predictability of cash flows. The Group has entered into at least one Forward Flow Agreement in each large market where it is present, with clients including UniCredit in Italy, Santander in Spain and Eurobank in Greece. The Group's main Forward Flow Agreement, with Eurobank accounting for 16% of its revenues for the nine months ended September 30, 2024, does not expire until 2034. None of the Group's Forward Flow Agreements currently in place expires prior to 2025. Most of such agreements provide for continued management of the portfolio thereunder at expiry (the "**Stock**") until its run-off. In certain cases, however, management of the Stock will cease upon the expiration of a period following the termination of the relevant agreement.

The Group's fee structure and contractual protections support recurring revenues. The consideration the Group receives for its Servicing activities generally consists of a fixed component based on the GBV of assets under management (the "**Base Fee**") which accounted for 21% and 22% of the Group's gross revenues for the nine months ended September 30, 2023 and 2024, respectively. Base Fees provide an additional layer of downside protection in case of negative economic cycles. When collections slow down, the GBV of assets under management reduces at a slower pace resulting in a higher proportion of Base Fees. On the basis of its Base Fees, the Group benefits from a degree of visibility with respect to a portion of its annual revenues. In addition, the Group earns a variable component calculated on the amount collected (the "**Collection Fee**"), billable on any collected amount and not subject to a hurdle rate. The contractual fee structure is generally stable during the term of the Service Level Agreement (although the Base Fee may decrease over the life of a servicing arrangement for a fixed NPE stock as collection and write-downs reduce the GBV of assets under management).

The terms of the Group's Service Level Agreements contain contractual protections against termination by the originator or owner of the assets under management. As Service Level Agreements usually do not include general termination rights, they may only be terminated in the event of a serious breach of KPIs by the Servicer. In addition, all the Group's Forward Flow Agreements include contractual indemnification provisions for the removal and/or disposal of assets under management. As such, originators or owners of portfolios are discouraged from replacing the Group as the acting Servicer.

Best-in-class operational platform with strong orientation towards digitalization and technological innovation

The Group has developed a best-in-class operational platform with a strong focus on digitalization and technological innovation to enhance efficiency and profitability. Key initiatives include streamlining operations, leveraging technological innovation, and optimizing the balance between in-house and outsourced services. A new IT hybrid centralization model supports branches with blueprint applications, infrastructure, and security services, while local IT Pods manage branch-specific needs. An innovation center fosters advancements such as robotic process automation, AI, and cognitive services for legal operations, along with BOTs and advanced IVR for call centers.

A group-wide digital channel offers automated services, self-forbearance, and omnichannel communication, enhancing the borrower experience and reducing servicing costs. Launched in Greece in Q1 2024, it will expand to Italy, Spain, and Cyprus by 2025, aiming to improve access to clients and asset classes. The "doTransformation Program", which consists in an improved approach to outsourcing, was launched in 2022 by the Group and it has been completed in the course of 2024 (the "**doTransformation Program**"), delivering an estimated €25 million in savings.

The Group continues investing in technology to boost efficiency, with a focus on common platforms, advanced data analytics, and AI applications. It also optimized procurement, reduced risks, and rationalized office spaces. Through partnerships and acquisitions, such as doLook and Quero Quitar, the Group expands its reach in the NPL market and fintech innovation.

Strong and resilient financial performance supported by visible revenue streams and cashflows, limited capital expenditures and asset-light business model, as well as prudent financial structure

The Group has grown substantially by all its key metrics since its IPO in 2017. The Group's historical GBV of assets under management recorded a 1.4x growth from €81 billion as of December 31, 2016 to €116.4 billion as of December 31, 2023. Since 2015, the Group's client base grew from 19 clients to more than 140 clients as of September 30, 2024. The Group's cumulative collections since the IPO (calculated based on the cumulative amount of Collection Fees received from January 1, 2018 onwards) grew from approximately €4 billion as of December 31, 2018 to approximately €31.1 billion as of September 30, 2024. The Group was able to increase its Gross Revenues from €206 million for the year ended December 31, 2016 to €486 million for the year ended December 31, 2023, and its EBITDA excluding Non-recurring Items from €64 million (31% EBITDA excluding Non-recurring Items margin) for the year ended December 31, 2016 to €178.7 million (37% EBITDA excluding Non-recurring Items margin) for the year ended December 31, 2023.

In 2022, the Group launched the doTransformation Program, which has been completed in 2024 and from which the Group is expected to achieve a material amount in cost savings in the next two years. The Group was able to achieve the above results with low working capital and limited capital expenditures requirements (*e.g.*, €21.4 million in 2023), with established IT platforms in every market. Moreover, the Group's capital expenditure is focused on keeping an efficient operating structure supporting the continuous improvement of its results by increasing the productivity of members of its staff in charge of a specific portfolio or case ("**Asset Managers**") and the automation of process-based activities. As a result of the doTransformation Program, the Group was able to reduce its agents' call time and it benefited from a reduction of over 244 FTEs. The Group's organizational structure is based on a scalable, proprietary IT platform and knowledge-sharing across markets and allows for operational efficiency, in the form of low marginal cost associated with new servicing mandates. The Group's cost structure has elements of flexibility, primarily reflected through outsourcing fees (€31.9 million or 10.1% of gross revenues for the nine months ended September 30, 2024), which can be reduced to a significant extent in case of need, and in the form of variable HR cost (10.7 million in the nine months ended September 30, 2024).

The Group, since its initial public offering, has demonstrated growth and underlying cash generation, which the Issuer believes will further improve as a result of reduced capital expenditures, stable cash taxes as well as other efficiency measures. The Group follows a long-standing financial policy of monitoring leverage, including a target of 2.0x to 3.0x Net Financial Indebtedness to EBITDA in the medium term, which is significantly below most of its peers according to FactSet and publicly available financial statements. The Group also distributed more than €95 million in dividends since December 31, 2021.

A renewed efficient capital structure following the Gardant Group Acquisition

In connection with the Gardant Group Acquisition, the Issuer has committed itself to pursuing a path for the deleveraging, including with the support of its existing and future principal shareholders. The Issuer has secured (i) a new bank financing package of €526 million (including 5-year amortizing term loans and €80 million 3-year Revolving Facility); and (ii) the support of Bain, Fortress and Elliott, who have committed to investing in the Rights Issue, subject to the conditions set forth in the Shareholders Irrevocable Undertakings.

Following the announcement of the Gardant Group Acquisition, S&P Global Ratings and Fitch Ratings affirmed the Group's Issuer Credit Rating and Issuer Default Rating of "BB" with a "Stable" outlook, reflecting the expectation that a successful integration of the Gardant Group will enable the Issuer to reduce its leverage.

The reduction of the Group's leverage ratio will play an important role in permitting the Issuer to consider to propose dividend distributions to its shareholders. For more information on the Group's Targets, see "*Forecasts Data and Estimates*".

Experienced management team supported by a deep bench of investment professionals

Over the past year, the Group has undergone a profound managerial renewal through the introduction of a new senior management team, led by CEO Manuela Franchi. This new leadership team is supported by a team of proven investment professionals, comprising individuals with significant industry experience and proven business transformation ability, who provide leadership across all functional areas of the Group's business. Key members of this team include Theodore Kalantonis as Group Head of NPE and REO, Davide Soffietti as Group CFO, Georgios Kalogeropoulos as Group COO, Yolanda Huerga as Group Chief People Officer, Sara Paoni as Head of Corporate Affairs and General Counsel and Daniele Della Seta as Head of IR, M&A, and Strategic Finance. Furthermore, the Group has created a new Group Chief Business Development and Innovation function, headed by Rodolfo Diotallevi, to lead certain transformation initiatives for 2024 and 2026 and data strategy and put technology at the forefront of the Group's business development.

Certain members of the executive management team are also shareholders and their interests are well-aligned with the long-term growth trajectory of the Group. See "*Management, Employees and Corporate Governance – Long-term Incentive Plans*" and "*Management, Employees and Corporate Governance – Other Information – Potential conflicts of interests and other information*".

Following the Gardant Group Acquisition Completion, the Group's management team will also include executives from Gardant. See "*Management, Employees and Corporate Governance*."

Strong shareholders industrial relationships and support, enlarged shareholder base and revamped governance

The Group benefits from strong industrial relationships with its Principal Shareholders who are among the largest credit funds investing in Southern European NPEs and who play a critical role in supporting new business flows and investments. Fortress, one of the Group's principal shareholders, has maintained its stake in the Issuer since the IPO, representing a long-term commitment to the Group's growth and success. This commitment has been further bolstered by other strategic investors, Bain Capital, who invested in the Group after the IPO and Elliott, who will acquire a significant stake as a result of the Gardant Group Acquisition.

As of September 30, 2024, the total GBV serviced by the Group, directly or indirectly, on behalf of Fortress and Bain Capital is equal to approximately €45.2 billion (in addition to €10.8 billion GBV invested in GACS managed by the Group), which is expected to be increased with the participation of Elliott thanks to the non-compete and exclusivity agreement to be entered into between Tiber and the Issuer, according to which for a period of 5 years from the Gardant Group Acquisition Completion, Tiber shall grant the Issuer the opportunity to first submit a proposal for its appointment as the servicer of any portfolio of non-performing receivables (including, without limitation, exposures classified as unlikely to pay and early arrears) derived from securitizations or alternative investment funds, together with any related ancillary rights (including real estate assets underlying non-performing exposures), in which Tiber acquires a participation exceeding fifty percent (50%) of the relevant asset-backed securities or units (the "**Portfolio Receivables**") in Italy. For more information, see "*The Gardant Group Acquisition*" – "*Non-Compete and Exclusivity Agreement with Tiber*".

Following the Gardant Group Acquisition, the Group's principal shareholders will include Fortress, Elliott, and Bain Capital, which in the aggregate will own approximately 52% of the Issuer's share capital and significant amount of assets managed on their behalf. Elliott is expected to bring additional strategic insights pursuant to the exclusivity agreement entered into with the Issuer. The Issuer believes the Group's principal shareholders represent a significant strength, since they are not only committed as long-term business partners but also bring substantial strategic value.

Finally, the Gardant Group Acquisition Completion will entail the enlargement of the Board of Directors with the addition of two board members to represent Elliott, thereby strengthening the Group's corporate governance. Specifically, the new governance structure will lead to independent directors at 61%, reflecting the Group's strong commitment to representing the interests of all shareholders. Additionally, the board will reflect significant diversity, with a 38% in non-Italian nationalities and a gender distribution of 46% female directors.

Holistic and proactive approach to sustainability

The Group integrated sustainability within its culture through its continuous commitment to environmental, social and governance ("**ESG**") commitment. The Group's attention for ESG has been crystalized in its non-financial reporting, which is not only a part of its regulatory compliance but also a strategic lever in monitoring risks and opportunities.

In December 2021, the Group approved its first sustainability plan for the period 2021 to 2023 (the "**Sustainability Plan**") and the related group sustainability policy, which provides guiding principles for the social and environmental areas identified by it as priorities.

Recognizing the growing importance of ESG issues in the global economy and its strategic role in the sustainable development of the financial system, the Group integrated sustainability into its corporate strategy by incorporating sustainability principles into the Business Plan, which includes ESG topics as the fifth pillar.

The sustainability principles embedded in the Business Plan focus on three areas: for people, for environment, and for sustainable future. For more information, see "*—Sustainability*."

The Group's endeavours in sustainability have been rewarded by the leading ESG rating agencies, namely MSCI Ratings which in February 2024 confirmed the ESG rating of doValue at "AAA", Sustainalytics which in October 2023 awarded to doValue a "Low Risk" ESG Risk Rating of 18.8 and Moody's Analytics which in July 2023 upgraded the Group's ESG rating to "Robust" with an ESG Overall Score of 50 points.

STRATEGIES

The vision for the Group's strategy is driven by its ambition to grow and position itself as a financial services provider boasting the leading asset-light credit management platform in Southern Europe and aiming to become a trusted advisor to clients by offering innovative products throughout the entire loan lifecycle and beyond. Innovation and operational excellence guide the Group's strategic decisions, grounded in a set of core values and reflected in clear and tangible financial targets for the medium term.

The Business Plan is founded on assumptions that reflect the current challenging market dynamics, with a strong focus on technological innovation and cost efficiencies in order to protect profitability and foster cash flow generation. The Business Plan is based on considerations regarding the Group's recent resilient performance in a challenging environment.

Going forward, the Group has identified a number of tangible market tailwinds, which it is well positioned to take advantage of, including an expected growth in default rates driving new NPE formation, NPE servicing normalising towards "steady state" with banks striving to keep low NPE ratios, the Group boasting strong local market positions and a comprehensive offering, and material opportunities beyond NPEs as well as tailwinds from regulatory developments such as calendar provisioning and the NPL directive.

The prospected acquisition of Gardant is set to accelerate the execution of the Business Plan, anticipating the Group's targets of revenue diversification and deleveraging. In particular, the UTP platform and capabilities of Gardant, with forward flow agreements with both Banco BPM and BPER, will endow the Combined Group with the scale and the know-how to compete in one of the most profitable segments of the Italian NPE market.

Consistently with the Business Plan, and as complemented by the acquisition of Gardant, the Group's strategy focuses on the following key pillars.

Client oriented approach to consolidate leadership on the core business and to unlock new growth opportunities

The client-oriented approach pillar is focused on strengthening the Group's leadership in Southern Europe. By 2026, the Group aims to stabilize its market share in each of the regions where it operates. To sustain its leadership in Southern Europe, the Group is pursuing robust business development, targeting a pipeline of identified opportunities totalling €33 billion (over the next 18 months) across the Hellenic Region, Italy, and Spain.

The Group's objective is to become the best partner for its clients, from loan origination to the recovery of defaulted loans, serving both banks and investors, thereby unlocking new growth opportunities and sustaining long term relationships. This goal extends beyond managing NPE portfolios to encompass the entire credit value chain, including the integration of real estate services with credit management to boost service revenues and the expansion of value-added services, such as in-house legal services and credit information.

Growth and diversification beyond collection activity

The Group is committed to evolving into a comprehensive Financial Service Provider, covering the entire credit cycle from origination to recovery, with a strategic focus on diversifying its portfolio towards non-NPL products.

To achieve these goals, the Group plans to expand its core business into new segments and industries. A first set of initiatives the Group focused on is expanding the core business to new segments and industries, thus chiefly performing loans and Stage 2, which represent a market of approximately €5 trillion in Southern Europe, and non-banking NPLs which are worth approximately €25 billion. These include the Digital Platform and the pre-delinquency model to support Stage 2.

The Group is also aiming to expand its business beyond NPE collections focusing on advisory services, with an estimated addressable market of over €500 million in revenues. This includes an advisory unit, a new co-investment fund, a mortgage brokerage company and the origination of DPO financing funded by financial institutions.

Additionally, M&A transactions, other than the Gardant Group Acquisition, are not included in the 2024-2026 period. This does not, however, exclude the possibility that the Group may evaluate and complete other acquisitions if strategic opportunities arise that align with its objectives.

Re-engineered operating model to achieve cost rationalization and decrease break-even point

The Group aims at becoming the leading player in terms of efficiency in the industry, with ambitious targets in terms of cost rationalization. The roadmap to improve efficiency includes a variety of strategic actions designed to optimize how the Group's frontline operates, while simultaneously streamlining the overall structure to create synergies and increase self-service capabilities.

These initiatives will be implemented across all key geographies, driven by four main levers:

- innovate the collection journey, pursuant to which the Group intends to accelerate onboarding processes, reduce the manual handling of low-value tasks and minimize time loss;
- selectively out-source activities, which shall enhance productivity;

- specialize resources and use of advanced analytics for skill-based file assignments; and
- increase the use of automation of back-office tasks, enhance self-service capabilities for borrowers and optimize procurement processes.

Leader in technology and innovation

Technology is part of the Group's DNA and it will continue to play a pivotal role in the Group's journey. The Group's ambition is to position itself at the forefront of technology and innovation.

A first area of focus is the application of new technologies designed to minimize human touch, which includes implementing advanced analytics for segmentation and predictive models, automating processes through Robotic Process Automation and supporting technologies across the collection journey, and integrating Generative Artificial Intelligence solutions to enhance Asset Management capabilities.

The second area emphasizes the strengthening of technological and analytics capabilities. The Group is also internalizing tech capabilities to harmonize its approach across different geographies, facilitating more seamless steering of innovation and accelerating its go-to-market strategy.

The third area of focus regards extracting value from data, which entails transitioning from a decentralized model to a group-wide data strategy that encompasses homogenized governance and principles across analytics, visualization, engineering, and quality.

The Group is also working on further synergies across its applications to simplify its IT landscape, which is crucial for reducing the total cost of ownership and optimizing resource allocation. A key part of the Group's strategy involves developing further its hybrid data-center model to optimize workloads, thereby delivering cost savings and improving scalability.

Promotion of an inclusive Group culture right-sized to its business

With respect to the pillar on inclusive group culture, the Human Resources strategy is centered on fostering a people-focused, performance-driven culture. This approach aims to deliver excellent service by developing robust, common practices across all countries, enhancing efficiency, and promoting new talent capabilities. The strategy also emphasizes engagement with the Group while supporting the growth of both the business and its people. A key aspect of this strategy involves right-sizing the organization to achieve a more efficient operational model, which includes a net reduction of approximately 500 FTEs mixed of exits and new hirings, aimed at strengthening capabilities in key areas of growth. The Group is committed to supporting employees through this transition by offering re-skilling and up-skilling opportunities.

In December 2021, the Group approved its Sustainability Plan 2021-2023, confirming its commitment to contributing towards the achievement of the 17 Sustainable Development Goals (SDGs) identified by the United Nations Agenda 2030 (See "*Business – Strengths – Holistic and proactive approach to sustainability*").

Best positioned to develop an integrated alternative asset management business focusing on niche credit strategies

The Group has already launched an initiative to venture into the alternative asset management sector focusing on funds that invest in niche credit strategies, particularly in the NPE sector, leveraging the operating capabilities and the pan-European footprint of its operations. The initiative aims to leverage doValue's extensive track record as a leading specialized financial service provider, enabling the company to align investor and servicer interests, capture market opportunities, and enhance business diversification.

Alongside the Group's key strategic pillars, significant focus is also placed on country specific priorities and initiatives, based on the consideration that a key competitive advantage of the Group is its diversified presence in important markets such as the Hellenic Region and Italy, where the Group is the leading player, and Spain, which has been successfully restructured following the loss of the Sareb contract.

The Group's goal is to consolidate its presence in all geographies, pursuing strong origination with targeted strategies adapted to the different market conditions, along two main engines of growth: the management of NPLs remains the core engine of growth, and the expansion to UTPs, Early Arrears, Stage 2 and Granular non-Banks Unsecured Loans will be the second engine of growth.

Across all countries, the data capabilities will strengthen the financial and non-financial tech-enabled collections.

THE GROUP'S HISTORY

The Group was established and authorized by Royal Decree (*Regio Decreto*) No. 115 of April 15, 1900 as a non-profit organization named Credito Fondiario della Cassa Civica di Risparmio di Verona in order to carry out mortgage lending activities in a number of northern Italian provinces. The Group eventually became part of the UniCredit group in 2000, becoming UGC Banca, through a series of mergers and acquisitions. In 2015, The Group was sold to Avio S.à r.l. (part of the Fortress Group) and changed its name to doBank S.p.A.

In 2016, the Group acquired Italfondiario S.p.A., now doNext, ("**Italfondiario**" or "**doNext**") and became Italy's largest Servicer with approximately €81 billion in GBV of assets under management as of December 31, 2016 (Source: Management estimates based on publicly available data), serving investors and banks with its independent and asset-light business model.

Since 2015, also following its initial public offering and listing on the Italian stock exchange in 2017, the Group evolved from an NPL servicer focused on the Italian market with a concentrated client base of 19 customers and approximately €77 billion in GBV of assets under management as of December 31, 2017 to the leading credit servicing platform in Southern Europe, having expanded its markets to Greece, Spain, Portugal and Cyprus as a result of a series of strategic acquisitions, with a client base of more than 140 customers and approximately €117 billion in GBV of assets under management as of September 30, 2024.

In 2020, the Group completed the acquisition of 80% of the share capital of doValue Greece, a company active in the Greek NPE Servicing market and consistently one of the top largest Servicers in Greece by GBV under management. Furthermore, in 2020, the Group established doValue Greece Real Estate Services Single Member Société Anonyme, a new REO company in Greece ("**doValue REO**") in order to perform Real Estate Servicing activities in Greece alongside the other Servicing activities performed by doValue Greece. See "*Business—Business Model—Real Estate Servicing*."

In 2023, the Issuer's subsidiary doValue Spain acquired Team 4, a company specialized in debt collection services. This acquisition accelerates its strategy to expand its capabilities in the management of unsecured small tickets loans, a rapidly growing market segment in Europe.

In 2024, the Issuer entered into a binding agreement for the acquisition of the Gardant Group, a company specialized in the Italian credit management sector as an asset manager, debt purchaser, and debt servicer, across all segments of non-performing loans. This acquisition further strengthens the Group's position in Southern Europe. See "*Business – Material acquisitions and sales – Gardant Group Acquisition*".

THE GROUP'S BUSINESS MODEL

The following table sets forth a breakdown of the consolidated Gross Revenues for the years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2024, by business unit.

	For the year ended December 31,			**For the nine months ended September,**	
	2021	**2022**	**2023**	**2023**	**2024**
			(*in € thousand*)		
NPL Servicing	378,538	386,165	324,030	220,814	212,992
Real Estate Servicing	82,529	76,626	53,193	39,875	32,179
UTP Servicing	43,415	36,230	31,523	22,452	19,265
Early Arrears and Performing Loans Servicing	24,143	11,143	11,143	8,357	8,357
Value Added Services	43,426	48,085	65,842	43,657	43,910

For the nine months ended September 30, 2024: (i) the Group's NPL Servicing activities generated €212,992 million, or 67.3%, of the Group's gross revenue; (ii) UTP Servicing activities generated €19,265 million, or 8.7% of the Group's gross revenue; (iii) Early Arrears and Performing Loans Servicing activities generated 8,357 million or 2.6% of the Group's gross revenues; and (iv) Value Added Services activities generated 43,910 million, or 13.9% of the Group's gross revenues.

For the nine months ended September 30, 2024 the Group generated approximately €69.5 million in Base Fees, approximately €180.8 million in Collection Fees and approximately €12.5 million in Disposal Fees and €54.0 million in other Value Added Services.

The following table sets forth a breakdown of the consolidated Gross Revenues for the years ended December 31, 2021, 2022 and 2023, and for the nine months ended September 30, 2023 and 2024, by geographical segment.

	For the year ended December 31,			For the nine months ended September 30,	
	2021	**2022**	**2023**	**2023**	**2024**
			(in € thousand)		
Italy	180,004	182,510	163,587	113,123	115,404
Hellenic Region (Greece and Cyprus)	218,419	253,248	251,140	171,676	161,686
Spain[1]	173,627	122,491	71,004	50,356	37,733

(1) The figures for the Spain region also include the contribution of doValue Portugal, which was divested by the Group on July 24, 2024. See "*Business – Material acquisitions and sales*".

The following charts and tables set forth a breakdown of the Gross Revenues, by Base Fees, variable fees and other revenues for the years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2023 and 2024:

	For the year ended December 31,					
	2021	**% of revenues**	**2022**	**% of revenues**	**2023**	**% of revenues**
	(in € thousand, and as a percentage of revenues)					
Base Fees	174,333	30.48%	116,581	20.88%	95,826	19.92%
Variable Fees	345,047	60.32%	378,474	67.80%	296,214	61.59%
Other revenues	52,672	9.21%	63,194	11.32%	88,901	18.48%
Gross Revenues	**572,052**	**100%**	**558,249**	**100%**	**480,940[1]**	**100%**

(1) The figure excludes Portugal, as its revenues from 2023 are classified as a Non-Recurring Item.

	For the nine months ended September 30,			
	2023	**% of revenues**	**2024**	**% of revenues**
Base Fees	69,714,605	20.80%	69,509,190	21.95%
Variable Fees	204,833,990	61.12%	193,207,282	61.01%
Other revenues	60,605,807	18.08%	53,986,785	17.05%
Gross Revenues	335,154,402	100%	316,703,257	100%

Below is a description of the Group's individual business units and the services and/or products it offers within each unit.

NPL Servicing

NPL Servicing consists primarily of the management of bad loans, owned by the Issuer's clients, with a focus on recovering outstanding amounts owed or settling loans that are more than 90 days past due.

The primary services the Group offers as part of its NPL Servicing business unit include: collection, including in-court and out-of-court collection of loans, recovery activities relating to the administration, management and recovery of loans and leases and administrative activities to support the recovery processes.

The following table reflects the GBV of assets under management in the NPL Servicing unit, broken down by type of loan, as well as its Gross Revenues generated by the NPL Servicing unit as of and for the years ended of December 31, 2021, 2022 and 2023, and for the nine months ended September 30, 2024:

	As of and for the year ended December 31,			As of and for the nine months ended September 30
	2021	2022	2023	2024
			(*in € thousand*)	
GBV (in € million, end of period data)	118,467	106,500	103,262	106,183
Total Gross Revenues (in € thousand)............................	378,538	386,165	324,030	212,992

Fees and Collections

Consideration for NPL and non NPL Servicing activities generally consists of a fixed component, the Base Fee, and a variable component, the Collection Fee. The Base Fee is calculated as a percentage of the GBV of assets under management or the net value of the assets under management (or in the case of investors, as a percentage of the purchase price, amortized by collections) or as a fixed amount for each asset under management. The Collection Fee is calculated on the basis of achieved collections, generally net of legal expenses. The Collection Fee may also include specific commissions or compensation for designated events or operations (for example a compensation for the assignment of loans on the initiative of the client, commissions for real estate services or business information). Outside of Italy, the Base Fees are usually higher in servicing arrangements.

Many of the Group's Forward Flow Agreements provide for a disposal fee (a "**Disposal Fee**") covering the future margin of a loan's lifecycle which becomes payable whenever a client removes and/or disposes all or part of the assets from the portfolio under management upon the terms and conditions of the relevant servicing agreement.

NPL Operating Model

The Issuer operates throughout Southern Europe.

In particular, its operating model for the NPL Servicing unit has four main phases: (i) onboarding; (ii) clustering; (iii) credit management; and (iv) closing via out-of-court recoveries or court proceedings.

- *Onboarding*

  In the onboarding phase, the Issuer collects all the relevant information in relation to the debtor, the loan under management and the underlying documentation. Once the onboarding is completed the Issuer can start charging fees (both Base and Collection Fees) to the client.

- *Credit Management*

  Before starting NPL Servicing, the Issuer signs a Service Level Agreement outlining the services, delegated authority for collection activities, recovery strategies, reporting requirements, and fees. Once a case is assigned, the Asset Manager reviews the loan history, legal status, guarantees, collateral valuations, and expected collections. The Asset Manager also analyzes the debtor's financials, including collections and expenses, to assess profitability and cash flow. The collection strategy may include out-of-court actions, court actions, or insolvency proceedings.

- *Clustering*

  The Issuer's average loan size is €114,000 (€209,000 in Italy, €36,000 in Spain, €94,000 in the Hellenic Region). Clustering and segmentation are based on three main factors: (i) loan size/risk, large loans (GBV > €500,000) have a tailored approach, medium loans (€50,000 - €500,000) use a standard process and small loans (GBV < €50,000) rely on industrialized, automated processes for efficiency; (ii) company status, debtors are classified based on operational status, economic situation, products, business model, and market position; and (iii) collateral types, the collateral type (real estate or personal property) is assessed to determine loan security.

- *Out-of-Court and Judicial Recovery Process*

  The out-of-court recovery process starts with debtor contact via phone or letter, offering repayment plans and settlements with client approval for larger amounts. If the debtor agrees to full repayment by a set date, the Issuer may adjust the schedule, waive interest, and pause legal actions. If out-of-court efforts fail, the Asset Manager may initiate judicial action on secured or sufficiently backed unsecured loans, still allowing for out-of-court resolutions to expedite collections.

Focus on loan management

In Securitization transactions, the Issuer's NPL Servicing offering consists of the following types of services:

(i) **Master Servicing**: which includes, among other things, the creation of initial reports and financial models as of the date of structuring of the Securitization at the portfolio level, followed by analysis and periodic updating of the reports and models in question on an ongoing basis ("**Master Servicing**"). The company in charge of Master Servicing ("**Master Servicer**") also coordinates the work of the special Servicers; and

(ii) **Special Servicing**: which mainly includes the collection and recovery activities described above.

Secured compared to Unsecured Credits

The Issuer holds a higher-than-industry average of secured loans, specializing in complex corporate secured Large Loans that require expertise in legal and real estate matters, which it views as a competitive advantage. In contrast, it typically outsources consumer unsecured Small Loans to third-party collection agencies due to the high manpower and standardization needed. Managing Small Loans is generally less profitable than secured corporate Medium or Large Loans. Secured loans enable creditors to enforce claims through collateral, though this may not always cover the full debt. Additionally, the Issuer manages guaranteed loans, where a guarantor assumes responsibility, allowing creditors to pursue the guarantor's assets before enforcing against the debtor's assets in cases of insolvency.

KPIs

The Servicer's performance in accordance with a specific servicing agreement is generally measured using key performance indicators ("**KPIs**"), such as total cumulated collections as a percentage of estimates and frequency of reporting. In practice, Servicer performance is generally monitored using online reporting systems which are typically updated automatically on a daily basis. Depending on the case, especially in relation to servicing arrangements relating to state guaranteed securitizations (GACS in Italy or HAPS in Greece), non-compliance with these KPIs may result in penalties being deducted from the fees to be paid to us, or termination of the contract by the client. See "*—Material Agreements*."

Securitization

Securitization is a transaction designed to transfer the risk of financial or real estate assets to a Special Purpose Vehicle (SPV) by transferring the underlying assets or using derivative contracts ("Securitization"). The SPV acquires a pool of typically illiquid loans and the associated cash flow rights from an originator. In exchange, the SPV issues securities, which are repaid through the cash flows from these loans, the SPV's sole income source. The SPV issues securities in segregated categories, giving different rights over these cash flows and varied risk levels as rated by a rating agency. Sometimes, the SPV invests in minority tranches of a securitization transaction. The Issuer offers a range of services related to securitizations, primarily as the Servicer of the asset portfolios being securitized. See "*Value Added Services—Co Investment*".

Real Estate Servicing

The Real Estate Servicing services offered can be broken down into two distinct areas: PRE- REO Management for which the assets under management still represent loan collaterals and REO Management for which the assets under management, previously pledged as loan collateral, were acquired by the Group's clients as part of an enforcement process or a settlement arrangement with the initial debtor. ("**Real Estate Owned**" or "**REO**") ("**Real Estate Servicing**" or "**REO Servicing**").

PRE–REO services include advisory support, such as real estate portfolio underwriting, loan restructuring valuations, and technical due diligence. As part of the PRE – REO services, the Group also offers auction support to facilitate the sale of pledged properties as part of the liquidation process, and amicable sales, which involve cooperation agreements with debtors to sell pledged real estate assets in the early recovery phase as an alternative to liquidation.

REO services include asset onboarding, ownership transfer, legal and technical clean-up for sale compliance, property management, marketing and commercialization of assets, and project development to enhance asset value through repositioning, refurbishment, or redevelopment.

The following table sets forth the GBV of assets under management by the Group's Real Estate Servicing unit as well as the related Gross Revenues for the periods indicated as of and for the years ended December 31, 2021, 2022 and 2023, and as of and for the nine months ended September 30, 2024:

	As of and for the year ended December 31,			As of and for the nine months ended September 30,
	2021	**2022**	**2023**	**2024**
GBV (*in € million, end of period data*)	20,272	3,632	3,970	2,442
Gross Revenues (*in € thousand*).........................	82,529	76,626	53,193	32,179

UTP Servicing

In order to benefit from new opportunities arising from the emerging UTP market, the Group has developed a specialized team primarily run by doNext in Italy and dedicated teams in Greece, in order to help them to fulfil their obligations (*i.e*., turning such loans from UTPs to performing).

When appropriate, the Group may also offer limited financing (mainly alongside other investors, supporting the business plan of the borrower). In particular, doNext qualifies as a "*financial intermediary*" authorized by the Bank of Italy to offer a range of financial services. Similarly, doValue Greece and doValue Cyprus are subject to licensing and regulatory monitoring, including by the Bank of Greece and the Central Bank of Cyprus, respectively.

As of September 30, 2024, the Issuer managed a large portfolio of UTP receivables with an aggregate GBV of approximately €7.4 billion (volume expected to grow) of which €5.3 billion in Greece on behalf of Eurobank and €2.1 billion in Italy with "Project Efesto" (equal to €0.7 billion), in the context of which doNext entered into a servicing agreement with Finanziaria Internazionale Investments SGR S.p.A ("**Finanziaria Internazionale**"), and now operates as sponsor and servicer for a portfolio of UTP receivables transferred to an investment fund by several selling banks in the framework of a multi-origination securitization transaction pursuant to Article 7(1)(b) of Law No. 130 of April 30, 1999. See "*—Material Agreements*" and "*Service Level Agreement with Eurobank*".

The following table reflects the GBV of assets under management by the Group's UTP Servicing unit as well as the related Gross Revenues as of and for the years ended December 31, 2021, 2022 and 2023, the data as of and for the nine months ended September 30, 2024:

	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2021	**2022**	**2023**	**2023**	**2024**
GBV (*in € million, end of period data*)	9,083	9,408	8,487	8,616	7,375
Gross Revenues (*in € thousand*)..........................	43,415	36,230	31,523	22,452	19,265

Gross Revenues from UTP Servicing typically include the following fees under a Service Level Agreement where doValue manages UTP loans, either held by or transferred to a Special Purpose Vehicle (SPV):

- Set-up fee (for SPV-transferred UTP loans), a one-time fixed fee, usually a percentage of the portfolio's purchase price, paid by the portfolio owner and held by the SPV;
- Management fee, an annual fee for portfolio management, calculated as a percentage of the purchase price or face value of the total portfolio;
- Success fee (for SPV-transferred UTP loans), based on the recovery rate achieved relative to the initial transfer price, with thresholds set by counterparties, or, for bank-held UTPs, based on net book value if the loan returns to performing status;
- Restructuring fee, based on the restructured amount that does not re-default within a specified period.

UTP Servicing operating model

The Group's UTP model centers on servicing, supported by dedicated restructuring and back-office teams. The restructuring team sets and implements strategies for companies in the UTP portfolio, monitors results, and assesses eligibility for new financing, business plans, and collateral.

The approach varies by loan size: large exposures (over €0.5 million) receive tailored management focused on repayment and restructuring options like governance changes and business model improvements. Gone-concern UTPs favor out-of-court, consensual liquidation. Small exposures use advanced tech and data tools for scalable, efficient management.

The Group's flexible platform and combined legal and financial expertise enable effective handling of diverse UTP exposures across assets and legal contexts.

Early Arrears and Performing Loans Servicing

Early Arrears and Performing Loans Servicing encompasses every stage of the credit management lifecycle. Through the doValue Greece Acquisition, the portion of Servicing revenues from Early Arrears and Performing Loans Servicing has increased significantly. The following table reflects the GBV of assets under management by the Group's Early Arrears and Performing Loans Servicing business unit as well as the related Gross Revenues as of and for the years ended December 31, 2021, 2022 and 2023 and the nine months ended September 30, 2024:

	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2021	**2022**	**2023**	**2023**	**2024**
GBV (*in € million, end of period data*)	1,665	939	636	738	678
Gross Revenues (*in € thousand*)..........................	24,143	11,143	11,143	8,357	8,357

Early arrears are any receivables which are between one and 89 days past due and therefore not classified as an NPE ("**Early Arrears**"). Early Arrears are managed with the objective to return them to performing status, by proactively engaging debtors, collecting critical information regarding their financial position, loan documentation, collateral status, and level of cooperation, and establishing suitable agreements or payment plans to prevent further credit deterioration.

Compensation for Early Arrears and Performing Loans services typically consists of a flat fee based on the GBV of assets under management, ensuring a predictable and stable revenue stream.

Value Added Services

The Group aims to complete the range of services it makes available to its clients by offering a diversified array of data, due diligence and other services related to certain core Servicing activities.

Due Diligence

The purpose of due diligence is to determine, by evaluating the available documentation, the value of a portfolio of loans, estimate base case loan cash flows, taking into account the value of the collateral, define alternative loan collection and recovery scenarios for maximizing cash flows, including the sale of collateral, and identify risks that could negatively affect the client's ability to achieve modelled results ("**Due Diligence**").

Data Quality services & Data Enrichment

The Group offers data quality and data enrichment services to investors and banks, primarily for portfolio sales and rated securitizations, including those with state guarantees like GACS in Italy and HAPS in Greece. This process includes data gap analysis, quality and consistency checks, loan sample analysis, and a data remediation plan.

Additionally, the Group provides business information services as part of its Value Added Services in Italy, which involves collecting, processing, and delivering business, accounting, and financial information to help clients assess debtor creditworthiness during loan management and recovery. Client requests are managed through DataSet, the doData technology platform in Italy, which analyzes requests and aggregates information from public databases and specialized external providers.

Master Servicing and Structuring services for Securitizations

Master Servicing activities support Securitization vehicles with multiple investors and special Servicers, including by way of (i) loan administration, (ii) accounting and cash management, (iii) portfolio reporting, (iv) servicer oversight, and (v) performance review.

The Group provides support in legal services in Italy in connection with the loan portfolios it manages through its master legal business unit ("**Master Legal**"), focused on supporting the management of legal proceedings on behalf of third parties in relation to loans, mainly non-performing, in coordination with selected law firms. Master Legal supports the law firms in performing preparatory and coordination activities for in-court recovery such as documentation analysis, preparation of opinions and assistance in the preparation of legal actions.

Co-Investment

Co-investment activities are undertaken deploying limited amounts of resources and when considered instrumental in winning exclusive servicing mandates for portfolios which are being securitized. Co-investment activities typically consist of the purchase of a minority share usually below 20% of securities issued by an SPV, collateralized by performing loans and/or NPLs ("**Co-Investment**"). The Group's Co-Investment assets had a book value of €16.1 million as of September 30, 2024. The Group may decide to purchase a higher percentage of securities in order to strengthen (or defend) its position in the servicing industry and usually with the intent of reselling the securities in the short term consistently with its investment strategy.

New Product and Services to be launched as part of the new Business Plan and Targets

As part of the Value Added Products, the Issuer has introduced in the presentation of the Business Plan (see "*Strategies*"), its intention to launch new products and services aimed to i) expand the Issuer's Core Business to new segments and industries and ii) grow beyond servicing – in particular (not exhaustive):

Expand the Issuer's Core Business

- Digital Platform
    - Digital collection platform to expand value capture in granular portfolios including non-banking exposures and pre-NPL, allowing to i) enhance the Issuer's collection capabilities for granular portfolios and capture new revenue streams, ii) scaling up automated contacts and enabling self-forbearance, iii) reduce collection cost, and iv) develop direct restructuring capabilities with debtors and new product initiatives

- Stage 2 operating model
  - New operating model to support banks in proactive risk management of their Stage II portfolios through i) a predictive model selecting the riskiest Stage 2 borrowers, ii) increased automation in the credit management process, iii) significant P&L savings related to probability of default reduction on the portfolio, and iv) enhanced reporting and risk management tools
- Grow beyond servicing
  - managing alternative funds investing in credit strategies Launch of an NPE-focused fund in co-investment with investors in order to i) continue to ensure alignment of interests between investors and servicers (capturing growing market need), ii) increase business diversification through new capabilities in deal generation, and iii) preserve operational flexibility and capital efficiency
- Mortgage Brokerage Services
  - Creation of a dedicated legal entity in Greece for the provision of real estate & financing intermediary services which will allow to i) capture the growth potential for direct mortgage brokerage services in (given relatively low maturity of Greece vs. other markets), and ii) ensure captive non-collection revenue streams
  - Advisory services for investors and bank Creation of a dedicated legal entity to support investors and banks in i) facilitating the process of NPE transactions, ii) providing underwriting and debt / financing advisory services, and iii) business planning / modelling services.

The Gardant Group Acquisition is anticipated to significantly accelerate the Issuer's plans to launch new products and services set out in the Business Plan. Specifically, following the Gardant Group Acquisition, the Issuer will integrate the asset management capabilities of the Gardant Group, particularly through Gardant Investor SGR, which has raised €715 million across various alternative funds with an investment scope ranging from NPEs to Direct Lending. This will also accelerate the launch of a co-investment fund and strengthen the Group's asset-light, fee-based model, resulting in a more recurring stream of revenues.

The Group's Geographies

As of the second quarter of 2023, Italy was the first and Greece the fifth largest NPL market in Europe based on the number of servicing mandates by country since 2015 (Source: Deloitte European Banking and Loan Portfolio Outlook 2023 – Market Update, data as of Q2 2023).

Despite its expansion into different markets in recent years, the Group was able to maintain the high standards of its regulatory and internal controls and to create synergies and efficiencies among Group companies. In particular, the Group is implementing a project aimed at sharing its know-how and extending its best practices between its companies and personnel.

The following are descriptions of the Group's operations in its geographic markets.

Italy

Italy is the Group's historic market, and it has been the leading Italian credit management sector since 2000. Italy therefore represents one of the most important regions for its Servicing activities.

The below table sets forth the Gross Book Value of assets under management, Collections, Gross Revenues, EBITDA excluding Non-recurring Items margin and average Base Fee in Italy for the periods presented therein:

	For the year ended December 31,			For the nine months ended September 30,
	2021	**2022**	**2023**	**2024**
Gross Book Value (€bn)	76.0	72.0	68.2	66.9
Collections (€bn)	1.7	1.7	1.7	1.1
Gross Revenues (€m)	180.0	182.5	163.6	115.4
EBITDA excluding Non-recurring Items margin	22.2%	26.3%	19.6%	14.8
Average Base Fee (bps on GBV)	0.04%	0.04%	0.04%	0.03%

The Group is active in all Italian courts, with a particularly strong presence in Lombardy, Lazio and Sicily. Its clients have historically included major banks (such as the UniCredit Group, the Intesa Sanpaolo Group, Crédit Agricole Italia S.p.A., the Gruppo Bancario Iccrea, the BNL Group, Credem S.p.A., Banca Carige S.p.A., UBI Banca S.p.A. and Banca MPS S.p.A.) as well as international asset managers which have invested in the Italian NPL market (Fortress) and other clients (the Italian Recovery fund). Collectively, the Group's top ten and top five clients in Italy for the year ended December 31, 2023, represented 64.4% and 41.84% of its consolidated total revenues, respectively.

Hellenic Region

The Group has been active in Greece and Cyprus since the Altamira Acquisition in 2019 and the establishment of doValue Hellas (now merged into doValue Greece) and doValue Cyprus. With the doValue Greece Acquisition, the Group strengthened its position in the Greek market. The Group decided to access these markets at an early stage of their maturity by focusing especially on NPE Servicing and Real Estate Servicing positioning it to benefit from the growth opportunities such activities provide.

The below table sets forth the Gross Book Value of assets under management, Collections, Gross Revenues, EBITDA excluding Non-recurring Items margin and average Base Fee in the Hellenic Region for the periods presented therein:

	For the year ended December 31,			For the nine months ended September 30,
	2021	**2022**	**2023**	**2024**
Gross Book Value (€bn)	32.0	36.8	37.3	38.3
Collections (€bn)	1.3	1.8	2.2	1.3
Gross Revenues (€m)	220.2	253.2	251.1	160.7
EBITDA excluding Non-recurring Items margin	54.8%	58.9%	57.5%	48.9%
Average Base Fee (bps on GBV)	0.26%	0.15%	0.16%	0.10%

The Group is the largest servicer by GBV of assets under management in Greece, according to management estimates based on public reporting with GBV of assets under management, with a strong expertise in NPE Servicing focusing on corporates as well as UTP Servicing and Real Estate Servicing. For instance, in 2023 the Group was awarded the management of a €2.3 billion NPE portfolio in Cyprus originated by Alpha Bank Cyprus. The GBV of assets under management in the Hellenic Region as of September 30, 2024 was €38.3 billion, including €30.1 billion in Greece and €8.2 billion in Cyprus, making it the leading NPL servicer by GBV of assets under management in those markets.

The Group's key clients in the Hellenic Region include major banks, including Alpha Bank S.A., Kedipes Asset Management, Piraeus Bank A.E., National Bank of Greece and Eurobank and investors. Collectively, the Group's top ten and top five clients in the Hellenic Region for the year ended December 31, 2023 represented 96% and 87% of its consolidated total revenues, respectively.

Spain

The Group is present in Spain since the Altamira Acquisition in 2019. The Group is leveraging its Italian know-how to capture existing opportunities for growth, in particular, the significant real estate opportunities widely present in this region, with the intention to strengthen its influence in Southern Europe.

In February 2022, Sareb, one of the Group's principal clients in Spain, did not renew its servicing agreement with the Group. The contract represented a portfolio of €23 billion, or 15% of GBV of the Group's assets under management, and 12% of its Gross Revenues for the year ended December 31, 2021. The contract expired on June 30, 2022 and Sareb's NPE portfolio under the Group's management, which had a GBV of €23 billion, was offloaded between July and October 2022. The expiration of the Sareb contract prompted a reorganization of the Group's operations in Spain to maintain profitability. The Group is now focusing on managing unsecured small loans (ranging from €20,000 to €30,000) from commercial loans to small businesses and individuals, while also expanding its NPE Servicing and Early Arrears and Performing Loans Servicing offerings. The newly managed portfolios include a combination of NPL and REO assets.

As part of its reorganization strategy in the Spanish region, the Group concluded its operations in Portugal on July 24, 2024, with the doValue Portugal Divestment. See "*Business – Material acquisitions and sales*". Additionally, doValue Spain has started a process to merge its wholly-owned subsidiary, Adsolum Real Estate S.L. ("**Adsolum**"), into its share capital after having closed all its operations. In this context, the Group has also completed a recapitalization of the shareholders' equity of doValue Spain for €76.2 million, to, *inter alia*, replenish the minimum level of equity required by applicable law.

The below table sets forth the Gross Book Value of assets under management, Collections, Gross Revenues, EBITDA excluding Non-recurring Items margin and average Base Fee in Spain (including doValue Portugal) for the periods presented therein:

	For the year ended December 31,			**For the nine months ended September 30,**
	2021	**2022**	**2023**	**2024**
Gross Book Value (€bn)	41.5	11.6	10.9	11.4
Collections (€bn)	2.7	2.0	1.1	0.7
Gross Revenues (€m)	171.8	122.5	66.2	37.7
EBITDA excluding Non-recurring Items margin	23.8%	3.6%	3.4%	0.3%
Average Base Fee (bps on GBV)	0.15%	0.12%	0.15%	0.10%

The Group's key clients in Spain include major banks, including Santander and CaixaBank and investors, including CPPIB, Marathon Fortress. Collectively, the Group's top ten and top five clients in Spain for the year ended December 31, 2023 represented 92.5% and 78.5% of its consolidated total revenues, respectively.

Information Technology, Back Office and Security Strategy

The Group's technological hub is dedicated to enhancing efficiency and competitiveness through robust ICT and back-office activities. Its Information Technology strategy is built on four strategic pillars: (a) establishing a secure IT landscape to maximize productivity; (b) optimizing IT service costs while investing in digitalization, data, and innovation; (c) leveraging technology as a differentiating factor to provide innovative services; and (d) harnessing human capital to insource core capabilities and increase intellectual capital.

Launched in 2020, the doTransformation Program has centralized infrastructure and security services at the Group level, implementing a new hybrid datacentre based on Azure Cloud and a Tier 4 datacenter powered by 100% renewable energy. This setup ensures over 99.5% system availability while reducing the number of datacenters from 18 to 6. A comprehensive Cybersecurity upgrade program, initiated in 2022 and set to continue until 2025, aims to enhance security tools across various areas, including server protection, access management, and data loss prevention. Since 2021, the Group has experienced no material interruptions or breaches.

The Group has also upgraded its ICT application landscape to enhance business capabilities, including renewing its asset management platform in Italy and Greece, replacing the core management system in Greece, Spain, and Cyprus, and implementing a common ERP system. Between 2021 and 2023, approximately €75 million were invested in technology improvements, with ongoing investments planned for future technological innovation.

The Business Plan emphasizes investment in digitalization, data, and innovation, including initiatives to improve early arrear collection, AI-driven debtor segmentation, automated query handling, and process automation. The ICT strategy will implement a blueprint data architecture to strengthen data quality and enhance reporting, while aiming to increase data monetization by 2026. Additionally, the strategy includes insourcing core capabilities to bolster internal development and manage the evolution of digital and data platforms, thus creating valuable intellectual assets for the Group.

Data Protection

On January 1, 2021 the Group issued its data protection policy, which is applicable to all Group companies (the "**doValue Group Data Protection Policy**"). In particular, the doValue Group Data Protection Policy is aimed at all of the internal personnel of the Group who process personal data. See "*Regulatory Overview—Regulation in Italy—Data Management*."

As part of the Group's core business, the Group manages various types of personal data as a data controller (for employees, clients, and third parties) and/or data processor (for data of obliged parties processed under credit recovery appointments). The Group complies with data processing instructions from clients based on data protection agreements and is committed to securing personal data through a risk-based approach consistent with the applicable legal and regulatory requirements and stakeholder expectations.

The Group's data protection organizational model, as outlined in the doValue Group Data Protection Policy, focuses on two main areas:

- *Governance & supervision*: responsible for defining the data protection strategy, ensuring compliance with data protection regulations; coordinating data protection initiatives and serving as a contact point for supervisory authorities.
- *Operational areas*: which are responsible for executing data processing activities.

The Group implements measures to protect its counterparts, including information notices, consent management, and organizational requirements like impact assessments and data breach management procedures. Each company within the Group assesses processing activities for high risk and establishes appropriate technical and organizational security measures to mitigate potential impacts on data subjects.

The Group prioritizes transparency by providing customers with clear information about service characteristics, risks, and contractual obligations, ensuring compliance with regulations and commitments. As a result of these practices, the Group has reported no significant data breaches in Italy since January 1, 2021.

INTELLECTUAL PROPERTY

Trademarks

The Group has registered, or makes use of, the following trademarks: Banca della Giustizia, doBank, doFactoring, doLeasing, doRealEstate, doLegal, IICF Italfondiario S.p.A., IF Italfondiario the Credit Management Company, IICF Istituto Italiano di Credito Fondiario, IBIS Italfondiario Business Information, IFAMS, doSolutions S.p.A., Mediovenezie, doValue, doData, Dataset, doValue Spain, doValue Greece and Eurobank doValue Greece, for which doValue will have time-restricted licensing rights.

These trademarks are registered in the key markets in which the Group operates. The Group does not expect to register trademarks in other countries.

The Group has not entered into any license agreement for the use of trademarks under third-party ownership.

Domain Names

While the Group holds several trademarks and has registered several domain names, no individual or series of trademarks or intellectual property is material to its business as a whole.

REAL PROPERTY

The Group's headquarters are located in Verona, Italy and its other primary offices in Italy are located in Rome and Milan. The Group also has local operations situated within each of the countries in which it operates. It leases its headquarters and other primary properties from which it operates. The Group does not own any property which is individually material to its business.

MATERIAL AGREEMENTS

The following is a brief description of the material agreements, other than contracts entered into in the ordinary course of the Group's business, to which the Issuer or a Group company was a party in the three years preceding the Prospectus Date, as well as a brief description of all other contracts entered into by the Issuer or a Group company pursuant to which a Group company has an obligation or a right that is material to the Group.

Financing Agreements

Convertible Bonds

On the basis of the powers granted to the board of directors of the Issuer by the shareholders' meeting held on September 11, 2024, on November 13, 2024, the Issuer issued 4,000,000 dematerialized convertible bonds in registered form for a principal amount of €80 million (the "**Convertible Bonds**"), which will be mandatorily convertible into 4,000,000 ordinary shares (the "**Conversion Shares**") on the terms below. Following the conversion of the Convertible Bonds, the Conversion Shares shall represent 20% of the Issuer's share capital .

General Terms of the Convertible Bonds

The Convertible Bonds were issued by the Issuer in connection with the Gardant Group Acquisition and have been acquired by the Sellers, proportionally to their shareholdings in Gardant, under the Gardant SPA by way of set-off of the subscription in cash of €80 million (the principal amount of the Convertible Bonds) with a down-payment of €80 million in cash due from the Issuer to the Sellers under the terms of the Gardant SPA. Therefore, the Cash Consideration does not take into account the issuance of the Convertible Bonds and the consequent issuance of the Conversion Shares. Specifically, the Conversion Shares will be issued by the Issuer pursuant to a reserved capital increase approved on November 6, 2024 by the Issuer to serve the conversion of the Convertible Bonds issued on November 13, 2024 (the "**Reserved Capital Increase**") at a ratio of one Convertible Bond per Conversion Share. Under the Reserved Capital Increase, the conversion of the Convertible Bonds will occur at the terms set forth below at a price per new share equal to €20.00, and therefore at a premium to the market price of the Issuer's shares as of the Prospectus Date. The mechanism of issuing convertible shares has been used in order to permit the Sellers to receive shares in time to participate in the Offer. The holders of the Convertible Bonds shall receive pre-emption rights in connection with the Rights Issue. See "*The Gardant Group Acquisition*".

The Convertible Bonds mature on April 26, 2025 (the "**Maturity Date**"), that may also be extended to a later date if agreed upon by the parties involved in the Gardant SPA. They do not accrue any interest and are unsecured, with no guarantees of the Issuer's obligations. The Convertible Bonds are non-transferable without the Issuer's written approval and are not listed on any trading venue.

The Convertible Bonds shall be automatically and mandatorily converted (the "**Automatic Mandatory Conversion**"), without the Sellers' consent, upon the Gardant Group Acquisition Completion into the Conversion Shares. The Conversion Shares will be delivered on the third trading day immediately following the date on which the Automatic Mandatory Conversion occurs and listed on the STAR segment of Euronext Milan. The Conversion Shares will be freely transferable by their holders.

The Convertible Bonds do not have covenants beyond the obligation to deliver the Conversion Shares upon the Gardant Group Acquisition Completion or to pay the principal amount following the public announcement by the Issuer that it will not complete the Gardant Group Acquisition before the Maturity Date (the "**Trigger Event**"). Upon the occurrence of the Trigger Event, the Issuer shall provide notice to the Noteholders no later than the third Business Day (as defined in the Gardant SPA) after the Trigger Event (the "**Trigger Event Notice**"). The Trigger Event Notice shall specify a redemption date that is at least five days but no more than ten days from the date of the notice (the "**Trigger Event Redemption Date**"). On the Trigger Event Redemption Date, the Issuer shall redeem all of the Convertible Bonds. This redemption is subject to the Bondholders' right to receive payment of the principal amount of the Convertible Bonds (equal to €80 million) being automatically set-off against the Issuer's right to receive the repayment of the down-payment already made.

As required under Italian law, holders of the Convertible Bonds will be granted pre-emptive subscription rights in the Rights Offer forming part of the Offer.

Issuer's Obligations under the Convertible Bonds

The obligations of the Issuer under the Convertible Bonds constitute direct, unsecured and unsubordinated obligations of the Issuer ranking at all times *pari passu* with any present or future unsecured and unsubordinated payment obligations of the Issuer, except as otherwise provided by mandatory provisions of applicable law.

Governing Law

The Convertible Bonds are governed by Italian law.

Existing financing arrangements

Introduction

As of September 30, 2024, the aggregate financial indebtedness of the Issuer amounts to €653.8 million, of which €266.2 million under the 2025 Notes (of which €264.0 million as principal and €2.2 million as accrued interest), €296.0 million of principal under the 2026 Notes and €25.4 million under the Eurobank Credit Facility, in each case as better detailed in this section "*Existing financing arrangements*" in the paragraphs to follow. Certain financing agreements for an aggregate amount equal to €559.5 million (representing approximately 86.0% of the aggregate financial indebtedness of the Issuer as of September 30, 2024) stipulate for certain restrictions and limitations on acquisitions, disposals, loans, granting guarantees and security, in each case as better detailed in the following paragraphs.

2025 Notes

On August 4, 2020, the Issuer issued €265,000,000 aggregate principal amount of its Senior Secured Notes due 2025 (the "**2025 Notes**") under an indenture dated as of August 4, 2020, entered into by, *inter alios*, the Issuer, BNY Mellon Corporate Trustee Services Limited, as trustee, and UniCredit as Security Agent (all as defined under such indenture, the "**2020 Indenture**").

Maturity and Redemption

The 2025 Notes mature on August 4, 2025 and bear interest at a rate of 5.00% per annum, payable semi-annually in arrears on February 1 and August 1 of each year. As of the Prospectus Date, the Issuer may redeem all or part of the 2025 Notes upon 10 to 60 days' prior notice at par (i.e., 100.00000%), plus accrued and unpaid interest. As of September 30, 2024, the outstanding principal amount of the 2025 Notes is €264,000,000 (after the buyback and cancellation of €1,000,000), with accrued interest of €2,200,000.

Covenants and Events of Default

The 2020 Indenture contains a number of customary covenants that restrict, subject to certain exceptions, the Group's ability to: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) pay dividends, make other distributions, purchase or redeem equity instruments, make investments or make other restricted payments; (iii) transfer or sell assets; (iv) engage in certain transactions with affiliates; (v) create liens on assets to secure indebtedness; (vi) impair the security interests; (vii) provide guarantees of certain other indebtedness and (viii) merge or consolidate with other entities. In particular, the 2020 Indenture provides for certain incurrence covenants restricting the additional indebtedness that the Issuer and its subsidiaries can incur. The 2020 Indenture also contains customary reporting covenants requiring disclosure to noteholders of financial and other material information. Each of these covenants, calculated on the consolidated financial statements of the group, is subject to customary exceptions and qualifications.

Pursuant to the 2020 Indenture, the Issuer and its subsidiaries are prohibited from making certain payments, including the declaration or payment of any dividend or any other payment or distribution on or in respect of its subsidiaries' capital stock save for certain permitted payments, including, without limitation, (i) permitted payments to extent the consolidated net leverage ratio does not exceed 3.50:1.00 and so long as no Event of Default has occurred and is continuing; (ii) permitted payments up to an aggregate amount outstanding at any time not exceeding the greater of €70,000,000 and 29% of the consolidated EBITDA; and (iii) permitted payments up to an amount equal to 50% of the cumulative consolidated net income (or if such cumulative consolidated net income is a loss, 100%) and to the extent the Issuer is permitted to incur €1.00 of indebtedness pursuant to the fixed charge coverage ratio and as long as no Event of Default, as defined in the 2020 Indenture, has occurred and is continuing.

The 2020 Indenture also contains certain customary events of default, including, among others, the non-payment of principal or interest on the 2025 Notes, customary cross-payment default and cross-acceleration provisions in respect of certain material indebtedness and certain failures to perform or observe other obligations. The 2020 Indenture does not provide for cross-default provisions with respect to indebtedness and/or financial agreements outside the Group.

As of September 30, 2024, there have been no breaches of the covenants and/or any events of default under the 2020 Indenture and, for sake of completeness, no waivers in relation to any breaches, whether material or otherwise, have been sought by the Issuer under the 2020 Indenture.

In the event of full subscription of the Offer, the net proceeds will be used, along with €110 million from the Refinancing Term Facility and its available cash for the remaining amount, for the repayment of the 2025 Notes. The repayment of the 2025 Notes will accelerate the achievement of the Target in relation to the reduction of the Group's financial leverage, which is expected to increase following the Gardant Group Acquisition Completion, due to the drawdown of the Acquisition Term Facility of €240 million.

2026 Notes

On July 22, 2021, the Issuer issued €300 million aggregate principal amount of its Senior Secured Notes due 2026 (the "**2026 Notes**") under an indenture dated as of July 22, 2021, entered into by, *inter alios*, the Issuer, BNY Mellon Corporate Trustee Services Limited, as trustee, UniCredit, as security agent and in its role as representative (*rappresentante*) pursuant to article 2414-*bis*, third paragraph of the Italian Civil Code (all as defined under such indenture, the "**2021 Indenture**").

Maturity and Redemption

The 2026 Notes mature on July 31, 2026 and bear interest at a rate of 3.375% per annum, payable semi-annually in arrears on January 31 and July 31 of each year. As of the Prospectus Date, the Issuer may redeem all or part of the 2026 Notes upon 10 to 60 days' prior notice at the following redemption prices, plus accrued and unpaid interest (i) 2024: 100.84375%, (ii) 2025 and thereafter: 100.00000%. As of September 30, 2024, the outstanding principal amount of the 2026 Notes is €296 million (after the buyback and cancellation of €4 million), with accrued interest of €1.7 million.

The 2026 Notes may be redeemed, in part, by means of the borrowings made by the Issuer under the Refinancing Term Facility.

Guarantees and Security

The 2026 Notes are secured and guaranteed in compliance with the provisions of the 2021 Indenture. Subject to the limitations described under the 2021 Indenture, the agreed security principles and the Intercreditor Agreement (as defined below), the 2026 Notes are guaranteed by certain personal guarantees granted by each of doValue Spain and doValue Greece and secured by security interest granted pursuant to the security documents on an equal and ratable first-priority basis with the 2025 Notes over the following property, rights and assets: (i) the share capital held by the Issuer in each of (x) doValue Spain and (y) doValue Greece; and (ii) the assignment by way of security (or pledge) of the rights of the Issuer under (x) the intercompany loan for an original aggregate principal amount of €184.9 million entered into by Issuer (as lender) and doValue Spain (as borrower) (the "**doValue Spain Proceeds Loan**") and (y) the intercompany loan for an original principal amount of €113.5 million due June 2025 made by the Issuer on June 5, 2020 to doValue Greece HoldCo (now, doValue Greece).

Covenants and Events of Default

The 2021 Indenture contains a number of covenants which, among other things, restrict, subject to certain exceptions, the Group's ability to: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) pay dividends or make other distributions or purchase or redeem the Group's stock; (iii) make investments or other restricted payments; (iv) transfer or sell assets; (v) engage in certain transactions with affiliates; (vi) create liens on assets to secure indebtedness; (vii) impair the security interest; and (viii) merge or consolidate with other entities. Each of these covenants is subject to significant exceptions and qualifications.

Pursuant to the 2021 Indenture, the Issuer and its subsidiaries, are prohibited from making certain payments, including the declaration or payment of any dividend or any other payment or distribution on or in respect of the Issuer's or any of its subsidiaries' capital stock save for certain permitted payments, including, without limitation, (i) permitted payments to extent the consolidated net leverage ratio does not exceed 3.25:1.00 and so long as no event of default under the 2021 Indenture has occurred and is continuing; (ii) permitted payments up to an aggregate amount outstanding at any time not exceeding the greater of €80 million and 52% of the consolidated EBITDA; and (iii) permitted payments up to an amount equal to 50% of the cumulative consolidated net income (or if such cumulative consolidated net income is a loss, 100%), and to the extent the Issuer is permitted to incur €1.00 of indebtedness pursuant to the fixed charge coverage ratio and as long as no event of default under the 2021 Indenture has occurred and is continuing.

The 2021 Indenture also contains certain customary events of default including (i) a failure to make any payment of interest, premium or principal when due on such notes, (ii) a failure to comply with the covenants under the 2021 Indenture, (iii) security and guarantees ceasing to be in full force and effect prior to specific release events, (iv) customary events of bankruptcy of the Issuer or certain significant subsidiaries and (v) a failure to pay certain material judgments. The 2021 Indenture does not contain any cross default referring to entities other than the Issuer and its subsidiaries.

As of September 30, 2024, there have been no breaches of the covenants and/or any events of default under the 2021 Indenture and, for sake of completeness, no waivers in relation to any breaches, whether material or otherwise, have been sought by the Issuer under the 2021 Indenture.

Change of Control

Upon the occurrence of certain change of control events, which includes, among others, (1) the (direct or indirect) sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction) of all or substantially all the assets of the Issuer and its subsidiaries and (2) the acquisition of more than 50% of the total voting power of the voting stock of the Issuer by a person that is not a Permitted Holder (being, pursuant to the 2021 Indenture, collectively: (a) (i) Fortress Investment Group LCC and (b) SoftBank Group Corp; (b) members of the management team of the Issuer or any of its subsidiaries; (c) any related person of any persons specified in items (a) and (b) above; (d) any person who is acting as an underwriter in connection with a public offering of capital stock of any subsidiary of the Issuer or any holding company thereof; and (e) any group (of which any of the foregoing are members; *provided that*, in the case of such group and without giving effect to the existence of such group or any other group, the Persons mentioned in paragraphs (a) to (c) above (or at least one of them) or such persons collectively, have exclusive legal and beneficial ownership of more than 50% of the total voting power of the voting stock of the Issuer or any direct or indirect holding company)), each holder of the 2026 Notes will have the right to require the Issuer to repurchase all or any part of such holder's notes (in integral multiples of €1,000 and *provided that* Notes of €100,000 or less may only be repurchased in whole and not in part) at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the 2021 Indenture.

If holders of not less than 90% in aggregate principal amount of the outstanding 2026 Notes validly tender and do not withdraw such 2026 Notes in a change of control offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer, purchases all of the 2026 Notes validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right to redeem all 2026 Notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount of such 2026 Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date).

Governing Law

The 2021 Indenture is governed by New York law.

Eurobank Credit Facility

On March 8, 2023, doValue Greece, as borrower, entered into a revolving credit agreement, governed by the laws of Greece, with Eurobank as lender (the "**Eurobank Credit Facility**"). Following increases on April 10, 2023 and August 25, 2023, the aggregate maximum principal amount available under the Eurobank Credit Facility has been set to €25 million.

As of December 31, 2023, doValue Greece has fully utilized the available amount under the Eurobank Credit Facility, for working capital purposes.

The Eurobank Credit Facility has no defined termination date. Interest periods under the Eurobank Credit Facility are three-months while interest is calculated over a 360-days year at a rate of 1-month EURIBOR plus a margin of 1.80% per annum. The terms of the Eurobank Credit Facility are in line with customary terms usually used in the market for financings of this kind. As of September 30, 2024, the Eurobank Credit Facility was fully drawn. The repayment in full of any amount due under the Eurobank Credit Facility constitutes a condition precedent for the utilization of the Refinancing Term Facility and the Revolving Facility.

CAI Revolving Facility Agreement

On July 4, 2023, doValue S.p.A., as borrower, and Crédit Agricole Italia S.p.A., as lender, entered into a revolving facility agreement for an aggregate maximum amount equal to €15 million (the "**CAI Revolving Facility Agreement**").

As of September 30, 2024, the Issuer has no outstanding draws on the CAI Revolving Facility Agreement.

Overview: general terms

The termination date of the facility will be July 4, 2025. The facility will bear interest at a rate per annum equal to EURIBOR plus the applicable margin (i.e., initial margin equal to 1.10 per cent. per annum, subject to upward adjustment based on the percentage of utilization of the facility from time to time up to 25 bps). Interest shall be paid on the relevant payment date (i.e., the last day of each calendar month, quarter or semester, as elected by the Issuer). The CAI Revolving Facility Agreement provides for customary mandatory prepayment events for transactions of this kind and, in particular, (i) occurrence of an illegality event, (ii) occurrence of a change of control event and (iii) completion of any disposal whose consideration exceeds €25 million, but excluding the transactions made at arms length's commercial terms and in the ordinary course of business of the Issuer.

The CAI Revolving Facility Agreement provides for customary positive and negative covenants, subject to certain agreed exceptions, including, but not limited to: (i) the leverage ratio not exceeding 3.50:1.00 in respect of any test date (being the June 30 and December 31 in each year); (ii) providing certain financial information, including financial statements and compliance certificates, (iii) maintenance of *pari passu* ranking, (iv) restrictions on extraordinary transactions, disposals and acquisitions (v) restrictions on incurrence of financial indebtedness other than that permitted under the CAI Revolving Facility Agreement, (vi) restrictions on granting security, guarantees and indemnities (however described) (in such latter case in favor of third parties which are not member of the group) and (vii) restrictions on loans to third parties which are not member of the group.

The CAI Revolving Facility Agreement also contains certain customary events of default including any breach of the financial covenant, any misrepresentation, cross-default with other financial indebtedness and cross-acceleration (with a de-minimis threshold, in aggregate, of €25 million).

As of September 30, 2024, there have been no breaches of the covenants and/or any events of default under the CAI Revolving Facility Agreement and, for sake of completeness, no waivers in relation to any breaches, whether material or otherwise, have been sought by the Issuer under the CAI Revolving Facility Agreement.

Overdraft Facility Agreement

On May 16, 2024, the Issuer, as borrower, and Banco Santander S.A., as mandated lead arranger and lender, entered into an €15 million overdraft facility agreement (the "**Overdraft Facility**" and the "**Overdraft Facility Agreement**").

As of September 30, 2024, the Issuer has not drawn on any portion of the total maximum amount available under the Overdraft Facility Agreement.

Overview: general terms

The termination date of the Overdraft Facility will be May 16, 2025 or, if the Issuer has not notified the lender of its intention not to extend the Overdraft Facility pursuant to a tacit renewal mechanism, one year thereafter. The tacit extension is subject to the payment of an extension fee of 0.50% of the outstanding amount of the Overdraft Facility as of the original termination date, as well as to no events of default being outstanding and all the repeating representations being true in all material respect. The Overdraft Facility will be repaid in full on its termination date.

Mandatory Prepayments and Cancellation

The Issuer may, upon not less than five business days' prior notice to the lender, cancel the whole or any part of the available commitment of the Overdraft Facility. The Overdraft Facility Agreement provides for customary mandatory prepayment events for transactions of this kind: (i) illegality, (ii) exit (i.e., upon of a change of control or a sale of all or substantially all of the assets of the Group or the business of the group or a delisting); and (iii) any material transaction (i.e., any acquisition of assets, shares, securities, business, undertakings carried out by the Issuer or any member of the Group whose consideration exceeds €250 million, but excluding the acquisition by the Issuer of Gardant S.p.A. and its subsidiaries under the 2024 Facilities Agreement (as defined below)).

A change of control event that would trigger a mandatory prepayment of the Overdraft Facility refers to the direct or indirect acquisition of more than 50% of the total voting power of the voting stock of the Issuer or of doValue Spain by a person that is not a Permitted Holder (being, pursuant to the Overdraft Facility Agreement, collectively: Softbank Group Corp., Bain Capital Credit Member, LLC, Jupiter Asset Management Ltd and Gardant S.p.A.).

Pricing

The Overdraft Facility will bear interest at a rate per annum equal to EURIBOR plus 2.75 margin per cent. per annum. Interest shall be paid on the relevant payment date (i.e., the last day of each calendar quarter or, if the balance of the overdraft account is negative over €15 million, the last day of each calendar month and, in such latter case, an additional interest of 2 per cent. per annum shall accrue on such excess).

Guarantee

The Overdraft Facility is unsecured but shall benefit from a personal guarantee to be granted by doValue Spain as a condition precedent for its utilization.

Covenants and Events of Default

The Overdraft Facility Agreement contains a number of customary positive and negative covenants, subject to certain agreed exceptions, including, but not limited to: (i) providing certain financial information, including financial statements and compliance certificates, (ii) maintenance of *pari passu* ranking, (iii) restrictions on extraordinary transactions, disposals and acquisitions (other than the acquisition of Gardant S.p.A. under the 2024 Senior Facilities Agreement (as defined below) and any solvent liquidation or reorganisation of any member of the Group other than the Issuer, so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group), (v) restrictions on incurrence of financial indebtedness other than that permitted under the Overdraft Facility Agreement, (vi) restrictions on granting security and (vii) most favored nation undertaking with respect to the Notes and any refinancing or extension or other similar transaction of the same.

The Overdraft Facility Agreement does not provide for any restrictions relating to payments, including the declaration or payment of any dividend or any other payment or distribution on or in respect of the Issuer's or any of its subsidiaries' capital stock.

Pursuant to the Overdraft Facility Agreement, the Issuer shall ensure compliance with the following financial covenants: (i) interest cover not being less than 2.00:1.00 in respect of any relevant period after and including December 31, 2024 and (ii) leverage not exceeding 3.50:1.00 in respect of any relevant period. The Issuer shall not be required to calculate the financial covenants and deliver the relevant compliance certificates if, during the last six months of that relevant period, the average aggregate outstanding overdraft withdrawals were less than 20% of the amount of the Overdraft Facility.

The Overdraft Facility Agreement also contains certain customary events of default including (i) a failure to make any payment of interest, premium or principal when due, (ii) a failure to comply with some of the covenants under the Overdraft Facility, (iii) guarantee ceasing to be in full force and effect prior to specific release events, (iv) customary events of bankruptcy of the Issuer, (v) cross-default and cross-acceleration provisions (with a de-minimis threshold of €15 million), (vi) breach of minimum share capital requirements in respect of the Issue, (vii) occurrence of a material adverse event and (viii) creditors' process (with a de-minimis threshold of €15 million).

As of September 30, 2024, there have been no breaches of the covenants and/or any events of default under the Overdraft Facility Agreement and no amounts under the Overdraft Facility have been drawn and, for sake of completeness, no waivers in relation to any breaches, whether material or otherwise, have been sought by the Issuer under the Overdraft Facility Agreement.

Governing Law

The Overdraft Facility Agreement is governed by Italian law.

Other Financial Indebtedness

In addition to the agreements described above, the Group and its subsidiaries have from time to time entered into certain other facilities in the ordinary course of business, namely revolving credit facilities and other credit facilities (also in the form of *prestiti a vista*). As of September 30, 2024, the Group had undrawn committed (unsecured and unguaranteed) facilities for an amount equal to €77 million. All these agreements contain customary representations and warranties, undertakings and events of default.

The 2024 Senior Facilities Agreement provides that certain credit facilities which are in place as of September 30, 2024 including the Eurobank Credit Facility, will be fully and irrevocably prepaid and cancelled as a condition precedent to the utilization of the Acquisition Term Facility. As a result, as of the utilization date of the Acquisition Term Facility, the undrawn commitments under the then existing facilities (excluding, for the avoidance of doubt, the Refinancing Term Facility and the Revolving Facility, as such terms are defined below) are expected to be equal to €43 million.

2024 Senior Facilities Agreement

Overview: general terms

On October 4, 2024, doValue S.p.A. as borrower, Mediobanca - Banca di Credito Finanziario S.p.A. and UniCredit as bookrunners and global coordinators, Alpha Bank S.A., acting through its Luxembourg Branch, Attica Bank S.A., Banca Monte dei Paschi di Siena S.p.A., .Banco BPM, BdM Banca S.p.A., BPER Ba–ca S.p.A., Citibank N.A., London, Eurobank S.A., Intesa Sanpaolo S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Mediocredito Centrale - Banca del Mezzogiorno S.p.A., Piraeus Bank S.A., acting through its Frankfurt Branch, and UniCredit as mandated lead arrangers (the "**Mandated Lead Arrangers**"), the financial institutions listed thereunder as original lenders (the "**Original Lenders**"), UniCredit as agent (the "**Agent**") and UniCredit as security agent (the "**Security Agent**") entered into a €516 million senior facilities agreement (originally for €490 million), as subsequently amended and supplemented pursuant to an amendment agreement dated October 29, 2024, pursuant to which the original total commitments have been increased to an aggregate amount equal to €526 million (the "**2024 Senior Facilities Agreement**") as a result of the accession of Optima bank S.A. to the 2024 Senior Facilities Agreement, consisting of: (i) a senior secured term loan facility in an aggregate principal amount of €240 million (the "**Acquisition Term Facility**"), which is split into two tranches (consisting of a "tranche A" for an amount of €140 million and a "tranche B" for an amount of €100 million, the latter benefiting of a guarantee provided by SACE S.p.A.), the utilisation of which will occur at the same time as the Gardant Group Acquisition Completion and will be subject to the satisfaction of the same set of conditions precedent applicable to the Acquisition Term Facility as a whole; (ii) a senior secured term loan facility in an aggregate principal amount of €206 million (the "**Refinancing Term Facility**" and, together with the Acquisition Term Facility, the "**Term Facilities**"); (iii) a senior secured revolving loan facility in an aggregate principal amount of €80 million (the "**Revolving Facility**" and, together with the Acquisition Term Facility and the Refinancing Term Facility, the "**Facilities**"). The Term Facilities will be made available by the lenders on a "certain funds basis", with the lenders committing to provide borrowings under the Term Facilities under specific conditions and within the applicable availability period, without the ability to withdraw, terminate, accelerate or cause the repayment during that time, except under predefined circumstances, which include the occurrence of a change of control prior to the relevant utilization or the occurrence of material events of default (i.e., (i) with respect to the Issuer only, any event of default relating to a non-payment by the Issuer in respect of any amount payable under the finance documents related to the 2024 Senior Facilities Agreement, a breach of certain material undertakings under the 2024 Senior Facilities Agreement (including those relating to the incurrence of additional financial indebtedness (other than the financial indebtedness incurred under the 2024 Senior Facilities Agreement or any shareholder funding), the disposal of assets and the granting of security), a misrepresentation insofar as it relates to a breach of any representation given by the Issuer on its capacity and authority, unlawfulness and invalidity of the finance documents or repudiation and rescission of the finance documents and (ii) with respect to the Issuer and Gardant only, the opening of any insolvency proceedings or the Issuer or Gardant becoming insolvent. The Revolving Facility can be utilised by the Issuer (i) only upon the Gardant Group Acquisition Completion and as long as the Acquisition Term Facility is drawn and (ii) irrespective of the completion of the Rights Issue.

In addition to the Facilities, the 2024 Senior Facilities Agreement also provides for the Issuer's ability to sound the market and seek commitments from banks and other financial institutions for the purpose of establishing an incremental term facility for a maximum amount of €14 million, for the partial repayment of the 2026 Notes (in case the Issuer decides to proceed with the partial repayment of the 2026 Notes) (the "**Incremental Term Facility**").

The termination date for the Term Facilities and the Revolving Facility will be, respectively, five and three years from the signing date of the 2024 Senior Facilities Agreement. Each Term Facility is repayable by an amortizing repayment in semi-annually instalments, whilst the Revolving Facility is repayable on the last day of the interest period relating thereto, *provided however that* the Issuer may elect to roll over drawings for subsequent interest periods on the relevant termination date. Commitments under the Revolving Facility will be available in the form of cash only.

The Issuer can apply all amounts borrowed by it under the Facilities as follows:

(i) under the Acquisition Term Facility (for a gross amount equal to €240 million): (a) financing the Net Cash Consideration, estimated to be approximately €179.6 million plus €1.3 million deriving from certain adjustments as set forth in the Gardant SPA; (b) refinancing certain existing indebtedness of the Gardant Group estimated to be approximately €52 million (representing the portion of the total indebtedness of the Gardant Group amounting to €71.7 million not settled through the use of the available cash) ; and (c) paying a portion of transaction costs (including upfront fees) associated with the Acquisition Term Facility for approximately €7.1 million (for completeness, other transaction costs associated with the Acquisition Term Facility, as well as those related to the Gardant Group Acquisition, will be covered using the Issuer's available cash);

(ii) under the Refinancing Term Facility in or towards redemption, in part, of the 2025 Notes (including, without limitation, by way of a tender offer) and paying related fees, costs and expenses payable in connection therewith (including paying any broken funding costs, redemption premium and other costs arising out of an early termination of existing hedging agreements (if any)) up to an amount equal to €110 million; and (b) at the Issuer's discretion, the redemption, in part, of the 2026 Notes (including, without limitation, by way of a tender offer), and paying related fees, costs and expenses payable in connection therewith (including paying any broken funding costs, redemption premium and other costs arising out of an early termination of existing hedging agreements (if any)) up to an aggregate principal amount equal to €96 million (the "**2026 Notes Refinancing Portion**"); and

(iii) under the Revolving Facility in or towards financing and/or refinancing the general corporate and/or working capital purposes of the group (including the Gardant Group from the closing date), including, without limitation, the back-stopping, replacing and/or providing cash cover in respect of any letters of credit, guarantees or similar instruments or ancillary, revolving, working capital or local facilities, the funding or refinancing of capital expenditure, restructuring costs, acquisitions, investments, joint ventures, operational and reorganisation requirements of the group, and the refinancing of financial indebtedness (including drawing the proceeds thereof onto balance sheet to finance such items in future and/or refinance previous expenditure on such items).

Additionally, to the extent the Issuer secures commitments in respect of the Incremental Term Facility, the Issuer will be required to apply all amounts borrowed by it thereunder towards (i) refinancing, in part, the 2026 Notes (including, without limitation, by way of a tender offer); and (ii) paying related fees, costs and expenses payable in connection with such debt acquisition and/or refinancing (including paying any broken funding costs, redemption premium and other costs arising out of an early termination of existing hedging agreements (if any)).

To the extent the Issuer elects to draw the Refinancing Term Facility, the 2024 Senior Facilities Agreement provides that the Issuer will be required to utilise the full available commitments thereunder (including the commitments backing-up the 2026 Notes Refinancing Portion). In this scenario, the Issuer will be required to apply the proceeds being drawn under Refinancing Term Facility: (a) to refinance the 2025 Notes (up to an amount equal to €110 million) and (b) either (i) to redeem a portion of the 2026 Notes or (ii) to repay the Refinancing Term Facility, in each case, up to an amount equal to the 2026 Notes Refinancing Portion being drawn.

Pricing

The Facilities will bear interest at a rate per annum equal to EURIBOR (subject to zero floor) plus the applicable margin determined by reference to total net leverage (calculated in accordance with the terms of the 2024 Senior Facilities Agreement and tested semi-annually on a rolling basis) decreasing or increasing (as applicable) by 25 bps for each 0.25x or 0.5x decrease or increase (as applicable) of total net leverage, with (i) the highest margin applicable being 4.75 per cent. per annum (in relation to each Facility) in the case of total net leverage being equal or greater than 3.00:1 and (ii) the lowest margin applicable being (A) 3.25 per cent. per annum (in relation to each Facility other than the tranche of the Acquisition Term Facility which is guaranteed by the SACE Guarantee) in the case of total net leverage being less than 2.00:1 or (B) 3.75 per cent. per annum (in relation to the tranche of the Acquisition Term Facility which is guaranteed by the SACE guarantee) in the case of total net leverage being less than or equal to 2.00:1. To the extent that the reference rate (i.e., the EURIBOR) ceases to be available, the 2024 Senior Facilities Agreement includes mechanics to apply a replacement reference rate in its place for the calculation of the interest payable in relation to the Facilities thereafter.

In connection with the Facilities (and the Incremental Term Facility), the Issuer will be required to pay to the lenders and/or certain other finance parties certain customary fees (including certain agency and security agency fees) and expenses. More specifically, the 2024 Senior Facilities Agreement provides for the recognition, among others, in respect to both the Term Facilities and the Revolving Facility, of (i) an upfront fee equal to, in each case, 2% of the total principal amount thereof, subject to the no deal no fee provision at the terms and conditions specified under the 2024 Senior Facilities Agreement, (ii) starting on and from September 6, 2024 until the signing date of the 2024 Senior Facilities Agreement, a ticking fee in an amount equal to 25% of the applicable Margin and (iii) starting from the signing date of the 2024 Senior Facilities Agreement until the commitments under (A) the Term Facilities are cancelled in full, a commitment fee in an amount equal to 35% (or, on and from January 1, 2025, equal to 55%) of the applicable Margin and (B) the Revolving Facility have been utilised in full, a commitment fee in an amount equal to 35% of the applicable Margin. Ticking and commitment fees under paragraphs (ii) and (iii) above shall accrue and be payable regardless of the occurrence of the closing date and will be calculated as a percentage of applicable margin over a period of time, in each case as detailed in the terms of the 2024 Senior Facilities Agreement. As of the Prospectus Date, in connection with the 2024 Senior Facilities Agreement, the Issuer is also required to pay a transaction fee equal to €3.2 million.

Voluntary prepayment and cancellation

The Issuer may, upon not less than three business days' prior notice to the Agent (subject to certain exceptions), cancel and/or voluntarily prepay outstanding loans without penalty or premium (but, in case of voluntary prepayments, including any break fees if applicable) under the 2024 Senior Facilities Agreement.

Mandatory prepayments

The 2024 Senior Facilities Agreement provides for customary mandatory prepayment events for transactions of this kind: (i) illegality; (ii) exit (i.e., upon of a change of control or a sale of all or substantially all of the assets of the Group); (iii) delisting; and (iv) disposal.

Representations and Warranties

The 2024 Senior Facilities Agreement contains certain undertakings, representations and warranties, which are subject to agreed customary materiality thresholds, qualifications and other exceptions, including, but not limited to: (i) status, power and authority, (ii) *pari passu* ranking and validity of security, (iii) no conflicts with constitutional documents, laws or other obligations, (iv) authorisations, (v) insolvency, (vi) good title to assets, (vii) security and financial indebtedness, and (viii) no breach of laws.

General Covenants

The 2024 Senior Facilities Agreement contains customary positive and negative covenants, subject to certain agreed exceptions, including, but not limited to: (i) providing certain financial information, including financial statements and compliance certificates, (ii) maintenance of *pari passu* ranking, (iii) insurances, (iv) restrictions on extraordinary transactions, disposals and acquisitions, (v) restrictions on incurrence of financial indebtedness, and (vi) restrictions on granting security.

In particular, payments or distributions (including by way of a dividend, repayment of equity, reduction of capital, loan, fee, charge or the cash payment of interest on, or repayment or prepayment of principal in respect of, subordinated shareholders debt, redemption, defeasance, retirement, set-off, acquisition of liabilities or other discharge), are prohibited, whether directly or indirectly, unless the following conditions are met: (i) the 2025 Notes and the 2026 Notes are redeemed and/or refinanced in full, (ii) such payments or distributions are consistent with the Group dividend ordinary policy disclosed to the market; and (iii) the consolidated net leverage ratio, calculated on a *pro forma* basis at the end of the most recently ended testing period for which annual financial statements or semi-annual financial statements are required to be delivered to the agent pursuant to the 2024 Senior Facilities Agreement and taking into account the proposed payment or distribution as if it had been made at the beginning of that relevant period, does not exceed 3.25:1.00. Notwithstanding the foregoing, the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of capital stock of the Issuer is permitted to extent the aggregate payments do not exceed an aggregate amount equal to €5 million in any financial year. Furthermore, the 2024 Senior Facilities Agreement provides for restrictions on acquisitions save for certain agreed exceptions. In particular, until the 2025 Notes and the 2026 Notes are fully redeemed and/or refinanced, the Issuer is not permitted to make acquisitions in the event the enterprise value of all target companies and/or business acquired by any member of the Group exceeds €30 million in aggregate.

Additionally, the 2024 Senior Facilities Agreement limits the Group to making only specified permitted acquisitions, provided certain conditions are met, including compliance with the consolidated net leverage ratio, calculated on a pro-forma basis considering the proposed acquisition, no greater than 2.50:1.00. If greater, the Issuer will be required to (i) give evidence that the consolidated net leverage ratio does not exceed 2.75:1.00 at the end of the most recently ended relevant period, taking into account the proposed acquisition as if it had occurred at the beginning of that period, (ii) give evidence that the consolidated net leverage ratio is forecasted not to exceed 3.00:1.00 for the two relevant periods ending after the expected completion date of the proposed acquisition and (iii) provide a detailed cash flow forecast showing that the Issuer is expected to have sufficient funds to pay the next two repayment instalments under the 2024 Senior Facilities Agreement (including interest) due after the expected completion date of the proposed acquisition. Additionally, prior to the date on which both the 2025 Notes and the 2026 Notes are fully redeemed, the aggregate enterprise value of such acquisitions (when coupled with any acquisition made through joint ventures) to be implemented after the signing date of the 2024 Senior Facilities Agreement is capped at €30 million.

Furthermore, the Issuer is restricted to incur financial indebtedness ranking *pari passu* with the financial indebtedness under the Facilities and secured by the same collateral for the purpose of refinancing the 2025 Notes. On the contrary, the 2024 Senior Facilities Agreement permits the Issuer to incur financial indebtedness ranking *pari passu* with the Facilities for the purpose of refinancing the 2026 Notes.

Financial Covenants

With respect to the Facilities, the Issuer will also be required to comply with the following financial covenants: (i) consolidated net leverage ratio, pursuant to which the Issuer shall ensure that, on June 30 and December 31 of each year, the consolidated net leverage ratio (as shown in the relevant compliance certificate) in respect of the testing period ending on that semester date does not exceed 3.50:1.00; and (ii) fixed charge coverage ratio (being the ratio of (a) the aggregate amount of consolidated EBITDA to (b) the fixed charges in respect of any testing period), pursuant to which the Issuer shall ensure that, on June 30 and December 31, the fixed charge coverage ratio (as shown in the relevant compliance certificate) in respect of the testing period ending on that semester date exceeds 2.00:1.00, subject to, in each case, a 30-business day equity cure period provision. The financial covenants shall be capable of cure by making available subordinated shareholder debt and/or equity proceeds. The Facilities also provide for customary cross-default provisions in respect of certain material indebtedness of certain subsidiaries of the Group. The Facilities do not provide for cross default provisions with respect to indebtedness and/or financial agreements outside the Group.

Security and guarantees

Borrowings under the 2024 Senior Facilities Agreement are to be secured by a security package established in favour of the Security Agent and the other secured creditors under the Intercreditor Agreement, consisting of security interest customary for this type of transaction, including: (a) on the closing date (i) a share pledge over all of the shares in doValue Greece held by the Issuer and the entire issued share capital of Gardant, and (ii) transaction security over all structural and material proceeds loans made available by the Issuer to doValue Greece, doValue Spain and any member of Gardant Group, (b) subject to the agreed security principles, as soon as legally practicable after the closing date and in any case, by no later than 60 (sixty) calendar days following the closing date, (i) a share pledge over all of the shares in any subsidiary of any member of the Group contributing for more than 10% to the consolidated EBITDA, consolidated revenues or consolidated assets of the Group; and (ii) doValue Spain. Security will be granted in security jurisdictions which include Italy, Spain and Greece. Subject to the agreed security principles, the Facilities shall be guaranteed as soon as legally practicable after the closing date and in any event: (a) by no later than 30 (thirty) calendar days following the closing date by Gardant; and (b) by no later than 60 (sixty) calendar days following the closing date by (i) any subsidiary of any member of the Group contributing for more than 10% to the consolidated EBITDA, consolidated revenues or consolidated assets of the Group, (ii) doValue Greece and (iii) doValue Spain. For the avoidance of doubt: (i) no guarantor coverage test will be envisaged; and (ii) the 2024 Senior Facilities Agreement will include provisions allowing a member of the group which is not required to become a Guarantor to voluntarily become a guarantor under the 2024 Senior Facilities Agreement (subject to the satisfaction of customary condition precedents).

Events of Default

The 2024 Senior Facilities Agreement contains customary events of default (subject to in certain cases to agreed grace periods, thresholds and other qualifications), and namely: (i) failure to pay any principal or interest when due; (ii) failure to comply with the provisions of the 2024 Senior Facilities Agreement, including failure to comply with any financial covenant, (iii) representations and warranties found to be incorrect or misleading, (iv) cross-default with other financial indebtedness (in each case with a de-minimis threshold of €15 million), (v) unlawfulness and invalidity of any finance document related to the 2024 Senior Facilities Agreement, (vi) the opening of any insolvency proceedings in respect of the Issuer or any group company guaranteeing the liabilities under the 2024 Senior Facilities Agreement, (vii) the Issuer or any group company guaranteeing the liabilities under the 2024 Senior Facilities Agreement becoming insolvent, (viii) expropriation, attachment or execution of any material asset of any group company guaranteeing liabilities under the 2024 Senior Facilities Agreement, (ix) cessation of the business carried out by the Group as a whole or by any group company guaranteeing the liabilities under the 2024 Senior Facilities Agreement, (x) auditors qualifying the annual financial statements in any manner which is materially adverse to the interests of the finance parties under the finance documents related to the 2024 Senior Facilities Agreement in respect of the Group continuing as a going concern or by reason of failure to disclose information or material inaccuracy of the delivered information, (xi) nationalisation, seizure or restrictions of any asset belonging to a group company which would have a material adverse effect on the group, (xii) repudiation and rescission of any finance document related to the 2024 Senior Facilities Agreement, (xiii) commencement of any material litigation against any group company or any of their assets which would have a material adverse effect on the group and (xiv) failure by any group company to comply with the provisions of the Intercreditor Agreement (as defined below).

Conditions Precedent

The 2024 Senior Facilities Agreement provides for customary conditions precedent for the utilizations of the Facilities and specific conditions which are connected to the Rights Issue process.

More specifically, the 2024 Senior Facilities Agreement provides distinct sets of conditions precedent for drawings under the Acquisition Term Facility, the Refinancing Term Facility and the Revolving Facility. The borrowings under the Acquisition Term Facility are conditional upon the satisfaction of certain market standard conditions precedent specific to the Gardant Group Acquisition, including the following: (i) delivery of the share purchase agreement, director's certificate confirming that all the conditions precedents to the Gardant Group Acquisition have been satisfied (or waived, as applicable); (ii) execution of the transaction security documents securing the liabilities under the 2024 Senior Facilities Agreement; (iii) evidence that certain existing financial indebtedness of the Gardant Group will be fully and irrevocably repaid and any available commitment thereunder will be fully and irrevocably cancelled; (iv) evidence that SACE S.p.A. has issued the relevant guarantee; (v) delivery of the due diligence reports connected to the Acquisition; (vi) delivery of the funds flow memorandum; (vii) delivery of the base case; (viii) delivery of a certificate by the Issuer confirming that the completion of the Acquisition and financing transaction under the 2024 Senior Facilities Agreement will not conflict with the 2020 Indenture and the 2021 Indenture.

The completion of the Rights Issue is not per se a condition precedent to the utilization of the Acquisition Term Facility but the Issuer will be required to deliver, as condition precedents to the utilization of the Acquisition Term Facility, evidence that the Rights Issue will commence immediately after the Gardant Group Acquisition Completion and some comfort that the Rights Issue will be fully funded:

(1) (i) delivery of a copy of the prospectus for the Rights Issue and evidence of the approval thereof by CONSOB; and (ii) delivery of a copy of the press release issued by the Issue in relation to the commencement of the Rights Issue;

(2) (x) the delivery to the lenders of an executed copy of the Underwriting Agreement or (y) in case no Underwriting Agreement is in place by the utilisation date of the Acquisition Term Facility, evidence that the Issuer has received equity or quasi-equity resources or a shareholder loan subscribed between the Issuer and its shareholders, banks, or other investors in connection with the Rights Issue and that such resources are sufficient to cover the portion of the guarantee no longer covered due to lack of use of the Underwriting Agreement; and

(3) evidence that the Principal Shareholders and the Committed Sellers have deposited the Rights Offering Escrow Amount in escrow before the Offer Period, which will be automatically released for the subscription of the shares due to them in connection with the Rights Issue. Evidence that the Committed Sellers have funded the Committed Sellers Rights Offering Escrow is expected to be provided simultaneously with the draw down of the 2024 Senior Facility Agreement. For more details regarding the escrow mechanics please refer to "*Plan of Distribution*".

Furthermore, the 2024 Senior Facilities Agreement provides that the Issuer is entitled to draw up to the full amount of €206 million on the condition that it has at its disposal no less than an aggregate of €150 million from (i) the Rights Issue (in an amount not lower than €82,508,191.51), (ii) no more than €30 million in cash available from the Issuer (as of September 30, 2024 the Issuer has cash available of approximately €91 million) and (iii) the cash proceeds received by the Issuer from the sale and/or issuance of equity or quasi-equity instruments subscribed for by third-party investors.

In addition, the 2024 Senior Facilities Agreement provides that the Issuer is permitted to draw the Revolving Facility (other than a rollover loan), unless (i) an event of default (including, without limitation, any event of default relating to a non-payment or an event of default relating to a breach of obligations or of financial covenants) has occurred and is continuing or would result from the proposed utilisation and (ii) representations are found to be untrue in all material respects.

Governing Law

The 2024 Senior Facilities Agreement is governed by English law.

Intercreditor Agreement

To establish the relative rights of certain of the Group's creditors under its financing arrangements the Issuer, the guarantors in respect of, *inter alia*, the 2026 Notes and any other obligor, UniCredit as Security Agent and the BNY Mellon Corporate Trustee Services Limited as Trustee are, among other, parties to an intercreditor agreement (the "**Intercreditor Agreement**") dated as of June 3, 2020, as amended lastly on July 22, 2021.

The Intercreditor Agreement sets out, among other things: (i) the relative ranking of certain debt (including guarantee obligations) of the Issuer and certain of its subsidiaries in respect of super senior liabilities, the *pari passu* liabilities, the hedging liabilities, the senior debt liabilities, the intra-group liabilities and the shareholder liabilities; (ii) the relative ranking of certain security granted by certain members of the group; (iii) when payments can be made in respect of certain indebtedness of the group; (iv) when enforcement action (including acceleration and/or demand for payment and certain similar actions) (the "**Enforcement Action**") can be taken, including in respect of the security securing the liabilities under the 2024 Senior Facilities Agreement, the 2025 Notes and the 2026 Notes as described in paragraph "Guarantees and Security" under each of the sections "2025 Notes" and "2026 Notes" (the "**Transaction Security**"); (vi) the terms pursuant to which certain indebtedness will be subordinated upon the occurrence of certain insolvency events; (vii) the requirement to turnover amounts received from enforcement of the Transaction Security and certain guarantees, and the equalization of certain losses; (viii) when the Transaction Security and any guarantee(s) issued by certain Debtors (as defined in the Intercreditor Agreement) will be released to permit an enforcement sale; and (ix) the circumstances in which creditors' claims might be required to be transferred to third parties or released to assist in enforcement; and the order for applying proceeds from the enforcement of the Transaction Security, certain guarantees and other amounts received by the Security Agent.

The Intercreditor Agreement will expire on the date on which all the senior secured debt incurred by the Issuer (including, without limitation, the debt incurred or to be incurred, as applicable, under the 2024 Senior Facilities Agreement and the 2026 Notes) is repaid and/or redeemed and/or discharged in full.

The finance parties under the 2024 Senior Facilities Agreement will accede the Intercreditor Agreement.

Material acquisitions and sales

doValue Portugal, Unipessoal Lda sale

On July 11, 2024, doValue Spain Servicing S.A. ("**doValue Spain Servicing**" or "**doValue Spain**") entered into a share purchase agreement (the "**doValue Portugal SPA**") for the sale of the shares held by doValue Spain Servicing in doValue Portugal, Unipessoal Lda. ("**doValue Portugal**") with ASOAM AB, a company incorporated under the laws of Sweden ("**ASOAM**") (the "**doValue Portugal Divestment**"). The closing of the doValue Portugal Divestment took place on July 24, 2024, thereby terminating the Group's operations within the country. Pursuant to the doValue Portugal SPA, doValue Spain Servicing undertook to sell, and ASOAM undertook to buy, (i) the shares representing 100% of the share capital of doValue Portugal, for a consideration of a negligible amount and (ii) certain receivables of doValue Spain Servicing towards doValue Portugal for an amount equal to €14,621,646.33 (the "**Shareholder Credits**") for a consideration equal to €1.00. Under the doValue Portugal SPA, the total liability of the Seller, resulting from error or other defective formation of ASOAM's contractual will, pre-contractual liability, sale of defective goods, or a breach of the doValue Portugal SPA, shall be restricted and limited to the obligation to compensate ASOAM. In particular, the aggregate liability of doValue Spain Servicing shall be limited to a maximum cap equal to €1.5 million. In addition, the Seller agreed to indemnify the Buyer and doValue Portugal from and against any losses incurred in respect of any third party claim arising from using incorrect EURIBOR data (the "**Specific Indemnity**"). The aggregate liability for the Specific Indemnity is limited to a maximum cap equal to €1.5 million.

Gardant Group Acquisition

On June 7, 2024, the Issuer signed a binding agreement for the acquisition of the entire share capital of the Gardant Group. For more information, see "*The Gardant Group Acquisition*"

Team 4 acquisition

In December 2023, the Issuer's subsidiary, doValue Spain acquired the entire share capital of Team 4, a company specialized in debt collection services from Bertelsmann España, S.L.U. ("**Bertelsmann**"). This integration accelerates its strategy to expand its capabilities in the management of unsecured small tickets loans, a rapidly growing market segment in Europe. For the year ended December 31, 2022, Team 4 had net revenues of €3.5 million and a GBV of assets under management of €2.5 billion. The transaction was financed using cash on balance sheet and had no impact on the Issuer's net leverage and net financial position. The purchase price of this acquisition was €1. Furthermore, according to the sale and purchase agreement, doValue Spain is liable to the Seller for any direct, actual and effective damages resulting from any breach of the representations and warranties provided therein for a period of 18 months following the closing date of December 29, 2023. The aggregate liability of to doValue Spain for the effective damages is limited to a maximum of €500 thousand.

Also, Bertelsmann agreed to hold harmless and indemnify Team 4 or doValue Spain (as the case may be) from and against any losses incurred in respect of certain tax liabilities (the "**Team 4 Tax Indemnity**"), labour disputes (the "**Team 4 Labour Indemnity**"), data protection breaches (the "**Data Protection Indemnity**") and any issues related to the Carveouts of Arvato (the "**Arvato Indemnity**") (as defined in the sale and purchase agreement entered into by Bertelsmann and doValue Spain on December 7, 2023) (the Team 4 Tax Indemnity, Team 4 Labour Indemnity, Data Protection Indemnity, the Arvato Indemnity collectively the "**Team 4 Specific Indemnities**"). The limitations on the Bertelsmann's liability to a maximum of €500 thousand do not apply to the Specific Indemnities and Bertelsmann expressly waived any exceptions available under Spanish law. However, the Bertelsmann's liability under the Labour Indemnity and Data Protection Indemnity is capped at €1 million. This limitation does not extend to the Team 4 Tax Indemnity or Arvato Indemnity.

Minority acquisition in Quero Quitar

In 2021, the Group acquired a 10% interest for €1.5 million in the Brazilian fintech company Quero Quitar, an innovative platform for management of unsecured credit in Brazil.

The Issuer believes this to be a strategically material transaction as Quero Quitar S.A. is one of the most promising fintech start-ups operating in the field of digital collection with approximately 15 million debtors registered and more than 20 customers including leading Brazilian financial institutions.

doValue Greece Acquisition

In June 2020, the Group acquired 80% of the share capital of Eurobank FPS Loans and Credits Claim Management Company S.A., now doValue Greece, a limited liability company incorporated in Greece and licensed by the Bank of Greece as a loan servicer through DOVALUE GREECE HOLDING S.M.S.A. (now fully absorbed into doValue Greece), a limited liability company (*societé anonyme*) incorporated under the laws of Greece as a wholly-owned subsidiary of the Issuer (the "**doValue Greece Acquisition**"). The remaining 20% of the share capital of doValue Greece continues to be held by Eurobank, with whom the Issuer has entered into a shareholder agreement to govern the management of doValue Greece and its relationship as shareholders of doValue Greece. The shareholder agreement included a reciprocal lock-up period of three years and a call option right for the Issuer with respect to the remaining 20% of the share capital of doValue Greece that may be exercised from the fourth year following the closing of the doValue Greece Acquisition. The shareholder agreement includes terms and conditions consistent with market practice. See "*Related Party Transactions*".

The purchase price of the doValue Greece Acquisition was €211 million, subject to adjustments as provided for in the sale and purchase agreement for the acquisition of doValue Greece (the "**doValue Greece Acquisition Agreement**"), including, *inter alia*, an earn-out of up to €40 million to the achievement of certain profitability targets over a ten-year period. Payments, if due, will be made starting from the second half of 2024. As of the Prospectus Date, the Issuer has not made payments. The Issuer's tranche to be paid in the short term, by the end of 2024, is equal to €12 million.

Concurrently with the doValue Greece Acquisition, doValue Greece's third party servicing contracts were also transferred as part of the doValue Greece Acquisition perimeter, including the Servicing of the assets comprising the three Cairo securitizations, the first Greek NPL Securitizations under the asset protection scheme known as "HAPS" (see "*Regulatory Overview—Regulation in Greece*"). The Cairo portfolios had an overall GBV of €6.9 billion as of December 31, 2022, encompassing both retail and corporate NPEs, and for which doValue

Greece also provides REO services directly or indirectly. In line with the Group's investment strategy for selected portfolios to be managed on an exclusive basis, the Issuer acquired certain of the mezzanine and junior notes of Cairo securitizations for a purchase price of approximately €15 million, investing a limited amount in line with its usual parameters for Co-Investments. Subsequently, pursuant to a trust arrangement dated October 28, 2020, the Issuer transferred the ownership of 32.5% of the mezzanine and junior notes it acquired initially to Arepo Fiduciaria S.r.l. for such notes to be held in trust for the benefit of the Issuer (the "**Cairo Trust Notes**"). As a result, the Issuer currently benefits from the economic rights pertaining to the Cairo Trust Notes, while Spafid S.r.l. has full discretion as to the exercise of the relevant voting rights.

Capital expenditures

In connection with the doValue Greece Acquisition and the doValue Spain Acquisition and the related purchase price allocations, the Issuer recognized a significant portion of the amounts of goodwill and other intangible assets, mainly are referred to the servicing agreements, reported as of September 30, 2024 and amounting to €224,367 thousand (or 23% of total assets) for goodwill and to €154,971 thousand (or 16% of total assets) for the servicing agreements.

Other capital expenditures, defined as investments in property, plant and equipment and intangible assets required limited expenditure requirements for the years ended December 31, 2021, 2022, and 2023 and for the nine months ended September 30, 2024, save for the doTransformation Program. The Group finances its capital expenditures, mainly concentrated on new software, with cash flow from operating activities.

The following table sets forth the Group's capital expenditures in tangible and intangible assets for the years ended December 31, 2021, 2022, and 2023 and for the nine months ended September 30, 2024:

	For the year ended December 31,			**For the nine months ended September 30,**
	2021	**2022**	**2023**	**2024**
		(*in € thousand*)		
Tangible assets	13,367	41,973	6,719	6,971
Intangible assets	61,010	36,566	21,666	11,715
Capital Expenditures	**74,377**	**78,539**	**28,385**	18,686

(i) Tangible assets capital expenditures refer to the acquisition of furniture, IT hardware and right of use assets.
(ii) Intangible assets capital expenditures are referred to new software, mainly developed for managing non-performing positions.

The capital expenditures in progress as of September 30, 2024 amount to €14 million, of which €9 million relate to doValue Greece and €4 million relate to the Issuer. The remaining portion principally relates to doValue Spain.

No significant capital expenditures (both tangible and intangible assets) have been incurred after September 30, 2024.

In connection with the Gardant Group Acquisition, for which the Issuer signed a binding agreement for the acquisition of the entire share capital, the Issuer expects to recognize significant amounts of goodwill and intangible assets, including servicing agreement (see "*Unaudited Pro Forma Consolidated Financial information*").

Customers and Contracts

The Group's clients primarily consist of investors and banks (with investors accounting for 82% of GBV of assets under management as of September 30, 2024 and banks accounting for 18% of GBV of assets under management as of the same date). The Group's top five and top three largest customers represented approximately 42.2% and 30.8% of its Gross Revenues for the nine months ended September 30, 2024 and approximately 16.7% and 10.5%, of its GBV of assets under management as of September 30, 2024, respectively. For the nine months ended September 30, 2024, the Group's largest customer, Eurobank, accounted for approximately 15.8% of its Gross Revenues and approximately 1.7% of its GBV of assets under management. As of December 31, 2023, the Group's historical clients (*i.e.*, UniCredit, Fortress and Intesa Sanpaolo) represented 34.1% of its GBV of assets under management, with new clients representing 65.9% of its GBV of assets under management over the same period.

The graph below shows the growth of: (i) the Group's client base since Fortress acquired the Group in 2015 and (ii) the Group's cumulative collections since its IPO, demonstrating their ability to extract value from the growing number of portfolios under management.

(1) Based on the number of single legal entities which have entered into SLAs with the Group.
(2) Based on the cumulative amount of Collection Fees received from January 1, 2018 onwards, for the purpose of determining revenues from the Servicing business.

Types of Service Level Agreements

The Group enters into Service Level Agreements with its clients which govern its management and loan recovery activities. The content of each Service Level Agreement varies depending on the specific scope of services and the principal.

In particular, Service Level Agreements entered into by Group companies were traditionally divided into three groups according to their term and certain key characteristics:

- annual agreements being automatically renewed pursuant to which, unless not continued by the client, the Servicer will manage a portfolio of loans up to the date of collection or write-off. These types of contracts are very limited in number and value;
- long-term agreements, which are fixed term agreements for a specific portfolio of assets and which may include future flows; and
- agreements (typically for loan Securitization transactions) which are in effect for the term of the relevant securities issued in such Securitization, subject to specific rights to withdrawal in favor of the client.

The Group generally prefers to enter into long-term agreements with its clients, since the longevity of the portfolios under management is one of the key features of its business model. In particular, the Group's practice is to engage in Service Level Agreements with SPVs holding the NPLs or UTPs whose duration is usually set until run off of the last loan vehicle, which, in Italy usually occurs after more than 10 years. In fact, they are usually part of long-term Service Level Agreements for the management of both existing and future assets of strategic clients, as well as investments funds for third party advisors. This activity ensures lower volatility and higher predictability of cash flows.

With banking clients (*e.g.*, UniCredit, Santander and Eurobank), the Group seeks Forward Flow Agreements, which give rise to long-term relationships as future assets which are generated during the term of the relevant Forward Flow Agreement become automatically subject to the existing agreements.

Material Customer Contracts

The following is a summary of the Group's material customer contracts, four of which are Forward Flow Agreements (*i.e.*, the Servicing Agreement with UniCredit, the Servicing Agreement with Santander, the Servicing Agreement with Kedipes Asset Management and the Service Level Agreement with Eurobank). The total assets under management under these contracts had a GBV of €15.9 billion, €17.9 billion and €25.8 billion and generated €167.5 million, €175.1 million and €230.1 million of Gross Revenues for the years ended December 31, 2023, 2022 and 2021, respectively. The total assets under management under these contracts had a GBV of €14.4 billion for the nine months ended September 30, 2024 and generated €109.0 million of Gross Revenues for the nine months ended September 30, 2024.

Servicing and REO Servicing contracts

Servicing Agreements with UniCredit

As of September 30, 2024 the Servicing Agreements with UniCredit have accounted for 5% of the Group's gross revenues.

On October 30, 2015, the Issuer entered into a Master Servicing agreement with UniCredit ("**UniCredit**") and, by way of an accession agreement, with UniCredit Bank AG, Milan branch, (together with UniCredit, the "**UniCredit Parties**") and FinecoBank S.p.A., which was among the original parties of the agreement, as subsequently amended and supplemented (the "**UniCredit Master Servicing Agreement**"). Pursuant to the UniCredit Master Servicing Agreement doValue shall service and manage certain existing NPLs of the UniCredit Parties, as well as future flows of NPLs with a GBV not exceeding €2 billion, subject to specific and limited exceptions (the "**UniCredit Loans under Management**"). The terms and procedures for the provision of the Issuer's services are governed by a service level agreement annexed to the UniCredit Master Servicing Agreement (together with the UniCredit Master Servicing Agreement, the "**UniCredit Servicing Agreements**"). The Issuer generated revenues of €16.5 million, €22.7 million and €31.7 million for the years ended December 31, 2023, 2022 and 2021 and of €16.6 million for the nine months ended September 30, 2024, respectively and as of December 31, 2023, 2022 and 2021, the Issuer had assets under management with a GBV of €1.4 billion, €1.2 billion and of €2.3 billion and of €1.5 billion for the nine months ended September 30, 2024, respectively under the UniCredit Servicing Agreements. The value of the revenues of the UniCredit Servicing Agreements was influenced by the Project Fino and Project Prisma transactions, which provided for the transfer of a significant part of the UniCredit loans under Management to three SPVs involved in the respective Securitizations.

See "*—Servicing Agreements with Fino 1*" and "*—Servicing Agreements with Prisma*."

Term

The UniCredit Servicing Agreement will expire on October 31, 2025 and this Agreement will not be renewed. The expiration of the UniCredit Servicing Agreement, which has already been considered in the Business Plan, will relieve the UniCredit Parties from the obligation to supply additional flows of NPL after the expiration date, but the Issuer will continue to run-off the UniCredit Loans under Management received until such date.

Exclusivity obligations

The UniCredit Servicing Agreements include exclusivity provisions, subject to a limited number of exceptions (*e.g.*, receivables from employees, NPLs resulting from, or acquired in the context of extraordinary transactions), according to which, for a period of ten years from November 1, 2015, the UniCredit Parties have given the Issuer exclusive rights to administer, manage and make collections from their clients resulting from any loans for which the Issuer has been appointed under the criteria of the UniCredit Loans Under Management.

Additionally, in the case of new Securitization transactions carried out by any of UniCredit Parties during the term of the UniCredit Servicing Agreements and following which the UniCredit group still holds 95% of the securities issued by the respective SPV, the UniCredit Parties undertook to enter into subservicing mandates with the Issuer in respect of securitized loans having a GBV not exceeding €1 billion held by the SPV.

Performance of the services and KPIs

The UniCredit Servicing Agreements establish operational procedures for the services the Issuer performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting.

For the purpose of measuring the KPIs, NPLs are divided into certain "clusters," based on the characteristics of the loans, which are then measured against collection KPIs (e.g., related to the Issuer's total collection amount, number of matters handled) and informational KPIs.

Failure to meet a KPI target, depending on the severity of the breach and subject to the relevant grace period, will give rise to: (i) application of a penalty to the fees to be paid; (ii) loss of exclusivity on future flows; and (iii) loss of exclusivity with respect to loans currently under management.

Consideration

In addition to certain fees to be paid in connection with the on boarding process or certain ancillary services, the consideration for the Issuer's services is composed, *inter alia*, of: (i) a base fee equal to a percentage of the net accounting balance of the UniCredit Loans under Management; (ii) a performance fee as a percentage of net collections; and (iii) a variable discretionary over-performance fee payable at UniCredit sole discretion which is linked to the achievement of specific objectives identified by UniCredit. Furthermore, the UniCredit Servicing Agreements provide for a transfer fee in the event that the UniCredit Parties transfer to a third party or otherwise dispose of the UniCredit Loans under Management, which is based on the size of the transferred portfolio and the price of the disposal.

Transfer

The UniCredit Servicing Agreements permit (i) the Issuer to transfer the UniCredit Loans under Management within the limits of the delegated powers, and – upon UniCredit Parties approval – any UniCredit Loan to third parties, and (ii) the UniCredit Parties to transfer to third parties or otherwise dispose of the UniCredit Loans under Management, upon prior notification to the Group. Other than where the Group is appointed as independent Servicer of the portfolio in question, the mandates in relation to these loans will automatically terminate.

Events giving rise to termination

The UniCredit Master Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, the UniCredit Parties may terminate the UniCredit Master Servicing Agreement and/or the exclusivity obligations in whole or in part upon the occurrence of certain events, including: (i) the commencement of insolvency proceedings or voluntary liquidation of doValue; (ii) entire or partial dismissal of its Board of Directors following a binding decision by any authority; (iii) the loss of, or downgrade to junk level (or lower), of its credit rating for Servicers for a period exceeding 12 consecutive months; (iv) the two principal UniCredit competitors operating in Italy and/or Germany become owners of an absolute majority of its voting shares; (v) non-compliance with the terms of the mandate; (vi) breaches resulting in the termination and/or non-collectability of the UniCredit Loans under Management and/or related mortgages; (vii) wilful default or gross negligence in respect of the payment instructions regarding collections; (viii) repeated breaches of obligations regarding the management of conflicts of interest; (ix) sanctions being imposed by the supervisory authority or other administrative authority; (x) violation of law or regulation; (xi) failure to submit report or other information, when due, for more than two or three consecutive months; (xii) providing false or misleading information or data; and (xiii) in respect of securitized loans, the termination of servicing agreements in relation to such loans between the UniCredit Parties and the Securitization vehicles.

The Issuer may terminate the UniCredit Master Servicing Agreement solely upon occurrence of any of the following events: (i) failure by the UniCredit Parties to pay at least three undisputed invoices; (ii) the management bodies appointed by the Issuer or the UniCredit Parties (*e.g.*, Asset Managers and work out operators) for the administration of the execution of its services being unable to operate for a period exceeding three consecutive months or exceeding six months in the year overall due to a breach of the UniCredit Master Servicing Agreement by the UniCredit Parties; and (iii) any material breach of the exclusivity obligations by the UniCredit Parties.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the Servicing Agreements with UniCredit.

Efesto Fund Servicing Agreement

As of September 30, 2024 the Efesto Fund Servicing Agreement has accounted for 1.2% of the Group's gross revenues.

On October 27, 2020, doNext, as special servicer, entered into a servicing agreement with Finanziaria Internazionale Investments SGR S.p.A., the managing company of the closed investment fund relevant for this agreement (the "**Efesto Fund**") (such agreement the "**Efesto Fund Servicing Agreement**"). Pursuant to the Efesto Fund Servicing Agreement, doNext shall service and manage the specified portfolio of loans encompassed by the Efesto Fund, by servicing, administering, recovering and collecting the relevant loans for the Efesto Fund, in addition to performing other ancillary services for the execution of the Efesto Fund Servicing Agreement. Under the Efesto Fund Servicing Agreement, the Issuer generated revenues of €3.9 million for the year ended December 31, 2023, and of €3.8 million for the nine months ended September 30, 2024 and as of December 31, 2023 and September 30, 2024, had assets under management with a GBV of €888.3 million, and €858 million, respectively. On October 9, 2024, the Issuer announced additional UTP contracts for approximately €300 million of gross book value, to be contributed by two leading Italian banks to the Efesto Fund, directly or through special purpose vehicles pursuant to the Italian Securitization Law whose notes are entirely owned by the Efesto Fund. The transfer is subject to customary conditions precedent and is expected to be finalized by the end of 2024. As part of this transaction, the banks participating in the Efesto Fund have approved an increase in the size of the fund from €1.1 billion to €1.6 billion (in terms of equity investments).

Term

The Efesto Fund Servicing Agreement will be valid until the earlier of: (i) the date on which a substitute servicer is appointed in the Issuer's place; (ii) the date on which the liquidation of the Efesto Fund has been completed; and (iii) the date on which all receivables have been fully repaid to the Efesto Fund and/or sold and/or waived by the Efesto Fund and the related available funds have been distributed pursuant to the relevant related agreements; and (iv) the date on which Finanziaria Internazionale notifies the Issuer on the insourcing of the servicing activity.

The Issuer is entitled to terminate, with six months' notice, the Efesto Fund Servicing Agreement.

Consideration

In addition to certain management fees, the consideration for the Issuer's services is composed of: (i) a one-off fee as a percentage of the initial investment in Efesto Fund; (ii) a Base Fee as a percentage of the total net value of the Efesto Fund (minus unrealized capital gains); and (iii) an additional fee proportional to the overall recovery rate of the Efesto Fund.

Transfer

doNext and Finanziaria Internazionale shall not transfer their rights or obligations under the Efesto Fund Servicing Agreement unless consent is given by doNext (in the case of Finanziaria Internazionale), by Finanziaria Internazionale (in the case of doNext).

Performance of the services and KPIs

The Efesto Fund Servicing Agreement establishes operational procedures for the services the Issuer performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Efesto Fund Servicing Agreement provides for the Issuer to be measured against informational KPIs (*e.g.*, the number of qualitative reports timely transmitted to Finanziaria Internazionale), and regulatory KPIs (*e.g.*, the number of renewed mortgages (*ipoteche*) expiring in the next three months against the number of mortgages (*ipoteche*) expiring in the next three months).

Events giving rise to termination

The Efesto Fund Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Finanziaria Internazionale may terminate the Efesto Fund Servicing Agreement upon the occurrence of certain events, including: (i) the insolvency or commencement of insolvency proceedings or voluntary liquidation in relation to doNext; (ii) doNext's ability to perform its obligations is materially and irrevocably impaired due to a false or misleading representation or warranty provided for in the Efesto Servicing Agreement; (iii) doNext does not transfer, deposit or pay any liquid amount due under the Efesto Servicing Agreement within two business days from the date of reconciliation of the relevant collection in accordance with the supervisory instructions issued by the Bank of Italy; (iv) non-compliance with other material terms of the mandate, resulting in significant damages to the Efesto Fund; and (v) it becomes unlawful for doNext to perform the services under the Efesto Fund Servicing Agreement or doNext loses its license as a Servicer.

The Issuer is entitled to terminate, with six months' notice, the Efesto Fund Servicing Agreement.

To the Issuer's knowledge, as of the Prospectus Date, there have been no material breaches of the Efesto Fund Servicing Agreement.

Servicing Agreement with Santander

As of September 30, 2024, the Servicing Agreement with Santander has accounted for 6.2% of the Group's gross revenues.

On December 20, 2013, Altamira (now doValue Spain) entered into a servicing agreement with Santander and Altamira Santander Real Estate, S.A. ("**ASRE**"), as subsequently amended and supplemented (the "**Santander Servicing Agreement**"), and, by way of accession agreements, with Santander Consumer Finance, S.A., Santander Lease, S.A., EFC, Santander de Titulización, S.G.F.T., S.A., Luri 6, S.A.U., Dirgenfin, S.L. and Landcompany 2020, S.L. (together with Santander and ASRE, the "**Santander Parties**"). Pursuant to the Santander Servicing Agreement, doValue Spain shall provide administration, management and collection services for the recovery of NPLs and future flows of NPLs, subject to specific and limited exceptions; legal assistance and monitoring of judicial process; and management and sale of real estate assets. The Issuer generated revenues of €39.1 million for the year ended December 31, 2023 and of €19.6 million for the nine months ended September 30, 2024 and it had assets under management with a GBV of €6.0 billion and €5.7 billion, respectively, under the Santander Servicing Agreements.

Term

The term of the Santander Servicing Agreement is 12 years from December 20, 2013, (*i.e.*, until December 31, 2025) with successive automatic renewals, for further one-year periods unless one of the parties notifies in writing the other party at least 45 days prior to the relevant expiration date. Notwithstanding the above, if the Santander Servicing Agreement is not extended at the end of a relevant extension period, doValue Spain must continue servicing any assets currently managed under the Santander Servicing Agreement for a period of up to four years from the end of the last renewal on the same terms and conditions.

Exclusivity obligations

The Santander Servicing Agreement includes exclusivity provisions, subject to certain limitations, according to which, Santander gives doValue Spain the exclusive right to render any and all of the services in relation to the assets under management.

Performance of the services and KPIs

The Santander Servicing Agreement establishes operational procedures for the services the Issuer performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Santander Servicing Agreement provides for doValue Spain to be measured against: (i) economic services KPIs; (ii) operational and quality of service KPIs; and (iii) reputation KPIs.

Failure to meet a KPI target, depending on the severity of the breach and subject to the relevant grace period, will give rise to: (i) reductions in the agreed fees, and (ii) reduction of the assets under management.

Consideration

In addition to certain fees to be paid in connection with the on-boarding process or certain ancillary services, the consideration for the Issuer's services is comprised, *inter alia*, of: (i) fees to be paid for the NPL recovery, management and collection services with the percentage fee varying depending on the phase where the NPL is to be recovered and the type of services performed by doValue Spain (*i.e.*, cash recovery, update of payment, re-financing or portfolios' sales), alongside a management commission fee; (ii) a percentage fee on the sale price of the real estate assets (excluding land management), with the percentage fee varying depending on the specific characteristics of the real estate asset (*e.g.*, residential or other types), alongside a commission in relation to leases (amounting to two monthly rent payments) and an annual percentage fee for management of real estate assets; (iii) a commission in relation to the management of assets of Santander's clients (excluding plots of land) with the percentage fee varying depending on the specific characteristics of the assets (real estate assets or NPLs); (iv) a percentage fee on the sale price of the real estate asset (only referred to land management), with the percentage fee varying depending on the specific characteristics of the real estate asset (*e.g.*, property, apartment, premises, a whole promotion, a certain portfolio, plots of land pending to planning works, plots of land with planning works started, etc.); (v) a commission in relation to leases amounting to two monthly rent payments; (vi) an annual percentage fee for management of plots of land calculated based on a certain current value; and (vii) a success percentage fee under certain scenarios additional to certain abovementioned fees, also varying depending on the specific characteristics of the real estate asset.

In addition to the fees described above, the parties agreed for an advance payment to be made from Santander to doValue Spain. This advanced amount payment to doValue Spain, worth €188.1 million, was made on June 21, 2018 and consisted of the following; (i) an advance amount worth an overall €201.5 million and constituted by €200 million advance payment, to which €1.5 million were added as account fees accrued from January 1st, 2018, minus (ii) €13.3 million repayment amount corresponding to fees accrued from January 1, 2018 and minus (iii) €73.4 thousand as capitalizations on the advance amount at an annual rate of 3% for a three months period starting from January 2018. Both the advanced amount payment and the advance amount must be added the applicable VAT. If, and only if, doValue Spain continues providing the services under the Santander Servicing Agreement as of December 20, 2029 and there are portfolio sales for which doValue Spain receives compensation, the parties shall calculate a true-up of the advanced payment (*i.e.*, the difference between (i) the fees originally agreed under the Santander Servicing Agreement on December 20, 2013 and (ii) the ones established in the first addendum plus the advance payment) and the resulting balance shall be paid to the relevant party as applicable.

Transfer

The Santander Servicing Agreement does not permit either doValue Spain or the Santander parties to transfer to third parties the rights and obligations without prior written consent of the other party, although doValue Spain may engage certain subcontractors for rendering certain services.

Events giving rise to termination

The Santander Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Santander may terminate the Santander Servicing Agreement in whole or in part upon the occurrence of certain events, including: (i) several material breaches of the same contractual obligations; (ii) willful default or gross negligence in respect of the default by doValue Spain of its obligations; and (iii) doValue Spain ceases effectively and continuously its activities. In case doValue Spain breaches the Santander Servicing Agreement and damages suffered by Santander parties exceed €50 million in aggregate, doValue Spain shall pay a default interest of 6% over the amount exceeding €50 million.

doValue Spain may terminate the Santander Servicing Agreement upon occurrence of any of the following events: (i) failure by Santander to pay fees and expenses for an amount exceeding €20 million; (ii) material breach of any Santander obligations; and (iii) material breach by Santander under of its obligation to give doValue Spain instructions required to manage the assets under management.

Furthermore, should the Santander Servicing Agreement be terminated for any reason, doValue Spain would be obliged to reimburse any then outstanding portion of the advance payment, which amounted to €14.8 million as of September 30, 2024.

To the Issuer’s knowledge, as of the Prospectus Date there have been no material breaches of the Santander Servicing Agreement.

Servicing Agreements with Kedipes Asset Management

As of September 30, 2024 the Servicing Agreement with Kedipes Asset Management has accounted for 7.2% of the Group’s gross revenues. On December 30, 2017, the Issuer’s subsidiary doValue Cyprus Limited (at the time called Altamira Asset Management (Cyprus) Limited) (“**doValue Cyprus**”), which was established as a joint venture with Cyprus Cooperative Bank Ltd, now called Kedipes Asset Management (“**Kedipes**”), entered into a Servicing agreement with Kedipes, as amended on January 23, 2018 (“**Kedipes Servicing Agreement**”). Pursuant to the Kedipes Servicing Agreement, doValue Cyprus undertook to provide certain services including: debt recovery managing functions, management of future flows of NPLs, commercial management of REOs and restructuring of certain loans.

In September 2018, Kedipes terminated its license as banking institution and transferred certain targeted perimeter of its assets and liabilities to Hellenic Bank, while the remaining assets and liabilities, mostly NPLs, were transferred to Cyprus Asset Management Company Ltd, a company wholly owned by Cooperative Asset Management Company Ltd. Further to the European Commission's involvement in relation to Kedipes, the Kedipes Servicing Agreements were reviewed pursuant to the commitments undertaken by the Republic of Cyprus in the context of the resolution of Kedipes (European Commission Decision of June 19, 2018; SA. 35334 (2018/N-2)—Cyprus—Liquidation aid for the orderly market exit of Kedipes, as amended) by an independent third-party expert in loan servicing to ensure market-conformity so as to confirm that the latter does not qualify as state aid to the servicer. In particular, the aforementioned independent third-party expert opinion was obtained in June 2022 and, on October 25, 2022, a servicing agreement, amending and replacing the Kedipes Servicing Agreement, was executed with the Cooperative Asset Management Company Ltd and Cyprus Asset Management Company Ltd (the resultant entities following the resolution of the Kedipes) for the extension of the servicing of their NPL and REO portfolio up to December 31, 2027.

On January 23, 2018, the Issuer also entered into a reverse servicing agreement with Kedipes ("**Reverse Kedipes Servicing Agreement**", together with Kedipes Servicing Agreement "**Kedipes Servicing Agreements**") pursuant to which Kedipes undertook to provide support services in favor of doValue Cyprus (*e.g.*, providing employees performing NPL and REO business-as-usual activities), services relating to operational dependencies (*e.g.*, updating existing customers' data in the core banking system). The payments for these "reverse" services are based on a fixed fee for the first six months (except for a personnel fee) while, subsequently, the fees will be adjusted retroactively based on the actual use of these services by doValue Cyprus. Furthermore, the Reverse Kedipes Servicing Agreement establishes KPIs to assess the quality of the services performed by Kedipes.

The Issuer generated revenues of €33.6 million for the year ended December 31 2023 and of €22.9 million for the nine months ended September 30, 2024, and as of December 31, 2021, 2022 and 2023 it had assets under management with a GBV of €5.9 billion, €5.6 billion and €5.3 billion, respectively, and of €5.1 billion for the nine months ended September 30, 2024 under the Kedipes Servicing Agreements.

Term

The term of the Kedipes Servicing Agreement runs until December 31, 2027.

Performance of the services and KPIs

The Kedipes Servicing Agreement establishes operational procedures for the services performed by doValue Cyprus. In particular, the performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Kedipes Servicing Agreement provides for doValue Cyprus to be measured against: (i) loan management KPIs, (ii) REO management KPIs and (iii) user/customer service KPIs.

Failure to meet a KPI target, depending on the severity of the breach and subject to the relevant grace period, will give rise to a penalty agreed upon from time to time by doValue Cyprus and Kedipes, which, if severe enough, will provide Kedipes the right to terminate the Kedipes Servicing Agreement.

Consideration

In addition to certain fees to be paid in connection with the on boarding process or certain ancillary services, the consideration for its services is composed, *inter alia*, of: (i) a monthly management fee calculated as a percentage of assets under management; (ii) a performance fee paid for REOs related services, including: the sale of REOs and the rental of REOs; and (iii) a performance fee paid for loans' related services, related to the successful recovery of loans. Furthermore, the Kedipes Servicing Agreement provides for a removal fee in the event Kedipes removes from the scope of agreement and the management of the servicer a receivable or REO, unless such removal occurs in the final year of the Kedipes Servicing Agreement term.

Transfer

The Kedipes Servicing Agreement permits Kedipes to transfer to third parties or otherwise dispose of the assets. Upon receipt of a request from Kedipes, within 60 business days doValue Cyprus must provide the registers containing the information necessary to continue the management of the assets covered by the Kedipes Servicing Agreement. A disposal fee is payable in such an instance.

Events giving rise to termination

The Kedipes Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Kedipes may terminate the Kedipes Servicing Agreement upon the occurrence of certain events, including: (i) the occurrence of an insolvency event in relation to doValue Cyprus; (ii) doValue Cyprus ceasing to hold a servicing license; (iii) an illegality event (as defined under the Kedipes Servicing Agreement) occurring which cannot be addressed through the negotiation of the parties; (iv) the representations and warranties provided in the agreement prove to be false, misleading, incomplete or untrue; (v) breach by doValue Cyprus of relevant regulations (anti money laundering and data protection) which cannot be remedied; (vi) breach of any of the KPI thresholds which trigger a termination right; (vii) change of control of doValue Cyprus, *provided that* the new acquirer is not reputable, has not acquired the approval of the regulatory authority and is not at least of the same standing and expertise as doValue; and (viii) breach by doValue Cyprus of any other clause of the Agreement which cannot be remedied. Kedipes also has the right to terminate the agreement for any other cause, in which case a termination fee is payable to doValue Cyprus.

doValue Cyprus may terminate the Kedipes Servicing Agreements: (i) upon a failure to pay the relevant fees due during three consecutive months, and (ii) material breach of Kedipes's obligations which prevents doValue Cyprus to comply with the agreed business plan and strategy *provided that* doValue Cyprus notified Kedipes of the breach and the breach has not been cured before the end of the calendar quarter following receipt by Kedipes of such notification.

In the event that the Kedipes Servicing Agreement is terminated by either party, doValue Cyprus will have to provide an updated transitional plan to Kedipes and, if requested by Kedipes, doValue Cyprus will continue to provide services on the same terms for a period of up to six months from the termination date.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the Kedipes Servicing Agreements.

Service Level Agreement with Eurobank

As of September 30, 2024 the Service Level Agreement with Eurobank has accounted for 15.8% of the Group's gross revenues. On June 4, 2020, doValue Greece entered into the doValue Greece service level agreement with Eurobank and Eurobank Leasing Single Member S.A. ("**Eurobank Leasing**" and, together with Eurobank, the "**Originator Parties**") (the "**doValue Greece SLA**"). Pursuant to the doValue Greece SLA, doValue Greece shall, on an exclusive basis, comprehensively service and manage a reference portfolio consisting of all existing (as at June 1, 2020) and future NPE, forborne NPE, including certain performing forborne and certain cured performing forborne exposures and distressed positions owned by Eurobank or other members of the Eurobank group and which are originated in Greece, including all existing and future non-performing financial leasing loans owned by Eurobank Leasing (the "**Reference Portfolio**") during the term of the doValue Greece SLA (subject to certain limited exceptions). The Issuer generated revenues of €49.9 million (in aggregate for the doValue Greece SLA and the Flagship SLA) for the nine-month period ended September 30, 2024 and had assets under management with a GBV of €2.0 billion for the nine months ended September 30, 2024 under the doValue Greece SLA.

Term

The initial term of the doValue Greece SLA is 14 years from June 4, 2020 (*i e*., June 4, 2034), with successive automatic renewal on an annual basis for a period of one year unless a party gives notice to terminate at least six months prior to the renewal. If any portion of the Reference Portfolio is securitized, the doValue Greece SLA shall be extended for such period of time as required to implement such securitization. Following termination, there is a runoff period for exposures that form part of the Reference Portfolio at the time of termination until the earlier of (i) the removal of such exposures from the Reference Portfolio in accordance with the terms of the doValue Greece SLA; and (ii) the date falling ten years after the date of termination. Any additions to the Reference Portfolio during such run-off period are at Eurobank's sole discretion.

Exclusivity obligations

The doValue Greece SLA includes exclusivity provisions according to which the Originator Parties give doValue Greece exclusive rights to service the Reference Portfolio for the term of the doValue Greece SLA. In addition, the Originator Parties shall not appoint any other third party to service any NPE, forborne NPE or Early Arrears owned by any Originator Party or any other member of the Eurobank group and originated in Greece subject to certain specified exceptions.

In the case of securitization transactions related to loans originated in Greece carried out by companies of the Eurobank group, where all or substantially all of the economic interest in the securitized assets remains with the relevant companies of the Eurobank group, the SPVs involved in such securitization will either: (i) accede to the doValue Greece SLA as an Originator Party; or (ii) enter into a separate servicing agreement on substantially the same terms and conditions to manage such loans in the event and at the point in time when they become non-performing.

Performance of the services and KPIs

The doValue Greece SLA establishes operational procedures for the services doValue Greece performs. Specifically, the doValue Greece SLA provides for doValue Greece to be measured against certain performance and operational KPIs which are subject to monitoring and periodic reporting.

Failure to meet a KPI target, depending on the nature of the KPI, the duration and severity of the breach, benchmarking against the performance of other Servicers and subject to the relevant grace period and tolerance thresholds may give rise to: (i) a payment of an economic penalty to Eurobank; (ii) the removal from the reference portfolio of a certain percentage of assets; and/or (iii) the early termination of the doValue Greece SLA in relation to the relevant affected asset class.

Consideration

In addition to certain fees to be paid in connection with sales support and certain other ancillary services, the consideration for the Issuer's services is composed, *inter alia*, of: (i) for assets under management which are not Early Arrears (A) a management fee as a percentage of the total GBV of the Reference Portfolio (subject to reduction once agreed return threshold is exceeded); (B) a performance fee, based on the collection cash proceeds collected and/or recovered by the Originator Party; (C) a curing fee calculated as a percentage of the GBV of any cured receivable (which is subject to clawback if such receivable ceases to be cured while still part of the Reference Portfolio); and (D) a fee calculated as a specific percentage of the face value of any letters of guarantee or letters of credit forming part of the Reference Portfolio which were cancelled during the relevant periods; and (ii) for assets under management which are Early Arrears, a fixed fee per annum for Early Arrears up to a fixed threshold (with a *pro rata* increase for Early Arrears in excess of such threshold (subject to a discount from December 31, 2022 to December 31, 2029). Furthermore, the doValue Greece SLA provides a transfer fee in the event that the Originator Parties transfer to a third party or otherwise dispose of the receivables, which varies in accordance with the cumulative GBV of the receivables removed. Additionally, for any other removals of receivables from the Reference Portfolio, except for certain enumerated exceptions, including where such receivables are cured, a removal fee is payable. The removal fee is calculated as 2.5% of the GBV of any such receivables removed from the Reference Portfolio. In 2020 and 2021, certain additional fixed management fees were also payable by Eurobank.

Transfer

The doValue Greece SLA does not permit any party to exclude or remove assets under management from the Reference Portfolio without reaching a prior agreement, save in accordance with the doValue Greece SLA, or doValue Greece to transfer any rights and obligations deriving from the doValue Greece SLA without the prior consent of Eurobank. The doValue Greece SLA permits the Originator Parties to sell or transfer the receivables forming part of the Reference Portfolio (including security interests) without the need for any consent from doValue Greece subject to the payment of the aforementioned transfer fee.

Moreover, in July 2024, Eurobank informed the Issuer that in accordance with the doValue Greece SLA and pursuant to Greek law 3156/2003, Eurobank has completed by means of a securitization the sale of certain of its receivables, including those in the reference portfolio under the doValue Greece SLA for an overall GBV equal to approximately €1.5 billion and that Eurobank has agreed to transfer the majority of the mezzanine and junior notes to an investor, thus triggering the payment of the transfer fee. See "*doValue Greece Acquisition*."

Events giving rise to termination

The doValue Greece SLA provides for a number of termination events which are subject to certain thresholds, materiality, grace periods and remedies. In particular, the Originator Parties may terminate the doValue Greece SLA in whole or in part upon the occurrence of certain events, including: (i) the commencement of insolvency proceedings in relation to doValue Greece; (ii) it becomes unlawful for doValue Greece to perform the services under the doValue Greece SLA or doValue Greece loses its license as a servicer; (iii) a material failure of doValue Greece to perform its obligations under the doValue Greece SLA; (iv) certain change of control events in doValue Greece; and (v) a material breach of KPIs over a certain period of time as set forth in the doValue Greece SLA.

doValue Greece may terminate the doValue Greece SLA solely upon the occurrence of certain events, including: (i) failure of Eurobank to pay the servicer remuneration (subject to thresholds and grace periods); (ii) any breach by the Originator Parties of their exclusivity obligations in any material respect; and (iii) any direct or indirect merger or consolidation of Eurobank *provided that* it is not the surviving entity and that doValue Greece does not continue to provide the services under the terms of the doValue Greece SLA to the surviving entity.

In the event of an early termination of the doValue Greece SLA by doValue Greece (or by Eurobank in certain limited circumstances), the Issuer is entitled to receive an early termination price refund (as defined in the doValue Greece Acquisition Agreement) on the €211 million paid by it as price (subject to amendments and adjustments) for the doValue Greece Acquisition (the "**doValue Greece Acquisition Price**") as provided for in the doValue Greece Acquisition Agreement, which is calculated by reference to a fixed amount, reducing over the term of the doValue Greece SLA, plus an amount relating to the assumed layoff costs of doValue Greece from the termination, plus a repayment by Eurobank" of a portion of any earnout consideration received up to that time.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the Service Level Agreement with Eurobank.

Servicing Agreements with SPVs

Servicing Agreements with Prisma

As of September 30, 2024 the Servicing Agreements with Prisma have accounted for 3.0% of the Group's gross revenues. On October 11, 2019, doNext, as master servicer, and Prisma SPV S.r.l. ("**Prisma**") entered into a master servicing agreement (the "**Prisma Master Servicing Agreement**") and a special servicing agreement with doValue, as special servicer (such agreement, the "**Prisma Special Servicing Agreement**" and, together with the Prisma Master Servicing Agreement, the "**Prisma Servicing Agreements**"). Pursuant to the Prisma Servicing Agreements, doValue shall service and manage certain NPLs transferred to Prisma from UniCredit as part of a Securitization supported by a state guarantee under the GACS scheme. In connection with the Prisma Servicing Agreements, on October 17, 2019, the Issuer entered into an administrative servicing agreement, pursuant to which doNext will provide certain administrative services in relation to the securitization. The Issuer generated revenues of €14.5 million for the year ended December 31, 2023 and €9.6 million for the nine months period ended September 30, 2024 under the Prisma Servicing Agreements (together with the administrative services agreement) and, as of December 31, 2023 and September 30, 2024, had assets under management with a GBV of €3.9 billion and €3.8 billion, respectively, in relation thereto.

Term

The Prisma Servicing Agreements became effective upon the transfer of the receivables to Prisma as part of the Securitization and will be valid until the earlier of: (i) the cancellation date as provided in the notes issued in connection with the Securitization; (ii) the date on which the appointment of a possible substitute Servicer becomes effective; (iii) the date on which all receivables have been fully repaid and/or sold and/or waived by Prisma and the related funds have been distributed; and (iv) the date on which the Issuer notifies Prisma and the representative of the noteholders that no further collections may be reasonably expected to be received (subject to the prior written consent of the representative of the noteholders).

Performance of the services and KPIs

The Prisma Servicing Agreements establish operational procedures for the services the Issuer performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Prisma Servicing Agreements provide for the Issuer to be measured against collection KPIs (*e.g.*, related to the Issuer's cumulative net collection ratio and net present value cumulative profitability ratio). The KPIs are also affected and subject to the regulation on GACS. See "*Regulatory Overview—Regulation in Italy— GACS Law*."

Failure to meet a KPI target, depending on the severity of the breach and subject to the relevant grace period, will give rise to: (i) the subordination of the payment of a percentage of the fees; and (ii) the termination of the Prisma Special Servicing Agreement.

Consideration

In addition to certain fees to be paid in connection with the on-boarding process or certain ancillary services, the consideration for the Issuer's services is composed, *inter alia*, of: (i) a base fee equal to the product of (x) a margin which varies annually by (y) the arithmetic mean of the amounts of the total due amount of the entire portfolio of receivables (with limited exceptions) as at the end of each calendar month included in a collection period, and then dividing said product by 2; and (ii) a performance fee as a percentage of the net collections. Furthermore, the Prisma Special Servicing Agreement provides for a transfer fee in the event that Prisma transfers the receivables to a third party or otherwise disposes of the receivables.

Transfer

The Prisma Servicing Agreements permit the Issuer to transfer to third parties or otherwise dispose of the receivables within the limits of the delegated powers should it be beneficial for Prisma and *provided that* the standards of professional diligence are respected.

Events giving rise to termination

The Prisma Servicing Agreements provide for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Prisma may terminate the Prisma Servicing Agreements in whole or in part upon the occurrence of certain events, including: (i) the commencement of insolvency proceedings or voluntary liquidation in relation to doValue; (ii) failure to transfer any collection into the relevant collection account or liquidate any other payment instruments received and transfer the relevant collection into the provided collection account, exceeding an amount of €2 million per annum; (iii) failure to comply with certain reporting requirements under the Prisma Master Servicing Agreement to the extent such failure is due to doValue not providing the required information under the Special Servicing Agreement; (iv) it becomes unlawful for doValue to perform the services under the Special Servicing Agreement or doValue loses its license as a Servicer; (v) transfer of doValue's business (or a significant part thereof) to a company that is not part of the Group, or eliminate the structure responsible for the administration and collection of the receivables without prior consent from Prisma, if such circumstances, individually or jointly, may reasonably prejudice the performance of the Issuer's obligations; (vi) one or more of the Issuer's representations and warranties are or become incorrect in any material respect and this may materially adversely affect the carrying out of the services or (vii) a termination event related to servicer underperformance has occurred.

The Issuer may terminate the Prisma Servicing Agreements should Prisma fail to pay any amount due to it, unless such breach is remedied within ten business days by giving notice to Prisma, with a copy to the representative of the noteholders.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the Servicing Agreements with Prisma.

Cairo Servicing Agreements

As of September 30, 2024 the Cairo Servicing Agreements have accounted for 7.8% of the Group's gross revenues.

On June 18, 2019, doValue Greece, as servicer, Cairo No. 1 Finance DAC ("**Cairo 1**"), as issuer, and Citibank, N.A., London Branch ("**Citibank**"), as security trustee, entered into a servicing agreement (the "**Cairo 1**

Servicing Agreement"), as amended and restated from time to time. Furthermore, on the same date, doValue Greece, as servicer, Cairo No. 2 Finance DAC ("**Cairo 2**"), as issuer, and Citibank, as security trustee, entered into a servicing agreement (the "**Cairo 2 Servicing Agreement**"), as amended and restated from time to time. Lastly, on June 24, 2019, doValue Greece, as post-transfer servicer, Cairo No. 3 Finance DAC ("**Cairo 3**"), as issuer, Citibank, as security trustee, and Eurobank, as pre-transfer servicer, entered into a servicing agreement, as amended and restated from time to time (the "**Cairo 3 Servicing Agreement**", together with the Cairo 1 Servicing Agreement and the Cairo 2 Servicing Agreement, the "**Cairo Servicing Agreements**"). Pursuant to the Cairo Servicing Agreements, doValue Greece shall service and manage certain NPEs owned by, respectively, Cairo 1, Cairo 2 and Cairo 3 as part of securitization transactions supported by state guarantees under the HAPS scheme. The Issuer generated revenues of €67.6 million for the year ended December 31, 2023 and €24.8 million for the nine months ended September 30, 2024 under the Cairo Servicing Agreements and, as of September 30, 2024, had assets under management with a GBV of €6.0 billion and €5.1 billion, respectively, in relation thereto.

Cairo 1 Servicing Agreement

Term

The Cairo 1 Servicing Agreement will be valid until the earlier of (i) the occurrence of a Termination Event, or (ii) the occurrence of a Resignation Event, both as defined in the Cairo 1 Servicing Agreement. See "*Events giving rise to termination*" below.

Performance of the services and KPIs

The Cairo 1 Servicing Agreement establishes operational procedures for the services the Issuer performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Cairo 1 Servicing Agreement provides for performance to be measured against collection KPIs. The KPIs are also affected and subject to the regulation on HAPS. See "*Regulatory Overview—Regulation in Greece—Guarantee program in securitizations of credit institutions—HAPS scheme*."

Failure to meet a KPI target, depending on the severity of the breach, will give rise to: (i) the subordination of the payment of a percentage of the fees; and (ii) the termination of the Cairo 1 Servicing Agreement.

Consideration

In addition to certain fees to be paid in connection with the on boarding process or certain ancillary services, the consideration for the Issuer's services is composed, *inter alia*, of: (i) a base fee as a percentage of the Gross Book Value of the Small Business Loans or Mortgage Loans in the Loan Portfolio under management, plus the outstanding principal balance of the REOCo Bond Loan (as defined under the Cairo 1 Servicing Agreement), in each case calculated as at the opening of business on the first day of the immediately preceding collection period; (ii) a performance fee as a percentage of net collections and repayment amounts received; and (iii) a transfer fee as a percentage of the collections received in respect of transfers or disposals of the assets under management to third parties.

Transfer

The Cairo 1 Servicing Agreement permits the Issuer to dispose of the receivables due under such agreement.

Events giving rise to termination

The Cairo 1 Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Cairo 1, at the direction of the Class B1 Noteholders Representative (as defined under the Cairo 1 Servicing Agreement), may terminate the Cairo 1 Servicing Agreement upon the occurrence of certain events, including: (i) default by doValue Greece in the payment on the due date of any amount due under the Cairo 1 Servicing Agreement; (ii) default by doValue Greece in the performance or observance of any of its material covenants and obligations under the Cairo 1 Servicing Agreement; (iii) the circumstance in which it becomes unlawful for doValue Greece to perform any material part of the services under the Cairo 1 Servicing Agreement or doValue Greece loses its license as a servicer; (iv) the circumstance in which doValue Greece is subject to insolvency proceedings or voluntary liquidation measures; (v) as per the relevant provisions of the HAPS Law, a termination event related to underperformance in collections and attributable to the fault of the Servicer has occurred; or (vi) both a Note Acceleration Notice is given by the Note Trustee and the Security Trustee determines termination of the Servicer's appointment is necessary to protect the interest of the Noteholders.

doValue Greece may terminate the Cairo 1 Servicing Agreement should Cairo 1: (i) fail to pay any amount due to it, unless such breach is remedied within four months; (ii) breach any other material covenant or obligation under the Cairo 1 Servicing Agreement, unless such breach is remedied within 15 business days after the date of receipt by Cairo 1 of written notice from doValue Greece requiring such non-compliance to be remedied; or (iii) be subject to insolvency proceedings or voluntary liquidation measures.

The Cairo 1 Servicing Agreement may automatically terminate in the event neither Cairo 1 nor Citibank has any further interest in any of the Portfolio Receivables or, if later, upon discharge of all secured obligations pursuant to the aforementioned securitization transaction.

Cairo 2 Servicing Agreement

Term

The Cairo 2 Servicing Agreement will be valid until the earlier of (i) the occurrence of a Termination Event, or (ii) the occurrence of a Resignation Event, both as defined in the Cairo 2 Servicing Agreement. See "*Events giving rise to termination*" below.

Performance of the services and KPIs

The Cairo 2 Servicing Agreement establishes operational procedures for the services the Issuer performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Cairo 2 Servicing Agreement provide for performance to be measured against collection KPIs. The KPIs are also affected and subject to the regulation on HAPS. See "*Regulatory Overview—Regulation in Greece—Guarantee program in securitizations of credit institutions—HAPS scheme*."

Failure to meet a KPI target, depending on the severity of the breach, will give rise to: (i) the subordination of the payment of a percentage of the fees; and (ii) the termination of the Cairo 2 Servicing Agreement.

Consideration

In addition to certain fees to be paid in connection with the on boarding process or certain ancillary services, the consideration for the Issuer's services is comprised of, *inter alia*, of: (i) a base fee as a percentage of the Gross Book Value of Small Business Loans or Mortgage Loans in the Loan Portfolio under management, plus the outstanding principal balance of the REOCo Bond Loan (as defined under the Cairo 2 Servicing Agreement), in each case calculated as at the opening of business on the first day of the immediately preceding the collection period; (ii) a performance fee as a percentage of the net collections and repayment amounts received; and (iii) a transfer fee as a percentage of the collections received in respect of transfers or disposals of the assets under management to third parties.

Transfer

The Cairo 2 Servicing Agreement permits the Issuer to dispose of the receivables due under such agreement.

Events giving rise to termination

The Cairo 2 Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Cairo 2, at the direction of the Class B1 Noteholders Representative, may terminate the Cairo 2 Servicing Agreement upon the occurrence of certain events, including: (i) default by doValue Greece in the payment on the due date of any amount due under the Cairo 2 Servicing Agreement; (ii) default by doValue Greece in the performance or observance of any of its material covenants and obligations under the Cairo 2 Servicing Agreement; (iii) the circumstance in which it becomes unlawful for doValue Greece to perform any material part of the services under the Cairo 2 Servicing Agreement or doValue Greece loses its license as a servicer; (iv) the circumstance in which doValue Greece is subject to insolvency proceedings or voluntary liquidation measures; (v) as per the relevant provisions of the HAPS Law, a termination event related to underperformance in collections and attributable to the fault of the

Servicer has occurred; or (vi) both a Note Acceleration Notice is given by the Note Trustee and the Security Trustee determines termination of the Servicer's appointment is necessary to protect the interest of the Noteholders.

doValue Greece may terminate the Cairo 2 Servicing Agreement should Cairo 2 (i) fail to pay any amount due to us, unless such breach is remedied within three months; (ii) breach any other material covenant or obligation under the Cairo 2 Servicing Agreement, unless such breach is remedied within 15 business days after the date of receipt by Cairo 2 of written notice from doValue Greece requiring such non-compliance to be remedied; or (iii) be subject to insolvency proceedings or voluntary liquidation measures.

The Cairo 2 Servicing Agreement may automatically terminate in the event neither Cairo 2 nor Citibank has any further interest in any of the Portfolio Receivables or, if later, upon discharge of all secured obligations pursuant to the aforementioned securitization transaction.

Cairo 3 Servicing Agreement

Term

The Cairo 3 Servicing Agreement will be valid until the earlier of (i) the occurrence of a Termination Event, or (ii) the occurrence of a Resignation Event, both as defined in the Cairo 3 Servicing Agreement. See "*Events giving rise to termination*" below.

Performance of the services and KPIs

The Cairo 3 Servicing Agreement establishes operational procedures for the services the Issuer performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Cairo 3 Servicing Agreement provides for it to be measured against collection KPIs. The KPIs are also affected and subject to the regulation on HAPS. See "*Regulatory Overview—Regulation in Greece—Guarantee program in securitizations of credit institutions—HAPS scheme*."

Failure to meet a KPI target, depending on the severity of the breach, will give rise to: (i) the postponement of the payment of a percentage of the fees; and (ii) the termination of the Cairo 3 Servicing Agreement.

Consideration

In addition to certain fees to be paid in connection with the on boarding process or certain ancillary services, the consideration for the Issuer's services is composed, *inter alia*, of: (i) a base fee as a percentage of the Gross Book Value of Large Corporate and SMEs Loans, plus the outstanding principal balance of the REOCo Bond Loan (as defined in the Cairo 3 Servicing Agreement), in each case calculated as at the opening of business on the first day of the immediately preceding collection period; (ii) a performance fee as a percentage of the net collections; and repayment amounts received; (iii) a transfer fee as a percentage of the collections received in respect of transfers or disposals of the assets under management to third parties.

Transfer

The Cairo 3 Servicing Agreement permits the Issuer to dispose of the receivables due under such agreement.

Events giving rise to termination

The Cairo 3 Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Cairo 3, at the direction of the Class B1 Noteholders Representative, may terminate the Cairo 3 Servicing Agreement upon the occurrence of certain events, including: (i) default by doValue Greece in the payment on the due date of any amount due under the Cairo 3 Servicing Agreement; (ii) default by doValue Greece in the performance or observance of any of its material covenants and obligations under the Cairo 3 Servicing Agreement; (iii) the circumstance in which it becomes unlawful for doValue Greece to perform any material part of the services under the Cairo 3 Servicing Agreement or doValue Greece loses its license as a servicer; (iv) the circumstance in which doValue Greece is subject to insolvency proceedings or voluntary liquidation measures; (v) as per the relevant provisions of the HAPS Law, a termination event related to underperformance in collections and attributable to the fault of the Servicer has occurred; or (vi) both a Note Acceleration Notice is given by the Note Trustee and the Security

Trustee determines termination of the Servicer's appointment is necessary to protect the interest of the Noteholders.

doValue Greece may terminate the Cairo 3 Servicing Agreement should Cairo 3 (i) fail to pay any amount due to it, unless such breach is remedied within three months; (ii) breach any other material covenant or obligation under the Cairo 3 Servicing Agreement, unless such breach is remedied within 15 business days after the date of receipt by Cairo 3 of written notice from doValue Greece requiring such non-compliance to be remedied; or (iii) be subject to insolvency proceedings or voluntary liquidation measures.

The Cairo 3 Servicing Agreement may automatically terminate in the event neither Cairo 3 nor Citibank has any further interest in any of the Portfolio Receivables or, if later, upon discharge of all secured obligations pursuant to the aforementioned securitization transaction.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the Cairo Servicing Agreements.

Servicing Agreements with Fino 1 and Fino 2

As of September 30, 2024 the Servicing Agreements with Fino 1 and Fino 2 have accounted for 6.7% of the Group's gross revenues. On July 30, 2017, the Issuer entered into a master servicing agreement (the "**Fino 1 Master Servicing Agreement**") and a special servicing agreement (the "**Fino 1 Special Servicing Agreement**") with Fino 1 Securitisation S.r.l. ("**Fino 1**"), both as amended on November 22, 2017 (the "**Fino 1 Servicing Agreements**"). Furthermore, on the same dates it also entered into a special servicing agreement and a master servicing agreement with Fino 2 Securitisation S.r.l. (the "**Fino 2 Servicing Agreements**"). Pursuant to the Fino 1 Servicing Agreements and the Fino 2 Servicing Agreements, doValue shall service and manage certain NPLs transferred to Fino 1 and Fino 2 Securitisation S.r.l. as part of a Securitization project (known as Project Fino), where Fino 1 is supported by a state guarantee GACS scheme (see "*Regulatory Overview—Regulation in Italy—GACS Law*"). See "*—Servicing Agreements with UniCredit*." The Issuer generated revenues of €30.6 million, €28.0 million and €26.5 million for the years ended December 31, 2021, 2022 and 2023 and of €21.2 million for the nine months ended September 30, 2024, respectively, and as of December 31, 2021, 2022 and 2023, the Issuer had assets under management with a GBV of €13.9 billion, €13.3 billion and €12.7 billion as of December 31, 2021, 2022 and 2023 and €12.5 billion as of September 30, 2024, respectively, under the Fino 1 Servicing Agreements and the Fino 2 Servicing Agreements (together with the administrative services agreement).

Term

The Fino 1 Special Servicing Agreement and the Fino 2 Servicing Agreements became effective on the date on which the securities were issued pursuant to the Securitization documents whereas the Fino 1 Master Servicing Agreement became effective on July 30, 2017. The Fino 1 Servicing Agreements will be valid until the earlier of: (i) the date on which all of the securities have been fully redeemed; (ii) the date on which the entire portfolio of securities has been sold or disposed of; and (iii) the date on which its appointment as Servicer ceases. The Fino 2 Servicing Agreements will be valid until the earlier between (i) the date on which all of the securities have been fully redeemed; (ii) the date on which the entire portfolio of securities has been sold or disposed of; and (iii) the date on which its appointment as Servicer ceases.

Performance of the services and KPIs

The Fino 1 Special Servicing Agreement and the Fino 2 Servicing Agreements establish operational procedures for the services the Issuer performs. In particular, the Issuer's performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting.

For the purpose of measuring the KPIs, NPLs are divided into certain "clusters," based on the characteristics of the loans, which are then measured against collection KPIs (*e.g.*, related to the Issuer's total collection amount) and informational KPIs. The KPIs established in the Fino 1 Special Servicing Agreement are also affected and subject to the regulation on GACS. See "*Regulatory Overview—Regulation in Italy—Law on Guarantee on Securitization of Bank Non-Performing Loans (GACS)*."

Failure to meet a KPI target, depending on the severity of the breach and subject to the relevant grace period, will give rise to: (i) reductions in the agreed fees; (ii) the automatic subordination of the payment of 30% of the fees; and (iii) the termination of the Fino 1 Special Servicing Agreement or the Fino 2 Servicing Agreements, as applicable, should the sum of all net cumulative collections be less than the absolute collection target for two consecutive years or three years in a five year period after the activation of the subordination mechanism by Fino 1 or by Fino 2, as applicable. Maluses won't be applied starting from 2026.

Consideration

In addition to certain fees to be paid in connection with the on boarding process or certain ancillary services, the consideration for the Issuers services is composed, *inter alia*, of: (i) a base fee equal to a percentage of the net accounting balance of receivables; (ii) a performance fee as a percentage of the net collections. Furthermore, both the Fino 1 Servicing Agreements and the Fino 2 Servicing Agreements provide for a disposal fee in the event that Fino 1 or Fino 2, as applicable, through the appointed service provider, transfers to a third party or otherwise disposes of the receivables, which is based on the size of the transferred portfolio and the price of the disposal.

Transfer

The Fino 1 Special Servicing Agreement and the Fino 2 Servicing Agreements permit (i) the Issuer to transfer the receivables under Management within the limits of the delegated powers, and – upon Fino 1 and Fino 2 approval – any receivable to third parties, and (ii) Fino 1 and Fino 2, respectively, to transfer to third parties or otherwise dispose of the receivables in case that Fino 1 or Fino 2 (as applicable) receives instructions regarding the disposal from the holders of the securities in accordance with the provisions of the Securitization documents. Its mandate in relation to the transferred loans will be deemed to be automatically terminated.

Events giving rise to termination

The Fino 1 Special Servicing Agreement and the Fino 2 Servicing Agreements provide for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Fino 1 and Fino 2 may terminate the Fino 1 Special Servicing Agreement and the Fino 2 Servicing Agreements, respectively, in whole or in part upon the occurrence of certain events, including among others: (i) the commencement of insolvency proceedings or voluntary liquidation of doValue; (ii) entire or partial dismissal of its Board of Directors following a binding decision by any authority; (iii) the loss of, or downgrade to junk level (or lower), of its credit rating for Servicers for a period exceeding 12 consecutive months; (iv) non-compliance with the terms of the mandate; (v) failure on its part to take timely measures to adapt the services it provides to changes in law or regulation; and (vi) breaches that prevent Fino 1 or Fino 2 (as applicable) from substantially fulfilling its obligations in accordance with legal or regulatory provisions.

Furthermore, the Fino 1 Master Servicing Agreement and the Fino 2 Servicing Agreements contain a termination event, among others, upon a change in its corporate form or transfer of its business (or a significant part thereof) to a third party, or elimination of the structure responsible for the administration and collection of the receivables, if such circumstances, individually or jointly, may have a material adverse effect on the fulfilling of the Servicer's obligations pursuant to the agreements.

In any case, Fino 1 and doValue shall be entitled to terminate, with one month's notice, the Fino 1 Special Servicing Agreements in the event that doValue is no longer authorized to act as a Servicer. Similarly, Fino 2 and doValue shall be entitled to terminate, with one month's notice, the Fino 2 Servicing Agreements in the event that doValue is no longer authorized to act as a Servicer.

To the Issuer's knowledge, as of the Prospectus Date there have been no material breaches of the Servicing Agreements with Fino 1 and Fino 2.

Long Term Servicing Agreement with Frontier

As of September 30, 2024 the Long Term Servicing Agreement with Frontier has accounted for 6.0% of the Group's gross revenues. On December 17, 2021, doValue Greece, as servicer, Frontier Issuer Designated Activity Company ("**Frontier**"), as issuer, and HSBC Bank PLC ("**HSBC**"), as trustee, entered into a servicing agreement (the "**Frontier Long Term Servicing Agreement**"). Pursuant to the Frontier Long Term Servicing Agreement, doValue Greece shall service and manage certain NPLs transferred to Frontier from the National Bank of Greece ("**NBG**") as part of a securitization transaction supported by a state guarantee under the HAPS scheme. The Issuer generated revenues of €22.6 million for the year ended December 31, 2023 and €19.0 million for the nine months period ended September 30, 2024 under the Frontier Long Term Servicing Agreement and, as of December 31, 2023 and September 30, 2024, had assets under management with a GBV of €6.0 billion and €5.2 billion, respectively, in relation thereto.

Term

The Frontier Long Term Servicing Agreement will be valid until: (i) termination of the appointment of doValue Greece as servicer; or (ii) termination of the Frontier Long Term Servicing Agreement, in accordance with the relevant terms of such agreement. See "*Events giving rise to termination*" below.

Performance of the services and KPIs

The Frontier Long Term Servicing Agreement establishes operational procedures for the services doValue Greece performs. In particular, its performance is measured on the basis of KPIs, which are subject to monitoring and periodic reporting. Specifically, the Frontier Long Term Servicing Agreement provides for performance to be measured against collection KPIs (*e.g.*, related to the Issuer's cumulative net collection ratio and net present value cumulative profitability ratio). The KPIs are also affected by and subject to the regulation on HAPS. See "*Regulatory Overview—Regulation in Greece—Guarantee program in securitizations of credit institutions—HAPS scheme.*"

Failure to meet a KPI target, depending on the severity of the breach and subject to the relevant grace period, will give rise to: (i) the deferral of the payment of a percentage of the fees; and (ii) the termination of the Frontier Long Term Servicing Agreement.

Consideration

In addition to certain fees to be paid in connection with the on-boarding process or certain ancillary services, the consideration for doValue Greece's services is comprised of, *inter alia*: (i) a base fee as a percentage of the Prevailing Capped Real Estate Value (as defined in the Frontier Long Term Servicing Agreement) of the loans in the securitization portfolio calculated as at the opening of business on (*x*) the first day of the immediately preceding collection period and (*y*) the last day of such collection period, and then dividing the product by 2 (*provided that*, on each interest payment date, such amount shall only be due and payable if the collections made during the relevant collection period were equal to at least €10 million); (ii) a performance fee as a percentage of the net collections; and (iii) a transfer fee as a percentage of the collections received in respect of transfers or disposals of the receivables to third parties.

Transfer

The Frontier Long Term Servicing Agreement permits, under specific terms, conditions and thresholds, doValue Greece to transfer, if directed to do so by Frontier (acting on the instruction of the Class B Noteholders' Representatives) or if in accordance with the Policy Manual, to third parties or otherwise dispose of the receivables.

Events giving rise to termination

The Frontier Long Term Servicing Agreement provides for a number of termination events, which are subject to certain thresholds, materiality, grace periods and remedies. In particular, Frontier may terminate the Frontier Long Term Servicing Agreement in whole or in part upon the occurrence of certain events, including: (i) the commencement of insolvency proceedings or voluntary liquidation in relation to doValue Greece; (ii) default is made by doValue Greece in the payment on the due date of any payment due under the Frontier Long Term Servicing Agreement; (iii) default is made by doValue Greece in the performance or observance of any of its material covenants and obligations under the Frontier Long Term Servicing Agreement; (iv) it becomes unlawful for doValue Greece to perform any material part of the services under the Frontier Long Term Servicing Agreement or doValue Greece loses its license as a servicer; (v) as per the relevant provisions of the HAPS Law, a termination event related to underperformance in collections and attributable to the fault of the Servicer has occurred; (vi) breach of any representation or warranty under the frontier Long Term Servicing Agreement; or (vii) the Agreement is determined to be invalid, void or illegal by a competent tribunal and where the parties hereto are unable to agree mutually acceptable terms in light of such invalidity, voidability or illegality or any mutually acceptable resolution, accommodation, modification or work-around, to avoid or address any such invalidity, voidability or illegality.

doValue Greece may terminate the Frontier Long Term Servicing Agreement should Frontier (i) fail to pay any amount due to it, unless such breach is remedied within four months; (ii) breach any other material covenant or obligation under the Frontier Long Term Servicing Agreement, unless such breach is remedied within 20 business days after the date of receipt by Frontier of written notice from doValue Greece requiring such non-compliance to be remedied; or (iii) be subject to insolvency proceedings or voluntary liquidation measures.

The Frontier Long Term Servicing Agreement may automatically terminate in the event neither Frontier nor HSBC has any further interest in any of the Portfolio Receivables or, if later, upon discharge of all secured obligations pursuant to the aforementioned securitization transaction.

To the Issuer's knowledge, as of the Prospectus Date, there have been no material breaches of the Servicing Agreements with Frontier.

Business Support Services Agreement with Eurobank

On June 5, 2020, doValue Greece entered into the business support services agreement with Eurobank to replace and supplement agreements for IT hosting and related services previously in force between the same parties (the "**BSSA**"). Pursuant to the BSSA, Eurobank is providing certain business support services in favor of doValue Greece, including: (i) IT services (including development and implementation services); (ii) limited legal services; (iii) limited branch network services; (iv) payment services; and (v) limited additional ancillary services, including loan administration services, against payment of a fixed fee. The same applies in case of extension of the term. Until December 31, 2021, the Issuer paid a fixed fee, while from January 1, 2022 until December 31, 2022, it paid a variable fee. From January 1, 2023 onwards, the Issuer started paying a fixed fee plus a variable development and implementation fee under the BSSA. See "—*Consideration*."

Term

The BSSA will be valid until the earlier of: (i) December 31, 2024, subject to an extension up to December 31, 2025 (upon election of doValue Greece and subject to obtaining of any necessary consents from any regulatory authorities); (ii) the date on which all specific service components provided by Eurobank are terminated pursuant to the terms of the BSSA; and (iii) the conclusion entry into a mutual written agreement of the parties to terminate the BSSA.

Performance of the services

The BSSA establishes certain service levels and certain operating rules and procedures (defined or to be defined in due course), for the services Eurobank performs. In particular, Eurobank performance is measured against a general objective service standard and, in relation to certain services only, measurable service levels that are subject to monitoring and periodic reporting.

Failure to meet a measurable service level for certain IT services, depending on the nature of the measurable service level, the duration, persistence and severity of the breach, will give rise to, in addition to an action for breach of contract: (i) a reduction to the corresponding monthly service charge; and/or (ii) the early termination of the BSSA.

Consideration

The consideration for Eurobank services is composed, *inter alia*, of: (i) a fixed fee for each service performed (aside from the ancillary services) until December 31, 2021; (ii) a variable quarterly service fee for each service performed (aside from the ancillary services) starting from January 1, 2022 until December 31, 2022, based on the sum of the assets under management by doValue Greece; (iii) a fixed annual fee for each service performed (aside from the ancillary services) from January 1, 2023 onwards and (iv) a development and implementation service charge calculated in accordance with the number of person-days used to implement a planned project, plus the investment expenditure incurred to deliver such project. The allocation of the charges under (iv) above between doValue Greece and Eurobank will depend on which party benefits from the relevant project.

The overall consideration paid by the Group for Eurobank services for the years ended 2021, 2022 and 2023 was €6,450,000, €5,704,550 and €2,470,000, respectively.

Change

The BSSA permits doValue Greece and Eurobank to adjust, change the volumes and the manner in which any services are provided in accordance with a specified procedure and within certain limits. In particular, as to the changes requested by doValue Greece, Eurobank shall use its commercially reasonable efforts to fulfil any such change request, *provided that* Eurobank shall be obliged to provide any such changes that are required to comply with: (i) a change in any laws applicable to the affected services; (ii) a direction of a regulatory authority; (iii) a change made under the change management procedure set out in the doValue Greece SLA; or (iv) a change made under the change management procedure set out in any other service level agreements to which doValue Greece is a party at the date of completion of the doValue Greece Acquisition, to the extent doValue Greece is obliged to adopt such a change according to the terms of such other Service Level Agreement.

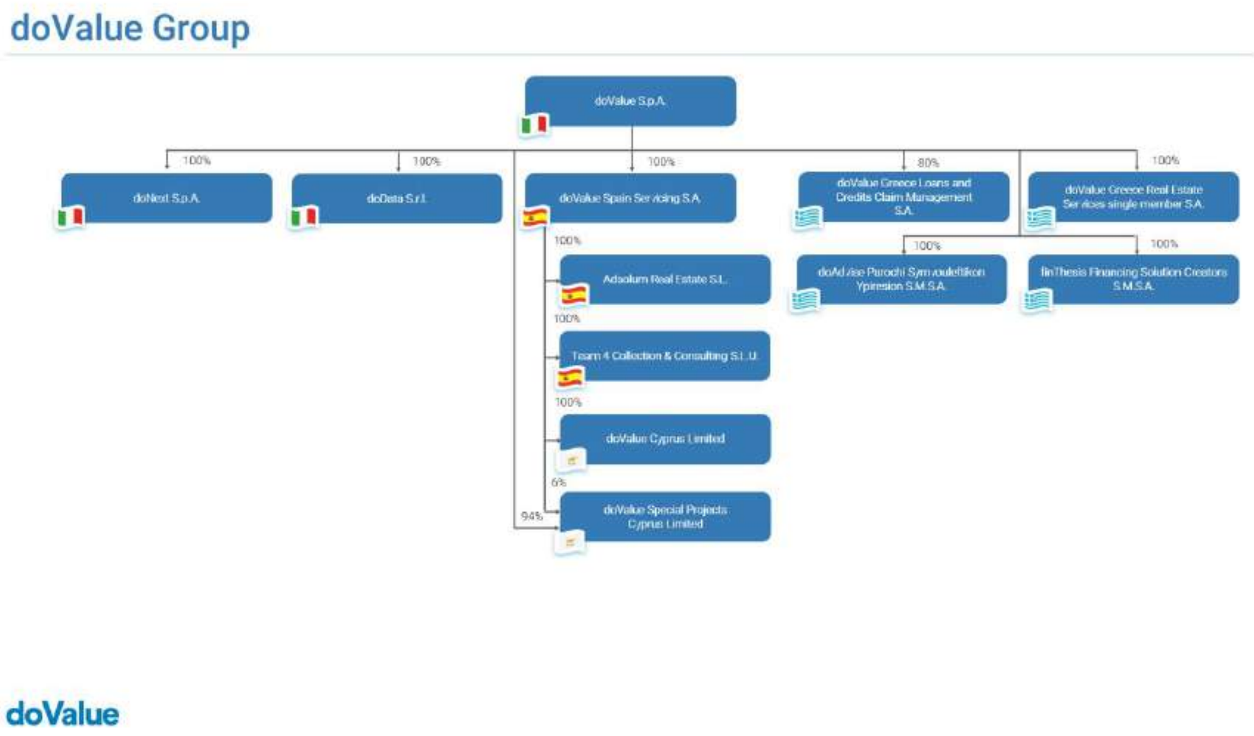
Events giving rise to termination

The BSSA provides for a number of termination events which are subject to certain thresholds, materiality, grace periods and remedies. In particular, doValue Greece may terminate the BSSA in whole or in part upon the occurrence of certain events, including: (i) the insolvency of, or commencement of insolvency proceedings in relation to Eurobank; (ii) it becoming necessary to do so in order to comply with any applicable law or the direction of a regulatory authority; (iii) a material breach by Eurobank; (iv) a material or persistent breach of the measurable service levels for certain IT services over a certain period of time; or (v) a breach of certain specified obligations under the BSSA.

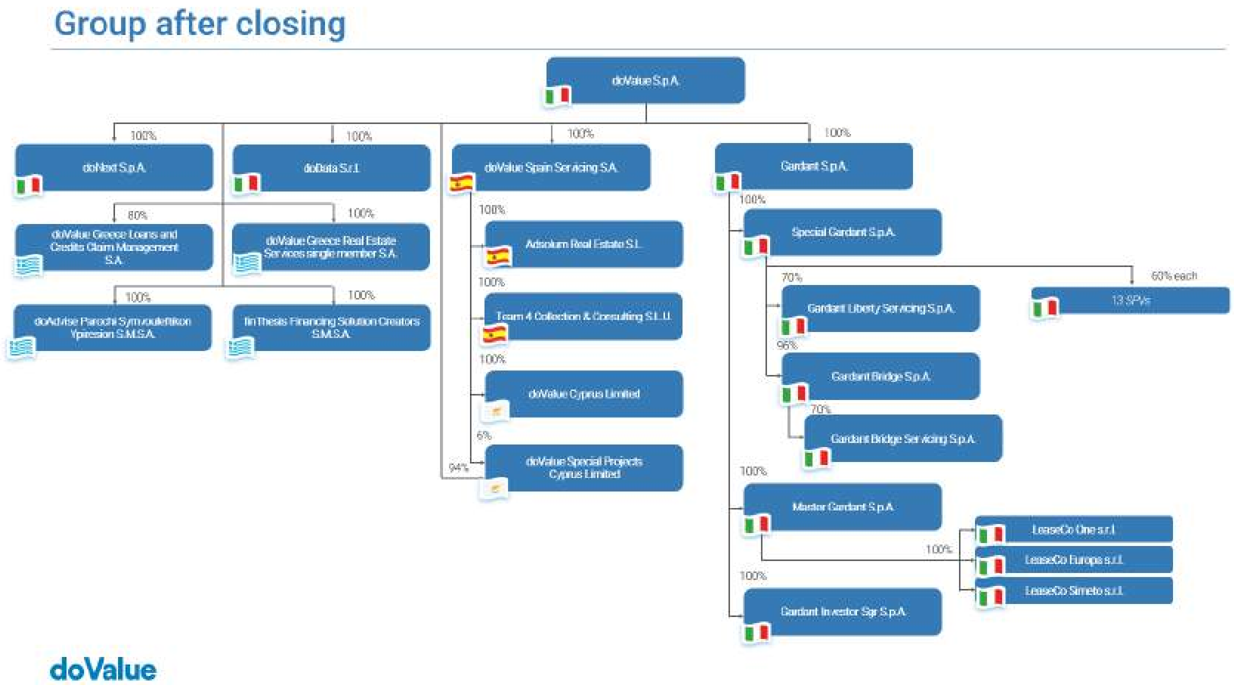
In addition, doValue Greece may terminate the BSSA in its entirety, or any individual service in its entirety, without cause upon not less than six months' prior written notice to Eurobank.

THE GROUP STRUCTURE

The Issuer is responsible for the strategy and management of its Group but also carries out operations in its Group's various sectors of activity, including NPL Servicing, Real Estate Servicing, UTP Servicing, Early Arrears and Performing Loan Servicing and other Ancillary Services. The Issuer is active as a main operating company in Italy, while its other subsidiaries operate in other geographies and with different specialties. The chart below sets out the Group's structure as of the Prospectus Date, showing the main companies controlled by the Group and the Issuer's shareholding, directly or indirectly, in each of them as of the Prospectus Date.



Following the Gardant Group Acquisition Completion, the corporate structure of the Group will be modified as shown in the chart below.



As of the Prospectus Date, the Issuer carries out management and coordination activities, pursuant to Articles 2497 et seq. of the Italian Civil Code, with respect to the companies belonging to the Group and directly or indirectly controlled by it, exercising control over them pursuant to Article 2359 of the Italian Civil Code and consolidating their financial statements. Following the Gardant Group Acquisition Completion, the Issuer expects to exercise management and coordination activities also on the Gardant Group Companies, pursuant to articles 61 and 110 of the Consolidated Banking Act. Management and coordination activities with respect to the aforementioned companies are exercised by the Issuer, *inter alia*, through the approval of industrial, financial and strategic plans with Group-wide scope, the development of Group directives, procedures and guidelines, as well as the appointment of their corporate bodies.

The provisions of chapter IX of title V, Book V of the Italian civil code (Articles 2497 et seq. of the Civil Code) provide for the direct liability of the company exercising management and coordination activities with regard to the shareholders and the creditors of the companies subject to management and coordination, in the event that the company exercising such activities, acting in its own or another person's entrepreneurial interest in violation of the principles of proper corporate and entrepreneurial management of those companies, causes damage to the profitability and value of the company's equity investment or causes damage to the integrity of the company's assets against the company's creditors. Such liability ceases when the damage is: (i) missing in light of the overall result of the management and coordination activity; or (ii) entirely eliminated also as a result of transactions directed to that end.

Moreover, the direct liability of a company exercising management and coordination activities is subsidiary and may be extended, jointly and severally, to those who have in any event taken part in the damaging event and, within the limits of the advantage obtained, to those who knowingly benefited from it. Accordingly, the aforementioned liability may be asserted only if the shareholder and the creditor have not been satisfied by the company subject to management and coordination activities.

Liability is also provided for the directors of the company subject to management and coordination, who fail to comply with the disclosure requirements set forth in Article 2497-bis of the Italian Civil Code, for any damage caused to shareholders or third parties as a result of their failure to be aware of such facts. Specific cases of withdrawal are also provided for in favor of shareholders of companies subject to management and coordination (see Article 2497-quater of the Italian Civil Code). In particular, the shareholder of a company subject to management and coordination activities may withdraw if the company exercising management and coordination activities has resolved on a transformation involving a change in the company's purpose or a change in its corporate object, allowing the exercise of activities that significantly and directly alter the economic and financial conditions of the company subject to management and coordination activities.

The following should be noted with regard to loans made to companies by those exercising management and coordination activities over them or by other parties subject to them: (i) loans, in whatever form they are made, are subordinated in case are granted when there is an excessive imbalance of indebtedness in relation to the company's equity or a financial situation of the company in which a conferral would be needed, consequently, the repayment should be subordinated to the satisfaction of other creditors and (ii) if the repayment of the aforementioned loans takes place in the year preceding the declaration of bankruptcy, the loans must be repaid.

The table below sets out a list of the Group's material subsidiaries as of the Prospectus Date. The middle column indicates the percentage of capital held, directly and indirectly, both in terms of economic and voting rights, while the right column shows the equity values as of September 30, 2024.

Material subsidiary	**Economic interest and voting rights**	**Jurisdiction of incorporation**	**Equity as of September 30, 2024 (€)**
doNext S.p.A.	100%	Italy	13,235
doData S.r.l.	100%	Italy	4,032
doValue Spain Servicing S.A.	100%	Spain	35,922
doValue Cyprus Limited	100%	Cyprus	12,255
doValue Special Projects Cyprus Limited	100%	Cyprus	2,120
doValue Greece Loans and Credits Claim Management Société Anonyme	80%	Greece	291,289
doValue Greece Real Estate Services single member Société Anonyme	100%	Greece	14,440
Adsolum Real Estate S.L.	100%	Spain	1,422
Team 4 Collection and Consulting S.L.U.	100%	Spain	(0,678)
doAdvise Advisory Services Single Member S.A.	100%	Greece	1,000
finThesis Financing Solutions Creators Single Member Société Anonyme	100%	Greece	0,400
Total	—	—	**375,437**

INSURANCE

The Group maintains insurance policies with respect to, among other things, business interruption, professional indemnity, directors' and officers' liability and property damage.

As of the Prospectus Date, there are no material litigations in relation to which the Group has activated its insurance policies.

The Group's insurance policies are summarized in the table below.

Policyholder	**Additional insured**	**Coverage**	**Insurance company**	**Effective date/ expiration**
Issuer	Subsidiaries of the Issuer	Property all risk	Zurich insurance	January 1, 2024-December 31, 2024
Issuer	Subsidiaries of the Issuer	Third Party Liability/Employers liability (TPL/EL)	Master Primary AIG Master Excess Generali Italia	January 1, 2024-December 31, 2024
Issuer	Subsidiaries of the Issuer	Directors and Officers (D&O)	Zurich Insurance 50% Generali Italia 50%	January 1, 2024-December 31, 2024
Issuer	Subsidiaries of the Issuer	Theft and Fraud (BBB)	Zurich Insurance 50% Generali Italia 50%	July 1, 2024-June 30, 2025
Issuer	Subsidiaries of the Issuer	Professional Indemnity (PI)	50% Zurich Insurance 30% Generali Italia 20% Liberty Specialty	July 1, 2024-June 30, 2025
Issuer	Subsidiaries of the Issuer	Cyber Risks	Zurich Insurance 50% Generali Italia 50%	July 1, 2024-June 30, 2025

SUSTAINABILITY

The Group has continuously strived to focus on sustainability in its business processes through the analysis and review of the expectations of its stakeholders in order to advance its corporate social responsibility strategy, encouraging the sustainable development of the financial system. Its culture of sustainability is based on the values of integrity, responsibility and respect for people, aiming for long-term shared value creation and focusing on three main pillars: (i) employee value, (ii) social value and (iii) environmental value.

In December 2021, the Group approved its first Sustainability Plan for the years 2021-2023 and the related group sustainability policy, which provides guiding principles for the social and environmental areas identified by the Group as priorities.

Recognizing the growing importance of ESG issues in the global economy and its strategic role in the sustainable development of the financial system, the Group included sustainability into its corporate strategy by incorporating sustainability principles for the years 2024-2026 into the Business Plan, which includes ESG topics as the fifth pillar.

The sustainability principles included in the Business Plan focus on three areas of commitment:

- *People*, the Group places people at the center of its strategy, emphasizing diversity, employee training, support for vulnerable groups, and respect for human rights. The Group aims to enhance and promote diversity and social inclusion for all, regardless of age, gender, disability, race, ethnicity, origin, religion, or economic status. Key initiatives include the implementation of D&I programs, being a UN Global Compact signatory, participating in the Great Place to Work Engagement Survey, obtaining gender equality certification, partnering with universities, promoting annual training plans, developing a philanthropic plan by 2026, enforcing anti-harassment policies, and providing ESG topic training for new hires;

- *Environment*, the Group is dedicated to contributing to sustainable growth by minimizing environmental impacts from its operations. Key initiatives include raising awareness of sustainable mobility, increasing the use of public transportation or company shuttles, increasing the rental of hybrid cars, enhancing GHG emissions management, and maintaining energy efficiency at head offices. These efforts support SDGs like Affordable and Clean Energy and Responsible Consumption and Production; and

- *Sustainable Future*, the Group encourages financial inclusion. Key initiatives include providing financial re-inclusion services, promoting sustainability data digitalization, increasing participation in client and debtor satisfaction surveys, achieving ISO 27001 and ISO 37001 certifications, conducting regular cybersecurity training, implementing AI in the e-procurement system, evaluating ESG ratings in the e-procurement system, and ensuring 85% of employees receive privacy training. These initiatives align with SDGs such as Decent Work and Economic Growth.

The Group also strives to collaborate with professional, consulting and IT support services, external lawyers, loan recovery companies and office maintenance service providers who are able to meet its non-financial standards. In particular, the Group has established a suppliers register in order to qualify and monitor its vendor list on the basis of technical-commercial parameters and environmental, social and safety indicators. This method establishes a minimum threshold/score for acceptance, with questions about the environment and occupational safety. In the subsequent phases of the qualification process, suppliers will be able to increase their base score through the presentation of certifications issued by accredited bodies. The procurement function will thus be able, through the attribution of the score, to identify the most virtuous suppliers and contribute to the reduction of risks related to sustainability. This approach has the dual value of immediately identifying and hiring suppliers with reduced environmental impact and raising awareness in the rest of the market. As part of the doTransformation Program, the Group established a central procurement function at a Group level. It also established a Group ERP function with the aim of, among other things, supporting the continuous monitoring of its suppliers and collaborators. In 2022, the Group updated the code of ethics of its external network to promote a business management model distinguished by integrity, respect and honesty toward all stakeholders.

LEGAL PROCEEDINGS

During the normal course of its business, the Group is from time to time party to judicial proceedings (including proceedings of a civil and tax nature and, in some cases, criminal proceedings).

As of September 30, 2024, monetary claims in judicial proceedings against the Group totaled approximately €432.0 million (including proceedings relating to the consultancy contracts below), the majority of which relate to matters arising from the routine enforcement of claims the Group manages. Of this amount: (i) approximately €206.0 million pertains to two claims for damages allegedly caused by the termination of a common bond loan in 2022, which were brought by the issuer and guarantor of the bond against several Greek banks (acting as originators and bondholders' agents), securitization vehicles (as bondholders), and doValue Greece (as the servicer of bond-related claims). Hearing in both lawsuits were held on February 14, 2024 before the Multimember First Instance Court of Lassithi and they are still pending. A decision is expected by the end of 2024; (ii) €1.3 million is related to labor proceedings; (iii) approximately €43.7 million is related to claims in connection with tax proceedings; and (iv) approximately 400 proceedings involve either amounts below €1 million or unspecified values and do not fall in the categories above.

As mentioned above, the Group is party to a number of consulting contracts with consultants and contractors (including lawyers), both on its own and on behalf of the principal owner of the loans under management, in accordance with the existing servicing agreements. The Group is currently involved in legal proceedings brought by these contractors and consultants who seek either to requalify their contracts, effectively converting their relationship with the Group into open-ended employment contracts, or to claim that their compensation should be increased to meet the standards of fair compensation (*equo compenso*). Specifically, article 13-bis of Italian Law decree 148/2017, as converted into law by Italian Law 172/2017, introduced provisions requiring that agreements on fee arrangements between legal counsels and banks, insurance companies, or companies (not qualifying as SMEs under the Commission Recommendation of May 6, 2003) shall provide for fees to be paid to the relevant legal counsel that are adequate and proportionate (*equo compenso*) to the quality and quantity of assistance required from such counsel. Pursuant to these provisions, as amended and restated by Italian Law No. 49 of April 21, 2023, such fees should be compliant with the parameters provided under certain decrees issued periodically by the Minister of Justice, which may be higher than the compensation contractually negotiated between the Group and the consultants in the relevant consultancy agreement.

As of September 30, 2024, as to the Italian tax matters, the Group's total claims in connection with tax proceedings amount to €44.3 million, which pertains solely to tax underpayments, excluding penalties and interest that are applicable under ordinary rules. Out of the €44.3 million, approximately €43.7 million (calculated excluding interest and penalties) concerns certain tax audit carried out by the Italian Tax Authority ("**ITA**") on the Issuer, with respect to tax years from 2015 to 2017 included. See "*Business – Legal Proceedings – Tax claims in Italy*".

The Group is regularly subject to these types of claims (i.e., civil and tax) given the nature of its business and rarely are such claims found to have merit, therefore it does not consider any of the currently active proceedings to which it is a party to be material to its business or results of operations and has recorded provisions for risks and charges in the aggregate amount of €8.2 million as of September 30, 2024, which also includes proceedings related to consultancy contracts.

Altamira Arbitration

In April 2021, following a tax audit conducted by the Spanish tax authority (*Agencia Tributaria*) on years 2014 and 2015 of doValue Spain, an assessment of the Spanish corporate income tax was issued by the Spanish tax authority and accepted in agreement by doValue Spain. Afterwards, doValue Spain filed complementary tax returns of the Spanish corporate income tax of years 2016, 2017 and 2018 with the Spanish tax authority in order to align the self-assessments of those years with the findings of the tax audit of previous years, avoiding any risk of penalties being imposed. The amount paid by doValue Spain to the Spanish tax authority as a consequence of the tax audit and the complementary tax returns owed for those years amounted approximately to €33 million (the "**Altamira Tax Claim**"). The Group then enforced the contractual safeguards provided for under the Altamira acquisition agreement (the "**Altamira Acquisition Agreement**") for reimbursement of the entire amount of the Altamira Tax Claim and, pending the outcome of the discussions for this reimbursement with the Altamira Asset Management Holdings, S.L. (the "**Altamira Seller**"), suspended payment of the earn-out in the amount of €18 million, plus interest, provided for in the Altamira Acquisition Agreement (the

“**Altamira Acquisition Earn-Out**”). The Altamira Seller contested the Group’s claim under the Altamira Acquisition Agreement and commenced an arbitration proceeding before the International Court of Arbitration of the International Chamber of Commerce (the “**Arbitral Chamber**”) for the payment of the Altamira Acquisition Earn-Out. In such proceedings, the Group made a counterclaim in relation to, *inter alia*, the payment of the Altamira Tax Claim. On May 11, 2023, the Arbitral Chamber issued its final decision, which (i) stated that the Altamira Seller was to reimburse an amount of approximately €28 million, plus interest, in relation to the Altamira Tax Claim to doValue Spain (the “**Reimbursement Amount**”), and (ii) confirmed the payment of the Altamira Acquisition Earn-Out (the “**Arbitration Award**”). In July 2023, the Group commenced an action to enforce the Arbitration Award against the Altamira Seller, while the Altamira Seller submitted an application to the High Court of Justice of Madrid for the partial annulment of the decision of the Arbitral Chamber in relation to the Reimbursement Amount. In December 2023, the Court of First Instance of Madrid issued an enforcement order ordering, *inter alia*, the Altamira Seller to pay the Reimbursement Amount under the Arbitration Award, seizing its current banking account balances, tax refunds and certain income of the Altamira Seller. On May 30, 2024, the High Court of Justice of Madrid ruled in favor of the Group, rejecting the Altamira Seller application for the partial annulment of the decision of the Arbitral chamber in relation to the Reimbursement Amount. The Altamira Sellers were instructed to refund approximately €27.8 million plus interest to the Group. Additionally, the Group was required to pay an earn-out to the Seller, tied to the performance of Altamira’s Cypriot operations, as stipulated in the original share purchase agreement.

In parallel with the Altamira arbitration, the Group initiated a lawsuit in 2022 against Swiss Re International SE, Aspen Insurance UK Limited, and Scor Europe SE (who took over the insurance contract position from Scor UK Company Limited in 2020) (the “**Altamira Insurers**”). In a first-instance judgment dated September 30, 2024, the Court of First Instance No. 98 of Madrid ruled in favor of the Group, finding that the representations and warranties in the Altamira Acquisition Agreement regarding the Altamira Tax Claim were inaccurate, resulting in a loss for the Group. As a result, in accordance with the insurance contract terms, the Court ordered the Altamira Insurers to compensate the Group for the damages.

Therefore, the Group’s loss is currently payable both by the Seller under the Altamira arbitration and by the Insurers under this ongoing litigation, which is not yet final.

Tax claims in Italy

Starting from 2019, the ITA carried out a tax audit on the Issuer with respect to tax years from 2015 to 2017 included. After the conclusion of the tax audit in September 2022, the ITA issued a tax audit report (*processo verbale di constatazione*) raising two claims for tax years 2016 and 2017 (no claims were raised for tax year 2015).

In particular, in April 2023, the ITA notified a tax assessment (*avviso di accertamento*) relating to the fiscal year 2016 claiming, respectively, €26.159.409,00 for Italian corporate income tax (*IRES*) purposes and €5.298.469,00 for Italian regional tax on productive activities (*IRAP*) purposes, plus penalties equal to €28.312.090,20 and interest equal to €7.449.915,00. More specifically, in the context of the application of the anti-abuse rule set forth by Article 10-*bis* of Law No. 212 of July 27, 2000, the ITA challenged the sale of a non-performing loan portfolio whose price was deemed lower than the relevant market value. In December 2023, the Issuer filed an appeal before the first-instance tax court of Venice; on June 21, 2024, the tax court ruled in full favor of the Issuer. On September 13, 2024, the ITA appealed the first-instance judgment and the Issuer filed its counter-appeal on November 11, 2024.

Moreover, in December 2023, the ITA notified a tax assessment relating to the fiscal year 2017 claiming the omitted application of withholding taxes for €12.262.884,00, plus penalties of €13.489.172,40 and interest of €2.695.818,66. In particular, in the context of the application of the anti-abuse rule set forth by Article 10-*bis* of Law No. 212 of July 27, 2000, the ITA claimed that the Issuer would have not fulfilled its obligation to apply withholding taxes as provided for by Article 27 of Italian Presidential Decree No. 600 of September 29, 1973, on its dividend distributions to one of its shareholders. In fact, such dividend distributions had not been subjected to withholding tax pursuant to Article 27-*bis* of Italian Presidential Decree No. 600 of September 29, 1973, which provides, if certain conditions are met, a tax exemption regime on dividend distributions (the so called “parent-subsidiary exemption”). In May 2024, the Issuer filed an appeal and the ITA then filed counter-appeal. As of the Prospectus Date, the hearing before the competent first-instance Italian tax court has yet to be scheduled.

In relation to the aforementioned tax proceedings, the Issuer has not recorded any specific provision in its financial accounts.

Furthermore, for tax years from 2018 to 2022 included, the ITA carried out a tax audit on the Issuer. Particularly, within the context of a tax inspection, on May 30, 2024, the ITA issued a daily tax audit report (*processo verbale giornaliero di verifica*) requiring the Issuer to provide further clarifications on its potential obligations to apply withholding tax on dividend distributions occurred throughout the aforementioned tax years 2018-2022. On June 11, 2024, the Issuer provided the requested clarification, outlining, *inter alia*, that-given that in 2017 the Issuer's shares were admitted to listing on the regulated stock exchange market organized and managed by Borsa Italiana-as far as the application of withholding taxes on dividend distributions is concerned, under Italian law any possible withholding tax obligation and responsibility for application of withholding tax exemption is no longer at the level of the Issuer but has been shifted to the third party intermediary with whom the Issuer's shares are deposited, pursuant to Article 27-*ter* of Presidential Decree No. 600 of 29 September 1973. On November 6, 2024, the ITA concluded the aforementioned tax audit and served the Issuer a tax audit report (*processo verbale di constatazione*) without raising claims on the issue at stake.

Other legal proceedings

Inspection of the Bank of Italy on doNext

From September 21, 2022, to December 23, 2022, the Bank of Italy conducted an on-site inspection at the premises of the Issuer's subsidiary doNext S.p.A. ("**doNext**"). The inspection aimed to assess the main risk profiles of doNext, along with other technical aspects.

On March 24, 2023, the Bank of Italy notified doNext of the start of two sanctioning proceedings in connection with:

(i) deficiencies in the organization and internal controls of doNext, mostly concerning (i) the role of the board of directors and the board of statutory auditors of doNext, and (ii) the perimeter of analysis and effectiveness of the controls performed within the organization, such as the second level controls performed by the risk management and compliance division and the third level controls performed by the internal audit; and

(ii) non-compliance with AML provisions, due to the lack of involvement of the AML function of doNext in a limited number of securitization transactions of commercial loans (business which was later dismissed by doNext).

The Bank of Italy qualified the results of the inspections as "*partially unfavorable*" (*parzialmente sfavorevoli*) due to certain deficiencies identified in the governance and control framework, which could potentially expose the intermediary to operational and reputational risks, mainly associated with the initiation of minor non-captive activities in healthcare loans in 2022, in certain cases undertaken without the prior engagement of the anti-money laundering function. The Bank of Italy imposed the following sanctions, which were entirely paid on May 30, 2024:

- with reference to (i) above, on May 8, 2024 the Bank of Italy notified doNext with measure protocol No. 0406904/24 of February 27, 2024, and imposed a sanction of €30,000 (the minimum applicable) for the following irregularities: deficiencies in organization and internal controls (*carenze nell'organizzazione e nei controlli interni*), pursuant to Articles 108, para. 1 of Legislative Decree No. 385/1993, Title III, Chap. I, Sec. I, II, III, VII of Circular No. 288/2015 "Supervisory Provisions for Financial Intermediaries" (*Disposizioni di vigilanza per gli intermediari finanziari*) and Art. 2, paras. 6 and 6-*bis* of Law No. 130/1999; Art. 144, para. 1, letter a) of Legislative Decree No. 385/1993.

- with reference to (ii) above, on May 8, 2024 the Bank of Italy notified doNext with measure protocol No. 0406890/24 of February 27, 2024, and imposed a sanction of €30,000 (the minimum applicable) for the following irregularities: deficiencies in the organization and controls concerning anti money laundering (*carenze nell'organizzazione e nei controlli in materia di antiriciclaggio*), pursuant to Articles 7, 15, 16, 17, 18, 19, 24, 25, Legislative Decree 231/200, Bank of Italy Measure of July 30, 2019 "Provisions on organization, procedures, and internal controls aimed at preventing the use of intermediaries for the purposes of money laundering and financing of terrorism" (*Disposizioni in materia di adeguata verifica* *della clientela per il contrasto del riciclaggio e del finanziamento del terrorismo*) and Article 62, Legislative Decree 231/2007.

Following the inspection and issuance of these sanctions, doNext proposed a detailed remediation plan to enhance specific areas of its business model, governance, and controls, including reviewing internal regulations and procedures, introducing a new operating model, and implementing a recruitment process focused on second-level controls (the "**doNext Remediation Plan**"). The doNext Remediation Plan was approved by its board of directors in June 2023 and subsequently submitted to the Bank of Italy. The board formally appointed an internal audit function to oversee the doNext Remediation Plan's implementation and provide quarterly updates to the Bank of Italy. The Bank of Italy has not raised any objections to the periodic reports submitted by doNext's Internal Audit.Moreover, in order to facilitate the process of strengthening the doNext internal control framework, the Group's Internal Audit function conducted two additional audits focused on the second-level control functions at the end of 2023 and the beginning of 2024. Such audits highlighted the presence of certain specific areas for additional improvement in the management of risks. DoNext's management has defined appropriate corrective actions for all the areas identified and their execution has been monitored by Internal Audit quarterly. As of the Prospectus Date, all of these actions have been completed, except for those strictly related to the delivery of the annual 2024 compliance plan, which is still ongoing and which will be completed by the first half of March 2025. Specifically, with regard to anti-money laundering, within the context of an overall positive evaluation of the measures already implemented, the Group's Internal Audit function has recommended considering a strengthening of the anti-money laundering function's staffing, with the identified shortage amounting to less than 0.5 FTEs.

As of the Prospectus Date, all remediation measures have already been completed by doNext.

If the Bank of Italy deems that doNext has failed to duly complete or implement, as the case may be, its doNext Remediation Plan, the Bank of Italy may take a variety of actions ranging from a mere request to implement new additional remedial actions to the initiation of sanctioning proceeding(s).

CORPORATE AND SERVICING RATINGS

The ratings of the Gardant Group

The Gardant Group was assigned an overall servicer rating of "Above Average" by S&P Global Ratings on March 1, 2023. The S&P report highlights steady growth in the special servicing portfolio in terms of Gross Book Value, driven by the acquisition of new non-performing loan (NPL) and unlikely-to-pay (UTP) portfolios. A decline in the master servicing portfolio was noted, attributed to portfolio redemptions in 2021. The report also emphasizes the presence of a well-experienced executive team and operational workforce with significant expertise in the Italian servicing market.

Additionally, S&P Global confirmed the Gardant's rating with a stable outlook, reporting consistently low turnover rates remained below 10%, in line with market trends.

Gardant, on August 29, 2023,also received servicer ratings from Fitch Ratings: Commercial Special CSS2+/Stable, Residential Special RSS2+/Stable, and Master MS2+/Stable. Fitch's report highlights Gardant's continued success in achieving business objectives, including securing several new servicing mandates in both master and special servicing roles, effectively offsetting portfolio declines due to collection activities. The establishment of a dedicated data lab team is highlighted as a significant development. The absence of a formal succession plan for top management is cited as a factor contributing to more conservative scoring in the servicer rating analysis.

The ratings of the Group

On January 2, 2024, Fitch Ratings assigned the Issuer the following servicer ratings: Commercial Primary CPS2+/Stable, Commercial Special CSS1-/Stable, Residential Primary RPS2+/Stable, and Residential Special RSS1-/Stable. The report highlights the Issuer's position as Italy's largest loan servicer, despite a decline in assets under management due to collections and portfolio disposals. It notes the maturity of the NPL market, prompting diversification into UTP loans, re-performing loans, and business process outsourcing. A recent reorganization shifted staff to doNext for UTP management, with low staff turnover and stable management. Key developments include the creation of a group enterprise risk management function, separation of compliance and AML activities, and continued IT infrastructure investments to enhance efficiency.

On April 30, 2024, S&P Global Ratings assigned the Issuer an overall servicer rating of "Strong." The report emphasizes the Issuer's leadership as Italy's largest servicer by assets under management, its expertise across asset classes, and synergies with non-Italian subsidiaries. It highlights the senior leadership's financial experience, effective training programs, and robust IT and cybersecurity measures, managed by a newly established information security office.

On June 17, 2024, S&P affirmed the Group's Issuer Credit Rating at BB with a stable outlook. The rating reflects the Issuer's solid servicing model, reliable reporting systems, and equity contribution, bolstering financial stability. However, risks include potential higher dividend distributions and market dynamics tied to shareholder actions and acquisitions.

On October 25, 2024, Fitch Ratings assigned doValue a Long-Term Issuer Default Rating of BB with a Stable outlook. The report highlights the Issuer's strong position in the southern European distressed debt and real estate servicing market, supported by its cash-generative, capital-light business model. The rating also acknowledges the funding profile, boosted by the approved 2024 Senior Facilities Agreement for the Gardant Group Acquisition and a €150 million Rights Issue. Risks include client concentration in the NPL segment, expiration of key contracts like Sareb in Spain, and elevated leverage, balanced by the Issuer's strong franchise and scale.

REGULATORY OVERVIEW

The following paragraphs provide a short description of the key regulations that apply to the Group's business in the main countries where it operates, including requirements with respect to data protection and data privacy, provisions on enforcement procedures, credit management and restructuring, debt recovery, real estate administration and securitization of loans. The regulatory frameworks vary depending on the jurisdiction where the Group carries out its operations and provides its services.

While relevant regulations are typically national in scope, within the European Union ("**EU**"), a considerable degree of regulatory harmonization exists in a number of areas relevant to the Group's operations. In some instances, the EU has created a common regulatory framework that applies in all EU member states ("**Member States**") (and that sometimes allows Member States to adopt more detailed and more stringent regulations), and has indirect harmonizing effects in certain other European countries.

Regulation in Italy

The following provides a brief description of the main regulations that govern the activities carried out by the Group in Italy. Although the following brief description contains the principal information concerning such regulations that are considered material by the Issuer, it is not an exhaustive account of all applicable laws and regulations. References to, and discussions of, treaties, laws, regulations and other administrative and regulatory documents are entirely qualified by the full text of such treaties, laws, regulations and other administrative and regulatory documents themselves.

The debt collection industry is not highly regulated in Italy and the Group's activities are not subject to banking or financial markets supervision, while action by creditors is subject to certain stringent procedural and formal rules that prescribe the manner, form and content of claim notifications. The primary regulatory requirements applicable to the Group's business activities consist of certain limited registration and license requirements and certain procedural and information-keeping rules that have been codified in applicable law. However, as the purchase and the collection of loans originating from financial institutions, the Group operates in a regulated environment and, as a result, it commits to comply, *inter alia*, with banking and financial regulations.

Debt collection activity cannot be carried out freely but requires the obtainment of a specific license under Article 115 of the Italian Consolidated Act on Public Security ("**TULPS**") (Royal Decree No. 773 of June 18, 1931). This requirement does not apply to banks and financial intermediaries when such activity is performed on a residual basis. Additionally, Italian legislation such as Legislative Decree 231/2002 and Legislative Decree 206/2005 set the means by which accrued interest and other charges may be added to the principal for late payments in commercial transactions and consumer late payments, respectively.

On November 24, 2021, the NPL Directive was adopted to facilitate the transfer of non-performing loan portfolios and related services within the EU. The Directive aims to blend best practices and level the playing field for competition, to encourage new market entrants and deepen the liquidity of the NPL market. The Directive will result in the standardization of processes, operations and data requirements across the European market, in addition to requiring an authorization for credit servicers. The Directive provides that all Member States of the EU shall adopt and publish, by December 29, 2023, the implementing laws and regulations.

On July 22, 2024, the Italian Council of Ministers approved the NPL Decree, published in the Official Gazette No. 189 on August 13, 2024, transposing the NPL Directive into Italian law by amending the Consolidated Banking Act and the Legislative Decree No. 39 of January 27, 2010. As of the Prospectus Date, national level provisions implementing the NPL Directive are still evolving and, therefore, it remains to be seen how the NPL Directive will be practically implemented by the Italian regulators such as Bank of Italy.

In Spain, the implementation of the NPL Directive into Spanish law is still pending. On May 14, 2024,

on May 14, 2024, the Council of Ministers approved the draft preliminary law on servicers and purchasers of NPLs originated by credit institutions and financial credit establishments, with the aim of integrating the provisions introduced by the NPL Directive into the Spanish legal framework. To date, the law is still in the consultation phase, pending to be transposed.

In Greece the NPL Directive was transposed into national law by virtue of Law 5072/2023, published in the Government Gazette (nr. A-198) of the Hellenic Republic on December 4, 2023, which abolished in part the previous Law 4354/2015.

Recovery of unpaid loans

The Group operates primarily in the Servicing industry, carrying out credit recovery of unpaid loans. Such credit recovery activities are governed by Book III of the Code of Civil Procedure, which regulates the enforcement process for unpaid loans, (with the exception of certain special enforcement processes, including fiscal procedures), opposition proceedings to enforcement rulings (Articles 615-618 of the Code of Civil Procedure) and third-party actions (Articles 619-622 of the Code of Civil Procedure).

The Group also conducts its credit recovery activities through bankruptcy proceedings, governed by Royal Decree No. 267 of March 16, 1942 ("**Italian Bankruptcy Law**") with respect to insolvency proceedings started before (and including those still ongoing) July 15, 2022 and Legislative Decree No. 14 of January 12, 2019 ("**Crisis and Insolvency Code**") as subsequently amended and supplemented, with respect to insolvency proceedings started after July 15, 2022.

Data Management

The Group is subject to laws and regulations aimed at ensuring the correct processing of personal data especially in terms of use, storage and confidentiality, set forth in Legislative Decree No. 196 of June 30, 2003, as amended and supplemented by the Italian Personal Data Protection Code and in the GDPR.

Anti-Money Laundering

The Group is subject to anti-money laundering regulations, including Legislative Decree No. 231 of November 21, 2007 ("**Legislative Decree 231/2007**") as subsequently amended and supplemented, implementing Directive 2005/60 EC ("**Directive 2005/60**") containing provisions on the prevention of the use of the financial system for the purpose of laundering the proceeds of criminal activities and financing terrorism, as well as Directive 2006/70/EC ("**Directive 2006/70**"), both directives as subsequently repealed and replaced by the relevant European anti-money laundering legislation.

In this context, the Group is also subject to regulations issued by the Bank of Italy implementing Legislative Decree 231/2007, which establishes rules regarding the internal control framework of intermediaries for the purpose of preventing money-laundering and terrorist financing, as well as provisions on the adequate verification of customers.

Usury

The rules on usury are set out in Articles 644, 644-bis and 644-ter of the Italian Criminal Code and in Law No. 108 of March 7, 1996 as subsequently amended (the "**Italian Usury Law**"), and in the Instructions of the Bank of Italy for the determination of the average overall effective rates under the Italian Usury Law of July 29, 2016 (the "**Usury Instructions**").

Article 644 of the Criminal Code criminalizes the conduct of those who in any manner whatsoever obtain interest or other benefits that are usurious, or the promise thereof, whether for themselves or for others, as consideration for providing money or of any other benefit.

Additionally, Article 644 sets forth the threshold beyond which interest rates are usurious. Interest rates or other advantages or compensations may also be usurious if, even though they fall below the above-mentioned threshold, considering the specific methods and the average interest rates used for similar transactions, they are nevertheless disproportionate if the debtor is in a difficult economic or financial situation.

The determination of whether an interest rate is usurious considers the fees, consideration at any title and expenses, excluding charges for taxes and expenses related to the granting of the loan.

Furthermore, Article 1815(2) of the Italian Civil Code, voids any usurious interest clause and no interest is due in such instances. In this context, the Italian Usury Law establishes that the Minister of the Treasury is to publish a decision (the "**Determination Decree**") quarterly, indicating the Average Overall Effective Rate (*Tasso Effettivo Globale Medio*, the "**TEGM**") charged by banks and financial intermediaries per category of transaction as divided into specific types. The thresholds beyond which interest is always deemed usurious are established for each category by the Italian Usury Law and the Usury Instructions which match the TEGM arising from the most recent determination contained in the Determination Decree relating to the transaction category in which the loan is included, increased by one quarter and by a margin of four percentage points. In any event, the difference between the threshold and the average rate cannot exceed eight percentage points.

Italian Consolidated Act on Public Security

The TULPS requires operators to obtain certain licenses prior to carrying out investigation and data collection relating to third parties, credit collection services and similar activities.

In particular, Article 115 of the TULPS requires operators performing debt collection services on behalf of third parties to hold a specific license ("**Debt Collection License**"). Such Debt Collection License is issued by the competent Police department (*questura*), it is site-specific (*i.e.*, it relates to the specific premises where such debt collection activities are carried out), and is issued in favor of a natural person acting on behalf of the Group.

Pursuant to the applicable regulation on police licenses/permits in general, the Debt Collection License may be revoked for public order or public security reasons, as well as for breach of the applicable regulation.

In Italy, the Group currently owns licenses granted to it pursuant to Article 115 of the TULPS (license to carry out the activity of extrajudicial recovery of debts on behalf of third parties (*attività di recupero stragiudiziale dei crediti per conto terzi*) and are in substantial compliance with the terms of such licenses. Licenses under Article 115 of the TULPS are issued in favor of individuals acting on the Group's behalf. If any of the individuals who have been granted these licenses leave the Group's companies, the Group would need to have other individuals obtain new licenses.

Under article 2 of the Ministerial Decree No. 53 of April 2, 2015, the operators performing debt collection services may purchase receivables where the following conditions are met:

(1) the receivables are acquired for the purpose of recovery and are sold by: (*i*) banks or other financial intermediaries subject to the supervision of the Bank of Italy, which have classified such receivables as non-performing, or (*ii*) entities other than those indicated under point (*i*) above, *provided that* the receivables are due from insolvent debtors, even if not judicially ascertained, or in a substantially comparable situation, as ascertained by the competent corporate bodies; the existence of real or personal guarantees is not relevant for this purpose;

(2) the financing received by the acquiring company from third parties does not exceed the total amount of net assets; and

(3) the recovery of the acquired receivables is effected without entering into new loan agreements with the assigned debtors, novating existing ones or amending the contractual terms; early repayment and deferred payment terms are not relevant for this purpose.

NPL Directive

With respect to non-performing loans, the regulatory landscape relating to, *inter alia*, debt collection and credit purchases is currently undergoing an overhaul which is driven by initiatives at EU-level aimed at, *inter alia*, tackling the build-up of NPLs across the EU.

The European Commission finalized and published on December 8, 2021, in the Official Journal of the European Union, the NPL Directive. The NPL Directive entered into force on the twentieth day following that of its publication in the Official Journal (*i.e.*, December 28, 2021) and the deadline set for implementation by the Member States was December 29, 2023.

The NPL Directive aims to achieve: (i) a better management of NPLs by increasing the efficiency of debt recovery procedures through the establishment of a distinct common accelerated extrajudicial collateral enforcement procedure (AECE); (ii) the development of secondary markets for NPLs in the markets of within the European Union by harmonizing the regulatory regime for credit servicers and credit purchasers. As of the Prospectus Date, the NPL Directive has not been transposed yet in the Italian legislative framework.

The NPL Directive applies to non-performing credit agreements that are more than 90 days overdue or where the lending credit institution considers it unlikely to be repaid by the borrower. The NPL Directive is intended to create a new EU-wide framework that aims to facilitate the transfer of NPLs from credit institutions to credit purchasers and the development of a secondary market for NPLs for credit purchasers and servicers. Legal persons that perform "*credit servicing activities*", as defined in the NPL Directive, will be required to obtain authorization as a credit servicer from its national competent authority. Such authorization will be valid across the EU, so that a credit servicer authorized in one member state will be permitted to carry out activities in other member states. The NPL Directive also lays down certain obligations on credit purchasers and credit servicers in their interactions with borrowers, including, for example, information disclosure requirements in advance of the first debt collection.

On July 22, 2024, the Italian Council of Ministers approved the NPL Decree transposing the NPL Directive into Italian law by amending the Consolidated Banking Act and the Legislative Decree No. 39 of January 27, 2010. In line with the objectives of the NPL Directive, the NPL Decree aims to stimulate the development of the Italian secondary market for NPLs, *inter alia*, with the following interventions:

(i) allowing natural and legal persons other than banks, purchasing NPLs on a professional basis (the "**NPL Decree Credit Purchasers**"), to carry out the relevant activity without a need for authorization;

(ii) introducing a new type of intermediary authorized and supervised by the Bank of Italy, the "bad debt manager", appointed to perform NPL servicing activity on the Italian market (the "**NPL Decree Servicer**"). Entities subject to this regime (which is more rigorous than the ordinary one) also include managers of NPLs authorized pursuant to the newly enacted Article 114, paragraph 6 of the Consolidated Banking Act. As a result, credit servicing activity has become a reserved matter and can only be carried out by servicers with a specific license issued by the Bank of Italy, or alternatively by banks and financial intermediaries licensed under Article 106 of the Consolidated Banking Act. Servicing activities can be outsourced by these new entities to debt collection companies licensed under Article 115 of the TULPS; and

(iii) introducing the passporting principle, whereby entities carrying out NPL servicing activities in other EU member states may carry out such activities in Italy, where authorized in their respective home countries pursuant to the relevant regulatory provisions.

The Bank of Italy has launched a consultation on the new provisions that implement the NPL Directive. This consultation will conclude on September 23, 2024 and as of the Prospectus Date is still ongoing.

GACS Law

In accordance with Law Decree No. 18 of February 14, 2016 (containing urgent measures regarding the reform of mutual banks, the guarantee on the Securitization of bad loans, the tax regime relating to crisis procedures and collective asset management), converted and amended into Law No. 49 of April 8, 2016 (the "**GACS Law**"), banks and financial intermediaries having their registered offices in Italy may, in exchange for the assignment of monetary loans categorized as bad loans, in the context of a Securitization transaction and with the fulfilment of certain requirements described in the GACS Law, request the Ministry of Economy and Finance ("**MEF**") to grant a state guarantee to cover the payments contractually provided for, including both interest and principal, on the senior tranche of the asset-backed securities (the "**Senior Securities**") that are issued in the context of such Securitization (the "**GACS**").

Article 4 of the GACS Law sets forth certain requirements for a Securitization transaction to qualify for GACS, including, *inter alia*:

(a) the loans subject to assignment must be transferred to the assignee company for an amount not greater than their net book value at the date of the assignment (gross book value net of any adjustments);

(b) the securitization transaction envisages the issuance of securities with at least two different tranches, depending on the ranking of subordination in the absorption of losses;

I the junior tranche of the securities is not entitled to receive any repayment of principal, any payment of interest or any other form of remuneration until full repayment of the principal on the securities of the other tranches; and

(d) the securitization vehicle may issue one or more mezzanine tranches that, with respect to the payment of interest are subordinated to the payment of interest due on the Senior Securities and may be preferred over repayment of the principal of the Senior Securities.

Law Decree No. 18 of February 14, 2016, provides that access to the state guarantee is limited to a period of 18 months. However, such term may be extended up to a maximum of an additional 18 months, subject to approval by the European Commission.

For the purposes of the issuance of the GACS (in accordance with Article 5 of the GACS Law), the senior tranches must have obtained a credit rating, attributed by an external credit rating agency ("**ECAI**") accepted by the European Central Bank as of January 1, 2016, of no less than the last investment grade credit rating on the scale. If, pursuant to applicable law, the issuance of two credit ratings is required, the second rating on the same senior tranche may be issued by an ECAI registered in accordance with Regulation (EC) No. 1060/2009 of September 16, 2009, and this must not be lower than the last investment grade credit rating on the scale.

Furthermore, the NPL servicer must be different from the originator and should not belong to the originator's group. Any decision by the originator or the holders of the securities to terminate their agreement with the Servicer must not result in a deterioration of the rating of the senior security by the ECAI. Even if the servicer's rating is not a legal requirement set forth by the GACS Law, it provides a consistent and objective analysis of the servicers' performances that may impact the fulfilment of the Securitization process and the performance of the GACS.

Pursuant to Article 6 of the GACS Law, the senior tranche and, if issued, the mezzanine tranche, shall have the following features:

(a) the remuneration is at a variable rate;

(b) the repayment of principal before the maturity date is set according to the cash flows deriving from the recoveries and from the collections made in relation to the portfolio of assigned loans, net of all costs related to the activity of recovering and collecting on the assigned loans; and

(c) the payment of interest is made quarterly, half yearly or annually in arrears, depending on the residual face value of the security at the beginning of the interest period in reference.

Furthermore, such senior tranche may provide that the remuneration for the mezzanine tranche, following fulfilment of certain conditions, may be deferred or subordinated to the full repayment of the senior tranche or conditioned upon performance targets in the collection or recovery involving the portfolio of assigned loans. In any case, if on an interest payment date for the mezzanine tranche, the ratio between cumulative net collections and expected net collections based on the recovery plan (reviewed by the external credit rating agency referred to in Article 5 of GACS Law) is less than 90 percent, the interest on the mezzanine tranche for that payment date shall be deferred until the full repayment of the principal of the senior tranche or until the payment date on which the aforementioned ratio exceeds 100 percent.

Pursuant to Article 7 of the GACS Law, the proceeds from recoveries and from collections arising from the portfolio of assigned loans, financial hedging agreements entered into and utilizations of the credit line, net of the sums withheld by the entity in charge of collection of the assigned loans for its own management activity in accordance with the terms agreed to with the assignee company, shall be employed in the payment of the following items, and according to the following order of priority:

(a) possible tax obligations;

(b) sums due to service providers;

(c) payment of sums due for interest, commissions and fees involving activation of the credit line;

(d) payment of the sums due for the granting of the GACS on the Senior Securities;

(e) payment of the sums due to financial hedging agreement counterparties;

(f) payment of the sums due for interest on the Senior Securities;

(g) restoration of the availability of the credit line, if used;

(h) payment of the sums due for interest on the mezzanine tranche, if issued;

(i) repayment of the principal of the Senior Securities up to their full repayment;

(j) repayment of the principal of the mezzanine tranche (if issued) up to full repayment of the latter; and

(k) payment of the sums due for principal and interest, or other forms of remuneration on the junior tranche.

The payments referred to in items (b) above, are, in whole or in part, contingent upon performance targets in the collection or recovery related to the portfolio of transferred receivables. In any case, if on a payment date for the amounts itemized under (b) above the ratio between cumulative net collections and expected net collections (based on the recovery plan reviewed by the external credit rating agency referred to in Article 5 of the GACS Law) is less than 90 percent, payments itemized under (b) above are deferred for the portion representing an amount not less than 20 percent of the total payments due under item (b) above, until the date of full repayment of the principal of the senior tranche or until the date on which the aforementioned ratio exceeds 100 percent.

Lastly, under the GACS Law, the state guarantee:

(i) is binding, may only be granted on the Senior Securities and becomes effective only when the assignor company has assigned, in a binding manner, at least 50%, plus 1 security, of the junior tranche and, in any event, such amount of the junior tranche and, if issued, of the mezzanine tranche that enables full book elimination of the loans covered by the securitization transaction from the accounting of the assignor company and, at a consolidated level, of the assignor banking group, according to the relevant accounting principles in force in the financial period when the transaction is carried out;

(ii) is unconditional, irrevocable and payable on first demand to the holder of the Senior Security. The guarantee covers payments contractually provided for, for interest and principal, in favor of the holders of the Senior Securities for their entire terms. Furthermore, it is *provided that* the national government, the public administration and the enterprises directly or indirectly controlled by any public administration may not acquire the junior or mezzanine tranches issued in the context of securitization transactions for which the GACS has been requested; and

(iii) the sums due for principal or interest may be called in by the holder within nine months after the maturity of the Senior Security in the event of non-payment, even a partial one, in accordance with the peremptory deadlines provided for in Article 11 of the GACS Law. In the event of non-payment that lasts for sixty days from the due date, the holders of the Senior Securities, in concert and through the representative of the obligation holders (RON), shall send to the assignee company a demand for payment of the amount of the sum due and not yet paid; after thirty days and within six months from the date of receipt of the demand letter at the assignee company, without the latter having proceeded to make payment, the holders of the Senior Securities, in concert and through the representative of the obligation holders (RON), may request the GACS intervention. Within thirty days from the date of receipt of the documented request for the GACS intervention, the MEF is to proceed with payment of the amount that pertains to the holders of the Senior Security unpaid to the assignee company, without charge for interest or expenses. With this payment, the MEF becomes subrogated to the rights of the holders of the Senior Securities and is to proceed, without prejudice to the limitations contractually established for the exercise of such rights and subject to the payment of the amount due for interest to the bearers of the Senior Securities, to recover the sum paid, interest at the legal rate accrued from the date of payment until the date of repayment and the expenses incurred for the recovery, including those of applying for docketing in accordance with Presidential Decree No. 602 of September 29, 1973 and Legislative Decree No. 46 of February 26, 1999, as subsequently amended.

For the purposes referred to in the GACS Law, the MEF has created a special fund of €120 million managed by Consap S.p.A. This fund shall be further funded with the annual fees for the guarantees granted, which, for such purpose, shall be paid into the national budget for the subsequent reallocation to the same fund.

The above regulatory framework was recently amended by the Italian legislature, which adopted Legislative Decree No. 22 of March 25, 2019, subsequently converted into Law No. 41 of May 20, 2019, which implemented the following adjustments with respect to the GACS Law:

(a) the guarantee scheme is intended to last for a longer period than originally provided for in the GACS Law (24 months from the EU positive opinion, which may be extended by a further 12 months by the MEF subject to approval by the European Commission);

(b) the transfer price of the securitized non-performing loans is no longer calculated at the time of sale;

(c) the minimum rating of the loans eligible for the state guarantee is higher than the previous investment grade (*i.e.*, not lower than BBB or equivalent);

(d) stricter conditions are laid down for the timing of remuneration of securitized loans other than senior securities and of companies providing services related to Securitization transactions. The timing of the remuneration is linked to the achievement of certain collection levels; and

(e) the discipline of the consideration for the state guarantee is modified, both by updating the composition of the baskets of securities taken into account for the calculation of the price, and by increasing the percentages of price increase linked to the passage of time.

Overview of the Italian laws and regulations applicable to financial intermediaries

The main national provisions governing the conduct of the Group's activities in Italy are contained in the Consolidated Banking Act, which defines the role of supervisory authorities in Italy and includes provisions on the banking business, authorizations, supervision, transparency and certain procedures.

The Issuer is subject to the scrutiny of the Bank of Italy through its subsidiary DoNext S.p.A., which is enrolled under No. 44 in the register of financial intermediaries kept by the Bank of Italy pursuant to and for the effects of Article 106 of the Consolidated Banking Act. In particular, financial intermediaries, trusts and Servicers of Securitization transactions enrolled in the register pursuant to Article 106 of Consolidated Banking Act are subject to the provision of Circular No. 288/2015, as amended from time to time, setting out the supervisory provisions for Italian financial intermediaries ("*Disposizioni di Vigilanza per gli intermediari finanziari*"), which outlines a prudential supervision regime substantially equivalent to that of banks.

In addition to the Consolidated Banking Act, the performance of investment services by Italian financial intermediaries is mainly regulated by Legislative Decree No. 58 of February 24, 1998, as amended ("**Consolidated Financial Act**"), and various supplementing resolutions and regulations by Italian regulatory authorities, including the Ministry of Economy and Finance, the Interministerial Committee for Credit and Savings ("*Comitato Interministeriale per il Credito e il Risparmio*" or "**CICR**"), the Bank of Italy, CONSOB and the Italian insurance regulator ("*Istituto per la Vigilanza delle Assicurazioni*" or "**IVASS**").

Overview of the main laws and regulations applicable to Italian asset managers

As a result of the Gardant Group Acquisition, the Issuer would acquire a significant stake in Gardant Investor SGR S.p.A., an Italian asset manager. For more details regarding the Gardant Group Acquisition please refer to the section "*The Gardant Group Acquisition*".

The primary national provisions governing asset management activities in Italy are contained in the Consolidated Financial Act, which implements the AIFMD and Directive 2009/65/EC ("**UCITS Directive**"), both as subsequently amended and supplemented.

The Consolidated Financial Act defines the role of supervisory authorities in Italy and includes provisions on the definition of asset management and collective investment schemes, the authorization required for asset management activities, the acquisition of relevant shareholdings in Italian asset managers, the scope of supervision and powers of supervisory authorities, and the regime applicable to foreign asset managers operating in Italy and collective investment schemes marketed in Italy.

Additional rules applicable to Italian asset managers and collective investment schemes are contained in the Bank of Italy's Regulation of January 19, 2015 (as subsequently amended and supplemented), which implements and expands on the first-level rules set forth in the Consolidated Financial Act regarding authorization proceedings, day-to-day management, and extraordinary transactions involving Italian asset managers, as well as the incorporation and authorization of collective investment schemes, and investment limits applicable to such schemes.

Other relevant provisions are contained in (i) the Decree of the Italian Ministry of Economy and Finance of 5 March 2015, No. 30, (ii) Consob's Regulation 20307/2018 (Intermediaries Regulation), and (iii) the Regulation of the Bank of Italy dated December 5, 2019, and (iv) statements and guidelines issued by ESMA, Consob and Bank of Italy.

Additionally, certain EU regulations directly apply to Italian asset management activities and collective investment schemes, including Delegated Regulation (EU) No. 2013/231, Regulation (EU) No. 2023/606 amending Regulation (EU) No. 2015/760, Regulation (EU) No. 2019/1156 and Regulation (EU) No. 2021/995, which implement certain provisions of the AIFMD and UCITS Directives in Italy. Asset managers and collective investment schemes are also subject to the provisions of Regulation (EU) 2019/2088 (so-called SFDR) and its implementing regulations, concerning investments in ESG-related assets and greenwashing.

Finally, on March 26, 2024, the final text of Directive (EU) 2024/927 ("**AIFMD II**") was published in the Official Journal of the European Union and entered into force on April 15, 2024. EU member states shall transpose AIFMD II rules into national law within 2 years from AIFMD II publication, while certain rules are subject to a transitional period. AIFMD II incorporates substantial amendments to specific provisions of AIFMD concerning cross-jurisdiction marketing of collective investment schemes and rules and limits on certain investments carried out by collective investment schemes regulated under AIFMD (including new rules for collective investment schemes originating loans).

Regulations applicable to banks in connection with capital requirements and exposure classification

Capital requirements and exposures classification by banks are regulated by (i) two separate legislative instruments: Directive 2013/36/EU of 26 June 2013 (the "**CRD**") and Regulation (EU) No. 575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as subsequently modified (the "**CRR**"), and their delegated acts, and (ii) various guidelines issued, from time to time, by the European Central Bank and the European Banking Authority.

On June 19, 2024 certain amendments to the CRR ("**CRR III**") and CRD ("**CRD VI**") were published in the Official Journal of the European Union and entered into force on July 9, 2024. CRR III and CRD VI implement the 2021 European Commission proposal for implementation of the final Basel standards (so-called Basel IV) into the EU legislation with new rules for the calculation of risk weighted assets for credit, operational, Credit Valuation Adjustment (CVA) and market risks as well as the introduction of the "*output floor*". Beyond the implementation of Basel III standards, CRR III and CRD VI harmonise minimum requirements applicable to the authorisation of branches of third-country banks and the supervision of their activities in the EU. Save for certain exemptions (including on market risk), the majority of the CRR III provisions will be applied starting from January 1, 2025, with certain elements of the Regulation phasing in over the years. Member States shall adopt and publish the CRD VI implementing measures by January 10, 2026 and they shall apply those provisions from January 11, 2026.

Having regard to CRR III provisions, they (i) enhance the standardised approaches for credit risk, credit valuation adjustment risk in the context of derivative instruments, and operational risk, with the express aim to improve upon the standards established by CRR, (ii) restrict the use of internal model approaches that certain banks employ to calculate their Risk Weighted Assets (RWAs), and consequently their capital requirements, and (iii) limit the use of internal models by setting a new "*output floor*", ultimately directing banks to maintain capital reserves equal to at least 72.5% of the amount set by the standardised models, regardless of what their internal model indicates. In this regard, CRR allows banks to calculate their own funds requirements either by using standardised approaches or internal model approaches. Standardised approaches require banks to calculate their own funds requirements using fixed parameters, which are based on relatively conservative assumptions and are laid down in the CRR itself. Conversely, internal model approaches, which must be approved by competent authorities, allow banks to estimate most or all of the parameters needed to calculate own funds requirements. The introduction of the "*output floor*" was based on an analysis conducted by the Basel Committee on Banking Supervision in the wake of the global financial crisis of 2008-2009. This analysis revealed that internal models tend to underestimate the risks (particularly credit risks) to which banks are exposed, generally resulting in own funds requirements being set at lower levels.

The “*output floor*” is therefore designed to limit the unwarranted variability in own funds requirements produced by internal models and to prevent the excessive reductions in regulatory capital that can be achieved by banks using internal models, compared to those using standardised approaches. By setting a lower limit on the own funds requirements produced by banks’ internal models at 72.5% of the own funds requirements that would apply if standardised approaches were used, the output floor mitigates the risk of excessive capital reductions. Consequently, banks using internal models are required to calculate two sets of total own funds requirements, each aggregating all own funds requirements without any double counting. Faithful implementation of the output would enhance the comparability of banks’ capital ratios, restore the credibility of internal models and ensure a level playing field between banks employing different approaches to calculate their own funds requirements.

While CRR III provisions are applicable as of January 1, 2025, the rules on “*output floor*” will apply based on a five-year gradual phase-in period. Accordingly, the “*output floor*” will reach its steady state of calibration of 72.5% by January 1, 2030.

The cumulative impact of these changes could lead banks to design de-risking strategies aimed at mitigating the effects of the reform (such as, among others, reducing their exposures on portfolios entailing high capital absorption, or balancing the same with portfolios attracting less required capital).

Golden Power Legislation

Pursuant to Law Decree No. 21 of 15 March 2012 (converted with amendments into Law No. 56 of May 11, 2012), as amended by Law Decree No. 23 of April 8, 2020 and Law Decree No. 21 of March 21, 2022 (as converted by Law No. 51 of May 20, 2022) (the “**Golden Power Legislation**”), the Italian Cabinet of the Prime Minister is entitled to exercise certain special powers with respect to transactions involving Italian companies or assets involved in strategic sectors such as, *inter alia*, defence and national security, transport, energy, water, communication, financial, insurance, high tech, access to sensitive information, healthcare, non-military aerospace, AI and robotics, dual-use items and supply of critical inputs (the “**Strategic Sectors**”).

Under the Golden Power Legislation, the Cabinet of the Prime Minister has special powers to interfere with transactions involving Italian companies in Strategic Sectors, imposing vetoes or conditions on acquisitions, corporate resolutions, and security arrangements.

The Group may be subject to the application of the Golden Power Legislation as a credit sector participant. Therefore, if the Group adopts or is involved in resolutions, acts or transactions falling in the scope of the Golden Power Legislation, the Group and/or the relevant buyer (as the case may be) may be required to notify such resolutions, acts or transactions to the Italian Cabinet of the Prime Minister. As a result, the Group’s ability to pursue commercial or industrial strategic transactions may be subject to the review and potential exercise by the Italian Cabinet of the Prime Minister of its special powers under the Golden Power Legislation.

Regulation in Spain

The following provides a brief description of the main regulations that govern the activities carried out by the Group in Spain.

Usury

In Spain usury is regulated by an ancient law, Law of July 23, 1908 on nullity of loan agreements with usurious interest (*Ley de 23 de julio de 1908 sobre nulidad de los contratos de préstamos usurarios*) (the “**Spanish Usury Law**”). Pursuant to article 1 of the Spanish Usury Law any loan agreement in which interest is materially higher than the normal interest rate and manifestly disproportionate in relation to the circumstances of the case are null. Therefore, the debtor must only repay the creditor any principal amounts borrowed by it and the creditor must pay back any amounts paid in the past by the debtor in excess of such principal amount.

Based on the definition of interest given by the Spanish Commercial Code (i.e., interest is any amount paid by the debtor to the lender for the money borrowed), the Spanish Supreme Court has taken the view that in assessing whether an interest rate is usurious under the Spanish Usury Law, consideration should be given not only to the interest applied to the loan, but also to the fees and costs paid by the borrower. In its recent decision No. 258 of 25 February 2023, the Spanish Supreme Court has provided certain criteria of what must be considered “materially higher” than the normal interest rate. This is expected to provide more clarity to the uncertain legal environment regarding usurious interest rates and may prevent an increase in the number of claims alleging usurious interest rates.

Enhanced consumer protection

Consumer protection laws can limit the Group's ability to enforce debt claims, as well as impacts its clients' and thus the Group's interactions with its debtors. Numerous provisions in Spain intend to protect consumers at State and Autonomous Regions level. The main provisions at State level are the following:

Law 7/1998 of April 13, 1998 on general conditions of contracting (the "**Law on General Conditions of Contracting**"); Law 22/2007 of July 11, 2007 on distance sale of financial products for consumers (the "**Law on distance sale of Financial Products for Consumers**"); Law 16/2011 of June 24, 2011 on consumer credit contracts (the "**Consumer Credit Contracts Law**"); Legislative Royal Decree 1/2007 of November 16, 2007 approving the recast of the general law for the protection of users and consumers.

The General Law for Protection of Users and Consumers is a recast of different laws implementing European Directives providing for a general framework of consumer protection, including contractual rules businesses must follow when dealing with consumers (*e.g.*, transparency, good faith, information requirements, diligence and so on). Due to the specificities of financial matters, Consumer Credit Contracts Law and the Law on distance sale of Financial Products for Consumers provide for separate regulation. However, general principles and certain specific provisions on financial matters apply also to financial agreements increasing the lack of uncertainty as to the provisions applicable to contracts concluded with consumers.

The Consumer Credit Contract Law imposes substantive information obligations on professional lenders before, during, and after entering into the loan agreement. In this context, the Consumer Credit Contract Law grants consumers certain rights such as withdrawing from the agreement within 14 days and early repayment with fees and cost reductions; however Consumer Credit Contract Law does not apply to loans secured with mortgages or to credit agreements relating to residential property.

The Law on General Conditions of Contracting applies to terms not individually negotiated with the customer. Transparency provisions apply to both consumers and non-consumers, while unfairness provisions only apply to consumer contracts. In this respect, any term creating an imbalance between the position of the lender and that of the borrower, against the principle of good faith, will be considered unfair.

Since under Spanish Law there is no exhaustive list of unfair clauses, Spanish courts determine unfairness on a case-by-case basis, increasing unpredictability. Unfairness, however, does not apply to core contract terms like price, provided they meet formal and material transparency tests—meaning terms must be clear, understandable, and their economic consequences apparent to the consumer.

Several clauses have been nullified due to unfairness and lack of transparency, including interest rate floors, clauses imposing costs and taxes on consumers, the use of certain indices for variable interest rates, and clauses allowing lenders to accelerate the loan if an instalment is unpaid. This evolving legal landscape may affect the Group's ability to enforce debt claims.

The implementation of the NPL Directive

The draft bill of the law that will transpose in Spain the NPL Directive (the "**Draft Bill of Directive 2021/2167**") was published in 2024 and is estimated to be approved during the last three months of 2024. It is very probable that the current text of the Draft Bill of Directive 2021/2167 will undergo amendments as it progresses through the legislative process.

The Draft Bill of Directive 2021/2167 removes certain limitations set forth under Law 5/2019 of March 15, 2019, including the obligation for credit purchasers to register with the Bank of Spain and allows credit purchasers to establish their registered office in a country different from Spain.

Furthermore, some (but not all) of the key developments introduced by the Draft Bill of Directive 2021/2167 are:

- In accordance with the NPL Directive, the proposed legislation sets out obligations for Spanish banks involved in selling NPLs, as well as for non-bank buyers and the entities that service such loans.

- Spanish credit institutions or financial credit establishments selling NPLs are required to provide the buyer with all essential information, following specific data templates, prior to finalizing the sale agreement.
- When a Spanish bank transfers NPLs to a credit purchaser (a primary sale), it must notify the Bank of Spain on either a semi-annual or quarterly basis. Similarly, if a credit purchaser sells NPLs to another credit purchaser (a secondary sale), it must also report the transaction to the Bank of Spain semi-annually or quarterly.
- Credit servicers in Spain must obtain authorization from the Bank of Spain to conduct credit servicing activities. Once authorized, these credit servicers can extend their operations throughout the EU under a passporting system. The Bank of Spain will maintain a register of authorized credit servicers.
- The draft legislation outlines specific requirements for servicing agreements between non-bank purchasers and their credit servicers, including provisions regarding the credit servicer's ability to subcontract services.
- The Draft Bill of Directive 2021/2167 will also amend the Law No. 16, of June 24, 2011, on consumer credit agreements to establish debt renegotiation policies for lenders. For borrowers classified as economically vulnerable (as defined in the Draft Bill), the renegotiation policy must include an offer, prior to the sale or transfer of accelerated loans (*préstamos vencidos*) to a third party, allowing the debtor to fully repay the loan by paying an amount equal to the discounted price that a third-party purchaser would offer. This effectively incorporates the principles of Article 1535 of the Spanish Civil Code into the debt renegotiation framework.

Securitization

Any Spanish Securitization funds management company, as a company authorized to constitute, manage and represent Securitization funds and bank asset funds of various types, operates in a highly-regulated industry, and the legal and regulatory provisions applicable to it are continuously evolving. As such, a Spanish Securitization funds management company is subject to continually evolving European, domestic and local rules and regulations, which influence the course of its business operations. In particular, a Spanish Securitization funds management company must comply with the applicable provisions of Law No. 5, of April 27, 2015, for the promotion of corporate financing (*Ley 5/2015, de 27 de abril, de fomento de la financiación empresarial*) ("**Law 5/2015**"). Not only must Spanish Securitization funds management companies ensure that the interest of bondholders and other creditors of the funds managed by them are protected, they must also comply with organizational and procedural requirements. Pursuant to Law 5/2015, a Spanish Securitization funds management company is legally entrusted with the obligation to defend the interest of the holders of the bonds and other creditors of the funds managed by it. Law 5/2015 further requires Spanish Securitization funds management companies that, among others, they have: (i) in place an adequate accounting and administrative organization proportionate to the nature, scale and complexity of its activities; (ii) certain minimum share capital requirements (which depend on the amount of assets pooled into the Securitization funds managed by it); (iii) sufficient technical and human resources to conduct its activities; (iv) appropriate internal control mechanisms and procedures to ensure a sound and prudent management of the company, including procedures for the management of the risks derived from the activity as well as procedures for the prevention of money laundering and terrorism financing; and (v) adequate administrative and organizational measures to prevent potential conflict of interests. Failure to comply with such regulations may result in fines or other penalties. Amendments to applicable law and regulation are difficult to predict, and Spanish Securitization funds management companies' compliance with them may require unexpected additional costs or result in an interruption of its business activities, all of which could have a material adverse effect on the Spanish Securitization funds management companies' and/or their business, results of operations or financial condition.

Data Management

doValue Spain is subject to laws and regulations aimed at ensuring the correct processing of personal data especially in terms of use, storage, confidentiality, and security, among other obligations. These provisions are mainly set forth in the following legislation:

(a) in Organic Law No. 3 of December 5, 2018 on Personal Data Protection (*Ley Orgánica 3/2018, de 5 de diciembre, de protección de datos*);

(b) in Royal Decree No. 1720 of December 21, 2007 (*Real Decreto 1720/2007, de 21 de diciembre, de desarrollo de la Ley Orgánica 15/1999, de 13 de diciembre, de protección de datos de carácter personal*);

(c) in Law No. 34 of July 11, 2022 of Information society services and electronic commerce (*Ley 34/2002, de 11 de julio, de servicios de la sociedad de la información y de comercio electrónico*); and

(d) in the GDPR.

Other material Spanish considerations

In Spain, there are no specific regulations covering debt collection and no licensing requirements apply for certain debt collection operations. However, there are still regulations of a more general nature which the Group must observe when carrying out its debt collection operations. Such regulations include, for example, general civil and commercial rules and consumer protection laws and regulations regarding caps on collection fees and interest costs.

Rules regarding the length of time after which an unpaid debt may not be pursued by creditors and the ways in which the statute of limitations can be tolled so that a debt can remain collectible are a very relevant issue for the Group's business and the Group closely monitors any regulatory changes to them. In Spain in 2015 the general time-barring term established for obligations *in personam* under article 1964 of the Spanish Civil Code (*Código Civil*) was reduced from 15 years to 5 years, although specific time-barring terms may apply for certain claims due to specific national or regional rules.

Article 1535 of the Spanish Civil Code (*Código Civil*), which entitles a debtor to unwind the sale of a "litigious" loan by paying to the buyer the price paid for it, plus any costs they may have incurred and the interest on the purchase. Certain Spanish debtors have required Spanish courts to apply this article 1535 even though their "litigious" loans were transferred within a portfolio instead of on an individual basis. The Spanish Supreme Court in its decisions No. 151 of March 5, 2020 and No. 505 of October 5, 2020 has ruled that art. 1535 of the Spanish Civil Code does not apply to the sale of litigious loans when these are not individual loans but part of a portfolio. The Spanish Supreme Court understands that Art. 1535 is not applicable to the following cases: (i) the exceptional nature of Article 1535 of the Civil Code; (ii) the discrepancy between the "*ratio legis*" of this provision (prevention of lawsuit speculation) and the purpose it might serve in case of sales of portfolios of loans, where the aim of the transaction is to clean up the balance sheets of the transferring entity by transferring overdue credits and/or credits with insolvent debtors; (iii) the impossibility of determining, without altering the intention of the parties, an individual price for each credit included in the transferred portfolio, and therefore, the impracticality of the debtor/withdrawing party subrogating in the same contractual position as the assignee. There are also decisions from lower courts endorsing this position, e.g. Judgement of Barcelona Provincial Court Section 14 n. 50 of February 8, 2021.

Regulation in Greece

The following provides a brief description of the main regulations that govern the activities carried out by the Group in Greece. Defined terms included in this description apply only to this section.

Servicing of receivables

Greek Law 4354/2015 (the "**Old NPL Law**") previously set out the framework for the transfer as well as the management of receivables from loans and credits originated by credit and financial institutions. As of December 4, 2023 the Old NPL Law has been repealed by Law 5072/2023 ("**Law 5072**") which, among others, transposed the NPL Directive in Greece and, hence, sets out the framework for the transfer as well as the management of receivables from loans and credits originated by credit and financial institutions established in the European Union. In Greece, pursuant to Law 5072, the management of receivables from loans and credits originated by credit and financial institutions established in the European Union can be assigned to licensed servicers ("**Servicers**") *i.e.*, (*a*) special purpose entities having obtained a license from the Bank of Greece and (*b*) entities domiciled in another Member State *provided that* they have obtained a servicer license in that Member State, pursuant to the provisions of the NPL Directive, and have notified the Bank of Greece that they intend to provide services in Greece, with or without establishment in Greece. The Servicers are subject to the supervision of the Bank of Greece.

Law 5072 sets out the rules on the establishment as well as the operation and obligations of Servicers domiciled in Greece, their prudential supervision and their organization and corporate governance requirements including their reporting obligations towards the Bank of Greece, in line with the NPL Directive.

The Bank of Greece may revoke the license granted to a Servicer under Law 5072, if the Servicer:

(a) does not make use of the license within 12 months as of its provision;

(b) expressly surrenders its license;

(c) ceases to perform the licensed services for a period greater than 6 months;

(d) has provided the Bank of Greece with false or misleading data in the context of their licensing process or with any other illegal manner;

(e) no longer meets the conditions under which the license was granted to the Servicer;

(f) commits a serious breach of European Union or national legislation and secondary legislation, including decisions of the Bank of Greece, or of consumer protection legislation or breaches of the national legislation of its home Member State or of the Member State in which the credit was granted;

(g) commits other breaches which expressly provide the revocation of the license as a sanction;

(h) is used as a means for money laundering activities or finances criminal activities;

(i) impedes in any way the regulatory supervisory tasks of the Bank of Greece;

(j) fails persistently to abide by its policy on the successful restructuring of loans, which includes compliance with the rules on the protection of borrowers and their treatment in a fair and diligent manner, as such policy has been submitted and approved by the Bank of Greece during its licensing process;

In the event that the Servicer is in breach of the provisions of Law 5072, the Bank of Greece is entitled to impose a fine to the Servicer of an amount of up to €500 thousand. In addition, and in the context of its regulatory supervision powers, the Bank of Greece has extensive access and audit rights, monitoring the operations of the Servicer, its facilities, any data, documents and records and is in general entitled to request any information it deems necessary for performing its regulatory obligations including information on the Servicer assets and liabilities as well as the receivables under its management.

The Servicer interacts with the debtors of the receivables under management, applies restructuring and/or forbearance schemes (and, subject to the minimum capital requirements, if so licensed by the Bank of Greece, may extend new loans and credits, however, exclusively for the purposes of refinancing or restructuring the receivables under management) and in general pursues payment of the due receivables, including by taking applicable enforcement actions.

Servicing of securitized receivables

The Servicers (which fall within the definition of financial institutions) are permitted to also act as servicers under the Greek Law 3156/2003 on securitization of business receivables.

Obligations

Pursuant to the Law 5072 and secondary legislation, as a Servicer the Group has the following main regulatory and reporting obligations:

(a) Obligations arising from the Banks' Code of Conduct set forth in the Bank of Greece Credit and Insurance Committee Act 392/1/31.5.2021 effective as of September 1, 2021 (except for the provisions concerning the non-commencement, suspension and continuation of the procedure for the settlement of debt in arrears, which are effective as of June 7, 2021), including, *inter alia*, principles and process on interaction with debtors and optimum remedial practices;

(b) Transparency, information and complaint handling obligations under the Bank of Greece Governor Act 2501 of October 31, 2002 on credit institutions' disclosure requirements to retail-customers with respect to terms and conditions governing the transactions thereof, including, *inter alia* the obligation to provide information on the legal status and the rights of the underlying debtors and handle their complaints;

(c) Obligations under Greek Law 4557/2018 as in force, on the prevention and combatting of money laundering and terrorist financing;

(d) Consumer protection obligations under Greek law 2251/1994, as amended and in force and relevant administrative acts;

(e) Operational and organizational obligations under the Bank of Greece Governor Act 2577/2006, as amended and in force, concerning in particular the requirements and procedures in relation to outsourcing, management of information systems, internal audit compliance, anti-money laundering, regulatory and compliance assessment, conflicts resolution, data and files retention, data and information keeping;

(f) Operational and organizational obligations under the Bank of Greece's Executive Committee's Act 178/5/2020, as amended and in force, concerning in particular the requirements and procedures in relation to outsourcing arrangements and implementing the EBA Guidelines on outsourcing arrangements; and

(g) Data Protection obligations.

The Group is subject to laws and regulations governing data protection. These provisions are mainly set forth in the following legislation:(a) the GDPR; and

(b) Greek Law 4624/2019 on the (Hellenic) Data Protection Authority and measures in relation to the application of the GDPR.

Under the foregoing legislation, in Greece the Hellenic Data Protection Authority has the power to impose administrative fines and penalties for a breach of obligations under the GDPR (including, *inter alia*, fines for serious breaches of up to 4% of the total worldwide annual turnover of the preceding financial year). When assessing infringement resulting in fines, the authority is obliged to take into account (among other things) the nature, gravity and duration of the infringement.

Pursuant to the applicable legal and regulatory framework, the Group must comply with a vast array of obligations, including *inter alia*:

(a) adequate training on staff;

(b) appoint a data protection officer;

(c) create a data register;

(d) adjust its websites with a cookie consent form;

(e) carry out Data Protection Impact Assessments (DPIs); and

(f) define a scope for data collection.

Substantially similar obligations apply in the context of Law 5072.

A Servicer that had been licensed by the Bank of Greece pursuant to the Old NPL Law can continue to perform its services until June 29, 2024 without the requirement for a new license while it is required to submit to the Bank of Greece, no later than March 29, 2024, all relevant information so as for the Bank of Greece to assess whether it complies with the requirements of Law 5072. In case of such compliance, the Servicer obtains a new operation license, while in case of non-compliance the Bank of Greece may impose measures to ensure compliance, and a deadline for their adoption, or may revoke the license. In case the Bank of Greece on its own motion assesses, even prior to June 29, 2024, that a Servicer complies with the provisions of Law 5072, such Servicer obtains automatically an operation license and is informed of the fact by the Bank of Greece. It is noted in this context that doValue Greece has obtained its updated operation license under Law 5072 in June 2024.

Guarantee program in securitizations of credit institutions—HAPS scheme

Objective and scope of the Law 4649/2019

Law 4649/2019 ("**HAPS Law**"), as amended and in force, most recently pursuant to Law 5072/2023, provides for the introduction of an asset protection scheme for securitizations, setting out the terms and conditions under which the Greek State may guarantee the senior tranche of securities backed by receivables originated by Greek credit institutions, or subsidiaries of foreign credit institutions established in Greece, and sold and transferred by such institutions (the "**Originators**") to a SPV under Articles 10 and 14 of Greek Law 3156/2003 on securitization of business receivables. The receivables are claims of the Originator arising from loans and other forms of credit, including receivables that are in temporary or permanent arrears or that have been restructured.

Compulsory securitization structure for inclusion in the HAPS scheme

At least two categories of high repayment priority (hereinafter senior notes) and lower priority (hereinafter junior notes) are contemplated, whereas the issuance of notes of medium repayment priority (hereinafter mezzanine notes) is also permitted.

The price paid by the SPV to the Originator for the sale and transfer of the receivables may not exceed their total net book value, as evidenced in the books and records of the Originator at the date of registration of the transfer in the pledge registry. The interest rate on the notes may be floating or fixed and the interest period may be a 3-, 6-or 12-month period. For the purposes of the securitization requirements the SPV may obtain any kind of loans or credits, hedge of interest rate risk agreements ("**Ancillary Agreements**").

The notes are freely transferable and capable of being listed for trading on trading venues.

Receivables with a state guarantee may not be included in the securitization perimeter.

The Greek State, legal persons governed by public law or general government entities are not entitled to acquire junior or mezzanine Notes.

Waterfall

The following shows the priority of payments under the HAPS Law:

(a) Securitization costs;

(b) Taxes;

(c) Servicer fees under the servicing agreement, if not deferred;

(d) Claims for interest under any Ancillary Agreements;

(e) Claims of the Greek State for guarantee premium;

(f) Claims of the counterparties of the SPV for any hedge of interest rate risk agreements;

(g) Interest on senior notes;

(h) Any other claims under the Ancillary Agreements;

(i) Interest on mezzanine notes, if not deferred;

(j) Principal of senior notes;

(k) Principal of the mezzanine notes following repayment in full of the principal of senior notes; and

(l) Principal of and interest on junior notes.

Mandatory deferral of payment of servicer fees and interest on mezzanine notes

Provided that the aggregate net proceeds from the beginning of servicing are at least 20% lower than the net proceeds projected in the business plan provided to the rating agency that granted the credit rating to the senior notes, the payment of at least 20% of the servicer's fees shall be deferred. Provided that it is less than 30% for two successive periods and the Greek State guarantee has been triggered, the payment of 30% of the servicer's fees shall be deferred. Provided that the aggregate net proceeds are at least 20% lower than the net proceeds projected in the business plan provided to the rating agency that granted the credit rating to the senior notes, the payment of at least 20% of the interest on the mezzanine notes shall be deferred. Percentages of lower deviation may be agreed under the securitization documents.

Further conditions

Any default of the SPV regarding the payment of interest on the senior notes and calling the Greek State guarantee will not result in an early repayment of the SPV's liabilities. The Greek State has the right of recourse against the SPV. The prior express consent of the Minister for Finance is required in relation to:

(a) the change in the nominal value or the repayment price of the senior notes;

(b) the increase in the senior notes interest rate or mezzanine notes interest rate, if the payment of the interest on the mezzanine notes ranks above the repayment of the senior notes principal;

(c) the amendment of the senior notes maturity date;

(d) the amendment of the terms that set out the facts, on the occurrence of which depends on the right of the senior noteholders to ask either for the early repayment of their notes or the differentiation in the order of priority in the payment of the SPV's obligations;

(e) the amendment of the notes terms and of the contractual documents of the Securitization, which result in the downgrading of the senior notes; and

(f) any amendment of the terms regulating the matter of calling on the Greek State guarantee.

Servicer of the receivables

Servicing of the securitized receivables must be assigned to a licensed Servicer, which at the time of entry into force of the Greek State guarantee is not controlled by the Originator, pursuant to IFRS 10 (or may be assigned to a credit institution other than the Originator). The Servicer may be replaced in case the Greek State guarantee is called, *provided that* for two successive interest periods, the total net proceeds are less than at least 30% of the relevant cumulative net proceeds forecast, if calling on the guarantee or the deviation of net proceeds is due to the Servicer's negligence.

Granting of the state guarantee

The Greek State grants a guarantee to the senior noteholders by virtue of a decision of the Minister of Finance. The guarantee will enter into force upon execution of the guarantee agreement in accordance with the template provided for in the HAPS Law and specific conditions. The maximum amount that the Greek State guaranteed for the entire HAPS scheme was originally capped at €12 billion for applications until October 10, 2022, and is now capped at €2 billion. Pursuant to the HAPS Law, as currently in force, new applications for the Greek State guarantee may be submitted only until December 31, 2024. The Greek State guarantee is explicit, irrevocable, unconditional and payable on first demand, as if the Greek State were the primary obligor. The guarantee is granted until the specified termination of senior notes or their full repayment. In favor of the Greek State, as guarantor, a commission for the security is payable from the date that the guarantee is granted and throughout the period of its validity, calculated on the respective outstanding guaranteed amount of the senior notes, and determined pursuant to Annex B of the HAPS Law.

Applications for the state guarantee

The following supporting documents, must be submitted under a penalty of inadmissibility:

(a) identificatory data of the Originator and/or SPV;

(b) pre-assessment of the credit quality of the senior notes at a minimum of a rating of BB+, Ba1, BB+, BBH;

(c) a prospectus, or informational brochure with data and information on the intended securitization of receivables and the expected sizes of each note series;

(d) the ISIN of the senior notes, and other identifiers of the senior notes;

(e) draft of the issuing terms of the senior notes;

(f) draft of the transfer contract;

(g) contract of delegation of the project of credit assessment of the senior notes;

(h) calculation of the cost of the guarantee;

(i) letter of commitment by the Originator and the SPV, undertaking the obligation to give immediate advanced notice to the Minister for Finance in case of amendment of the terms of senior notes;

(j) draft of the servicing agreement;

(k) auditors' opinion on the accounting derecognition requirements of the securitized receivables from the financial statements of the Originator; and

(l) SPV's statement acknowledging and accepting the terms of the guarantee under the HAPS Law.

If the granted Greek State guarantee does not become effective within 12 months, it loses its validity for the future. In such situation, no new application for a Greek State guarantee for the same securitization may be submitted before the lapse of six months following the issuance of the relevant act declaring that its validity ceased. Commission for such a six-month period must be paid and the commission already paid is non-refundable.

Signing of the Guarantee

For the signing of the guarantee contract by the State, the following conditions must be met:

(a) The transfer through sale to private investors against a positive value of at least 50% of the issued junior notes plus one note (50% +1) has taken place;

(b) The transfer through sale to private investors at a positive price of a sufficient number of junior notes as well as mezzanine notes, if issued, has taken place, such that the receivables have been derecognized from the financial statements of the Originator and its group;

(c) The senior notes must have received the minimum required rating; and

(d) The servicing of the securitized receivables must have been assigned to an independent servicer.

In order to confirm that the above-mentioned conditions are met, a declaration of the Originator must be submitted accompanied by the relevant opinions of legal counsels, external auditors and the credit rating agency as well as copies of the definitive executed contracts and the forecasted proceeds of the securitization pursuant to the template of the HAPS Law.

Calling on the guarantee

Following 50 days after the non-payment of any of the SPV's liabilities related to the senior notes. The request for calling on the guarantee must be submitted within 9 months following the aforementioned deadline.

Information requirements and monitoring of the HAPS scheme

Compliance with the HAPS Law and in particular the credit assessment of the senior notes, shall be subject to regular monitoring by a monitoring trustee, who is appointed by decision of the Minister of Finance with the prior consent of the European Commission. A committee for the monitoring of the guarantees of the Greek State has been established by the Ministry for Finance.

Statutes of limitations

Rules regarding the length of time after which an unpaid debt may not be pursued by creditors and the ways in which the statute of limitations can be tolled so that a debt can remain collectible also vary across jurisdictions. In most of the countries in which the Group operates, it is possible to extend the statutes of limitation on debt claims indefinitely by using various methods, including enforcement actions, notification of the customer or otherwise interrupting the limitation period with continued court proceedings. Some of the countries in which the Group operates have in recent years changed the statutes of limitation for certain debt including by limiting the ability to extend or interrupt the limitation period, or have discussed doing so. The Group constantly monitors any changes in these rules in the countries in which it operates, and, where appropriate, implements local procedures to interrupt the limitation period. Any significant reduction in the statute of limitations or in the ability to toll the statute of limitations, and any failure to implement local procedures to interrupt the limitation periods, would negatively impact its operations.

Fair debt collection practices

As debt collection regulation is not based on specific EU legislation, it is not possible to make use of a passporting or similar regime. Instead, each country has developed its own set of rules for debt collection operations. The regulations cover, among other things: the methods by which claims can be assigned or transferred; the ways in which a customer can be contacted and a debt collected; and the types and level of fees, interest and costs that can be imposed, and whether those fees, interest and costs can be passed to the customer or the client. In Spain, for instance, debt collection is governed by various laws, including the Spanish Civil Code and consumer protection regulations, rather than a dedicated debt collection law.

However, regarding NPLs, the NPL Directive and the accompanying EBA Guidelines provide a harmonized framework across the EU. These rules apply to entities involved in the purchase and servicing of NPLs, ensuring that operations are consistent with EU standards. In many of the countries where the Group operates, subsidiaries are subject to integrity tests, ensuring that debt collection is conducted according to local laws and that the operations comply with sound practices. Additionally, the suitability of the board members is assessed according to general regulatory requirements.

In many of the countries in which the Group's operations are licensed or regulated, its subsidiaries are subject to certain integrity tests with respect to debt collection. These integrity tests may include verifying that: the collection business is carried out in accordance with local rules and regulations; consumer lending operations are conducted in accordance with sound lending practices; the directors of the board have sufficient knowledge and experience and have not misused any debt collection permissions; and the directors meet other general suitability and reliability checks.

Regulatory licenses debt collection

In several of the countries where the Group operates and provides debt collection services, debt collection is a regulated area and companies providing such services are subject to licensing or registration requirements. In these countries, the entity offering debt collection services has a license issued by, or is otherwise registered with, the relevant local authority. Although the relevant local authority varies by jurisdiction, normally it is the national financial supervisory authority, police commissioner, data inspection authority, regional state administrative agency or, in some cases, the national association for debt collection companies.

As noted above, member states are required to transpose the NPL Directive into national laws so that its provisions apply as of December 30, 2023. In Spain, as stated above, the NPL Directive will be transposed by the Draft Bill of Directive 2021/2167. Pursuant to the NPL Directive legal persons will have to perform credit servicing activities in relation to NPLs subject to an authorization requirement with their respective national competent authorities.

Portfolio investments

The Group's debt purchasing operations in certain subsidiaries subjects the Group to various licensing, registration and permit regimes. Many jurisdictions deem debt purchasing as a financial undertaking or as providing credit services, and thus require debt purchasing companies to obtain approval from a local authority in order to operate their businesses. As these regulations are not based on EU legislation, each country has developed its own requirements relating to the investment in debt portfolios. In some cases, the Group's entities are licensed as financial undertakings by the local financial supervisory authority for purchasing debt portfolios from financial institutions and is required to hold a type of bank or credit license for its debt purchasing operations. In some jurisdictions, purchasing performing mortgages portfolios could trigger certain requirements, such as having to obtain a credit license, comply with AML measures or maintain a certain level of civil liability insurance.

Many countries specifically regulate the assignment of debt claims to other parties. Additionally, some jurisdictions make it more difficult for factoring contracts to be assigned. In most of the jurisdictions in which the Group operates, the court will refer to the contract in determining whether an assignment is allowed, but in some the courts will weigh special considerations favouring consumers in deciding whether to allow an assignment.

The NPL Directive contains provisions applicable to credit purchasers, including as a main rule to appoint a credit servicer to perform credit servicing activities and to notify its competent authority of such appointment (unless the credit purchaser has obtained a credit servicing license and chooses to undertake such activities itself). Furthermore, the NPL Directive requires a credit purchaser to notify the competent authority of transfer of NPLs and the identity of the new credit purchaser as well as information regarding, for instance, aggregate outstanding balance. In order to facilitate the purchaser of NPLs, credit institutions are made subject to an obligation to provide prospective credit purchasers with information about the relevant NPLs prior to entering into a purchasing contract.

CAPITALIZATION AND INDEBTEDNESS

Capitalization and Indebtedness

The tables below set out the Group's consolidated capitalization and indebtedness as of September 30, 2024 on an actual basis.

The table below sets out the Group's net financial capitalization and indebtedness as of September 30, 2024, prepared in accordance with paragraphs 175-189 of ESMA Guidelines 32-382-1138.

(€ thousand)	As of September 30, 2024
Cash and cash equivalents	**90,509**
Current financial indebtedness	
Secured	-
Guaranteed(1)	265.461
Unsecured(2)	49,711
Total current financial indebtedness	**315,172**
Non-current financial indebtedness	
Secured	-
Guaranteed(3)	294,041
Unsecured(4)	44,572
Total non-current financial indebtedness	**338,613**
Aggregate financial indebtedness	
Secured	-
Guaranteed	559,502
Unsecured	94,283
Total aggregate financial indebtedness (a)	**653,785**
Shareholders' Equity	
Net equity attributable to shareholders of the Issuer	57,371
Net equity attributable to non-controlling interest	57,755
Total Shareholders' Equity (b)	**115,126**
Total Capitalization(5) (a) + (b)	**768,911**

(1) The amount represents the 2025 Notes of €263,796 thousand and 2026 Notes of €1,665 thousand (the "**Notes**"). The Notes are secured by the following property, rights and assets: (i) the share capital held by the Issuer in each of (x) doValue Spain and (y) doValue Greece; and (ii) the assignment by way of security (or pledge) of the rights of the Issuer under (x) the agreement for certain amortizing proceeds loan of doValue Spain and (y) the intercompany loan made by the Issuer to doValue Greece.

(2) The amount relates to bank loans of €25,516 thousand, lease liabilities under IFRS 16 of €12,195 thousand and liabilities for earn-out in connection with the acquisition of doValue Greece for €12,000 thousand. Certain lease liabilities for rental are accompanied by guarantees of €1,230 thousand in Italy, €541 thousand in Spain and €214 thousand in Greece and Cyprus.

(3) The amount represents the 2026 Notes of €294,041 thousand.

(4) The amount relates to lease liabilities under IFRS 16 of €22,588 thousand and liabilities for earn-out in connection with the acquisition of doValue Greece of €21,984 thousand.

(5) Capitalization is calculated as the sum of total indebtedness and total equity

The Net Financial Indebtedness and the total current and non-current financial indebtedness, on a pro-forma basis, which gives effect to the Gardant Group Acquisition, the Rights Issue and the 2024 Senior Facilities Agreement, amounts, respectively, to €625.7 million and to €714.4 million, of which €77.0 million is current and €637.4 million is non-current, as detailed in section "*Unaudited Pro-Forma Consolidated Financial Information*". From October 1, 2024 up to the Prospectus Date, there have been no material changes in the Group's capitalization and indebtedness.

The table below sets out the Group's net financial indebtedness as of September 30, 2024, prepared in accordance with paragraphs 175-189 of ESMA Guidelines 32-382-1138.

	As of September 30, 2024
	(*€ thousand*)
A. Cash	90,509
B. Cash equivalents	-
C. Other current financial assets	-
D. Liquidity (A) + (B) + (C)	**90,509**
E. Current financial debt	(289,312)
F. Current portion of non-current financial debt	(25,860)
G. Current financial indebtedness (E) + (F)	**(315,172)**
H. Net current financial indebtedness (D) + (G)	**(224,663)**
I. Non-current financial debt	(44,572)
J. Debts instruments	(294,041)
K. Non-current trade and other payables	-
L. Non-current financial indebtedness (I) + (J) + (K)	**(338,613)**
M. Net financial indebtedness	**(563,276)**

Pursuant to the par. 186 of ESMA Guidelines 32-382-1138, as of the Prospectus Date, with the exception of the Gardant Group Acquisition, the Group does not have any significant commitment related to capital expenditures or any contingent or indirect indebtedness.

The Cash and cash equivalent as of September 30, 2024 includes liquid assets subject to availability restrictions amounting to €1.1 million, mainly related to pledges on the current accounts of Group's companies (specifically the Italian companies operating as servicers), imposed by judicial, legal, or court-appointed administrators (CTU) in connection with enforcement proceedings where the Group acts in its own name rather than on behalf of its client, due to a confusion between the roles of principal and agent. These pledges are typically released through actions that lead to payment of the amount by the creditor or that clarify the servicer's procedural position.

Working Capital Statement

In accordance with the Prospectus Regulation, as well as in accordance with the definition of working capital as defined in the recommendations contained in ESMA Guidelines 32-382-1138, the Issuer believes that, as of the Prospectus Date, the working capital is not sufficient to cover the Group's liquidity needs for 12 months following the Prospectus Date. The estimated Group's total net financial needs for the twelve months following the Prospectus Date, excluding the net proceeds of the Offer (although the Offer is characterized by underwriting commitments for a maximum amount equal to €79,553,005.07 pursuant to the Rights Offering Escrow) is approximately €41 million. The Issuer will fund its total net financial needs through a portion of the net proceeds of the Offer.

For more information on the Rights Offering Escrow, see "*Plan of Distribution*".

SELECTED FINANCIAL AND OTHER INFORMATION

Summary historical consolidated financial information

The following tables set forth summary financial information and other data as of and for the years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2023 and 2024 , including the consolidated balance sheets, the consolidated income statements, the consolidated statements of comprehensive income, the statements of changes in consolidated shareholders equity, the consolidated statements of cash flow and the independent auditor's reports and other selected financial information. These financial information and reports have been derived from the Issuer's Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements, including the explanatory notes, as presented in Annex A of this Prospectus. The Issuer's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**").

APMs - Non-IFRS Measures and Other Data

The following tables set forth certain non-IFRS measures and other data for the years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2023 and 2024 which has been reclassified from a management perspective, including "*EBITDA*" , "*EBITDA margin*" , "*EBITDA Excluding Non-recurring Items*" , "*EBITDA Excluding Non-recurring Items margin*", "*EBIT*", "*EBT*", "*EBT Excluding Non-Recurring Items*", "*Net financial indebtedness*" , "*Net financial position*" , "*Leverage*", "*Ratio Financial expenses EBITDA*", "*Gross Revenues*" , "*Gross Book Value*" or "*GBV*" , "*Collections*", "*Free cash flow*" , "*Cash flow conversion*" , "*Underlying cash generation*" , "*Capital expenditures*" , and "*FTE*."

Other Unaudited non-IFRS measures include "*Operating EBITDA*" and "*Operating EBITDA margin*".

The non-IFRS financial measures are not measurements of performance or liquidity under IFRS. Therefore, investors should not place undue reliance on this data. See "*Presentation of Financial and Other Information—Alternative Performance Measures- Non-IFRS measures and Other Data*," and "*Presentation of Financial and Other Information—Alternative Performance Measures-Other non-IFRS measures and Other Data*."

The summary consolidated financial information set forth below should be read in conjunction with the financial statements included elsewhere in this Prospectus and the notes thereto and the information set forth in "*Capitalization and Indebtedness*," and "*Operating and Financial Review*."

Consolidated Balance Sheet

	As of December 31,		
	2021	2022	2023
		(*€ thousand*)	
Non-current assets:			
Intangible assets	545,225	526,888	473,784
Property, plant and equipment	34,149	59,136	48,677
Non-current financial assets	60,445	53,604	46,167
Deferred tax assets	112,640	101,758	78,351
Other non-current assets	2,013	2,076	3,716
Total non-current assets	**754,472**	**743,462**	**650,695**
Current assets:			
Inventories	55	55	1
Current financial assets	1,516	4,380	—
Trade receivables	206,326	200,143	199,844
Tax assets	38,462	12,441	4,556
Other current assets	17,107	31,840	64,076
Cash and cash equivalents	166,668	134,264	112,376
Total current assets	**430,134**	**383,123**	**380,853**
Assets held for sale	**30**	**13**	**16**
Total assets	**1,184,636**	**1,126,598**	**1,031,564**
Shareholders' equity:			
Share capital	41,280	41,280	41,280
Valuation reserve	(1)	(906)	(2,830)
Other reserves	96,300	84,015	38,506
Treasury shares	(4,678)	(4,332)	(6,095)
Net profit (loss) for the period attributable to the shareholders of the Parent Company	23,744	16,502	(17,830)
Shareholders' equity attributable to the shareholders of the Parent Company	**156,645**	**136,559**	**53,031**
Shareholders' equity attributable to non-controlling interests	**37,358**	**44,361**	**51,660**
Total shareholders' equity	**194,003**	**180,920**	**104,691**
Non-current liabilities:			
Loans and other financing	555,224	554,220	552,861
Other non-current financial liabilities	46,048	54,158	50,301
Employee benefits	10,264	9,107	8,412
Provisions for risks and charges	44,235	37,655	26,356
Deferred tax liabilities	54,350	51,003	42,623
Other non-current liabilities	29,836	9,201	9,087
Total non-current liabilities	**739,957**	**715,344**	**689,640**
Current liabilities:			
Loans and other financing	17,604	14,283	35,169
Other current financial liabilities	25,600	62,323	46,239
Trade payables	73,710	70,381	85,383
Tax liabilities	58,710	16,794	10,536
Other current liabilities	75,052	66,553	59,906
Total current liabilities	**250,676**	**230,334**	**237,233**
Total liabilities	**990,633**	**945,678**	**926,873**
Total shareholders' equity and liabilities	**1,184,636**	**1,126,598**	**1,031,564**

Consolidated Income Statement

	For the year ended		
	December 31, 2021	**December 31, 2022**	**December 31, 2023**
		(*€ thousand*)	
Revenue from contracts with customers	524,365	515,934	421,510
Other revenues	40,774	43,846	60,195
Total revenues	**565,139**	**559,780**	**481,705**
Costs for services rendered	(56,680)	(45,716)	(24,993)
Personnel expenses	(231,581)	(231,149)	(213,097)
Administrative expenses	(99,231)	(100,412)	(90,661)
Other operating (expense)/income	(8,596)	4,070	5,089
Depreciation, amortisation and impairment	(96,263)	(71,153)	(92,742)
Provisions for risks and charges	(3,865)	(4,446)	(2,289)
Total costs	**(496,216)**	**(448,806)**	**(418,693)**
Operating income	**68,923**	**110,974**	**63,012**
Financial (expense)/income	(22,337)	(49,757)	(37,130)
Profit (loss) from equity investments	83	—	768
Profit (loss) before tax	**46,669**	**61,217**	**26,650**
Income tax expense	(13,496)	(34,742)	(40,291)
Net profit (loss) from continuing operations	**33,173**	**26,475**	**(13,641)**
Net profit (loss) for the year	**33,173**	**26,475**	**(13,641)**
o.w. Profit (loss) for the year attributable to the shareholders of the Parent Company	23,744	16,502	(17,830)
o.w. Profit (loss) for the year attributable to non-controlling interests	9,429	9,973	4,189
Earnings per share			
basic	0.30	0.21	(0.23)
diluted	0.30	0.21	(0.23)

Consolidated Statement of Comprehensive Income

	For the year ended December 31,		
	2021	**2022**	**2023**
		(*€ thousand*)	
Profit (Loss) for the period	**33,173**	**26,475**	**(13,641)**
Other comprehensive income after tax not recyclable to profit or loss:			
Equity instruments designated at fair value through comprehensive income	-	(1,341)	(2,006)
Defined-benefit plans	(161)	436	113
Other comprehensive income after tax recyclable to profit or loss:			
Cash flow hedges	345	-	
Total other comprehensive income after tax	**184**	**(905)**	**(1,893)**
Comprehensive income	**33,357**	**25,570**	**(15,534)**
o.w. Comprehensive income attributable to Shareholders of the Parent Company	23,928	15,597	(19,754)
o.w. Comprehensive income attributable to Non-controlling interests	9,429	9,973	4,220

Statement of Changes in Consolidated Shareholders' Equity

For the year ended December 31, 2021

			Other Reserves						
	Share capital	**Valuation reserve-**	**Reserves from profit and/or withholding tax**	**Other**	**Treasury shares**	**Net profit (loss) for the period**	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
					(*€ thousand*)				
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**

For the year ended December 31, 2022

	Share capital	Valuation reserve	Other reserves: Reserves from profit and/or withholding tax	Other reserves: Other	Treasury shares	Net profit (loss) for the period	Net equity attributable to Shareholders of the Parent Company	Net Equity attributable to Non-controlling interests	Total Net Equity
					(*€ thousand*)				
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**

For the year ended December 31, 2023

	Share capital	Valuation reserve	Other reserves: Reserves from profit and/or withholding tax	Other reserves: Other	Treasury shares	Net profit (loss) for the period	Net equity attributable to Shareholders of the Parent Company	Net equity attributable to Non-controlling interests	Total Net Equity
					(*€ thousand*)				
Initial balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**
Allocation of the previous year profit to reserves	-	-	19,471	145	-	(19,616)	**-**	**-**	**-**
Dividends and other payouts	-	-	(19,471)	(28,030)	-	(8,078)	**(55,579)**	**(5,000)**	**(60,579)**
Changes in reserves	-	-	-	(10,570)	-	11,192	**622**	**7,757**	**8,379**
Acquisition of treasury shares	-	-	-	-	(2,115)	-	**(2,115)**	**-**	**(2,115)**
Stock options	-	-	302	(7,034)	352	-	**(6,380)**	**-**	**(6,380)**
Changes in equity investments	-	-	-	(322)	-	-	**(322)**	**322**	**-**
Comprehensive income of the period	-	(1,924)	-	-	-	(17,830)	**(19,754)**	**4,220**	**(15,534)**
Final balance	**41,280**	**(2,830)**	**26,076**	**12,430**	**(6,095)**	**(17,830)**	**53,031**	**51,660**	**104,691**

Consolidated Cash Flow Statement-Indirect Method –

	For the year ended December 31,		
	2021	2022	2023
Operating activities:			
Profit (loss) for the period before tax	**46,669**	**61,217**	**26,650**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**123,549**	**131,554**	**126,519**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	(1,308)	915	2,832
Depreciation, amortisation and impairment	96,263	71,153	92,742
Change in net provisions for risks and charges	3,865	4,446	2,289
Financial (Expense)/Income	23,785	49,483	35,277
Profit/loss on equity interests and investments	(83)	-	(768)
Costs for share-based payments	1,027	5,557	(5,853)
Change in working capital	**(11,037)**	**3,183**	**15,826**
Change in trade receivables	(32,922)	6,512	824
Change in trade payables	21,885	(3,329)	15,002
Change in financial assets and liabilities	**23,488**	**2,323**	**8,674**
Financial assets measured at fair value through other com-prehensive income	(9,989)	(7)	-
Other assets mandatorily measured at fair value	27,331	1,849	2,293
Financial assets measured at amortised cost	1,896	481	6,381
Financial liabilities measured at amortised cost	4,250	-	-
Other changes:	**(59,065)**	**(135,975)**	**(106,161)**
Interest paid	(18,135)	(24,001)	(23,858)
Payment of income taxes	(12,143)	(42,477)	(26,002)
Other changes in other assets/other liabilities	(28,787)	(69,497)	(56,301)
Cash flows generated by operations	**123,604**	**62,302**	**71,508**
Investing activities:			
Sales of subsidiaries and business units	440	-	-
Purchases of property, plant and equipment	(4,194)	(3,947)	(1,994)
Purchases of intangible assets	(61,012)	(27,110)	(19,367)
Net cash flows used in investing activities	**(64,766)**	**(31,057)**	**(21,361)**
Funding activities:			
Issues/purchases of treasury shares	(4,603)	-	(2,115)
Dividends paid	(23,224)	(44,142)	(52,992)
Loans obtained	302,310	87,000	25,000
Repayment of loans	(290,500)	(94,566)	(4,480)
Payment of principal portion of lease liabilities	(8,639)	(11,941)	(15,928)
Sale (purchase) of minority	-	-	(21,520)
Net cash flows used in funding activities	**(24,656)**	**(63,649)**	**(72,035)**
Net liquidity in the period	**34,182**	**(32,404)**	**(21,888)**
Reconciliation:			
Cash and cash equivalents at the beginning of period	132,486	166,668	134,264
Net liquidity in the period	34,182	(32,404)	(21,888)
Cash and cash equivalents at the end of the period	**166,668**	**134,264**	**112,376**

Consolidated Balance Sheet

	As of December 31,2023	As of September 30, 2024
	(*€ thousand*)	
Non-current assets:		
Intangible assets	473,784	454,701
Property, plant and equipment	48,677	41,935
Non-current financial assets	46,167	41,495
Deferred tax assets	78,351	75,421
Other non-current assets	3,716	3,848
Total non-current assets	**650,695**	**617,850**
Current assets:		
Inventories	1	1
Trade receivables	199,844	174,544
Tax assets	4,556	4,466
Other current assets	64,076	73,706
Cash and cash equivalents	112,376	90,509
Total current assets	**380,853**	**343,226**
Assets held for sale	**16**	**10**
Total assets	**1,031,564**	**961,086**
Shareholders' equity:		
Share capital	41,280	41,280
Valuation reserve	(2,830)	(4,317)
Other reserves	38,506	19,414
Treasury shares	(6,095)	(9,347)
Net profit (loss) for the period attributable to the shareholders of the Parent Company	(17,830)	10,341
Shareholders' Equity attributable to the shareholders of the Parent Company	**53,031**	**57,371**
Shareholders' equity attributable to non-controlling interests	**51,660**	**57,755**
Total shareholders' equity	**104,691**	**115,126**
Non-current liabilities:		
Loans and other financing	552,861	294,041
Other non-current financial liabilities	50,301	44,572
Employee benefits	8,412	8,147
Provisions for risks and charges	26,356	26,451
Deferred tax liabilities	42,623	40,443
Other non-current liabilities	9,087	8,407
Total non-current liabilities	**689,640**	**422,061**
Current liabilities:		
Loans and other financing	35,169	290,977
Other current financial liabilities	46,239	24,195
Trade payables	85,383	63,209
Tax liabilities	10,536	5,576
Other current liabilities	59,906	39,942
Total current liabilities	**237,233**	**423,899**
Liabilities associated with assets held for sale	—	—
Total liabilities	**926,873**	**845,960**
Total shareholders' equity and liabilities	**1,031,564**	**961,086**

Consolidated Income Statement

	For the nine months ended September 30,	
	2023	2024
	(*€ thousand*)	
Revenue from contracts with customers	297,758	280,613
Other revenues	38,900	37,426
Total revenues	**336,658**	**318,039**
Costs for services rendered	(18,334)	(15,390)
Personnel expenses	(155,038)	(153,678)
Administrative expenses	(63,309)	(70,003)
Other operating (expense)/income	1,728	659
Depreciation, amortisation and impairment	(75,343)	(42,903)
Provisions for risks and charges	(1,564)	(3,259)
Total costs	**(311,860)**	**(284,573)**
Operating income	**24,798**	**33,465**
Financial (expense)/income	(20,935)	(18,992)
Profit (loss) from equity instruments	-	(2,959)
Profit (loss) before tax	**3,863**	**11,514**
Income tax (expense) benefit	(29,797)	4,921
Net profit (loss) from continuing operations	**(25,934)**	**16,435**
Net profit (loss) for the period	**25,934**	**16,435**
o.w. Profit (loss) for the period attributable to the shareholders of the Parent Company	(25,667)	10,341
o.w. Profit (loss) for the period attributable to non-controlling interests	(267)	6,094
Earnings per share		
basic	1,62	0,67
diluted	1,62	0,67

Consolidated statement of comprehensive income

	For the nine months ended September 30,	
	2023	2024
	(*€ thousand*)	
Profit (Loss) for the period	**(25,934)**	**16,435**
Other comprehensive income after tax not recyclable to profit or loss		
Equity instruments designated at fair value through comprehensive income	(1,863)	1,559
Defined benefit plans	46	71
Other comprehensive income after tax recyclable to profit or loss		
Total other comprehensive income after tax	**(1,817)**	**1,488**
Comprehensive income	**(27,751)**	**14,947**
o.w. Comprehensive income attributable to Shareholders of the Parent Company	(27,484)	8,853
o.w. Comprehensive income attributable to Non-controlling interests	(267)	6,094

Statement of changes in consolidated shareholders' equity

For the nine months ended September 30, 2023

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
			Reserves from profit and/or withholding tax	Other					
						(*€ thousand*)			
Initial balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**
Allocation of the previous year profit to reserves	-	-	19,471	(322)	-	(19,149)	-	-	-
Dividends and other payouts	-	-	(19,471)	(28,030)	-	-	(47,501)	5,000	52,501
Changes in reserves	-	(1)	-	(10,209)	-	2,647	(7,563)	8,078	515
Stock options	-	-	255	(5,696)	326	-	(5,115)	-	(5,115)
Comprehensive income of the period	-	(1,817)	-	-	-	(25,667)	(27,484)	(267)	(27,751)

Final balance	**41,280**	**(2,724)**	**26,029**	**13,984**	**(4,006)**	**(25,667)**	**48,896**	**47,172**	**96,068**

For the nine months ended September 30, 2024

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
			Reserves from profit and/or withholding tax	Other					
						(*€ thousand*)			
Initial balance	**41,280**	**(2,830)**	**26,076**	**12,430**	**(6,095)**	**(17,830)**	**53,031**	**51,660**	**104,691**
Allocation of the previous year profit to reserves	-	-	-	(17,830)	-	17,830	-	-	-
Changes in reserves	-	1	-	(839)	-	-	(838)	1	(837)
Acquisition of treasury shares	-	-	-	-	(3,421)	-	(3,421)	-	(3,421)
Stock options	-	-	18	(441)	169	-	(254)	-	(254)
Comprehensive income of the period	-	(1,488)	-	-	-	10,341	8,853	6,094	14,947
Final balance	**41,280**	**(4,317)**	**26,094**	**(6,680)**	**(9,347)**	**10,341**	**57,371**	**57,755**	**115,126**

Consolidated Cash Flow Statement – Indirect Method-

(€ thousand)	**For the nine months ended September 30,**	
	2023	**2024**
Operating activities		
Profit (loss) for the period before tax	**3,863**	**11,514**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**92,937**	**71,135**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	(2,995)	(166)
Depreciation, amortisation and impairment	75,343	42,903
Change in net provisions for risks and charges	1,564	3,259
Financial (Expense)/Income	23,786	22,355
Profit/loss on equity interest and investments	-	2,960
Costs for share-based payments	(4,761)	(176)
Change in working capital	**19,388**	**3,228**
Change in trade receivables	41,487	25,402
Change in trade payables	(22,099)	(22,174)
Change in financial assets and liabilities	**9,019**	**4,432**
Other assets mandatorily measured at fair value	2,285	2,914
Financial assets measured at amortised cost	6,734	1,518
Other changes:	**(109,699)**	**(80,095)**
Interest paid	(23,331)	(23,912)
Payment of income taxes	(18,371)	(13,389)
Other changes in other assets/other liabilities	(67,997)	(42,794)
Cash flows generated by operations	**15,508**	**10,214**
Investing activities		
Sales of subsidiaries and business units	-	(2,822)
Purchases of equity investments	-	(373)
Purchases of property, plant and equipment	(1,423)	(617)
Purchases of intangible assets	(7,748)	(11,715)
Net cash flows used in investing activities	**(9,171)**	**(15,527)**

Funding activities		
Issues/purchases of treasury shares	-	(3,421)
Dividends paid	(52,618)	-
Loans obtained	25,000	-
Repayment of loans	(4,480)	(401)
Payment of principal portion of lease liabilities	(12,836)	(12,732)
Net cash flows used in funding activities	**(44,934)**	**(16,554)**
Net liquidity in the period	**(38,597)**	**(21,867)**
Reconciliation		
Cash and cash equivalents at the beginning of period	134,264	112,376
Net liquidity in the period	(38,597)	(21,867)
Cash and cash equivalents at the end of the period	**95,667**	**90,509**

Non-IFRS financial and operating measures

	As of and for the year ended December 31,			**As of and for the nine months ended September 30,**	
	2021	**2022**	**2023**	**2023**	**2024**
Operating EBITDA(1)	165,186	182,127	155,754	100,141	76,368
Operating EBITDA margin(2)	28.9%	32.6%	32.1%	29.9%	24.1%
EBITDA(3)	199,347	198,708	175,345	115,335	92,152
EBITDA margin(4)	34.9%	35.6%	36.1%	34.4%	29.1%
EBITDA Excluding Non-recurring Items(5)	200,919	201,687	178,700	115,414	95,787
EBITDA Excluding Non-recurring Items margin(6)	35.1%	36.1%	36.8%	34.4%	30.5%
EBIT	80,057	114,217	65,965	27,089	32,611
EBT	48,289	62,829	28,251	5,062	12,587
EBT Excluding Non-Recurring Items	81,638	98,730	47,925	16,894	27,437
Net Financial indebtedness(7)	(476,292)	(546,340)	(572,194)	(601,263)	(563,276)
Net Financial Position(8)	(401,791)	(429,859)	(475,654)	(485,512)	(494,509)
Consolidated Net Leverage(9)	2.0x	2.1x	2.7x	2.9x	3.1x
Capital Expenditures(10)	74,377	78,539	28,385	14,851	18,686
Net Working Capital(11)	132,616	129,762	114,461	110,620	111,335
Free Cash Flow(12)	96,062	(5,581)	28,233	(5,320)	(15,472)
Cash flow Conversion(13)	70.3%	33.0%	45.1%	32.9%	25.7%
Underlying cash generation(14)	85.2%	84.7%	88.0%	92.1%	87.1%
Cash dividend paid	20,722	39,140	47,992	47,618	0
Ratio Financial expense / EBITDA(15)	11.2%	25.0%	21.2%	18.2%	20.6%

(1) Operating EBITDA is calculated as net profit (loss) for the period excluding: (i) income tax expense; (ii) profit (loss) of equity investments; (iii) finance (expense)/income; and (iv) depreciation, amortization and impairment. For more details about reconciliations please refer to "*Annex A - Audited Consolidated Financial Statements Of The Issuer As Of December 31, 2021, 2022 And 2023 And For The Years Then Ended And Unaudited Interim Condensed Consolidated Financial Statements As Of September 30, 2023 And 2024 And For The Nine Months Then Ended - Reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet*".

The following table presents a reconciliation of Operating EBITDA to net profit (loss) for the period for the periods indicated:

	For the year ended December 31,			**For the nine months ended September 30,**	
	2021	**2022**	**2023**	**2023**	**2024**
Net profit (loss) for the period	**33,173**	**26,475**	**(13,641)**	(25,934)	**16.435**
Income tax expense (benefit)	13,496	34,742	40,291	29,797	(4,921)
Profit (loss) of equity investments	(83)	—	(768)	0	2,959
Finance (expense)/income	22,337	49,757	37,130	20,935	18,992
Depreciation, amortization and impairment	96,263	71,153	92,742	75,343	42,903
Operating EBITDA	**165,186**	**182,127**	**155,754**	**100,141**	**76,368**

	For the year ended December 31,			For the nine months ended September 30,	
	2021	2022	2023	2023	2024
Operating EBITDA margin......................	**28.9%**	**32.6%**	**32.1%**	**29.9%**	**24.1%**

(2) The Issuer defines Operating EBITDA margin as the ratio between Operating EBITDA and Gross Revenues.

(3) EBITDA is calculated as Operating EBITDA adjusted to exclude (i) certain corporate transformation and reorganization costs; (ii) provision for risks and charges; (iii) costs incurred to obtain certain tax benefits by converting Deferred Tax Assets in Tax Credit based on Legislative Decree 59 of May 3, 2016; (iv) certain financial income/expenses considered as operating income/costs as strictly related to the Issuer's operating activities (e.g., Interest on financial assets and Financial sales commission), (v) other income and expenses and (vi) other revenues representing gains on acquired trade receivables. For more details about reconciliations please refer to "*Annex A - Audited Consolidated Financial Statements Of The Issuer As Of December 31, 2021, 2022 And 2023 And For The Years Then Ended And Unaudited Interim Condensed Consolidated Financial Statements As Of September 30, 2023 And 2024 And For The Nine Months Then Ended --Reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet*".

The following table presents a reconciliation of EBITDA to Operating EBITDA for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2021	2022	2023	2023	2024
Operating EBITDA[(*)].....................................	**165,186**	**182,127**	**155,754**	**100,141**	**76.368**
Corporate transformation and reorganization costs[(i)]..	10,497	13,368	14,854	11,719	10,826
Provisions for risk and charges[(ii)]	3,865	4,446	2,289	1,564	3,259
DTA conversion costs[(iii)]	1,620	1,612	1,600	1.199	1,073
Interest on financial assets [(iv)]...........................	8,694	1,006	1,026	850	859
Other revenue[(v)]..	(491)	(447)	(115)	(115)	(119)
Other operating (expense)/income[(vi)]................	9,434	(3,515)	(63)	(23)	(114)
Financial sales commission[(vii)]..........................	542	111	—	0	0
EBITDA	**199,347**	**198,708**	**175,345**	**115,335**	**92.152**

(*) For an explanation of the nature of non-recurring expenses, please see footnotes (3) and (5) under "—Other financial and operating information" above.

(i) Corporate transformation and reorganization costs represents the cost for early retirement incentives and severances in the context of internal reorganizing.

(ii) Provision for risks and charges relate to provisions in respect of the risks of litigation brought against the Group concerning its core activities as well as provisions for risks for which no litigation has currently been undertaken which are presumed that will require an outflow of economic resources in subsequent years.

(iii) Costs incurred to obtain certain tax benefits by converting Deferred Tax Assets in Tax Credit based on Legislative Decree 59 of May 3, 2016.

(iv) Interest on financial assets represents net interest income on asset back security investments and net interest income on financial assets.

(v) Other revenue represents gains on acquired trade receivables.

(vi) Other operating (expenses)/income represents charges related to contractual agreements or disputes and insurance reimbursements.

(vii) Financial sales commissions represent sales commission considered as operating income as strictly related to the Issuer's operating activities.

(4) The Issuer defines EBITDA margin as the ratio between EBITDA and Gross Revenues.

(5) EBITDA Excluding Non-recurring Items is calculated as EBITDA adjusted to exclude (i) the increased value of earn-out referred to doValue Greece; (ii) termination of incentive plans; (iii) legal expenses for an ongoing arbitration in Spain; (iv) insurance reimbursements; and (v) related tax effects.

The following table presents a reconciliation of EBITDA Excluding Non-recurring Items to EBITDA for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,	
	2021	2022	2023	2023	2024
EBITDA	**199,347**	**198,708**	**175,345**	**115,335**	**92.152**
Operating costs (SG&A)	1,572	2,979	3,335	79	3,635
EBITDA Excluding Non-recurring Items[(*)]	**200,919**	**201,687**	**178,700**	115,414	95.787

(*) For an explanation of the nature of non-recurring expenses, please see footnotes (3) and (5) under "*—Other financial and operating information*" above.

(6) The Issuer defines EBITDA Excluding Non-recurring Items margin as the ratio between EBITDA Excluding Non-recurring Items and Gross Revenues.

(7) The Issuer defines net financial indebtedness as current financial indebtedness and non-current financial indebtedness net of liquidity and current financial assets. The following table shows the calculation of net financial indebtedness:

		As of December 31,			As of September 30,
		2021	**2022**	**2023**	**2024**
			(*in € thousand*)		
A	Cash	166,668	134,264	112,376	90,509
B	Cash equivalents	-	-	-	-
C	Other current financial assets	1,516	4,380	-	
D	**Liquidity (A)+(B)+(C)**	**168,184**	**138,644**	**112,376**	**90,509**
E	Current financial debt	(7,611)	(4,543)	(25,879)	(289,312)
F	Current portion of non-current financial debt	(35,593)	(72,063)	(55,529)	(25,860)
G	**Current financial indebtedness (E)+(F)**	**(43,204)**	**(76,606)**	**(81,408)**	**(315,172)**
H	**Net current financial indebtedness (D)+(G)**	**124,980**	**62,038**	**30,968**	**(224,663)**
I	Non-current financial debt	(50,413)	(54,158)	(50,301)	(44,572)
J	Debt instruments	(550,859)	(554,220)	(552,861)	(294,041)
K	Non-current trade and other payables	-		-	-
L	**Non-current financial indebtedness (I)+(J)+(K)**	**(601,272)**	**(608,378)**	**(603,162)**	**(338,613)**
M	**Net financial indebtedness**	**(476,292)**	**(546,340)**	**(572,194)**	**(563,276)**

(8) Net Financial Position is defined as the sum of cash, cash equivalents and highly-liquid securities, net of amounts due to banks and bonds issued.

(9) Consolidated Net Leverage is defined as Net Financial Position divided by EBITDA.

(10) Capital expenditure is defined as investments for the period in property, plant and equipment and intangible assets. The following table shows a breakdown of Capital expenditures split by tangible and intangible assets:

	For the year ended December 31,			As of September 30,	
	2021	**2022**	**2023**	**2023**	**2024**
			(*in € thousand*)		
Tangible assets[(i)]	13,367	41,973	6,719	5,704	6,971
Intangible assets[(ii)]	61,010	36,566	21,666	9,147	11,715

(i) Tangible assets Capital expenditures refer to the acquisition of furniture, IT hardware and right of use assets.

(ii) Intangible assets Capital expenditures are referred to new software, mainly developed for managing non-performing positions.

(11) Net Working Capital is defined as the sum of trade receivables net of trade payables. The following table shows a calculation of Net Working Capital:

	As of December 31,			As of September 30,
	2021	**2022**	**2023**	**2024**
		(*in € thousand*)		
Trade receivables	206,326	200,143	199,844	174,544
Trade payables	(73,710)	(70,381)	(85,383)	(63,209)
Net working capital	**132,616**	**129,762**	**114,461**	**111,335**

(12) Free Cash Flow is defined as Operating Cash Flow less taxes paid and financial charges. Operating Cash Flow is defined as EBITDA less cash used for capital expenditure plus adjustment for accrual on share based incentive system payments plus changes in net working capital less changes in other assets and liabilities. The following table shows a calculation of Free Cash Flow and Cash Flow Conversion:

	For the year ended December 31,			For the nine months ended September 30,	
	2021	2022	2023	2023	2024
			(*in € thousand*)		
EBITDA	**199,347**	**198,708**	**175,345**	**115,335**	**92,152**
Cash used for capital expenditure	(29,640)	(30,833)	(21,361)	(9,160)	(12,332)
Adjustment for accrual on share-based incentive system payments	1,027	5,557	(5,853)	(4,761)	(176)
Changes in Net Working Capital	(9,285)	(15,137)	(10,673)	(10,269)	(18,356)
Changes in other assets/liabilities	(21,340)	(92,688)	(58,301)	(53,175)	(37,450)
Operating cash flow	**140,109**	**65,607**	**79,157**	**37,970**	**23,658**
Tax Paid	(12,827)	(44,042)	(27,595)	(19,961)	(14,820)
Financial charges	(31,220)	(27,146)	(23,329)	(23,329)	(24,310)
Free cash flow	**96,062**	**(5,581)**	**28,233**	**(5,320)**	(15,472)
Cash flow conversion	**70.3%**	**33.0%**	**45.1%**	**33%**	**26%**

(13) Cash flow conversion is defined as Operating Cash Flow divided by EBITDA. Operating Cash Flow is defined as EBITDA less cash used for capital expenditure plus adjustment for accrual on share based incentive system payments plus changes in net working capital less changes in other assets and liabilities.

(14) Underlying cash generation is defined as Underlying Operating Cash Flow divided by EBITDA Excluding Non-recurring Items. Underlying Operating Cash Flow is defined as EBITDA Excluding Non-recurring Items less cash used for capital expenditure. The following table shows a calculation of Underlying Operating Cash Flow:

	For the year ended December 31,			For the nine months ended September 30,	
			(*in € thousand*)		
	2021	2022	2023	2023	2024
EBITDA Excluding Non-recurring Items	**200,919**	**201,687**	**178,700**	**115,414**	**95,787**
Cash used for capital expenditure	(29,640)	(30,833)	(21,361)	(9,160)	(12,332)
Underlying Operating Cash Flow	**171,279**	**170,854**	**157,339**	**106,254**	**83,455**

(15) Ratio Financial expense / EBITDA is defined as the percentage of Financial expense, as reported in the consolidated income statement, to EBITDA

	For the year ended December 31,			For the nine months ended September 30,	
			(*in € thousand*)		
	2021	2022	2023	2023	2024
EBITDA	**199,347**	**198,708**	**175,345**	**115,335**	**92,152**
Financial (expense)/income	(22,337)	(49,757)	(37,130)	(20,935)	(18,992)
Ratio Financial expense / EBITDA	**11.2%**	**25.0%**	**21.2%**	**18.15%**	**20.61%**

Certain other non-financial Key Performance Indicators (KPI)

	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2021	2022	2023	2023	2024
Gross Book Value (EoP)-Group[(1)]	149,487	120,478	116,355	117,768	116,678
Gross Book Value (EoP)-Italy[(1)]	75,965	72,031	68,241	68,710	66,945
Gross Book Value (EoP)-Spain[(1)]	41,523	11,651	10,862	11,230	11,430
Gross Book Value (EoP)-Hellenic Region[(1)]	31,998	36,796	37,252	37,828	38,304
Collections-Group[(2)]	5,743	5,494	4,947	3,399	3,121
Collections-Italy[(2)]	1,698	1,707	1,661	1,164	1,088
Collections-Spain[(2)]	2,726	1,965	1,136	836	737
Collections-Hellenic Region[(2)]	1,318	1,822	2,150	1,399	1,296
LTM Collections / GBV (EoP)-Group-Stock[(3)]	4.3%	4.1%	4.6%	4.5%	4.2%
LTM Collections / GBV (EoP)-Italy-Stock[(3)]	2.4%	2.5%	2.5%	2.5%	2.4%
LTM Collections / GBV (EoP)-Spain-Stock[(3)]	6.6%	9.2%	11.0%	9.6%	9.7%
LTM Collections / GBV (EoP)-Hellenic Region-Stock[(3)]	6.0%	6.1%	7.0%	7.0%	5.8%
Staff FTE / Total FTE[(4)]	44.5%	45.0%	42.0%	42.6%	41.9%

(1) **Gross Book Value (End of Period or "EoP")** represents the book value of the assets under management at the end of the reference period, gross of any potential write-downs due to expected loan losses. Gross Book Value (EoP)-Group excluding the contribution of the Sareb Agreement was €126,887 million as of and for the year ended December 31, 2021.

(2) **Collections** represent the commissions for the purpose of determining revenues from the Servicing business used to present the Issuer's ability to extract value from the assets under management.

(3) **LTM collections Stock/GBV Stock (Gross Book Value)** represents the ratio between total gross LTM collections on the assets under management at the start of the reference year and the end period GBV of those assets under management. Compared with the previous indicator LTM collections/GBV, this metric represents the effectiveness rate of recoveries normalized for the entry of new portfolios during the reference year.

(4) **Staff FTE/Total FTE** represents the ratio between the number of employees who perform support activities and the total number of fulltime employees of the Group. The indicator illustrates the efficiency of the operating structure and the focus on management activities.

OPERATING AND FINANCIAL REVIEW

The following is a discussion and analysis of the Group's results of operations and financial condition as of and for the nine months ended September 30, 2023 and 2024 and as of and for the years ended December 31, 2021, 2022 and 2023.

The discussion of the Group's results of operations below is based on information extracted from the Issuer's Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements, in each case as included elsewhere in this Prospectus. The Issuer's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The tables set forth under "Product Offering Diversification" contain certain unaudited non-IFRS financial information of the Issuer and its subsidiaries for the years ended December 31, 2021, 2022 and 2023 and for the nine months ended September 30, 2023 and 2024 which has been reclassified to reflect the way management monitors and reports on the business. For more detail and a reconciliation to the nearest comparable IFRS measure, please see "Important Information-Presentation of Financial and Other Information-APMs- Non-IFRS measures and Other Data", "Operating and Financial Review" and "Annex A - Audited Consolidated Financial Statements Of The Issuer As Of December 31, 2021, 2022 And 2023 And For The Years Then Ended And Unaudited Interim Condensed Consolidated Financial Statements As Of September 30, 2023 And 2024 And For The Nine Months Then Ended - Reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet".

The following discussion and analysis of the Group's financial condition and results of operations should be read in conjunction with the rest of this Prospectus, including the information set forth in "Selected Financial and Other Information" as well as the Audited Consolidated Financial Statements in Annex A - Audited Consolidated Financial Statements Of The Issuer As Of December 31, 2021, 2022 And 2023 And For The Years Then Ended And Unaudited Interim Condensed Consolidated Financial Statements As Of September 30, 2023 And 2024 And For The Nine Months Then Ended - Reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet" of this Prospectus and the Unaudited Interim Condensed Consolidated Financial Statements.

Overview

The Group is the leading independent credit and real estate servicer in Southern Europe (defined to comprise the Group's markets of Italy, Spain, Greece and Cyprus) in terms of asset under management as of December 31, 2023 (Source: management estimates based on public data and PWC reports) and the largest Servicer by GBV of assets under management in Italy and Cyprus as of December 31, 2023 (Sources: PwC, The Italian NPE Market – Navigating Tranquillity, with respect to Italy and management estimates with respect to Cyprus). The Group has been a long-term partner of international institutional investors specializing in loan and real estate portfolios and leading financial institutions of systemic importance. The Group's client base of over 140 clients includes a diverse range of public and private clients, investors and banks, including UniCredit, Santander, Kedipes, the Greek systemic banks and various private credit funds such as Fortress, Bain Capital Credit LP, Bracebridge, Waterwheel Capital Management and Cerberus. The Group operates an asset-light model with limited balance sheet risk, limited asset pricing risk, limited exposure to interest risk associated with purchasing portfolios, which is resilient to changes in economic cycles. The Group's model is based on two main business areas: Core Engine 1 (NPL) and Engine 2 of Growth (Non-NPL). These two areas together span the entire credit management value chain, through the following business units: Core Engine 1 (NPL), which includes non-performing loans servicing, and Engine 2 of Growth (Non-NPL), which includes real estate servicing ("**REO**"), unlikely-to-pay ("**UTP**") loans servicing / early arrears / performing loans servicing, and value added services ("**VAS**").

Recent developments

Except for the signing of the Gardant SPA, which is expected to be entered into on the Gardant Group Acquisition Completion, since the date of the last interim consolidated financial statements, there have been no material developments in the Group's business.

The Gardant Group Acquisition is a material acquisition for the Group. See "*Unaudited Pro Forma Consolidated Financial Information*" for detailed description of the size of the Gardant Group as compared to the Group.

The Gardant Group Acquisition is not reflected in the Issuer's Audited Consolidated Financial Statements or in the Issuer's Unaudited Interim Condensed Consolidated Financial Statements since, as of the Prospectus Date, it has not yet closed. Thus, the discussion in this section does not take into account the effects of the Gardant Group Acquisition. The Issuer has prepared unaudited *pro forma* consolidated financial information which includes the financial effects of the Gardant Group Acquisition. See also "*Unaudited Pro Forma Consolidated Financial Information*", and "*The Gardant Group Acquisition*."

Trend information

Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the Prospectus Date

To the best of the Issuer's knowledge, save as described below, as well as under the headings in "*Selected Financial and other Information*" and "*The Gardant Group Acquisition*" and the annexes to the Prospectus, there are no significant recent trends in production, sales and inventory, and costs and selling prices of the Group and the Gardant Group since December 31, 2023 to the Prospectus Date.

The Issuer and Gardant do not have financial reporting subsequent to September 30, 2024. The trends that occurred up to October are listed below:

- The collections trend of the Group in October is consistent with that of the first nine months of 2024, showing a decrease in collections across the board compared to 2023. Collections from portfolio sales, which are still pending finalization, are expected to be completed in the last months of the year. The collections trend of the Gardant Group in October is consistent with the first nine months of 2024, showing an increase in collections compared to 2023, which is supported by the Gardant Bridge contract with BPER and an NPE forward flow in line with the Gardant Group 2024 Targets; and

- NPE revenues and REO revenues, closely linked to collections, have followed a similar trend to that of collections, showing a decrease. Revenues from co-investments in October are consistent with those of the first nine months of 2024 similarly to the ancillary revenues, which provided a stable diversified source of revenues. During the month of October 2024, Gardant Group's revenues, which are mostly derived from NPE Revenues, follow the same pattern observed in the first nine months of 2024, with Gardant Bridge Servicing driving revenue growth supported by forward flows and existing stock.

Despite the decline, as of the Prospectus Date the trend of the Group is in line with the doValue Standalone Targets for 2024, because of the most of the cash flow generation to be concentrated in the fourth quarter due to seasonality of payments and for the expected pickup of disposals in Greece. To the Issuer's knowledge, as of the Prospectus Date, the trend of the Gardant Group is in line with the Gardant Group Targets for 2024.For further information on the Group and the Gardant Group's intended future development see *"Forecast Data and Estimates"* in this Prospectus, which set forth targets for 2024 of the Group and the Gardant Group.

Significant changes in the financial performance of the Group and the Gardant Group since the end of the last financial period for which financial information has been published to the Prospectus Date

To the best of the Issuer's knowledge, save as described in "*Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the Prospectus Date*", there are no significant changes in the financial performance of the Group and the Gardant Group since September 30, 2024 to the Prospectus Date.

Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group and the Gardant Group's prospects for at least the current financial year

The Group's results of the current financial year could be influenced by the Gardant Group Acquisition and the repayment of the remaining portion of the 2025 Notes.

Moreover, changes in the macroeconomics conditions, and fluctuations in the equity markets may influence the Group's performance.

Significant changes in the financial position of the Group and the Gardant Group since the end of the last financial period for which financial information has been published to the Prospectus Date

To the best of the Issuer's knowledge, there are no significant changes in the financial position of the Group and the Gardant Group since September 30, 2024 to the Prospectus Date.

Key factors affecting historical results of operations

The Group's business and results of operations have been affected by certain key factors including, in particular, (i) the macroeconomic environment; (ii) the Servicing market and other industry trends; (iii) the Group's geographic, product offering and revenue streams diversification; (iv) recent decrease in GBV and recent agreement terminations; (v) seasonality; and (vi) evolution of the Group's costs. Each of these factors is described in more detail below.

Macroeconomic environment

Global macroeconomic conditions have been subject to volatility in recent years due to a number of factors, including the lingering effects of the COVID-19 pandemic, the outbreak of the conflict between Russia and Ukraine and, more recently, the reemerging of the hostilities in the Middle East. The various economic and monetary stimulus measures put in place by a number of governments around the world and major central banks, in combination with the discontinuity and imbalances created by the lockdown periods of 2020 and 2021 following the outbreak of the COVID-19 pandemic, have led to an increase in inflation in the advanced economies as early as the end of 2021 which has continued throughout 2023. 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 as a countermeasure led to higher bond yields during 2022 and 2023. Higher interest rates, together with the geopolitical tensions linked to the conflict between Russia and Ukraine and to the conflict in the Middle East, have led to volatility in the stock and bond markets and, more generally, contributed to decreased confidence in short-term global economic growth.

The Group's business is impacted both by positive and negative economic cycles. In negative economic cycles there has historically been a higher proportion of corporate and retail loan defaults, leading to an increase in NPEs with a potential positive impact on the NPE Servicing industry due to the influx of assets under management. During negative economic cycles, however, collection levels tend to be lower or delayed, partially due to a potentially lower market value of assets serving as collateral for defaulted loans. These trends generally move in opposite directions during positive economic cycles, when collections tend to be stronger and new NPL generation lower.

2023 was characterized by lower auction activity in relation to NPL portfolios as well as a slower replenishment of NPE stock, particularly in Italy. Additional external factors also negatively affected collection activity in Spain and Greece in 2023, such as the court strike and, elections in Spain and a notary strike in Greece.

During the periods under review, real GDP growth in Italy showed a significant recovery following the COVID-19 pandemic and remained stable during the last year: real GDP increased by 4.0% and 0.9% in 2022 and 2023, respectively, mainly driven by a 4.3% and 1.2% increase in domestic demand in 2022 and 2023, respectively (Sources: IMF; World Economic Outlook, July 2024; European Commission, Economic Forecast for Italy, May 2024). In the second quarter of 2024, real GDP increased by 0.2% compared with the previous quarter and by 0.9% compared with the second quarter of 2023. The carry-over annual GDP growth for 2024 was equal to 0.6% (Sources: ISTAT, Quarterly National Accounts, September 2024).

In Greece, the economy rapidly recovered from the effects of the COVID-19 pandemic, with GDP growing 8.4% in 2021, and 5.6% in 2022, and 2.0% in 2023, primarily driven by private consumption and export of services and products. GDP growth in 2024 and 2025 is forecasted at 2.0% in 2024 and 1.9% in 2025, with inflation forecast to decrease from 4.2% in 2023 to 2.8% in 2024, and 2.1% in 2025, supported by combined national & EU funds, including support expected from the Recovery and Resilience Facility ("**RRF**") worth an overall €36.6 billion, to mitigate the effects of rising energy prices and inflation, which continued through the end of 2023, as well as boosting employment, facilitating access to finance and digitalisation for SMEs, improve governance of public administration and transparency of judicial system, investments and reforms to facilitate green energy production (Sources: IMF, World Economic Outlook, April 2024; European Commission, Greece's Recovery and Resilience Plan, February 2024; European Commission, Economic Forecast for Greece, May 15, 2024).

In Cyprus, the overall economy showed consistent growth, strongly recovering from the effects of the COVID-19 pandemic, with real GDP growth of 9.9% and of 5.1% in 2021 and 2022, respectively. In the next three years, Cyprus is expected to be among the fastest growing European economies, with 2023-2026 average yearly GDP growth at approximately 2.7%, outpacing the EU area (expected to grow at an average of 1.3% year-over-year in the same period) (Source: IMF, IMF Executive Board Concludes 2024 Article IV Consultation with Cyprus, May 2024; IMF, Datamapper, last accessed in August 2024).Lastly, Spain's GDP contracted by 11.2% in 2020, mainly as a result of the negative effects of the COVID-19 pandemic, but significantly grew in 2021, 2022 and 2023 at 6.4%, 5.8% and 2.5%, respectively. This recovery is expected to continue also in 2024, with Spain being among the expected fast growing economies in the Euro zone, with expected GDP growth rates at 1.7% in 2024 (compared to the Euro Area, with GDP growth rates expected at 0.8% in the same period) (Source: IMF, World Economic Outlook, July 2024; IMF Datamapper, August 2024).

Servicing market and other industry trends

The Group's economic and financial performance is correlated to the evolution of the Servicing market across five asset classes (Early Arrears and Performing Loans, NPLs, UTPs, real estate assets and other Value Added Services). The Servicing market in Europe has continued to benefit from the support of high volumes of asset sales and the increased outsourcing of Servicing activities by banks and financial institutions, supported by the continuous and growing interest of international investors. One of the outcomes of the unprecedented economic downturn caused by the COVID-19 pandemic was an increase in the formation of NPEs. To date, this increase in NPEs has only partially materialized, largely due to the extraordinary support measures implemented by governments and central banks, which included payment moratoria with respect to loans and government-backed guarantees for new loans on an equally unprecedented scale, potentially causing a delay in the formation of new NPEs. See "*Industry— Overview of the European Non-Performing Exposures ("NPE") Market and Debt Servicer / Purchaser Market Participants*". Furthermore, the Group's economic and financial performance is also linked to idiosyncratic trends of specific customers or markets. For example, while there is a tendency to outsource the management of NPEs by banks, certain specific banks may have different strategic priorities to address regarding the NPEs. While for investors it is efficient to assign the management of portfolios to players like the Group, certain players may decide to build internal capacity for specific portfolios affecting investors and banks, its two categories of customers. Furthermore, the Group's economic and financial performance is also linked to factors and events that affect investors and banks, its two categories of customers. Specifically, the Group manages both investors' portfolios, which usually comprise fixed stocks of NPLs excluding future flows for the investors, and variable stocks of NPLs for the banks, which the Group also manages under Forward Flow Agreements.

In the Italian market, the aggregate GBV of gross bad loans in Italy decreased from a stock worth €33.4 billion in 2021 to €21.2 billion in 2022 and €19 billion in 2023 (Source: PwC, The Italian NPE Market – Navigating Tranquility, July 2024). Moreover, the Italian NPL market faced increased competition during the last years, with new competitors supported by an increasing number of primary NPL transactions.

A similar trend was registered in UTP positions, as gross UTP exposures in Italy decreased from a stock worth €41.3 billion in 2021 to €33 billion in 2022 and to €29.3 billion in 2023. 88.1% of the gross UTP exposures in Italy is concentrated within the top 10 Italian banks (by total assets), and 53.8% in UniCredit, Intesa Sanpaolo and Banco BPM, a signal that the Italian banking system and international investors are also focusing on servicing this asset class in addition to NPLs, creating further opportunities for Servicers (Source: PwC, The Italian NPE Market – Navigating Tranquility, July 2024).

The Italian banking sector has continued to strengthen its capital ratios and improve asset quality, by, for instance, reducing the NPLs on banks' balance sheets partially through disposals to international investors, who have significantly contributed to the development of the Servicing market in Italy. Italian banks have been urged by regulators to further improve their credit quality in order to free up capital to sustain their financial activities, improve growth and profitability and contribute to the economic recovery of the country. As a consequence, since 2017, Italian banks have made an effort to increase their NPE coverage ratios in order to soften the impact of disposal on their income statements. In particular, NPE coverage ratios for the top 10 Italian banks increased from 51.9% in 2018 to 58.2% in December 2023, showing the ability of Italian banks to mitigate future losses. (Sources: PwC: The Italian NPL Market-Assembling the Puzzle, July 2019; The Italian NPE Market – Navigating Tranquility, July 2024).

Regulatory Landscape

The Group's results of operations are also affected by a number of laws and regulations in the jurisdictions in which it operates. The regulatory environment for debt collection in Italy, Greece, Spain and the other countries in which the Group operates requires considerable investment in processes, know-how and management.

In addition to the measures introduced by the European Commission in 2018 and the proposed directive for the Servicing market (2018/0063/COD), the volume of transactions relating to NPL portfolios has been supported by the Guarantees for the Securitization of Non-Performing Loans Scheme (GACS) in Italy and, in Greece, by the Hellenic Asset Protection Scheme (HAPS) or Hercules scheme, which was modelled after GACS. During the first half of 2020, the European loan portfolio market slowed down due to fewer NPL stock generation and portfolio sales, with activity resuming during the second half of the year driven largely through the use of GACS and HAPS. In 2020, the Group completed the first leasing securitization in the Italian market (€1.6 billion in GBV of assets under management) and with the doValue Greece Acquisition, through doValue Greece, the Group is managing the first HAPS compliant securitizations in the Greek market (€7.0 billion in GBV of asset under management). NPE portfolio performance is similar across GACS and non-GACS portfolios, including with reference to specific impacts of the COVID-19 pandemic, as the recoverability of loans in a given portfolio is driven by the type of loans it includes, borrower-specific conditions and the legal procedures in place.

On December 8, 2021, the European Parliament finalized and published in the Official Journal of the European Union the NPL Directive. The NPL Directive entered into force on December 28, 2021, with implementation by Member States to occur by December 29, 2023. In Italy, on July 30, 2024, the Italian Council of Ministers approved the NPL Decree, published in the Official Gazette No. 189 on August 13, 2024, transposing the NPL Directive into Italian law by amending the Consolidated Banking Act and the Legislative Decree No. 39 of January 27, 2010.

In Spain, the implementation of the NPL Directive into Spanish law is still pending. On May 17, 2024, the Ministry of Economy, Trade and Enterprise published the Draft Bill on Credit Administrators and Credit Purchasers and amending Law 16/2011 of June 24, on Consumer Credit Contracts, and Law 5/2019 of March 15, Regulating Real Estate Credit Contracts. The final text of the law is awaiting development and approval by the Council of Ministers and will come into force 20 days after its publication in the Official State Gazette.

In Greece the NPL Directive was transposed into national law by virtue of Law 5072/2023, published in the Government Gazette (nr. A-198) of the Hellenic Republic on December 4, 2023, which abolished in part the previous Law 4354/2015. The NPL Directive applies to non-performing loans that are more than 90 days overdue or where the lending credit institution considers it unlikely to be repaid by the borrower. The NPL Directive is intended to create a new EU-wide framework that aims to facilitate the transfer of NPLs by originators to investors and the development of a secondary market for NPLs for investors and Servicers. In line with this purpose, key targets of the NPL Directive are: (i) to facilitate the transfer of NPLs from banks to investors, the removal of existing barriers to entry at individual Member State level; and (ii) the harmonization of the access and operational requirements for legal persons that perform "*credit servicing activities*", as defined in the NPL Directive, relating to supervision and licencing by national authorities. In particular, legal persons that perform credit servicing activities will be required to obtain authorization as a credit servicer from its national competent authority. Such authorization will be valid across the EU, so that a credit servicer authorized in one Member State will be permitted to carry out activities in other Member States. The NPL Directive also lays down certain obligations on credit purchasers and credit servicers in their interactions with borrowers, including, for example, information disclosure requirements in advance of the first debt collection.

In addition, the Group's business is supported by other favourable medium-to long-term factors, including the implementation by banks of strict loan recognition rules and regulations (IFRS 9, Calendar Provisioning, Basel IV – see "*Regulatory Overview-Regulations applicable to banks in connection with capital requirements and exposure classification*") aimed at promoting a proactive approach in managing their balance sheets, as well as the established trend for banks to outsource servicing activities (Source: management estimates based on public data). Although NPE ratios are at historical lows, banks are under strong pressure to keep deleveraging.

Diversification

Over the last few years, the Group's business has evolved from an NPL servicer focused on the Italian market and serving two main clients to becoming the leading independent credit servicing platform in Southern Europe as measured by GBV of assets under management, with a very complete product offering across the entire credit spectrum in multiple geographies, serving portfolios of more than 110 different clients, encompassing commercial banks, "bad banks" (which only manage NPLs), investors, and securitization vehicles. The Group's client base can be divided into two main categories, each of which offers its Servicing to investors and banks. The Group has achieved further client diversification and benefited from banks offloading NPE stock to investors over the last three years through securitizations supported by government schemes, in particular GACS in Italy and HAPS in Greece.

Geographic Diversification

Historically, the Group generated its revenues primarily in Italy. With the Group's expansion into Spain, Portugal and Cyprus through the Altamira Acquisition in 2019, and in Greece through the doValue Greece Acquisition in 2020, the Group's gross revenues diversified significantly. The geographical regions the Group has identified as its operating segments are Italy, the Hellenic Region (which includes both Greece and Cyprus) and Spain (which includes Portugal). For the nine months ended September 30, 2024, 36.4% of its Gross Revenues was generated in Italy, while the remaining 63.6% of its Gross Revenues were generated outside of Italy. On July 11, 2024, following the doValue Portugal Divestment, the Group terminated the Group's operations in Portugal. See "*Business—Material Acquisitions and sales*".

The following tables show Gross Revenues by geographical region on the basis of its Non-IFRS Reclassified Consolidated Income Statement for the periods indicated therein:

	(Unaudited) For the nine months ended September 30,			
	2023	**% of revenues**	**2024**	**% of revenues**
	(*in € thousand, and as a percentage of revenues*)			
Italy	113,123	33.8%	115,404	36.4%
Hellenic Region (Greece & Cyprus)	171,676	51.2%	160,686	50.7%
Spain[1]	50,356	15.0%	37,733	12.8%
Gross Revenues	335,154	100%	316,703	100%

[1] The figures for Spain also include the contribution of doValue Portugal, which was divested by the Group on July 24, 2024. See "*Business – Material Acquisitions and sale*".

	(Unaudited) For the year ended December 31,					
	2021	**% of revenues**	**2022**	**% of revenues**	**2023**	**% of revenues**
	(*in € thousand, and as a percentage of revenues*)					
Italy	180,000	31.5%	182,510	32.7%	163,587	33.7%
Hellenic Region (Greece & Cyprus)	218,400	38.2%	253,248	45.4%	251,141	51.7%
Spain[1]	173,600	30.3%	122,491	21.9%	71,003	14.6%
Gross Revenues	**572,000**	**100.0%**	**558,249**	**100.0%**	**485,731**	**100.0%**

[1] The figures for Spain also include the contribution of doValue Portugal, which was divested by the Group on July 24, 2024. See "*Business – Material Acquisitions and sale*".

The Issuer believes that its geographic coverage, produces a more diversified mix of revenue streams that helps it to reduce performance volatility as the individual regions and countries in which it operates experience varied economic conditions and reinforce its financial position.

Product Offering Diversification

The Group's gross revenues are primarily generated by its NPL Servicing business unit. The Group has increased the diversification of its revenue streams, mainly with the addition of its service offering for REOs through the Altamira Acquisition. The following tables show the Group's Gross Revenues by type of service for the nine months ended September 30, 2024 and for the years ended December 31, 2021, 2022 and 2023:

	(Unaudited) For the nine months ended September 30,			
	2023	**%**	**2024**	**%**
	(*in € thousand, excluding percentages*)			
NPE revenues	251,623	75.1%	240,614	76.0%
REO revenues	39,875	11.9%	32,179	10.2%
Co-investment revenues	1,064	0.3%	1,025	0.3%
Ancillary and other revenues	42,593	12.7%	42,885	13.5%
Gross Revenues	**335,154**	**100%**	**316,703**	**100%**

	(Unaudited) For the year ended December 31,					
	2021	%	2022	%	2023	%
	(*in € thousand, excluding percentages*)					
NPE revenues	446,097	78%	433,538	77.7%	366,697	75.5%
REO revenues	82,529	14.4%	76,626	13.7%	53,193	10.9%
Co-investment revenues	8,846	1.5%	1,507	0.3%	1,290	0.3%
Ancillary and other revenues	34,579	6.0%	46,578	8.3%	64,551	13.3%
Gross Revenues	**572,051**	**100.0%**	**558,249**	**100.0%**	**485,731**	**100.0%**

While revenues from NPL Servicing continued to account for the majority of the Group's total Gross Revenues in the nine months ended September 30, 2023 and 2024 and in the years 2021, 2022 and 2023, the Group started to further diversify its Gross Revenues sources in the medium term. For instance, the Group is expanding its capabilities in the management of unsecured small-sized loans (ranging from €20 thousand to €30 thousand), a rapidly growing market segment in Europe. For more information about the services the Group offers, please see "*Operating and Financial Review—Description of Key Line Items* below. See "*Business—Overview*" for a description of the acquisitions and organic growth that enhanced its revenue stream in recent years.

Recent decrease in GBV and recent agreement terminations

The Group is the largest Servicer by GBV of assets under management in Italy, Greece and Cyprus as of December 31, 2023 (Source: PwC The Italian NPE Market. Navigating Tranquility, July 2024), with respect to Italy, and management estimates based on public data with respect to Greece and Cyprus.

Over the past three years, the Group has had a decrease in the GBV of assets under management. This has been the result of the ordinary collection activity, which saw increasing efficiency even thanks to investments put in place, leading to a natural GBV decrease at endogenous level, and decreasing NPEs origination on markets at endogenous levels, together with the loss of certain material contracts. See "*Business – Material Agreements.*"

The table below sets forth a summary of the Group's consolidated statement of GBV for the periods indicated therein:

	(Unaudited)				
	For the nine months ended September 30,		For the year ended December 31,		
	2023	2024	2021	2022	2023
			(*in € thousand*)		
Gross Book Value (GBV)	117,768,420	116,678,422	149,486,889	120,478,346	116,355,196

The GBV of the Group's assets under management depends in part on certain material contracts, such as the Servicing Agreement with UniCredit, the Servicing Agreement with Santander, the Servicing Agreement with Kedipes and the Service Level Agreement with Eurobank. The total assets under management under these contracts had a GBV of €14.4 billion, €15.9 billion, €17.9 billion and €25.8 billion as of September 30, 2024 and December 31, 2023, 2022, 2021, respectively and generated €109.0 million and €167.5 million, €175.1 million and €230.1 million of Gross Revenues for the nine months ended September 30, 2024 and for the years ended December 31, 2023, 2022 and 2021, respectively. In particular, certain of these servicing agreements may be terminated in the coming years, as they typically allow for termination at the client's request upon specific breaches of contractual provisions or they may expire. In particular, in February 2022, one of the Group's principal clients in Spain, Sareb, did not renew its servicing agreement with the Group. The contract represented a portfolio of €23 billion, or 15% of GBV of the Group's assets under management as of December 31, 2021, and 12% of its Gross Revenues for the year then-ended. The Sareb Agreement expired on June 30, 2022 and Sareb's NPE portfolio under the Group's management was offboarded between July and October 2022. This caused a decrease between 2021 and 2022 in the GBV of the total assets under management of €10.6 billion and a reorganization of the Group's operations in Spain aimed at downsizing its operations to preserve profitability. In particular, the Group is focusing on extending its activity to the management of unsecured small-sized loans (ranging between €20 thousand and €30 thousand), arising from commercial loans to small companies or individuals and, at expanding its NPE Servicing and Early Arrears and Performing Loans Servicing. In connection with the reorganization of its Spanish operations, the Group incurred reorganization charges of approximately €8 million and €7 million in the years ended December 31, 2022 and 2023, respectively. Following the termination of the Sareb Agreement, in 2023 the Group secured new contracts to manage NPL and REO portfolios from major Spanish banks, including Banco Sabadell, CaixaBank and other investors, with an aggregate GBV of €0.8 billion in assets under management as of December 31, 2023.

In addition, the Issuer currently expects that the UniCredit Servicing Agreement, like the Sareb Agreement with the Group will not be renewed at its first expiration date. The contract represents a portfolio of €1.5 billion, or 1.3% of GBV of the Group's assets under management as of September 30, 2024, and 5.2% of its Gross Revenues for the nine months then-ended. The expected expiration of the UniCredit Servicing Agreement, which has already been considered in the Business Plan, will relieve the UniCredit Parties from the obligation to supply additional flows of NPL for servicing by the Issuer, but the Issuer will continue to service the UniCredit loans under management as of the date of termination, scheduled on October 31, 2025, when such loans are expected to be offboarded.

In 2024, the Group entered into several significant contracts in other geographic regions where it operates. On February 8, 2024, doValue Greece signed a new servicing agreement with Attica Bank S.A. for an NPE portfolio with GBV of approximately €0.5 billion, part of the de-securitized portfolio "Project Omega". DoValue Greece signed two other additional agreements in Greece: the first called "Project Amoeba/Como", which was signed on May 24, 2024 and consisted in the managing of a mixed NPL portfolio of approximately €800 million GBV with Bain Capital Credit; and the second called "Project Heliopolis II", which was signed on April 15, 2024 and consisted in the managing of an NPL portfolio worth approximately €202 million GBV with the EOS Group.

On September 20, 2024 doValue Greece has been awarded with a new mandate for the servicing of the majority of a portfolio mainly composed of NPLs with a GBV of approximately €1 billion and total claims (GBV plus accrued penalty interest) of approximately €3 billion, involving approximately 12,600 borrowers with real estate collateral. The portfolio was sold by various Greek credit institutions under special liquidation in the context of Project Alphabet. This agreement, together with other Italian mandates, brings the total newly committed GBV of assets under management for the Group to €1.8 billion year to date. Hence, the GBV as of September 30, 2024 plus committed GBV year to date stands at €118.5 billion. For further information, see "*Business—Material Agreements*".

Seasonality

The Group's business depends on the ability to collect on the NPE portfolios it manages. Debt collection is highly affected by seasonal factors which affect debtors' decisions and behaviour. Accordingly, collections within portfolios tend to have high seasonal variations, while the Group's costs are more evenly spread out over the year, resulting in high variations in margins and profitability between quarters. In particular, the Group's collections, and therefore margins, are generally higher in the second and fourth quarters, due in part to customers' receipt of tax refunds, holiday bonus payments and other factors. In addition, the Group's gross revenues may be positively influenced by indemnity and/or disposal fee payments. While these payments are typically received during the last quarter, they could also be paid before. Depending on the periods in which such events occur, the Group's business could experience revenue fluctuations.

Cost evolution

The Group's profitability is affected by the efficiency of its operations. Over the period under review, the Group has achieved improved profitability, in part due to its purposeful and sustained cost-reduction measures.

For the years ended December 31, 2021, 2022 and 2023, the Group's operating expenses were €307,120 thousand (53.7% of Gross Revenues), €301,712 thousand (54.0% of Gross Revenues) and €267,812 thousand (55.1% of Gross Revenues), respectively, based on the Group's Non-IFRS Reclassified Consolidated Income Statement. For the nine months ended September 30, 2024 the Group's operating expenses were €192,633 thousand (60.8% of Gross Revenues). The increase in operating expenses as a percentage of Gross Revenues recorded between the year 2021 and 2022 was mainly due to the integration of doValue Greece and the termination of the Sareb Agreement in June 2022, as well as by the reorganization of the Group's operations in Spain and other measures implemented in the context of the doTransformation Program. Instead, increase between 2022 and 2023 is mainly due to decreasing revenues, since at absolute level, operating expenses have decreased by 11% thanks to cost reduction initiatives. For what concerns operating expenses as of September

30, 2024, the increase in incidence over Gross Revenues was always due to decreasing revenues, since at absolute level costs have remained stable versus previous year thanks to cost containment measures.

Description of Key Line Items

Revenues from contracts with customers

Revenues from contracts with customers include: (i) revenues from servicing services related to the administration, management and recovery of loans utilizing in-court and out-of-court recovery processes on behalf and under the mandate of third parties; (ii) revenues from securitization transactions; and (iii) revenues from services related to the management of real estate assets on behalf of and under the mandate of third parties (REO services).

Other revenues

Other revenues mainly relate to administrative servicing / corporate services, information services, recovery of expenses, due diligence and advisory services and ancillary REO services.

Costs for services rendered

Costs for services rendered consist of fees and commissions payable to the debt collection networks related to assets under management and brokerage fees.

Personnel expenses

Personnel expenses include wages and salaries, and to a lesser extent, social security contributions and employee service indemnity for payroll employees, members of the Board of Directors and Board of Statutory Auditors and other personnel.

Administrative expenses

Administrative expenses primarily consist of costs related to: (i) external consultants; (ii) information technology; (iii) administrative and logistical services; (iv) rentals, building maintenance and security; (v) insurance; (vi) advertising and marketing; (vii) indirect taxes and duties; (viii) postal service, office supplies; (ix) indirect personnel expenses; (x) debt collection; and (xi) utilities.

Depreciation, amortization and impairments

Depreciation, amortization and impairments relate to the depreciation of property, plant and equipment, amortization of intangible assets, financial assets measured at amortized cost, trade receivables and to the impairments on property, plant and equipment and intangible assets, if any.

Provisions for risks and charges

Provision for risks and charges relate to provisions allocated to meet legal and contractual obligations due to disputes, employee disputes, out-of-court disputes and other risks that are presumed to require an outflow of financial resources in subsequent years.

Financial (income)/expenses

Financial (income)/expenses represent finance expenses net of finance income. Finance income includes interest income from bank accounts and from other financial assets and other financial income. Finance expenses mainly include interest expense on bank borrowings and financial liabilities measured at amortized cost, financial liabilities measured at fair value through profit and loss, commissions on guarantees and other financial expenses.

Income tax expense

Income tax expense includes current tax, adjustment to current tax of prior years, changes to deferred tax assets and changes to deferred tax liabilities.

Results of Operations

Nine months ended September 30, 2024 compared to the nine months ended September 30, 2023

The following table sets forth the Group's unaudited interim condensed consolidated income statement.

	For the nine months ended September 30,				Change	
	2023	**% of revenues**	**2024**	**% of revenues**	**2024-2023**	**%**
	(*in € thousand, and as a percentage of revenues*)					
Revenue from contracts with customers	297,758	88.4%	280,613	88.2%	(17,145)	(5.8%)
Other revenue	38,900	11.6%	37,426	11.8%	(1,474)	(3.8%)
Total revenue	**336,658**	**100%**	**318,039**	100%	**(18,619)**	(5.5%)
Costs for services rendered	(18,334)	(5.4%)	(15,390)	(4.8%)	2,944	(16.1%)
Personnel expenses	(155,038)	(46.1%)	(153,678)	(48.3%)	1,360	(0.9%)
Administrative expenses	(63,309)	(18.8%)	(70,003)	(22.0%)	(6,694)	10.6%
Other operating (expense)/income	1,728	0.5%	659	0.2%	(1,069)	(61.9%)
Depreciation, amortization and impairment	(75,343)	(22.4%)	(42,903)	(13.5%)	32,440	(43.1%)
Provisions for risks and charges	(1,564)	(0.5%)	(3,259)	(1.0%)	(1,695)	108.4%
Total costs	**(311,860)**	**(92.6%)**	**(284,574)**	**(89.5%)**	**27,286**	(8.7%)
Operating income	24,798	7.4%	33,465	10.5%	8,667	35.0%
Financial (expense)/Income	(20,935)	(6.2%)	(18,992)	(6.0%)	1,943	(9.3%)
Profit (loss) from equity investments	-	-	(2,959)	(0.9%)	(2,959)	-
Profit (loss) before tax	**3,863**	**1.1%**	**11,514**	3.6%	**7,651**	198.1%
Income tax (expense) benefit	(29,797)	(8.9%)	4,921	1.5%	34,718	(116.5%)
Net Profit (loss) from continuing operations	**(25,934)**	**(7.7%)**	**16,435**	**5.2%**	**42,369**	**(163.4%)**
Net Profit (loss) for the period	**(25,934)**	**(7.7%)**	**16,435**	**5.2%**	**42,369**	**(163.4%)**

Revenue from contracts with customers

Revenue from contracts with customers decreased by €17,145 thousand, or 5.8%, to €280,613 thousand for the nine months ended September 30, 2024 from €297,758 thousand for the nine months ended September 30, 2023 as set forth in the table below.

	For the nine months ended September 30,				Change	
	2023	**% of revenues**	**2024**	**% of revenues**	**2024-2023**	**%**
	(*in € thousand, and as a percentage of revenues*)					
Servicing services	129,252	43.4%	126,904	45.2%	(2,348)	(1.8%)
Servicing for securitisations	138,799	46.6%	131,872	47.0%	(6,927)	(5.0%)
REO services	29,707	10.0%	21,837	7.8%	(7,870)	(26.5%)
Revenue from contracts with customers	**297,758**	**100.0%**	**280,613**	**100.0%**	**(17,145)**	**(5.8%)**

The decrease was primarily due to lower revenues recorded in all components: servicing services (1.8%), REO services (26.5%), and servicing for securitisations (5%). This contraction, in line with the Group's expectations, is the result of the worsening macroeconomic conditions that are affecting the market.

Other revenue

Other revenues decreased by 4% for the first nine months of 2023. The decrease was primarily due to the due diligence & advisory services, ancillary REO services and other revenues, not offset by the increase in the other items.

Costs for services rendered

Costs for services rendered decreased by €2,944 thousand, or 16.1%, to €15,390 thousand for the nine months ended September 30, 2024 from €18,334 thousand for the nine months ended September 30, 2023. The decrease was primarily due to less activity from the recovery network following the decrease in the portfolios, which also generated the reduction in revenues. The remuneration mechanism of the external network, directly related to revenues, combined with the flexibility of the collaboration agreements, allowed the Group to reduce these direct costs.

Personnel expenses

Personnel expenses decreased by €1,360 thousand, or 0.9%, to €153,678 thousand for the nine months ended September 30, 2024 from €155,038 thousand for the nine months ended September 30, 2023. This decrease was primarily due to a decrease by 5% in employee payroll expense, due to a decrease in the number of employees in the nine months ended September 30, 2024, which was partially offset by the release, recognized in the nine months ended September 30, 2023, of provisions for deferred variable compensation for the former Chief Executive Officer, who resigned on April 27, 2023 .

Administrative expenses

Administrative expenses increased by €6,694 thousand, or 10.6%, to €70,003 thousand for the nine months ended September 30, 2024 from €63,309 thousand for the nine months ended September 30, 2023. The increase was primarily due to higher expenses for external consultants and, to a lesser extent, for administrative and logistical services. These increases were offset partially by decreases in spending on all other components, particularly on insurance, indirect taxes and duties, utilities, advertising and marketing.

Depreciation, amortization and impairment

Depreciation, amortization and impairment decreased by €32,440 thousand, or 43.1%, to €42,903 thousand for the nine months ended September 30, 2024 from €75,343 thousand for the nine months ended September 30, 2023. The decrease was primarily due to lower amortization curves of long-term contracts based on the respective business plans, for €4,128 thousand, particularly on certain SLAs in the Hellenic Region, linked to the actual direct margin, which is currently lower compared to the same period of the previous year. Furthermore, expenses for the nine months ended September 30, 2023 reflected the negative impact of impairment losses, which resulted in a €14,712 thousand write-down of the Santander SLA, €1,686 thousand for the brand attributable to the subsidiary doValue Spain, and €12,530 thousand related to the goodwill of the "Iberia" CGU.

Financial (expenses)-income

Financial expenses decreased by €1,943 thousand, or 9.3%, to €18,992 thousand for the nine months ended September 30, 2024 from €20,935 thousand for the nine months ended September 30, 2023. The decrease was primarily due to combined effect of (i) the income deriving from the interest portion of €2,705 thousand resulting from the settlement of the arbitration of the Altamira Tax Claim in Spain (for more details please refer to the paragraph "*Business–Legal Proceedings–Altamira Arbitration*" in this Prospectus); (ii) lower financial expenses of €2,467 thousand mainly related to the portion of interest calculated under IFRS 16 and interest related to the acquisition of doValue Greece, including time value related to the earn-out and interest on the credit line and (iii) a negative impact of €3,173 thousand related to the change in fair value debt securities.

Income tax (expense)-benefit

The Issuer recorded an income tax benefit of €4,921 thousand for the nine months ended September 30, 2024 compared to an income tax expense of €29,797 thousand for the nine months ended September 30, 2023. This change was primarily due to the income tax benefit resulting from the settlement of the arbitration of the Altamira Tax Claim in Spain See "*Business–Legal Proceedings–Altamira Arbitration*".

Year ended December 31, 2023 compared to year ended December 31, 2022

The following table sets forth the Group's audited consolidated income statement for the years ended December 31, 2023 and 2022.

	For the year ended December 31,				Change	
	2022	% of revenues	2023	% of revenues	2023-2022	%
	(in € thousand, and as a percentage of revenues)					
Revenue from contracts with customers	515,934	92.2%	421,510	87.5%	(94,424)	(18.3%)
Other revenue	43,846	7.8%	60,195	12.5%	16,349	37.3%
Total revenue	**559,780**	**100%**	**481,705**	**100%**	**(78,075)**	**(13.9%)**
Costs for services rendered	(45,716)	8.2%	(24,993)	5.2%	(20,723)	(45.3%)
Personnel expenses	(231,149)	41.3%	(213,097)	44.2%	(18,052)	(7.8%)
Administrative expenses	(100,412)	17.9%	(90,661)	18.8%	(9,751)	(9.7%)
Other operating (expense)/income	4,070	0.7%	5,089	1.1%	1,019	25.0%
Depreciation, amortization and impairment	(71,153)	12.7%	(92,742)	19.3%	21,589	30.3%
Provisions for risks and charges	(4,446)	0.8%	(2,289)	0.5%	(2,157)	(48.5%)
Total costs	**(448,806)**	**80.2%**	**(418,693)**	**86.9%**	**(30,113)**	**(6.7%)**
Operating income	**110,974**	**19.8%**	**63,012**	**13.1%**	**(47,962)**	**(43.2%)**
Financial (expense)/Income	(49,757)	8.9%	(37,130)	7.7%	(12,627)	(25.4%)
Profit (loss) from equity investments	—	—	768	0.2%	768	—
Profit (loss) before tax	**61,217**	**10.9%**	**26,650**	**5.5%**	(34,567)	(56.5%)
Income tax expense	(34,742)	6.2%	(40,291)	8.4%	5,549	16.0%
Net Profit (loss) from continuing operations	**26,475**	**4.7%**	**(13,641)**	**2.8%**	**(40,116)**	**(151.5%)**
Net Profit (loss) for the periods	**26,475**	**4.7%**	**(13,641)**	**2.8%**	**(40,116)**	**(151.5%)**

Revenue from contracts with customers

Revenue from contracts with customers decreased by €94,424 thousand, or 18.3%, to €421,510 thousand for the year ended December 31, 2023 from €515,934 thousand for the year ended December 31, 2022. The decrease was mainly due to the worsening macroeconomic conditions that are affecting the sector, which meant lower collection levels, and the loss of the Sareb portfolio in Spain, which was offboarded between July and October 2022. This decrease in revenue from contracts with customers was particularly driven by Spain and Italy, due to a decrease in GBV under management. In particular, GBV under management in Italy and Spain, respectively, decreased by €3,790 thousand and €789 thousand, or 5.26% and 6.77%, to €68,241 thousand and €10,861 thousand for the year ended December 31, 2023, from €72,031 thousand and €11,650 thousand for the year ended December 31, 2022.

Other revenue

Other revenue increased by €16,349 thousand, or 37.3%, to €60,195 thousand for the year ended December 31, 2023, from €43,846 thousand for the year ended December 31, 2022. The increase was mainly due to revenues from ancillary services to SPV clients in the Hellenic Region, higher revenue from administrative and corporate services primarily provided by the Group and additional income from information services. These increased revenues were partially offset by lower revenues from ancillary REO services, which in the prior period included significant revenues from the Sareb portfolio.

Costs for service rendered

Costs for services rendered decreased by €20,723 thousand, or 45.3%, to €24,993 thousand for the year ended December 31, 2023, from €45,716 thousand for the year ended December 31, 2022. The decrease was mainly due to the reduction in fees of the recovery network following the decrease in the portfolios managed in Spain, following the termination of the Sareb Agreement, which also generated the reduction in revenues, and certain insourcing activities in Italy.

Personnel expenses

Personnel expenses decreased by €18,052 thousand, or 7.8%, to €213,097 thousand for the year ended December 31, 2023, from €231,149 thousand for the year ended December 31, 2022. The decrease was mainly due to a 5% decrease in employee payroll of expense, due to a decrease in the number of 42 and with the add on of, the release of provisions for deferred variable compensation for the former Chief Executive Officer, who resigned on April 27, 2023 and the significant increase in expenses, for temporary workers in Spain and Greece.

Administrative expenses

Administrative expenses decreased by €9,751 thousand, or 9.7%, to €90,661 thousand for the year ended December 31, 2023, from €100,412 thousand for the year ended December 31, 2022. The increase was mainly due to lower expenses for external consulting, IT services related to technological developments, and indirect personnel expenses, which were offset in part by higher costs for administrative and logistical services and for credit recovery.

Depreciation, amortization and impairment

Depreciation, amortization and impairment increased by €21,589 thousand, or 30.3%, to €92,742 thousand for the year ended December 31, 2023, from €71,153 thousand for the year ended December 31, 2022. The increase was mainly due to higher impairment losses on intangible assets, amounting to €26.1 million compared to €1.3 million in the previous year. The impairment losses recorded during the year were mainly a result of the outcomes of the impairment test, revealing impairment in servicing contracts totalling €13.4 million related to the Santander contract of doValue Spain and €12.5 million related to the CGU "Iberia". Santander contract was impaired as a consequence of a review of the prospective figures of the contract and of its margins. The update in underlying numbers was to reflect the revised Business Plan. In particular, target revenues in the Business Plan were decreased by 50% compared to those in the previous business plan, while EBITDA and free cash flow were reduced by 72% and 81% respectively, leading to a significant decrease in the fair value of the abovementioned impairments. Additionally, there was an increase in lease right-of-use asset amortizations, amounting to €14.3 million for 2023 compared to €13.1 million as of December 31, 2022. The impairment adjustments of €1.1 million related to the estimated recoverable value of advances paid for businesses being disposed of in the Spanish region also contributed to the increase.

Financial (expenses)/Income

Financial expenses decreased by €12,627 thousand, or 25.4%, to a net expense of €37,130 thousand for the year ended December 31, 2023, from a net expense of €49,757 thousand for the year ended December 31, 2022. The decrease was mainly due to lower interest expenses accrued on outstanding 2020 and 2021 bonds, as well as the reduction in other financial expenses, including the portion of interest calculated in accordance with IFRS 16 and the time value accrued on the earn-out of the doValue Greece Acquisition. Additionally, there was a decrease in interest expenses for late payment related to the arbitration with Altamira Asset Management Holdings S.L. and the earn-out for the doValue Spain Acquisition.

Income tax expense

Income tax expense increased by €5,549 thousand, or 16.0%, to €40,291 thousand for the year ended December 31, 2023, from €34,742 thousand for the year ended December 31, 2022. The increase was mainly due to a negative impact of changes in deferred tax assets partially offset by deferred tax liabilities.

Year ended December 31, 2022 compared to year ended December 31, 2021

The following table sets forth the Group's audited consolidated income statement for the years ended December 31, 2022 and 2021.

	For the year ended December 31,				Change	
	2021	% of revenues	2022	% of revenues	2022-2021	%
	(in € thousand, and as a percentage of revenues)					
Revenue from contracts with customers	524,365	100.0%	515,934	100.0%	(8,431)	(1.6%)
Other revenue	40,774	7.8%	43,846	8.5%	3,072	7.5%
Total revenue	**565,139**	**100%**	**559,780**	**100%**	**(5,359)**	**(0.9%)**
Costs for services rendered	(56,680)	10.8%	(45,716)	8.9%	10,964	19.3%
Personnel expenses	(231,581)	44.2%	(231,149)	44.8%	432	0.2%
Administrative expenses	(99,231)	18.9%	(100,412)	19.5%	(1,181)	(1.2%)
Other operating (expense)/income	(8,596)	1.6%	4,070	0.8%	12,666	147.4%
Depreciation, amortization and impairment	(96,263)	18.4%	(71,153)	13.8%	25,110	26.1%
Provisions for risks and charges	(3,865)	0.7%	(4,446)	0.9%	(581)	(15.0%)
Total costs	**(496,216)**	**94.6%**	**(448,806)**	**87%**	**47,410**	**9.5%**
Operating income	**68,923**	**13.1%**	**110,974**	**21.5%**	**42,051**	**61.0%**
Financial (expense)/Income	(22,337)	4.2%	(49,757)	9.6%	(27,420)	(122.8%)
Profit (loss) from equity investments	83	0.0%	—	0.0%	(83)	(100%)
Profit (loss) before tax	**46,669**	**8.9%**	**61,217**	**11.9%**	**14,548**	**31.2%**
Income tax expense	(13,496)	2.6%	(34,742)	6.7%	(21,246)	157.4%
Net Profit (loss) from continuing operations	**33,173**	**6.3%**	**26,475**	**5.1%**	**(6,698)**	**(20.2%)**
Net Profit (loss) for the periods	**33,173**	**6.3%**	**26,475**	**5.1%**	**(6,698)**	**(20.2%)**

Revenue from contracts with customers

Revenue from contracts with customers decreased by €8,431 thousand, or 1.6%, to €515,394 thousand for the year ended December 31, 2022 from €524,365 thousand for the year ended December 31, 2021, primarily due to a decrease in revenues from servicing activities by €26,602 thousand, mainly due to the negative performance in the Spanish region, where servicing revenues decreased by €41,826 thousand as a result of the expiry of the Sareb Agreement in June 2022, and to the decrease in servicing revenues in Italy, which decreased by €13,473 thousand. This decrease was offset by an increase of €17,958 thousand in revenues from servicing for securitizations in Italy, and the positive performance in servicing activities in the Hellenic region where revenues from servicing activities increased by €23,901 thousand.

Other revenue

Other revenue increased by €3,072 thousand, or 7.5%, to €43,846 thousand for the year ended December 31, 2022, from €40,774 thousand for the year ended December 31, 2021. The increase was mainly attributable to the effect of greater administrative services and corporate services carried out by the Group, as well as higher income from other ancillary services, including the Group's Master Legal services. This increase was partially offset by lower revenues from ancillary REO services (mainly due to a contract renegotiation with less favorable volumes and terms compared to the previous agreement).

Costs for service rendered

Costs for service rendered decreased by €10,964 thousand, or 19.3%, to €45,716 thousand for the year ended December 31, 2022 from €56,680 thousand for the year ended December 31, 2021. The decrease was mainly due to a decrease in costs related to assets under management, attributable to (i) a reduction in collections through the external network, and (ii) a decrease in the brokerage fees, primarily in the Spanish region due to decreased assets under management after the expiry of the Sareb Agreement in June 2022.

Personnel expenses

Personnel expenses decreased by €432 thousand, or 0.2%, to €231,149 thousand for the year ended December 31, 2022 from €231,581 thousand for the year ended December 31, 2021. The decrease was the result of an efficiency program implemented by the Issuer called "doTransformation Program", offset by the increase in expenses relating to directors and statutory auditors and other personnel during the period. The average number of employees decreased by 3.4% period-on-period.

Administrative expenses

Administrative expenses increased by €1,181 thousand, or 1.2%, to €100,412 thousand for the year ended December 31, 2022 from €99,231 thousand for the year ended December 31, 2021. This slight increase was mainly due to costs for IT services related to technological developments and outsourced administrative and logistical services, which was offset by lower maintenance and management costs of the operating properties.

Depreciation, amortization and impairment

Depreciation, amortization and impairment decreased by €25,110 thousand, or 26.1% to €71,153 thousand for the year ended December 31, 2022 from €96,263 thousand for the year ended December 31, 2021. This decrease is mainly due to lower amortization recorded in intangible assets as a result of the normal run-off of long-term servicing contracts. Amortization also includes the amortization of right-of-use assets under IFRS 16.

Financial (expenses)/Income

Financial expenses increased by €27,420 thousand, or 122.8% to a net expense of €49,757 thousand for the year ended December 31, 2022 from a net expense of €22,337 thousand for the year ended December 31, 2021, mainly due to an earn-out of €28.6 million due to Eurobank for the acquisition of doValue Greece linked to the achievement of certain EBITDA targets over a ten-year period recorded during the period. The payment of this earn-out is due in 2024. The strong economic performance of the Greek entity in 2022 led to an increase in the value of the earn-out related to the doValue Greece Acquisition, with a consequent negative economic impact.

Income tax expense

Income tax expense increased by €21,246 thousand, or 157.4%, to €31,742 thousand for the year ended December 31, 2022 from €13,496 thousand for the year ended December 31, 2021. The increase was mainly due to a negative impact of changes in deferred tax assets and liabilities.

Liquidity of the Group

The Group's primary source of liquidity has been cash flow from operating activities. The Group has used its cash flow to fund operating expenses, working capital, capital expenditures, capital and interest payments related to its debt obligations, including under the 2025 Notes and 2026 Notes and, since becoming a publicly listed company, to fund dividend payments to its shareholders.

In addition, as of September 30, 2024, the Group had undrawn committed facilities for an aggregate amount equal to €77 million, which are expected to provide resources for any unforeseen liquidity needs that may not be covered by cash flow from operating activities. The Group expects that its liquidity needs will be primarily met utilizing the available facilities at the Group level. See "*Business—Financing Agreements*."

On June 7, 2024, the Issuer and a syndicate of banks signed a commitment letter in connection with the Gardant Group Acquisition. Subject to the terms and conditions set out in the commitment letter and as further implemented under the 2024 Senior Facilities Agreement, the banks agreed to provide the Issuer with:

- a credit term facility of €240 million to be made available to the Issuer for the purposes of:
    - €180.9 million for financing the Gardant Group Acquisition;
    - €50.4 million for acquiring and/or refinancing certain existing indebtedness of Gardant containing a change of control clause which is triggered by the Gardant Group Acquisition and paying related fees, premia, costs, taxes and expenses in connection therewith; and
    - €8.7 million funding the financing or refinancing of the transaction costs relating to the foregoing;

- a credit term facility of €206.0 million to be made available to the Issuer to refinance a portion of the financial indebtedness under the 2025 Notes (including, without limitation, by way of a tender offer) together with the proceeds of the Rights Issue, and (ii) refinance the financial indebtedness under the 2026 Notes (including, without limitation, by way of a tender offer) and, in each case, paying related fees, premia, costs, taxes and expenses; and

- a revolving credit facility of €80.0 million to be made available to the Issuer to finance and/or refinance the general corporate and/or working capital purposes of the Group including, without limitation, the funding or refinancing of capital expenditure, restructuring costs, acquisitions, investments, joint ventures, operational and reorganisation requirements of the Group, and the refinancing of financial indebtedness of the Group (including drawing the proceeds thereof onto balance sheet to finance such items in future and/or refinance previous expenditure on such items), together with the credit term facility.

The senior facilities agreement requires doValue to draw the full principal amount of the refinancing term facility, but, at the same time, allows doValue to immediately repay any unused portion. If the full amount is drawn, €96.0 million will be used to repay the 2026 Notes.

Cash flows for the nine months ended September 30, 2024 and 2023

The table below sets forth a summary of the Group's unaudited interim condensed consolidated statement of cash flows for the nine months ended September 30, 2024 and 2023:

	For the nine months ended September 30	
	2023	**2024**
	(*in € thousand*)	
Cash flow provided by operations	15,508	10,214
Cash flow used in investing activities	9,171	15,527
Cash flow used in funding activities	44,934	16,554
Net cash flow	**38,597**	**21,867**

Cash flow provided by operations

Cash flow provided by operations decreased by €5,294 thousand to €10,214 thousand for the nine months ended September 30, 2024 from €15,508 thousand for the nine months ended September 30, 2023. This net decrease was mainly attributable to a decrease in the cash inflow from operations, excluding the changes in assets and liabilities, of €14,151 thousand from €96,800 thousand cash inflow for the nine months ended September 30, 2023 to €82,649 thousand cash inflow for the nine months ended September 30, 2024, offset by a (i) a change in working capital which decreased by €16,160 thousand from a cash inflow of €19,388 thousand for the nine months ended September 30, 2023 to a cash inflow of €3,228 thousand for the nine months ended September 30, 2024, (ii) a change in financial assets and liabilities, which decreased by €4,587 thousand from a cash inflow of €9,019 thousand for the nine months ended September 30, 2023 to a cash inflow of €4,432 thousand for the nine months ended September 30, 2024 and (iii) other changes (including interest paid, income taxes paid and changes in other assets and liabilities) which decreased by €29,604 thousand from a cash outflow of €109,699 thousand for the nine months ended September 30, 2023 to a cash outflow of €80,095 thousand for the nine months ended September 30, 2024.

Cash flow used in investing activities

Cash flow used in investing activities increased by €6,356 thousand to €15,527 thousand for the nine months ended September 30, 2024 from €9,171 thousand for the nine months ended September 30, 2023. This increase was mainly attributable to an increase in purchases of intangible assets, which increased by €3,967 thousand from €7,748 thousand for the nine months ended September 30, 2023 to a cash outflow of €11,715 thousand for the nine months ended September 30, 2024 and to cash outflow of 2,822 thousand for sales of subsidiaries for the nine months ended September 30, 2024.

Cash flow used in funding activities

Cash flow used in funding activities decreased by €28,380 thousand to €16,554 thousand for the nine months ended September 30, 2024 from €44,934 thousand for the nine months ended September 30, 2023. This net decrease of €28,380 thousand was mainly attributable to (i) no dividend payment in the nine months ended September 30, 2024, compared to a payment of €52,618 thousand in the nine months ended September 30, 2023, (ii) a change of €20,817 thousand in new loans obtained and loans repaid, including leases paid, from a cash inflow of €7,684 thousand in the nine months ended September 30, 2023, to a cash outflow of €13,133 thousand in the nine months ended September 30, 2024, and (iii) the purchase of treasury shares for €3,421 thousand in the nine months ended September 30, 2024, while no purchases were made in the nine months ended September 30, 2023.

Cash flows for the years ended December 31, 2021, 2022 and 2023

The table below sets forth a summary of the Group's audited consolidated statement of cash flows for the years ended December 31, 2023, 2022 and 2021:

	For the year ended December 31,		
	2021	**2022**	**2023**
		(*in € thousand*)	
Cash flow provided by operations	123,604	62,302	71,508
Cash flow used in investing activities	(64,766)	(31,057)	(21,361)
Cash flow from (used in) funding activities	(24,656)	(63,649)	(72,035)
Net cash flow	**34,182**	**(32,404)**	**(21,888)**

Cash flow provided by operations

Cash flow provided by operations increased by €9,206 thousand to €71,508 thousand for the year ended December 31, 2023 from €62,302 thousand for the year ended December 31, 2022. This net increase was mainly attributable to a decrease in cash flow from operations, excluding the changes in assets and liabilities of €39,602 thousand from €192,771 thousand cash inflow for the year ended December 31, 2022 to €153,169 thousand cash inflow for the year ended December 31, 2023, offset by a (i) a change in working capital, which increased by €12,643 from a cash inflow of €3,183 thousand for the year ended December 31, 2022 to a cash inflow of €15,826 thousand for the year ended December 31, 2023, (ii) a change in financial assets and liabilities, which increased by €6,351 thousand from a cash inflow of €2,323 thousand for the year ended December 31, 2023 to a cash inflow of €8,674 thousand for the year ended December 31, 2022 and (iii) other changes (including interest paid, income taxes paid and changes in other assets and liabilities) which increased by €29,814 thousand from a cash outflow of €135,975 thousand in 2022 to a cash outflow of €106,161 thousand in 2023.

Cash flow provided by operations decreased by €61,302 thousand to €62,302 thousand for the year ended December 31, 2022 from €123,604 thousand for the year ended December 31, 2021. This net decrease was mainly attributable to an increase in the cash flow from operations, excluding the changes in assets and liabilities of €22,553 thousand from €170,238 thousand cash inflow for the year ended December 31, 2021 to €192,771 thousand cash inflow for the year ended December 31, 2022, offset by (i) a change in financial assets and liabilities, which decreased by €21,165 thousand from a cash inflow of €23,488 thousand for the year ended December 31, 2021 to a cash inflow of €2,323 thousand for the year ended December 31, 2022 and (ii) other changes, mainly related to an increase in income taxes paid by €30,334 thousand, from €12,143 thousand for the year ended December 31, 2021 to €42,447 thousand for the year ended December 31, 2022, and other changes (mainly related to interest paid, income taxes paid and changes in other assets and liabilities) which increased by €40,710 thousand from a cash outflow of €28,787 thousand for the year ended December 31, 2021 to a cash outflow of €69,497 thousand for the year ended December 31, 2022 mainly related to normalisation of non-recurring cash flow generation in 2021 related to high portfolio sales and indemnities, and non-recurring cash-out for redundancies related mainly to the reorganisation of the Spanish operations following the loss of the Sareb Agreement.

Cash flow used in investing activities

Cash flow used in investing activities decreased by €9,696 thousand to €21,361 thousand for the year ended December 31, 2023 from €31,057 thousand for the year ended December 31, 2022. This decrease was mainly attributable to a decrease in purchases of intangible assets, which decreased by €7,743 thousand from a cash outflow of €27,110 thousand for the year ended December 31, 2022 to a cash outflow of €19,367 thousand for the year ended December 31, 2023.

Cash flow used in investing activities decreased by €33,709 thousand to €31,057 thousand for the year ended December 31, 2022 from €64,766 thousand for the year ended December 31, 2021. This decrease was primarily attributable to a decrease in purchases of intangible assets, which decreased by €33,902 thousand from a cash outflow of €61,012 thousand for the year ended December 31, 2021 to a cash outflow of €27,110 thousand for the year ended December 31, 2022.

Cash flow used in funding activities

Cash flow used in funding activities amounted to €72,035 thousand for the year ended December 31, 2023 and to €63,649 thousand for the year ended December 31, 2022. This net increase of €8,386 thousand was mainly attributable to (i) the purchase of the 15% minority stake in doValue Spain in 2023 for €21,520 thousand and the purchase of treasury shares in 2023 for €2,115 thousand, (ii) an increase in dividends paid which increased by €8,850 thousand from €44,142 thousand for the year ended December 31, 2022 to €52,992 thousand for the year ended December 31, 2023; and (iii) a net decrease in cash outflows from new loans obtained and loans repaid, including leases paid, for €24,099 thousand.

Cash flow used in funding activities amounted to €63,649 thousand for the year ended December 31, 2022 and to €24,656 thousand for the year ended December 31, 2021. This increase of €38,993 thousand was mainly related to: (i) an increase in dividends paid which increased by €20,918 thousand from €23,224 thousand for the year ended December 31, 2021 to €44,142 thousand for the year ended December 31, 2022; and (ii) a net increase in cash outflows from new loans obtained and loans repaid, including leases paid, for €22,678 thousand.

Capital expenditures

Capital expenditures are defined as investments in property, plant and equipment and intangible assets. The Group finances its capital expenditures with cash flow from operating activities. Save for the doTransformation Program, the Group has limited capital expenditure requirements, mainly concentrated on new software, and less than half of those requirements is committed capital expenditure.

The following table sets forth the Group's capital expenditures in tangible and intangible assets for the nine months ended September 30, 2024 and 2023:

	For the nine months ended September 30,	
	2023	**2024**
	(*in € thousand*)	
Tangible assets	5,704	6,971
Intangible assets	9,147	11,715
Capital Expenditures	**14,851**	**18,686**

(i) Tangible assets capital expenditures refer to the acquisition of furniture, IT hardware and right of use assets.
(ii) Intangible assets capital expenditures are referred to new software, mainly developed for managing non-performing positions.

No significant capital expenditures (both tangible and intangible assets) have been incurred after September 30, 2024.

The capital expenditures in progress as of September 30, 2024 amount to €14,540 thousand, of which €9,730 thousand relate to doValue Greece and €3,774 thousand relate to the Issuer.

Nine months ended September 30, 2024

For the nine months ended September 30, 2024, capital expenditures amounted to €18,686 thousand. Of such expenditures, €6,971 thousand was related to the acquisition of tangible assets, mainly consisting of rights of use related to the renewal of rental contracts in accordance with IFRS 16 and €11,715 thousand was related to the acquisition of intangible assets, mainly related to the development of the Group's IT platform.

Nine months ended September 30, 2023

For the nine months ended September 30, 2023, capital expenditures amounted to €14,851 thousand. Of such expenditures, €5,704 thousand was related to the acquisition of tangible assets, mainly consisting of rights of use related to the renewal of rental contracts in accordance with IFRS 16, and €9,147 thousand was related to the acquisition of intangible assets, mainly related to the development of the Group's IT platform.

The following table sets forth the Group's capital expenditures in tangible and intangible assets for the years ended December 31, 2023, 2022 and 2021.

	For the year ended December 31,		
	2021	**2022**	**2023**
		(in € thousand)	
Tangible assets	13,367	41,973	6,719
Intangible assets	61,010	36,566	21,666
Capital Expenditures	**74,377**	**78,539**	**28,385**

(i) Tangible assets capital expenditures refer to the acquisition of furniture, IT hardware and right of use assets.
(ii) Intangible assets capital expenditures are referred to new software, mainly developed for managing non-performing positions.

Year ended December 31, 2023

For the year ended December 31, 2023, capital expenditures amounted to €28,385 thousand. Of such expenditures, €6,719 thousand was related to the acquisition of tangible assets, the renewal of rental contracts in accordance with IFRS 16, and €21,666 thousand was related to the acquisition of intangible assets, mainly related to the development of the Group's IT platform.

Year ended December 31, 2022

For the year ended December 31, 2022, capital expenditures amounted to €78,539 thousand. Of such expenditures, €41,973 thousand was related to the acquisition of tangible assets, mainly related to the renewal of rental contracts for certain premises in Italy and Cyprus, for a total of €20,060 thousand, as well as purchases of new technology infrastructure of €16,151 thousand as part of the doTransformation Program which was recognized as rights of use assets in accordance with IFRS 16, and €36,566 thousand was related to the acquisition of intangible assets primarily to develop the Group's IT platform, also as part of the doTransformation Program.

Year ended December 31, 2021

For the year ended December 31, 2021, capital expenditures amounted to €74,377 thousand. Of such expenditures, €13,367 thousand were related to the acquisition of tangible assets, mainly related to the application of the IFRS 16 principle, and €61,010 thousand were mainly related to: (i) the acquisition of intangible assets, primarily to obtain a new servicing mandate in relation to a securitization portfolio of impaired loans in Greece, equal to €35,497 thousand; and (ii) new software developments for managing non-performing exposures and credit recovery.

Net Financial Indebtedness

During the period under review, the Group's main sources of financing have been:

i. The 2019 senior facility agreement ("**2019 Senior Facility Agreement**") providing for funding of €415 million. The Group used drawings under the 2019 Senior Facility Agreement to fund the Altamira Acquisition and to refinance its existing debt. The 2019 Senior Facility Agreement was fully repaid using proceeds from the issuance of the 2026 Notes on July 22, 2021;

ii. the 2025 Notes, issued on August 4, 2020, in an aggregate principal amount of €265 million. The Group used the proceeds of the 2025 Notes to repay the bridge loan entered into and used to fund the doValue

Greece Acquisition; the 2025 Notes will mature on August 5, 2025 and will be repaid in full with the proceeds of the Offer;

iii. the 2026 Notes, issued on July 22, 2021, in an aggregate principal amount of €300 million. The Group used the proceeds of the 2026 Notes to repay and cancel the 2019 Senior Facility Agreement (including accrued interest thereon) unwind certain interest rate swaps associated with the 2019 Senior Facility Agreement, and pay fees and expenses incurred in connection therewith, with the remainder being held as cash on the Group's balance sheet to be used for general corporate purposes; the 2026 Notes will mature on July 23, 2026.

The following table sets forth the amounts of the Group's net financial indebtedness as of December 31, 2021, 2022 and 2023 and as of September 30, 2024. Net financial indebtedness is a non-IFRS financial measure. See "*Selected Financial and Other Information*."

		As of December 31,			As of September 30,
		2021	2022	2023	2024
		(*in € thousand*)			
A	Cash	166,668	134,264	112,376	90,509
B	Cash equivalents	-	-	-	-
C	Other current financial assets	1,516	4,380	-	
D	**Liquidity (A)+(B)+(C)**	**168,184**	**138,644**	**112,376**	**90,509**
E	Current financial debt	(7,611)	(4,543)	(25,879)	(289,312)
F	Current portion of non-current financial debt	(35,593)	(72,063)	(55,529)	(25,860)
G	**Current financial indebtedness (E)+(F)**	**(43,204)**	**(76,606)**	**(81,408)**	**(315,172)**
H	**Net current financial indebtedness (D)+(G)**	**124,980**	**62,038**	**30,968**	**(224,663)**
I	Non-current financial debt	(50,413)	(54,158)	(50,301)	(44,572)
J	Debt instruments	(550,859)	(554,220)	(552,861)	(294,041)
K	Non-current trade and other payables	-		-	-
L	**Non-current financial indebtedness (I)+(J)+(K)**	**(601,272)**	**(608,378)**	**(603,162)**	**(338,613)**
M	**Net financial indebtedness**	**(476,292)**	**(546,340)**	**(572,194)**	**(563,276)**

Net Financial Indebtedness increased by €70,048 thousand from €476,292 thousand as of December 31, 2021 to €546,340 thousand as of December 31, 2022. The increase was mainly due to a decrease in cash (€32,406 thousand) and (i) an increase in lease liabilities (€23,572 thousand) due to the application of IFRS 16, and (ii) a higher earn-out liability (€21,606 thousand) related to the doValue Greece Acquisition due the strong economic performance in Greece in 2022, which led the Issuer to recognize a higher value of this liability.

Net Financial Indebtedness increased by €25,854 thousand from €546,340 thousand as of December 31, 2022 to €572,194 thousand as of December 31, 2023. The increase was mainly due to a lower amount of cash (€21,888 thousand) and a higher amount of current bank loans (€25,469 thousand), offset by a lower amount of other current financial debt (€20,464 thousand).

As of September 30, 2024, Net Financial Indebtedness, amounting to €563,276 thousand, was lower compared to the amount of €572,194 thousand outstanding as of December 31, 2023. The decrease was mainly due to the payment of the earn-out liabilities for the Altamira Acquisition in Spain in connection with the settlement of the Altamira Tax Claim, which was classified in current portion of non-current financial debt. See "*Business–Legal Proceedings–Altamira Arbitration*").The current financial debt increased principally due to the reclassification of €263.8 million of the 2025 Notes, which mature on August 4, 2025.

Financial Payments Due by Period

The following table summarizes, as of September 30, 2024, the Group's financial obligations due by period and the effect that such payments are expected to have on its liquidity and cash flows, prior to giving effect to the Offer and the use of proceeds therefrom in connection with the Gardant Group Acquisition and the repayment of financial indebtedness. The information presented in the table below reflects management's estimates of the contractual maturities of these obligations. These estimates may differ significantly from the actual maturities of these obligations. For further information on the adjustments to give effect to the Offer and the use of proceeds therefrom, see "*Capitalization and Indebtedness*" and "*Selected Financial and Other Information*".

	Payments Due by Period			
	Total	< 1 year	2-5 years	> 5 years
	Unaudited			
	(*in € thousand*)			
Bank loans	25,516	25,516	0	0
Bonds issued(1)	559,502	265,461	294,041	0
Lease liabilities(2)	34,783	12,195	22,574	14
Earn-out(3)	33,984	12,000	10,977	11,007
Other current and non-current financial liabilities	0	—	—	—
Total	653,785	315,172	327,592	11,021

(1) Represents the 2025 Notes and the 2026 Notes.
(2) Represents the financial liabilities of €34,783 thousand associated with lease agreements of the Group.
(3) Represents the earn-out liabilities in connection with the doValue Greece Acquisition.

FORECAST DATA AND ESTIMATES

Introduction

On March 20, 2024, the Issuer's Board of Directors approved the Group's 2024-2026 business plan, published on March 21, 2024, including information on Group's strategy and operating, economic and financial targets (the "**doValue Standalone Targets**").

On August 7, 2024, the Issuer issued a press release to announce the approval of the half year report as of June 30, 2024 (the "**Half Year Press Release**") and updated the doValue Standalone Targets for 2024 (these updated figures and the Group's 2024-2026 business plan approved on March 20, 2024, the "**Business Plan**"). These updates reflect primarily the effects of *(i)* the postponing in 2025 of certain secondary sales in Greece and *(ii)* lower collection rate, especially in Spain, impacted by the weaker economic environment. However, these updates have not modified the doValue Standalone Targets for 2026.

The Business Plan is valid as of the Prospectus Date, also considering the Group's economic and financial performance up to that date.

On June 7, 2024, the Issuer issued a press release to announce the Gardant Group Acquisition and published a document containing the related key highlights (the "**Gardant Group Acquisition Documents**"). See *"The Gardant Group Acquisition"*.

The Gardant Group Acquisition Documents, among others, include:

- Combined Group's operating, economic and financial targets for 2026 (the "**Combined Targets**"); and
- Gardant Group's operating, economic and financial targets for 2024 (the "**Gardant Group Targets**").

Gardant Group Targets are presented for information purposes considering the Gardant Group Acquisition Completion, subject to certain conditions precedent being satisfied.

The Combined Targets are the result of the *(i)* doValue Standalone Targets for 2026 as included in the Business Plan, which represent the most significant and material component; *(ii)* Gardant Group Targets for 2026 and *(iii)* potential revenue and costs synergies deriving from the Gardant Group Acquisition and the cumulative restructuring costs required to achieve these synergies. In this regard, it should be noted that the Half Year Press Release, as reported above, partially updated the doValue Standalone Targets for 2024 only, without any impact on 2026 targets and therefore, on the Combined Targets.

As of the Prospectus Date the Issuer has not prepared a business plan for the Combined Group. The Combined Targets, including the expected performance of the Combined Group and, therefore, the results of the entire consolidation perimeter following the Gardant Group Acquisition, represent the most complete set of targets in term of capacity to predict the Group's future performance. However, prospective investors should focus also on the Business Plan since the doValue Standalone Targets represent the most relevant component of the Combined Targets.

This section includes targets for the operating, economic and financial performance as presented in the Combined Targets, the doValue Standalone Targets and the Gardant Group Targets (together, the "**Targets**").

The Targets are based upon assumptions regarding certain future events being realized, and certain future actions being implemented by the Directors and management. These include a number of general and hypothetical assumptions that are subject to risk and uncertainties regarding, inter alia, the current macroeconomic environment, the regulatory developments, future events and actions by the Directors and management that may not necessarily occur, and events and actions upon which the Directors and management have no or only partial influence, the performance of the main line items of the balance sheet and income statement of the Issuer, of Gardant and of the Combined Group, and other factors that influence their development (the "**General and Hypothetical Assumptions**"). The main General and Hypothetical Assumptions underlying the preparation of the doValue Standalone Targets are described in greater detail below under "*—Assumptions and Strategies*". In summary, such assumptions include: *(i)* the absence of significant changes in the regulatory environment in all geographies in which the Group operates, *(ii)* that a pipeline of market opportunities will in fact materialize, *(iii)* the acquisition of new mandates in all geographical areas and the expansion into the Early arrears and Stage 2 business segments as well as into the non-banking NPE segments. In addition to the Discretionary Assumptions described below under "*—Assumptions and Strategies—Group Specific Assumptions—Discretionary Assumptions*", in relation to the Combined Group the assumptions include the successful completion of all parts of the Gardant Group Acquisition, including the regulatory authorizations, and the finalization of the 2024 Senior Facilities Agreement (consisting of the Acquisition Term Facility, the Refinancing Term Facility, and the Revolving Facility), and the successful completion of the Reserved Capital Increase and the Rights Issue.

Given the uncertainty associated with the occurrence of any future events, both with respect to timing and the extent to which they occur, the differences between the Targets and the actual figures could be significant, even in cases where the events anticipated by the assumptions actually occur.

Assumptions and Strategies

The strategic guidelines, assumptions, and key drivers outlined below, underlying the doValue Stand Alone targets, also apply to and are valid for the Combined Targets for the Combined Group.

Strategies

The Targets were developed with a focus on continuing to drive growth by utilizing the Group's distinctive assets and capabilities to achieve the following strategies, which include, but are not limited to: (i) client oriented approach to consolidate leadership on the core business and to unlock new growth opportunities; (ii) growth and diversification beyond collection activity; (iii) re-engineered operating model to achieve cost rationalization and decrease break-even point; (iv) leader in technology and innovation; (v) promotion of an inclusive Group culture right-sized to its business; and (vi) best positioned to develop an integrated alternative asset management business focusing on niche credit strategies. For further information on the strategic approaches of the Group, see "*Business – Strategies*".

Group-Specific Assumptions

<u>Strategic approaches underlying the preparation of the doValue Standalone Targets</u>

A summary of the main assumptions underlying the preparation of the doValue Standalone Targets distinguishing between General and Hypothetical Assumptions and those assumptions based on actions within the control of the Directors and management (the "**Discretionary Assumptions**" and, together with the General and Hypothetical Assumptions, the "**Assumptions**"), is provided below.

<u>General and Hypothetical Assumptions</u>

This paragraph describes the main General and Hypothetical Assumptions used by the Group's Directors and management to prepare the doValue Standalone Targets based on their knowledge, experience and estimates. These assumptions concern the trend in external factors capable of influencing business development that the Directors and management cannot influence or can only partially influence.

The General and Hypothetical Assumptions are presented for each geographical area in which the Group operates and focus on macroeconomic outlook, market opportunities and industry related factors.

The following table sets forth the macroeconomic assumptions underlying the determination of the doValue Standalone Targets.

	Hellenic	**Italy**	**Spain**
GDP (*)	2-3% GDP growth (>3% in Cyprus)	Stagnant growth on GDP and loan volumes	1-2% growth on GDP and almost flat loan volumes
Inflation rate (*)	2.00%, 2.30% and 2.88% in 2026, 2025 and 2024 respectively	2.00%, 2.14% and 2.57% in 2026, 2025 and 2024 respectively	1.82%, 2.02% and 3.15% in 2026, 2025 and 2024 respectively
NPE ratio (**)	Still higher than long term target of 3% (in line with other European Banks)	At historical low, yet banks still above their targets	Ratio of Spanish banks higher vs long term target (3.5% in 2023)

Default rate (***)	Default rate starting to revert upward	Increasing also due to phase out of effects from temporary State support measures	In line with other Southern European countries

Source: (*) IMF. Information as of April 2023, (**) EBA Risk Dashboard. Information as of 1Q 2024 (***) Bank of Greek for Hellenic region. Information as of 2Q 2023. Banca IFIS investor relations section for Italy region and Management estimates. Information as of 1Q 2024. Banco de España reports for Spain region. Information as of 1Q 2024

The macroeconomic assumptions underlying the determination of the doValue Standalone Targets based on the data available as of the Prospectus Date refer, with reference to Hellenic, Italy and Spain regions, respectively, to *(i)* GDP of 2.0%, 0.7% and 1.9% (Source: IMF, data as of April 2024); *(ii)* inflation rate of 2.7%, 1.7% and 2.7% (Source: IMF, data as of April 2024); *(iii)* NPE ratio of 3.8%, 2.4% and 2.9% (Source: EBA Risk Dashboard, data as of March 2024) and *(iv)* default rate of 0.7%, 1.0% and 1.0% (Source: Bank of Greek for Hellenic region, Banca IFIS investor relations section for Italy region management estimates based on information from Banco de España reports for the Spain region).

The macroeconomic assumptions underlying the determination of the doValue Standalone Targets are valid as of the Prospectus Date.

The doValue Standalone Targets are prepared considering the interest rate scenario observed at the end of 2023, *i.e*., Euribor 3M equal to 3.9%, and, consequently, does not include assumptions on interest rates future trends.

The Group's NPL growth rate, in terms of GBV, has been assumed equal to a CAGR of-2.4%, from 2023A to 2026E compared to a market trend expected to be stable over the 2024-2026 timeframe. The non-NPL business includes large and diversified markets, currently not significantly covered by the Group's activities. For this reason, the assumptions underlying the Business Plan are not linked to the growth rate of these markets.

The Group's growth rate, in terms of CAGR from 2023A to 2026E, has been assumed *(i)* for NPL business equal to -2.4%, compared to a market trend expected to be stable over the 2024-2026 timeframe and *(ii)*for non-NPL business equal to 4.5%. Unlike for the NPL business, for which the Group already holds a significant market share, estimates of non-NPL revenues mainly depend on the Group ability and intention to enter in the related reference markets, where the Group currently has a minor market share.

The Group's non-NPL business's trend is mainly driven by new revenue streams from complimentary segments (e.g. granular, non-banking) supported by the deployment of a digital platform for recoveries. With particular reference to the UTP revenues, they will be mostly driven by the growth of the Efesto Fund or similar funds with 2026 revenue also impacted by the success fees related to Efesto Fund.

The following table sets forth the assumptions relating to market opportunities underlying the determination of the doValue Standalone Targets.

	Hellenic (*)	**Italy (**)**	**Spain (***)**
Market Pipeline for the next 18 months[(1)]	€9.8bn	€22.5bn	€5.5bn
Stock of performing and Stage 2 loans	€150bn	€2tn	€3tn
Early Arrears flows from banks per annum	€5bn	€30bn	€50bn
Non-banking NPE flows per annum	€10bn	€20bn	€30bn

Note: (1) as of September 30, 2024, the values for the Market Pipeline the for the next 18 months are as follow: €10.1bn for Hellenic, €13.7bn for Italy and (iii) €5.1bn for Spain. These amounts exclude €4bn from forward flow agreements. Source: (*) Estimates based on ECB, EBA, Bank of Greece, Bank of Cyprus, OECD data, adjusted to factor in a prudential buffer and business relationships. (**) Estimates based on ECB, EBA, Bank of Italy, OECD data, adjusted to factor in a prudential buffer and business relationships. (***) Estimates based on ECB, EBA, OECD data, adjusted to factor in a prudential buffer and business relationships.

Set out below is a list of geography-specific industry-related factors underlying the determination of the Targets by geographical area.

Hellenic

(i) Opportunity on flow contracts of top banks potentially bringing new asset under management to the market;

(ii) strong secondary pipeline in Greece;

(iii) stable profitability coupled with expansion into new segments through the deployment of a digital platform to manage smaller receivables and loans (e.g. consumer finance, utilities), new revenue stream from advisory services and mortgage brokerage (building a unique one-stop-shop positioning) in Greece to complement revenue generation and origination also supported by DPO financing to borrowers funded by Financial Institutions and deployment of servicing to performing portfolio;

(iv) improving collection environment;

(v) pressure on costs driven by turnover and carry-over effect of inflation on non-human resources costs;

(vi) strong focus on Real Estate, both REO and non-REO;

(vii) opportunity for sale-back of reperforming loans (potential up to 10-15% of HAPS transactions within the next 3-5 years) and growth of alternative financing schemes (e.g. DPO financing); and

(viii) significant need of banks to revamp mortgage business through new loans / new financing to reperforming borrowers.

Italy

(i) underperformance of certain GACS in Italy creating opportunities in secondary market;

(ii) pressure on profitability;

(iii) stable collection environment;

(iv) pressure on human resources costs due to the new labour contract and carryover effect of inflation on non-HR costs;

(v) margins for debt purchasers under pressure given high interest rates; and

(vi) potential changes in competitive landscape with consolidation and expiration of some long-term mandates in next 3-4 years changing competitive dynamics The NPL Decree Credit Purchasers will facilitate this consolidation process by increasing regulatory hurdles and making it difficult for smaller operators to compete.

Spain

(i) Opportunity to secure multi-year agreements with banks and growth in non-NPL segments (e.g. UTPs and expansion of early arrears);

(ii) growing profitability for players with sufficient scale also as a result of improving collection environment, while smaller players face negative operating leverage and cash-flow conversion;

(iii) a potential wave of consolidation has started, with need for economies of scale; and

(iv) traditional REO business with more limited growth opportunities but still sizeable.

The determination of the doValue Standalone Targets assumed the absence of significant unforeseen changes in the regulatory environment in all geographies in which the Group operates and consequently is based on the current regulatory frameworks whose possible changes are not expected to significantly affect negatively the Group's business.

Further, for the purposes of the Targets, the Group has assumed the acquisition of significant new mandates in all geographical areas in which it operates and the expansion into the early arrears and Stage 2 business segments as well as into the non-banking NPE segments, based on certain future actions by the Directors and management described below under "*Discretionary Assumptions*" and over which the Directors and management have only partial influence.

Discretionary Assumptions

The main Discretionary Assumptions used by the Directors and management to develop the doValue Standalone Targets relate, at least in part, to actions that can be controlled by the Directors and management. These assumptions are specific for each geographical area in which the Group operates.

If any of the following assumptions do not occur or do not occur in the manner and with the timing predicted by the Directors and management, the Targets may not be achieved or may be only partially achieved, and actual results may differ materially from those forecasts.

The Discretionary Assumptions underlying the expected economic performance in each geographical area in which the Group operates are set forth below.

	Hellenic	**Italy**	**Spain**
Revenue	• €2.2bn (of which €2.1 bn in Greece and €0.1bn in Cyprus), from new mandates from 2024 transactions already in the market and other new business in 2025 • Strong leverage on portfolio sales in Greece, especially on Cairo reperforming loans • Significant increase in doValue Greece RES revenues • Cyprus revenues increasing with SKY full year contribution new portfolio onboardings	• Review of the operating model of NPL business unit starting from the second half of 2024, applying higher outsourcing in order to reduce the fixed cost base and benefit from the external network • Approx. €9 bn in new mandates, of which €6.0 bn in NPL and approximately €3 bn from UTP and Stage 2 • Unicredit inflows in 2024 and 2025 in line with current business • Increase in UTP revenues following newly acquired GBV, due to Efesto Success fees in 2026	• New mandates of €6.5bn, both from banks and new portfolio investors • Santander inflows in line with historical data • Increased productivity and collections • above 60% of total revenues coming from existing contracts
HR costs	• Reduction in the number of FTEs mainly in *(i)* Greece linked to transformation and innovation projects and to the optimization of workloads and *(ii)* in Cyprus due to the gradual reduction in personnel related to portfolios onboarded during 2024	• Significant reduction in the number of FTEs mainly due to new outsourcing model, innovation initiatives, creation of a leaner corporate center as well as natural attrition	• Reduction in the number of FTEs linked to the conclusion in 2024 of the resizing program, followed by new hirings in 2025 and 2026 tied to new business
Other operating costs	• Sharp increase in outsourcing costs due to REO outsourcing fees increasing in doValue Greece RES partially offset by a reduction in operating expenditure	• Decreasing outsourcing fees due to the net effect of *(i)* increase in NPL business due to the externalization of certain NPL loans, and *(ii)* decrease in other business in line	• Decrease in outsourcing costs mainly due to Team 4 consolidation Strong reduction in opex in line with the resizing of the Issuer

	with lower revenues-Investment realized to undergo the strategic transformation	

Operating costs are expected to remain stable in 2026 as compared with 2023 (€302 million and €300 million, respectively) due to the successful execution of the doTransformation Program, which consists of an improved approach to outsourcing launched in 2022 by the Group, which has been completed in the course of 2024 (the "doTransformation Program"), coupled with further transformation initiatives aimed at pushing innovation and efficiencies. In the 2024-2026 timeframe, the Group will further restructure its HR cost base as a result of a total net headcount reduction expected at approximately 500 FTEs. Without the combined effect of *(i)* HR costs rightsizing *(ii)* performance based compensation scheme and *(iii)* other efficiency actions, HR costs would have increased by more than €30m. The trend in HR costs is expected to be partially offset by an increase in outsourcing costs mainly driven by the stronger role of external collectors to boost collection rates and variable costs, particularly for small and medium sized tickets with low chances of recoverability.

The pipeline of potential servicing mandates for 2024-2025 across Southern Europe is currently estimated by the Issuer to be around €33 billion.

The total new mandates' volumes as of the Prospectus Date amounts to €9.6 billion, of which €2.7 billion related to secondary sales. The total new mandates' volumes target for the entire 2024, excluding secondary sales, is equal to €8 billion, which has been reached as of the Prospectus Date. In this regard, based on the current pipeline, the 2024 target is expected to be met.

The Discretionary Assumptions underlying the Group's financial structure are as follows:

- best ratings agencies vs peers (BB rating and Stable outlook provided by Standard & Poor's in January 2024 and by Fitch in June 2023) and best leverage in the industry;
- rapid deleveraging profile in 2025 and 2026, as provided in the Business Plan, due the combined effect of *(i)* an increase both in EBITDA and in operating cash flow in all the regions where the Group operates and *(ii)* a gross debt stable over the 2024-2026 timeframe;
- options to refinance the existing bonds by the summer of 2025, with a priority for the 2025 maturity; and
- yield on the secondary market has been among the lowest of sector.

The Discretionary Assumptions underlying the Group's investments are as follows:

- 2024 focus on investment and transformation, with €45 million one-off cash costs aimed at achieving €25 million cost savings over the 2024-2026 timeframe, in addition to the ongoing doValue's doTransformation program which is terminating in 2024; and
- 2025 and 2026 maintenance capex amounting to 4% of Gross Revenues.

The Business Plan does not include any equity transactions aimed at strengthening the Group's structure.

Gardant Group-related assumptions

The Gardant Group Targets are based on the following assumptions:

- consolidating the NPL business through increased specialization and exploring potential targeted acquisitions;
- growth in the corporate mid-small UTP segment through the construction of a specific operational model ready for the management of Stage 2 performing credits;
- expanding the types of credits served through the collection of thematic funds specialized in specific high-profitability clusters (direct lending, distressed real estate, etc.); and

- maintenance capex amounting to approximately 1% of revenues over the 2024-2026 timeframe.

The Gardant Group Targets' General and Hypothetical Assumptions related to the macroeconomic outlook, market opportunities and industry-related factors are those set forth above and applied for the doValue Standalone Targets with reference to the Italian region since Gardant operates exclusively in Italy.

Gardant Group Acquisition-related assumptions

The Gardant Group Acquisition did not cause a significant change in the pillars underlying the Business Plan estimates, but ultimately, the transaction is expected to accelerate the execution of the Business Plan, increasing the target for revenue diversification, from the originally targeted 35-40% of non-NPL revenues in 2026 to 40-45% in virtue of, *inter alia*, Gardant's competences in Asset Management and UtPs management.

The Gardant Group Acquisition closes on the timeline and on the terms and conditions agreed.

As of the Prospectus Date, the Gardant Group Acquisition has not been completed and it is expected to be completed on the Gardant Group Acquisition Completion, subject to certain conditions precedent being satisfied.

The Gardant Group Acquisition is expected to be cash earning per share (EPS) accretive in the medium-term.

The Gardant Group Acquisition represents a strategic step to accelerate the Group's leadership in Italy through the integration of a leading UTP platform and expertise, including long term forward flow agreements with Banco BPM and BPER that will endow the combined entity with the scale and know-how to compete in one of the most profitable segments of the Italian NPE market, as well as younger vintages. The Gardant Group Acquisition will further bolster the Group's diversification strategy by integrating asset management activities into its business. This will be achieved through Gardant Investor SGR, a credit-focused asset management company, which has raised €715 million as of March 31, 2024 through various alternative funds with investment scope ranging from NPEs to Direct Lending, to also enhance the asset-light and fee-based model with a more recurring stream of revenues. See "*Business – Strategies – Best positioned to develop an integrated alternative asset management business focusing on niche credit strategies*".

Finally, the Gardant Group Acquisition provides an additional long-term anchor shareholder, Elliot, which is committed to the growth and success of the Group, also by participating in the Rights Issue.

Potential revenue and costs synergies deriving from the Gardant Group Acquisition

The Gardant Group Acquisition is expected to deliver pre-tax synergies of up to €15 million per annum starting from 2026 (approximately €5 million in 2025), consisting of 80% in costs synergies and 20% in revenue synergies. It is assumed that the implementation of these synergies should require cumulative restructuring costs totalling approximately €15 million. The synergies are expected to primarily derive from *(i)* reduction of headquarters costs referred to legal, human resources and finance departments amounting approximately to €9 million and *(ii)* reduction of selected external costs through insourcing (realizing redundancy cost savings through the utilization of excess capacity at doValue Asset Manager included in the doValue stand-alone Business Plan) and various operating costs savings, integration of IT functions and sharing of the best practice in terms of efficiency and productivity.

Further it is assumed that no significant issues or additional significant unforeseen costs will be incurred for the integration process and that no unexpected liabilities or contingent liabilities from Gardant will occur.

Additional synergies and value-enhancing initiatives are expected to be driven by *(i)* Gardant Investor SGR's ability to launch further initiatives such as the co-investment fund and, subsequently, expand its reference base outside Italy, across the combined group's geographical footprint, and *(ii)* cross-selling certain services, currently offered by the Issuer, to Gardant's customer base, and vice-versa.

Targets

doValue Standalone Targets

Based on the assumptions described in the previous paragraphs, the following table presents the main doValue Standalone Targets for 2024 and 2026.

(In € million)	**2024**	**2026**
Gross Revenues	From 460 to 480	From 480 to 490
Non-NPL revenues (%) (1)	From 25% to 30%	From 35% to 40%
Gross Book Value (2)	115,000	110,000
ACR (3)	5.1%	5.5%
EBITDA ex NRIs (4)	From 155 to 165	From 185 to 195
EBITDA ex NRIs Margin	34%	39%
OCF ex NRIs (5)	130	From 140 to 150
Cash flow for debt & equity	50	90
Financial leverage (6)	From 2.8 to 3.0x	From 2.1 to 2.3x

(1) Non-Performing Loan, *i.e*., loans which are more than 180 days past due and have been denounced.
(2) Gross Book Value, *i.e*., nominal value of assets under management, represents the maximum / nominal claim by banks / investors to borrowers on their portfolios.
(3) Average Collection Rate computed as gross collections for the year divided by average Gross Book Value.
(4) Earnings before Interest, Taxes, Depreciation & Amortization net of nonrecurring items.
(5) EBITDA ex NRI net of cash taxes, change in net working capital, recurring capital expenditures and IFRS16 lease payments
(6) Computed as net financial position divided by EBITDA

As of the Prospectus Date the doValue Standalone Targets for 2024 are valid. The 2026 Gross Revenues deriving from non-NPL business is expected to amount approximately from €170 million to €190 million.

The 2026 Gross revenue deriving from the contracts not signed as of the Prospectus Date is expected to amount approximately from €100 million to €105 million, of which about 85% and 15% related to NPL and non-NPL business, respectively.

In 2026 non-NPL Gross Revenues will be mainly related to REO and UTP and other value-added services (due diligence, data quality and enrichment, master servicing, legal support services, co-investment activities).

The Business Plan, in addition to the doValue Standalone Targets for 2026 presented above, included also the following forecast data for 2026.

(In €Million and in %)	**2026**
Market share (1)	From 15 to 20%
GBV inflows	8,000
Total costs/revenues	~61%
GBV CAGR (23A-26E)	~(2%)
Average future flows p.a. (24E-26E)	2,000
Average new mandates p.a. (24E-26E)	6,000
Collection CAGR (23A-26E)	~5%
Total costs	300

(1) By GBV serviced in Southern Europe

The Business Plan, in relation to the doValue Standalone Targets for 2025, presented only the financial leverage equal to 2.5x and the cash flow for debt & equity equal to €90 million.

According to the Standalone Targets, the Issuer will not distribute dividends in 2024.

Gardant Group Targets

Based on the assumptions described in the previous paragraphs, the following table presents the Gardant Group Targets.

(*In € million and in percentage*)	**2024**
Gross Revenues	135
Non-NPL revenues (%)	40%

Gross Book Value[(1)]	~22,000
ACR (Italy only)	>5%
EBITDA	50
EBITDA ex NRI Margin	37%
Cash conversion	>90%
Funds raised[(1)]	715
Gross collections	>1,000

(1) As of March 2024

The Gardant Group Targets are valid as of the Prospectus Date.

Combined Targets

The Combined Targets are the result of the *(i)* doValue Standalone Targets for 2026 as included in the Business Plan, which represent the most significant and material component; *(ii)* Gardant Group Targets for 2026 and *(iii)* potential revenue and costs synergies deriving from the Gardant Group Acquisition and the cumulative restructuring costs required to achieve of these synergies. For more information regarding the expected synergies, please see "*Forecast data and estimates–Potential revenue and costs synergies deriving from the Gardant Group Acquisition*".

Based on the Assumptions described in the previous paragraphs, the following table sets forth the Combined Targets and pro forma financial information.

(In €Million and in %)	**Pro forma FY23**	**Pro forma 9 months 24**	**2026**
Gross Revenues	575	413	From 605 to 625
Non-NPL revenues (%) [(1)]	34%	38%	40-45%
Gross Book Value [(2)]	136,000	137.465	130,000
ACR [(3)]	4.4%	2.8%	5.50%
EBITDA ex NRIs (4)	200	133	From 240 to 255
EBITDA ex NRIs margin (%)	35%	32%	40%-41%
OCF ex NRIs (5)	n.a.	n.a.	200
Cash flow for debt & equity	n.a.	n.a.	130
Free cash flow(6)	n.a.	n.a.	From 90 to 95
Financial leverage(7)	n.a.	n.a.	From 1.3 to 1.5x

(1) Non-Performing Loan, *i.e.*, loans which are more than 180 days past due and have been denounced.
(2) Gross Book Value, *i.e.*, nominal value of assets under management, represents the maximum / nominal claim by banks / investors to borrowers on their portfolios.
(3) Average Collection Rate computed as gross collections for the year divided by average Gross Book Value.
(4) Earnings before Interest, Taxes, Depreciation & Amortization net of nonrecurring items.
(5) EBITDA ex NRI net of cash taxes, change in net working capital, recurring capital expenditures and IFRS16 lease payments
(6) The estimation of free cash flow for 2026 is based on the assumption of interest expenses ranging between €35 and €40 million.
(7) Computed as net financial position divided by EBITDA

The combined financial structure for 2025 and 2026 reflects the equity and financing package entered into in connection with the Gardant Group Acquisition. In particular, the combination of the Rights Issue and the Reserved Capital Increase (as part of the consideration for the Gardant Group Acquisition) is expected to enhance the combined cash flow generation and reduce the combined financial leverage. For more information regarding the equity and financing package relating to the Gardant Group Acquisition, please See "*Business–Material Agreements–Existing financing arrangements*".

Further to the above, the Gardant Group Acquisition is set to accelerate the execution of the Business Plan, anticipating the Group's targets of revenue diversification and deleveraging. In particular, the Combined Targets are also expected to benefit from the impact of the forward flow agreements with BPM and BPER together with the UTP platform and capabilities of Gardant, which will endow the Combined Group with the scale and the know-how to compete in one of the most profitable segments of the Italian NPE market. See "*The Gardant Group Acquisition - Partnership with BPER Group*" and "*The Gardant Group Acquisition - Partnership with Banco BPM*".

The 2023 pro forma financial information does not include the *(i)* strategic partnership between Gardant and BPER Group and *(ii)* acquisition of Team 4 Collection and Consulting S.L.U. For more information regarding the preparation of the pro forma financial information, please See "*Unaudited Pro Forma Consolidated Financial Information– Explanatory Notes to the Unaudited Pro Forma Consolidated Financial Information*".

The 2026 Gross Revenue deriving from contracts not signed as of the Prospectus Date is expected to amount approximately from €135 million to €140 million, of which 70% and 30% related to NPL and non-NPL business, respectively.

The Group also announced a 2025 target combined financial leverage of 2.0x.

The dividend distributions have been suspended for the year ending December 31, 2024 as a result of the Group's net financial debt reaching €476 million in 2023, resulting in leverage ratio of 2.7x. See *Dividends and Dividend Policy – Dividend policy*.

M&A transactions, other than the Gardant Group Acquisition, are not included in the 2024-2026 period. This does not, however, exclude the possibility that the Group may evaluate and complete other acquisitions if strategic opportunities arise that align with the Issuer's objectives.

Sensitivity analysis

A sensitivity analysis was carried out on the Combined Targets with reference to the following elements of the assumptions:

- The Group's new business;
- The Group's initiatives;
- Gardant Group's new business;
- Synergies deriving from the Gardant Group Acquisition.

The sensitivity analysis was built on EBITDA and OCF ex NRIs in the event of a simultaneous percentage reduction in benefits from all the elements reported above. It should be noted that:

(i) for the Group's and Gardant Group's new businesses, the assumed percentage reduction in benefits was fully reflected in Gross Revenues and in outsourcing fees while only half of the reduction was reflected in operating expenses (assuming the Group will be able to partially adapt to a lower business activity);

(ii) for the Group's initiatives and synergies deriving from the Gardant Group Acquisition, the assumed percentage reduction in benefits was fully reflected in EBITDA.

In the event that a 20% or 50% reduction of benefits from the above elements were to occur, this would result, respectively, in a decrease of approximately 5% or 21% of the combined EBITDA and OCF ex NRIs targeted at the end of 2026.

The sensitivity analysis was developed through simulations only on the drivers listed above and all other conditions being equal, without assuming any corrective actions that the Directors and management could implement.

Statement regarding the Targets

The Targets were prepared on a basis that is: *(i)* comparable with the financial information for past financial years, taking into account the pro forma financial information reported in the Prospectus; and *(ii)* consistent with the accounting practices of the Group.

The preparation of the Targets is based on, among others, certain assumptions that the Group believes reasonable and reliable, concerning future events that the Directors and management expect to occur, and the actions the Directors and management intend to take; such events and actions may not actually materialize, as they depend substantially on variables which the Directors and management cannot control and may involve situations that management cannot predict and, therefore, actual results may materially differ from and fall short of those projected or implied in the Targets.

Data used in the Targets are subject to significant uncertainties that could cause the Group's actual results to differ materially. These uncertainties include, among other things, the (i) changes in the macroeconomic condition and the relevant market context, (ii) level of fulfilment of Group's new business and initiatives since the Group may be unable to win new Servicing mandates, which may result in a decrease in collections, (iii) level of fulfilment of Gardant's new business and (iv) realization of the synergies deriving from the Gardant Group Acquisition. Prospective investors should be aware that the realization of the Targets may be difficult or impossible due to a number of factors, including factors outside of the Group's control and the control of the Directors and management.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Introduction

This section includes the unaudited *pro forma* consolidated balance sheet as of September 30, 2024 and the unaudited *pro forma* consolidated income statement for the year ended December 31, 2023 and for the nine months ended September 30, 2024 of the Issuer (and together with its subsidiaries, the "**Group**"), accompanied by the related explanatory notes (the "**Unaudited Pro Forma Consolidated Financial Information**").

The Unaudited Pro Forma Consolidated Financial Information has been prepared for inclusion in the prospectus to be prepared pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, according to the format provided for by the European Commission Regulation no. 980/2019 and the schedules attached thereto. The Unaudited Pro Forma Consolidated Financial Information are accompanied by the report issued by EY S.p.A.

The Unaudited Pro Forma Consolidated Financial Information has been prepared to retroactively reflect the effects of the Transactions (as defined below). The Unaudited Pro Forma Consolidated Financial Information present all significant effects directly attributable to the Transactions which are isolable, objectively measurable and factually supportable, without considering the potential effects of management decisions or operational choices.

The purpose of the preparation of the Unaudited Pro Forma Consolidated Financial Information is to simulate, using accounting principles that are consistent with those used in the preparation of the consolidated financial information of the Issuer, the significant effects of the Transactions on the consolidated balance sheet and consolidated income statement of the Issuer, as if each of such Transactions had occurred on September 30, 2024 for the purpose of the unaudited *pro forma* consolidated balance sheet, and as of January 1, 2024 and of January 1, 2023 for the purpose of the unaudited *pro forma* consolidated income statement for the nine months ended September 30, 2024 and for the year ended December 31, 2023, respectively. Accordingly, the Unaudited Pro Forma Consolidated Financial Information may not be subject to audit or review, while the underlying historical financial information is derived from audited or reviewed financial statements, as described in the paragraph "Basis of Preparation" below.

The Unaudited Pro Forma Consolidated Financial Information includes the pro forma consolidated balance sheet as of September 30, 2024 of the Group, which presents the *pro forma* effects of the Transactions (as defined below) on the most recent financial position of the Issuer, and the *pro forma* consolidated income statements for the nine months ended September 30, 2024 and for the year ended December 31, 2023. The *pro forma* consolidated balance sheet as of December 31, 2023 is not presented herein, consistently with the ESMA Recommendations 32-382-1138 of March 4, 2021, because the pro forma consolidated balance sheet as of September 30, 2024, being prepared based on the more recent financial positions of the Issuer and the involved entities, provides a more updated representation of the effects of the Transactions on Group's financial position. The explanatory notes to the Unaudited Pro Forma Consolidated Financial Information include an explanation of the basis of preparation and the accounting principles used in their preparation. The Unaudited Pro Forma Consolidated Financial Information presented in this Prospectus is based on available information including information derived from the Gardant SPA (as defined below) and negotiations with the parties involved as well as certain assumptions that the Issuer believes are reasonable as of the date of preparation of the Unaudited Pro Forma Consolidated Financial Information, described in the explanatory notes. The Unaudited Pro Forma Consolidated Financial Information is presented for illustrative purposes only and does not purport to represent what the financial condition or the actual results of operations would have been if the events for which the *pro forma* adjustments were made had occurred on the dates assumed, nor does it purport to project the results of operations for any future period or the financial condition at any future date. The future operating results of the Issuer may differ materially from the *pro forma* amounts set out herein due to various factors. (For more details, see "*Summary description of pro forma adjustments for the year ended December 31, 2023*", and "*Summary description of pro forma adjustments as of and for the nine months ended September 30, 2024*" below for more information on assumptions used for the preparation of the Unaudited Pro Forma Consolidated Financial Information, including assumptions for the preliminary purchase price allocation exercise, the initial margin applicable to the Term Facilities and Revolving Facility, Euribor, doValue share price, etc.).

Furthermore, given the different purposes of the Unaudited Pro Forma Consolidated Financial Information and the historical consolidated financial statements and the different methods of calculation of the effects of the Transactions on the unaudited *pro forma* consolidated balance sheet and on the unaudited *pro forma* consolidated income statement, the latter two statements should be read and examined separately, without attempting to establish any accounting relationship between them and the historical consolidated financial statements. For further information regarding the historical financial data, see "Selected Financial and Other Information".

The following Unaudited Pro Forma Consolidated Financial Information is based on and derived from and should be read in conjunction with the 2023 Audited Consolidated Financial Statements and 2024 Unaudited Interim Condensed Consolidated Financial Statements (as defined below), as included elsewhere in this Prospectus.

Basis of preparation

The Unaudited Pro Forma Consolidated Financial Information has been prepared to present the significant effects of the following transactions:

- the acquisition of 100% of the share capital of Gardant (the "**Gardant Group Acquisition**") for a net cash consideration of €179.6 million, subject to contingent and variable consideration, plus the issuance of new shares to the Sellers (as defined below) (the "**Conversion Shares**");
- the financing package agreed in connection with the Gardant Group Acquisition, which is aimed at, among others (i) financing the purchase price of the acquisition of the entire share capital of Gardant and refinancing certain existing indebtedness of Gardant; and (ii) refinancing a portion of the 2025 Notes (the "**2024 Senior Facilities Agreement**"). For more information on the 2024 Senior Facilities Agreement, see "*Business — Material Agreements — 2024 Senior Facilities Agreement*"; and
- the rights issue of €150.0 million reserved to existing shareholders and holders of Convertible Bonds (the "**Rights Issue**") that forms part of the Offer.

The aforementioned transactions (hereinafter collectively the "**Transactions**") are described under the heading "Transactions" below.

The Transactions are closely interconnected. To implement the Group's diversification process through the integration of the Gardant Group subject to Gardant Group Acquisition, and to support the reduction of the Group's indebtedness, the Group has secured the 2024 Senior Facilities Agreement, which is composed of: (i) the Acquisition Term Facility; (ii) the Revolving Facility; and (iii) the Refinancing Term Facility. The Gardant Group Acquisition and the draw down of the Acquisition Term Facility shall occur before the commencement of the Offer and are not conditional upon the completion of the Rights Issue. In addition, the Rights Issue is aimed at supporting the early repayment of the 2025 Notes, reducing the Group's financial leverage, which is expected to increase following the Gardant Group Acquisition Completion, due to the use of the Acquisition Term Facility.

The Unaudited Pro Forma Consolidated Financial Information is prepared on the basis of historical financial data included in:

i) the interim condensed consolidated financial statements of the Issuer as of September 30, 2024 and for the nine months then ended, prepared in accordance with IAS 34 as adopted by the European Union, approved by the Board of Directors on November 11, 2024 and reviewed by EY S.p.A., which issued its review report on November 12, 2024 (the "**2024 Unaudited Interim Condensed Consolidated Financial Statements**");

ii) the audited consolidated financial statements of the Issuer as of December 31, 2023 and for the year then ended, prepared in accordance with IFRS as adopted by the European Union, approved by the Board of Directors on March 21, 2024 and audited by EY S.p.A., which issued its audit report on March 28, 2024 (the "**2023 Audited Consolidated Financial Statements**");

iii) the interim condensed consolidated financial statements of Gardant as of September 30, 2024 and for the nine months then ended, prepared in accordance with IAS 34 as adopted by the European Union, approved by the Gardant's Board of Directors on November 5, 2024 (the "**Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements**"). EY S.p.A. has not performed any audit or review activities on the Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements;

iv) the audited consolidated financial statements of Gardant as of December 31, 2023 and for the year then ended, prepared in accordance with IFRS as adopted by the European Union, approved by the Gardant's Board of Directors on September 5, 2024 (the "**Gardant 2023 Consolidated Financial Statements**"). EY S.p.A. has not performed any audit or review activities on the Gardant 2023 Audited Consolidated Financial Statements.

Transactions

The Gardant Group Acquisition and the Conversion Shares

On April 26, 2024, the Issuer and Tiber Investments S.à r.l. ("**Tiber**" or the "**Majority Seller**"), an affiliate of funds advised by Elliott Advisors (UK) Limited ("**Elliott**"), Harvip S.r.l., Mirko Gianluca Briozzo, and Guido Giulio Fortunato Lombardo (the "**Management Sellers**" and together with Tiber, the "**Committed Sellers**") entered into a sale and purchase agreement (the "**Original Gardant SPA**") to acquire 100% of the share capital of Gardant S.p.A. ("**Gardant**"), a joint-stock company incorporated in Italy, along with its consolidated subsidiaries (the "**Gardant Group**"). On May 10, 2024 the Issuer and the Committed Sellers amended and restated the Original Gardant SPA (the "**First A&R Gardant SPA**") and the other minority shareholders of Gardant (the "**Other Minority Shareholders**" and together with the Committed Sellers, the "**Sellers**") adhered to the First A&R Gardant SPA.

On June 7, 2024 the Issuer and the Sellers amended and restated the First A&R Gardant SPA, by way of a second amended and restated SPA (the "**Second A&R Gardant SPA**" and together with the Original Gardant SPA and the First A&R Gardant SPA, the "**Gardant SPA**") to take into account the impact of the financing structure of the envisaged acquisition, which, as of the date the First A&R Gardant SPA was still under discussion between the Issuer and the lenders (the "**Gardant Group Acquisition**").

The Gardant Group Acquisition is expected to be completed on the Gardant Group Acquisition Completion.

For information on the Gardant Group Acquisition see "*The Gardant Group Acquisition - Overview of the Gardant Group Acquisition*".

The total consideration for the Gardant Group Acquisition consists of:

- a base cash consideration of €230.0 million (determined on a locked box basis as at December 31, 2023 and subject to post-completion leakage adjustment) (the "**Cash Consideration**"), reduced by an agreed amount of €50.4 million, representing the net financial position of Gardant, resulting in a net amount of €179.6 million (the "**Net Cash Consideration**"), which is subject to certain adjustments are referred below; and

- 4,000,000 new ordinary shares of the Issuer, resulting in a 20% stake in the Issuer, to be issued on the third trading day after the Gardant Group Acquisition Completion (the "**Conversion Shares**" and together with the Cash Consideration, the "Consideration") in the context of a reserved capital increase approved by the Issuer to serve the conversion of the mandatory convertible bond issued by the Issuer on November 13, 2024 and subscribed by the Sellers;

Pursuant to the Gardant SPA, the Consideration payable by the Issuer does not reflect nor include the value of (i) 50% of certain asset-backed securities, held by Gardant and issued by certain Italian securitisation SPVs and 50% of certain units of a closed-end reserved alternative investment fund named "*Fondo Forward*" managed by Gardant Investor SGR S.p.A. (together with the Forward Fund, the "**Ex-perimeter Assets**") or (ii) 100% of certain asset-backed securities in the accounting books, held by Gardant and issued by certain Italian securitisation SPVs (the "**Ex-perimeter Notes**" and, together with the Ex-perimeter Assets, the "**Carved-out Assets**"), which are excluded from the Gardant Group Acquisition.

Therefore, the consolidated balance sheet as of September 30, 2024 and the consolidated income statements for the nine months ended September 30, 2024 and for the year ended December 31, 2023 have been adjusted to exclude assets, liabilities, gains and losses of the Ex-perimeter Assets and the Ex-perimeter Notes. In particular, the Unaudited Pro Forma Consolidated Financial Information takes into account that the Net Cash Consideration to be paid to the Sellers will be increased by €7.2 million (of which €6.8 million relating to the Ex-perimeter Notes and €0.4 million relating to the Ex-perimeter Assets, the "**Pre-completion Notes Adjustment**"), included in Gardant's available cash as of September 30, 2024.

For the purpose of the Unaudited Pro Forma Consolidated Financial Information, as provided by the Gardant SPA, on the basis of information available, i) bonuses to be paid to certain executives of Gardant in connection with the Gardant Group Acquisition (the "**M&A Bonuses**") estimated in approximately €2.5 million (gross of tax effect) and ii) the increase equal to €39,364 per each day of delay if the Gardant Group Acquisition Completion does not occur by October 31, 2024 (the "**Incremental Cash Consideration**") estimated in approximately to €0.9 million assuming the Gardant Group Acquisition Completion in November 2024, have been considered for estimating the total Cash Consideration.

Based on the information available as of the date of preparation of the Unaudited Pro Forma Consolidated Financial Information, the Issuer considers it likely that the conditions for the recognition of the M&A bonuses will be met, and therefore, such variable considerations have been estimated and reflected among the *pro forma* adjustments. In particular, the amounts reflected in the Unaudited Pro Forma Consolidated Financial Information represent the best and most realistic estimate that the Issuer is able to make based on the information available as of the referenced date.

Furthermore, the Net Cash Consideration is subject to (i) decreases for certain notified leakages and/or deductible costs , (ii) decreases to reflect the cost of the W&I Insurance Policy and (iii) decreases for certain earn-in events linked to the termination of certain material servicing agreements by the relevant counterparties of the Gardant Group. The notified leakages and/or deductible costs referred to in point (i) notified to the Issuer by the Sellers are approximately equal to €2.3 million and have been reflected in the Unaudited Pro Forma Consolidated Financial Information as an adjustment to the Net Cash Consideration. The costs referred to in point (ii) are approximately equal to €2.0 million and have been reflected in the Unaudited Pro Forma Consolidated Financial Information as an adjustment to the Net Cash Consideration. The occurrence of event (iii) is considered remote therefore, for the purposes of the Unaudited Pro Forma Consolidated Financial Information, no consideration has been given to any adjustment in the Net Cash Consideration that could result from the occurrence of such events.

Taking into consideration all the above adjustments, the total net cash consideration required for the Gardant Group Acquisition as of the Prospectus Date is estimated to be €180.9 million (the "**Total Net Cash Consideration**").

On the basis of the powers granted to the board of directors of the Issuer by the shareholders' meeting held on September 11, 2024, the Issuer issued 4,000,000 registered dematerialized convertible bonds for a principal amount of €80 million (the "**Convertible Bonds**"), which will be mandatorily convertible into the 4,000,000 Conversion Shares on the terms below.

The Convertible Bonds were issued by the Issuer in connection with the Gardant Group Acquisition and have been acquired by the Sellers, proportionally to their shareholdings in Gardant, under the Gardant SPA by way of set-off of the principal amount with a down-payment of €80 million due from the Issuer to the Sellers under the terms of the Gardant SPA. Therefore, the Cash Consideration does not take into account the issuance of the Convertible Bonds and the consequent issuance of the Conversion Shares. Specifically, the Conversion Shares will be issued by the Issuer pursuant to a reserved capital increase approved on November 6, 2024 by the Issuer to serve the conversion of the Convertible Bonds issued on November 13, 2024 (the "**Reserved Capital Increase**") at a ratio of one Convertible Bond per Conversion Share. Under the Reserved Capital Increase, the conversion of the Convertible Bonds will occur at the terms set forth below at a price per new share equal to €20.00, and therefore at a premium to the market price of the Issuer's shares as of the Prospectus Date.

The Unaudited Pro Forma Consolidated Financial Information were prepared considering that certain existing indebtedness of Gardant contain a change of control clause which is triggered by the Gardant Group Acquisition and assuming the repayments of such facilities by means of the Acquisition Term Facility (as defined below).

The 2024 Senior Facilities Agreement

On June 7, 2024 the Issuer and a syndicate of financial institutions (each an "**Initial Bank**" and together the "**Initial Banks**") signed a commitment letter (the "**Commitment Letter**") in connection with the Gardant Group Acquisition. In execution of the Commitment Letter, on October 4, 2024, the Issuer and, *inter alios*, the Banks (as defined below) entered into the 2024 Senior Facilities Agreement, as subsequently amended and supplemented pursuant to an amendment agreement dated October 29, 2024. For more information, see "*Business – Material Agreements – 2024 Senior Facilities Agreement*").

Subject to the terms and conditions set out in the Commitment Letter and the subsequent adherence of additional banks (the "**Banks**"), the Banks agreed to provide the Issuer with the following facilities, as documented under the 2024 Senior Facilities Agreement:

- a senior secured term loan facility in an aggregate principal amount of €240.0 million (the "**Acquisition Term Facility**"), split into two tranches (consisting of a "tranche A" for an amount of €140 million and a "tranche B" for an amount of €100 million, the latter benefiting of a guarantee provided by SACE S.p.A.), to be made available to the Issuer;

- a senior secured term loan facility in an aggregate principal amount of €206 million to be made available to the Issuer to (i) refinance a portion of €110.0 million of the financial indebtedness under the 2025 Notes (including, without limitation, by way of a tender offer) together with the proceeds of the Rights Issue, and (ii) refinance a portion of €96.0 million of the financial indebtedness under the 2026 Notes (including, without limitation, by way of a tender offer) and, in each case, paying related fees, premia, costs, taxes and expenses (the "**Refinancing Term Facility**", together with the Acquisition Term Facility, the "**Term Facilities**"); and

- a senior secured revolving loan facility in an aggregate principal amount of €80.0 million to be made available to the Issuer to finance and/or refinance the general corporate and/or working capital purposes of the Group including, without limitation, the funding or refinancing of capital expenditure, restructuring costs, acquisitions, investments, joint ventures, operational and reorganisation requirements of the Group, and the refinancing of financial indebtedness of the Group (including drawing the proceeds thereof onto balance sheet to finance such items in future and/or refinance previous expenditure on such items) (the "**Revolving Facility**", together with the Term Facilities, the "**Committed Facilities**"). The Pro Forma Financial Information reflects only the costs associated with the Revolving Facility but otherwise assumes that the Revolving Facility will not be utilized.

The Term Facilities provide for the recognition of an upfront fee equal to 2% of the total principal amount thereof (the "**Term Facilities Upfront Fee**") and a transaction fee of approximately €3.2 million. The interest is calculated based on a variable rate equal to the Euribor plus a variable margin (the "**Margin**") depending on the Group's financial leverage. The amortization period of the Term Facilities is five years, whilst the tenor of the Revolving Facility is three years.

The Revolving Facility provides for the recognition of an upfront fee equal to 2% of the total principal amount thereof (the "**Revolving Facility Upfront Fee**").

The Unaudited Pro Forma Consolidated Financial Information assumes a utilization of the Term Facilities totalling €350.0 million. In particular, the Unaudited Pro Forma Consolidated Financial Information has been prepared assuming that the Issuer will not use the portion of the Refinancing Term Facility intended to repay a portion of the 2026 Notes.

On March 8, 2023, doValue Greece, as borrower, entered into a revolving credit agreement, governed by the laws of Greece, with Eurobank as lender (the "**Eurobank Credit Facility**"). The Unaudited Pro Forma Consolidated Financial Information assumes the repayment in full of the Eurobank Credit Facility. The repayment in full of any amount due under the Eurobank Credit Facility constitutes a condition precedent for the utilization of the Refinancing Term Facility and the Revolving Facility.

The Rights Issue

In connection with the Gardant Group Acquisition, on November 18, 2024, the Board of Directors of the Issuer, on the basis of the powers granted by the shareholders' meeting held on September 11, 2024, is expected to approve the preliminary terms of the Rights Issue. Final terms of the Offer are expected to be approved before the commencement of the Offer.

For further information on the commitment of the Principal Shareholders in the context of the Rights Issue, please see "*Plan of distribution*". Explanatory Notes to the Unaudited Pro Forma Consolidated Financial Information

General

The Unaudited Pro Forma Consolidated Financial Information is presented in a multi-column format to give adequate detail of the transactions involved in the *pro forma* adjustments.

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and have been obtained by making appropriate *pro forma* adjustments to the historical financial data described above to show the main effects of the Transactions retroactively.

The accounting standards used in preparing the Unaudited Pro Forma Consolidated Financial Information are the same as those used in preparing the unaudited consolidated financial statements and the audited consolidated financial statements of Issuer. With regard to the accounting standards used by Issuer in preparing its unaudited interim consolidated financial statements and audited consolidated financial statements, see the notes to the Issuer's 2024 Unaudited Interim Condensed Consolidated Financial Statements and 2023 Audited Consolidated Financial Statements, which have to be read in conjunction with the Unaudited Pro Forma Consolidated Financial Information.

With respect to the presentation of the Unaudited Pro Forma Consolidated Financial Information, the adjustments include both those that are expected to have a permanent effect, as well as those that are expected not to have such an effect, as they relate to one-off *pro forma* adjustments, as required by (EU) Regulation 1129/2017, supplemented by (EU) Delegated Regulation 2019/980 of March 14, 2019.

For a correct interpretation of the information provided by the *pro forma* figures, the following aspects must be taken into consideration:

i) given that these figures are based on assumptions, if the Transactions had actually been carried out on the dates of reference for the preparation of the *pro forma* figures, rather than on the effective date, the historical figures would not necessarily have been the same as the *pro forma* figures;

ii) the *pro forma* figures do not reflect prospective figures, as they have only been prepared to show the effects of the Transactions that can be isolated and measured objectively, without taking into account the potential effects due to changes in management policies and operational decisions subsequent to the Transactions.

Purchase price allocation of the Gardant Group Acquisition

The purchase price allocation (the "**PPA**") process required by IFRS 3 Business Combinations ("**IFRS 3**"), as a consequence of the acquisition of control of Gardant Group by the Issuer following the Gardant Group Acquisition, has not yet been completed as of the date of the Unaudited Pro Forma Consolidated Financial Information. This process could lead to the attribution of different values to the assets, liabilities and contingent liabilities acquired with respect to those indicated in the Unaudited Pro Forma Consolidated Financial Information. Any adjustments to the provisional values will be completed within twelve months of the Gardant Group Acquisition Completion, in accordance with IFRS 3. Given that the PPA process has not yet been completed for this acquisition, the difference between the consideration paid and the fair value of the net assets acquired has been provisionally allocated to goodwill. If, upon completion of the PPA, this amount is allocated to assets with a finite useful life, such as servicing contracts, the related amortization would be recognized in the income statement, which could be significant.

Gardant Bridge Servicing S.p.A.

On December 1, 2022, Gardant entered into a strategic partnership with BPER Banca S.p.A. ("**BPER**") and its subsidiaries (together with BPER, the "**BPER Group**") for the management of impaired loans originated by the BPER Group. This partnership included an initial portfolio of UtPs and NPLs, including a portion of the UtPs and NPLs sold to funds controlled by Elliott and AMCO S.p.A. as part of the same transaction. The agreement further stipulated that Gardant S.p.A. would manage 50% of new UtP credit flows and 90% of new NPL credit flows for the ten years following the date of the agreement.

Pursuant to these agreements, on January 15, 2024, the business line that conducted these activities was transferred to a newly established company named Bridge Servicing S.p.A. (now Gardant Bridge Servicing S.p.A.) which was incorporated into the Gardant Group. This was achieved through the Gardant Group's acquisition of 70% of its share capital from BPER, which retained a 30% stake. Subsequently, a master service agreement was signed between BPER and Gardant Bridge Servicing for the management of impaired loans originated by the BPER Group. The assets, liabilities, revenues and costs of Gardant Bridge Servicing S.p.A., starting from January 15, 2024, are included in the Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements.

With respect to the activities transferred to Gardant Bridge Servicing S.p.A. on January 15, 2024, no stand-alone financial information is available with respect to the UtPs and NPLs at January 1, 2023 and at December 31, 2023 and the related flows for the year ended December 31, 2023 since, at the time, the BPER group was managing non-performing exposures internally without any master service agreement pursuant to clusters and remuneration mechanisms which were different from those provided by the master service agreement signed between BPER and Gardant Bridge Servicing. Since this information is not available, the Issuer is unable to include the assets, liabilities, revenues and costs of the activities transferred to Gardant Bridge Servicing S.p.A. on January 15, 2024, in the unaudited *pro forma* consolidated income statement for the year ended December 31, 2023.

Team 4 Collection and Consulting S.L.U.

The unaudited *pro forma* consolidated income statement for the year ended December 31, 2023 does not include any effect connected with the acquisition of Team 4 Collection and Consulting S.L.U., which was executed on December 29, 2023 as such transaction is not significant.

Unaudited pro forma consolidated income statement for the year ended December 31, 2023

The following table shows the *pro forma* adjustments to present the significant effects of the Transactions on the consolidated income statement of the Group for the year ended December 31, 2023.

(in € thousand)			***Pro forma adjustments***			
	Consolidated income statement of the Issuer	**Reclassified consolidated income statement of Gardant**	**2024 Senior Facilities Agreement**	**Carved-Out Assets**	**Gardant Group Acquisition**	**Pro forma consolidated income statement**
	(A)	(B)	(C)	(D)	(E)	(F)=(A)+(B)+(C)+(D)+(E)
Revenue from contracts with customers	421,510	84,778	-	(276)	-	506,012
Other revenues	60,195	6,127	-	-	-	66,322
Total revenue	**481,705**	**90,905**	**-**	**(276)**	**-**	**572,334**
Costs for services rendered	(24,993)	(10,378)	-	-	-	(35,371)
Personnel expenses	(213,097)	(42,038)	-	-	-	(255,135)
Administrative expenses	(90,661)	(15,832)	-	-	(7,163)	(113,656)
Other operating (expense)/income	5,089	(3,148)	-	-	-	1,941
Depreciation, amortisation and impairment	(92,742)	(15,548)	-	-	-	(108,290)
Provisions for risks and charges	(2,289)	-	-	-	-	(2,289)
Total costs	**(418,693)**	**(86,944)**	**-**	**-**	**(7,163)**	**(512,800)**
Operating income	**63,012**	**3,961**	**-**	**(276)**	**(7,163)**	**59,534**
Financial (Expense)/Income	(37,130)	6,650	(19,875)	(6,147)	-	(56,502)

Profit (loss) from equity investments	768	(12)	-	-	-	756
Dividends and ordinary similar income	-	-	-	-	-	-
Profit (Loss) before tax	**26,650**	**10,599**	**(19,875)**	**(6,423)**	**(7,163)**	**3,788**
Income tax expense	(40,291)	(2,914)	(305)	1,541	-	(41,968)
Net profit (loss) from continuing operations	**(13,641)**	**7,685**	**(20,180)**	**(4,881)**	**(7,163)**	**(38,180)**
Net income (expense) of assets held for sale	-	-	-	-	-	-
Profit (Loss) for the year	**(13,641)**	**7,685**	**(20,180)**	**(4,881)**	**(7,163)**	**(38,180)**
o.w. Profit (loss) for the year attributable to the Shareholders of the Parent Company	*(17,830)*	*5,495*	*(20,304)*	*(4,881)*	*(7,163)*	*(44,683)*
o.w. Profit (loss) for the year attributable to Non-controlling interests	*4,189*	*2,190*	*124*	-	-	*6,503*

Summary description of pro forma adjustments for the year ended December 31, 2023

Pro forma adjustments were made by applying the general rule according to which the Transactions relating to the income statement are assumed to have taken place at January 1, 2023.

The following estimates were also made for the preparation of the *pro forma* consolidated income statement for the year ended December 31, 2023:

- costs incurred by the Issuer in connection with the Gardant Group Acquisition have been estimated at a total of €7.2 million of which €1.4 million has been already recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements (nil in the 2023 Audited Consolidated Financial Statements). For the purposes of the Unaudited Pro Forma Consolidated Financial Information, the remaining amount has been entirely accounted for in the income statement;

- costs, for a total of €12.9 million (of which upfront fees for €8.5 million, transaction fees for €3.2 million and consulting fees for €1.2 million, excluding ticking fees accrued from September 6, 2024 until the signing date of the 2024 Senior Facilities Agreement), which the Issuer will incur in connection with the Term Facilities and of which €1.0 million has been already recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements, are included in the computation of the amortised cost of such facilities.

While these are the best current estimates, such estimates could differ from actual amounts.

In addition, the *pro forma* consolidated income statement for the year ended December 31, 2023 was prepared on the basis of the following assumptions:

- proceeds of Term Facilities are used, together with proceeds of Rights Issue and available cash, to finance the Gardant Group Acquisition and entirely repay the 2025 Notes;

- the *pro forma* adjustments regarding the Issuer that impact the income statement have been considered tax-neutral since the Issuer is currently in a tax loss position and, considering future plans, is not recognizing deferred tax assets;

- for the *pro forma* adjustments regarding Gardant that impact the income statement, tax effects of either 24% or 27.9% have been assumed, depending on the applicability of IRAP to the adjustment;

- the Term Facilities have an initial margin of 4.25% plus Euribor 3M;

- commitment fee on Revolving Facility is based on 35% of the initial margin and is paid on the unused portion of the facility;
- preliminary Purchase Price Allocation (PPA) exercise as the fair value of Gardant's assets and liabilities is not currently available; therefore, goodwill has been determined on a provisional basis as the difference between the estimated purchase price and the book value of Gardant's net assets, based on the most recent Gardant consolidated financial statements as of September 30, 2024;
- the capital increase to serve the conversion of the Convertible Bonds, resulting in the issuance of 4,000,000 shares (after the reverse stock-split adopted by the extraordinary shareholders' meeting of the Issuer of September 11, 2024) to the Sellers (equal to 20% of the Issuer's share capital after the Gardant Group Acquisition Completion).

Description of the pro forma adjustments for the year ended December 31, 2023

The *pro forma* entries made to prepare the Unaudited Pro Forma Consolidated Financial Information are briefly described below.

<u>Notes to the Unaudited Pro Forma Consolidated Income Statement</u>

<u>Column (A)-Consolidated income statement of the Issuer</u>

This column includes the income statement figures of the Issuer for the year ended December 31, 2023, derived from the Audited Consolidated Financial Statements.

<u>Column (B)-Reclassified consolidated income statement of Gardant</u>

This column includes the Gardant consolidated income statement for the year ended December 31, 2023, extracted from the Gardant 2023 Audited Consolidated Financial Statements and reclassified according to the Issuer's income statement presentation, as shown in the table below.

			Reclassifications				
(in € thousand)	**Consolidated income statement of Gardant**	**Adoption of the consolidated income statement presentation of the Issuer**	**Change in fair value and interest income of securities**	**Remuneration of directors and statutory auditors**	**Indirect taxes and contributions**	**Other minor reclassifications**	**Reclassified consolidated income statement of Gardant**
	(B1)	(B2)	(B3)	(B4)	(B5)	(B6)	(B)
Revenue from contracts with customers	96,849	—	(12,071)	—	—	—	84,778
Other revenues	6,138	—	—	—	—	(11)	6,127
Total revenue	**102,987**	**—**	**(12,071)**	**—**	**—**	**(11)**	**90,905**
Costs for services rendered	(23,349)	12,971	—	—	—	—	(10,378)
Cost for use of third party assets 1	(3,027)	3,027	—	—	—	—	—
Personnel expenses	(40,888)	—	—	(1,476)	—	326	(42,038)
Administrative expenses 2	—	(15,998)	—	1,476	(968)	(342)	(15,832)
Other operating (expense)/income	(4,151)	—	—	—	968	35	(3,148)
Depreciation, amortisation and impairment	(15,524)	—	—	—	—	(24)	(15,548)
Total costs	**(86,939)**	—	—	—	—	**(5)**	**(86,944)**
Operating income	16,048	—	(12,071)	—	—	(16)	3,961
Financial (Expense)/Income	(5,420)	(17)	12,071	—	—	16	6,650
Profit (loss) from equity investments	—	(12)	—	—	—	—	(12)
Adjustments to financial asset values 1	(29)	29	—	—	—	—	—
Profit (Loss) before tax	10,599	—	—	—	—	—	10,599
Income tax expense	(2,914)	—	—	—	—	—	(2,914)
Net profit (loss) from continuing operations	**7,685**	**—**	**—**	**—**	**—**	**—**	**7,685**
Net income (expense) of assets held for sale	—	—	—	—	—	—	—
Profit (Loss) for the year	**7,685**	**—**	**—**	**—**	**—**	**—**	**7,685**
o.w. Profit (loss) for the year attributable to the Shareholders of the Issuer	*5,495*	—	—	—	—	—	*5,495*
o.w. Profit (loss) for the year attributable to Non-controlling interests	*2,190*	—	—	—	—	—	*2,190*

1 *Line item not included in the consolidated income statement of doValue*
2 *Line item not included in the consolidated income statement of Gardant*

The above reclassifications have been identified by the Issuer for the purposes of preparing the Unaudited Pro Forma Consolidated Financial Information, taking into account the information available to the Issuer at the time of preparation.

The analysis conducted by the Issuer up to the Prospectus Date did not reveal any significant differences between the accounting policies adopted by Gardant with respect to the accounting policies adopted by the Issuer.

Column (B1)-Consolidated income statement of Gardant

This column includes the income statement figures of Gardant for the year ended December 31, 2023, extracted from the Gardant 2023 Audited Consolidated Financial Statements.

Column (B2)-Adoption of the consolidated income statement presentation of the Issuer

This column includes the reclassification of: (i) costs for services not related to special servicer activities and costs for use of third-party assets to administrative expenses; (ii) adjustments to financial asset values to financial expense line item and (iii) impairments of investments to loss from equity investments line item.

Column (B3)-Change in fair value and interest income of securities

This column includes the reclassification of net change in fair value and interest income of investment securities of Gardant, such as Asset Backed Securities (ABS), from revenue from contracts with customers to financial income.

Column (B4)-Remuneration of directors and statutory auditors

This column includes the reclassification of the remuneration of directors and statutory auditors from costs for services rendered to personnel expenses.

Column (B5)-Indirect taxes and contributions

This column includes the reclassification of indirect taxes, duties and membership fees from other operating expenses to administrative expenses.

Column (B6) – Other minor reclassifications

This column includes the reclassification of: (i) capital gains on the sale of fixed assets from other revenues to other operating income; (ii) staff training expenses and short-term car rental expenses from personnel expenses to administrative expenses; (ii) credit losses from other operating expenses to depreciation, amortisation and impairment line item and (iii) securities custody fees from financial expense to administrative expenses line item.

Column (C) - 2024 Senior Facilities Agreement

This column includes the effects on financial charges of the early repayment of the existing indebtedness of Gardant and the 2025 Notes, using the cash flows from the Term Facilities, together with the proceeds of the Rights Issue and the available cash, as detailed in the table below:

(in € thousand)	
Committed Facilities	
Interest expenses	(28,092)
Commitment fees on Revolving Facility	(1,190)
Revolving Facility Upfront Fee and other fees	(819)
	(30,101)
Elimination of interest expenses incurred on Eurobank Credit Facility	798
Elimination of commitment fees on existing revolving facilities	94
2025 Notes	
Elimination of interest expenses incurred	15,741

Transaction costs to be amortized	(6,944)
	8,797
Existing indebtedness of Gardant	
Elimination of interest expenses incurred	746
Transaction costs to be amortized	(208)
	538
Total Financial (Expense)/Income	**(19,875)**

The table above shows the *pro forma* effects of:

- interest on the Term Facilities (assuming, as mentioned in paragraph "2024 Senior Facilities Agreement" above, a utilization of the Term Facilities totalling €350.0 million) estimated equal to €28.1 million assuming, for the purpose of the Unaudited Pro Forma Consolidated Financial Information, Euribor 3M equal to 3.1% and Margin equal to 4.25% and taking into account the effect of transaction costs;
- commitment fees on the Revolving Facility for €1.2 million based on 35% of the initial margin and paid on the unused portion of the facility;
- upfront fees on the Revolving Facility equal to €0.5 million and other fees for €0.3 million. The total upfront fees, equal to €1.6 million, are amortized over the period of the facility (*i.e.*, 3 years);
- elimination of commitment fees paid in 2023 on existing revolving facility equal to €0.1 million;
- repayment of Eurobank Credit Facility (of which €0.4 of accrued interest costs) for entire nominal value equal to €25.4 million with a saving on interest cost of €0.8 million;
- repayment of 2025 Notes for the entire nominal value equal to €264.0 million with a saving on interest cost of €15.7 million and accrued cost linked to cost not yet amortized of €6.9 million;
- repayment of the residual portion of a €50 million facility agreement (€33.3 million as of January 1, 2023) entered into on August 6, 2021 (amended and restated from time to time including on November 2, 2021, December 21, 2022, and January 12, 2024) between BBPM (as lender) and Special Gardant (as borrower), with less financial interest for €0.7 million with a tax effect estimated at 24% equal to €0.2 million; and
- accrued cost linked to cost not yet amortized of €208 thousand on the above Gardant loan, with a fiscal effect of €50 thousand.

Column (D) – Carved-out Assets

This column includes the reversal of the effects recorded in Gardant 2023 Audited Consolidated Financial Statements in relation to the Carved-out Assets.

Column (E)-Gardant Group Acquisition

This column includes non-recurring transaction costs related to the Gardant Group Acquisition, as if they were incurred on January 1, 2023, amounting to €7.2 million. This amount includes M&A costs, due diligence costs, legal costs and W&I Insurance Policy cost.

Unaudited pro forma consolidated balance sheet as of September 30, 2024

The following table shows the *pro forma* adjustments to present the significant effects of the Transactions on the consolidated balance sheet of the Group as of September 30, 2024.

(in € thousand)	***Pro forma adjustments***	

	Consolidated balance sheet of the Issuer	Consolidated balance sheet of Gardant	Carved Out Assets	Rights Issue	Bank Financing	Gardant Group Acquisition	Pro forma consolidated balance sheet
	(A)	(B)	(C)	(D)	(E)	(F)	(G)=(A)+(B)+(C)+(D)+(E)+(F)
Non-current assets							
Intangible assets	454,701	206,602	-	-	-	2,949	664,252
Property, plant and equipment	41,935	11,851	-	-	-	-	53,786
Investments in associates and joint ventures	-	-	-	-	-	-	-
Non-current financial assets	41,945	30,203	(14,789)	-	(537)	-	56,822
Deferred tax assets	75,421	19,038	-	-	670	1,208	96,337
Other non-current assets	3,848	5,114	-	-	1,067	-	10,029
Total non-current assets	**617,850**	**272,808**	**(14,789)**	**-**	**1,200**	**4,157**	**881,226**
Current assets							
Inventories	1	-	-	-	-	-	1
Current financial assets	-	14,950	-	-	-	-	14,950
Trade receivables	174,544	28,204	-	-	-	-	202,748
Tax assets	4,466	1,283	-	-	-	-	5,749
Other current assets	73,706	9,137	-	(2,566)	(425)	-	79,852
Cash and cash equivalents	90,509	55,643	(7,183)	142,169	(27,856)	(179,441)	73,841
Total current assets	**343,226**	**109,217**	**(7,183)**	**139,603**	**(28,281)**	**(179,441)**	**377,141**
Assets held for sale	10	-			-	-	10
Total assets	**961,086**	**382,025**	**(21,972)**	**139,603**	**(27,081)**	**(175,284)**	**1,258,377**
Shareholder equity							
Net equity attributable to shareholders of the Parent Company	**57,370**	**214,984**	**(21,970)**	**142,169**	**(4,525)**	**(179,612)**	**208,416**
Net equity attributable to non-controlling interests	57,755	26,581	-	-	-	-	84,336
Total net equity	**115,125**	**241,565**	**(21,970)**	**142,169**	**(4,525)**	**(179,612)**	**292,752**
Non-current liabilities							
Loans and other financing	294,041	48,685	-	-	239,193	-	581,919
Other non-current financial liabilities	44,572	11,933	-	-	(975)	-	55,530
Employee benefits	8,147	4,002	-	-	-	-	12,149
Provisions for risks and charges	26,451	81	-	-	-	-	26,532
Deferred tax liabilities	40,443	13,397	-	-	-	-	53,840
Other non-current liabilities	8,407	32	-	-	-	-	8,439
Total non-current liabilities	**422,061**	**78,130**	**-**	**-**	**238,218**	**-**	**738,409**
Current liabilities							
Loans and other financing	290,977	19,825	-	-	(259,816)	-	50,986
Other current financial liabilities	24,195	1,813	-	-	-	-	26,008
Trade payables	63,209	9,287	-	(2,566)	(958)	1,828	70,800
Tax liabilities	5,576	7,051	-	-	-	-	12,627
Other current liabilities	39,943	24,354	(2)	-	-	2,500	66,795
Total current liabilities	**423,900**	**62,330**	**(2)**	**(2,566)**	**(260,774)**	**4,328**	**227,216**
Liabilities associated with assets held for sale	-	-	-	-	-	-	-

Total liabilities	**845,961**	**140,460**	**(2)**	**(2,566)**	**(22,556)**	**4,328**	**965,625**
Total net equity and liabilities	**961,086**	**382,025**	**(21,972)**	**139,603**	**(27,081)**	**(175,284)**	**1,258,377**

Unaudited pro forma consolidated income statement for the nine months ended September 30, 2024

The following table shows the *pro forma* adjustments to present the significant effects of the Transactions on the consolidated income statement of the Group for the nine months ended September 30, 2024.

(in € thousand)			***Pro forma adjustments***			
	Consolidated income statement of the Issuer	**Reclassified consolidated income statement of Gardant**	**2024 Senior Facilities Agreement**	**Carved-Out Assets**	**Gardant Group Acquisition**	**Pro forma consolidated income statement**
	(A)	(B)	(C)	(D)	(E)	(F)=(A)+(B)+(C)+(D)+(E)
Revenue from contracts with customers	280,613	91,765	-	(333)	-	372,045
Other revenues	37,426	1,753	-	-	-	39,179
Total revenue	**318,039**	**93,518**	**-**	**(333)**	**-**	**411,224**
Costs for services rendered	(15,390)	(7,223)	-	-	-	(22,613)
Personnel expenses	(153,678)	(39,546)	-	-	-	(193,224)
Administrative expenses	(70,003)	(12,168)	-	-	(5,118)	(87,289)
Other operating (expense)/income	659	(729)	-	-	-	(70)
Depreciation, amortisation and impairment	(42,903)	(16,690)	-	-	-	(59,593)
Provisions for risks and charges	(3,259)	-	-	-	-	(3,259)
Total costs	**(284,574)**	**(76,356)**	**-**	**-**	**(5,118)**	**(366,048)**
Operating income	**33,465**	**17,162**	**-**	**(333)**	**(5,118)**	**45,176**
Financial (Expense)/Income	(18,992)	767	(10,333)	(1,299)	-	(29,857)
Profit (loss) from equity investments	(2,959)	-	-	-	-	(2,959)
Profit (Loss) before tax	**11,514**	**17,929**	**(10,333)**	**(1,632)**	**(5,118)**	**12,360**
Income tax expense	4,921	(6,565)	(1,175)	392	(190)	(2,618)
Net profit (loss) from continuing operations	**16,435**	**11,364**	**(11,508)**	**(1,240)**	**(5,308)**	**9,742**
Net income (expense) of assets held for sale	-	-	-	-	-	-
Profit (Loss) for the period	**16,435**	**11,364**	**(11,508)**	**(1,240)**	**(5,308)**	**9,742**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company	*10,341*	*6,402*	*(11,679)*	*(1,240)*	*(5,308)*	*(1,484)*
o.w. Profit (loss) for the period attributable to Non-controlling interests	*6,094*	*4,962*	*171*	-	-	*11,227*

Summary description of pro forma adjustments as of and for the nine months ended September 30, 2024

Pro forma adjustments were made by applying the general rule according to which the Transactions relating to the balance sheet are assumed to have taken place on the closing date of September 30, 2024, while for the income statement for the nine months period ended September 30, 2024 the transactions are assumed to have taken place at January 1, 2024.

The following estimates were also made:

- costs incurred by the Issuer in connection with the Gardant Group Acquisition have been estimated at a total of €7.2 million of which €1.4 million have been already recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements (nil in the 2023 Audited Consolidated Financial Statements). For the purposes of the Unaudited Pro Forma Consolidated Financial Information as of September 30, 2024, the remaining amount has been accounted for in the income statement;

- costs incurred by the Issuer in connection with the Rights Issue and which will be recognized directly in equity in the period in which they are incurred have been estimated at a total of €7.8 million of which €2.6 million have been accounted in the 2024 Unaudited Interim Condensed Consolidated Financial Statements;

- gross amount of the Rights Issue estimated on the basis of Issuer's share price as of November 11, 2024 (i.e €4.80 per share);

- costs incurred by Gardant in connection with the Gardant Group Acquisition have been estimated at a total of €2.5 million; for the purposes of the Unaudited Pro Forma Consolidated Financial Information as of September 30, 2024, these costs have been accounted for in the balance sheet for an amount of €1.8 million taking into consideration that €0.7 million have been already recognized in the Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements;

- M&A Bonuses have been estimated at a total of €2.5 million, gross of tax effect;

- Incremental Net Cash Consideration have been estimated at a total of €0.9 million assuming the Gardant Group Acquisition Completion in November 2024;

- costs, for a total of €12.9 million, which the Issuer will incur in connection with the Term Facilities and of which €1.0 million have been already recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements, are included in the computation of the amortised cost of such facilities.

While these are the best current estimates, such estimates could differ from actual amounts.

In addition, the Unaudited Pro Forma Consolidated Financial Information was prepared on the basis of the following assumptions:

- proceeds of Term Facilities are used, together with proceeds of Rights Issue, to finance the Gardant Group Acquisition and entirely repay the 2025 Notes;

- the pro forma adjustments regarding the Issuer that impact the income statement have been considered tax-neutral since the Issuer is currently in a tax loss position and, considering future plans, is not recognizing deferred tax assets;

- for the pro forma adjustments regarding Gardant that impact the income statement, tax effects of either 24% or 27.9% have been assumed, depending on the applicability of IRAP to the adjustment;

- the Term Facilities have an initial margin of 4.25% plus Euribor 3M;

- commitment fee on Revolving Facility is based on 35% of the initial margin;

- preliminary Purchase Price Allocation (PPA) exercise as the fair value of Gardant's assets and liabilities is not currently available; therefore, goodwill has been determined on a provisional basis as the difference between the estimated purchase price and the book value of Gardant's net assets, based on the most recent Gardant consolidated financial statements as of September 30, 2024;

- the capital increase to serve the conversion of the Convertible Bonds, resulting in the issuance of 4,000,000 shares (after the reverse stock-split adopted by the extraordinary shareholders' meeting of the Issuer of September 11, 2024) to the Sellers (equal to 20% of the Issuer's share capital after the Gardant Group Acquisition Completion).

Description of the pro forma adjustments as of and for the nine months ended September 30, 2024

The *pro forma* entries to prepare the Unaudited Pro Forma Consolidated Financial Information are briefly described below.

Notes to the Unaudited Pro Forma Consolidated Balance Sheet

Column (A)—Consolidated balance sheet of the Issuer as of September 30, 2024

This column includes the consolidated balance sheet of the Issuer as of September 30, 2024, derived from the 2024 Unaudited Interim Condensed Consolidated Financial Statements.

Column (B)—Consolidated balance sheet of Gardant

This column includes the Gardant consolidated balance sheet as of September 30, 2024, extracted from the Gardant 2024 Unaudited d Interim Condensed Consolidated Financial Statements and reclassified according to the Issuer's balance sheet, as shown in the table below.

(in € thousand)	Consolidated balance sheet of Gardant	Reclassifications				Reclassified consolidated balance sheet of Gardant
		Other tax receivables	Lease liabilities	Other tax payables	Short-term bank loans	
	(B1)	(B2)	(B3)	(B4)	(B5)	(B)
Non-current assets						
Intangible assets	206,602	-	-	-	-	206,602
Property, plant and equipment	11,851	-	-	-	-	11,851
Investments in associates and joint ventures	-	-	-	-	-	-
Non-current financial assets	30,203	-	-	-	-	30,203
Deferred tax assets	19,038	-	-	-	-	19,038
Other non-current assets	5,114	-	-	-	-	5,114
Total non-current assets	**272,808**	**-**	**-**	**-**	**-**	**272,808**
Current assets						
Inventories	-	-	-	-	-	-
Current financial assets	14,950	-	-	-	-	14,950
Trade receivables	28,204	-	-	-	-	28,204
Tax assets	1,660	(377)	-	-	-	1,283
Other current assets	8,760	377	-	-	-	9,137
Cash and cash equivalents	55,643	-	-	-	-	55,643
Total current assets	**109,217**	**-**	**-**	**-**	**-**	**109,217**
Assets held for sale	-	-	-	-	-	-
Total assets	**382,025**	**-**	**-**	**-**	**-**	**382,025**
Shareholder equity						
Net equity attributable to shareholders of the Parent Company	**214,984**	**-**	**-**	**-**	**-**	**214,984**
Net equity attributable to non-controlling interests	26,581					26,581
Total net equity	**241,565**	**-**	**-**	**-**	**-**	**241,565**
Non-current liabilities						
Loans and other financing	59,643	-	(10,958)	-	-	48,685
Other non-current financial liabilities	975	-	10,958	-	-	11,933
Employee benefits	4,002	-	-	-	-	4,002
Provisions for risks and charges	81	-	-	-	-	81
Deferred tax liabilities	13,397	-	-	-	-	13,397
Other non-current liabilities	32	-	-	-	-	32
Total non-current liabilities	**78,130**	**-**	**-**	**-**	**-**	**78,130**
Current liabilities						

Loans and other financing [1]	-	-	-	-	19,825	19,825
Other current financial liabilities	21,638	-	-	-	(19,825)	1,813
Trade payables	9,287	-	-	-	-	9,287
Tax liabilities	8,643	-	-	(1,592)	-	7,051
Other current liabilities	22,762	-	-	1,592	-	24,354
Total current liabilities	**62,330**	**-**	**-**	**-**	**-**	**62,330**
Liabilities associated with assets held for sale	-	-	-	-	-	-
Total liabilities	**140,460**	**-**	**-**	**-**	**-**	**140,460**
Total net equity and liabilities	**382,025**	**-**	**-**	**-**	**-**	**382,025**

[1] *Line item not included in the consolidated income statement of Gardant*

The above reclassifications have been identified by the Issuer for the purposes of preparing the Unaudited Pro Forma Consolidated Financial Information, taking into account the information available to the Issuer at the time of preparation.

The analysis conducted by the Issuer up to the Prospectus Date did not reveal any significant differences between the accounting policies adopted by Gardant with respect to the accounting policies adopted by the Issuer.

Column (B1)-Consolidated balance sheet of Gardant

This column includes the balance sheet figures of Gardant as of September 30, 2024, extracted from the Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements.

Column (B2)– Other tax receivables

This column includes the reclassification out of "tax liabilities" to "other current liabilities" of tax receivables not strictly related to direct taxes.

Column (B3)-Lease liabilities

This column includes the reclassification out of "loans and other financing" to "Other non-current financial liabilities" of lease liabilities.

Column (B4)– Other tax payables

This column includes the reclassification out of "tax assets" to "other current assets" of tax liabilities not strictly related to direct taxes.

Column (B5)- Short-term bank loans

This column includes the reclassification out of "loans and other financing" to "Other non-current financial liabilities" of short-term bank loans.

Column (C)— Carved-out Assets

This column includes the elimination of the effects recorded in 2024 Unaudited Interim Condensed Consolidated Financial Statements in relation to the Carved-out Assets, including available cash for €7.2 million (of which €6.8 million relating to the Ex-perimeter Notes and €0.4 million relating to the Ex-perimeter Assets)..

Column (D)—Rights Issue

This column includes the *pro forma* adjustment deriving from the Rights Issue of €150.0 million, net of the transaction costs, estimated to be €7.8 million of which €2.6 million have been accounted in the 2024 Unaudited Interim Condensed Consolidated Financial Statements. These costs are specifically attributable to the capital increase and, therefore, based on the provisions of *IAS 32 Financial Instruments: Presentation*, are accounted for as a direct reduction of equity. The Issuer intends to use the approximately €142 million net proceeds from the Rights Issue, together with the €110 million from the Refinancing Term Facility and available cash, to repay the 2025 Notes.

Column (E)— 2024 Senior Facilities Agreement

This column includes the effects of the early repayment of i) the existing indebtedness of Gardant and ii) the 2025 Notes, using the cash available from the Term Facilities and from the Rights Issue.

Specifically, the following table shows the cash flows from the Term Facilities:

(in € thousand)	
Term Facilities	350,000
Transaction costs	(12,945)
Book value	**337,055**
Prepaid Term Facilities Upfront Fee	**1,600**
Nets cash and cash equivalent	**335,455**

For the purposes of preparing the Unaudited Pro Forma Consolidated Financial Information, the Revolving Facility Upfront equal to €1.6 million has been accounted for as an asset and it will be amortized to the income statement during the life of the facility (*i.e.*, 3 years).

The following table shows the financial outflows related to the early repayment of the existing indebtedness of Gardant, the 2025 Notes and the Eurobank Credit Facility:

(in € thousand)	
Existing indebtedness of Gardant (book value)	68,510
Net early closing of derivative financial instruments	437
Transaction costs to be amortized	2,791
Net outflow	**71,738**
2025 Notes (book value)	**263,796**
Transaction costs to be amortized	**2,404**
Notional amount outstanding	**266,200**
Eurobank Credit Facility	**25,374**
Total outflows for the early repayments	**363,312**

The following table shows the overall effects of the use of the Term Facilities and the early repayment of the existing indebtedness of Gardant and the 2025 Notes on the items "Loans and other financing" and "Cash and cash equivalents":

(in € thousand)	
Loans and other financing	
Term Facilities	337,055
Existing indebtedness of Gardant	(68,510)
2025 Notes	(263,796)

Eurobank Credit Facility	(25,374)
	(20,625)
of which current	*239,193*
of which non-current	*(259,818)*
Cash and cash equivalent	
Term Facilities	335,456
Existing indebtedness of Gardant	(71,738)
2025 Notes(*)	(266,200)
Eurobank Credit Facility	(25,374)
	(27,856)

(*) the Issuer intends to use the approximately €142 million net proceeds from the Rights Issue, together with the €110 million from the Refinancing Term Facility and available cash, to repay the 2025 Notes. See previous note "D" for further information.

The Unaudited Pro Forma Consolidated Financial Information does not include any adjustments for the Revolving Facility, as it is not anticipated that this line of credit will be utilized in the context of the Gardant Group Acquisition. However, as part of the new financing package negotiated with Banks, the cost of this commitment fee is reflected in the pro-forma income statement.

Column (F)—Gardant Group Acquisition

This column includes the estimated *pro forma* effects that may derive from the retroactive accounting for the Gardant Group Acquisition.

The Gardant Group Acquisition qualifies as a business combination pursuant to which the Issuer will acquire control of Gardant. The accounting for the Gardant Group Acquisition is governed by IFRS 3, which provides that at the time of the Gardant Group Acquisition, which is the date on which the Issuer will obtain control over Gardant, the assets acquired and the liabilities and contingent liabilities assumed are recognized at their fair value, except for deferred tax assets and liabilities for employee benefits and assets held for sale, which are recognized on the basis of the relative accounting principles. The difference between the acquisition cost and the fair value of the assets and liabilities acquired, if positive, is recognized as goodwill, or, if negative, after reviewing the fair value measurements of the assets and liabilities acquired, directly in the income statement, as income. Transaction costs are recorded in the income statement when incurred. As the fair value of Gardant's assets and liabilities is not currently available, in accordance with IFRS 3, paragraph 45, goodwill has been determined on a provisional basis as the difference between the purchase price (as shown in the table below) and the book value of Gardant's net assets as of September 30, 2024.

In particular:

(in € thousand unless otherwise stated)	
Share consideration	
Shares Consideration - number of shares	4,000,000
doValue share price as of November 11, 2024 - in €	4.80
Shares Consideration (a)	**19,200**
Cash consideration	
Net Cash Consideration	**179,600**
M&A bonuses	**(2,500)**
W&I Insurance Policy's cost	**(2,000)**

Notified leakages and/or deductible costs	**(2,323)**
Incremental Consideration	**866**
Cash Consideration (b) (*)	**173,643**
Consideration (total) (c) = (a)+(b)	**192,843**
Gardant net equity attributable to shareholders of the Parent Company	214,984
of which Amount of goodwill already accounted for in Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements	*159,490*
Ex-Perimeter Notes	(21,970)
Transaction costs Gardant (net of tax impact)	(1,318)
M&A Bonuses (net of tax impact)	(1,802)
Provisional adjusted amount of the net assets acquired (d) *(**)*	**189,894**
Delta (e) = (d)-(c)	**2,949**
Amount of goodwill already accounted for in Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements (f)	159,490
Provisional goodwill (g) = (e)+ (f) (***)	**162,439**

(*) €180.9 million including available cash for €7.2 million (of which €6.8 million relating to the Ex-perimeter Notes and €0.4 million relating to the Ex-perimeter Assets) included in Column (C)— Carved-out Assets.

(**) €30.4 million excluding goodwill already accounted for in Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements

(***) of which €159.5 million included in Column (B)—Consolidated balance sheet of Gardant under the line item "Intangible assets" and €2.9 million in this column.

Considering the execution method of the Gardant Group Acquisition and the fact that doValue Shares are listed, in accordance with IFRS 3, the Conversion Shares will be determined based on the stock exchange price on the effective date of the Gardant Group Acquisition. For the purpose of the Unaudited Pro Forma Consolidated Financial Information the Conversion Shares has been estimated based on the value of a doValue share at a date close to the preparation of the Unaudited Pro Forma Consolidated Financial Information.

In accordance with IFRS 3, the Provisional Goodwill may change from what is set forth above due to i) the determination of the fair value of the identifiable assets acquired and the identifiable liabilities assumed as of the effective date of the Gardant Group Acquisition, net of any related tax effect, if applicable, ii) the price of the doValue Share as of the effective date of the Gardant Group Acquisition, and iii) the actual value of the M&A Bonuses and other potential adjustments in accordance with the Gardant SPA. Paragraph 45 of IFRS 3 provides for a "measurement period" during which the Issuer must initially account for the acquisition and complete the assessment of the net assets acquired at a later date, and in any case within 12 months from the Completion.

As described above, the completion of the PPA in accordance with IFRS 3 will result in the recognition, at the effective date of the Gardant Group Acquisition, of all identifiable assets acquired and the liabilities or contingent liabilities assumed at fair value, including the relevant deferred tax, where applicable, with a corresponding adjustment to goodwill. Therefore, the Group's actual consolidated income statement may also be affected, possibly significantly, depending on the actual fair value allocated to Gardant's assets and liabilities or contingent liabilities.

Additional costs for the Gardant Group Acquisition

To complete the Gardant Group Acquisition, the Issuer has estimated that it will incur aggregate non-recurring costs of €7.2 million of which €1.4 million have been already recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements. This column also shows, therefore, the recognition of the portion of those costs, not recognised in the 2024 Unaudited Interim Condensed Consolidated Financial Statements, amounting to €5.8 million.

The following table shows the overall effects of the Gardant Group Acquisition on the items "Cash and cash equivalents" and "Net equity attributable to shareholders of the Issuer":

(in € thousand)	
Cash and cash equivalents	
Net Cash Consideration	179,600
M&A bonuses	(2,500)
W&I Insurance Policy's cost	(2,000)
Notified leakages and/or deductible costs	(2,323)
Incremental Consideration	866
Additional costs for the Gardant Group Acquisition (not yet incurred)(*)	5,798
	179,441
Net equity attributable to shareholders of the Parent Company	
Capital increase for share consideration(**)	19,200
Provisional fair values of the net assets acquired	(189,894)
Gardant's additional costs for the Gardant Group Acquisition (net of tax effect)	(1,318)
M&A bonuses (net of tax effect)	(1,802)
W&I Insurance Policy's cost	(2,000)
Additional costs for the Gardant Group Acquisition	(3,798)
	(179,612)

(*) To complete the Gardant Group Acquisition, the Issuer has estimated that it will incur aggregate non-recurring costs of €7.2 million of which €1.4 million have been already recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements.

(**) *Refer to previous table*

Notes to the Unaudited Pro Forma Consolidated Income Statement

Column (A)-Consolidated income statement of the Issuer

This column includes the income statement figures of the Issuer for the nine months period ended September 30, 2024, derived from the 2024 Unaudited Interim Condensed Consolidated Financial Statements.

Column (B)-Reclassified consolidated income statement of Gardant

This column includes the Gardant consolidated income statement for the nine months period ended September 30, 2024, extracted from the Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements and reclassified according to the Issuer's income statement presentation, as shown in the table below.

(in € thousand)	**Consolidated income statement of Gardant**	**Reclassifications**					**Reclassified consolidated income statement of Gardant**
		Adoption of the consolidated income statement	**Change in fair value and interest income**	**Remuneration of directors and statutory auditors**	**Indirect taxes and contributions**	**Other minor reclassifications**	

		presentation of the Issuer	of securities				
	(B1)	(B2)	(B3)	(B4)	(B5)	(B6)	(B)
Revenue from contracts with customers	91,941	-	(227)	-	-	51	91,765
Interest on investments [1]	4,121	(4,121)	-	-	-	-	-
Other revenues	1,833	-	-			(80)	1,753
Total revenue	**97,895**	**(4,121)**	**(227)**	-	-	**(29)**	**93,518**
Costs for services rendered	(17,171)	9,948	-	-	-	-	(7,223)
Cost for use of third party assets [1]	(2,597)	2,597	-	-	-	-	-
Personnel expenses	(38,701)	-	-	(1,154)	-	309	(39,546)
Administrative expenses [2]	-	(12,545)	-	1,154	(490)	(287)	(12,168)
Other operating (expense)/income	(1,220)	-	-	-	490	-	(730)
Depreciation, amortisation and impairment	(16,690)	-	-	-	-	-	(16,690)
Provisions for risks and charges	-	-	-	-	-	-	-
Total costs	**(76,379)**	-	-	-	-	**22**	**(76,357)**
Operating income	**21,516**	**(4,121)**	**(227)**	-	-	**(7)**	**17,161**
Financial (Expense)/Income	(3,696)	4,230	227	-	-	7	768
Profit (loss) from equity investments	-	-	-	-	-	-	-
Adjustments to financial asset values [1]	109	(109)	-	-	-	-	-
Dividends and ordinary similar income	-	-	-	-	-	-	-
Profit (Loss) before tax	**17,929**	-	-	-	-	-	**17,929**
Income tax expense	(6,565)	-	-	-	-	-	(6,565)
Net profit (loss) from continuing operations	**11,364**	-	-	-	-	-	**11,364**
Net income (expense) of assets held for sale	-	-	-	-	-	-	-
Profit (Loss) for the period	**11,364**	-	-	-	-	-	**11,364**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company	6,402	-	-	-	-	-	6,402
o.w. Profit (loss) for the period attributable to Non-controlling interests	4,962	-	-	-	-	-	4,962

[1] *Line item not included in the consolidated income statement of DoValue*

[2] *Line item not included in the consolidated income statement of Gardant*

The above reclassifications have been identified by the Issuer for the purposes of preparing the Unaudited Pro Forma Consolidated Financial Information, taking into account the information available to the Issuer at the time of preparation.

The analysis conducted by the Issuer up to the Prospectus Date did not reveal any significant differences between the accounting policies adopted by Gardant with respect to the accounting policies adopted by the Issuer.

Column (B1)-Consolidated income statement of Gardant

This column includes the income statement figures of Gardant for the nine months period ended September 30, 2024, extracted from the Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements.

Column (B2)–Adoption of the consolidated income statement presentation of the Issuer

This column includes the reclassification of: (i) costs for services not related to special servicer activities and costs for use of third-party assets to administrative expenses and (ii) adjustments to financial asset values to financial expense line item.

Column (B3)-Change in fair value and interest income of securities

This column includes the reclassification of: (i) net change in fair value of investment securities of Gardant, such as Asset Backed Securities (ABS), from revenue from contracts with customers to financial expense line and (ii) interest of investments to financial income.

Column (B4)-Remuneration of directors and statutory auditors

This column includes the reclassification of the remuneration of directors and statutory auditors from costs for services rendered to personnel expenses.

Column (B5)-Indirect taxes and contributions

This column includes the reclassification of indirect taxes, duties and membership fees from other operating expenses to administrative expenses.

Column (B6) – Other minor reclassifications

This column mainly includes the reclassification of: (i) staff training expenses and short-term car rental expenses from personnel expenses to administrative expenses; (ii) capital gains on the sale of securities from other revenues to financial income; (iii) financial fees from administrative expenses to financial expenses; (iv) general office expense from administrative expenses to other operating expenses and (v) securities custody fees from financial expense to administrative expenses line item.

Column (C)- 2024 Senior Facilities Agreement

This column includes the effects on financial charges of the early repayment of the existing indebtedness of Gardant and the 2025 Notes, using the cash flows from the Term Facilities, together with proceeds of Rights Issue and available cash, as detailed in the table below:

(in € thousand)	
Committed Facilities	
Interest expenses	(21,357)
Commitment fees on Revolving Facility	(893)
Revolving Facility Upfront Fee and other fees	(686)
	(22,936)
Elimination of interest expenses incurred on Eurobank Credit Facility	1,093
Elimination of commitment fees on existing revolving facilities	119
2025 Notes	
Elimination of interest expenses incurred	11,895
Transaction costs to be amortized	(4,399)
	7,496
Existing indebtedness of Gardant	
Elimination of interest expenses incurred	4,007
Transaction costs to be amortized	(112)
	3,895
Total Financial (Expense)/Income	**(10,333)**

The table above shows the impacts of:

- interest on the Term Facilities (outstanding of €350.0 million) estimated equal to €21.4 million for the nine months period ended September 30, 2024 assuming, for the purpose of the Unaudited Pro Forma Consolidated Financial Information, Euribor 3M equal to 3.1% and Margin equal to 4.25% and taking into account the effect of transaction costs;
- commitment fees on the Revolving Facility equal to €0.9 million based on 35% of the initial margin;
- upfront fees equal to €0.4 million and other fees for €0.3 million. Total upfront fees, equal to €1.5 million, are amortized over the period of the facility (*i.e.*, 3 years));
- elimination of commitment fees paid in 2024 on existing revolving facility equal to €0.1 million;
- repayment of Eurobank Credit Facility for entire nominal value equal to €25.4 million with a saving on interest cost of €1.1 million;
- repayment of 2025 Notes with for the entire nominal value equal to €264.0 million with a saving on interest cost of €11.9 million and accrued cost linked to cost not yet amortized of €4.4 million;
- repayment of i) the residual portion of a €50 million facility agreement (€22.2 million as of January 1, 2024) entered into on August 6, 2021 (amended and restated from time to time including on November 2, 2021, December 21, 2022, and January 12, 2024) between BBPM (as lender) and Special Gardant (as borrower) and ii) the residual portion of a €61 million facility agreement (nominal amount of €55.5 million) entered into on January 15, 2024 between BBPM, BPER and UniCredit (as lenders), BBPM (as agent and security agent) and Gardant Bridge S.p.A. (as borrower) with less financial interest for €4.0 million with a tax effect estimated at 24% equal to €0.6 million; and
- accrued cost linked to cost not yet amortized of €112 thousand on the above Gardant loans, with a fiscal effect of €27 thousand.

<u>Column (D) – Carved-out Assets</u>

This column includes the reversal of the effects recorded in Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements in relation to the Carved-out Assets.

<u>Column (E)-Gardant Group Acquisition</u>

This column includes non-recurring transaction costs related to the Gardant Group Acquisition, as if they were incurred on January 1, 2024, amounting to €7.2 million. These costs have been accounted for in the income statement for an amount of €5.8 million taking into consideration that the remaining have been already recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements. This amount includes M&A costs, due diligence costs, legal costs and W&I Insurance Policy's cost not yet recognized in the 2024 Unaudited Interim Condensed Consolidated Financial Statements.

The column includes also the elimination of transaction costs borne by Gardant and recognized in Gardant 2024 Unaudited Interim Condensed Consolidated Financial Statements, amounting to €0.7 million, as if they were incurred before January 1, 2024.

****

The *pro forma* entries for the preparation of the Unaudited Pro Forma Consolidated Financial Information relate to recurring events, with the exception of those attributable to i) the net costs associated with the early repayment of existing indebtedness of the Issuer and Gardant which amount to €7.4 million for the year ended December 31, 2023 and to €4.8 million for the nine months ended September 30, 2024 and ii) the net non-recurring transaction costs related to the Gardant Group Acquisition, which amount to €7.2 million for the year ended December 31, 2023 and to €5.2 million for the nine months ended September 30, 2024.

****

The Gardant Group has a strategic partnership with BBPM for the servicing of NPLs held by BBPM on its balance sheet. BBPM agreed to waive its right to initiate the procedure for a trade sale for a period of 1 year after the Gardant Group Acquisition Completion.

Considering such waiver, the Unaudited Pro Forma Consolidated Financial Information do not reflect the potential outcomes that could arise in the future from the evolution of the partnership between Gardant Group and Banco BPM.

****

In accordance with the criteria to be followed in the preparation of Unaudited Pro Forma Consolidated Financial Information, the unaudited *pro forma* consolidated income statement does not include:

- expected synergies to be achieved following the integration between the Issuer and Gardant. For further information as to the expected synergies see "Forecast Data and Estimates";
- the effect of the purchase price allocation exercise in accordance with IFRS 3. If, as described above, upon completion of the exercise, allocations will be made to assets with a finite useful life, such as servicing contracts, the related amortization would be recognized in the income statement, which could be significant.

****

Unaudited pro forma consolidated key performance indicators ("KPIs")

Unaudited pro forma consolidated net financial indebtedness of the Group as of September 30, 2024

The following table shows the pro forma adjustments to present the significant effects of the Transactions on the consolidated net financial indebtedness of the Group as of September 30, 2024, prepared in accordance with paragraphs 175-189 of ESMA Guidelines 32-382-1138.

(in € thousand)		***Pro forma adjustments***					
	Consolidated balance sheet of the Issuer	**Consolidated balance sheet of Gardant**	**Carved Out Assets**	**Rights Issue**	**Bank Financing**	**Gardant Group Acquisition**	**Pro forma consolidated balance sheet**
A. Cash	90,509	55,643	(7,183)	142,169	(27,856)	(179,441)	73,841
B. Cash equivalents							
C. Other current financial assets	-	14,950	-	-	-	-	14,950
D. Liquidity (A) + (B) + (C)	**90,509**	**70,593**	**(7,183)**	**142,169**	**(27,856)**	**(179,441)**	**88,791**
E. Current financial debt	(289,312)	-	-	-	289,170	-	(142)
F. Current portion of non-current financial debt	(25,860)	(21,638)	-	-	(29,354)	-	(76,852)
G. Current financial indebtedness (E) + (F)	**(315,172)**	**(21,638)**	**-**	**-**	**259,816**	**-**	**(76,994)**
H. Net current financial indebtedness (G) + (D)	**(224,663)**	**48,955**	**(7,183)**	**142,169**	**231,960**	**(179,441)**	**11,797**
I. Non-current financial debt	(44,572)	(60,618)	-	-	(238,218)	-	(343,408)
J. Debt instruments	(294,041)	-	-	-	-	-	(294,041)
K. Non-current rate and other payables							
L. Non-current financial indebtedness (I) + (J) + (K)	**(338,613)**	**(60,618)**	**-**	**-**	**(238,218)**	**-**	**(637,449)**
M. Total financial indebtedness (H) + (L)	**(563,276)**	**(11,663)**	**(7,183)**	**142,169**	**(6,258)**	**(179,441)**	**(625,652)**

Please refer to the Notes to the Unaudited Pro Forma Consolidated Balance Sheet for details regarding the pro forma adjustments that impact the Unaudited Pro Forma Consolidated Net Financial Indebtedness as of September 30, 2024.

Other unaudited pro forma KPIs of the Group as of September 30, 2024 and December 31, 2023

The following table shows other unaudited pro forma KPIs of the Group as of September 30, 2024 and December 31, 2023

(*In €Million and in %)*	**Pro forma FY23**	**Pro forma 9 months 24**
Gross Revenues	575	413
Non-NPL revenues (%) [(1)]	66%	62%
Gross Book Value [(2)]	136,000	137.465
ACR [(3)]	4.4%	2.8%
EBITDA Excluding Non-recurring Items [(4)]	200	133
EBITDA Excluding Non-recurring Items margin	35%	32%

(1) Non-Performing Loan, *i.e.*, loans which are more than 180 days past due and have been denounced.
(2) Gross Book Value, *i.e.*, nominal value of assets under management, represents the maximum / nominal claim by banks / investors to borrowers on their portfolios.
(3) Average Collection Rate computed as gross collections for the year divided by average Gross Book Value.
(4) EBITDA Excluding Non-recurring Items is calculated as EBITDA adjusted to exclude (i) the increased value of earn-out referred to doValue Greece; (ii) termination of incentive plans; (iii) legal expenses for an ongoing arbitration in Spain; (iv) insurance reimbursements; and (v) related tax effects.

doValue S.p.A.

Independent auditor’s assurance report on the compilation of pro forma financial information included in a prospectus

December 31, 2023

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Sede Secondaria: Via Lombardia, 31 – 00187 Roma
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Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of
doValue S.p.A.

We have completed our assurance engagement to report on the compilation of the pro forma financial information of doValue S.p.A. ("doValue" or the "Issuer" and, together with its subsidiaries, the "doValue Group") by the Directors of doValue. The pro forma financial information consists of the unaudited pro forma consolidated income statement for the year ended December 31, 2023 of the doValue Group, and the related explanatory notes (the "December 31, 2023 Unaudited Pro Forma Consolidated Financial Information") as set out in section "Unaudited Pro Forma Consolidated Financial Information" of the prospectus (the "Prospectus") of the Issuer prepared exclusively in connection with (i) the offering by doValue S.p.A. of new ordinary shares, with no par value (the "New Rights Issue Shares"), pursuant to transferable pre-emptive subscription rights granted to existing holders of its ordinary shares (the "Shareholders") and holders of its convertible bonds (the "Bondholders") under Article 2441, paragraphs 1, 2 and 3, of the Italian Civil Code (the "Offer"), and (ii) the admission to trading of the New Rights Issue Shares and 4,000,000 new shares resulting from the conversion of 4,000,000 convertible bonds (the "Conversion Shares" and, together with the New Rights Issue Shares, the "New Shares") on the STAR segment of Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A. (the "Admission"). The Directors of doValue have compiled the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information on the basis of the applicable criteria as required by the European Commission Regulation no. 980/2019, described in the basis of preparation and in the explanatory notes of the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information (hereinafter collectively referred to as the "Applicable Criteria").

The December 31, 2023 Unaudited Pro Forma Consolidated Financial Information has been compiled by the Directors of doValue to retroactively present the significant effects of the following transactions:

i) the acquisition of 100% of the share capital of Gardant S.p.A. ("Gardant" and together with its subsidiaries, the "Gardant Group") for a net cash consideration of Euro 179.6 million, subject to contingent and variable consideration, plus the issuance of the Conversion Shares to the sellers (the "Gardant Group Acquisition");

ii) the financing package agreed in connection with the Gardant Group Acquisition, which is aimed at, inter alia: (a) financing the purchase price of the acquisition of the entire share capital of Gardant and refinancing certain existing indebtedness of the Gardant Group; and (b) refinancing a portion of the notes of doValue due in 2025 (the "2024 Senior Facilities Agreement"); and

iii) the rights issue of Euro 150.0 million reserved to the Shareholders and Bondholders that forms part of the Offer and Admission (the "Rights Issue", and, together with the Gardant Group Acquisition and the 2024 Senior Facilities Agreement, hereinafter collectively referred to as the "Transactions");

on the consolidated income statement of the Issuer, as if each of such Transactions had occurred at January 1, 2023 for the purpose of the unaudited pro forma consolidated income statement.

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As part of this process, historical financial information about the doValue Group's consolidated income statement for the year ended December 31, 2023 has been extracted by the Directors of doValue from:

i) the consolidated financial statements of the doValue Group as of December 31, 2023 and for the year then ended, prepared 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, approved by the Board of Directors on March 21, 2024 and audited by us and for which we issued our audit report on March 28, 2024;

ii) the consolidated financial statements of Gardant as of December 31, 2023 and for the year then ended, prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board endorsed by the European Union, approved by the Board of Directors of Gardant on September 5, 2024 and audited by other auditors, which issued their audit report on September 12, 2024. We have not audited or reviewed the consolidated financial statements of Gardant as of December 31, 2023 and for the year then ended.

Directors' responsibility for the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information

The Directors of doValue are responsible for compiling the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information on the basis of the Applicable Criteria and for the consistency of the Applicable Criteria with the accounting principles adopted by the doValue Group.

Auditor's independence and quality management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (*IESBA Code*) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1* (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion, as required by the European Commission Regulation no. 980/2019, about whether the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information has been compiled by the Directors of doValue, in all material respects, on the basis of the Applicable Criteria and the Applicable Criteria are consistent with the accounting principles adopted by the doValue Group.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires to plan and perform procedures to obtain reasonable assurance about whether the Directors of doValue have compiled, in all material respects, the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or a review of the financial information used in compiling the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information.
The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or significant transaction on historical financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transactions at January 1, 2023 would have been as presented in the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

i) the related pro forma adjustments give appropriate effect to those criteria; and
ii) the pro forma financial information reflects the proper application of those adjustments to the historical financial information.

The procedures selected depend on professional judgment, having regard to the understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the December 31, 2023 Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria and the Applicable Criteria are consistent with the accounting principles adopted by the doValue Group.

Rome, November 13, 2024

EY S.p.A.

Wassim Abou Said
(Auditor)

Building a better working world

doValue S.p.A.

Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

September 30, 2024

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Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of
doValue S.p.A.

We have completed our assurance engagement to report on the compilation of the pro forma financial information of doValue S.p.A. ("**doValue**" or the "**Issuer**" and, together with its subsidiaries, the "**doValue Group**") by the Directors of doValue. The pro forma financial information consists of the unaudited pro forma consolidated balance sheet as of September 30, 2024 and the unaudited pro forma consolidated income statement for the nine months ended September 30, 2024 of the doValue Group, and the related explanatory notes (the "**September 30, 2024 Unaudited Pro Forma Consolidated Financial Information**") as set out in section "Unaudited Pro Forma Consolidated Financial Information" of the prospectus (the "**Prospectus**") of the Issuer prepared exclusively in connection with (i) the offering by doValue S.p.A. of new ordinary shares, with no par value (the "**New Rights Issue Shares**"), pursuant to transferable pre-emptive subscription rights granted to existing holders of its ordinary shares (the "**Shareholders**") and holders of its convertible bonds (the "**Bondholders**") under Article 2441, paragraphs 1, 2 and 3, of the Italian Civil Code (the "**Offer**"), and (ii) the admission to trading of the New Rights Issue Shares and 4,000,000 new shares resulting from the conversion of 4,000,000 convertible bonds (the "**Conversion Shares**" and, together with the New Rights Issue Shares, the "**New Shares**") on the STAR segment of Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A. (the "**Admission**"). The Directors of doValue have compiled the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information on the basis of the applicable criteria as required by the European Commission Regulation no. 980/2019, described in the basis of preparation and in the explanatory notes of the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information (hereinafter collectively referred to as the "**Applicable Criteria**").

The September 30, 2024 Unaudited Pro Forma Consolidated Financial Information has been compiled by the Directors of doValue to retroactively present the significant effects of the following transactions:

i) the acquisition of 100% of the share capital of Gardant S.p.A. ("**Gardant**" and together with its subsidiaries, the "**Gardant Group**") for a net cash consideration of Euro 179.6 million, subject to contingent and variable consideration, plus the issuance of the Conversion Shares to the sellers (the "**Gardant Group Acquisition**");

ii) the financing package agreed in connection with the Gardant Group Acquisition, which is aimed at, inter alia: (a) financing the purchase price of the acquisition of the entire share capital of Gardant and refinancing certain existing indebtedness of the Gardant Group; and (b) refinancing a portion of the notes of doValue due in 2025 (the "**2024 Senior Facilities Agreement**"); and

iii) the rights issue of Euro 150.0 million reserved to the Shareholders and Bondholders that forms part of the Offer and Admission (the "**Rights Issue**", and, together with the Gardant Group Acquisition and the 2024 Senior Facilities Agreement, hereinafter collectively referred to as the "**Transactions**");

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on the consolidated balance sheet and on the consolidated income statement of the Issuer, as if each of such Transactions had occurred at September 30, 2024 for the purpose of the unaudited pro forma consolidated balance sheet, and at January 1, 2024 for the purpose of the unaudited pro forma consolidated income statement.

As part of this process, historical financial information about the doValue Group's consolidated balance sheet as of September 30, 2024 and consolidated income statement for the nine months then ended has been extracted by the Directors of doValue from:

i) the interim condensed consolidated financial statements of the doValue Group as of September 30, 2024 and for the nine months then ended, prepared in accordance with IAS 34 as adopted by the European Union, approved by the Board of Directors on November 11, 2024 and reviewed by us and for which we issued our review report on November 12, 2024;

ii) the interim condensed consolidated financial statements of Gardant as of September 30, 2024 and for the nine months then ended, prepared in accordance with IAS 34 as adopted by the European Union, approved by the Board of Directors of Gardant on November 5, 2024 and reviewed by other auditors, which issued their review report on November 6, 2024. We have not audited or reviewed the interim condensed consolidated financial statements of Gardant as of September 30, 2024 and for the nine months then ended.

Directors' responsibility for the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information

The Directors of doValue are responsible for compiling the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information on the basis of the Applicable Criteria and for the consistency of the Applicable Criteria with the accounting principles adopted by the doValue Group.

Auditor's independence and quality management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (*IESBA Code*) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1* (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion, as required by the European Commission Regulation no. 980/2019, about whether the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information has been compiled by the Directors of doValue, in all material respects, on the basis of the Applicable Criteria and the Applicable Criteria are consistent with the accounting principles adopted by the doValue Group.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires to plan and perform procedures to obtain reasonable assurance about whether the Directors of doValue have compiled, in all material respects, the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or a review of the financial information used in compiling the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or significant transaction on historical financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transactions at September 30, 2024 or at January 1, 2024 would have been as presented in the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

i) the related pro forma adjustments give appropriate effect to those criteria; and
ii) the pro forma financial information reflects the proper application of those adjustments to the historical financial information.

The procedures selected depend on professional judgment, having regard to the understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the September 30, 2024 Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria and the Applicable Criteria are consistent with the accounting principles adopted by the doValue Group.

Rome, November 13, 2024

EY S.p.A.

Wassim Abou Said
(Auditor)

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

This section gives an overview of the material information concerning the Board of Directors, Board of Statutory Auditors, Senior Management Team, the Group's employees and its corporate governance. It is based on and discusses relevant provisions of Italian law and the by-laws adopted by the Issuer as in effect on the Prospectus Date (the "**Issuer's By-laws**") and to the extent needed the by-laws that will be adopted by the Issuer, following the Gardant Group Acquisition Completion (the "**Post-Gardant Group Acquisition By-laws**"). The full text of the Issuer's By-laws and the Post-Gardant Group Acquisition By-laws (and the unofficial English translation thereof) is available free of charge on the Issuer's website (https://dovalue.it/en).

The Issuer is a joint-stock company (*società per azioni*) organized under the laws of Italy and managed by a board of directors (*Consiglio di Amministrazione*) (the "**Board of Directors**"). The Board of Directors, within the limits prescribed by Italian law, has the power to delegate its general authority to an executive committee or one or more senior managers. Under Italian law, the Board of Directors determines the powers of the chief executive officer. In addition, the Italian Civil Code requires the Issuer to have a board of statutory auditors (*Collegio Sindacale*) (the "**Board of Statutory Auditors**"), which functions as a supervisory body.

Board of Directors

The Issuer's Board of Directors is the executive body of the Issuer and is responsible for managing the Issuer in accordance with applicable laws, constitutional documents and shareholders' resolutions. The Board of Directors supervises the general course of business, and is responsible for the continuity of the Issuer and the business connected with it. The principal functions of the Board of Directors are to carry out the Issuer's business and to legally represent the Issuer in its dealing with third parties. Pursuant to the Issuer's By-laws the legal representation of the Issuer and corporate signature are vested in the Chairman of the Board of Directors and, in case of his absence or impediment, in the Vice Chairman, if appointed. The Senior Management Team, if appointed, can also represent the Issuer within the limits of their powers. Pursuant to the Issuer's By-laws, resolutions of the Board of Directors are adopted by an absolute majority of the votes cast. For further information on the composition of the Issuer's Board of Directors see "*Management, Employees and Corporate Governance – Directors*" below.

Directors

The Issuer's Board of Directors in charge as of the Prospectus Date was appointed by the Issuer's ordinary shareholders' meeting of April 26, 2024 and will remain in office until a period of three financial years through the approval of the financial statements as of December 31, 2026. During such meeting, the following persons were appointed as Directors: Alessandro Rivera (Chairman of the Board of Directors), Manuela Franchi (Chief Executive Officer), Elena Lieskovska, Constantine Dakolias, Francesco Colasanti, James Corcoran, Fotini Ioannou, Camilla Cionini Visani, Cristina Alba Ochoa, Isabella De Michelis di Slonghello and Giuseppe Pisani.

As of the Prospectus Date, the Board of Directors comprises the following members with evidence of the respective office held and the main personal data:

Name and Surname	Position	Place and date of birth	First appointment date within the Group
Alessandro Rivera (**)..	Chairman of the Board of Directors and Non-executive Director	Rome, November 25, 1970	April 26, 2024
Manuela Franchi...	Chief Executive Officer	Formia, March 28, 1976	July 25, 2016
Elena Lieskovska(**)...	Non-executive Director	Martin (SK), March 12, 1971	June 15, 2023
Constantine Dakolias..	Non-executive Director	Washington D.C. (US), June 20, 1966	April 26, 2024
Francesco Colasanti...	Non-executive Director	Frosinone, December 29, 1975	October 30, 2015
James Corcoran(*)...	Non-executive Director	Birmingham (UK), December 13, 1954	April 26, 2024
Fotini Ioannou(*)...	Non-executive Director	Athens, June 13, 1977	April 26, 2024
Camilla Cionini Visani(*)...	Non-executive Director	Milan, March 28, 1969	April 26, 2024
Cristina Alba Ochoa(*)...	Non-executive Director	Barcelona, August 8, 1973	April 26, 2024
Isabella De Michelis di Slonghello(*)................................	Non-executive Director	Rome, May 20, 1968	April 26, 2024
Giuseppe Pisani(*)...	Non-executive Director	Catanzaro, April 6, 1964	April 26, 2024

(*) Independent Director pursuant to Article 148, paragraph 3 of the Consolidated Financial Act and Article 2 of the Italian Codice di Corporate Governance issued by the Italian Stock Exchange (Borsa Italiana) and published in July 2015, as subsequently amended and supplemented in July 2018 and most recently in 2020 (the "**Corporate Governance Code**").

(**) Independent Director pursuant to Article 148, paragraph 3 of the Consolidated Financial Act.

On September 11, 2024 the Issuer's ordinary shareholders' meeting resolved to add two additional members to the Issuer's Board of Directors. These additions will be effective as of the Gardant Group Acquisition Completion and the appointees will remain in office until the approval of the financial statements as of December 31, 2026.

Pursuant to Article 13 of the Issuer's By-laws, the Issuer is managed by a Board of Directors composed by a minimum of 7 and a maximum of 11 members, as resolved by the Issuer's ordinary shareholders' meeting. On September 11, 2024, the Issuer's By-laws were amended to increase the maximum number of the Board of Directors members from 11 to 13, with effectiveness conditional upon the Gardant Group Acquisition Completion. As a consequence of this amendment and based on the proposal of the Issuer's Board of Directors, Enrico Buggea and Massimo Ruggieri will be appointed as new directors, taking office following the Gardant Group Acquisition Completion upon the registration of the amended By-laws in the Companies Register.

As of the Gardant Group Acquisition Completion, the Board of Directors will comprise the following Directors, with evidence of the respective office held and the main personal data.

Name and Surname	Position	Place and date of birth	First appointment date within the Group
Alessandro Rivera (**)	Chairman of the Board of Directors and Non-executive Director	Rome, November 25, 1970	April 26, 2024
Manuela Franchi	Chief Executive Officer	Formia, March 28, 1976	July 25, 2016
Elena Lieskovska (**)	Non-executive Director	Martin (SK), March 12, 1971	June 15, 2023
Constantine Dakolias	Non-executive Director	Washington D.C. (US), June 20, 1966	April 26, 2024
Francesco Colasanti	Non-executive Director	Frosinone, December 2 6, 1975	October 30, 2015
James Corcoran(*)	Non-executive Director	Birmingham (UK), December 13, 1954	April 26, 2024
Fotini Ioannou(*)	Non-executive Director	Athens, June 13, 1977	April 26, 2024
Camilla Cionini Visani(*)	Non-executive Director	Milan, March 28, 1969	April 26, 2024
Cristina Alba Ochoa(*)	Non-executive Director	Barcelona, August 8, 1973	April 26, 2024
Isabella De Michelis di Slonghello(*)	Non-executive Director	Rome, May 20, 1968	April 26, 2024
Giuseppe Pisani(*)	Non-executive Director	Catanzaro, April 6, 1964	April 26, 2024
Enrico Buggea	Non-executive Director	Novara, April 1, 1989	September 11, 2024
Massimo Ruggieri	Non-executive Director	Caserta, May 22, 1972	September 11, 2024

(*) Independent Director pursuant to Article 148, paragraph 3 of the Consolidated Financial Act and Article 2 of the Corporate Governance Code.
(**) Independent Director pursuant to Article 148, paragraph 3 of the Consolidated Financial Act.

The composition of the Board of Directors as of the Prospectus Date already complies with the rules set out in Article 147-*ter*, paragraph 1-*ter* of the Consolidated Financial Act concerning the balance between genders and will comply with such laws as of the Gardant Group Acquisition Completion.

To the best of the Issuer's knowledge, the members of the Board of Directors as of the Prospectus Date—as detailed in their CVs and in the additional information contained in this paragraph – comply with the requirements of integrity as set out in Article 147-*quinquies* of the Consolidated Financial Act, failing which they would fall from office.

Set out below are brief biographies of the Directors in office as of the Gardant Group Acquisition Completion:

Alessandro Rivera was born in 1970 and graduated with a degree in Economics from LUISS University. From 2000 to 2008, Mr. Rivera headed different units within the Italian Department of the Treasury. From 2008 to 2018, Mr. Rivera was Director of the Treasury's Directorate for the Banking and Financial System, dealing with policy and regulation of the financial sector at both domestic and international levels. From 2018 to 2023, he served as Director General of the Department of the Treasury, representing Italy in working groups and committees established by leading international financial organizations. In particular, Mr. Rivera was the Deputy of the Minister of Economy and Finance in the G7, G20, and IMF meetings; a member and Vice President of the Economic and Financial Committee (EFC) and a member of the Euro Working Group of the EU; and a member of the Board of Directors of the European Stability Mechanism. He also chaired the Sub-Committee of the EFC on IMF-related matters. Additionally, Mr. Rivera has served as member of several boards of directors. He was appointed as Director and Chairperson of the Issuer on April 26, 2024.

Manuela Franchi was born in 1976 and graduated with a degree in Economics from Bocconi University. She began her career in the investment banking sector, where she worked for 16 years, holding managerial positions at Goldman Sachs and Bank of America Merrill Lynch. Her main responsibilities were the origination and execution of international buy-side / sell-side M&A transactions, IPOs, equity and debt raises, with a particular focus on the Telecoms, Media and Infrastructure industries. Ms. Franchi joined the Issuer in 2016 and was put in charge of the M&A transactions related to the acquisition of competitors, the business development activities in relation to new servicing agreements achieved in Italy and abroad (including the creation of doValue Greece) and Finance, including the structuring of all the financings of the Issuer's M&A transactions and the successful completion of the IPO process. In 2020 she was appointed General Manager of the Issuer and was put in charge of all the corporate functions of the Group including CFO, IR, M&A, People, Transformation, Organization, ERM and COO (IT, Operations, DWH, Purchasing), with the objective of achieving synergies and higher level of integration across different countries (Italy, Spain, Greece, Cyprus). From April 29 to August 2, 2023, she served as acting CEO of the Group, and on August 3, 2023 the Board of Directors appointed her as permanent CEO of the Group with a unanimous vote.

Elena Lieskovska was born in 1971 and graduated with an MBA from Harvard Business School and a B.Sc. in Finance from Louisiana State University. Ms. Lieskovska is a Partner at Bain Capital Special Situations in London focusing on Financial Services. Previously, Ms. Lieskovska was a Partner at Varde Partners focusing on investments in European financial services and insurance opportunities. Ms. Lieskovska previously worked at Lehman Brothers, Alvarez & Marsal and Goldman Sachs.

Constantine Michael Dakolias was born in 1966 and graduated with a B.Sc. in Physics from Columbia University. Mr. Dakolias is a Managing Partner of the Fortress Credit Funds Business and serves on Fortress's Management and Operating Committees. Prior to joining Fortress in 2001, Mr. Dakolias was a Managing Director, Chief Credit Officer, and co-founder of American Commercial Capital LLC (a specialty finance company) and Coronado Advisors (an SEC registered broker-dealer), both of which were sold to Wells Fargo in 2001. He was previously a director at RER Financial Group where he was responsible for the firm's acquisition efforts as a principal and as a provider of third-party due diligence and asset management. Mr. Dakolias serves on the Board of Trustees for Columbia University, the American School of Classical Studies at Athens, the Millbrook School, and Endeavor Greece. He is also a co-founder of The Hellenic Initiative and a member of the Council on Foreign Relations.

Francesco Colasanti was born in 1975 and graduated with a degree in Economics from the LUISS Guido Carli University of Rome. Mr. Colasanti worked at PricewaterhouseCoopers in the audit and transaction support team from 2000 to 2001 and as Managing Director in the Fortress group, which he joined in 2001, where he has been serving as Co-Head of the Fortress European NPL business since 2023, focusing on enlarging Fortress's presence in Spain, Greece, Portugal, and other European countries. Mr. Colasanti participated in the Fortress group's principal investment processes in the real estate sector, in the NPL sector and in traditional private equity transactions. Mr. Colasanti has contributed to the creation and growth of Torre SGR S.p.A. since 2005 on behalf of the Fortress group, of which he has held the office as a director since 2009. Since 2015 he has been a Board Director of the Issuer (formerly doBank S.p.A.), where he also covered the role of member of the Appointment and Remuneration Committee.

James Corcoran was born in 1954 and began his career in 1977 with American Express in the UK in sales and marketing. Ultimately, after running their Card and TC business in Australia and New Zealand, he moved to New York as their International Head of Consumer Marketing. He then changed industries and became the Global Head of Marketing for the IBM PC Division. Subsequently, he was recruited by Citibank to be their MD of Global Distribution Strategy for the Consumer Division. In 1999, Mr. Corcoran returned to the UK to launch a credit card for FirstUSA/Bank One, which he sold to Halifax Bank (later becoming HBOS). After the transition to HBOS, he ran both their retail product divisions and branch network. He was then recruited to Washington Mutual in Seattle as the President of their Retail Bank, where he led a network of more than 2,100 banking branches and more than 30 thousand employees. In 2009, Mr. Corcoran joined NewDay, a fledgling credit card business, developing a vision and strategy for the company to become the UK's leading digitally enabled consumer finance provider. NewDay was sold to private equity firms Cinven and CVC for over £1 billion in January of 2017. In September 2019, Mr. Corcoran stepped down as the CEO of the company (while remaining on the Board) and sits on the board of Mercury Financial, a privately held credit card company in the United States. Additionally, he is a trustee of Tinnitus UK and owns a charitable foundation.

Fotini Ioannou was born in 1977 and holds an MA in Economics from the University of Cambridge and an MSc in Management Science & Operational Research from the University of Warwick. Ms. Ioannou is a chartered accountant and a member of the Institute of Chartered Accountants of England and Wales. Ms. Ioannou began her career in the Assurance & Business Advisory Division at Arthur Andersen in London. She then worked at McKinsey & Company in Greece and the US. Following her consulting experience, she embarked on an extensive career in banking. Ms. Ioannou worked at Piraeus Bank, leading the Corporate & Investment Banking as General Manager and serving as a member of the Executive Committee of the bank.

Additionally, she has served as Chair of Piraeus Factoring, Vice-Chair of Piraeus Leasing, and a member of the Board of Directors of NBG Cyprus. She has also served as General Manager of Legacy Portfolio & Specialized Asset Solutions and a member of the Executive Committee of National Bank of Greece. In this role, she also served as Chair of the NPL Committee of the Hellenic Bank Association. Ms. Ioannou is currently the Chief of Staff of MYTILINEOS Energy & Metals, one of Greece's leading industrial and energy companies with more than 5 thousand direct and indirect employees.

Camilla Cionini Visani was born in 1969 and holds a degree in Economics of Financial Intermediaries from Bocconi University. Ms. Cionini Visani has extensive experience in the financial sector, gained at leading international investment banks in London, such as Schroders and Deutsche Bank. She continued her professional experience at SACE in Rome, where she took on various leading roles. Since 2018, Ms. Cionini Visani has been the Director for International Relations at Confindustria and is currently the General Director of ItaliaFintech, the association of fintech companies in Italy. Over the years, she has gained extensive experience in corporate governance, having held positions as an independent director in listed financial and tech companies. She currently holds positions as a non-executive director at Moltiply and Albaleasing and as Chairman of Banco BPM Invest SGR. Additionally, she serves as Vice President of the Bassiri Foundation.

Cristina Alba Ochoa was born in 1973 and holds a double degree in Business and Economics from UAB and a Masters in Finance and Banking from UPF (Barcelona). Ms. Alba Ochoa has worked in financial services for over 30 years, serving as a company executive and Board member. Most of her work has been in the EMEA and North American markets, with exposure to SE Asia/ANZ. During four years as OakNorth's CFO, she led OakNorth's financial organization as it grew both in the UK market and globally, achieving triple Unicorn valuations in several rounds of equity raises, supporting outstanding growth. OakNorth became the first profitable Unicorn in the UK. During her 18 years at GE Capital, Ms. Alba Ochoa held positions in credit and finance in Spain, then moved to global roles based out of London and Paris. In the last two years, as GE decided to fully divest GE Capital, she led GE Capital's in-house M&A Finance Readiness team to execute divestitures of approximately $100 billion in financial services assets (33 transactions) over 24 months. Ms. Alba Ochoa is currently a Non-Executive Director on the Board of Directors of Atitlan, after having acted as Interim CEO in 2022, where she defined and implemented the transformation of the firm from bespoke to systematic management. She is also a board member at METRO BANK PLC. Additionally, Ms. Alba Ochoa is a visiting lecturer at BSM-Universitat Pompeu Fabra in Barcelona.

Isabella de Michelis di Slonghello was born in 1968 and graduated with a degree in International Relations from Geneve University. Ms. De Michelis di Slonghello began her career in executive roles at TELESPAZIO of the STET Group and ELSACOM (formerly part of the FINMECCANICA Group). She then moved to IRIDIUM LLC (a Motorola company) and CISCO Systems (CSCO), where she gained extensive experience in technology policy strategies, regulatory affairs, market access initiatives, IP strategy development, industry alliances & partnerships, standardization strategies, global partnership development, and antitrust efforts. Following this, Ms. De Michelis di Slonghello joined Qualcomm Inc. (QCOM) as Vice President of EMEIA Government Affairs and Global Technology Policy Strategy and served as Managing Director of Qualcomm Belgium. During her tenure at Qualcomm, she also oversaw the Issuer's ESG program, Wireless Reach, for the European region. In 2014, she founded High Pulse GmbH, a consulting firm specializing in digitalization strategies for public and private clients. She served as Chairman of 4iP, a policy think-tank advocating for capital-intensive industries, and held several mandates as a Board Member of Women in Leadership, a European organization promoting STEM careers for women through the Women Talent Pool Program. In 2020, Ms. De Michelis di Slonghello was appointed as Non-Execuive Director at CDP SGR Ventures – Fondo Innovazione Italia, the venture arm of Cassa Depositi e Prestiti, managing assets exceeding €2.5 billion. During her tenure, she was also a member of the Control and Risks Committee. Ms. De Michelis di Slonghello is currently the Chairman, CEO, and founder of ErnieApp Ltd., a pioneering company known for inventing the Privacy Knowledge Manager—a groundbreaking digital service available via mobile app. This innovative tool establishes a new transparency framework, enabling both consumers and enterprises to negotiate expanded digital value creation in real time. The app, categorized as a utility, is currently operational in over 50 markets.

Giuseppe Pisani was born in 1964 and graduated with a decree in Electronic Engineering, with a specialization in Computer Science from the Polytechnic University of Milan. Mr. Pisani began his career in 1988 at IBM, where he dealt with technological issues in the Public and Energy sectors and participated in the development of the first application prototypes of virtual reality. In 1994, he moved to Banca Akros, where he had the role of Head of Organization and Information Technology. In this position, he was responsible for coordinating the application developments of the Planning & Control and Front Office areas, directly reporting to the CEO. In 1999, Mr. Pisani joined a management consulting firm (then Arthur Andersen MBA) where he directed complex projects at medium/large financial institutions with impacts in the organizational and technological fields. In 2001, he joined PwC Advisory with the goal of developing the technological offering for the Financial Services market. He was appointed Partner in 2005, and over the years, he held various roles and responsibilities: from 2005 to 2016, he served as Technology Leader for the Financial Services market in Italy; from 2013 to 2016, he was a member of the PwC Central Cluster (EMEA) FS Technology Committee. From 2018 to 2024, Mr. Pisani held the position of Head of Reporting & Management Control for PwC Italy. His main project experiences in PwC are related to ICT Strategy & Transformation, IT Risk & Regulatory, IT Due Diligence, System Implementation, Cost Allocation, Budget & Forecast, and Management Reporting.

Enrico Buggea was born in 1989 and graduated cum laude with a degree in Industrial and Management Engineering from the Polytechnic University of Milan. Mr. Buggea has worked as an investment professional at Elliott Advisors (UK) since 2018, focusing on investments across the capital structure in European financial institutions. Prior to joining Elliott, he gained extensive experience in the financial sector, working in the investment banking divisions of Goldman Sachs and Nomura in London. At Elliott, Enrico serves as the investor representative on the board of Enra Specialist Finance, a UK mortgage lender, and as a member of the supervisory board at Hiltermann Leasing, a vehicle financing business in the Netherlands. Additionally, he holds the position of Investor Director and board member at Bantry Bay, a pan-European asset-based lending firm.

Massimo Ruggieri was born in 1972 and graduated cum laude with a degree in Economics from the Free International University of Social Studies LUISS Guido Carli. Mr. Ruggieri has worked at Elliott Advisors (UK) since 2014, specializing in private credit, real estate and private equity investments, with a focus on Southern Europe. During his tenure at Elliott, Mr. Ruggieri has worked on several investment transactions, such as the investment in Credito Fondiario Banca, which resulted in the creation of Gardant and Banca CF+. Prior to joining Elliott, Mr. Ruggieri gained extensive experience working at leading international investment banks, including Morgan Stanley, UBS and Deutsche Bank.

To the best of the Issuer's knowledge, none of the members of the Board of Directors as of the Prospectus Date or as enlarged at the Gardant Group Acquisition Completion have family relationships with other members of the Board of Directors within the meaning of applicable Italian law, nor do any such relationships exist between any members of the Board of Directors (including as enlarged at the Gardant Group Acquisition Completion) and the members of the Board of Statutory Auditors or any of the members of the Senior Management Team.

To the best of the Issuer's knowledge, in the last five years none of the members of the Board of Directors as of the Prospectus Date or as enlarged at the Gardant Group Acquisition Completion have been convicted of the crimes of fraud or criminal bankruptcy, nor have they been associated with receivership or winding-up procedures during the performance of their offices, nor have they been subject to official charges and/or penalties by public or supervisory authorities (including the designated professional associations) in the performance of their offices, nor have they been barred from holding administrative, managerial or supervisory offices or from holding executive or managerial offices at other companies.

Additionally, to the best of the Issuer's knowledge, none of the members of the Board of Directors as of the Prospectus Date and as enlarged at the Gardant Group Acquisition Completion had financial or professional relationships-either directly or indirectly, through third party companies or professional offices-with the Issuer, its companies or companies controlling the Issuer or subject to joint control, during the last three fiscal years.

Board Committees

The Board of Directors of the Issuer in force as of the Prospectus Date, in compliance with the recommendations on corporate governance contained in the Corporate Governance Code, on May 14, 2024 resolved to establish:

- a Risks, Related Party Transactions and Sustainability Committee, pursuant to Articles 1 and 6 of the Corporate Governance Code and to the Related Party Regulation (*Regolamento Parti Correlate*) adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021, by approving the committee's operating rules (the "**Risks, Related Party Transactions and Sustainability Committee**"); and

- an appointments and remuneration committee, pursuant to Articles 4 and 5 of the Corporate Governance Code, by approving the committee's operating rules (the "**Appointments and Remuneration Committee**").

On the basis of what was discussed at the meeting of the Board of Directors held on May 14, 2024, the Board of Directors resolved to appoint:

- Camilla Cionini Visani, Cristina Alba Ochoa and Giuseppe Pisani, directors who possess the independence requirements set forth by the Consolidated Financial Act and the Corporate Governance Code, as members of the Risks, Related Party Transactions and Sustainability Committee, appointing Camilla Cionini Visani as Chairperson of the Risks, Related Party Transactions and Sustainability Committee; the Board has verified that Camilla Cionini Visani has adequate experience in accounting and finance or risk management; and

- Fotini Ioannou, James B. Corcoran and Isabella de Michelis di Slonghello, directors who possess the independence requirements set forth by the Consolidated Financial Act and the Corporate Governance Code, Elena Lieskovska, director who possesses the independence requirements set forth by the Consolidated Financial Act, together with Francesco Colasanti, as members of the Appointments and Remuneration Committee, appointing Fotini Ioannou as Chairperson of the Appointments and Remuneration Committee; the Board has verified that Fotini Ioannou has adequate experience in financial or remuneration policy.

The Risks, Related Party Transactions and Sustainability Committee, in assisting the Board of Directors, in accordance with the provisions of Article 6 of the Corporate Governance Code, is entrusted with inquiry, propositional and advisory tasks.

With regard to risks and internal controls system, the Risks, Related Party Transactions, and Sustainability Committee is entrusted with, *inter alia*: (i) supporting the Board of Directors in making decisions on the internal control system and risk management; (ii) examining in advance the programmes of activity and annual reports; (iii) assessing the correct use of accounting principles; (iv) expressing opinions to the Board of Directors (on, among others, proposals of appointment or revocation, guidelines of the internal control and risk management system, adequacy of the internal control and risk management system); (v) expressing opinions on specific aspects inherent to the identification of the main business risks (including, among others, those that may become significant in the perspective of medium to long-term sustainability); (vi) reviewing periodic and particularly significant reports prepared by the internal audit function; (vii) monitoring the autonomy, adequacy, effectiveness and efficiency of the internal audit function; (viii) requesting the conduct of checks on specific operational areas; (ix) reporting to the Board of Directors, at least at the time of the approval of the annual and half-yearly financial report and of the sustainability information, on the activities carried out as well as on the adequacy of the internal control and risk management system; (x) reviewing the annual reports addressed to the Board of Directors and supporting the latter in making decisions regarding approval of periodic financial and non-financial reports; (xi) examining the content of periodic information of non-financial nature; (xii) assessing the adequacy of period information, both financial and non-financial; and (xiii) expressing opinions on the economic-financial sustainability and the solidity of the pool bonus. The Control and Risks, Related Party Transactions and Sustainability Committee also carries out the functions and duties provided by the Related Party Regulation and the regulations in force from time to time.

With regard to sustainability, the Risks, Related Party Transactions, and Sustainability Committee performs the consultative, investigatory and propositional functions, including, *inter alia*: (i) monitoring the alignment of the corporate governance system with the relevant legal, Code of Corporate Governance provisions and national or international best practices in analyzing subjects relevant for the long-term generation of economic-financial value and social environmental value for all the other stakeholders; (ii) promoting the dissemination of the sustainability culture; (iii) examining the guidelines of the sustainability plan and policies; (iv) reviewing sustainability reporting submitted annually to the Board of Directors; (v) supporting the assessment and decisions of the Board of Directors relating to the approval of the reporting on risks related to socio-environmental issues; (vi) expressing, when requested by the Board of Directors or Chief Executive Officer, opinions on sustainability questions; (vii) examining the profit and non-profit strategy and the Issuer's sustainable finance initiatives; (viii) monitoring the Issuer's position compared to financial markets on sustainability issues, with particular reference to the Issuer's rank in ESG indexes, as well as the Issuer's participating in international ESG initiatives aimed at consolidating the Issuer's international reputation; and (iv) reporting to the Board of Directors on the occasion of the approval of the annual and half-yearly report, on performed sustainability activity.

With regard to transactions with related parties, the Risks, Related Party Transactions and Sustainability Committee supports the Issuer's Board of Directors and Group subsidiaries, in assessing and managing transactions with related parties, expressing its opinion beforehand on the internal procedures as well as (where required by internal rules) on the approval of specific transactions, in order to ensure compliance with the Related Party Regulation. The Risks, Related Party Transactions and Sustainability Committee can, *inter alia*: (i) express preventive, motivated and binding opinions; (ii) be involved in the stage of negotiations and preliminary investigation of significant related-party transactions; (iii) issue prior and reasoned opinions on the transactions of the parent company and of the subsidiaries; (iv) express opinions based on information made available on material issues about the related parties scope; (v) be assisted by independent experts for issuing opinions; (vi) verify the correct application of the exemption conditions applied to ordinary related-party transactions concluded at market or standard conditions; and (vii) perform a control on the application of exemption cases on exempt transactions and assess the adequacy of the exemption procedures. See "*Management, Employees and Corporate Governance – Related Party Transactions Procedure*".

In support of the Issuer's internal control and risk management system, in addition to the Control, Risks and Sustainability Committee, Recommendation 32 of the Corporate Governance Code stipulates that the chief executive officer, is responsible for establishing and maintaining the internal control and risk management system. The Issuer's Board of Directors originally appointed Andrea Mangoni to the position of director in charge of the internal control and risk management system to carry out the functions listed in recommendation 34 of the Corporate Governance Code, who remained in office until April 28, 2023. After his resignation, the Issuer's Board of Directors on April 29, 2023 appointed Manuela Franchi for such role. On April 26, 2024, the Issuer's newly appointed Board of Directors confirmed Manuela Franchi for such role.

On June 20, 2019, also in support of the Issuer's internal control and risk management system, the Issuer established the function of internal audit manager, as listed in Recommendation 36 of the Corporate Governance Code, by appointing, with the favourable opinion of the Board of Statutory Auditors, Silvia de Grassi as internal audit manager.

Market Abuse Procedures

On February 23, 2023, the Board of Directors resolved to update the procedure for the handling of inside information and for the creation and keeping of the register of the people who have access to inside information (the "**MAR Procedure**"), aimed at regulating the management and handling of inside information by the Issuer and its subsidiaries, as well as the creation and keeping by the Issuer of the register of the people who, based on their work or professional activities or functions have access to inside information. The MAR Procedure is available on the website of the Issuer (https://dovalue.it/en).

Moreover, on September 28, 2022, the Board of Directors resolved to update the procedure for the management of disclosure obligations deriving from the internal dealing regulations pursuant to Article 19 of the MAR Regulation and Article 152-*quinquies*. et seq. of CONSOB Regulation No. 11971 of May 14, 1999 (the "**Issuers' Regulation**") (the "**Internal Dealing Procedure**"), with the aim of defining (i) the rules for fulfilling the obligations to inform the Issuer, Consob and the market about significant transactions involving financial instruments issued by the Issuer or other financial instruments linked to them, carried out, also through third parties, by the members of the Issuer's management and control bodies and the senior managers with regular access to inside information and persons closely associated with them, as well as (ii) the related restrictions.

Related Party Transactions Procedure

On June 17, 2021 the Issuer's Board of Directors updated the Related Party Transactions Procedure (the "**RPT Procedure**") in accordance with the Related Party Regulation (*Regolamento Parti Correlate*) adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021. See "*Related Party Transactions*". The RPT Procedure is available on the website of the Issuer (https://dovalue.it).

The RPT Procedure sets out the rules applicable to the approval process for major and minor material related party transactions. Transactions exempted from the RPT Procedure include (i) transactions with a limited value, (ii) certain resolutions relating to the remuneration of corporate bodies, directors with special responsibilities and remuneration plans linked to financial instruments, (iii) transactions in the ordinary course of business of the Issuer and entered into at prevailing market conditions, (iv) transactions aimed at all shareholders under the same conditions (including capital increases at option envisaged by Article 2442 and free capital increases), (v) ordinary transactions that are concluded at market or standard conditions. The RPT procedure also provides for, *inter alia*, (i) a whitewash procedure for major related party transactions to be submitted to the shareholders' meeting that have been approved by the Board of Directors in the presence of a negative opinion of the Risks, Related Party Transactions and Sustainability Committee and (ii) procedures for the approval of related party transactions (excluding those to be approved or authorized by the shareholders' meeting) in case of urgency.

Manager charged with preparing a company's financial reports

On April 26, 2024, the Board of Directors appointed Davide Soffietti, Chief Group Finance, as manager charged with preparing the Issuer's financial reports (the "**Manager Charged**").

Pursuant to Article 154-*bis* of the Consolidated Financial Act, the Manager Charged is responsible for:

- making the written declaration for the documents and communications of the Issuer, which have been disseminated to the market and regard information on accounts including mid-year reports attesting their conformity against document results, books and accounts records, putting in place appropriate administrative and accounting procedures for preparing the annual accounts report and, where provided for, the consolidated accounts and every other disclosure of a financial nature; and

- confirming, with a special report on the annual, half-yearly and, where applicable, the consolidated financial statements: (i) the adequacy and effective application, during the period of reference of the documents, of administrative and accounting procedures for preparing the annual accounts report and, where provided for, the consolidated accounts and every other disclosure of a financial nature; (ii) that the documents were prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to European Parliament and Council Regulation no. 1606/2002 of July 19, 2002; (iii) the correspondence between the documents and related bookkeeping and accounting records; (iv) the suitability of the documents to truthfully and correctly represent the financial position of the issuer and the group of companies included in the scope of consolidation; (v) for the annual and consolidated financial statements, that the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the scope of consolidation, and a description of the main risks and uncertain situations to which they are exposed; and (vi) for the simplified half-yearly report, that the interim directors' report contains a reliable analysis of the information pursuant to paragraph 4 of article 154-*ter* of the Consolidate Financial Act.

Model 231

On May 11, 2023 the Issuer has updated the organizational and management model indicated in Legislative Decree 231/2001 ("**Model 231**" or "**231 Model**") for the purpose of creating a rules system aimed at preventing illicit acts that may be considered potentially significant in application of Legislative Decree 231/2001 and have consequently constituted a supervisory body as indicated in Article 6, paragraph 1, letter b), of Legislative Decree 231/2001 (the "**Supervisory Body**").

The Issuer's Model 231 aims to:

- assure conditions of fairness and transparency in the conduct of the Issuer's business and activities, to protect its position and image as well as the expectations of its employees; and

- raise the awareness of the Issuer's staff, in carrying out their activities, and ensure that they behave in a correct and straightforward manner, such as to prevent the risk of committing the crimes set out in Legislative Decree 231/2001.

Model 231 is composed of: (a) a section concerning the validity period and application of Legislative Decree 231/2001; (b) a general section concerning, among other things, the description of the Model 231, the composition and functioning of the Supervisory Body, and the penalty code that will be applied in the case of a breach of the standards of conduct indicated in Model 231; and (c) the special sections, containing the general principles of conduct and the control protocols for each instance of breach considered to be significant.

As of the Prospectus Date, the Supervisory Body is composed of 3 members, Chiara Molon as Chairwoman, Massimo Fulvio Campanelli and Paolo Carbone, appointed by the Issuer's Board of Directors on April 26, 2024. The Supervisory Body meets the applicable requirements of autonomy, independence, professionalism and continuity of action. The Supervisory Body is responsible for, among others: (i) supervising Model 231 efficiency, adequacy and effectiveness to prevent offences indicated in the Legislative Decree 231 being committed; (ii) supervising compliance with Model 231, by analysing information flows and conducting audits to ascertain the occurrence of any breaches; (iii) assessing the opportunity to propose updates or amendments to Model 231, in order to adapt it to changes in the corporate structure and to regulatory changes, also by means of a periodic check of the areas at risk of crime.

The Supervisory Body holds meetings periodically, examines cases and issues that have arisen also with regard to updating and/or amending the Model 231, drafts minutes of its meetings and stores all the relevant documentation produced in the performance of its duties in a special archive. The Supervisory Body reports to the Issuer's Board of Directors and its Board of Statutory Auditors annually on the results of the supervisory activities performed. The Supervisory Body may, at any time, request a hearing before the Board of Directors if it identifies particularly serious issues or believes that an examination or action is necessary regarding the functioning and effective implementation of the Model 231. To ensure a correct and effective flow of information, the Supervisory Body may also seek clarification or information directly from the Chief Executive Officer to exercise its powers.

The Board of Directors assigns to the Supervisory Body the resources deemed appropriate for the performance of the assigned tasks.

The internal control system outlined in Model 231 is completed by the Issuer's Code of Ethics, which identifies its reference values, highlighting the rights, duties and responsibilities of all those who, in any capacity, work within or collaborate with the Issuer.

Code of Ethics

The Issuer has adopted a code of ethics (the "**Code of Ethics**") which sets out the values, principles, and rules of conduct of the Issuer that must be followed by directors, statutory auditors, executives, employees, suppliers, business partners, consultants and shareholders of the Group and, in general, all persons acting in Italy and abroad for or on behalf of the Group or who have business relationships with the Group, each in the context of his, her or its own functions and responsibilities. The principles and values set out in the Code of Ethics are translated at the operational level into various guidelines and policies addressed at the Group's employees and suppliers, and are aimed at ensuring compliance with the Issuer's strategies, achieving the effectiveness and efficiency of processes, safeguarding activity values, protecting losses, reliability, integration of accounting and management information and, last of all, full operational compliance with applicable legal and regulatory provisions.

Declaration of compliance with corporate governance provisions

In light of the corporate governance measures described above, the Issuer's corporate governance system complies with the relevant provisions contained in the Consolidated Financial Act, applicable regulatory provisions, and the Corporate Governance Code and, more generally, with the statutory and regulatory provisions applicable to listed companies in Italy.

Board of Statutory Auditors

Pursuant to Article 23 of the Issuer's By-laws the Board of Statutory Auditors comprises three Effective Auditors, including one Chairperson, and two Alternate Auditors.

The Issuer's Board of Statutory Auditors in charge as of the Prospectus Date was appointed by the Issuer's ordinary shareholders' meeting of April 26, 2024 and will remain in office until the approval of the financial statements as of December 31, 2026. During such meeting, the following persons were appointed as Statutory Auditors: Chiara Molon (Chairwoman of the Board of Statutory Auditors), Massimo Fulvio Campanelli, Paolo

Carbone, Sonia Peron and Maurizio de Magistris. As of the Prospectus Date, the members of the Board of Statutory Auditors are independent statutory auditors pursuant to Article 148, paragraph 3 of the Consolidated Financial Act and Article 2, recommendation 9 of the Corporate Governance Code.

As of the Prospectus Date, the Board of Statutory Auditors comprises the following members with evidence of the respective office held and the main personal data:

Name and Surname	Position	Place and date of birth	First appointment date within the Group
Chiara Molon	Chairwoman of the Board of Statutory Auditors	Monselice, December 7, 1983	April 19, 2018
Massimo Fulvio Campanelli	Effective Auditor	Salamanca (Spain), June 16, 1975	April 26, 2024
Paolo Carbone	Effective Auditor	Genova, July 11, 1975	April 26, 2024
Sonia Peron	Alternate Auditor	Padova, December 26, 1970	April 19, 2018
Maurizio de Magistris	Alternate Auditor	Napoli, April 19, 1958	October 30, 2015

All members of the Board of Statutory Auditors as of the Prospectus Date are in possession of the requisites of integrity and professionalism required by Article 148 of the Consolidated Financial Act and by the Ministerial Decree n. 162/2000.

The members of the Board of Statutory Auditors in office possess the requisites of professionalism provided for by Article 1 of the Ministerial Decree n. 162/2000 that follow:

- at least two auditors and one alternate auditor are registered in the register of auditors and have exercised the legal control of accounts for a period of not less than three years; or
- are chosen from among those who have gained an overall experience of at least three years in the exercise of (a) administration or control activities or managerial duties in joint-stock companies that have a share capital of not less than €2 million, or (b) professional or tenured university teaching activities in legal, economic, financial and technical-scientific subjects, strictly related to the business of the company, or (c) managerial functions in public bodies or public administrations operating in the credit and financial sectors and insurance or in any case in sectors strictly related to that of the business;
- have not performed, for at least 18 months, in the period between the two years preceding the adoption of the relative measures and the one in progress, administration, management or control functions in companies: (a) subject to bankruptcy, compulsory administrative liquidation or to equivalent procedures; and (b) operating in the sector credit, financial, securities and insurance subject to extraordinary administration procedures;
- no provision has been adopted against them to cancel them from the single national register of stockbrokers provided for in Article 201, paragraph 15, of Legislative Decree February 24, 1998, no. 58, and stockbrokers who are excluded from trading on a regulated market.

The provisions of law and regulations that provide that the members of the Board of Statutory Auditors be elected according to a criteria that ensures gender balance have been incorporated into the Issuer's By-laws.

Set out below are brief biographies for the Statutory Auditors in office as of the Prospectus Date:

Chiara Molon was born in 1983 and graduated with a degree in Business and Economics and a Master's degree in Business and Law from the University of Padova. She qualified to practise as a public accountant in July 2011, and she has been registered in section A of the Milan's Order of Public Accountants and Commercial

Experts (registration number 8277) since September 7, 2011. She qualified to practice as statutory auditor on January 8, 2013. She is registered in the Statutory Auditors Registry (registration no. 167377), Official Gazette no. 2 of January 8, 2013. From April 2018 to April 2024, she was Statutory Auditor and Chairman of the Board of Statutory Auditors and of the Supervisory Body pursuant to Legislative Decree 231/2001 of the Issuer, in which she currently holds the position of Chairman of the Board of Statutory Auditors and Chairman of the Supervisory Body pursuant to Legislative Decree Legislative Decree 231/2001. She holds and has held positions as a member of the Board of Statutory Auditors in various important companies (also listed on the Euronext Growth Milan Market) operating in a wide range of sectors, from manufacturing to finance, from information technology to energy, from consultancy to communication design. She has held and still holds assignments as a Statutory Auditor. She has been practicing the profession of Chartered Accountant since 2011, in partnership with leading corporate and tax consultancy office in Milan, where she has consolidated significant expertise and professionalism in corporate, tax and budgetary consultancy to SME companies and nationally important business groups, in the supervisory activity of the Board of Statutory Auditors of listed companies, in corporate governance issues, and in the management and organization of the professional office. Since 2023 she has held the position of Associate at Studio Lexat in Milan.

Massimo Fulvio Campanelli was born in 1975 and graduated with a degree in Economics and Business from the Free International University of Social Studies LUISS Guido Carli. He has gained 25 years of experience in auditing and advisory activities with specializations in the industrial and health sectors. Mr. Campanelli was a Partner of PKF Italia S.p.A. and is currently a Partner at Berger & Berger S.r.l., where he manages audit activities as head of the Rome and Milan offices. Additionally, he has developed and led Enterprise Risk Management projects in support of clients. Further activities include his role as Equity Partner of Borsa Italiana, assisting with listing processes at AIM, now Euronext Growth Milan. He has held positions as Chief Financial Officer for significant national companies and holds selected positions as Statutory Auditor.

Paolo Carbone was born in Genoa in 1975 and graduated with a degree in Economics from the Free International University of Social Studies LUISS Guido Carli, also obtaining a PHD in Business Economics from the University of Foggia. Mr. Carbone has been a member of the Order of Chartered Accountants and Bookkeeping Experts in Rome since 2003 and has been a qualified auditor since 2004. As the founder of the firm "Carbone & Associati", he deals with business consultancy on accounting principles, company valuation, corporate governance, and company crisis and recovery. He has more than twenty years of experience in the field of extraordinary transactions and transaction services. He is also a Technical Consultant at the Civil and Criminal Court of Rome and is registered in the Register of Crisis Managers and the List of Experts in Business Crisis. He has held and still holds the position of Director, Liquidator, Auditor, and member of Supervisory Bodies pursuant to Legislative Decree 231/2001 in several Italian companies, including those of primary importance, in the publishing, energy, real estate, banking, and manufacturing sectors, among others.

Sonia Peron was born in 1970 and graduated with a degree in Business and Economics from the University of Bologna and in Law from the University of Parma. She is a public accountant, registered in the Order of Public Accountants of Padua since 2002 and in the Registry of Statutory Auditors since 2012. Since 2015, she has been a member of the board of statutory auditors of various companies, including: Mazars Italia S.p.A., Sogefi S.p.A. and Isagro S.p.A. Since 2002, through the Sonia Peron Firm, she was involved in professional activities in the corporate and tax field. She is an expert on the subject of economics of financial intermediaries, banks, insurance companies and real estate, carrying out numerous teaching activities including working as a professor for the University of Parma from 2011 to 2018 and the University of Bologna since 2019. She is the author of publications in the field of real estate finance. She is an alternate auditor of the Board of Statutory Auditors of the Issuer since 2018.

Maurizio de Magistris was born in 1958 and graduated with a degree in Economics and Commerce from the University of Rome. He is a member of the Order of Chartered Accountants of Rome since 1983, and of the Register of Statutory Auditors since 1988, of the Register of Technical Consultants at the Court of Rome since 1989 and of the Register of Auditors since 1995. In 1994, he established the Bonifacio—De Magistris accountancy firm in Rome, where he holds the position of founding partner. He was appointed as alternate auditor of the Issuer for the first time from 2015 to 2018. He is an alternate auditor of the Board of Statutory Auditors of the Issuer since 2021.

As of the Prospectus Date, none of the members of the Board of Statutory Auditors have family relationship with other members of the Board of Statutory Auditors within the meaning of applicable Italian law.

To the best of the Issuer's knowledge, in the last five years none of the members of the Board of Statutory Auditors, as of the Prospectus Date, have been convicted of the crimes of fraud or criminal bankruptcy, nor have they been associated with receivership or winding-up procedures during the performance of their offices, nor have they been subject to official charges and/or penalties by public or supervisory authorities (including the designated professional associations) in the performance of their offices, nor have they been barred from holding administrative, managerial or supervisory offices or from holding executive or managerial offices at other companies, in the last five years.

Finally, to the best of the Issuer's knowledge, as of the Prospectus Date none of the Statutory Auditors exceeds the limits under Italian law on the number of offices held.

Senior Management Team

The following persons comprise the senior management team ("**Senior Management Team**"), with the indication of the office held by them as of the Prospectus Date:

Name and Surname	Position	Place and date of birth	First appointment date within the Group
Theodore Kalantonis	Group NPE&REO Executive Chairman of the Board of Director of doValue Greece SA	Lakonia (Greece), January 1, 1962	June 1, 2020
Sara Elisabetta Paoni	Head of Corporate Affairs and General Counsel	Pordenone, December 4, 1974	July 1, 2016
Davide Soffietti	Group Chief Financial Officer	Napoli, March 18, 1976	December 7, 2015

Set out below are brief biographies of the Senior Management Team members in office as of the Prospectus Date:

Theodore Kalantonis was born in 1962, graduated with a degree in chemical engineering from the National Technical University of Athens and holds a Master in Business Administration from Manchester Business School. From January 2000 to February 2013, he served at Eurobank SA as General Manager, Head of Mortgage Lending Business and as CEO of Eurobank Cards S.A. After working for more than one year as executive general manager responsible for the retail banking for performing & non-performing loans, the digital banking and the international retail at Alpha Bank S.A., Mr. Kalantonis rejoined Eurobank as Senior General Manager, Retail Banking & Co-Head of Digital Banking. From September 2016 to April 2020, he worked as deputy chief executive officer and executive member of the board of directors at Eurobank SA, responsible for the Non – performing loans of Eurobank Group. Mr. Kalantonis joined doValue Group since June 2020 and currently is the Group NPE & REO officer, responsible for Hellenic & Iberia Regions and holds the office of executive chairman in the Board of Directors of doValue Greece S.A. and member positions in the Board of Directors of Cyprus and Spain.

Sara Elisabetta Paoni was born in 1974 and graduated with a degree in law from Università Statale degli Studi in Milan. She worked as an associate for various law firms from 2000 to 2011 including Clifford Chance and Studio Legale Grimaldi e Associati. From 2011 to 2015 Ms. Paoni held the position of M&A senior counsel at the Studio Legale Gianni, Origoni, Grippo, Cappelli & Partners. From 2015 to 2016 she worked for UniCredit as head of the NPL management legal support unit, also serving in the role of Italy country manager. She has been a member of the senior management of the Issuer since 2016 also serving in the role of Italy country manager. She is currently the Head of Corporate Affairs and General Counsel of the Issuer and she also serves on the board of directors of doNext.

Davide Soffietti was born in 1976 and graduated with a degree in business administration in 2001. In 2006 he was appointed as chief financial officer of Società Italiana Gestione Crediti. In 2007 Mr. Soffietti was appointed as director of HCR Finanziaria S.p.A. In 2012 he was appointed as chairman of the board of directors of SIGC Sanità S.r.l. From 2013 to 2015 Mr. Soffietti acted as Portfolio Manager for Italfondiario S.p.A. and has been a member of the management of the Issuer since 2015.

As of the Prospectus Date, all the members of the Senior Management Team have not held any office in administrative, management or supervisory bodies in joint-stock companies or partnerships, in the last five years.

As of the Prospectus Date, none of the members of the Senior Management Team have family relationship with other members of the Senior Management Team within the meaning of applicable Italian law.

To the Issuer's knowledge, none of the members of the Senior Management Team have been convicted of the crimes of fraud or criminal bankruptcy, nor have they been associated with receivership or winding-up procedures during the performance of their offices, nor have they been subject to official charges and/or penalties by public or supervisory authorities (including the designated professional associations) in the performance of their offices, nor have they been barred from holding executive or managerial offices or any other companies, in the last five years.

General Information about the Directors, the Members of the Board of the Statutory Auditors and the Senior Management Team

The table below sets out the names of all companies and partnerships of which a Director, a member of the Board of the Statutory Auditor or a member of the Senior Management Team has been a member of the administrative, management or supervisory bodies, or shareholders, at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or shareholder, as of the Prospectus Date, other than a subsidiary of the Issuer.

Name and Surname	Company	Office / Shareholding	Status
Directors			
Alessandro Rivera	Milanosesto S.p.A.	Chairman of the Board of Directors	Currently held
	Istituto Italiano di Tecnologia (IIT)	Director	Currently held
	European Stability Mechanism (ESM)	Vice-Governor and Board Member	Ceased
	European Financial Stability Facility	Board Member	Ceased
	Think Tank Bruegel	Board Member	Ceased
	Cassa Depositi e Prestiti S.p.A.	Director	Ceased
	AMCO S.p.A	Chairman of the Board of Directors	Ceased
	Comitato di sicurezza finanziaria (Italian financial security committee)	Chairman of the Board of Directors	Ceased
	Comitato per il sostegno all'esportazione (Italian committee for supporting exports)	Chairman of the Board of Directors	Ceased
	STMicroelectronics	Member of the Supervisory Board	Ceased
	Rivera Immobiliare srl	Shareholder	Currently held
Manuela Franchi	Trevi Group S.p.A.	Non-Executive and Independent Director	Currently held
	Autogrill S.p.A.	Non-Executive and Independent Director	Ceased
Elena Lieskovska	Bain Capital Credit Ltd.	Partner	Currently held
	Beat Capital Partners Ltd.	Director	Currently held
	Aptia Group Ltd.	Director	Currently held
	Värde Partners Europe London	Partner	Ceased
	Masthaven	Director	Ceased
	WiZink	Director	Ceased
	Equiom	Director	Ceased

Name and Surname	Company	Office / Shareholding	Status
Constantine Dakolias[1]			
	Eurocastle Investment Limited	Director	Currently held
	Fortress Credit CO LLC	Managing Partner	Currently held
	Fortress Credit Corp.	Managing Partner	Currently held
	CW Financial	Director	Currently held
Francesco Colasanti	Investment Holding S.r.l.	Director and Sole Shareholder	Currently held
	SPV IEFFE S.r.l.	Chairman of the Board of Directors	Ceased
	Brampo S.r.l.	Director	Ceased
	Torre SGR S.p.A.	Director	Ceased
	TONTAL S.r.l.	Director	Ceased
	Reldor S.r.l.	Director	Ceased
	GV Services Sole Shareholder S.r.l. (società a responsabilità limitata unipersonale)	Director	Ceased
	Investment Holding S.r.l.	Shareholder	Currently held
	Rock Jam Production S.r.l.	Shareholder	Currently held
	FM Italian Investor Feeder Corp	Shareholder	Currently held
	Eurocastle Investment Ltd.	Shareholder	Currently held
James Corcoran..	NewDay Credit Ltd	Director	Currently held
	Mercury Financial LLC	Director	Currently held
	B42 Italy S.r.l	Managing Director	Currently held
	B42 Investments	Director	Currently held
	The Corcoran Foundation	Director	Currently held
	B42 Italy S.r.l.	Shareholder	Currently held
	B42 Investments	Shareholder	Currently held
Fotini Ioannou...	EPALME	Director	Currently held
	Piraeus Factors	Chairwoman of the Board of Directors	Ceased
	Piraeus Leasing	Vice-Chairwoman of the Board of Directors	Ceased
Camilla Cionini Visani.......................................	Banco BPM Invest SGR S.p.A.	Chairwoman of the Board of Directors	Currently held
	ItaliaFintech	General Director	Currently held
	Moltiply Group S.p.A.	Independent Director and Member of Risk Committee	Currently held
	Alba Leasing S.p.A.	Independent Board Member and Member of Risk Committee	Currently held
	Enervit S.p.A.	Independent Director	Ceased
	COIMA SGR S.p.A.	Independent Director, Member of the Remuneration and Appointments Committee, Member of the Control, Risk and Sustainability Committee	Ceased
	Solution Bank S.p.A.	Independent Director and Member of the Conflict of Interest Committee	Ceased
	Triboo S.p.A.	Chairwoman of the Board of Directors	Ceased
	Erme S.r.l.	Shareholder	Currently held
	Fondazione Bassiri	Shareholder	Currently held
Cristina Alba Ochoa...	Metro Bank Plc	Executive Director	Currently held
	SME Invoice Finance Ltd	Executive Director	Currently held
	SME Asset Finance Ltd	Executive Director	Currently held

[1] In addition to the positions listed in the table, Constantine Dakolias is also officer or director of various Fortress Fund General Partners, Fortress Fund Advisory Entities, Fortress Fund Entities, Fortress Fund Investment Vehicles and Fortress Fund Portfolio Companies.

Name and Surname	Company	Office / Shareholding	Status
	Grupo Atitlan	Independent Non-Executive Director	Currently held
	Oaknorth Holdings Plc	Shareholder	Currently held
	GE Aviation	Shareholder	Currently held
	GE Healthcare	Shareholder	Currently held
	GE Vernova	Shareholder	Currently held
	Banc Sabadell S.A.	Shareholder	Currently held
Isabella de Michelis di Slonghello	Ernieapp Ltd.	Director / Shareholder	Currently held
	High Pulse GMBH	Director / Shareholder	Currently held
	CDP Venture Capital SGR S.p.A.	Director	Ceased
Giuseppe Pisani...	Servizi Aziendali PWC S.r.l.	Director	Ceased
	PWC Italia S.r.l.	Shareholder	Ceased
Enrico Buggea...	Bantry Bay Capital Ltd.	Director	Currently held
	Eclipse Topco Ltd.	Director	Currently held
	Hiltermann Lease Groep Holding B.V.	Supervisory Board Member	Currently held
Massimo Ruggieri...	Elliott Financial Italia S.r.l.	Chairman of the Board of Directors	Currently held
	Gardant Investor SGR S.p.A.	Director	Currently held
	Gardant S.p.A.	Director	Currently held
	Banca CF+ Credito Fondiario S.p.A.	Director	Ceased
	Leviticus ReoCo S.r.l.	Director	Ceased
	SME Finance S.r.l. in liquidazione	Chairman of the Board of Directors	Ceased
Board of Statutory Auditors..............................			
Chiara Molon	BorgWarner Morse Systems Italy S.r.l.	Member of the Board of Statutory Auditors	Currently held
	La Prensa Etichette Italia S.r.l.	Member of the Board of Statutory Auditors	Currently held
	TrendDevice S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Officine E. Biglia & C. S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Sofib S.r.l.	Member of the Board of Statutory Auditors	Currently held
	Società Internazionale Lubrificanti S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Capital For Progress Single Investment S.p.A. in liquidazione	Member of the Board of Statutory Auditors	Currently held
	Alisarda S.p.A.	Member of the Board of Statutory Auditors	Currently held
	First 4 Progress 2 S.p.A.	Member of the Board of Statutory Auditors	Currently held
	HT Consulting S.r.l.	Sole Director	Currently held
	Geostazionaria Società Semplice	Shareholder	Currently held
	Tamoil Italia S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Tamoil Raffinazione S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Test Industry S.r.l.	Member of the Board of Statutory Auditors	Currently held
	Continentale Italiana S.p.A.	Member of the Board of Statutory Auditors	Currently held
	CrowdFundMe S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Gava International Freight Consolidators S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Matec Industries S.r.l.	Member of the Board of Statutory Auditors	Currently held
	Koinos Coop Informatica Organizzazione Servizi	Chairman of the Board of Statutory Auditors	Ceased

Name and Surname	Company	Office / Shareholding	Status
	dei Dottori Commercialisti S.c. a r.l.		
	Leftloft S.p.A.	Member of the Board of Statutory Auditors	Ceased
	Venice LNG S.p.A	Member of the Board of Statutory Auditors	Ceased
	PTL-Plastic to Liquid S.r.l.	Member of the Board of Statutory Auditors	Ceased
	Group-Gruppo Operazioni Under Writing S.r.l. in Liquidazione	Judicial Liquidator	Ceased
	AQA Holding S.p.A.	Member of the Board of Statutory Auditors	Ceased
	TBS IT Telematic & Biomedical Services S.r.l.	Member of the Board of Statutory Auditors	Ceased
Massimo Fulvio Campanelli	Responsabile S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Ulisse Biomed S.p.A.	Member of the Board of Statutory Auditors	Currently held
	B-Yond S.r.l.	Member of the Board of Statutory Auditors	Currently held
	MP Eurofin	Sole Auditor	Currently held
	Prima Automotive S.r.l.	Member of the Supervisory Body	Currently held
	Prima Components Italia S.r.l.	Member of the Supervisory Body	Currently held
	Prima Eastern S.p.A.	Member of the Supervisory Body	Currently held
	Prima Components Gricignano S.r.l.	Member of the Supervisory Body	Currently held
	Prima Components Ferentino S.r.l.	Member of the Supervisory Body	Currently held
	Sole Pontedera S.r.l.	Member of the Supervisory Body	Currently held
	Prima Components Anagni S.r.l.	Member of the Supervisory Body	Currently held
	Prima Components Paliano S.r.l.	Member of the Supervisory Body	Currently held
	Sole Components S.p.A.	Member of the Supervisory Body	Currently held
	Sole Oderzo S.r.l.	Member of the Supervisory Body	Currently held
	Berger & Berger S.r.l.	Sole Director and Shareholder	Currently held
	Fondazione Santa Lucia – IRCCS	Chief Financial Officer	Ceased
	SIAS Autodromo Nazionale Monza S.p.A.	Chief Financial Officer	Ceased
	Torre SGR S.p.A.	Member of the Board of Statutory Auditors and Member of the Supervisory Body	Ceased
	Tenuta Ara del Tufo Società agricola a responsabilità limitata	Shareholder	Currently held
	Revidata – Servizi Consulenziali S.r.l. in liquidazione	Shareholder	Currently held
	Los Verdiales S.r.l.s.	Shareholder	Currently held
Paolo Carbone..	Aurelia 80 S.p.A. in liquidazione	Judicial Liquidator	Currently held
	Berlin Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Borgonuovo S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Bossi Scala Property S.p.A.	Member of the Board of Statutory Auditors	Currently held

Name and Surname	Company	Office / Shareholding	Status
	Brera Hotel Management S.r.l.	Member of the Board of Statutory Auditors	Currently held
	Brera Hotel Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	C.F.T.C. Corporation S.r.l. in liquidazione	Judicial Liquidator	Currently held
	Casa Di Cura Città Di Roma S.p.A. in liquidazione	Judicial Liquidator	Currently held
	Danieli Midco S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Danieli Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Epilate S.r.l.	Chairman of the Board of Statutory Auditors	Currently held
	Ex Immobiliare S.r.l. In Liquidazione	Judicial Liquidator	Currently held
	Ghetaldi Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Immobiliare Sviluppo S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Ippolito Nievo S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Le Ginestre S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Marvin Industrie Turistiche S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Mdp Holding Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Mellini Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Montenapoleone Holding S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Montenapoleone Retail S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Plebiscito S.r.l.s.	Sole Director	Currently held
	Polis Termoplastici S.r.l.	Member of the Board of Statutory Auditors	Currently held
	Radici Products S.r.l.	Chairman of the Board of Statutory Auditors	Currently held
	Regent Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	San Basilio Management Holding S.p.A.	Member of the Board of Statutory Auditors	Currently held
	San Basilio Management S.p.A.	Member of the Board of Statutory Auditors	Currently held
	San Basilio Property Holding S.p.A.	Member of the Board of Statutory Auditors	Currently held
	San Basilio Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Sh Paris Property S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Slhre Newco 7 S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Svim Tower S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Yalla Yalla S.p.A. in liquidazione	Chairman of the Board of Statutory Auditors	Currently held
	Acanthus S.p.A.	Sole Director	Ceased
	Alef Immobiliare S.r.l.	Judicial Liquidator	Ceased
	Aurelia Hospital S.r.l.	Sole Director	Ceased
	Auto Royal Company S.r.l.	Chairman of the Board of Statutory Auditors	Ceased
	C.C.C. Costruzioni Civili Cerasi S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	Design Manufacturing S.p.A.	Member of the Board of Statutory Auditors	Ceased

Name and Surname	Company	Office / Shareholding	Status
	FS Milan Capex S.r.l.	Member of the Board of Statutory Auditors	Ceased
	Interfashion S.p.A.	Sole Director	Ceased
	Its Todini S.r.l.	Judicial Liquidator	Ceased
	MIA Energia S.p.A. in liquidazione	Chairman of the Board of Statutory Auditors	Ceased
	Nazionale Verde S.r.l.	Member of the Supervisory Body	Ceased
	Prestinuova S.p.A.	Member of the Board of Statutory Auditors	Ceased
	S Solar S.r.l.	Member of the Board of Statutory Auditors	Ceased
	Salone S.r.l.	Director	Ceased
	Soundreef S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	Svim Gallery S.p.A.	Member of the Board of Statutory Auditors	Ceased
	Svim Offices S.p.A.	Member of the Board of Statutory Auditors	Ceased
	Svim Theatre S.p.A.	Member of the Board of Statutory Auditors	Ceased
	Tevere S.p.A.	Member of the Board of Statutory Auditors	Ceased
	Vam Gm Invest S.p.A. in liquidazione	Chairman of the Board of Statutory Auditors	Ceased
	Vam Investments Group S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	Verteq Capital S.p.A.	Director	Ceased
	Vm Invest S.r.l. in liquidazione	Chairman of the Board of Statutory Auditors	Ceased
	Verteq AO Invest S.r.l.	Shareholder	Currently held
	Valyrian Enterprise Solutions S.r.l.	Shareholder	Currently held
	Plebiscito S.r.l.s.	Shareholder	Currently held
Sonia Peron..	Garofalo Healthcare S.p.A.	Chairman of the Board of Statutory Auditors	Currently held
	Garofalo Healthcare Real Estate S.p.A.	Chairman of the Board of Statutory Auditors	Currently held
	Gruppo Veneto Diagnostica e Riabilitazione S.r.l.	Sole Member of the Board of Statutory Auditors	Currently held
	Marley Asset Revalue S.p.A.	Chief Executive Officer	Ceased
	Formedil	Member of the Board of Statutory Auditors	Currently held
	NEXI S.p.A.	Member of the Board of Statutory Auditors	Currently held
	ANRA – National Risk Managers’ Association	Member of the Board of Statutory Auditors	Currently held
	Disciplinary Board of the Order of Public Accountants and Commercial Experts of Padua	Member	Currently held
	European Central Bank	Real Estate Advisor	Ceased
	Sanedil	Member of the Board of Statutory Auditors	Ceased
	Mazars Italia S.p.A.	Member of the Board of Statutory Auditors	Ceased
	GAAT Service S.r.l.	Sole Independent Auditor	Ceased
	FINIZIA SRL	Chairman of the Board of Directors	Ceased
	BPER S.p.A.	Member of the Board of Statutory Auditors	Currently held
	ISAGRO S.p.A.	Member of the Board of Statutory Auditors	Ceased
	MATICO S.r.l. in liquidazione	Shareholder	Ceased

Name and Surname	Company	Office / Shareholding	Status
	Franco Costruzioni S.r.l.	Shareholder	Ceased
Maurizio De Magistris	AnsaldoBreda S.p.A.	Chairman of the Board of Statutory Auditors	Currently held
	Bulgari Accessori S.r.l.	Chairman of the Board of Statutory Auditors	Currently held
	Bulgari Hotels and Resorts Milano S.r.l.	Chairman of the Board of Statutory Auditors	Currently held
	Bulgari Italia S.p.A.	Chairman of the Board of Statutory Auditors	Currently held
	Lottomatica S.p.A.	Chairman of the Board of Statutory Auditors	Currently held
	Iacobucci HF Aerospace S.p.A.	Chairman of the Board of Statutory Auditors	Currently held
	UTM Systems & Services S.r.l.	Chairman of the Board of Statutory Auditors	Currently held
	Biomasse Crotone S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Biomasse Italia S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Bulgari Gioielli S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Bulgari S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Cave Nuove S.p.A.	Member of the Board of Statutory Auditors	Currently held
	EP Centrale Ostiglia S.p.A.	Member of the Board of Statutory Auditors	Currently held
	EP Produzione S.p.A.	Member of the Board of Statutory Auditors	Currently held
	EP Produzione Centrale Livorno Ferraris S.p.A.	Member of the Board of Statutory Auditors	Currently held
	EP Centrale Tavazzano Montanaso S.r.l.	Member of the Board of Statutory Auditors	Currently held
	Fondazione Lottomatica	Member of the Board of Statutory Auditors	Currently held
	Fiume Santo S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Gamenet S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Leonardo Global Solutions S.p.A.	Member of the Board of Statutory Auditors	Currently held
	Terminale GNL Adriatico S.r.l.	Sole Member of the Board of Statutory Auditors	Currently held
	AFS S.r.l.	Chairman of the Board of Directors / Shareholder	Currently held
	Praesidium S.p.A.	Member of the Supervisory Body	Currently held
	Consorzio SITAB in liquidazione	Judicial Liquidator	Currently held
	Emporikon S.r.l.	Chairman of the Board of Statutory Auditors	Ceased
	GAMMA BIDCO S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	LOTTOMATICA GROUP S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	OPERA SGR S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	PISANA S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	STREMMATA S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	BCC Risparmio e Previdenza SGR S.p.A.	Member of the Board of Statutory Auditors	Ceased
	RESLOC IT S.r.l.	Member of the Board of Statutory Auditors	Ceased
	TORRE SGR	Member of the Supervisory Body	Ceased

Name and Surname	Company	Office / Shareholding	Status
	PRAESIDIUM S.p.A.	Member of Board of Directors	Ceased
	A.F.S. Accounting & Financial Services S.r.l.	Shareholder	Currently held
Senior Management Team			
Theodore Kalantonis	Eurolife ERB Insurance Group Holdings	Non-Executive Director	Currently held
	Eurolife ERB Life Insurance S.A.	Non-Executive Director	Currently held
	Eurolife ERB General Insurance S.A	Non-Executive Director	Currently held
	Eurolife ERB Insurance Services S.A.	Non-Executive Director	Currently held
	Eurobank FPS S.A.	Executive Chairman of the Board of Directors and Chairman of the Executive Committee	Ceased
	Eurobank Ergasias S.A.	Deputy CEO and Executive Director Member of the Group's Executive Committee Member of the Group Strategic Planning Committee	Ceased
	Alpha Bank S.A.	Executive General Manager	Ceased
	EFG Eurobank Ergasias S.A.	General Manager and Member of the Group's Executive Committee	Ceased
Sara Elisabetta Paoni	Sasema S.r.l.	Shareholder	Currently held

The business address of the Directors, the members of the Statutory Auditors and the Senior Management Team is at the Issuer's registered office at Viale dell'Agricoltura 7, 37135 – Verona, Italy.

Remuneration Information

Remuneration of the Board of Directors

The table below sets out the compensation paid to members of the Board of Directors, in office as of the Prospectus Date, during the year ended December 31, 2023.

Name	Office as of the Prospectus Date	Compensation for position held (in €)	Compensation from the Issuer's subsidiaries (in €)	Overall compensation within the Group
Alessandro Rivera	Chairman of the Board of Directors	-	-	-
Manuela Franchi	Chief Executive Officer	436,881	-	-
Elena Lieskovska[(1)(3)]	Director	-	-	-
Constantine Dakolias	Director	-	-	-
Francesco Colasanti[(2)(3)]	Director	25,729	-	-
James Corcoran	Non-Executive Director	-	-	-
Fotini Ioannou	Non-Executive Director	-	-	-
Camilla Cionini Visani	Non-Executive Director	-	-	-
Cristina Alba Ochoa	Non-Executive Director	-	-	-
Isabella De Michelis di Slonghello	Non-Executive Director	-	-	-
Giuseppe Pisani	Non-Executive Director	-	-	-

(1) Elena Lieskovska has withdrawn all of her compensation.

(2) Francesco Colasanti revoked his waiver of compensation as member of the Board of Directors in 2024, retroactively effective from June 15, 2023, with the amounts reflecting the payments he received after reinstating his entitlement to part of the 2023 compensation. The total amount of compensation withdrawn after reinstating his entitlement for part of the 2023 compensation is €13,750.

(3) The total remuneration allocated for the membership of the Appointments and Remuneration Committee was €17,500. Of this amount, Francesco Colasanti has withdrawn €8,021 while Elena Lieskovska has withdrawn all of her allocated compensation.

During the year ended December 31, 2023, Manuela Franchi was also DIRs (as defined below) and General Manager of the Issuer. For her offices, she was paid an additional remuneration of €841,500. During the year ended December 31, 2023, directors Francesco Colasanti and Elena Lieskovska were also members of the Appointments and Remuneration Committee. For his office, Francesco Colasanti was paid an additional remuneration of €9,479, while Elena Lieskovska has withdrawn her compensation.

Remuneration of the Board of Statutory Auditors

The table below sets out the compensation paid to members of the Board of Statutory Auditors, in office as of the Prospectus Date, during the year ended December 31, 2023.

Name	Office as of the Prospectus Date	Compensation for position held (in €)	Compensation from the Issuer's subsidiary (in €)	Overall compensation Within the Group(2)
Chiara Molon	Chairwoman of the Board of Statutory Auditors	55,000	-	55,000
Massimo Fulvio Campanelli	Effective Auditor	-	-	-
Paolo Carbone	Effective Auditor	-	-	-
Sonia Peron	Alternate Auditor	-	-	-
Maurizio de Magistris	Alternate Auditor	-	15,000	15,000

(2) Model 231/01 Supervisory Body's remuneration included.

Remuneration of the Senior Management Team

The total remuneration paid to the members of the Senior Management by the Issuer in the year ended on December 31, 2023 amounted to €2,821,640.

Amounts set aside or accumulated for the payment of pensions, severance indemnities or similar benefits

As of December 31, 2023, for the payment of pensions, severance indemnities or similar benefits, taken together, in favor of the CEO and the Senior Management Team, the Issuer has set aside the amount of €321,400.

2024-2026 Remuneration Policy

On April 26, 2024, the ordinary shareholders' meeting of the Issuer approved the remuneration policy of the Group for the years 2024 – 2026 (the "**2024-2026 Remuneration Policy**"). The 2024-2026 Remuneration Policy was prepared in accordance with Article 123-*ter* of the Consolidated Financial Act, as updated from time to time.

Further to the above, the 2024-2026 Remuneration Policy includes the following features:

(i) a fixed remuneration;

(ii) an annual variable remuneration, consisting of a short-term Management By Objectives plan (MBO), to encourage annual performance, both financial and non-financial, with a focus on skills and conduct to improve alignment with the Group's values; and

(iii) a Long-Term Incentives plan (LTI), based on a performance share plan, with a rolling three-year vesting period, 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;

(iv) certain non-monetary benefits; and

(v) certain indemnities envisaged in the event of early termination of the office or termination of the employment relationship.

The Remuneration Policy is differentiated for the following categories of recipients:

(i) Members of the Board of Directors and Non-Executive Directors;

(ii) Chairman of the Board of Directors;

(iii) Chief Executive Officer;

(iv) Members of the Board of Statutory Auditors; and

(v) Executives with strategic responsibilities, that includes, in addition to the executive and non-executive directors of the Issuer and its members of the Board of Statutory Auditors, the General Manager Corporate Functions, the Group CFO, the Group General Counsel, the Group Manager NPE and the Real Estate and the Head of Control Functions (the "**DIRs**").

Short-Term Management by Objectives Incentive Plan (MBO)

The MBO of the Chief Executive Officer

Beneficiaries

The Group's Chief Executive Officer is the beneficiary of an annual variable incentive plan, which was approved by the Board of Directors based on a proposal from the Appointments and Remuneration Committee.

Main features

The MBO plan provides for an entry gate, below which no MBO payment takes place. It is represented by the achievement of at least 80.0% of the target value of the Group's EBITDA envisaged in the budget for the reference year. The MBO plan includes an entry gate, below which no MBO payment will be made. This entry gate is defined as achieving at least 80.0% of the target value of the Group's EBITDA as specified in the budget for the reference year.

In line with the Issuer's strategic drivers focused on profitable growth, technological/digital innovation and transformation, operational excellence, people engagement and the creation of sustainable value, the Chief Executive Officer's MBO includes:

economic and financial objectives with a weight of at least 75.0%; and

non-financial objectives (strategic and sustainability), predetermined and measurable with a total weight not exceeding 25.0%.

The maximum bonus opportunity is equal to 100% of the total fixed remuneration (sum of gross annual salary and fixed remuneration). The expected target, the minimum value (below or at which the objective is considered not achieved) and the maximum value (beyond which the overperformance is not further remunerated) are defined for each objective.

The pay-out curve is linear based on the percentage of target achievement. Each objective is measured and valued independently from the other objectives.

In the event of M&A transactions, on the proposal of the Appointments and Remuneration Committee and with the positive opinion of the Risks, Related Party Transactions and Sustainability Committee, the Board of Directors may update the KPIs to include the M&A finalization among the relevant priorities. The assessment of the individual contribution provided to the above-mentioned M&A transactions is always carried out by the Board of Directors, subject to the opinion of the Risks, Related Party Transactions and Sustainability Committee.

In any case, the overall annual variable component remains within the maximum level defined by the 2024-2026 Remuneration Policy, equal to 100% of the fixed component of remuneration, including the combined effect of achieving all the scorecard objectives.

Malus and claw-back

The Issuer retains the right, within five years from the date of assignment of the annual variable remuneration and regardless of whether the relationship is still in place or terminated, to ask the Chief Executive Officer to return the awarded bonus (clawback clauses), should one of the following circumstances occur:

- fraudulent behavior or gross negligence by the Chief Executive Officer to the detriment of the Group;
- serious and intentional violations of laws, the Code of Ethics and Issuer's internal rules; and
- allocation of a bonus based on data which later turns out to be manifestly incorrect or intentionally altered.

If any of these clawback clauses are triggered during the performance period and, in any case, before the payment of the bonus, the bonus will be cancelled (*malus* condition).

The MBO of the DIRs

Beneficiaries

With the exception of those performing control functions, the DIRs are beneficiaries of an annual MBO incentive plan, based on the achievement of financial and non-financial annual objectives.

Main features

The MBO plan includes an entry gate, below which no MBO payment will be made. For the Directors with roles across the entire Group, this entry gate is defined as achieving at least 80.0% of the target value of the Group's EBITDA as specified in the budget for the reference year. The aforementioned indicators will be adjusted to exclude the positive or negative impacts of extraordinary transactions approved by the Board of Directors during the reference year, unless such transactions are included in the budget. In line with the Issuer's strategic drivers focused on profitable growth, technological/digital innovation and transformation, operational excellence, people engagement and sustainable value creation, the DIRs' MBO is structured as follows:

- *corporate objectives*, correlated with economic, financial and sustainability objectives, accounting for 60.0% of the MBO; and
- *individual objectives*, correlated with area-specific or individual responsibilities, accounting for 40.0% of the MBO.

The payment method for the MBO is entirely monetary, with 100% of the remuneration being paid out in cash.

The pay-out mechanism differs based on the type of objectives achieved. For quantitative economic and financial objectives, the pay-out curve follows a linear progression. In contrast, for other objectives such as ESG, area-specific and individual objectives, a five-level assessment scale is used, where each level corresponds to a different pay-out percentage. A score of 1 results in no pay-out, effectively reducing the remuneration to zero, while a score of 5 ensures the full 100.0% pay-out of the maximum opportunity available.

Malus and claw-back

The Issuer retains the right, within five years from the date of assignment of the annual variable remuneration and regardless of whether the relationship is still in place or terminated, to ask the DIRs to return the awarded bonus (clawback clauses), should one of the following circumstances occur:

- fraudulent behavior or gross negligence by the DIRs to the detriment of the Group;
- serious and intentional violations of laws, the Code of Ethics and Issuer's internal rules; and
- allocation of a bonus based on data which later turns out to be manifestly incorrect or intentionally altered.

If any of these clawback clauses are triggered during the performance period and, in any case, before the payment of the bonus, the bonus will be cancelled (*malus* condition).

Long Term Incentive Plans

Long-term variable remuneration 2024-2026 cycle of the 2022-2024 LTI Plan

On April 26, 2024 the Issuer's shareholders' meeting approved the 2024-2026 Remuneration Policy, which amends and adapts the third and final cycle of the 2022-2024 LTI Plan (the "**2024-2026 LTI Plan Final Cycle**"), originally approved by the Issuer's shareholders' meeting held on April 28, 2022.

The key features of the 2024-2026 LTI Plan Cycle are set forth below.

Beneficiaries

The beneficiaries of the 2024-2026 LTI Plan Final Cycle include (i) the Group Chief Executive Officer, the (ii) DIRs and (iii) certain key resources including the Chief Executive Officer doValue Greece, the Chief Executive Officer doValue Spain, the Chief Executive Officer doValue Cyprus (the "**Key Resources**").

Other beneficiaries of the 2024-2026 LTI Plan Final Cycle may be identified by the Issuer's Board of Directors, after consulting the Appointments and Remuneration Committee.

Beneficiaries in the 2024-2026 third and final cycle, selected by the Group Chief Executive Officer with the support of the Group People function, amounted to 31 resources, of which 27 considered Key Resources for the implementation of the strategic business policies and 3 DIRs, and the Chief Executive Officer.

Main features

Pursuant to the 2024-2026 LTI Plan Final Cycle, the beneficiaries will be granted the right to receive a certain number of Issuer's shares subject to the achievement of specific performance targets and taking into consideration their position within the Group (the "**Performance Shares**").

This remuneration aims to:

- incentivizing strategic performance and value generation, encouraging alignment of the Group Chief Executive Officer with the long-term interests of shareholders and stakeholders;
- promoting a "One-Group culture"; and
- attracting and retaining strategic talent.

If performance targets are achieved at the maximum level, this incentive can amount to:

- 160.0% of their total fixed remuneration for the Chief Executive Officer;
- 100.0% of their total fixed remuneration for the DIRs; and
- 80.0% of their total fixed remuneration for Key Resources.

The 2024-2026 LTI Plan Final Cycle is characterized by the measurement of results over a three-year time frame, with the vesting period ending as of December 31, 2026.

The entry gate is defined as the Group EBITDA as of December 31, 2026, being no less than 80% of the Group EBITDA outlined in the annual strategic and operational plan. The number of Performance Shares accrued depends on the achievement of the KPIs at the end of the vesting period, *provided that* the entry gate condition is met.

Any Performance Shares involved in extraordinary transactions that result in their delisting or a significant reduction of the free float will be replaced with comparable shares, where possible.

For the 2024-2026 LTI Plan Final Cycle, the long-term incentive KPIs have been updated in line with the objectives outlined in the Business Plan. The updated KPIs are as follows:

- Group EBITDA as of December 31, 2026, weighting 35.0%.
- share price appreciation, representing the value of the share at the end of the vesting period, weighting 35.0%.
- revenue growth, representing the growth in production value over the three-year period (CAGR), weighting of 20.0%.
- ESG, representing the People Engagement and Sustainability Index, weighting 10.0%.

Lock-up period

A lock-up period is implemented at the end of the vesting period, varying by the type of beneficiary:

- A two-year lock-up is envisaged for the Group Chief Executive Officer
- A one-year lock-up is envisaged for the DIRs, applying to 50% of the available shares after taxes.
- No lock-up period is envisaged for the Key Resources.

Additionally, the beneficiaries receive an additional number of Performance Shares equivalent to 50% of the dividends paid during the vesting period.

Malus and claw-back

The Issuer retains the right, within five years from the date of assignment of the Performance Shares and regardless of whether the relationship is still in place or terminated, to ask the beneficiaries to return the awarded bonus (clawback clauses), should one of the following circumstances occur:

- fraudulent behavior or gross negligence by the Chief Executive Officer to the detriment of the Group;
- serious and intentional violations of laws, the Code of Ethics and Issuer's internal rules; and

- allocation of a bonus based on data which later turns out to be manifestly incorrect or intentionally altered.

If any of these clawback clauses are triggered during the performance period and, in any case, before the payment of the long-term incentive, the long-term incentive will be cancelled (*malus* condition).

Other Information

Employment or management agreement

As of the Prospectus Date, there are no agreements entered into by members of the Board of Directors, by members of the Board of Statutory Auditors or by members of the Senior Management Team with the Issuer or any of its subsidiaries providing for benefits upon termination of employment, other than those customarily provided by applicable collective bargaining agreements.

Agreements for the appointment of Directors, Statutory Auditors or members of the Senior Management Team

On June 13, 2023, the Issuer's shareholders Fortress and Bain Capital announced that they have signed a temporary shareholders' agreement related to the resignation of a board member previously included on the Fortress slate, the proposal for nomination of a new board member (which occurred on June 15, 2023 and resulted in Ms. Lieskovska's appointment), the cooperation to agree a joint slate for the next nomination of board members (and other members of corporate bodies) and limitations to the transfer of shares without the prior consent of the other party to the temporary shareholder agreement. The temporary shareholder agreement expired on April 26, 2024, when Fortress and Bain Capital presented a list of directors from which the following individuals were appointed to the Issuer's Board of Directors: Alessandro Riviera, Manuela Franchi, Elena Lieskovska, Constantine Michael Dakolias, Francesco Colasanti, James Corcoran, Fotini Ioannou, Camilla Cionini Visani, Cristina Alba Ochoa, and Isabella De Michelis Di Slonghello.

Potential conflicts of interest and other information

As of the Prospectus Date, other than the circumstances described below, there are no potential conflicts of interests between the personal interests or other duties of Directors, members of the Board of Statutory Auditors or members of the Senior Management Team on the one hand and their duties to the Issuer on the other hand.

Specifically, as of the Prospectus Date, (i) Manuela Franchi (a) holds 10,079 shares of the Issuer and (b) will receive up to 97,463 shares of the Issuer after the vesting period (See "*Management, Employees and Corporate Governance—Long Term Incentive Plans*"), (ii) Theodore Kalantonis (a) holds 12,142 shares of the Issuer and (b) will receive up to 56,371 shares of the Issuer after the vesting period, (iii) Davide Soffietti (a) holds 4,925 shares of the Issuer and (b) will receive up to 23,746 shares after the vesting period, (iv) Sara Paoni (a) holds 4,537 and (b) will receive 31,887 shares after the vesting period. Moreover, certain members of the Board of Directors hold corporate offices or have employment or other professional relationships with Bain Capital Fortress Investment Group LLC, and Elliott Advisors (UK) Limited. In particular, (i) Elena Lieskovska is a partner and employee of Bain Capital Credit Ltd (an affiliate of Sankaty), which has appointed the Issuer and certain of its subsidiaries as servicers of certain portfolios owned directly or indirectly by Sankaty and its affiliates; (ii) Constantine Dakolias is co-chairman and managing partner of Fortress Investment Group LLC; (iii) Francesco Colasanti is co-head of European credit and co-head of European NPL business of Fortress Investment Group LLC (iv) Alessandro Rivera is a senior advisor of Bain Capital Credit Ltd; (v) Davide Soffietti is a director of doValue Greece Loans and Credit Claims Management S.A. and doValue Cyprus; (vi) Theodore Kalantonis is (a) Executive Chairman of the Board of Directors of doValue Greece Real Estate Services, (b) Non-Executive Director of doValue Spain S.L. and (c) Non-executive Director, Chairman of the Risk Committee and Non-Executive Member of the Audit Committee of doValue Cyprus; (vii) (a) Sara Elisabetta Paoni is Non-Executive Director of doNext S.p.A. and (b) Non-Executive Director of doValue Greece Loans and Credit Claims Management S.A.; (viii) (a) Manuela Franchi is CEO of doNext S.p.A., (b) Non-Executive Director of doValue Spain S.L., (c) Non-Executive Director of doValue Greece Loans and Credit Claims Management S.A. The Issuer does not expect that the circumstances described above will have any material impact on the performance of the Directors and the members of the Senior Management Team have towards the Issuer. Other than these circumstances, the Issuer is not aware of any other circumstances that may lead to a (potential) conflict of interest between the private interests of the Directors and the members of the Senior Management Team on the one hand and their duties towards the Issuer on the other hand.

Employees

The table below provides an overview of the total number of employees the Group employed in Italy as of September 30, 2024, subdivided by main categories.

The number of employees reported includes both permanent and fixed-term employees used by the Group in the conduct of its business.

	September 30	December 31		
Employees	**2024**	**2023**	**2022**	**2021**
NPL	629	652	691	736
Corporate Core	188	192	193	184
Technical/Administrative operations	26	31	37	39
Control	23	26	22	17
UTP	20	23	23	17
Real Estate Retail	10	9	10	10
Business Development	4	0	0	0
Master Servicing	3	6	5	5
Real Estate Ancillary	3	2	3	3
Other Ancillary	2	2	2	2
Total	**908**	**943**	**986**	**1.013**

With reference to the Gardant Group, as of September 30, 2024 the numbers of its employees amount to 456.

As of the Prospectus Date, the total number of employees of the Group has not changed significantly from the number indicated as of September 30, 2024.

The table below provides an overview of the total numbers of employees the Group employed as of September 30, 2024, subdivided by geographical area.

Country	Legal Entity	September 30, 2024
Spain	doValue Spain Servicing S.A	396
Spain	Team4 Collection and Consulting, S.L.	121
Italy	doValue S.p.A.	877
Italy	doNext S.p.A..	29
Italy	doData S.r.l.	2
Greece	doValue Greece Loans and Credits Claim Management S.A.	890
Greece	doValue Greece Real Estate Services Single Member S.A.	48
Cyprus	doValue Cyprus	397
	Total	**2,760**

PRINCIPAL SHAREHOLDERS

As of the Prospectus Date and prior to the Rights Issue, the Issuer's share capital is €41,280,000, divided into 16,000,000 fully paid-up ordinary shares with no nominal value.

The following information regarding the Group's principal shareholders as of the Prospectus Date is based on the Issuer's shareholder register, supplemented by the notifications received pursuant to Article 120 of the Consolidated Financial Act. The table below sets forth the Group's principal shareholders as of the Prospectus Date and prior to consummation of the Offer or conversion of the Convertible Bonds.

Declarant (meaning the entity at the top of the ownership chain)	% Share of Declarant	Shareholders	% Share of Shareholders
Bain Capital Credit Member, LLC	13.58%	Sankaty European Investments S.A R.L.	13.58%
FIG Buyer GP, LLC	28.27%	Principal Holdings I LP	0.11%
		Adige Investments SARL	2.79%
		Avio SARL	25.05%
		FIG LLC	0.32%
		Fortress Operating Entity I LP	0.00%
Total	**41.85%**	**Total**	**41.85%**

On November 6, 2024, the Board of Directors approved the issuance of 4,000,000 Convertible Bonds, which were subscribed and issued on November 13, 2024. Within three trading days from the Gardant Group Acquisition Completion, the Convertible Bonds will be automatically converted to the Conversion Shares, corresponding to 20% of the issued share capital of the Issuer as enlarged by the issuance of the Conversion Shares. The following table sets forth the Group's principal shareholders following the conversion of the Convertible Bonds into Conversion Shares, assuming that none of such shareholders or bondholders shall transfer their shareholding or portion of Convertible Bonds to any of their affiliates before the commencement of the Offer.

Declarant (meaning the entity at the top of the ownership chain)	% Share of Declarant	Shareholders	% Share of Shareholders
Bain Capital Credit Member, LLC	10.86%	Sankaty European Investments S.A R.L.	10.86%
FIG Buyer GP, LLC	22.61%	Principal Holdings I LP	0.09%
		Adige Investments SARL	2.23%
		Avio SARL	20.04%
		FIG LLC	0.25%
		Fortress Operating Entity I LP	0.00%
Paul E. Singer (in his capacity as the ultimate controlling person of the fund(s) holding interests in doValue S.p.A.)	17.75%	Tiber Investments S.à r.l.	17.75%
Total	**51.22%**	**Total**	**51.22%**

Assuming that (x) the shareholders indicated in the table above will not purchase shares of the Issuer outside of the Rights Issue, (y) the Rights Issue is fully subscribed without any subscription of New Rights Issue Shares by Tiber and the Underwriters pursuant to, respectively, the Tiber Underwriting Obligation and the Underwriting Agreement; and (z) none of the shareholders or bondholder shall transfer their shareholding or portion of Convertible Bonds to any of their affiliates before the commencement of the Offer, and taking into account that, as of the Prospectus Date, the Issuer owns 555,385 treasury shares which will not receive Rights in the context of the Offer, at the end of the Offer Period the Issuer does not expect any material changes to the shareholdings of the principal shareholders set forth into the table above.

Shareholders Agreements

As of the Prospectus Date, to the best of the Issuer's knowledge, there are no shareholders' agreements in place. However, in the context of the Rights Issue, the Principal Shareholders have entered into their Shareholder Irrevocable Undertaking. See "*Plan of distribution*".

As of the Prospectus Date, to the best of the Issuer's knowledge, there are no arrangements the operation of which may at a subsequent date result in a change in control of the Issuer.

Controlling shareholder

As of the Prospectus Date, no shareholder exercises control over the Issuer pursuant to Article 2359 paragraph 1, item 1) of the Italian Civil Code and Article 93 of the Consolidated Financial Act. For further information, please see "*Business – Group Structure*" and "*Description of share capital and corporate structure*".

Following the Offer, assuming that the Rights Issue is fully subscribed without any subscription of New Rights Issue Shares by the Underwriters pursuant to the Underwriting Agreement, no shareholder is expected to exercise control over the Issuer pursuant to Article 93 of the Consolidated Financial Act.

RELATED PARTY TRANSACTIONS

In compliance with Consob Resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021, (ii) Article 2391 of the Italian Civil Code, (iii) Circular No. 285 and (iv) Article 136 of the Consolidated Banking Act, the Issuer 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 the Issuer (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, the Issuer established a Risks, Related Party Transactions and Sustainability Committee composed of members selected from the non-executive members of the Board of Directors, and with the majority meeting independence requirement, 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.

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: i) the parent company of the Issuer, ii) the companies that jointly control or exercise significant influence over the Issuer, iii) the subsidiaries of the Issuer, iv) the associates, v) the joint ventures, vi) key management personnel, vii) close family members of key management personnel and subsidiaries, including jointly, by key management personnel or their close family, and viii) other related parties.

Both the current main shareholders (Fortress and Bain) are related parties of the Group exercising a significant influence over the Issuer.

With 25.05% of the Issuer's shares held as of the Prospectus Date, the ultimate parent company is Avio S.à r.l., a company incorporated under Luxembourg law, whose capital is indirectly owned by funds managed by entities ultimately controlled by FIG Buyer GP, LLC. The latter is the General Partner of Foundation Holdco LP, which is associated with affiliates of Mubadala Investment Company PJSC and certain members of the management of Fortress Investment Group LLC and entities controlled by them.

Avio S.a r.l. does not exercise any management or coordination powers over the Issuer pursuant to Article 2497 and following articles of the Italian Civil Code or IAS 24.

The transactions that the Group engages in with related parties, identified on the basis of the criteria set forth in IAS 24 – Related Party Disclosures, are primarily related to loan servicing contracts, entered into between the Group and legal entities affiliates to the two main shareholders (Fortress and Bain, both as related parties).

The Issuer believes that none of those transactions can be qualified as atypical or unusual, as they fall within the ordinary course of management of the Group's activities. These transactions form part of normal business operations and, in the Issuer's judgement, are performed under market conditions.

Other related party transactions entered by the Issuer relate to remuneration to key management personnel and to other related parties.

In addition, some intercompany transactions are executed in absence of relevant interests of other related parties.

Information on remuneration of key management personnel

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 Issuer's activities. This category includes the members of the Board of Directors, including the Chief Executive Officer, the Statutory Auditors of the Issuer, as well as the other executives with strategic responsibilities. This category of transactions are generally executed in compliance with the Remuneration Policy and without discretion. In exceptional case of derogation of the Remuneration Policy the derogation process provided under article 123 ter Consolidated Financial Act will apply.

Information on the remuneration of key management personnel for the years ended December 31, 2021, 2022 and 2023 is provided in the table below.

	For the year ended December 31,		
	2021	2022	2023
		(*in € thousand*)	
Wages and salaries	7,875	7,657	6,009
Social charges	249	211	205
Post-employment benefits	350	—	250
Net revenue from secondment of staff	2,087	4,241	708
Total	**10,561**	**12,109**	**7,172**

Information on other related party transactions

The following is a description of material transactions as of and for the years ended December 31, 2021, 2022 and 2023 and as of and for the nine months ended September 30, 2024, to which the Issuer has been a party, as defined by IAS 24 – Related Party Disclosures.

Prospective Investors should read this section in conjunction with the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements.

As of and for the year ended December 31, 2021

The following table shows assets and liabilities as of December 31, 2021 and revenue and costs for the year then ended.

Balance sheet	Related parties	Total as per financial statements	% of financial statements total
		(*in € thousand*)	
Property plant and equipment	90	34,149	0.3%
Non-current financial assets	2,755	60,445	4.6%
Trade receivables	11,249	206,326	5.5%
Total assets	**14,094**	**1,184,636**	**1.2%**
Trade payables	(58)	(73,710)	0.1%.
Other current liabilities	(117)	(75,052)	0.2%
Total liabilities	**(175)**	**(990,633)**	**n.s.**

Income statement	Related parties	Total as per financial statements	% of financial statements total
		(*in € thousand*)	
Revenue from contracts with customers	37,926	524,365	7.2%
Other revenue	5,209	40,774	12.8%
Total revenue	**43,135**	**565,139**	**7.6%**
Personnel expenses	273	(231,581)	0.1%
Administrative expenses	(321)	(99,231)	0.3%
Depreciation, amortisation and impairment	(1,082)	(96,263)	1.1%
Financial (Expense)/Income	482	(22,337)	0.2%
Total costs and expenses	**(648)**	**(518,470)**	**0.1%**

The main relations with related parties relate to:

- Securitisation SPVs: the Group provides Master Servicing and Structuring activities, including administrative, accounting, cash management and reporting services to support securitisation of loans; it also offers structuring services for securitisation transactions under Law 130/1999 and performs the role of authorised entity in securitisation transactions. Some of these vehicles fall within the scope of related parties and for 2021 the amount of revenue from contracts with customers for these related parties amounted to €37.7 million, while other revenue was equal to €2.6 million with corresponding trade receivables of €9.8 million as at December 31, 2021; for the vehicles Romeo SPV and Mercuzio

Securitisation, in which the Group holds certain ABS notes, €2.8 million of financial assets and €508 thousand of financial income were also recorded;

- Torre SGR S.p.A.: this related party rented certain properties to the Group for one of its main offices in Rome, which was disposed of in the first quarter of 2022. This contract was accounted for in accordance with IFRS 16, with amortisation/depreciation of €1.1 million and financial expense of €26 thousand. During the period, administrative costs were also recorded, related to those buildings, for €321 thousand. The balancing entries were recorded under property, plant and equipment (€90 thousand), under other financial liabilities (€117 thousand);

- FIG LLC: doValue conducted due diligence services for this related party and in the first semester of 2021 recorded revenue of €557 thousand and trade receivables of €682 thousand at the end of the period;

- ReoCo: doValue managed property assets for certain ReoCo (real estate owned companies), with revenue from contracts with customers and other revenue during the period of €2.0 million and trade receivables of €597 thousand.

As of and for the year ended December 31, 2022

The following table shows assets and liabilities as of December 31, 2022, and revenue and costs for the year then ended.

Balance sheet	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Non-current financial assets	2,312	53,604	4.3%
Trade receivables	9,277	200,143	4.6%
Total assets	**11,589**	**1,126,598**	**1.0%**
Trade payables	(37)	(70,381)	0.1%
Total liabilities	**(37)**	**(945,678)**	**n.s**

Income statement	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Revenue from contracts with customers	36,090	515,934	7.0%
Other revenue	4,264	43,846	9.7%
Total revenue	**40,354**	**559,780**	**7.2%**
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 costs and expenses	**1,207**	**(498,563)**	**(0.2%)**

The main relations with related parties relate to:

- Securitisation SPVs: the Group provides Master Servicing and Structuring activities, including administrative, accounting, cash management and reporting services to support securitisation of loans; it also offers structuring services for securitisation transactions under Italian Law 130/1999 and performs the role of authorised entity in securitisation transactions. Some of these vehicles fall within the scope of related parties and for 2022 the amount of revenue from contracts with customers for these related parties amounted to €35.9 million, while other revenue amounts 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, in which the Group holds certain ABS notes, €2.3 million of financial assets and €1.1 million of financial income were also recorded;

- Torre SGR S.p.A.: this related party rented to 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 for these related parties and in 2022 recognized revenue of €636 thousand, in addition to trade receivables of €570 thousand at the end of the period; there is also an active staff secondment relationship with one of these related parties, which generated income of €191 thousand;

- ReoCo: doValue managed 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.

As of and for the year ended December 31, 2023

The following table shows assets and liabilities as of December 31, 2023, and revenue and costs for the year then ended.

Balance sheet	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Non-current financial assets	2,056	46,167	4.5%
Trade receivables	15,358	199,844	7.7%
Total assets	**17,414**	**1,031,364**	**1.7%**
Trade payables	(193)	(85,383)	(0.2%)
Total liabilities	**(193)**	**(926,873)**	**n.s.**

Income statement	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Revenue from contracts with customers	54,199	421,510	12.9%
Other revenue	5,184	60,195	8.6%
Total revenue	**59,383**	**481,705**	**12.3%**
Personnel expenses	(2,009)	(213,097)	0.9%
Administrative expenses	14	(90,661)	n.s
Depreciation, amortisation and impairment	—	(92,742)	—
Other operating (expense)/income	100	5,089	2.0%
Financial (Expense)/Income	443	(37,130)	1.2%
Total costs and expenses	**(1,452)**	**(455,055)**	**0.3%**

The main relations with 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 fall within the scope of related parties and for 2023 the amount of revenue from contracts with customers for this category of customers amounts to €54.1 million, while other revenue amounts to €4.7 million with corresponding trade receivables of €14.5 million as at December 31, 2023; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds certain ABS notes, €2.1 million of financial assets and €402 thousand of financial income are also recorded;

- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management S.r.l.): the Group mainly carries out due diligence for these related parties and in 2023 recognized other revenue and other operating income of €215 thousand, in addition to trade receivables of €493 thousand at the end of the year; there is also an active staff secondment relationship with one of these related parties, which generated income of €677 thousand;

- Companies affiliated to the Bain Capital Credit group (Beat Capital Partners Limited, Aptia Group Limited, Bain Capital Credit, Ltd): the Group recognizes trade receivables for €13 thousand at the end of the year;

- Torre SGR S.p.A.: this related party rented the Group a property for one of the main offices in Rome, which was disposed of in the first quarter of 2022; trade payables for €9 thousand is the amount at the end of the year;

- ReoCo: the Group manages property assets for certain ReoCo (real estate owned companies), with other revenue and other operating income during the year of €261 thousand and trade receivables of €191 thousand;

- Eurolife FFH General Insurance Single Member Societé Anonyme: this company manages pension funds and medical insurance for the employees of the subsidiary doValue Greece. As of December 31, 2023, personnel expenses of €2.7 million and trade payables of €273 thousand were recorded. At the same time, this company has an active contract for ancillary services, which resulted in the recognition of other operating income and trade receivables amounting to €100 thousand.

As of and for the nine months ended September 30, 2023

The following table shows assets and liabilities as of September 30, 2023, and revenue and costs for the nine months then ended.

Balance sheet	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Non-current financial assets	2,022	52,374	3.9%
Trade receivables	3,565	158,902	2.2%
Total assets	**5,587**	**211,276**	**2.6%**
Trade payables	802	48,282	1.7%
Total liabilities	**802**	**48,282**	**1.7%**

Income statement	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Revenue from contracts with customers	21,001	297,758	7.1%
Other revenue	2,445	38,900	6.3%
Total revenue	**23,446**	**336,658**	**7.0%**
Personnel expenses	(1,332)	(155,038)	0.9%
Other operating (expense)/income	281	1,728	16.3%
Financial (Expense)/Income	(125)	(20,935)	0.6%
Total costs and expenses	**(1,176)**	**(174,245)**	**0.7%**

The main relations with other related parties relate to:

- Securitisation SPVs: the Group provides Master Servicing and Structuring activities: including administrative, accounting, cash management and reporting services in support of the securitisation of loans; it also offers structuring services for securitisation transactions under Italian Law 130/1999 and performs the role of authorised entity in securitisation transactions. Some of these vehicles fall within the scope of related parties and for the first nine months of 2023 the amount of revenue from contracts with customers for this category of customers amounted to €20.9 million, while other revenues amounts to €2.1 million with corresponding trade receivables of €2.5 million at September 30, 2023; for the vehicles Romeo SPV and Mercuzio Securitisation, in which the Group holds certain ABS notes, €2.0 million of financial assets, €195 thousand of other operating income and €125 thousand of financial income were also recorded;

- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management S.r.l.): doValue mainly carries out due diligence for these related parties and in the first nine months of 2023 accrued other revenue and other operating income of €247 thousand, in addition to trade receivables of €679 thousand at the end of the period; there is also an active staff secondment relationship with one of these related parties, which generated income of €392 thousand;

- ReoCo: doValue manages property assets for certain ReoCo (real estate owned companies), with revenue from contracts with customers and other revenue during the nine months ended September 30, 2023 of €216 thousand and trade receivables of €204 thousand.

As of and for the nine months ended September 30, 2024

The following table shows assets and liabilities as of September 30, 2024, and revenue and costs for the nine months then ended.

Balance sheet	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Non-current financial assets	1,773	41,945	4.2%
Trade receivables	15,105	174,544	8.7%
Total assets	**16,878**	**216,489**	**7.8%**
Trade payables	1,671	63,209	2.6%
Total liabilities	**1,671**	**63,209**	**2.6%**

Income statement	**Related parties**	**Total as per financial statements**	**% of financial statements total**
		(*in € thousand*)	
Revenue from contracts with customers	39,078	280,613	13.9%
Other revenue	6,547	37,426	17.5%
Total revenue	**45,625**	**318,039**	**14.3%**
Costs for services rendered	(703)	(15,390)	4.6%
Personnel expenses	(513)	(153,678)	0.3%
Administrative expenses	(218)	(70,003)	0.3%
Financial (Expense)/Income	281	(18,992)	(1.5)%
Total costs and expenses	**(1,153)**	**(258,063)**	**0.4%**

The main relations with 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 fall within the scope of related parties and for the period the amount of revenue from contracts with customers for this category of customers amounts to €39.0 million, while other revenue are equal to €6.1 million with corresponding trade receivables of €14.0 million and trade payables of €0.9 million as of September 30, 2024; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds certain ABS notes, €1.8 million of financial assets and €281 thousand of financial income are also recorded;

- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management S.r.l., FNPL Esp Investment DAC): the Group mainly carries out due diligence for these related parties and in the period accrued other revenue of €208 thousand, in addition to trade receivables of €733 thousand at the end of the period; there is also an active staff secondment relationship with one of the companies, which generated income of €324 thousand;

- Boston Consulting Group: the Group utilizes consulting services from this firm, incurring €703 thousand recorded under costs for services rendered and trade payables;

- Mytilineos SA: the subsidiary doValue Greece relies on this provider for electricity supply at its headquarters, with a cost of €206 thousand for the period classified under administrative expenses, corresponding to trade payables of €24 thousand;

- ReoCo: the Group manages property assets for certain ReoCo (real estate owned companies), with revenues from contracts with customers of €108 thousand, other revenue during the nine months ended September 30, 2024 of €194 thousand and trade receivables of €146 thousand;

- Eurolife FFH General Insurance Single Member Societé Anonyme: this company manages pension funds and medical insurance for the employees of the subsidiary doValue Greece. As of September 30, 2024, personnel expenses of €837 thousand.

In the period from September 30, 2024, to the Prospectus Date, the Issuer has not entered into any related party transactions that were unusual in nature or significant in amount other than those of an ongoing nature and/or described in this Prospectus.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Incorporation

The Issuer was incorporated in 1919 and authorized by Royal Decree (*Regio Decreto*) No. 115 of April 15, 1900 as a non-profit organization named Credito Fondiario della Cassa Civica di Risparmio di Verona. See "*Business-The Group's History*". According to the Issuer's By-Laws, the Issuer's duration extends until December 31, 2100, unless otherwise extended in accordance with applicable Italian laws.

Subscribed and paid-up share capital

As of the Prospectus Date, the Issuer's share capital amounted to €41,280,000, divided into 16,000,000 ordinary shares with no nominal value, all of which are fully paid-up. There are no other categories of shares. Each share gives the right to one vote.

The Issuer has been listed on Euronext Milan since July 14, 2017. Since June 3, 2022, the Issuer's ordinary shares have been admitted to trading on the Euronext STAR Milan segment.

All shares are issued in dematerialized form. The terms of circulation and legitimacy of shares aw.

For further information and updates, please refer to the information posted on the website https://dovalue.it.

Shares and non-equity financial instruments

Except for the Convertible Bonds, as of the Prospectus Date the Issuer did not have and has not issued any non-equity participating financial instruments. For more information on the 2025 Notes and the 2026 Notes, please see "*Business – Material Agreements-Existing financing*".

Treasury shares

As of the Prospectus Date, the Issuer owns 555,385 of its treasury shares, equal to 3.47% of the total share capital.

Rights and/or obligations to purchase authorized but unissued capital or commitment to rights issue

As of the Prospectus Date, there were and are no rights or obligations to purchase authorized but unissued capital or commitments to increase capital.

Rights offers involving the capital of any members of the Group

As of the Prospectus Date, the Issuer was not and is not aware of any offers or decisions regarding offers involving the capital of any Group companies.

Changes in share capital over the past three fiscal years

The table below reports the amount of share capital as of December 31, 2021, 2022 and 2023.

	As of December 31,		
	2021	**2022**	**2023**
		(in € thousand)	
Share capital	**41,280**	**41,280**	**41,280**

As of December 31, 2021, 2022 and 2023 the subscribed and fully paid-up share capital of the Issuer amounted to €41,280 thousand divided into 80,000,000 ordinary shares with no nominal value. As of the Prospectus Date, the Issuer's share capital is divided into 16,000,000 ordinary shares with no nominal value, as a result of the Reverse Stock Split approved by the Extraordinary Shareholders' Meeting of the Issuer on September 11, 2024, which took place on September 17, 2024 based on the ratio of 1 (one) new ordinary share for every 5 existing ordinary shares at the time of the Reverse Stock Split.

As of September 30, 2024 the share capital remained unchanged at €41,280 thousand.

SME qualification

As per Article 2-ter, paragraph 2, of the Issuers' Regulation, on January 18, 2024, the Issuer has acquired the qualification of "SME" in accordance with Article 1, paragraph 1, letter w-quater.1), of the Consolidated Financial Act, as the market capitalization relating to the year 2023 (calculated in compliance with Article 2-ter, paragraph 1, of the Issuers' Regulations) was below the threshold established by Article 1, paragraph 1, letter w-quater.1), of the Consolidated Financial Act.

Certificate of Incorporation and By-laws

In the context of the Gardant Group Acquisition, the Issuer's By-Laws were amended pursuant to a resolution adopted by the Shareholders' Meeting held on September 11, 2024. For the Post-Gardant Group Acquisition By-Laws, see "*General Information – Available Documents*".

Business registration and corporate purpose

doValue S.p.A. is a company registered under No. 00390840239 with the Companies Register of Verona. The corporate purpose of the Issuer is defined in Article 4 of its By-laws, which provides as follows:

"*1. The Company has as its purpose the conduct, directly and/or indirectly (or by way of subsidiary and/or investee companies), of activity of management, recovery and collection of debt, even by enforcement, in Italy and abroad, as well as any other activity in any way connected or instrumental to the debt management and recovery, in respect of the regulations in force each time. For the purposes of interpretation clarity, every activity cited below, or in any case falling within the corporate purpose, may be performed by the Company directly or indirectly.*

2. In particular, the Company may: i) accept mandates relating to debt management recovery and collection, also with regard to securitization transactions; ii) acquire third party receivables or assets, both with and without recourse; iii) participate in judicial auctions (aste giudiziarie) and bankruptcy auctions (aste fallimentari) for debt recovery; iv) purchase, even through participation in the aforementioned auctions, sell, lease and exchange, properties used as debt collateral.

3. The corporate purpose also includes the following operations: i) carry out, even on behalf of third parties, valuation of receivables and credit quality assessments; ii) provide administrative and financial advisory services also in order to facilitate the assignment and the liquidation of receivables and other assets; iii) provide advisory and other services to businesses, also with reference to the recovery strategy, the quality or keeping of data, or related issues; iv) provide valuation services of assets and real estate property and assistance in their acquisition, improvement and marketing; as well as v) provide asset management and facility management services in relation to properties. vi) undertake-by means of printed works published by the Company or by third parties as well as by means of websites and other multimedia and/or electronic platforms the publication and dissemination of information, also concerning the sale of moveable and immoveable assets, credits and other assets, also via third parties, are aimed at liquidating said assets."

Descriptions of rights, privileges and restrictions attached to shares

The only existing class of shares are common shares, which are registered and indivisible.

Each ordinary share entitles the holder to one vote, and there are no limits on the ownership of shares in the Issuer. For more information on the rights of ordinary shares concerning profit distribution, please see "*Dividends and Dividend Policy*".

Provisions of the By-laws that could have the effect of delaying, postponing or preventing change in the Issuer's control structure

The By-laws do not stipulate conditions for the modification of shareholders' rights other than those provided for by law. In particular, the right of withdrawal is only in cases where it is mandatory by law. The right of withdrawal shall be exercised in the manner and terms set forth in the applicable provisions of law.

Right to profit sharing

The net profits shown in the Issuer's financial statements, following the deduction of the amounts to be allocated to the legal reserve until the latter has reached the legal limit, shall be distributed to the shareholders by the shareholders' meeting, unless the same shareholders' meeting resolves special allocations to extraordinary reserves or for other purposes, or resolves to distribute all or part of them to the following financial years.

Liquidation rights

Under Italian law, and subject to the satisfaction of the claims of all other creditors, shareholders are entitled to a distribution of the Issuer's remaining liquidated assets in proportion to the nominal value of the Shares they hold in the Issuer's capital stock upon the Issuer's winding up. Shareholders of savings or preferred shares if any such shares were to be issued by us would take priority in such distribution up to the nominal value of such Shares. Thereafter, if there are surplus assets, shareholders of ordinary shares are entitled to receive distribution of such surplus assets.

Withdrawal Rights

Under Italian law, dissenting shareholders have the right to withdraw, thereby requiring the Issuer to redeem all or part of their shares, in certain circumstances, including changes to voting and participation rights and delisting of the Issuer.

Pursuant to article 29 of the Issuer's By-laws, shareholders will not have the right to withdraw in case of (i) extension of the Issuer's term; and (ii) introduction or removal of restrictions to the transfer of shares.

Moreover, in case of a resolution causing the delisting of a listed company, absent, abstaining or dissenting shareholders can withdraw and have their shares repurchased at the average market price of the shares over the previous six-month period.

Any agreement aimed at excluding or making it difficult for a shareholder to exercise withdrawal rights is void.

Notification of Acquisition of Shares

Pursuant to the Consolidated Financial Act and the Issuers Regulation, any person whose aggregate shareholding in a listed company rises above or falls below 3% (or 5% if the relevant company is a small or medium-sized enterprise, as defined under CONSOB regulations (a "**SME**")), or reaches, rises above or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50%, 66.6% or 90% of the voting share capital of a company listed in an Italian regulated market, is obliged to notify CONSOB and the listed company within four business days of the relevant acquisition or disposal.

In addition, any person who purchases an aggregate shareholding equal to or higher than 10%, 20% and 25% of the voting share capital of a company listed in Italy is subject to additional disclosure requirements. Any such shareholder, in particular, will disclose: (i) the way the acquisition was financed; (ii) whether such shareholder is acting in concert; (iii) whether such shareholder intends to acquire additional shares, gain control of the issuer or exert an influence over the management of the company, and the strategy and transactions expected to be implemented to these effects; (iv) the shareholders' intentions as regards any arrangements or agreements with other shareholders to which it is a party; and (v) if such shareholder intends to change the composition of the management or supervisory bodies of the company.

Pursuant to the Issuers Regulation, in case of shares with increased voting rights or multiple voting shares, "shareholding" means the number of the voting rights referred to the shares subject to the above-mentioned notification.

The Consolidated Financial Act provides that CONSOB is allowed to establish, by means of a provision designed to protect investors and make the market for corporate control and the capital markets more efficient and transparent, for a restricted period of time, thresholds lower than 3% (5% in case the listed company is a SME) for companies that have a current high market value and a broad base of shareholders.

Notification requirements also arise if the foregoing thresholds are breached as a result of a reduction of, or increase in, the company's share capital or in the number of the voting rights. For the purpose of calculating the ownership thresholds, ordinary shares owned by any person—irrespective of whether the voting rights are suspended, or exercisable by that person or by a third party—are taken into consideration. Ordinary shares in respect of which the relevant person is entitled to exercise voting rights are also included. Except in certain circumstances, ordinary shares held through, or for which voting rights are exercisable by, subsidiaries, fiduciaries or intermediaries are included.

Shareholders failing to give notice cannot exercise the voting rights attributable to the ordinary shares. Any shareholders' resolution approved in violation of the foregoing may be annulled if it would not have been adopted in the absence of such votes (*provided that* also CONSOB is entitled to challenge such resolution on the same grounds).

The Issuers' Regulation also provides that any person holding less than 3% of the voting share capital of a listed company is subject to a notification obligation when such person is party to a shareholders' agreement and, taking into account the holdings of the other parties to the agreement, reaches, exceeds or falls below the 5%, 10%, 15%, 20%, 25%, 30%, 50% and 66.6% thresholds. Such person must disclose to CONSOB and to the listed company in question: (i) the overall number of shares subject to the agreement; (ii) the number of shares directly or indirectly held that are subject to the agreement; and (iii) the number of shares directly or indirectly held that are not subject to the agreement. However, no notice is required if this information has already been given in compliance with other provisions of the Italian Securities and Exchange Act or of the Issuers' Regulation.

Notification obligations are also triggered with respect to the holding of voting shares underlying derivative financial instruments or any other financial instrument or contract that, pursuant to a binding agreement, attributes the right to acquire, at the holder's initiative, ordinary shares of a listed company (the "**Potential Interests**"). In particular, any person directly or indirectly holding Potential Interests must disclose such Potential Interest to the company and CONSOB when the shareholding that may be potentially acquired reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 66.6%.

Shares that may be purchased by exercising warrants or other conversion rights are taken into account for determining Potential Interests only if the purchase can take place within 60 days.

Disclosure obligations arise also if a person holds an "aggregate interest" in: (i) effective interest; (ii) Potential Interests; and (iii) other long positions (*i.e.*, voting shares underlying derivative financial instruments or any other financial instrument or contract that is: (a) different from those that are Potential Interests; and (b) capable of determining the acquisition of an economic interest that is positively linked to the performance of the underlying instrument, included the case of the counterparty of the owner of a financial position in which the contracting party's financial interest is negatively correlated to the performance of the underlying) that, in aggregate, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 66.6% of the voting share capital of the listed company.

For the purpose of calculating Potential Interests and the aggregate interest, no netting is permitted with any short positions concerning the same shares as the underlying instrument.

Furthermore, disclosure obligations in relation to aggregate interest do not apply should the exceeding or falling below the relevant threshold be subject to disclosure obligations in relation to effective interest and Potential Interests and the person does not hold other long positions.

When a notification obligation concerning the same material holding applies to both a controlling company and its subsidiary, the latter is exempted from the obligation. Nonetheless, the disclosure obligation can be satisfied by the subsidiary if it provides complete information on the chain of control, including with respect to other shareholdings directly or indirectly held by the controlling entity.

Notification obligations are not triggered when:

- shares are purchased exclusively for clearing and settlement purposes, within a settlement cycle;
- shares are held by depositaries, if voting rights can be exercised only on the basis of written or electronic instructions;
- shares are purchased below the threshold of 5% by Qualified Investors pursuant to firm commitment or stand-by underwriting, under certain conditions;

- shares or, Potential Interest, below the 10% threshold, are purchased or sold by a market maker and certain further conditions are met;
- the voting rights are referred to the shares purchased for stabilization purposes pursuant to EU regulations, *provided that* the relevant voting rights are not exercised or otherwise used to influence the management of the listed company;
- voting rights pertain to shares held by credit institutions and investment companies in their trading portfolio, as long as: (i) such voting rights do not exceed 5%; and (ii) the credit institution or the investment company ensures that voting rights are not exercised or otherwise used to influence the management of the listed company;
- shares are purchased or sold by the European Central Bank or by national central banks of the member states when exercising their monetary authority functions and on a short-term basis, *provided that* the relevant voting rights are not exercised; and
- under certain circumstances, holdings above 3% and not exceeding 5% are acquired by Italian and harmonized asset management companies and qualified entities (and, in certain circumstances, non-EU management companies and qualified entities) within the course of managing collective investment undertakings and UCITS funds.

Specific rules apply to the notification of holdings of management companies and financial intermediaries authorized for asset management. In particular, an entity controlling a management company is not required to cumulate its direct or indirect holdings (effective or potential) to the holdings of the management company, *provided that* the management company votes on the shares held in its portfolio independently from the controlling entity and other controlled entities. The same rules apply to any entity controlling one or more financial intermediaries authorized for asset management, with regard to the holdings of the financial intermediary, if the latter votes on the shares independently and on the basis of clients' written or electronic instructions.

Cross-ownership Restrictions

Cross-ownership restrictions limit the ownership by two companies of each other's shares. Cross-ownership between listed companies in Italy may not exceed 3% (5% in case the listed company is a SME) of their respective voting shares and cross-ownership between a listed company and an unlisted company may not exceed 3% of the voting shares of the listed company and 10% of the voting shares of the unlisted company. If the relative threshold is exceeded, the second company to exceed the threshold may not exercise the voting rights attributable to the shares in excess of the threshold and must sell the excess shares within twelve months. If the company does not sell the excess shares within twelve months, it will not be permitted to exercise voting rights in respect of its entire shareholding. If it is not possible to ascertain which company exceeded the threshold last, the limitation on voting rights will apply to both companies, unless otherwise agreed.

The 3% limit (5% for the SME) for cross-ownership may be increased to 5% (10% for the SME) on the condition that such limit is only exceeded by the two companies following an agreement authorized in advance by each of the companies' shareholders' ordinary meeting. Furthermore, if a party holds an interest in excess of 3% (5% for the SME) of a listed company's share capital, such listed company, or the party that controls the listed company, may not purchase an interest above 3% (5% for the SME) in a listed company controlled by such party. In case of noncompliance with the above, voting rights attributable to the shares held in excess of the applicable limit may not be exercised. If it is not possible to ascertain which company exceeded the limit later, the limitation on voting rights will, subject to contrary agreement between the two parties, apply to both companies. Any shareholders' resolution approved in violation of the limitation on voting rights may be annulled by the relevant court, also at CONSOB's request, if the resolution would not have been adopted in the absence of such votes. The restrictions on cross-ownership are not applicable when the thresholds are exceeded following a public tender offer to buy or exchange shares aimed at acquiring at least 60% of a company's ordinary shares.

Italian Mandatory Tender Offer Rules

Under the Consolidated Financial Act, a public tender offer must be made by any person who, as a result of purchases of shares for consideration, or increased voting rights, directly or indirectly or acting in concert with other persons, holds or comes to hold more than 30% of the voting share capital and/or derivative instruments as provided for under Article 44-*ter* of the Issuers Regulation ("**securities**") of a company listed on an Italian regulated market. For the purposes of calculating the threshold, derivatives which grant a long position will not be included where: (i) these instruments are traded on a regulated market; (ii) the securities underlying such derivatives have not been issued yet; (iii) such derivatives are included in a shareholders' agreement (typically as call or put options)for the purpose of either resolving decision-making problems or remedying a breach of the agreement; or (iv) the derivatives are held by an authorized intermediary for the purpose of hedging a customer's position.

In companies other than SMEs, any person who, by way of share acquisition, holds more than 25% of the voting share capital if no other shareholder holds a greater interest in the company, must also make a public tender offer.

The tender offer must cover all remaining outstanding shares of the company. A mandatory tender offer must also be launched by any person who owns more than 30% of the voting share capital (or more than 25% of the voting share capital if no other shareholder holds a greater interest in the company or exceeds the thresholds provided in relation to SMEs) (to be calculated (i) excluding any treasury shares held, directly or indirectly, by the company with certain exceptions and (ii) including certain derivative instruments, as provided by the Issuers' Regulation) without at the same time exercising majority voting rights at an ordinary shareholders' meeting and purchases or acquires, directly or indirectly, by way of acquisition or exercise of subscription or conversion rights during a 12-month period more than 5% of the share capital of such company. The organizational documents of a SME may provide for a different threshold that, in any event, cannot be lower than 25% or higher than 40%.

The tender offer must be launched within 20 days of the date on which the 30% threshold was exceeded, at a price not lower than the highest price paid by the offeror for any purchase of the company's securities of the same class during the previous 12 months. If during the same period no purchase of securities takes place, the offer must be launched at the weighted average market price of the company's securities of the same class in the previous 12 months or, if the company's securities have been trading for less than 12 months, at the weighted average market price of such shorter period of time. However, pursuant to the Italian Securities and Exchange Act, CONSOB may authorize the launch of a mandatory tender offer at a different price in certain circumstances.

Under certain circumstances, notwithstanding the purchase of a company's shares in excess of the threshold amount, the Consolidated Financial Act and Issuers Regulation, as amended, contain various exemptions from the duty to launch a tender offer, including, but not limited to, the following:

another shareholder or other shareholders, collectively, exercise(s) the majority voting rights in the ordinary shareholders' meeting;

the purchase is made:

(i) in the context of the recapitalization of a listed company or another measure having the purpose of increasing the company's assets and the company is in a certified situation of financial crisis;

(ii) without other purchases having been carried out or agreed upon during the previous 12 months, exclusively through the subscription of an increase of the share capital of the listed company, with the exclusion of pre-emption rights made in the context of a recovery plan which (a) was previously communicated to the market, (b) certifies the said situation of crisis and (c) whose reasonableness was certified according to the provisions of the Italian Bankruptcy Law; or

(iii) in the presence of a situation of crisis which differs from the cases under (i) and (ii) above, subject to certain conditions;

- the threshold is exceeded as a result of a transfer between companies in which the same person or persons hold, also separately or jointly and directly or indirectly through a subsidiary company (as described in Article 2359, first paragraph, point 1, of the Italian Civil Code), the majority of voting rights exercisable in the ordinary shareholders' meeting, or the threshold is exceeded as a result of a transfer between a company and such persons;

- for companies with multiple and increased voting rights, the threshold is exceeded as a consequence of the reduction of the total number of voting rights, unless the shareholder has acquired, alone or jointly with other parties, an interest exceeding the above mentioned thresholds;
- the threshold is exceeded as a result of mergers and spin-off transactions, approved by the shareholders of the company whose shares would otherwise be subject to the tender offer obligation, without the non-related shareholders voting against such transactions;
- the threshold is exceeded as a result of the exercise of the pre-emptive, subscription or conversion rights as originally granted;
- the threshold is exceeded and the purchaser undertakes to sell to unrelated parties such excessive shareholding or to reduce its exceeding voting rights within twelve months without exercising the relevant voting rights; or
- the threshold is exceeded by virtue of the purchase of derivative financial instruments and the buyer undertakes to transfer the excess derivatives or securities to unrelated parties within six months and, during this same period, not to exercise voting rights in excess of the threshold exceeded.
- the purchase following inheritance or transactions *inter vivos* for no consideration and thresholds exceeded as a result of voting rights that increase following a merger, cross-border conversion or proportional spin-off carried out in accordance with Legislative Decree No. 19 of March 2, 2023, where in each of the aforementioned cases there is no change in the direct or indirect control on the company resulting from such transactions.

Italian law further provides that the acquisition of an interest in excess of the above-mentioned thresholds does not trigger the obligation to launch a 100% tender offer, if the person concerned has exceeded the threshold as a result of either:

- a public tender offer launched for 100% of the ordinary share capital of the company; or
- a public tender offer launched for at least 60% of the ordinary share capital of the company, if:
  - (i) the validity of the tender offer is subject to approval of a number of shareholders which together possess the majority of the securities concerned, excluding securities held by the bidder, the major shareholder, also in relative terms, if that shareholding exceeds ten per cent, and by persons acting in concert with the bidder;
  - (ii) the offeror and the persons acting in concert with it have not acquired more than 1% of the ordinary shares of the company in the 12 months before notifying CONSOB or during the offer; and
  - (iii) CONSOB, after having received satisfactory evidence that the terms under (i) and (ii) have been complied with, has ruled that a mandatory bid need not be made.

After such offer has been completed, the offeror nevertheless becomes obliged to launch an offer for 100% of the share capital if, during the subsequent twelve months, either:

- it and the persons acting in concert with it purchase more than 1% of the share capital of the company, also by means of forward contracts maturing at a later date; or
- the shareholders of the company approve a merger or spin-off.

Further, (a) any person holding at least 95% of a class of voting shares of an Italian listed company as a result of a tender offer for 100% of the voting securities must purchase all of the remaining shares of that class upon each holder's request, and (b) without prejudice to the provision referred to under point (i) above, anyone holding more than 90% of a class of voting shares of an Italian listed company must purchase all the remaining shares of such class upon each holder's request, unless it restores an adequate free float within 90 days so as to ensure proper trading.

In the case of (a) above—and also in the case of (b) above where the interest is purchased exclusively through a tender offer relating to 100% of the voting shares—the purchase price will be the same as in the prior offer provided in each case that, in a voluntary offer, at least 90% of the voting shares targeted have been tendered in the offer. Otherwise, the price is determined by CONSOB, taking into account the price offered in a prior tender offer, if any, or the market price of the shares during the previous six months.

Any shareholder holding more than 95% of the ordinary share capital of a listed company pursuant to a tender offer involving all the voting shares issued by the company has the right to obtain title to the remaining voting shares within three months after the end of the tender offer, if it has stated its intention to make such an acquisition in the offer document, at a price determined as indicated in the above paragraph.

The voting rights relating to all the shares held by a person who has not complied with these rules, cannot be exercised, and the number of shares exceeding the relevant threshold must be sold within twelve months. In the event of non-compliance with such provisions, a shareholders' resolution passed with the votes relating to such shares may be challenged by the shareholders or CONSOB if it would not have been passed without such votes.

Where, in the period between the date of the notice referred to in Article 102, paragraph 1, of the Consolidated Financial Act, and the date of the payment of the consideration, the offerors, and those acting in concert with them, acquire, directly or indirectly or through nominees, the financial instruments that are the subjects of the offer or hold long positions which relate to such financial instruments for a consideration higher than the offer price, the offer price will align to the price paid for the above acquisitions.

The said provisions apply to the purchasers, on an amount exceeding 0.1% of the same class of financial instruments subject to the offer, by the offerors and the persons acting in concert with them, which are made in the six months following the last payment date.

THE OFFER

General Information

The Rights Issue was approved by the extraordinary Shareholders' Meeting on September 11, 2024, in accordance with Article 2441, paragraphs 1, 2 and 3, of the Italian Civil Code. At the same meeting, the Shareholders resolved to grant the Board of Directors the powers to resolve on the manner, the terms and the conditions to implement the Rights Issue.

Each Shareholder will receive 1 (one) Right for every ordinary Share held and each Bondholder will receive 1 (one) Right for every Convertible Bond held. On November 18, 2024, the Board of Director resolved to offer a minimum of 34,401,997 New Rights Issue Shares with pre-emptive subscription rights for the existing Shareholders and Bondholders at the ratio of 23 New Rights Issue Share for every 13 Rights, calculated on the basis of the Maximum Subscription Price.

The total amount of the Offer calculated on the basis of the Maximum Subscription Price is equal to €149,992,706.92. The Subscription Price, the maximum number of New Rights Issue Shares to be offered pursuant to the Rights Issue, the maximum amount of the Rights Issue and the final subscription ratio will be determined and communicated by the Board of Directors by the start of the trading day prior to the start of the Offer Period and will be announced as indicated in "*—Subscription Price*".

Following the issuance of New Rights Issue Shares offered in the Offer, assuming full subscription and taking into account the mandatory conversion of the Convertible Bond, the Issuer will have a minimum 54,401,997.00 outstanding ordinary Shares.

Further information about the Rights, the procedures for exercising the Rights and the transfer of the Rights is summarized below. This Prospectus has been prepared exclusively in connection with the offer to the public in Italy and the listing of the New Rights Issue Shares and the Conversion Shares. For the purposes of the US and International Offer, the Issuer will prepare a separate document (so called, international offering circular), that will be distributed by or behalf of the Issuer, subject to applicable laws and regulations and following applicable market standards.

The New Shares, like the Shares, will have no par value, the same dividend entitlement as the Shares and will be fungible with the outstanding Shares at the date of their issue. The New Rights Issue Shares will be denominated in Euro.

As of the Prospectus Date, the Shares are listed on the STAR segment of Euronext Milan, the regulated market organized and managed by Borsa Italiana. The New Shares will be admitted to trading on the STAR segment of Euronext Milan as well.

The ISIN Code of the Shares (including the New Shares) is IT0005610958. During the Offer Period (including the trading period of the Rights on Euronext Milan) the Rights will have the ISIN code IT0005619496. The Rights not subscribed for at the end of the Offer Period will be offered on Euronext Milan with the ISIN code IT0005619504.

The Offer is not subject to any conditions.

The Offer will become irrevocable on the date of the filing with the Verona Companies Register of the notice pursuant to Article 2441, paragraph 2, of the Italian Civil Code.

By way of example, the table below sets out the key details of the Offer, calculated on the basis of the Maximum Subscription Price.

Key details of the Offer	
Minimum number of New Rights Issue Shares offered with pre-emptive subscription rights for the existing Shareholders and Bondholders	34,401,997
Ratio calculated on the basis of the Maximum Subscription Price	23:13
Maximum Subscription Price	€4.36

Total amount of the Offer calculated on the basis of the Maximum Subscription Price..	€149,992,706.92
Number of Issuer's ordinary shares as of the Prospectus Date.......	16,000,000
Maximum number of the Issuer's outstanding ordinary shares following the issuance of New Rights Issue Shares offered in the Offer, assuming full subscription and taking into account the mandatory conversion of the Convertible Bond............................	54,401,997
Number of Issuer's treasury shares	555,385
Share capital of the Issuer as of the Prospectus Date	41,280,000
% of New Rights Issue Shares over the total ordinary shares (taking into account the mandatory conversion of the Convertible Bond) in the event of full subscription of the Offer calculated on the basis of the Maximum Subscription Price	63.24%
% of New Rights Issue Shares over the total ordinary shares (taking into account the mandatory conversion of the Convertible Bond) assuming only the subscription of the New Rights Issue Shares pursuant to the Shareholders Irrevocable Undertakings calculated on the basis of the Maximum Subscription Price	48.62%

Timetable for the Offer

The table below sets forth certain important dates relating to the Offer. This timetable is indicative and may be subject to change if certain events or circumstances outside doValue's control occur, which could prejudice the success of the Offer. Any change to the Offer Period will be announced by press release to be published on the system for dissemination of regulated information "Emarket Storage" (www.emarketstorage.it) and in the Issuer's website (www.dovalue.it).

All time references are to CET.

Prospective investors are urged to consult with an authorized financial intermediary, Monte Titoli or Euronext Milan for the specific times during which they may exercise Rights or subscribe for New Rights Issue Shares.

Event	Date
Offer Period and trading of Rights on the STAR segment of Euronext Milan commences..	November 25, 2024
Trading of Rights ceases on the STAR segment of Euronext Milan..	December 6, 2024
Expiration of the Offer Period and the term to subscribe for the New Rights Issue Shares...	2:00 p.m. on December 12, 2024
Publication of the Offer's results...	Within five business days of the conclusion of the Offer Period

Offer Period

Rights may be exercised during the Offer Period, which runs from November 25, 2024 until December 12 2024.

The Rights may be traded on the STAR segment of the Euronext Milan from November 25, 2024, through December 6, 2024.

Rights that are neither sold on the STAR segment of the Euronext Milan nor exercised within the Offer Period will expire without compensation to the relevant holders and will be offered by the Issuer to the public for a period of at least two trading days in the rights auction on Euronext Milan pursuant to Article 2441, paragraph 3, of the Italian Civil Code, unless the Rights have already been sold in full (the "**Rights Auction**").

The intermediaries must give the relevant instructions to Euronext Securities Milan by 2:00 p.m. (Italian time) on the last day of the Offer Period. Each subscriber must therefore submit its subscription application subject to the conditions and timeframe communicated to it by its intermediary to ensure compliance with the above deadline. Any person exercising Rights will bear any risk associated with the delivery of their subscriptions and the payment of the Subscription Price for the New Rights Issue Shares for which they are subscribing.

Deposits of subscription forms in the mail will not constitute delivery. To this end, subscribers may need to submit their subscription applications sufficiently in advance of the above deadline. Each holder of Rights who wishes to exercise the Rights should consult with the financial institution through which it holds ordinary Shares and such Rights as to the manner, timing and form of exercise documentation, method of payment of the Subscription Price and other related matters required to affect such exercise.

Rights Auction

To the extent that any Rights remain unexercised following the Offer Period, such Rights will be forfeited by the holders thereof without compensation and will be offered by the Issuer on the Euronext Milan for a period of at least two trading days in the Rights Auction pursuant to Article 2441, paragraph 3, of the Italian Civil Code, unless the Rights have already been sold in full.

Timing and methods for publishing results of the Offer

The Issuer will publish results of the Offer within five business days of the conclusion of the Offer Period in a press release which will be published on the system for dissemination of regulated information "Emarket Storage" (www.emarketstorage.it) and in the Issuer's website (www.dovalue.it).

Subscription Price

On November 18, 2024, the Board of Directors approved the Maximum Subscription Price, equal to €4.36 per New Rights Issue Share.

The Subscription Price, the maximum number of New Rights Issue Shares to be offered pursuant to the Rights Issue, the maximum amount of the Rights Issue and the final subscription ratio will be determined and communicated by the Board of Directors by the start of the trading day prior to the start of the Offer Period.

The Subscription Price will be determined taking into account (among other factors) market practice for similar transactions, general market conditions and the trading price of doValue's Shares prior to the Offer. The Subscription Price will not exceed, in any case, the Maximum Subscription Price.

The Subscription Price, together with the maximum number of New Rights Issue Shares to be offered pursuant to the Rights Issue, the maximum amount of the Rights Issue, the final subscription ratio, the amount of outstanding Shares after the Offer and the issue of the Conversion Shares in case of full subscription of the Rights Issue and the percentage of dilution resulting from the Offer for Shareholders who do not exercise their Rights, will be announced by notice filed with CONSOB and made available to the public on the Issuer's website (www.dovalue.it) pursuant to Articles 17, paragraph 2, and 21, paragraph 2, of the Prospectus Regulation. The Issuer will announce the publication of such notice as set forth in Chapter I, Title II, Part III, of the Issuers' Regulations by the start of the trading day prior to the start of the Offer Period.

Exercise of Rights

Each holder of Rights may exercise all or only part of its Rights. Fractions of New Rights Issue Shares will not be issued and any fractions arising from the exercise of Rights will be rounded down to the nearest whole ordinary Share. Each holder of Rights may exercise its Rights and subscribe for New Rights Issue Shares by delivering a duly executed subscription form in accordance with the rules of Euronext Securities Milan. Subscription forms will be available during the Offer Period at authorized financial intermediaries who are account holders with Euronext Securities Milan.

Investors that have subscribed in the Rights Issue will not be permitted to withdraw once they have submitted their subscription forms, except in case of publication of a supplement to the Prospectus. In such case, pursuant to Article 23, paragraph 2, of the Prospectus Regulation, investors who have already agreed to subscribe for the New Rights Issue Shares before the supplement is published shall have the right to withdraw their acceptances within the final date stated in the supplement, which shall in no case be less than two working days after such publication.

The authorized financial intermediary with which a subscription is made will require the person exercising Rights to pay the full Subscription Price for the New Rights Issue Shares being subscribed for.

The authorized financial intermediary must give the relevant instructions to Euronext Securities Milan by 2:00 p.m. (Italian time) on December 12, 2024. Each subscriber must therefore submit its subscription application in the manner and within the deadline established by the relevant intermediary in order to validly exercise any

Right. Any person exercising Rights will bear any risk associated with the delivery of their subscriptions and the payment of the Subscription Price for the New Rights Issue Shares being subscribed for. Deposits in the mail will not constitute delivery. Each holder of Rights who wishes to exercise such Rights should consult with the financial institution through which it holds ordinary Shares and such Rights as to the manner, timing and form of exercise documentation, method of payment of the Subscription Price and other related matters required to affect such exercise.

Following the end of the Offer Period and the receipt from Euronext Securities Milan of details of all registered subscriptions and at the end of the Rights Auction, the Issuer will determine the aggregate number of New Rights Issue Shares subscribed for pursuant to the exercise of Rights. The Issuer will publish a press release on the system for dissemination of regulated information "Emarket Storage" (www.emarketstorage.it) and in the Issuer's website (www.dovalue.it) giving details of the number of New Rights Issue Shares subscribed for pursuant to the exercise of Rights during the Offer Period and during the Rights Auction.

Payment and Delivery of New Rights Issue Shares

Payment for the New Rights Issue Shares must be made at the time of subscription, to the authorized intermediary who has put forward the subscription request; the Issuer does not plan to levy any charges or incidental expenses on the applicant.

The New Rights Issue Shares will be credited to the accounts of the authorized financial intermediaries belonging to the centralized Euronext Securities Milan management system. Upon due exercise of any Rights and payment of the Subscription Price, the authorized financial intermediary with whom the subscription was made will register such holder's name or such holder's nominee's name and the amount of the exercised Rights with Euronext Securities Milan. Subject to any delays beyond doValue's control, the New Rights Issue Shares subscribed for on or before (i) the end of the Offer Period will be delivered to the accounts of authorized financial intermediaries registered with Euronext Securities Milan at the end of the settlement on the last day of the Offer Period and will become available on the same day, and (ii) the end of the Rights Auction will be delivered to the accounts of authorized financial intermediaries registered with Euronext Securities Milan at the end of the settlement on the last day available to exercise the Rights and will become available on the same day.

Dilution

The issuance of the 4,000,000 Conversion Shares will lead in any case to a dilution of the Shareholders' ownership interest in doValue's share capital as at the date hereof equal to 20%.

In connection with the Rights Issue, Shareholders who fully exercise all their Rights to subscribe for the New Rights Issue Shares will not experience any dilution of their proportional ownership in doValue's share capital, even after the additional Conversion Shares have been issued.

Shareholders who will not exercise their Rights would suffer a total dilution (calculated on doValue's share capital as resulting after the issuance of the Conversion Shares) of: (i) a minimum of 63.24% assuming the full subscription of the Offer and (ii) a minimum of 48.62%, assuming only the subscription of the New Rights Issue Shares related to the Shareholders Irrevocable Undertakings.

The percentage of dilution resulting from the Offer (calculated on the doValue's share capital as resulting after the issuance of the Conversion Shares) for Shareholders who do not exercise their Rights, on the basis of the Subscription Price, will be announced by notice filed with CONSOB and made available to the public on the Issuer's website (www.dovalue.it) pursuant to Articles 17, paragraph 2, and 21, paragraph 2, of the Prospectus Regulation.

The net asset value per Share as of September 30, 2024 is € 3.59.

The Admission

Admission to trading of the New Rights Issue Shares

The Rights Issue provides for the issuance of a minimum of 34,401,997 New Rights Issue Shares, representing more than 20% of the number of Shares already admitted to trading (equal to 16,000,000 Shares) over a period of 12 months. Therefore, in accordance with Article 3, paragraph 3, of the Prospectus Regulations, the Prospectus also constitutes a prospectus for the purpose of admission to trading of the New Rights Issue Shares.

The New Rights Issue Shares will be admitted to trading, automatically, on the STAR Segment of Euronext Milan in accordance with the provisions of Article 2.4.1, paragraph 7, of the Rules of the Markets organized and managed by Borsa Italiana and Article IA.2.1.9, paragraph 3, of the related Instructions.

Admission to trading of the Conversion Shares

The Convertible Bonds provide for the issuance of 4,000,000 Conversion Shares, representing more than 20% of the number of Shares already admitted to trading (equal to 16,000,000 Shares) over a period of 12 months. Therefore, in accordance with Article 3, paragraph 3, of the Prospectus Regulations, the Prospectus constitutes a prospectus for the purpose of admission to trading of the Conversion Shares.

The Conversion Shares will be admitted to trading, automatically, on the STAR Segment of Euronext Milan in accordance with the provisions of Article 2.4.1, paragraph 7, of the Rules of the Markets organized and managed by Borsa Italiana and Article IA.2.1.9, paragraph 3, of the related Instructions.

Other trading markets

As of the Prospectus Date, the Shares are not traded on (i) regulated markets other than the Euronext Milan, (ii) equivalent third country markets, or (iii) SME Growth Markets.

Other transactions

Subscription or private placement of the Shares or securities of other classes are not envisaged simultaneously or almost simultaneously with the Offer and the Admission.

Commitment to act as intermediaries in secondary trading

There are no commitments to act as intermediaries in secondary trading.

PLAN OF DISTRIBUTION

Placing and underwriting

The Joint Global Coordinators underwriting commitments

On June 7, 2024, the Issuer and Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit Bank GmbH, Milan Branch, Banca Akros S.p.A. – Gruppo Banco BPM and Intesa Sanpaolo S.p.A. (the "**Joint Global Coordinators**"), have entered into the Pre-Underwriting Agreement pursuant to which each Joint Global Coordinator, severally and not jointly, has undertaken, subject to the terms and conditions stated herein, to enter into the Underwriting Agreement prior to the commencement of the Rights Issue.

In light of the above, it is envisaged that, immediately prior to the commencement of the Offer and subject to the fulfilment of the conditions set forth under the Pre-Underwriting Agreement, the Issuer and the Joint Global Coordinators will enter into the Underwriting Agreement pursuant to which each of the Joint Global Coordinators, severally and not jointly, will undertake, subject to and in accordance with the terms and conditions set forth therein, to underwrite such New Rights Issue Shares remaining unsubscribed for by the end of the Offer (the "**Remaining Underwritten New Rights Issue Shares**") at the Subscription Price up to an aggregate amount of €67,491,808.17 and in accordance with the proportions indicated in the chart below.

Underwriters	**Percentage**
Mediobanca – Banca di Credito Finanziario S.p.A.	30.00%
UniCredit Bank GmbH, Milan Branch	30.00%
Banca Akros S.p.A. – Gruppo Banco BPM	20.00%
Intesa Sanpaolo S.p.A.	20.00%
Total	**100.0**%

The maximum number of Remaining Underwritten New Rights Issue Shares that the Joint Global Coordinators will commit to underwrite is equal to the difference between the maximum number of New Rights Issue Shares under the Offering and the New Rights Issue Shares to be subscribed by the Principal Shareholders and the Committed Sellers (as applicable) pursuant to the relevant Shareholder Irrevocable Undertaking.

According to the Pre-Underwriting Agreement, the undertaking of each Joint Global Coordinator to enter into the Underwriting Agreement shall be subject to the following conditions:

a) the Issuer must complete, prior to the launch of the Rights Issue, a reverse stock split in a ratio of 1 new share for every 5 existing shares (the "**Reverse Stock Split**"), that as of the Prospectus Date has been satisfied;

b) the Convertible Bonds must be duly issued, fully subscribed, and paid, with the Reserved Capital Increase aimed at its conversion approved by the shareholders' meeting;

c) the Issuer and the Joint Global Coordinators must agree in good faith on the timing of the Offer, on the option ratio of the Rights Issue and on the Subscription Price;

d) the Issuer and the Joint Global Coordinators must agree on the terms and condition of the Underwriting Agreement, which shall be customary;

e) the Issuer must obtain all permits, consents, approvals and authorisations (corporate, regulatory, third-party or otherwise) for the issuance of the Convertible Bonds, the Reserved Capital Increase, and the Rights Issue (including, any and all authorizations from the relevant competent corporate bodies of the Issuer and CONSOB, i.e. the approval of this Prospectus as set forth in letter f) below);

f) the Issuer must prepare an offering circular and a prospectus for the Rights Issue in compliance with applicable laws and regulations, with the prospectus approved by CONSOB;

g) completion of customary management, legal, accounting, financial, and business due diligence by the Joint Global Coordinators;

h) the Principal Shareholders Irrevocable Undertakings shall not be suspended, revoked, withdrawn or made null and void prior to the execution of the Underwriting Agreement;

i) the Gardant SPA shall remain in full force and effect without amendments to the Gardant Group Acquisition structure;

l) the 2024 Senior Facilities Agreement shall provide for the Acquisition Facility and the Refinancing Facility having been signed and remaining in full force and effect without amendments to their terms;

m) the absence of any fact or circumstance impeding the drawdown of the Acquisition Term Facility;

n) the Issuer, directly or through a third party, shall conduct Investors' Engagement Activities (as defined in the Pre-Underwriting Agreement), and, based on feedback, Mediobanca and UCI, acting in good faith and considering market practice for such transactions, shall be satisfied that the Rights Issue can be successfully completed;

o) there must not have been any material adverse change affecting the financial, operational, or legal conditions of the Issuer, Gardant, or their respective groups that could prejudice the successful completion of the Rights Issue or make it impracticable to proceed;

p) there must not have occurred:

(A) (i) material adverse change in the financial markets in the United States, Italy, the EEA or the United Kingdom and (ii) outbreaks or escalations of hostilities, war, act of terrorism, declarations of a national emergency or martial law or other calamity or crisis;

(B) (i) suspension or material limitation of trading in any securities of the Issuer for a period of at least 1 (full) trading day other than due to (a) the announcement and/or the implementation of the Rights Issue; (b) technical reasons; (ii) a suspension or material limitation of trading generally on the Italian Stock Exchange, the New York Stock Exchange or the London Stock Exchange, or (iii) the fixing of minimum or maximum prices for trading, or maximum ranges for prices of securities by any of the exchanges or governmental authority set out in the previous paragraph; or (iv) a material disruption in commercial banking or securities settlement or clearance services in the United States, United Kingdom, Italy or other jurisdictions in the EEA;

(C) a general moratorium on commercial banking activities declared by the United States, United Kingdom, Italy, or any other member of the EEA;

q) (i) the representations and warranties given by the Issuer must be true and accurate at the time they are expressed to be made and remaining true and accurate, and (ii) except in case of breach of slight importance ("*inadempimento di scarsa importanza*") under the meaning of Article 1455 of the Italian Civil Code, the Issuer shall have duly performed its undertakings pursuant to the Pre-Underwriting Agreement;

r) other than in connection with the Reverse Stock Split, the Rights Issue and the Reserved Capital Increase, there must not have occurred changes in share capital, announcements of dividend distributions or special dividend distributions in relation to the Issuer; and

s) the Principal Shareholders must enter into a lock-up agreement, valid for 180 days after the settlement of the Rights Issue.

In the event that the Joint Global Coordinators or their respective affiliates subscribe for New Rights Issue Shares which are not subscribed for during the Offer Period or at the end of the Rights Auction, the Joint Global Coordinator and their respective affiliates may for a limited period coordinate disposals of such shares in accordance with applicable law and regulation. Except as required by applicable law or regulation, the Joint Global Coordinators and their respective affiliates do not propose to make any public disclosure in relation to such transactions.

The Underwriting Agreement shall contain the following clauses that will give the Joint Global Coordinators the right to withdraw from the Underwriting Agreement, by notice to the Issuer, at any time at or prior to the closing of the Rights Issue:

a) upon the occurrence of any event which causes in the reasonable and good faith opinion of the Joint Global Coordinators having consulted with the Issuer, a material adverse change to the financial, operational or legal conditions, results of operations, earnings of the Issuer and the Group (taken as a whole), the effect (actual and/or prospective) of which would, in the good faith opinion of the Joint Global Coordinators, having consulted with the Issuer, materially prejudice the successful completion of the Offering;

b) upon the occurrence of:

   (i) any material adverse change in the financial markets in the United States, the United Kingdom, Italy, the EEA or in the national or international financial, political, economic, monetary or market conditions or in the currency exchange rates or in the exchange controls;

   (ii) any outbreak or escalation of hostilities, war, act of terrorism, declaration of a national emergency or martial law or other calamity or crisis;

   (iii) a suspension or material limitation of trading of any securities of the Issuer for a period of at least 1 (full) trading day, other than due to (a) the announcement and/or the implementation of the Rights Issue; (b) technical reasons;

   (iv) a suspension or material limitation of trading generally on the Italian Stock Exchange the New York Stock Exchange or the London Stock Exchange,

   (v) the fixing of minimum or maximum prices for trading by any of the exchanges or governmental authority set out in the previous paragraph,

   (vi) a material disruption in commercial banking or securities settlement or clearance services in the United States, United Kingdom, Italy or other jurisdictions in the EEA;

   (vii) a general moratorium on commercial banking activities declared by the United States, Italy or any other member of the EEA,

   which, solely or taken together, the Joint Global Coordinators (having consulted with the Issuer) consider, acting in good faith, to be sufficiently material in the context of the Rights Issue such as to make it impracticable to proceed with the Rights Issue or that would materially prejudice the successful completion of the Offering.

c) except in case of breach of slight importance ("*inadempimento di scarsa importanza*") under the meaning of Article 1455 of the Italian Civil Code, upon a breach by the Issuer of any of its undertakings in the Underwriting Agreement and/or (B) upon breach by the Issuer of any of its representations and warranties in the Underwriting Agreement;

d) upon publication of a supplement to this Prospectus if following such publication, the amount of withdrawals made by the subscribers in the Rights Issue or the negative impact on demand in the Offering prior to the Closing Date, in the judgement of the Joint Global Coordinators (having consulted with the Issuer to the extent the Issuer is promptly available to participate in such consultation), would materially prejudice the successful completion of the Offering;

e) upon the occurrence of any fact or circumstance impeding the Gardant Group Acquisition Completion;

f) if, unless, waived, any of the conditions set forth in the Underwriting Agreement are not satisfied when due, or become no longer capable of being satisfied or waived;

g) in case the Offer Period does not start on the first trading day discussed and agreed with Borsa Italiana at the time of subscription of the Underwriting Agreement.

Under the Underwriting Agreement, whether or not any withdrawal event and/or condition has occurred shall be determined by the majority of the Joint Global Coordinators, with such majority calculated based on the respective underwriting commitment of each Joint Global Coordinator. The fees payable to the Joint Global Coordinators are included in the total expenses related to the Offer which, together with other costs, are expected to amount to approximately €8 million (representing approximately 5.3% of the maximum amount of the Offer).

The Shareholders Irrevocable Undertakings

On June 7, 2024, the Principal Shareholders entered into an irrevocable commitment with the Issuer, in which they (or any affiliate to whom they have transferred their shareholding before the commencement of the Offer) undertook to:

(A) subscribe for the New Rights Issue Shares to which they will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code as Shareholders for a maximum amount equal to €51,651,232.03 (the "**Principal Shareholders Undertaking**");

(B) transfer the Principal Shareholders Undertaking amount into an escrow account as capital subscription payment ("*versamento a titolo di sottoscrizione di aumento di capitale*") no later than one business day before the Gardant Group Acquisition Completion (the "**Principal Shareholders Rights Offering Escrow**");

(C) exercise their Rights on the 1st day of the Offer (or 2nd day of the Offer, in case of transfer of the Rights to the Principal Shareholders' affiliates) communicating to the Issuer such exercise on the same day; and

(D) take any and all actions and execute any and all documents as may be necessary or appropriate to procure the automatic release of the Principal Shareholders Rights Offering Escrow in exchange for the receipt of the New Rights Issue Shares issued pursuant to item (A) above.

On the same date, according to the Gardant SPA, Mr. Mirko Gianluca Briozzo, Harvip S.r.l., Mr. Guido Giulio Lombardo Fortunato and Tiber (the "**Committed Sellers**") undertook to subscribe for the New Rights Issue Shares to which they will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code as holders of Convertible Bonds for a maximum amount equal to €27,901,773.04 (the "**Committed Sellers Undertaking**"). The maximum aggregate amount for the Principal Shareholders Undertaking and the Committed Sellers Undertaking is equal to €79,553,005.07. The Committed Sellers Undertaking amount will be deducted from the Net Cash Consideration payable to the Committed Sellers, and at the Gardant Group Acquisition Completion will be transferred by the Issuer, having provided Tiber with reasonably satisfactory evidence that the Principal Shareholders Undertaking has been satisfied in full, as capital subscription payment ("*versamento a titolo di sottoscrizione di aumento di capitale*") in a dedicated fiduciary bank account opened with an escrow agent by the Issuer to the benefit of the Committed Sellers in order to fund the subscription by Tiber and the Management Sellers of New Rights Issue Shares (the "**Committed Sellers Rights Offering Escrow**", together with the Principal Shareholders Rights Offering Escrow, the "**Rights Offering Escrow**"). By no later than five business days following commencement of the Offer, the Committed Sellers Rights Offering Escrow will be automatically released in order to pay in full the Committed Sellers' subscription of the new ordinary shares of the Issuer in the context of the Rights Issue.

Further to the above, according to the Gardant SPA, if any Other Minority Shareholders of Gardant (other than Tiber and the Management Sellers) do not subscribe for New Rights Issue Shares pro rata to their holding of Convertible Bonds, and such unsubscribed New Rights Issue Shares are not otherwise subscribed for, underwritten and/or placed, in the Rights Issue by the Joint Global Coordinators (other than pursuant to the Underwriting Agreement), Tiber undertook to subscribe, or procure the subscription, for such New Rights Issue Shares, subject to the following conditions: (i) the subscription by Tiber in respect of the relevant New Rights Issue Shares up to a maximum amount of €2,955,186.44, in whole or in part, does not entail the obligation for Tiber to launch a mandatory tender offer over the share capital of the Issuer; (ii) the Principal Shareholders Undertaking is duly satisfied in accordance with the Gardant SPA; and (iii) the Issuer has provided Tiber with reasonably satisfactory evidence that such Principal Shareholders Undertaking has been satisfied in full (the "**Tiber Underwriting Obligation**").

The aggregate maximum amount of the Principal Shareholders Undertaking, the Committed Sellers Undertaking and the Tiber Underwriting Obligation (collectively, the "**Shareholders Irrevocable Undertakings**") is equal to €82,508,191.51.

The Principal Shareholders Undertaking referred to in letters (A), (C) and (D) above are conditional upon:

(i) (a) the CONSOB Condition, meaning that Consob has provided a written response to the Issuer's and the Majority Seller's request for an opinion confirming the non-applicability of any mandatory tender offer obligation under Italian Legislative Decree no. 58/1998 for any of the Issuer's major shareholders and/or the Majority Seller, determining that they are not required to make a mandatory tender offer; (b) the UWA Condition, meaning that the Principal Shareholders' Undertaking related to the subscription of their pro rata portion of the Rights Issue and the Underwriting Agreement have been signed and remain in full force and effect and (c) the GBV Condition, not being amended or, if applicable, waived without the Principal Shareholders' consent;

(ii) (a) the Merger Control Condition, (b) the FDI Condition, (c) the BoI Condition, not being amended or, if applicable, waived without the Principal Shareholders' consent, it being understood that, should the Merger Control Condition and/or the FDI Condition and/or the BoI Condition contain any condition, undertaking, prescription, measure or requirement on any of the Principal Shareholders and/or the Issuer and/or any of their affiliates that would entail a material adverse effect (including, for the avoidance of doubt, requiring the disposal, or material restrictions in the operations, of any subsidiary of the Issuer and/or businesses of the Issuer or any of its subsidiaries and/or businesses or affiliates of any of the Principal Shareholders and their affiliates, provided that for the purposes of this paragraph Gardant and its subsidiaries shall be considered as subsidiaries of the Issuer), then, unless otherwise determined by the Principal Shareholders, the latter will be released by any and all obligations hereunder and this letter will automatically terminate;

(iii) the terms of the Consideration and payments methods, as set forth in Gardant SPA, not being amended or, if applicable, waived without the Principal Shareholders' consent;

(iv) the 2024 Senior Facilities Agreement remaining in place for an overall amount of €490 million, the relevant facilities thereunder having been disbursed or, in case they are not yet disbursed, the absence of any circumstance that could reasonably prevent their disbursement, in all cases in accordance with the terms of the 2024 Senior Facilities Agreement (including, without limitation, the occurrence of any event that would prevent the Issuer to draw the Acquisition Term Facility. For further details, please refer to the paragraphs "*Conditions Precedent*" and "*Overview: general terms*" of section "*2024 Senior Facilities Agreement*");

(v) the occurrence of the Gardant Group Acquisition Completion; and

(vi) all amounts required to be corresponded by the Principal Shareholders (or any transferee of the Shares of any of the Principal Shareholders as set out below, to the extent such transferee has executed a joinder) to be transferred in escrow in compliance with the applicable respective Principal Shareholders Undertaking and/or in the Gardant SPA.

The Principal Shareholders Undertaking referred to in letter (B) is conditional upon items (i) through (iv) under paragraph above, with the exclusion of items (v) and (vi). With reference to point (v), it is noted that only the release of the Rights Offering Escrow is conditional upon the Gardant Group Acquisition Completion, and not the funding of such escrow.

As of the Prospectus Date, except for the UWA Condition and the Gardant Group Acquisition Completion, all the conditions above have been satisfied. The UWA Condition and the Gardant Group Acquisition Completion shall be satisfied upon the commencement of the Offer.

The Principal Shareholders Undertaking, the Committed Sellers Undertaking and the Tiber Underwriting Obligation cannot be terminated notwithstanding the termination of the Underwriting Agreement or the failure to enter into the Alternative Underwriting Agreement. The Principal Shareholders and the Tiber Underwriting Obligation are subject to the conditions above.

Further to the above, the Shareholders Irrevocable Undertakings of the Principal Shareholders envisage that the Principal Shareholders shall be entitled to transfer (i) prior to the Rights Issue, any of their shares in favor of their respective affiliates and/or (ii) within one business day of the beginning of the Rights Issue, any of their related pre-emptive rights to their respective affiliates. In the case of item (i), the transferring Principal Shareholder will be jointly liable with the transferee for the discharge of the Principal Shareholders Undertaking, unless the transferee executes and delivers an irrevocable commitment in line with the Principal Shareholders Undertaking of the transferring Principal Shareholder to the Issuer and the Joint Global Coordinators. In the case of item (ii), the New Rights Issue Shares issued upon exercise of the pre-emptive rights by the transferee shall be credited to such transferee, and the subscription price will be applied from the Principal Shareholders Rights Offering Escrow as if the required subscription price was paid by the transferee.

Transfers described under items (i) and (ii) in the preceding paragraph shall be made to entities that shall be entitled to subscribe and pay for the Issuer's shares in the context of the Rights Issue offered to (a) to the public in Italy; (b) outside the United States, to institutional investors in compliance with Regulation S under the Securities Act, and (c) within the United States only to QIBs as defined in Rule 144A under the Securities Act.

The Shareholders Irrevocable Undertakings do not provide for the payment of any fee to the Principal Shareholders.

Lock-up Arrangements

Issuer's Lock-Up Arrangement

Pursuant to the Underwriting Agreement, the Issuer will agree with the Joint Global Coordinators that, from the date of the Underwriting Agreement up to and including the day falling 180 days after the date of subscription for and payment of the Remaining Underwritten New Rights Issue Shares (if any) by the Joint Global Coordinators (the "**Closing Date**") or, if no Closing Date takes place, from the day falling 3 business days following the last day of the Rights Auction, or if no Rights Auction takes place, from the day falling 3 business days from the last day of the Offer Period, neither the Issuer nor any of its affiliates (as defined in Rule 501(b) of the Securities Act) (the "**Affiliates**") nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (a) issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any New Rights Issue Shares or other shares of the Issuer, or any securities convertible into or exercisable or exchangeable for the New Rights Issue Shares or other shares of the Issuer or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; or (b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any New Rights Issue Shares or other shares of the Issuers, or (c) publicly announce such an intention to effect any such transaction.

Notwithstanding the foregoing, the following transactions are excluded from the lock-up limitation above: (i) any issuance, offer or transfer of the New Shares in the context of the Rights Issue as envisaged under this Agreement, (ii) any issuance, offer or transfer (or resolution and/or announcement thereof) of shares in connection with any existing management and employees' stock option/incentive plans in force at the date hereof or new management and employee's plans involving the issuance of shares in line with the applicable regulations and as disclosed in the remuneration report published by the Issuer in connection with the 2024 annual general meeting; (iii) any capital increase without consideration and (iv) any transactions implemented upon the request of an authority or to comply with the applicable requirements under governing law.

Principal Shareholders' Lock-Up Arrangement

In the context of the Offer, the Principal Shareholders will agree with the Issuer to abide by lock-up commitments (the "**Principal Shareholders Restrictions**") for a period of 180 days from the Closing Date or, if no Closing Date takes place, from the day falling 3 business days following the last day of the Rights Auction, or if no Rights Auction takes place, from the day falling 3 business days from the last day of the Offer Period, in respect of the New Rights Issue shares and other shares of the Issuer owned by them.

Pursuant to the Principal Shareholders Restrictions, the Principal Shareholders shall not: (a) directly or indirectly carry out sales operations, disposals and/or transactions which have as object and/or effect the assignment and/or transfer to third parties, with any entitlement or in any form, of the ownership or any other right over the New Rights Issue shares and other shares of the Issuer owned by them (or other financial instruments, including equity securities, which grant the right to purchase, subscribe, convert into, and/or trade with, New Rights Issue shares and other shares of the Issuer), as well as not to enter into derivative contracts on the New Rights Issue shares and other shares of the Issuer and/or in any case carry out transactions on derivative instruments that have the same effects, even only economic, of the transactions referred to above or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; (b) promote and/or approve any share capital increase and/or issue of convertible bonds in (and/or exchangeable with) shares and/or vouchers for purchase/subscription of the New Rights Issue shares and other shares of the Issuer or of other instruments financial, even with voting rights, that confer the right to purchase, subscribe, exchange with or convert into New Rights Issue shares and other shares of the Issuer.

Notwithstanding the foregoing, the Principal Shareholders Restrictions shall not apply: (i) to the transactions concerning the New Rights Issue Shares and other shares of the Issuer concluded by the Principal Shareholders with companies, respectively controlling, controlled by or under common control with them (provided that and to the extent that such companies, respectively controlling, controlled by or under common control with the Principal Shareholders undertake lock-up commitments of the same content of those in the lock-up agreement for its residual duration); and (ii) to the transfer of New Rights Issue shares and other shares of the Issuer in favor of an offeror in the context of a public tender offer.

Sellers' Conversion Shares Lock-Up Arrangement

The Sellers will agree to abide by lock – up commitments ("**Sellers' Conversion Shares Transfer Restrictions**") for (i) a period of 12 months from the Gardant Group Acquisition Completion with reference to the Committed Sellers and (ii) a period of 6 months from the Gardant Group Acquisition Completion, with reference to the Other Minority Shareholders, in respect of the Conversion Shares.

Pursuant to the Sellers' Conversion Shares Transfer Restrictions, the Sellers shall not: (a) carry out any acts, agreements or arrangements, with or without consideration (including, without limitation, any sale, exchange, equity contribution, distribution in kind of dividends or equity reserves, granting and/or enforcement of pledges or other security, granting of any beneficial ownership rights, mergers, demergers, preliminary contracts, options, deferred performance contracts, donations, contributions to a trustee) that directly or indirectly (even with reference to transfers upstream to the relevant control chain) result in the voluntary transfer (even temporarily and/or on a fiduciary basis) of, or a commitment to transfer, or a restriction against transfer (even temporarily and/or on a fiduciary basis) the ownership (including bare legal title or ownership to) or any rights attaching to or interest (whether legal or equitable) in, or relating to, any Conversion Shares to any person other than the Issuer or another Seller previously owning such Conversion Shares; (b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of the Conversion Shares; and (c) enter into any derivative contract or transaction relating to the Conversion Shares that may have any of the consequences indicated in points (a) and (b) above (the "**Conversion Shares Transfer**").

The Sellers' Conversion Shares Transfer Restrictions shall not apply in the event of: (i) disposals resulting from mandatory and non-waivable provisions of law (including in order to comply with any mandatory tender offer exemption), orders from the judicial authority, succession by inheritance; (ii) Conversion Shares Transfer by Tiber to certain of its affiliates; (iii) Conversion Shares Transfer by any Seller other than Tiber to, any other person directly or indirectly controlled by, or controlling of, or under common control with them; (iv) public takeover bid launched on the Issuer's shares and directed to all the Issuer's shareholders in accordance with Article 123, para. 3 of the Consolidated Financial Act; (v) sale by any one of the Other Minority Shareholders of some or all of (but not more than) its Rights relating attached to its Convertible Bonds, provided that certain conditions are met; (vi) sale by anyone of the Other Minority Shareholders of some or all of its Rights to a third party, provided that such Rights were offered in compliance with the procedure set forth under the lock- up agreement.

Committed Sellers' New Rights Issue Shares Lock-Up Restrictions

In the context of the Offer, the Committed Sellers will agree to abide by lock-up commitments (the "**Committed Sellers Restrictions**") for a period of 180 days from the Closing Date or, if no Closing Date takes place, from the day falling 3 business days following the last day of the Rights Auction, or if no Rights Auction takes place, from the day falling 3 business days from the last day of the Offer Period, in respect of the New Rights Issue Shares.

The Committed Sellers' Restrictions, along with the exceptions thereto listed below, shall also apply *mutatis mutandis* to the New Rights Issue Shares subject to the Tiber Underwriting Obligation, if subscribed by Tiber.

Pursuant to the Committed Sellers' Restrictions, the Committed Sellers shall not: a) directly or indirectly carry out sales operations, disposals and/or transactions which have as object and/or effect the assignment and/or transfer to third parties, with any entitlement or in any form, of the ownership or any other right over the New Rights Issue Shares (or other financial instruments, including equity securities, which grant the right to purchase, subscribe, convert into, and/or trade with, the New Rights Issue Shares), or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing, as well as not to enter into derivative contracts on the New Rights Issue Shares and/or in any case carry out transactions on derivative instruments that have the same effects, even only economic, of the transactions referred to above; b) promote and/or approve any share capital increase and/or issue of convertible bonds in (and/or exchangeable with) shares and/or vouchers for purchase/subscription of shares of the Issuer or other financial instruments, even with voting rights, that confer the right to purchase, subscribe, exchange with or convert into shares of the Issuer.

Notwithstanding the foregoing, the Committed Sellers Restrictions shall not prohibit, prevent, or restrict the Committed Sellers from: a) accepting a general offer made to all holders of issued and allotted shares of the Issuer on terms which treat all such holders alike, or otherwise transferring New Rights Issue Shares in compliance with applicable law; b) transferring New Rights Issue Shares to any affiliate; c) transferring New Rights Issue Shares, if subscribed, in any circumstances where a disposal is required by applicable law (including in order to comply with any mandatory tender offer exemption) or by any competent authority or by order of a court of competent jurisdiction. In the case of sub-paragraph (b), any affiliate shall assume similar lock-up commitments for the residual duration.

TAXATION

ITALIAN TAXATION

The following is a general summary of certain Italian tax consequences of acquiring, subscribing for, holding and disposing of the New Shares. It does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to acquire, subscribe for, hold or dispose of the New Shares and does not purport to deal with the tax consequences applicable to all categories of prospective investors in the New Shares, some of which may be subject to special rules.

This summary is based upon Italian tax laws and/or practice as of the Prospectus Date, subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. This summary will not be updated to reflect changes in law or practice and, if any such change occurs, the information in this summary could be superseded. In this regard, Law No. 111 of August 9, 2023, mandates the Italian government to comprehensively reform the Italian tax system also with respect to the taxation of financial instruments. Although the details of the reform are not currently available, it cannot be excluded that this could materially change the framework as summarized in the present document.

This summary assumes that the Issuer is solely resident in Italy for tax purposes and that the Issuer is organized and its business will be conducted as outlined in this Prospectus. Changes in the Issuer's tax residence, organizational structure or the manner in which the Issuer conducts its business may invalidate this summary.

Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

Prospective investors should consult their tax advisers as to the overall tax consequences of acquiring, subscribing for, holding and disposing of the New Shares and receiving payments of dividends or any other payments, including distribution of certain capital reserves, in connection with the New Shares.

Definitions

For purposes of the present section, the defined terms will have the following meanings:

- "**Decree 600**": Italian Presidential Decree No. 600 of September 29, 1973, as amended and supplemented;
- "**IRAP**": Italian regional tax on productive activities;
- "**IRES**": Italian corporate income tax;
- "**IRPEF**": Italian individual income tax;
- "**Non-Qualified Shareholding**": a shareholding in a company listed on a regulated market other than a Qualified Shareholding;
- "**Parent Subsidiary Directive**": Directive 435/90/EEC of July 23, 1990, then recast in EU Directive 2011/96 of November 30, 2011;
- "**Qualified Shareholding**": a shareholding held in a company listed on a regulated market, inclusive of any shares (except for savings shares), such as the New Shares, rights or securities through which the shares may be acquired, representing, in the aggregate, more than 2% of voting rights in an ordinary shareholders' meeting, or 5% of the company's share capital;
- "**Sale of a Qualified Shareholding**": any sale of shares (except for savings shares), such as the New Shares, rights or securities through which the shares may be acquired, exceeding the limits of a Qualified Shareholding in any 12-month period. The 12-month period begins at the time when a shareholding exceeds the applicable limit of a Qualified Shareholding. With respect to the rights and securities through which the shares may be acquired, the percentages of voting rights and share capital potentially deriving from such shares are taken into account;

- "**Sale of a Non-Qualified Shareholding**": any sale of shares (except for savings shares), such as the New Shares, rights or securities through which the shares may be acquired, other than a Sale of a Qualified Shareholding;

- "**TUIR**": Italian Presidential Decree No. 917 of December 22, 1986, as amended and supplemented;

- "**White List**": list of countries and territories allowing for a satisfactory exchange of information with Italy currently included in the Italian Ministerial Decree of September 4, 1996, as subsequently amended and supplemented, and possibly amended by future decree to be issued pursuant to Article 11(4)(c) of Italian Legislative Decree No. 239 of April 1, 1996.

Taxation of dividends

Dividends paid on the New Shares are subject to the ordinary tax regime applicable to dividends paid by companies residing in Italy for tax purposes in relation to shares held in the centralized deposit system managed by Monte Titoli S.p.A., such as the New Shares. In particular, such dividends are subject to the following different tax regimes, depending on the nature of the beneficiary and the type of equity interest with respect to which dividends are paid out.

Shareholders Resident in Italy

(i) Individual Shareholders

Dividends received by individual shareholders who are resident in Italy for income tax purposes who hold the New Shares neither in connection with a business activity nor in the context of the discretionary investment portfolio regime ("*Regime del Risparmio Gestito*", as illustrated below), are subject to a final substitute tax at the rate of 26% pursuant to Article 27-*ter* of Decree 600 and do not have to be reported in the shareholders' annual income tax return.

The 26% substitute tax is withheld by any authorized resident or non-resident depository of the New Shares that is a member of the centralized deposit system managed by Monte Titoli S.p.A., as well as by members of foreign centralized deposit systems that participate in the Monte Titoli S.p.A. system ("**Qualified Depository**"). For these purposes, non-resident intermediaries must appoint a fiscal representative in Italy, such as banks, Italian resident broker-dealers, permanent establishments in Italy of non-resident banks and broker-dealers, or an authorized investment management company authorized pursuant to Consolidated Financial Act.

Dividends paid to individual shareholders who have entrusted the management of the New Shares to an authorized intermediary and have expressly elected for the discretionary investment portfolio regime ("*Regime del Risparmio Gestito*", as illustrated below) pursuant to Article 7 of Italian Legislative Decree No. 461 of November 21, 1997, are not subject to the tax regime described above, and are included in the computation of the accrued annual increase in value of the managed assets, subject to a 26% substitute tax (see the paragraph relating to taxation of capital gains realized by resident individual shareholders from the Sale of a Non-Qualified Shareholding, below). The 26% substitute tax is applied by the authorized intermediary entrusted with the management and the dividends shall not be reported in the income tax return of the resident individual shareholder.

Dividends received by resident individual shareholders holding the New Shares in connection with a business activity are not subject to any withholding or substitute tax, *provided that* the individual shareholders make a declaration to the Qualified Depository to that effect upon payment of the dividends. Such dividends are partially included in the individual shareholders' taxable income (subject to IRPEF plus local surcharges at the relevant applicable rates) for (i) 58.14% of their amount as to dividends paid out of profits realized in the tax years following the one in progress on December 31, 2016, (ii) 49.72% of their amount as to dividends paid out of profits realized in the tax years following that in progress on December 31, 2007 and up to the tax year in progress on December 31, 2016, and (iii) 40% of their amount as to dividends paid out of profits realized in the tax years up to that in progress on December 31, 2007. For these purposes, profits realized in the tax years up to the tax year in progress on December 31, 2007, and then profits realized in the tax years up to the tax year in progress on December 31, 2016 are deemed to be distributed first.

Under the currently applicable regime, dividends received by Italian resident individual shareholders not engaged in a business activity in connection with a Qualified Shareholding are subject to a 26% substitute tax and do not have to be reported in the shareholders' annual income tax return.

Moreover, subject to certain conditions and requirements (including a five-year minimum holding period), and several limitations (including amount and composition of the capital investment), Italian resident individuals not holding the New Shares in connection with a business activity, may be exempt from any taxation on dividends received on the New Shares if the New Shares are included in a long-term savings account ("*Piani Individuali di Risparmio*") that meets the requirements provided by Article 1 (100-114) of Italian Law No. 232 of December 11, 2016 (the "**Finance Act 2017**"), as amended by article 1 (paragraphs 211-215) of Italian Law. No. 145 of December 30, 2018 (the "**Finance Act 2019**") and, for long-term individual savings account established from January 1, 2020, by Article 13 *bis* of Law Decree No. 124 of October 26, 2019 (the "**Law Decree No. 124**"), each of them as amended and supplemented from time to time.

(ii) Italian Partnerships (Italian "società in nome collettivo", "società in accomandita semplice","società semplici" and similar Italian partnerships as referred to in Article 5 TUIR)

Dividends received by Italian partnerships, such as Italian "*società in nome collettivo*", "*società in accomandita semplice*" and similar entities as referred to in Article 5 TUIR are partially included in the recipient's overall taxable income and subject to ordinary taxation in its hands according to the taxable percentage as determined by tax law. In particular, such dividends are included for (i) 58.14% of their amount as to dividends paid out of profits realized in the tax years following the one in progress on December 31, 2016, (ii) 49.72% of their amount as to dividends paid out of profits realized in the tax year following that in progress on December 31, 2007 and up to the tax year in progress on December 31, 2016, and (iii) 40% of their amount as to dividends paid out of profits realized in the tax years up to that in progress on December 31, 2007. For these purposes, profits realized in the tax years up to the tax year in progress on December 31, 2007, and then profits realized in the tax years up to the tax year in progress on December 31, 2016 are deemed to be distributed first.

Dividends received by an Italian non-commercial partnership (e.g., Italian "*società semplice*") are subject to tax under the tax regime applicable to the relevant partner (i.e., as if dividends were directly paid to each partner), based on the information provided by the Italian non-commercial partnership pursuant to Article 32-*quater* of Law Decree No. 124, as amended and supplemented from time to time.

(iii) Italian Companies and other commercial entities as referred to in Article 73(1)(a)-(b) TUIR

Dividends received by companies or other commercial entities as referred to in Article 73(1)(a)-(b) TUIR, subject to IRES, such as joint stock companies, partnerships limited by shares, limited liability companies, public and private entities (other than companies) and trusts whose sole or main purpose is to carry on a business activity, which are resident in Italy for income tax purposes, are not subject to any withholding or substitute tax and are included in the recipient's overall taxable income subject to IRES for an amount equal to 5% of the received dividend amount. However, if the recipient is a company applying the international accounting standards (IAS/IFRS), dividends arising from securities accounted for in the financial statements as held for trading purposes, would be fully included in the recipient's total taxable income.

Dividends received by certain companies and commercial entities (*e.g.* banks and insurance companies resident in Italy for tax purposes), under certain conditions may also be included for 50% of their amounts in the taxable income subject to IRAP.

(iv) Non-Commercial Entities as referred to in Article 73(1)(c) TUIR

Dividends received by non-commercial entities which are resident in Italy for income tax purposes as referred to in Article 73 (1)(c) TUIR (including Italian resident trusts that do not carry out a business activity), except for Italian collective investment vehicles, are not subject to any withholding or substitute tax and are included in the recipient's overall taxable income for (i) 77.74% of their amount, with respect to dividends paid out of profits realized in the tax years up to that in progress on December 31, 2016, and (ii) 100% of their amount, with respect to dividends paid out of profits realized in the tax years following that in progress on December 31, 2016. An amount corresponding to 50% of such dividends paid to non-commercial entities referred to in Article 73 (1)(c) TUIR will be excluded from the recipient's IRES taxable income *provided that* they: (i) exclusively or mainly carry out any of the qualifying non-profit activities listed in Article 1 (45) of Law of

December 30 2020, No. 178; and (ii) use these resources to finance their nonprofit activities and allocate the outstanding tax savings to a non-distributable reserve.

(v) Exempt and "excluded" entities resident in Italy for tax purposes

Dividends received by Italian resident entities that are exempted from IRES are subject to a 26% final substitute tax, levied by any Qualified Depository. This substitute tax does not apply in connection with dividends received by entities that are not subject to IRES pursuant to Article 74 (1) TUIR (including Italian municipalities and regions).

(vi) Pension Funds

Dividends received by Italian pension funds subject to the tax regime provided for by Article 17 of Italian Legislative Decree of December 5 2005, No. 252, are not subject to any withholding tax or substitute tax and are included in the annual net accrued results of such pension funds, which are subject to a substitute tax of 20%. Subject to certain limitations and requirements (including a minimum holding period), dividends received by Italian pension funds may be exempt from any taxation if the New Shares are treated as long term investment that meets the requirements set forth in Article 1 (88-96) of the Finance Act 2017.

(vii) Investment Funds, SICAVs and SICAFs

Dividends received by Italian investment funds and Italian investment companies with variable or fixed capital ("**SICAVs**" and "**SICAFs**"), other than real estate investment funds/SICAVs/SICAFs, are not subject to any withholding tax or substitute tax *provided that* (i) they are established in Italy and (ii) the investment fund, SICAV, SICAF or their manager is subject to the supervision of a regulatory authority. These dividends are included in the results of the investment fund, SICAVs or SICAFs, which are not subject to tax at the level of the investment fund, SICAV or SICAF, but a withholding tax at 26% rate may apply, in certain circumstances, to distributions made in favor of certain categories of unitholders or shareholders of the investment fund, SICAV or SICAF.

(viii) Real Estate Investment Funds and Real Estate SICAFs

Dividends received by Italian-resident real estate investment funds established pursuant to Article 37 of Consolidated Financial Act and Article 14-*bis* of Law of January 25, 1994, No. 86 ("**Real Estate Investment Funds**"), and by Italian real estate SICAFs ("**Real Estate SICAFs**") are not subject to any withholding or substitute tax at the level of the Real Estate Investment Funds or Real Estate SICAFs, but a withholding tax of 26% may apply, in certain circumstances, to distributions made in favor of certain categories of their unitholders or shareholders. In certain cases, a tax transparency regime may apply in respect of certain categories of investors, owning more than 5% of the Italian Real Estate Investment Fund's or Real Estate SICAF's units or shares.

Shareholders Resident Outside of Italy

Dividends received by non-resident shareholders that have a permanent establishment in Italy through which the shareholding is held, are not subject to any withholding or substitute tax in Italy and are included in the permanent establishment's taxable income for an amount equal to 5% of the dividends amount, or for their entire amount if the recipient applies the international accounting standards (IAS/IFRS) and the dividends arise from securities accounted for in the financial statements as held for trading purposes.

Dividends received by shareholders that are not resident in Italy for tax purposes and do not have a permanent establishment in Italy to which the shareholding is effectively connected, are generally subject to a substitute tax at a 26% rate. This substitute tax is generally applied by the relevant Qualified Depository.

The substitute tax is reduced to:

(a) 1.20% on dividends paid to companies and entities (i) residing in a EU Member State or a state that is part of the EEA and is included in the White List; and (ii) subject to corporate income tax in their country of residence. The reduced tax rate only applies to dividends paid out of profits realized in the tax periods subsequent to that in progress on December 31, 2007. For these purposes, the relevant Qualified Depository must receive timely a request for the application of the reduced substitute tax, which should include a certificate from the tax authorities of the beneficial owner's country of residence stating that the beneficial owner is a resident of that country for tax purposes and, as such, is subject to corporate income tax in that country;

(b) 11% on dividends paid to pension funds residing in a EU Member State or in a state that is part of the EEA and is included in the White List. For the purposes of the application of the 11% substitute tax, foreign pension funds will be required to promptly file a specific application to the Qualified Depositary of the shares due to apply the substitute tax, accompanied by appropriate documentation.

Under domestic Italian tax law, a non-Italian resident shareholder, other than investors in savings shares and the companies and entities that satisfy the conditions under (i) and (ii) above, may recover up to 11/26th of the substitute tax levied in Italy on dividends by presenting evidence to the Italian tax authorities that an income tax has been paid on the dividends in the shareholder's country of residence, in an amount at least equal to the total refund claimed. Non-resident shareholders seeking such reimbursement from the Italian tax authorities have experienced extensive delays and incurred expenses.

Alternatively, in the case of non-Italian resident shareholders residing in a country that is party to a convention against double taxation with Italy, the substitute tax can be applied by the Qualified Depository, or by its fiscal representative in Italy, if the depository is not a resident entity, at the lower rate provided by such convention.

For this purpose, the relevant Qualified Depository of the New Shares must receive in a timely manner:

(a) a declaration (in line with the affidavit approved by the Italian authorities with *Provvedimento* n. 2913/84404) from the non-Italian resident beneficial owner of the dividends identifying himself as being the beneficial owner of the dividends and confirming that all the conditions provided for by the applicable convention for the application of the lower rate are satisfied, containing all further elements necessary to determine the rate to be applied in accordance with the convention; and

(b) a certificate issued by the competent tax authorities of the beneficial owner's country of residence stating that the beneficial owner is a resident of that country for purposes of the applicable convention. Such certificate has to be periodically renewed.

The Italian tax authorities have agreed specific forms with the tax authorities of certain foreign states to ensure an easier and more efficient refund of, or full/partial exemption from, the Italian substitute tax on dividends. If the relevant documentation has not been forwarded to the Qualified Depository of the New Shares in advance of the dividends payment, dividends are subject to substitute tax levied at the rate of 26%. In such a case, the beneficiary is entitled to claim a refund of the difference between the applied Italian rate and the applicable conventional tax rate. Refunds may only be claimed by filing the documentation mentioned above with the Italian tax authorities within the applicable deadline and in accordance with the applicable procedures. Non-resident shareholders seeking such refunds from the Italian tax authorities have experienced extensive delays and incurred expenses.

According to Article 27-*bis* of Decree 600, which implemented the Parent Subsidiary Directive in Italy, a non-Italian resident company is entitled to receive, upon request, a full reimbursement of the 26% substitute tax levied on dividends *provided that* (a) it takes one of the legal forms listed in the Annex to the Parent Subsidiary Directive, (b) it is resident for income tax purposes in a Member State of the European Union and, under the terms of a convention against double taxation concluded with a third state is not considered to be resident for tax purposes outside the European Union, (c) it is subject in its country of residence to one of the taxes listed in the Parent Subsidiary Directive, without benefiting from an optional or exemption regime (unless territorially or temporarily limited), and (d) it holds for an uninterrupted period of at least one year a shareholding representing at least 10% of the company's share capital. In order to benefit, the non-Italian resident company should submit (i) a certificate issued by the tax authority of its country of residence stating that the conditions under letters (a), (b) and (c) above are met, and (ii) a declaration confirming that the condition under letter (d) above has been satisfied. Furthermore, as clarified by the Italian tax authorities, if all the above conditions are met and *provided that* the one year minimum holding period has already elapsed when the dividends are paid, as an alternative to the reimbursement request after the payment of the dividends, the non-Italian resident company can directly request to the Qualified Depository of the New Shares not to apply the 26% substitutive tax by submitting in due course the same documents indicated above. The substitute tax exemption under Article 27-*bis* of Decree 600 may be denied by the Italian tax authorities in case of artificial and non-genuine structures pursuant to the Italian general anti-abuse rule (i.e., Article 10-*bis* of Law No. 212 of July 27, 2000).

No withholding or substitute tax applies on dividends distributed to undertakings for collective investment complying with the UCITS Directive, and to undertakings for collective investment which do not comply with Directive 2009/65/EC, but whose manager is subject to regulatory supervision in the foreign country in which it is established in accordance with the AIFM Directive, which are established in an EU Member State or an EEA state included in the White List.

Dividends distributed to international entities or bodies that benefit from exemptions from taxation in Italy pursuant to international rules or treaties entered into force in Italy will not be subject to the 26% substitute tax.

Distributions from Certain Capital Reserves

Special rules apply to the distribution of certain capital reserves, including reserves or funds created with share offerings' premiums, adjusted interest paid by subscribers of shares, capital contributions, capital account payments made by shareholders or tax-exempt monetary revaluation funds. Under certain circumstances, such distribution may trigger taxable income for the recipients depending on the existence of current profits or outstanding profit reserves of the distributing company at the time of the distribution, and on the actual nature of the reserves so distributed. The application of such rules may also have an impact on the tax basis in the New Shares and the characterization of the taxable income received by the recipients and the tax regime applicable to it. Non-resident shareholders may be subject to tax in Italy on capital gains as a result of the distribution of such reserves.

Prospective investors should consult their advisers in case any distributions of such capital reserves occur.

Capital Gains

Shareholders Resident in Italy

(i) Individual Shareholders

Capital gains realized by Italian-resident individuals on the sale or disposal of the New Shares, held otherwise than in connection with a business activity, are subject to a 26% substitute tax, pursuant to one of the following optional regimes:

- Tax return regime ("*Regime della dichiarazione*"): the shareholder must report on their annual income tax return the overall capital gains realized in each tax year, net of any incurred capital losses of the same nature, and pay any related substitute tax together with the income tax due for the same tax year. Capital losses exceeding capital gains may be carried forward against capital gains of the same nature realized in the next tax years up to the fourth. The tax return regime automatically applies if the shareholders do not expressly opt for one of the two following regimes;

- Non-discretionary investment portfolio regime ("*Regime del risparmio amministrato*"): this regime applies only if the shareholder's New Shares are deposited with Italian banks, broker-dealers or other authorized intermediaries, and the shareholder makes an election in writing for this regime. The intermediary with whom the New Shares are deposited applies and pays the substitute tax with respect to each sale resulting in a capital gain. Where a sale results in a net capital loss, the intermediary is entitled to deduct such capital loss from capital gains of the same nature subsequently realized on assets held by the shareholder on the same deposit account in the same tax year and/or in tax years following the tax year in which the loss is realized up to the fourth; and

- Discretionary investment portfolio regime ("*Regime del risparmio gestito*"): this regime applies if the New Shares are included in a portfolio managed by a duly authorized financial intermediary. Under this regime, any income realized in connection with the New Shares, including accrued dividends and capital gains accrued but not yet cashed, is included in the net annual results accrued under the portfolio management. The annual net accrued portfolio result is subject to 26% substitute tax, which is levied by the portfolio management company. Any investment portfolio losses accrued at year-end may be carried forward and offset against net profits accrued in the tax years following the one in which the loss is accrued up to the fourth.

Under the second and third regimes above, the shareholder is not required to report the capital gains/losses in his or her annual income tax return.

Under the tax return regime, capital gains are computed on a last in first out (so-called "**LIFO**") basis. Under the non-discretionary investment portfolio regime capital gains are computed on a weighted average cost basis. Under both regimes capital gains are equal to the difference between the consideration received and the tax basis held in the New Shares, increased by the expenses incurred to make the investment (other than interest expense).

Moreover, subject to certain conditions and requirements (including a five-year minimum holding period), and several limitations (including amount and composition of the capital investment), Italian resident individuals not holding the New Shares in connection with a business activity, may be exempt from any taxation on capital gains realized on the Sale of a Non-Qualified Shareholding if the New Shares are included in a long-term savings account ("*Piani Individuali di Risparmio*") that meets the requirements set forth under Article 1 (100-114) of Finance Act 2017, as amended by article 1 (paragraphs 211-215) of Finance Act 2019 and, for long-term individual savings account established from January 1, 2020, by Article 13 *bis* of Law Decree No. 124, each of them as amended and supplemented from time to time.

(ii) Individual Shareholders Holding the Shares in Connection with a Business Activity, Partnerships and Similar Entities

Capital gains realized by Italian resident partnerships and similar entities or Italian-resident individuals on the sale or disposal of the New Shares held in connection with a business activity, are included in the recipient's overall taxable income for the entire amount in the tax year in which they are realized, subject to income tax at ordinary rates, and are reported in the recipient's income tax return.

However, if the conditions indicated in the following paragraph for the Participation Exemption Regime (as defined below) provided for capital gains realized by Italian resident companies and commercial entities were satisfied, these capital gains would be subject to tax only partially, in an amount equal to 58.14% of the capital gains. In this event, any relating capital losses would be deductible for a corresponding amount.

(iii) Companies and Commercial Entities

Capital gains realized by Italian-resident companies, private and public entities (other than companies) and trusts whose sole or main purpose is to carry out a business activity, are included in their taxable income and are subject to IRES according to the ordinary rules.

If the New Shares were held and accounted for as fixed financial assets in the three-year period preceding the disposal, the shareholder may elect to spread any realized gain on a straight-line basis across the five-year period commencing in the tax year in which the gain is realized.

However, capital gains arising from the disposal of the New Shares are tax-exempt for 95% of such capital gains (under the so called "**Participation Exemption Regime**"), whereas the remaining 5% is included in the shareholders' taxable income and is subject to IRES, *provided that* the following conditions are met:

(a) The shareholding must be held, without interruption, from the first day of the twelfth month preceding the month in which the sale occurs (the most recently purchased shares being deemed to have been sold first); and

(b) The shareholding must be accounted for in the financial statements of the shareholder as a fixed financial asset in the first year of the holding period. For companies that prepare their financial statements in accordance with the international accounting standards (IAS/IFRS), the shares not accounted as "held for trading" are deemed as fixed financial assets.

Capital losses realized on the disposal of New Shares recorded as financial fixed assets in the first year of the holding period are disallowed for tax purposes if the shareholding has been held, without interruption, from the first day of the twelfth month preceding the month in which the sale occurs.

In any other case, capital losses arising from the sale of the New Shares are generally fully deductible except for an amount equal to the non-taxable dividends (or *interim* dividends) received in the 36 months preceding the sale, with respect to New Shares acquired in the 36 months preceding the sale. Such limitation does not apply to those entities applying the international accounting standards (IAS/IFRS).

Capital losses in excess of €50 thousand must be reported to the Italian tax administration together with other additional information, as set forth in the implementing measures adopted by the tax authorities with Rulings of March 29, 2007 and of July 13, 2007. Such an obligation does not apply to entities preparing their financial statements in accordance with the international accounting standards (IAS/IFRS).

Moreover, the data and the information relating to capital losses in excess of €5 million, deriving from the sales of shares accounted for as fixed financial assets, must be included in the recipient's tax return.

Capital gains on the New Shares realized by certain companies and commercial entities (*e.g.*, banks and insurance companies) may also be subject to IRAP.

(iv) Non-Commercial Entities

Capital gains on New Shares held by Italian-resident public or private non-commercial entities and trusts are subject to the tax regime described in connection with capital gains realized by Italian resident individual shareholders otherwise than in connection with a business activity.

(v) Pension Funds

Capital gains on New Shares held by Italian-resident pension funds are subject to the same tax regime described under the paragraph relating to the taxation regime of dividends received by such funds, above.

(vi) Investment funds, SICAVs and SICAFs

Capital gains on New Shares held by Italian resident investment funds, SICAVs and SICAFs (other than Real Estate Investment Funds and Real Estate SICAFs) are subject to the same tax regime described under the paragraph relating to the taxation regime of dividends received by such entities, above.

(vii) Real Estate Investment Funds and Real Estate SICAFs

Capital gains on New Shares held by Real Estate Investment Funds and Real Estate SICAFs are subject to the same tax regime described under the paragraph relating to the taxation regime of dividends received by such entities, above.

Shareholders Resident Outside of Italy

Capital gains realized by non-Italian-resident shareholders without a permanent establishment in Italy, to which the relevant New Shares are effectively connected, from the:

(a) Sale of a Non-Qualified Shareholding in Italian companies listed on a regulated market, such as the Issuer, are not subject to taxation in Italy, regardless of the provisions set forth in any applicable double tax treaty. In order to benefit from this exemption, such non-Italian-resident persons may need to file a certificate evidencing their residence outside of Italy for tax purposes;

(b) Sale of a Qualified Shareholding, are subject to the same 26% substitute tax regime described above for Italian resident individuals not engaged in a business activity. However, if the conditions provided for the Participation Exemption Regime summarized above are met, as to capital gains realized upon the sale or disposal of a Qualified Shareholding by non-Italian resident companies and entities referred to in Article 73(1)(d) TUIR, that do not have a permanent establishment in Italy to which the New Shares are effectively connected and are resident for tax purposes in an EU Member State or in a state that is party to the EEA and is included in the White List, the 26% substitute tax applies only on 5% of capital gains realized. Moreover, capital gains realized by undertakings for collective investment complying with UCITS Directive, and by undertakings for collective investment which do not comply with UCITS Directive, but whose manager is subject to regulatory supervision in the foreign country in which it is established in accordance with AIFM Directive, which are established in an EU Member States or an EEA state included in the White List, are not subject to tax in Italy.

The tax regime described above will not prevent the application, if more favorable to the taxpayer, of any different provisions of any applicable convention against double taxation with Italy. Most conventions against double taxation entered into by Italy provide that capital gains realized on the disposal of shares are subject to tax only in the country of residence of the seller. In such cases, the capital gains realized by non-resident shareholders on the disposal of the New Shares will not be subject to tax in Italy. In order to benefit from exemption under conventions against double taxation entered into by Italy, non-Italian-resident shareholders may need to file a certificate evidencing their residence outside of Italy for tax purposes.

Capital gains realized by non-resident shareholders holding the shareholding through a permanent establishment in Italy are included in the permanent establishment's overall taxable income and are subject to tax in Italy in accordance with the tax regime indicated above for capital gains realized by Italian resident companies or commercial entities.

Transfer Tax

Deeds regulating the transfer of securities (including the New Shares) may be subject to Italian registration tax as follows: (i) public deeds (*atti pubblici*) and private agreements authenticated by a public official (*scritture private autenticate*) executed in Italy are subject to registration tax at the fixed rate of €200; and (ii) private deeds (*scritture private*), not authenticated, are subject to registration tax at the fixed rate of €200 only if they are voluntarily filed for registration with the Italian tax authorities or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Financial Transaction Tax

According to Article 1 (491-500) of Law of December 24, 2012, No. 228 ("**Law 228**"), as implemented by Ministerial Decree of February 21, 2013 (as amended and supplemented by Ministerial Decree of September 16, 2013; the "**Decree**"), subject to certain exceptions, a financial transaction tax (the "**Financial Transaction Tax**") shall generally apply, *inter alia*, on the transfer of (i) property rights in shares (as the New Shares) of companies having their registered office in Italy, and (ii) securities representing the shares and instruments indicated under (i) above, irrespective of the residence of the issuer.

The Financial Transaction Tax applies on the transfer of the above-mentioned shares and financial instruments, irrespective of the residence of the parties involved and/or the place of execution of the relevant transaction, at a rate of 0.20%, reduced to 0.10% for transactions executed on regulated markets and on multilateral trading facilities, as defined under Law 228.

The Financial Transaction Tax is paid by the purchaser of the above-mentioned shares and financial instruments and is applied on the transaction value, to be determined on the basis of the net balance of transactions regulated on a daily basis, calculated for each liable person with reference to the number of securities traded on the same day and relating to the same financial instrument.

The Financial Transaction Tax will be applied either by the intermediaries or the other subjects (e.g., banks, trusts and investment companies referred to in Article 18 of the Consolidated Financial Law) involved in the execution of the transaction or by the taxpayer. Intermediaries and other non-resident subjects having no permanent establishment in Italy may appoint an Italian tax representative among the persons indicated in Article 23 of Decree 600. If more intermediaries are involved in the execution of the transfers, the Financial Transaction Tax is applied by the intermediary who receives the order to execute the transaction directly from the purchaser.

The Financial Transaction Tax does not apply to transfers of ownership of shares executed by way of inheritance or gift, and also, among others, to: (i) issuances of new shares; (ii) temporary transfers relating to securities financing transactions; (iii) transfers of shares between controlling/controlled companies or companies under a common control; and (iv) transfers of ownership of shares arising from restructuring operations or from mergers and divisions of collective investment undertakings.

The Financial Transaction Tax also does not apply, among others, to the transfers of shares listed on regulated markets or in multilateral trading facilities issued by companies with an average market capitalization lower than €500 million, as recorded in November of the year preceding the year in which the shares are transferred.

Please note that the Financial Transaction Tax also applies to so-called "high frequency trading" transactions occurred on the Italian financial market. Specific rules are provided under Law 228 in this regard.

Inheritance and Gift Tax

Law Decree No. 262 of October 3, 2006, as converted, with amendments, with Law No. 286 of November 24, 2006, has reinstated the inheritance and gift tax on the transfer of shares by reason of death or gift. Rules governing the inheritance and gift tax, not expressly included in paragraphs 47 through 49, and 51 through 54, of Article 2 of Law No. 286 of November 24, 2006, are set forth in Law Decree No. 346, of October 31, 1990.

In particular, the inheritance and gift tax would apply as follows on any transfer of the New Shares by reason of death or gift:

- Transfers to a spouse or direct descendants or ancestors: 4% on the value of the New Shares exceeding, for each beneficiary, €1 million;
- Transfers to siblings: 6% on the value of the New Shares exceeding, for each beneficiary, €100 thousand;
- Transfers to other relatives up to the fourth degree, other than siblings, and direct or indirect relatives by affinity up to the third degree: 6% on the value of the New Shares; and
- Transfers to persons other than those described above: 8% on the value of the New Shares.

If the beneficiary of any such transfer is an individual with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance or gift tax is applied only on the value of the New Shares in excess of €1.5 million at the rates illustrated above, depending on the relationship existing between the deceased or donor and the beneficiary.

Subject to certain conditions, no inheritance or gift tax applies on certain transfers of New Shares that qualify as, or allow to obtain, a controlling shareholding pursuant to Article 2359 (1) of the Italian Civil Code.

No inheritance tax applies if the New Shares are included in a long-term savings account ("*Piani Individuali di Risparmio*") that meets all the requirements set forth in Article 1 (100-114) of the Finance Act 2017, as amended by article 1 (paragraphs 211-215) of the Finance Act 2019 and, for long-term individual savings account established from January 1, 2020, by Article 13 *bis* of the Law Decree No. 124, each of them as amended and supplemented from time to time.

The tax regime described above will not prevent the application, if more favorable to the taxpayer, of any different provisions of a bilateral convention against double taxation in force in Italy with respect to taxes on estates and inheritances, pursuant to which non-Italian resident shareholders are generally entitled to a tax credit for any estate and inheritance taxes possibly applied in Italy.

Stamp duties

Pursuant to Article 13 (2*bis*-2*ter*) of the Tariff annexed to Presidential Decree of October 26, 1972, No. 642, as amended and supplemented from time to time, regulating the Italian stamp duty ("*imposta di bollo*"), subject to certain conditions, stamp duty may be due at a yearly rate of 0.20 percent on the market value of the New Shares, in connection with the periodic reporting communications sent by financial intermediaries to their clients with respect to any financial instruments (such as the New Shares), if deposited with an Italian resident financial intermediary or with an Italian permanent establishment of a foreign financial intermediary.

Based on the wording of the law and the implementing decree issued by the MEF on May 24, 2012, the 0.20 percent stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as a "client" according to the regulations issued by Bank of Italy. Communications and reports sent to this type of investor are subject to the ordinary €2.00 stamp duty for each copy.

The taxable base of the 0.20 per cent stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product or financial instrument (such as the New Shares) and the amount of tax due is determined in proportion to the period of ownership of the New Shares. The stamp duty cannot exceed €14 thousand per year if the New Shares are held by shareholders other than individuals. Stamp duty applies both to Italian-resident shareholders and to non-Italian-resident shareholders, to the extent that the New Shares are held with an Italian-based financial intermediary (and not directly held by the shareholders outside of Italy, in which case Italian wealth tax (see "Wealth Tax (*IVAFE*)") applies to Italian-resident shareholders only.

Wealth tax (IVAFE)

Italian-resident individuals, non-commercial entities, including trusts and foundations, and so called *società semplici* (and similar partnerships pursuant to Article 5 TUIR) holding financial assets-such as the New Shares-outside of Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax in Italy currently at the yearly rate of 0.20 percent, increased to 0.40 percent for financial assets held in countries or territories listed in the so-called "black list" provided by Ministerial Decree of the Minister of Economy and Finance of May 4, 1999, as amended or supplemented from time to time (the amount of tax due being determined in proportion to the period of ownership). The wealth tax applies on the market value at the end of the relevant year or reference period or, in the absence of a market value, and in case the face of redemption values that cannot be determined, on the purchase price of such financial assets held outside of Italy. Taxpayers are permitted to deduct from the Italian wealth tax a tax credit equal to any wealth taxes paid in the country where the financial assets are held (up to the amount of the Italian wealth tax due).

Tax monitoring obligations

Individuals, non-commercial entities and certain partnerships resident in Italy for tax purposes are required to report in their yearly income tax return, for tax monitoring purposes, the amount of securities (including shares such as the New Shares) held abroad during a tax year, from which income taxable in Italy may be derived. In relation to the New Shares, such reporting obligation shall not apply if the New Shares are not held abroad and, in any case, if the New Shares are deposited with an Italian financial intermediary that intervenes in the collection of the relevant income and the intermediary applied the due withholding or substitute tax on any income derived from such New Shares.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax consequences to U.S. Holders (defined below) of acquiring, owning and disposing of Rights and New Shares received upon exercise of the Rights by a U.S. Holder, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular U.S. Holder's ownership of Rights and New Shares. Except as specifically noted below, this discussion applies only to a U.S. Holder that (i) receives Rights pursuant to the Offering and that acquires New Shares upon the exercise of such Rights and (ii) that will hold such Rights and New Shares as capital assets for U.S. federal income tax purposes, and does not address the U.S. federal income tax consequences of the receipt, lapse, exercise, or disposition of Rights by U.S. Holders of Convertible Bonds or pursuant to the Rights Auction. Such U.S. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the receipt, ownership, lapse, exercise and disposition of the Rights and the acquisition of New Shares pursuant to the exercise of such Rights in their particular circumstances. This discussion is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, U.S. Treasury regulations promulgated under the Code, and administrative rulings and judicial interpretations thereof, in each case as in effect at the Prospectus Date. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the Convention Between the Government of the United States of America and the Government of the Italian Republic for the Avoidance of Double Taxation with Respect to Taxes on Income and the Prevention of Fraud or Fiscal Evasion (the "**Treaty**"). All of the foregoing authorities are subject to change, which could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any U.S. state, local or non-U.S. tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks or financial institutions;
- regulated investment companies and real estate investment trusts;

- dealers or traders in securities that use a mark-to-market method of tax accounting;
- insurance companies;
- persons holding Rights or New Shares as part of a hedge, straddle, conversion, constructive sale, wash sale, integrated transaction or similar transaction;
- persons liable for the alternative minimum tax;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Rights or New Shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, “individual retirement accounts”, “Roth IRAs,” or other tax-deferred accounts;
- certain U.S. expatriates;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of the Issuer’s outstanding equity interests; or
- persons owning Rights or New Shares in connection with a trade or business conducted outside the United States.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of Rights or New Shares in their particular circumstances.

For the purposes of this discussion, a “U.S. Holder” is a person that, for U.S. federal income tax purposes, is a beneficial owner of Rights or New Shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust or otherwise if the trust has a valid election in effect under current Treasury regulations to be treated as a United States person.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes owns Rights or New Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the status and activities of the partnership. An entity or arrangement classified as a partnership for U.S. federal income tax purposes owning Rights or New Shares and partners in such entities or arrangements should consult their tax advisors as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the Rights or New Shares.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF RIGHTS OR NEW SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

Receipt of Rights

Although the authorities governing the Offering are complex, the Issuer believes a U.S. Holder's receipt of Rights pursuant to the Offering with respect to the existing ordinary shares should be treated as a non-taxable distribution with respect to such shares for U.S. federal income tax purposes. Under Section 305(a) of the Code, a corporation's distribution of stock rights to stockholders generally is tax free. Section 305(b) of the Code, however, provides certain exceptions, including for a "disproportionate distribution," which is a distribution or a series of distributions (including deemed distributions) that has the result of (1) the receipt of cash or non-stock property by some shareholders or holders of debt instruments convertible into ordinary shares (including regular payments of interest to holders of debt instruments convertible into ordinary shares or distributions to holders of preferred equity instruments convertible into ordinary shares), and (2) an increase in the proportionate interest of other shareholders (including, for this purpose, holders of debt instruments convertible into ordinary shares and holders of preferred equity instruments convertible into ordinary shares) in the assets or earnings and profits of the corporation. While the application of these rules is complex and subject to uncertainty, the distribution of the Rights pursuant to the Offering is not expected to be treated as part of a disproportionate distribution. A U.S. Holder who sells Rights received in the Offering generally should be taxed in the manner described below under "—*Sale or Other Taxable Disposition of the Rights and the New Shares*." A U.S. Holder who acquires Rights not pursuant to the Offering (including pursuant to the Rights Auction) generally will have an initial tax basis in such Rights equal to their U.S. dollar cost on the date of acquisition and such U.S. Holder's holding period in such Rights generally will begin on the date on which the Rights are acquired.

This tax treatment of the Offering is not binding on the IRS or the courts. If this position is finally determined by the IRS or a court to be incorrect, the fair market value of the Rights would be includible in the taxable income of U.S. Holders of the Issuer's existing ordinary shares as a dividend and subject to rules similar to those described in the discussion below under "—*Taxation of Distributions with Respect to New Shares*," such U.S. Holders' tax basis in the Rights received would be equal to their fair market value on the date of distribution and such U.S. Holder's holding period in the Rights received would begin on the date following the date on which the Rights are received. The remainder of this discussion assumes that the receipt of Rights in the Offering will be treated as a non-taxable distribution.

If the fair market value of the Rights a U.S. Holder receives is less than 15% of the fair market value of its existing ordinary shares with respect to which it receives the Rights on the date of distribution, the Rights will be allocated a zero basis for U.S. federal income tax purposes, unless such U.S. Holder elects to allocate basis between its existing ordinary shares and the Rights in proportion to the relative fair market values of the ordinary shares and the Rights determined on the date of distribution. If a U.S. Holder chooses to allocate basis between its ordinary shares and the Rights, it must make this election in its tax return for the taxable year in which it receives the Rights. Such an election is irrevocable.

If the fair market value of the Rights a U.S. Holder receives is 15% or more of the fair market value of its existing ordinary shares with respect to which it receives those Rights on the date of distribution, then, except as discussed below in "—*Not Exercising Rights*," such U.S. Holder must allocate its basis in its existing ordinary shares between the existing ordinary shares and the Rights it receives in proportion to their fair market values determined on the date of distribution.

If a U.S. Holder receives Rights in the Offering after the disposition of the existing ordinary shares with respect to which such Rights were received in the Offering, then certain aspects of the tax treatment of the Rights are unclear, including (1) the allocation of tax basis between the existing ordinary shares previously sold and the Rights, (2) the impact of such allocation on the amount and timing of gain or loss recognized with respect to the existing ordinary shares previously sold, and (3) the impact of such allocation on the tax basis of New Shares acquired through exercise of the Rights. If a U.S. Holder receives Rights in the Offering after the disposition of the existing ordinary shares with respect to which the Rights were received, such U.S. Holder is urged to consult with its tax advisors.

A U.S. Holder's holding period in the Rights received in the Offering will include such U.S. Holder's holding period in the existing shares with respect to which the Rights were distributed.

Exercise of Rights

A U.S. Holder will not realize gain or loss on the exercise of a Right, except that a U.S. Holder will recognize foreign currency gain or loss in an amount equal to the difference between its U.S. dollar tax basis in the Euro amount of the Subscription Price and the fair market value of such Euro amount on the date that the U.S. Holder exercises the Rights. A U.S. Holder that receives New Shares by exercising its Rights will have a tax basis in the New Shares so acquired equal to the U.S. dollar value of the subscription price determined at the spot rate on the date of exercise, plus its basis in the Rights so exercised, if any. A U.S. Holder's holding period in such New Shares generally will begin on the date the Rights are exercised.

Not Exercising Rights

If a U.S. Holder receives the Rights pursuant to the Offering and such Rights expire, the U.S. Holder will generally not recognize gain or loss for U.S. federal income tax purposes. In addition, the tax basis of the associated ordinary shares of such U.S. Holder will be the same as they were prior to the distribution of the Rights.

Taxation of Distributions with Respect to New Shares

The following discussion is subject to the discussion under "—*Passive Foreign Investment Company Rules*" below.

The gross amount of any distribution of cash or property paid with respect to the New Shares (including the amount of any Italian taxes withheld therefrom), will generally be included in a U.S. Holder's gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of the Issuer's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of the Issuer's current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the U.S. Holder's adjusted tax basis in the New Shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held the New Shares for more than one year as of the time such distribution is actually or constructively received. Because the Issuer does not expect to maintain calculations of its earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be treated as dividends for U.S. federal income tax purposes.

Dividends on the New Shares will not be eligible for the dividends-received deduction available to U.S. corporations under the Code with respect to dividends received from other U.S. corporations. With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends may be "qualified dividend income", which is taxed at the long-term capital gain rate provided that (1) the Issuer is eligible for the benefits of the Treaty, (2) the Issuer is not a passive foreign investment company for U.S. federal income tax law purposes ("**PFIC**") (as discussed below), and is not treated as a PFIC with respect to the U.S. Holder, for the taxable year in which the dividend is paid and the preceding taxable year, and (3) certain holding period and other requirements are met. The amount of any dividend paid in Euros will be the U.S. dollar value of the Euros calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the Euros are in fact converted into U.S. dollars on such date. U.S. Holders should consult their own tax advisors regarding the appropriate U.S. federal income tax treatment of any distribution received from the Issuer and of any foreign currency gain or loss in connection therewith.

A U.S. Holder may be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable Italian income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by the Issuer generally will constitute foreign source income in the "passive category income" basket. Recently issued Treasury regulations require non-U.S. income tax laws to meet certain requirements in order for such taxes to be creditable for U.S. Holders that do not elect (or are not eligible for) the benefits of the Treaty. The Issuer has not determined whether these requirements have been met with respect to Italian or any other relevant non-U.S. withholding taxes. U.S. Holders may be able to disapply such regulations pending further guidance. The rules governing foreign tax credits are complex and prospective purchasers should consult their tax advisors as to the U.S. federal income tax implications of any non-U.S. taxes imposed on distribution of cash or property paid with respect to the New Shares, including creditability and deductibility of such taxes and any applicable limitations in their particular circumstances.

Sale or Other Taxable Disposition of the Rights and the New Shares

The following discussion is subject to the discussion under "*—Passive Foreign Investment Company Rules*" below.

A U.S. Holder generally will recognize gain or loss for U.S. federal income tax purpose on the sale, exchange or other taxable disposition of the Rights or the New Shares in an amount equal to the difference between the amount realized on the disposition and such U.S. Holder's adjusted tax basis in the Rights or the New Shares disposed of, in each case as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Rights or the New Shares, as applicable, exceeds one year. A U.S. Holder's holding period in the Rights will include the holding period in the ordinary shares with respect to which the Rights were distributed. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Rights or New Shares generally will be treated as U.S. source gain or loss.

A U.S. Holder's initial tax basis in the New Shares will be determined in the manner described above under "—Exercise of Rights", and the amount realized on a sale, exchange or other taxable disposition of the Rights or the New Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If the New Shares or Rights, as applicable, are treated as traded on an "established securities market," a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Rights or New Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-method U.S. Holders that do not elect to be treated as cash-method taxpayers for this purpose may recognize a foreign currency gain or loss for U.S. federal income tax purposes to the extent attributable to the difference between the exchange rates on the date of the sale, exchange or other taxable disposition and the settlement date of the sale, exchange or other taxable disposition, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their advisors as to the U.S. federal income tax consequences of the receipt of Euros.

Gain or loss realized by a U.S. Holder on the sale or other disposition of Rights or New Shares will generally be U.S. source gain or loss for foreign tax credit purposes, and a U.S. Holder may have insufficient foreign source income to utilize any or all of the foreign tax credits attributable to any Italian tax imposed on such sale or other disposition. Moreover, U.S. Holders entitled to an exemption from Italian taxes on disposition gains pursuant to the Treaty or Italian law will not be able to credit Italian taxes imposed on disposition gains. Furthermore, additional limitations may also prevent a U.S. Holder from obtaining a credit for Italian taxes imposed on disposition gains (including under certain Treasury regulations that taxpayers are currently permitted to elect to defer certain aspects of their application, subject to certain conditions). The rules governing foreign tax credits are complex, and prospective purchasers should consult their tax advisors as to the U.S. federal income tax implications of any non-U.S. taxes imposed on the sale, exchange or other taxable disposition of the Rights or New Shares, including the creditability and deductibility of such taxes and the determination of the amount realized and any applicable limitations in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a corporation organized outside the United States will be treated as a PFIC for U.S. federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the "**income test**") or (b) 50% or more of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "**asset test**"). For this purpose "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC income test and asset test described above, if the Issuer owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Issuer will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. For purposes of the PFIC asset test, the total aggregate fair market value of the assets of a publicly traded non-U.S. corporation is generally treated as being equal to the sum of the aggregate fair market value of the outstanding stock and the total amount of the liabilities of such corporation (the "Market Capitalization") and the excess of the fair market value of such corporation's assets as so determined over the book value of such assets is generally treated as goodwill that is a non-passive asset to the extent attributable to such corporation’s non-passive income. In addition, for the PFIC asset test, cash and cash equivalents are generally considered passive assets.

Based on estimates of the Issuer’s gross income, gross assets, the manner in which the Issuer operates its business, the Issuer’s intended use of the proceeds from the Offering, and the Issuer’s anticipated Market Capitalization, the Issuer does not believe that it was a PFIC for the 2023 taxable year, or expect that it will be a PFIC for its current taxable year or in the foreseeable future. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and the Issuer’s PFIC status for each taxable year will depend on facts, including the composition of Issuer’s income and assets and the Issuer’s Market Capitalization, there can be no assurance that the Issuer will not be a PFIC for the current or any future taxable year. Moreover, the determination of whether the Issuer is a PFIC is a fact intensive determination that is made by applying principles and methodologies that are not entirely clear and are subject to varying interpretations. The Issuer is engaged in certain business activities that generate or may generate passive income, and therefore the extent to which its goodwill and other intangible assets are treated as non-passive is not entirely clear and could decrease if the proportionate share of the Issuer’s income generated from such activities were to increase. Furthermore, if the Market Capitalization declines, the risk of the Issuer becoming a PFIC may increase. The Issuer does not expect to provide annual assessments of its PFIC status. If the Issuer is a PFIC for any taxable year during which a U.S. Holder holds the New Shares and any of the Issuer’s non-U.S. subsidiaries is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the New Shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of the Issuer’s subsidiaries.

If the Issuer were a PFIC for any taxable year the U.S. Holder holding period for the Rights or the New Shares, the U.S. Holder generally will be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and certain excess distributions as well as a requirement to file annual reports with the U.S. Internal Revenue Service. In particular, gain recognized by a U.S. Holder upon a disposition (including, under certain circumstances, a pledge) of New Shares by the U.S. Holder would be allocated ratably over the U.S. Holder’s holding period for such New Shares. The amounts allocated to the taxable year of disposition and to years before the Issuer became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to the allocated amount. Further, to the extent that the total amount of distributions received by a U.S. Holder on the New Shares during a taxable year (other than distributions received by a U.S. Holder in the first year that it holds the New Shares) exceeds 125% of the average of the annual distributions on such New Shares received during the preceding three years or the portion of the U.S. Holder’s holding period that precedes the year of the distribution, whichever is shorter, those distributions in excess of such threshold would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments of the New Shares if the Issuer was a PFIC.

It is not entirely clear how various aspects of the PFIC rules apply to the Rights. However, a U.S. Holder may not make certain elections with respect to its Rights. As a result, if a U.S. Holder sells or otherwise disposes of such Rights (other than upon exercise of such Rights) and the Issuer was a PFIC at any time during the U.S. Holder’s holding period of such Rights, any gain recognized generally will be treated as an excess distribution, taxed as described above. U.S. Holders are urged to consult their tax advisors as to the application of the PFIC rules to the Rights.

If the Issuer was a PFIC for any year during which a U.S. Holder owned New Shares or Rights, the Issuer would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder held the New Shares or Rights, even if the Issuer ceased to meet the threshold requirements for PFIC status.

If a U.S. Holder owns the New Shares or Rights during any year in which the Issuer is a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 annually with respect to the Issuer, generally with the U.S. Holder’s U.S. federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding the Issuer’s PFIC status for any taxable year and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends in respect of the New Shares and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of the Rights or New Shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient, and if required, demonstrates that fact. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder's U.S. federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding these rules.

Transfer Reporting Requirements

A U.S. Holder of New Shares may be required to file Form 926 (or similar form) with the IRS in certain circumstances if the aggregate subscription price paid by such U.S. Holder, when aggregated with all transfers of cash made by the U.S. Holder (or any related person) to the Issuer within the preceding twelve-month period, exceeds $100,000 (or its foreign currency equivalent) and certain other conditions are met. A U.S. Holder who fails to file any such required form could be required to pay a penalty equal to 10% of the gross amount paid for the New Shares (subject to a maximum penalty of $100,000, except in cases of intentional disregard). U.S. Holders should consult their tax advisors with respect to this or any other reporting requirement that may apply to an acquisition of the New Shares.

Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of $50 thousand or $75 thousand at any time during the taxable year (and in some circumstances, a higher threshold) may be required to report information relating to the Rights or New Shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold the Rights or New Shares, subject to certain exceptions (including an exception for the Rights or New Shares held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership and disposition of the Rights or New Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A U.S. HOLDER. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN RIGHTS OR NEW SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

GENERAL INFORMATION

Domicile, legal form and incorporation

The Issuer's legal and commercial name is doValue S.p.A. The Issuer is a joint stock company (*società per azioni*) governed by and operating under the laws of Italy, with its registered office at Viale dell'Agricoltura 7, 37135 – Verona (VR), Italy. The Issuer is registered with the Companies Register of Verona under number 00390840239 and with the REA – *Repertorio Economico Amministrativo* of the Companies Register of Verona under number – VR-19260. The Issuer's telephone number is +39 0647979184. The Issuer's Legal Entity Identifier ("**LEI**") is 8156007AF7DB5FE05555. The Shares' International Security Identification Number ("**ISIN**") is IT0005610958. According to the Issuer's Post-Gardant Group Acquisition By-laws the Issuer's duration extends until December 31, 2100, unless otherwise extended in accordance with applicable Italian laws.

Independent auditors

The Audited Consolidated Financial Statements as of and for the years ended December 31, 2021, 2022 and 2023, an English translation of which is included in this Prospectus have been prepared in accordance with IFRS as adopted by the European Union and have been audited by EY S.p.A., independent auditors, as stated in the English translation of their reports thereon appearing herein. Such reports contain a number of key audit matters.

The Unaudited Interim Condensed Consolidated Financial Statements as of and for the nine months ended September 30, 2024 and 2023, an English translation of which is included in this Prospectus, have been prepared in accordance with IAS 34 as adopted by the European Union, and have been reviewed by EY S.p.A., independent auditors, as stated in the English translation of their review reports thereon appearing herein. Accordingly, no opinion has been expressed by EY S.p.A. on such interim condensed consolidated financial statements.

EY S.p.A., with registered office in Via Meravigli 12, Milan, is registered under No. 70945 in the Register of Accountancy Auditors (*Registro dei revisori Legali*) held by the Italian Ministry of Economics and Finance in compliance with the provision of Legislative Decree No. 39, January 27, 2010. The Independent Auditor was appointed in 2016 through the procedures outlined in Legislative Decree of January 27, 2010, No. 39, as amended by Legislative Decree No. 135 of July 17, 2016 and the criteria of Regulation (EU) 537/2014 of the European Parliament and of the Council.

During the three years ended December 31, 2021, 2022 and 2023 and up to the Prospectus Date, the Issuer has not received any communication from the independent auditor regarding significant deficiencies in the internal control system, nor regarding significant errors or omissions, which have emerged in the performance of their findings.

EY S.p.A. were appointed as independent auditors of the Issuer for the nine years period 2016-2024. The shareholders' meeting of the Issuer of April 26, 2024 appointed KPMG S.p.A. as independent auditors for the nine years period 2025-2033.

The consolidated financial statements of Gardant and its subsidiaries as of December 31, 2023 and 2022 and for the years then ended, included in this prospectus, have been audited by KPMG S.p.A., as independent auditors, as stated in their report appearing herein, which contains another matter paragraph related to the basis of preparation of the consolidated financial statements for purposes of inclusion in the offering documents by doValue S.p.A.

With respect to the unaudited interim condensed consolidated financial statements of Gardant S.p.A and its subsidiaries as of September 30, 2024 and for the nine-month periods ended September 30, 2024 and 2023, included herein, KPMG S.p.A, independent auditors, have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein, which includes another matter paragraph which indicates that the comparative figures as at and for the nine months periods ended September 30, 2023 were neither audited nor reviewed, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

KPMG S.p.A., with registered office in Via Vittor Pisani, n. 25, Milan, registered under No. 70623 in the Register of Accountancy Auditors (*Registro dei revisori Legali*) held by the Italian Ministry of Economics and Finance in compliance with the provision of Legislative Decree No. 39, January 27, 2010. The independent auditor was appointed by the Gardant Group in 2023 through the criteria of Regulation (EU) 537/2014 of the European Parliament and of the Council.

Paying and depositary agent

The ordinary shares of the Issuer are, and upon issuance the New Shares will be, directly issued in dematerialized form in accordance with the provisions of Monte Titoli S.p.A.

The paying and depository services (*servizio titoli*) related to the Shares is carried out on behalf of the Issuer by Computershare S.p.A., based in Milan, Via Lorenzo Mascheroni, 19.

No significant change

As of the Prospectus Date, there has been no significant change in the financial performance and the financial position of the Group since September 30, 2024.

Options or preferential rights in respect of Shares

Save as disclosed under "*Management, Employees and Corporate Governance—Long Term Incentive Plans*", or in the furtherance of, or related to, the Issuer is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any securities in the Issuer.

Available documents

For the period of validity of the Prospectus, copies of the following documents will be available to the public for consultation at the Issuer's registered office (Viale dell'Agricoltura 7, 37135 – Verona (VR), Italy), as well as on the Issuer's website (https://dovalue.it/en.) in the "Investor Relations" or "Governance" sections:

- Issuer's By-laws (in Italian, and an unofficial English translation);
- Issuer's Post-Gardant Group Acquisition By-laws (in Italian, and an unofficial English translation);
- Unaudited Interim Condensed Consolidated Financial Statements of the Group for the nine month periods ended September 30, 2024 (in both Italian and English), prepared in accordance with IAS 34 as adopted by the European Union and the related independent auditors' review reports;
- Audited Consolidated Financial Statements of the Issuer for the years ended December 31, 2021, 2022 and 2023 (in both Italian and English), prepared in accordance with IFRS and the related independent auditors' reports;
- Procedure for Related Parties Transactions; and
- Remuneration Policy.

No incorporation of website

Prospective investors should only rely on the information that is provided in this Prospectus. Unless expressly incorporated by reference herein, none of the information on the Issuer's website, (https://dovalue.it/en.) or on websites accessible from hyperlinks on that website forms part of this Prospectus.

Provision of information

For so long as the New Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, in order to preserve the exemption for resales and transfers under Rule 144A, the Issuer will during any period in which the Issuer is neither subject to Section 13 or 15(d) of the U.S. Exchange Act (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. The Issuer is not currently subject to the periodic reporting requirements of the U.S. Exchange Act.

GLOSSARY

Unless otherwise specified or the context requires otherwise, in this Prospectus:

"**AIFMD**" or "**AIFM Directive**" refers to European Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011;

"**AIMFD II**" refers to European Directive 2024/927/EU;

"**ATAD 1**" refers to EU Directive 2016/1164

"**ATAD 2**" refers to EU Directive 2017/952;

"**Borsa Italiana**" refers to Borsa Italiana S.p.A.;

"**CICR**" refers to the Italian Interministerial Committee for Credit and Savings ("*Comitato Interministeriale per il Credito e il Risparmio*");

"**Code**" refers to the U.S. "Internal Revenue" Code of 1986;

"**CONSOB**" refers to the *Commissione Nazionale per la Società e la Borsa* (the Italian securities exchange commission);

"**Consolidated Banking Act**" or "**Italian Banking Act**" refers to the Italian Legislative Decree No. 385 of September 1, 1993, as amended;

"**Consolidated Financial Act**" refers to the Italian Legislative Decree No. 58 of February 24, 1998, as amended;

"**Consumer Credit Contracts Law**" refers to Spanish Law 16/2011 of June 24, 2011 on consumer credit contracts;

"**Corporate Governance Code**" refers to the Italian *Codice di Autodisciplina* issued by the Italian Stock Exchange (*Borsa Italiana*) and published in July 2015, as subsequently amended and supplemented in July 2018 and most recently in 2020, that sets forth the best practices for listed companies and is available to the public on the website of Italian Stock Exchange;

"**COVID-19**" refers to an infectious disease related to the virus "SARS-CoV-2" and which is commonly associated to a severe acute respiratory syndrome;

"**CRD**" refers to Directive 2013/36/EU of 26 June 2013;

"**CRD VI**" refers to certain amendments to the CRD published on June 19, 2024 in the Official Journal of the European Union and entered into force on July 9, 2024;

"**Crisis and Insolvency Code**" refers to Legislative Decree No. 14 of January 12, 2019;

"**CRR**" refers to Regulation (EU) No. 575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as subsequently modified;

"**CRR III**" refers to certain amendments to the CRR published on June 19, 2024 in the Official Journal of the European Union and entered into force on July 9, 2024;

"**Debt Collection License**" refers to the specific license that operators performing debt collection services on behalf of third parties must hold under Article 115 of the TULPS;

"**Decree**" refers to the Ministerial Decree of September 16, 2013;

"**Decree 142**" refers to Italian Legislative Decree No. 142 of November 29, 2018;

"**Decree 600**" refers to the Italian Presidential Decree No. 600 of 29 September 1973, as amended and supplemented;

“**Directive 2005/60**” refers to the Directive 2006/70/EC;

“**Directive 2006/70**” refers to Directive 2006/70/EC;

“**Disposal Fee**” refers to the fee covering the future margin of a loan’s lifecycle which becomes payable whenever a client removes all or part of the assets from the portfolios under management upon the terms and conditions of the relevant servicing agreements;

“**Draft Bill of Directive 2021/2167**” refers to the draft bill that will transpose in Spain the Directive (EU) 2021/2167 of November 24, 2021 on credit servicers and credit purchasers;

“**Due Diligence**” refers to the process aimed at determining through the available documentation the value of a portfolio of loans, estimating base case loan cash flows, defining alternative loan collection and recovery scenarios for maximizing cash flows, including the sale of collateral, and identifying risks that could negatively affect the client’s ability to achieve modelled results;

“**Early Arrears**” refer to any receivables which are between one and 89 days past due and therefore not classified as an NPE;

“**Early Arrears and Performing Loans Servicing**” refers to the management of performing loans in their normal lifespan and services aimed at helping debtors of loans in early-arrears, before they become classified as NPE, allowing them to return to making regular payments ahead of a further credit deterioration, primarily through negotiating agreements and payment plans;

“**EBA**” refers to the European Banking Authority;

“**ECAI**” refers to an external credit rating agency;

“**ECB**” refers to the European Central Bank;

“**EEA**” refers to the European Economic Area;

“**ESG**” means environmental, social and governance;

“**Euro**” or “**€**” or “**Euros**” refers to the lawful currency of the member states of the European Union participating in the third stage of the European Union’s Economic and Monetary Union;

“**Euronext Milan**” refers to the STAR segment of Euronext Milan, the Italian screen-based trading system managed by Borsa Italiana S.p.A.;

“**Euronext Securities Milan**” refers to the Italian centralized securities clearing system;

“**Finance Act 2017**” refers to Italian Law No. 232 of December 11, 2016;

“**Finance Act 2019**” refers to Italian Law No. 145 of December 30, 2018;

“**Financial Transaction Tax**” refers to the financial transaction tax that applies according to Law No. 228 of December 24, 2022;

“**Forward Flow Agreements**” refer to Service Level Agreements with an originator involving not only the management of a portfolio of certain existing non-performing and similar assets and REOs, but also the management of a portion, generally on an exclusive basis, if not all, of future non-performing and similar assets and REOs generated during the term of the relevant Service Level Agreement;

“**GACS**” refers to the request by banks and financial intermediaries with registered offices in Italy to the Ministry of Economy and Finance for the granting of a guarantee to cover the payments contractually provided for, including both interest and principal, on the senior tranche of the asset-backed securities that are issued in the context of such Securitization, in exchange for the assignment of monetary loans categorized as bad loans, subject in any event to the conditions set forth in the GACS Law;

“**GACS Law**” refers to Law Decree No. 18 of February 14, 2016, as converted and amended into Law No. 49 of April 8, 2016;

“**GCPC**” refers to the Greek Civil Procedure Code;

“**GDPR**” refers to Regulation (EU) 679/2016, as subsequently amended and supplemented;

“**Golden Power Legislation**” refers to Law Decree No. 21 of March 15, 2012 (converted with amendments into Law No. 56 of May 11, 2012), as amended by Law Decree No. 23 of April 8, 2020 and Law Decree No. 21 of March 21, 2022 (as converted by Law No. 51 of May 20, 2022);

“**HAPS**” refers to Greece’s Hellenic Asset Protection Scheme;

“**HAPS Law**” refers to Law 4649/2019;

“**IFRS**” refers to the International Financial Reporting Standards as adopted by the European Union;

“**IFRS 3**” refers to the IFRS 3 Business Combinations;

“**IRAP”** refers to the Italian regional tax on productive activities;

“**IRES**” refers to Italian corporate income tax;

“**IRPEF**” refers to Italian individual income tax;

“**IRS**” refers to the U.S. Internal Revenue Service;

“**ISIN**” refers to the international security identification number;

“**ITA**” refers to the Italian tax authorities;

“**Italian Bankruptcy Law**” refers to the Italian Royal Decree No. 267 of March 16, 1942, as reformed and currently in force;

“**Italian Civil Code**” refers to the Royal Decree No. 262 of March 16, 1942, as subsequently amended as supplemented;

“**Italian Securitization Law**” refers to Italian Law No. 130 of April 30, 1999 on securitizations;

“**Italian Personal Data Protection Code**” refers to Legislative Decree No. 196 of June 30, 2003, as amended as supplemented by Legislative Decree No. 101 of August 10, 2018, Law No. 160 of December 27, 2019 and Legislative Decree No. 53 of June 14, 2019;

“**Italian Usury Law**” refers to Law No. 108 of March 7, 1996 as subsequently amended;

“**IVASS**” refers to the *Instituto per la Vigilanza delle Assicurazioni*, or the Italian insurance regulator;

“**KPIs**” refers to key performance indicators used to measure the performance of the Servicer in accordance with a specific servicing agreement;

“**FTE**” refers to the number of employees expressed in term of equivalent full time employees;

“**Law 228**” refers to the Law of December 24, 2012, No. 228;

“**Law 5/2015**” refers to Law 5/2015, of April 27, for the promotion of corporate financing (*Ley 5/2015, de 27 de abril, de fomento de la financiación empresarial*);

“**Law 5072**” refers to Law 5072/2023, which repealed the Old NPL Law in Greece on December 4, 2023;

"**Law Decree No. 124**” refers to Law Decree No. 124 of October 26, 2019;

“**Law on General Conditions of Contracting**” refers to Spanish Law 7/1998 of April 13, 1998 on general conditions of contracting;

“**Law on distance sale of Financial Products for Consumers**” refers to Spanish Law 22/2007 of July 11, 2007 on distance sale of financial products for consumers;

"**Legislative Decree 231/2001**" refers to Legislative Decree No. 231 of June 8, 2001, as amended and supplemented from time to time;

"**Legislative Decree 231/2007**" refers to Legislative Decree No. 231 of November 21, 2007

"**LEI**" refers to the legal entity identification number;

"**LIFO**" refers to last in first out;

"**Master Servicer**" refers to the entity providing the Master Servicing;

"**Master Servicing**" refers to a type of service which includes, among other things, the creation of initial reports and financial models as of the date of structuring of the Securitization at the portfolio level, followed by analysis and periodic updating of the reports and models on an ongoing basis;

"**MEF**" refers to the Italian Ministry of Economy and Finance;

"**Member States**" refers to the member states of the European Union;

"**NBG**" refers to the National Bank of Greece;

"**NAV**" refers to net asset value;

"**NPAs**" refers to non-performing assets;

"**NPE**" refers to non-performing exposures that, in accordance with Annex V, Part 2, to Commission Implementing Regulation (EU) 680/2014 (as amended), satisfy any of the following criteria: (i) material exposures which are more than 90 days past due; or (ii) the relevant debtor is assessed as unlikely to pay its credit obligations in full, regardless of the existence of any past due amount or of the number of days past due;

"**NPLs**" refers to non-performing loans and advances, as derived from the Annex V to Commission Implementing Regulation (EU) 680/2014 (as amended), that are more than 90 days past due;

"**NPL Decree**" refers to Legislative Decree No. 116 approved by the Italian parliament on July 22, 2024 partially transposing the NPL Directive into Italian law;

"**NPL Decree Credit Purchasers**" refers to the natural and legal persons other than banks purchasing NPLs on a professional basis;

"**NPL Decree Servicer**" refers to a type of intermediary authorized and supervised by the Bank of Italy and appointed to perform NPL servicing activity on the Italian market;

"**NPL Directive**" refers to Directive (EU) 2021/2167 on credit servicers and credit purchasers adopted by the European Parliament and the Council on November 24, 2021;

"**OCW**" refers to the Out-of-Court Workout law (Greek Law 4469/2017) which provides extrajudicial debt settlement solutions to both individuals and legal entities as well as an online platform for debt settlement;

"**Old NPL Law**" refers to Greek Law 4354/2915;

"**Originators**" refers to the credit institutions or subsidiaries of foreign credit institutions established in Greece that originate receivables backing securities, whose senior tranche is eligible to be guaranteed by the Greek State pursuant to the HAPS Law;

"**Parent Subsidiary Directive**" refers to Directive 435/90/EEC of July 23, 1990, then recast in EU Directive 2011/96 of November 30, 2011;

"**Participation Exemption Regime**" refers to the regime that provides that capital gains arising from the disposal of the New Shares are tax-exempt for 95% of such capital gains;

"**Pre-completion Notes Adjustment**" refers to the adjustment of the Net Cash Consideration by €7.2 million (of which €6.8 million relating to the Ex-perimeter Notes and €0.4 million relating to the Ex-perimeter Assets), included in the Gardant's available cash as of September 30, 2024;

"**PFIC**" refers to the Passive Foreign Investment Company for U.S. federal income tax law purposes;

"**Pillar 2 Directive**" refers to Directive (EU) 2022/2523;

"**PMI**" refers to the purchasing managers' index;

"**Portfolio Receivables**" refers to asset-backed securities or units;

"**PPA**" refers to the purchase price allocation required by IFRS 3;

"**Prospectus Regulation**" refers to Regulation (EU) 2017/1129, as subsequently amended and supplemented;

"**QIBs**" refers to persons that are qualified institutional buyers within the meaning of Rule 144A acting on their own account or for the account of another QIB;

"**Real Estate Investment Funds**" refers to Italian-resident real estate investment funds established pursuant to Article 37 of Consolidated Financial Act and Article 14-*bis* of Law of January 25, 1994, No. 86;

"**Real Estate Owned**" or "**REO**" refers to real estate properties previously pledged as loan collateral and acquired by the Group's clients as part of an enforcement process or a settlement arrangement with the initial debtor;

"**Real Estate Servicing**" or "**REO Servicing**") refers to activities focused on the management of real estate collateral (including repossessed leased assets) through every phase of the loan lifecycle and the evaluation, monitoring and maximization of the value, including the commercialization and sale of REOs;

"**Real Estate SICAFs**" refers to Italian real estate SICAFs;

"Regulation 2019/980" refers to the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, as subsequently amended and updated;

"**Regulation S**" refers to Regulation S under the Securities Act;

"**RRF**" refers to the recovery and resilience facility adopted by the EU to mitigate the effects of high energy and inflation;

"**RRP**" refers to the recovery and resilience plan;

"**Rule 144A**" refers to Rule 144A under the Securities Act;

"**RWAs**" refers to the risk weighed assets;

"**secondary sale**" refers to a sale of a group of NPE positions bundled into a new portfolio, originally part of a larger portfolio already managed by the Group;

"**SEC**" refers to the U.S. Securities and Exchange Commission;

"**U.S. dollar**" or "**$**" refers to the lawful currency of the United States;

"**Securities Act**" refers to the U.S. Securities Act of 1933, as amended, governing the issuance and offering of securities;

"**Securitization**" refers to a transaction aimed at transferring the risk relating to financial or real assets to a SPV through the transfer of the underlying assets or through the use of derivative contracts;

"**Servicer**" refers to a credit and real estate servicing company;

"**Servicers**" refers to licensed servicers in Greece that may be assigned the management of receivables from loans and credits originated by credit and financial institutions established in the European Union, under Law 5072;

"**SICAFs**" refers to Italian investment funds and companies with fixed capital;

"**SICAVs**" refers to Italian investment funds and companies with variable capital;

“**SME**” refers to, pursuant to the Consolidated Financial Act, small to medium enterprises, issuing listed shares, whose market capitalization is lower than €1 billion;

“**Spanish Usury Law**” refers to the Spanish Law of July 23, 1908 on nullity of loan agreements with usurious interest (*Ley de 23 de julio de 1908 sobre nulidad de los contratos de préstamos usurarios*);

“**SPV**” refers to a special purpose company mainly utilized within the context of a Securitization;

“**Stage 2**” refers to financial instruments whose credit quality has significantly deteriorated since the initial recognition date (lifetime expected credit losses);

“**Stock**” refers to the portfolio which management is provided under the Forward Flow Agreements;

“**Stock Agreements**” refers to contractual engagements typically entered with banks for a specific fixed NPE portfolio until the full collection of the relevant NPE stock;

“**Strategic Sectors**” refers to *inter alia*, defence and national security, transport, energy, water, communication, financial, insurance, high tech, access to sensitive information, healthcare, non-military aerospace, AI and robotics, dual-use items and supply of critical inputs;

“**TEGM**” refers to the Average Overall Effective Rate (*Tasso Effettivo Globale Medio*) charged by banks and financial intermediaries and decided by the Minister of the Treasury through its quarterly Determination Decree;

“**TUIR**” refers to the Italian Presidential Decree No. 917 of December 22, 1986, as amended and supplemented;

“**TULPS**” refers to the Italian Consolidated Act on Public Security (Royal Decree No. 773 of June 18, 1931);

“**U.S. Exchange Act**” refers to the U.S. Securities Exchange Act of 1934, as amended, governing the secondary trading of securities;

“**UCITS Directive**” refers to European Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009;

“**Usury Instructions**” refers to the Instructions of the Bank of Italy for the determination of the average overall effective rates under the Italian Usury Law of July 29, 2016;

“**UTP**” refers to unlikely-to-pay loans with respect to which the debtor is assessed as unlikely to pay its credit obligations in full, regardless of the existence of any past due amount or of the number of days past due; and

“**White List**” refers to the Italian Decree of Minister of Economy and Finance of September 4, 1996, as subsequently amended or supplemented or replaced.

DEFINED TERMS

Unless otherwise specified or the context requires otherwise, in this Prospectus:

"**2019 Senior Facility Agreement**" refers to the senior facility agreement entered into by the Issuer, as borrower, on March 22, 2019, as amended and supplemented from time to time, pursuant to which the lenders granted the Issuer a €415 million term facility to fund the Altamira Acquisition and to Refinance its existing debt which was repaid in full with the proceeds of the issuance of the 2026 Notes;

"**2020 Indenture**" refers to the indenture governing the 2025 Notes dated as of August 4, 2020, entered into by and among, *inter alios*, the Issuer, BNY Mellon Corporate Trustee Services Limited, as trustee, and UniCredit as security agent and in its role as representative (*rappresentante*) pursuant to article 2414-*bis*, third paragraph of the Italian Civil Code;

"**2021 Indenture**" refers to the indenture governing the 2026 Notes dated as of July 22, 2021, entered into by and among, *inter alios*, the Issuer, BNY Mellon Corporate Trustee Services Limited, as trustee, UniCredit, as security agent and in its role as representative (*rappresentante*) pursuant to article 2414-*bis*, third paragraph of the Italian Civil Code;

"**2021 Demergers**" refers to the demergers transactions carried out by Credito Fondiario on August 2021;

"**2023 Cash Awards Special Indemnity**" refers to the Special Indemnity provided under the Gardant SPA against any contingent awards in an amount equal to 105% of the price per share multiplied by the numbers of the total rights granted ("*diritti assegnati*") to the beneficiaries (who are still employees of the relevant Gardant Group Company as of the Gardant Group Acquisition Completion) in accordance with a certain stock grant plan, being the maximum total contingent amount of the 2023 Cash Awards (as defined in the SPA) payable pursuant to that certain stock grant plan for 2023, 2024 and 2025 adopted by Gardant on or about June 28, 2023;

"**2023 Audited Consolidated Financial Statements**" refers to the audited consolidated financial statements of the Issuer as of December 31, 2023 and for the year then ended, prepared in accordance with IFRS as adopted by the European Union, approved by the Board of Directors on March 21, 2024 and audited by EY S.p.A., which issued its audit report on March 28, 2024;

"**2024 Unaudited Interim Condensed Consolidated Financial Statements**" refers to the interim condensed consolidated financial statements of the Issuer as of September 30, 2024 and for the nine months then ended, prepared in accordance with IAS 34 as adopted by the European Union, approved by the Board of Directors on November 11, 2024 and reviewed by EY S.p.A., which issued its review report on November 12, 2024;

"**2024-2026 Remuneration Policy**" refers to the remuneration policy of the Group for the years 2024 – 2026;

"**2024-2026 LTI Plan Final Cycle**" refers to the third and final cycle of the 2022-2024 LTI Plan approved by the Issuer's shareholders' meeting on April 26, 2024;

"**2024 Senior Facilities Agreement**" refers to the originally €516 million English law governed senior facilities agreement entered into on October 4, 2024, with doValue as borrower, Mediobanca - Banca di Credito Finanziario S.p.A. and UniCredit as bookrunners and global coordinators, Alpha Bank S.A., acting through its Luxembourg Branch, Attica Bank S.A., Banca Monte dei Paschi di Siena S.p.A., Banco BPM, BdM Banca S.p.A., BPER Banca S.p.A., Citibank N.A., London, Eurobank, Intesa Sanpaolo S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Mediocredito Centrale - Banca del Mezzogiorno S.p.A., Piraeus Bank S.A., acting through its Frankfurt Branch and UniCredit as mandated lead arrangers, the financial institutions listed thereunder as original lenders, UniCredit as agent and UniCredit security agent, consisting of the Acquisition Term Facility, the Refinancing Term Facility and the Revolving Facility, as subsequently amended and supplemented pursuant to an amendment agreement dated October 29, 2024, pursuant to which the original total commitments have been increased to an aggregate amount equal to €526 million, as a result of the accession of Optima bank S.A. thereunder;

"**2025 Notes**" refers to the €265,000,000 Senior Secured Notes due 2025 issued by the Issuer on August 4, 2020, under the 2020 Indenture;

“**2026 Notes**” refers to the €300,000,000 Senior Secured Notes due 2026 issued by the Issuer on July 22, 2021, under the 2021 Indenture;

“**2026 Notes Refinancing Portion**” refers to the portion of the Refinancing Term Facility, which, subject to the Issuer’s evaluations, may be directed at refinancing, in part, the 2026 Notes (including, without limitation, by way of a tender offer), and paying related fees, costs and expenses payable in connection with such debt acquisition and/or refinancing (including paying any broken funding costs, redemption premium and other costs arising out of an early termination of existing hedging agreements (if any)); up to an aggregate principal amount equal to €96 million;

“**231 Model** or “**Model 231**”” refers to systems adopted by the Group for organization, management and control pursuant to Legislative Decree 231/2001 as a defense against the administrative responsibility that could be attributed to the Group pursuant to Legislative Decree 231/2001 for offenses committed in its interest or for its benefit by its executives, directors, employees and representatives;

“**Acquisition Term Facility**” refers to the credit term facility of €240.0 million to be made available to the Issuer for the purposes of financing the Gardant Group Acquisition, acquiring and/or refinancing certain existing indebtedness of Gardant and paying related fees, premia, costs, taxes and expenses in connection therewith;

“**Admission**” refers to the admission of the New Shares on Euronext Milan;

“**Adsolum**” refers to Adsolum Real Estate S.L., a limited liability company incorporated in Spain which is a wholly-owned company of doValue Spain;

“**Affiliates**” refers to the affiliates of the Issuer as defined under Rule 501(b) of the Securities Act;

“**Agent**” refers to UniCredit in the context of the 2024 Senior Facilities Agreement;

“**Altamira**” or “**doValue Spain**” or “**doValue Spain Servicing**” refers to doValue Spain Servicing S.A. (formerly known as Altamira Asset Management S.A.), a private limited company incorporated in Spain;

“**Altamira Acquisition**” refers to the initial acquisition by the Issuer of 85% (currently 100%) of the share capital of Altamira, completed on June 27, 2019, pursuant to the Altamira Acquisition Agreement;

“**Altamira Acquisition Agreement**” refers to the sale and purchase agreement dated December 30, 2018 by and between the Issuer and Altamira Asset Management Holdings, S.I. concerning the Altamira Acquisition;

“**Altamira Acquisition Earn-Out**” refers to the earn-out provided under the Altamira Acquisition Agreement;

“**Altamira Insurers**” refers to Swiss Re International SE, Aspen Insurance UK Limited, and Scor Europe SE;

“**Altamira Seller**” refers to Altamira Asset Management Holdings, S.L;

“**Altamira Tax Claim**” refers to the settlement agreement pursuant to which doValue Spain paid approximately €33 million for certain taxes owed for the tax years 2016, 2017 and 2018;

“**Alternative Performance Measures**” or “**APM**” refers to indicators of financial performance, financial debt, or historical or future cash flows that are not defined or specified by applicable financial reporting standards, such as IFRS. APMs are derived from the Group’s Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements, and are presented in compliance with the guidelines issued by ESMA (ESMA/2015/1415) and CONSOB Communication No. 0092543 dated December 3, 2015.

“**Alternative Underwriting Agreement**” refers to an alternative underwriting agreement required, in the event the Underwriting Agreement is terminated, for the subscription by other third parties of the Principal Shareholders pro rata portion of the Rights Issue, which as of the Prospectus Date the Issuer has not negotiated nor entered into;

“**Ancillary Agreements**” refers to the agreements that the SPV may enter into for the purpose of satisfying the securitization requirements provided under the HAPS Law;

“**Appointments and Remuneration Committee**” refers to the Appointments and Remuneration Committee of the Issuer, established pursuant to Articles 4 and 5 of the Corporate Governance Code;

"**Appraisal Condition**" refers to a condition provided under the Gardant SPA, consisting of the issuance by an expert pursuant to Article 2343-ter, para. 2, let. B) of the Italian Civil Code, in connection with the issuance of the Convertible Bonds and the relevant Conversion Shares confirming that the pro-rata of the value of Gardant is at least equal to the amount of the Reserved Capital Increase, to the extent applicable;

"**Arbitral Chamber**" refers to the International Court of Arbitration of the International Chamber of Commerce;

"**Arbitration Award**" refers to the final decision of the Arbitral Chamber issued on May 11, 2023, which stated that Altamira Seller was to reimburse the Reimbursement Amount and confirmed the payment of the Altamira Acquisition Earn-Out;

"**Arrangements in Termination**" refers to the existing arrangements with certain consultants, that, from time to time, the Issuer intends for Gardant to terminate;

"**Arvato Indemnity**" refers to the agreement entered into in the context of the Team 4 acquisition, whereby Bertelsmann shall hold harmless and indemnify Team 4 or doValue Spain (as the case may be) from and against any issues related to the Carveouts of Arvato (as defined in the sale and purchase agreement entered into by Bertelsmann and doValue Spain on December 7, 2023);

"**ASOAM**" refers to ASOAM AB, a company incorporated under the laws of Sweden;

"**ASRE**" refers to Altamira Santander Real Estate, S.A.;

"**Asset Managers**" refers to the Group's staff in charge of specific portfolios or cases;

"**Assumptions**" refers to the Discretionary Assumptions together with the General and Hypothetical Assumptions;

"**Audited Consolidated Financial Statements**" refers to the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the years ended December 31, 2021, 2022 and 2023, prepared in accordance with the IFRS and audited by EY S.p.A. and containing the independent auditors' reports thereon;

"**Aurelia Servicing Agreement**" refers to the servicing agreement entered into by Aurelia SPV, Credito Fondiario and CF Liberty Servicing S.p.A. on June 3, 2021;

"**Aurelia SPV**" refers to Aurelia SPV S.r.l.;

"**Automatic Mandatory Conversion**" refers to the automatic and mandatory conversion of the Convertible Bonds, that shall occur upon the delivery of the Issuer's ordinary Shares, following the occurrence of an automatic mandatory conversion event. At conversion all the Convertible Bonds shall be deemed to be immediately and automatically surrendered and cancelled without need for further action by the holders who shall thereupon automatically cease to be holders thereof and all rights of any such holder as a bondholder of the Issuer shall automatically cease, without prejudice in any case to the right of the holders to be allotted with the pre-emption rights connected with the Rights Issue;

"**Bain**" refers to Bain Capital Credit Member LLC, a private limited company incorporated in the U.S.;

"**Banks**" collectively refers to the New Banks together with the Initial Banks in the context of the 2024 Senior Facilities Agreement;

"**Base Fee**" refers to the fixed component of the Group's remuneration for Servicing activities;

"**BBPM**" or "**Banco BPM**" refers to Banco BPM S.p.A.;

"**Banco di Sardegna**" refers to Banco di Sardegna S.p.A.;

"**Bertelsmann**" refers to Bertelsmann España, S.L.U.;

"**Bilateral Term Facility Agreement**" refers to the €50 million facility agreement entered into on August 6, 2021 (amended and restated from time to time including on November 2, 2021, December 21, 2022, and January 12, 2024) between BBPM (as lender) and Special Gardant (as borrower);

“**Board of Directors**” refers to the Issuer’s board of directors (*Consiglio di Amministrazione*);

“**Board of Statutory Auditors**” refers to the Issuer’s board of statutory auditors (*Collegio Sindacale*);

“**BoI Condition**” refers to a condition provided under the Gardant SPA, consisting of the obtainment of the Bank of Italy’s clearance;

“**BoI Special Indemnity**” refers to the Special Indemnity provided under the Gardant SPA against the amount of the monetary sanction imposed on Master Gardant by the Bank of Italy as a result of its inspection carried out from June 5, 2023 to September 22, 2023 to the extent the amount of such sanction has been actually paid by a material company of the Gardant Group;

“**Bondholders**” refers to the holders of Convertible Bonds;

“**BPER**” refers to BPER Banca S.p.A.;

“**BPER Group**” refers collectively to BPER together with its subsidiaries;

“**Bridge Facility Agreement**” refers to the €61 million facility agreement entered into between BBPM, BPER and UniCredit (as lenders), BBPM (as agent and security agent) and Gardant Bridge S.p.A. (as borrower);

“**BSSA**” refers to the business support services agreement entered into on June 5, 2020 by doValue Greece and Eurobank to replace and supplement agreements for IT hosting and related services;

“**Business Plan**” refers to the Issuer’s “*Unlocking New Frontiers*” business plan approved by the Board of Directors on March 20, 2024, partially updated on August 7, 2024 with reference to certain doValue Standalone Targets for 2024, which sets forth the Group’s strategy and operating, economic and financial objectives for the years ended December 31, 2024, 2025 and 2026;

“**CAI Revolving Facility Agreement**” refers to the revolving facility agreement for an aggregate maximum amount equal to €15 million, entered into by doValue S.p.A, as borrower, and Crédit Agricole Italia S.p.A., as lender, on July 4, 2023;

“**Cairo 1**” refers to the special purpose vehicle Cairo No. 1 Finance Designated Activity Company;

“**Cairo 1 Servicing Agreement**” refers to a servicing agreement entered into by doValue Greece, as servicer, Cairo 1, as issuer, and Citibank, as security trustee, on June 18, 2019;

“**Cairo 2**” refers to the special purpose vehicle Cairo No. 2 Finance Designated Activity Company;

“**Cairo 2 Servicing Agreement**” refers to a servicing agreement entered into by doValue Greece, as servicer, and Citibank, as security trustee, on June 18, 2019;

“**Cairo 3**” refers to the special purpose vehicle Cairo No. 3 Finance Designated Activity Company;

“**Cairo 3 Servicing Agreement**” refers to a servicing agreement entered into by doValue Greece, as post-transfer servicer, Cairo 3, as issuer, Citibank, as security trustee, and Eurobank, as pre-transfer servicer, on June 24, 2019;

“**Cairo Servicing Agreements**” refers collectively to Cairo 1 Servicing Agreement, Cairo 2 Servicing Agreement and Cairo 3 Servicing Agreement;

“**Cairo Trust Notes**” refers to the mezzanine and junior notes whose ownership was transferred by the Issuer to Arepo Fiduciaria S.r.l. pursuant to a trust arrangement dated October 28, 2020 for such notes to be held in trust for the benefit of the Issuer;

“**Carved-Out Assets**” refers collectively to the Ex-perimeter Notes together with the Ex-perimeter Assets;

“**Cash Consideration**” refers to the base cash consideration of €230.0 million (determined on a locked box basis as of December 31, 2023 and subject to post-completion leakage adjustment)

“**CF HH Letter**” refers to the hold harmless that shall be obtained by Credito Fondiario for the benefit of the beneficiary companies of the demerger transactions carried out by Credito Fondiario on August 2021 whereby the assets forming the business unit involved in debt purchasing and servicing including the shareholdings at the time owned by Credito Fondiario (e.g., the shareholding held by the latter in Gardant Liberty Servicing S.p.A.) (the "2021 Demergers"), on terms and conditions satisfactory to the Issuer, in relation to any tax incurred by or imposed on the Group Companies relating to the periods proceeding the date of effectiveness of the 2021 Demergers as a consequence of its joint liability with Credito Fondiario by reason of the 2021 Demerger;

"**CGUs**" refers to the cash generating units;

"**Citibank**" refers to Citibank, N.A., London Branch;

"**Client Base**" refers to the number of single legal entities which have entered into SLAs with the Group;

"**Closing Date**" refers to the day falling 180 days after the date of subscription for and payment of the Remaining Underwritten New Rights Issue Shares;

"**Code of Ethics**" refers to the code of ethics adopted by the Issuer;

"**Co-Investment**" refers to the purchase by the Group of a minority share (usually below 20%) of securities issued by an SPV, collateralized by performing loans and/or NPLs. Such purchases are generally undertaken when management deems Co-Investment to be instrumental in winning exclusive Servicing mandates for portfolios which are being securitized;

"**Collection Fees**" refers to the variable component of the Group's remuneration for Servicing activities;

"**Collection Rate**" refers to the ratio between the last twelve months' gross collections on the end of period GBV of the assets under management;

"**Combined Group**" refers to the Group, together with the Gardant Group;

"**Combined Targets**" refers to the Combined Group's operating, economic and financial targets for 2026;

"**Commitment Letter**" refers to the commitment letter signed by the Issuer and the Initial Banks in connection with the Gardant Group Acquisition on June 7, 2024;

"**Committed Facilities**" collectively refers to the Revolving Facility together with the Term Facilities;

"**Committed Sellers**" collectively refers to Tiber and the Management Sellers;

"**Committed Sellers Restrictions**" refers to the lock-up commitments the Committed Sellers will agree to abide;

"**Committed Sellers Rights Offering Escrow**" refers to the amounts corresponding to the Shareholders Irrevocable Undertakings, to be deposited by the Issuer in a bank account dedicated for the subscription of the Rights, by deducting such amounts from the consideration due at closing of the Gardant Group Acquisition;

"**Committed Sellers Undertaking**" refers to the Committed Sellers' undertaking to subscribe for the New Rights Issus Shares to which they will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code as holders of Convertible Bonds for a maximum amount equal to €27,901,773.04;

"**Consideration**" refers to the Cash Consideration and the Conversion Shares, collectively;

"**Consolidated Net Leverage**" refers to Net Financial Position divided by EBITDA;

"**Consultants Special Indemnity**" refers to the Special Indemnity provided by the Gardant SPA against fees and compensation payable to certain consultants;

"**Conversion Right**" refers to BBPM's right to convert all (but not less than all) of its shares in Gardant Liberty Servicing into Gardant's ordinary shares, by mean of a merger of Gardant Liberty Servicing and of Special Gardant with Gardant or other transactions suitable for this purpose;

"**Conversion Shares**" refers to the equity component, consisting of the issuance of 4,000,000 new shares resulting from the conversion of the 4,000,000 Convertible Bonds, representing a 20% stake in the Issuer;

"**Conversion Shares Transfer**" refers to (a) any acts, agreements or arrangements, with or without consideration (including, without limitation, any sale, exchange, equity contribution, distribution in kind of dividends or equity reserves, granting and/or enforcement of pledges or other security, granting of any beneficial ownership rights, mergers, demergers, preliminary contracts, options, deferred performance contracts, donations, contributions to a trustee) that directly or indirectly (even with reference to transfers upstream to the relevant control chain) result in the voluntary transfer (even temporarily and/or on a fiduciary basis) of, or a commitment to transfer, or a restriction against transfer (even temporarily and/or on a fiduciary basis) the ownership (including bare legal title or ownership to) or any rights attaching to or interest (whether legal or equitable) in, or relating to, any Conversion Shares to any person other than the Issuer or another Seller previously owning such Conversion Shares; (b) any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of the Conversion Shares; (c) any derivative contract or transaction relating to the Conversion Shares that may have any of the consequences indicated in points a) and b);

"**Convertible Bonds**" refers to the Issuer's 4,000,000 registered dematerialized convertible bonds with an aggregate principal amount of €80 million, issued on November 13, 2024, which, at the terms set forth below, are mandatorily convertible into 4,000,000 Conversion Shares;

"**CONSOB Condition**" refers to a condition provided under the Gardant SPA, consisting in the provision by CONSOB of a written response to the request of opinion by the Issuer and the Majority Seller in relation to the non-applicability of any mandatory tender offer obligation under Italian Legislative Decree no. 58/1998 on any of the Issuer's major shareholders and/or the Majority Seller, in which Consob determines that the Majority Seller and/or the Issuer's major shareholders are not required to make a mandatory tender offer;

"**Credito Fondiario**" refers to Credito Fondiario S.p.A.;

"**Data Protection Indemnity**" refers to the agreement entered into in the context of the Team 4 acquisition, whereby Bertelsmann shall hold harmless and indemnify Team 4 or doValue Spain (as the case may be) from and against any losses incurred in respect of certain data protection breaches;

"**Determination Decree**" refers to the decision of the Ministry of Treasure published on a quarterly basis, indicating the TEGM;

"**DIRs**" refers to executives with strategic responsibilities, that includes, in addition to the executive and non-executive directors of the Issuer and its members of the Board of Statutory Auditors, the General Manager Corporate Functions, the Group CFO, the Group General Counsel, the Group Manager NPE and the Real Estate and the Head of Control Functions;

"**Discretionary Assumptions**" refers to the assumptions based on actions within the control of the Directors and management;

"**doNext Remediation Plan**" refers to the remediation plan proposed by do Next to enhance specific areas of its business model, governance and control following the conclusion of the inspection and subsequent sanctions;

"**doTransformation Program**" refers to the Group's strategy aimed at supporting revenue growth and cost control reduction, as set out in the 2022 – 2024 Business Plan;

"**doValue**" or the "**Issuer**" or the "**Borrower**" refers to doValue S.p.A.;

"**doValue Cyprus**" refers to doValue Cyprus Limited (formerly Altamira Asset Management (Cyprus) Limited), a private limited liability company incorporated in Cyprus;

"**doValue Greece**" refers to doValue Greece Loans and Credits Claim Management Société Anonyme, a private limited liability company incorporated in Greece (formerly Eurobank FPS Loans and Credits Claim Management Company S.A.);

"**doValue Greece Acquisition**" refers to the acquisition by the Issuer indirectly of 80% of the share capital of doValue Greece completed on June 5, 2020, pursuant to the doValue Greece Acquisition Agreement;

“**doValue Greece Acquisition Agreement**” refers to the sale and purchase agreement dated December 19, 2019, as amended and restated on June 4, 2020, entered into by and between the Issuer, as guarantor, doValue Greece HoldCo, as purchaser, and Eurobank, as seller, concerning the doValue Greece Acquisition;

“**doValue Greece Acquisition Price**” refers to the €211 million consideration paid by the Issuer (subject to amendments and adjustments) for the doValue Greece Acquisition;

“**doValue Greece HoldCo**” refers to DOVALUE GREECE HOLDING S.M.S.A., a limited liability company (*societé anonyme*) organized under Greek law incorporated as a wholly-owned subsidiary of the Issuer which was subsequently merged into doValue Greece and dissolved;

“**doValue Greece SLA**” refers to the Service Level Agreement dated June 4, 2020 between Eurobank and Eurobank Ergasias Leasing and doValue Greece, as Servicer, for the exclusive management of a portfolio of certain existing NPEs and similar exposures directly or indirectly owned by Eurobank and Eurobank Ergasias Leasing Single Member S.A. and certain future NPEs and similar exposures generated by Eurobank in Greece during the term of such agreement;

“**doValue Group Data Protection Policy**” refers to the data protection policy issued by the Group on January 1, 2021;

“**doValue Portugal**” refers to doValue Portugal, Unipessoal Limitada, a limited liability company incorporated in Portugal (formerly named Altamira Asset Management Portugal, Unipessoal Limitada);

“**doValue Portugal Divestment**” refers to the sale of shares held by doValue Spain Servicing in doValue Portugal to ASOAM AB;

“**doValue Portugal SPA**” refers to the sale and purchase agreement entered into between doValue Spain Servicing and doValue Portugal on July 11, 2024 in the context of the doValue Portugal Divestment;

“**doValue REO**” refers to doValue Greece Real Estate Services Single Member Société Anonyme;

“**doValue Standalone Targets**” refers to information on the Group’s strategy and operating, economic and financial targets for 2024-2026;

“**doValue Spain Proceeds Loan**” refers to the intercompany loan for an original aggregate principal amount of €184.9 million entered between the Issuer (as lender) and doValue Spain (as borrower);

“**Earn-In Events**” refers to certain earn-in events linked to the termination of certain material servicing agreements by the relevant counterparties of the Gardant Group resulting in adjustments of the Cash Consideration;

“**EBITDA**” is calculated as Operating EBITDA adjusted to exclude (i) certain corporate transformation and reorganization costs; (ii) provision for risks and charges; (iii) costs incurred to obtain certain tax benefits by converting Deferred Tax Assets in Tax Credit based on Legislative Decree 59 of May 3, 2016; (iv) certain financial income/expenses considered as operating income/costs as strictly related to the Issuer’s operating activities (e.g., Interest on financial assets and Financial sales commission), (v) other income and expenses and (vi) other revenues representing gains on acquired trade receivables;

“**EBITDA Excluding Non-recurring Items**” or “**EBITDA Ex-NRI**” is calculated as EBITDA adjusted to exclude (i) the increased value of earn-out referred to doValue Greece; (ii) termination of incentive plans; (iii) legal expenses for an ongoing arbitration in Spain; (iv) insurance reimbursements; and (v) related tax effects;

“**EBIT**” refers to Earnings before interest and taxes of the period;

“**EBT**” refers to Earnings before taxes of the period;

“**EBT Excluding Non-Recurring Items**” refers to Earnings excluding Non-Recurring items before taxes of the period (see “EBITDA Excluding Non-Recurring Items” terminology);

“**Efesto Fund**” refers to the closed investment fund relevant for the Efesto Fund Servicing Agreement;

“**Efesto Fund Servicing Agreement**” refers to the servicing agreement entered into by doNext, as special servicer, with Finanziaria Internazionale on October 27, 2020;

“**Ex-perimeter Assets**” refers to collectively to 50% of certain asset-backed securities, held by Gardant and issued by certain Italian securitisation SPVs and 50% of certain units of the Forward Fund;

“**Ex-perimeter Notes**” refers to 100% of certain asset-backed securities, held by Gardant and issued by certain Italian securitisation SPVs;

“**Excluded Warranties**” refers to the warranties not covered by the W&I Insurance Policy in the context of the Gardant Group Acquisition;

“**Elliott**” refers to Elliott Advisors (UK) Limited;

“**Enforcement Action**”, refers to an enforcement action in respect of the Transaction Security, including acceleration and/or demand for payment and certain similar actions, in the context of the Intercreditor Agreement;

“**Entrustment Period”** refers to the period during which BBPM shall entrust Gardant Liberty Servicing with the servicing of a certain amount of NPLs held on its balance sheets under the Framework Servicing Agreement with BBPM;

“**Eurobank**” refers to Eurobank S.A.;

“**Eurobank Credit Facility**” refers to the revolving credit facility, governed by the laws of Greece, with Eurobank as lender;

“**Eurobank Leasing**” refers to Eurobank Leasing Single Member S.A. in the context of the Service Level Agreement with Eurobank;

“**Facilities**” refers to the Revolving Facility together with the Acquisition Term Facility and the Refinancing Term Facility forming the financing package under the 2024 Senior Facilities Agreement;

“**FBS**” refers to FBS next S.p.A.;

“**FBS Investment Agreement**” refers to the investment agreement entered into by Special Gardant and FBS, Gardant Bridge and Special Gardant, whereby the parties agreed on the minority investment by FBS in Gardant Bridge and the entrustment of FBS with sub-servicing mandates by Gardant Bridge Servicing;

“**FDI Condition**” refers to a condition provided under the Gardant SPA, whereby foreign direct investments or golden power clearance shall be obtained;

“**FIG BUYER GP**” collectively refers to AVIO S.à r.l., Principal Holdings I LP, Adige Investments S.à r.l., FIG LLC and Fortress Operating Entity I LP;

“**Finanziaria Internazionale**” refers to Finanziaria Internazionale Investments SGR S.p.A.;

“**Fino 1**” refers to Fino 1 Securitisation S.r.l;

“**Fino 1 Master Servicing Agreement**” refers to a master servicing agreement entered into by the Issuer with Fino 1, on July 30, 2017, as amended on November 22, 2017;

“**Fino 1 Servicing Agreements**” refers to the Fino 1 Master Servicing Agreement together with the Fino 1 Special Servicing Agreement;

“**Fino 1 Special Servicing Agreement**” refers to a special servicing agreement entered into by the Issuer with Fino 1, on July 30, 2017, as amended on November 22, 2017;

“**Fino 2 Servicing Agreements**” refers to the special servicing agreement together with the master servicing agreement entered into by the Issuer with Fino 2 Securitisation S.r.l. on July 30, 2017, as amended on November 22, 2017;

“**First A&R Gardant SPA**” refers to the Original Gardant SPA as amended and restated on May 10, 2024, by the Issuer and the Committed Sellers, to which the Issuer, the Committed Sellers and the Other Minority Shareholders entered on the same date;

“**Forward Fund**” refers to a closed-end reserved alternative investment fund named “Fondo Forward” managed by Gardant Investor;

“**Framework Servicing Agreement with BBPM**” refers to the framework servicing agreement between Gardant Liberty Servicing and BBPM for the servicing of NPLs, entered into in the context of the strategic partnership between the Gardant Group and BBPM;

“**Framework Servicing Agreements with BPER and Banco di Sardegna**” collectively refers to the NPL Framework Servicing Agreement and the UtP Framework Servicing Agreement;

“**Frontier**” refers to Frontier Issuer Designated Activity Company;

“**Frontier Long Term Servicing Agreement**” refers to a servicing agreement entered into by doValue Greece, as servicer, Frontier, as issuer, and HSBC, as trustee, on December 17, 2021;

“**FSA Banks**” refers to BPER and Banco di Sardegna in the context of the Framework Servicing Agreements with BPER and Banco di Sardegna;

“**Gardant**” refers to Gardant S.p.A.;

“**Gardant Bridge**” refers to Gardant Bridge S.p.A.;

“**Gardant Bridge Servicing**” refers to Gardant Bridge Servicing S.p.A.;

“**Gardant Group**” refers to Gardant S.p.A. and its consolidated subsidiaries;

“**Gardant Group Acquisition**” refers to the acquisition by the Issuer of 100% of the share capital of Gardant S.p.A. pursuant to the Gardant SPA;

“**Gardant Group Acquisition Completion**” refers to the closing date of the Gardant Group Acquisition that shall occur after the approval of this Prospectus but before the commencement of the Offer Period;

“**Gardant Group Acquisition Documents**” collectively refers to the press release to announce the Gardant Group Acquisition issued by the Group on June 7, 2024 and a document containing the related key highlights, including among others the Combined Targets and the Gardant Group Targets;

“**Gardant Group Audited Consolidated Financial Statements**” refers to the audited consolidated financial statements of the Gardant Group as of and for the years ended December 31, 2022 and December 31, 2023, prepared in accordance with IFRS, audited by KPMG S.p.A. and containing the independent auditors’ reports thereon;

“**Gardant Group Company**” refers to each company of the Gardant Group;

“**Gardant Group Targets**” refers to the Gardant Group’s operating, economic and financial targets for 2024;

“**Gardant Group Unaudited Interim Condensed Consolidated Financial Statements**“ refers to the unaudited interim condensed consolidated financial statements of the Gardant Group as of and for the nine-month periods ended September 30, 2023 and September 30, 2024, prepared in accordance with IAS 34, reviewed by KPMG S.p.A. and containing the independent auditors’ review reports thereon;

“**Gardant Investor SGR**” refers to Gardant Investor SGR S.p.A;

“**Gardant Liberty Servicing**” refers to Gardant Liberty Servicing S.p.A.;

“**Gardant SPA**” refers to the sale and purchase agreement dated June 7, 2024, entered into by and between the Issuer, as purchaser, and the Sellers;

“**GB Class A Shares**” refers to the 1,137,200 class A Shares issued by Gardant Bridge and underwritten by Special Gardant;

“**GB Class B Shares**” refers to the new 50,800 class B Shares issued by Gardant Bridge and underwritten by FBS;

“**GBS Purchase Price**” refers to the purchase price paid by Gardant Bridge for the acquisition of 70% of Gardant Bridge Servicing from BPER;

“**GBS SHA**” refers to the shareholders’ agreement entered into by BPER, Gardant Bridge and Special Gardant governing the rules of corporate governance of Gardant Bridge Servicing and the transfer of shares by its shareholders;

“**GBV**” or “**Gross Book Value**” refers to the book value of the loans under management at the end of the reference period, gross of any potential write-downs due to expected loan losses;

“**GBV Condition**” refers to a condition provided under the Gardant SPA whereby, (i) no notice of termination shall be notified or event of termination shall occur in connection with certain servicing agreements of the Gardant Group; or (ii) the circumstance where the preliminary adjusted GBV of the Gardant Group shall not be lower than the reference GBV by an amount equal or higher than the maximum difference threshold between the reference GBV and the adjusted GBV, set at €6,500,000,000.00 (six billion five hundred million /00);

“**General and Hypothetical Assumptions**” collectively refers to general and hypothetical assumptions that are subject to risk and uncertainties regarding, inter alia, the current macroeconomic environment, the regulatory developments, future events and actions by the Directors and management that may not necessarily occur, and events and actions upon which the Directors and management have no or only partial influence, the performance of the main line items of the balance sheet and income statement of the Issuer, of Gardant and of the Combined Group, and other factors that influence their development;

“**GLS SHA**” refers to the shareholders’ agreement entered into, on 31 May 2019, by, among others, BBPM and Tiber governing the rules of corporate governance of Gardant Liberty Servicing and the transfer of its shares by its shareolders, as amended and supplemented from time to time;

“**GLS SHA Change of Control Clause**” refers to the change of control clause in the GLS SHA whereby, if Elliott or any of its affiliates intends to transfer to a potential third-party purchaser an equity interest in Special Gardant or an equity interest in Gardant, as a result of which either Special Gardant or Gardant would cease to be controlled by Elliott, BBPM shall have the right (but not the obligation) to request Special Gardant or Gardant, which shall be obliged, to cause the potential third-party purchaser to purchase, directly or indirectly, 100% of the shares owned by BBPM in Gardant Liberty Servicing for a consideration equal to their fair market value;

“**Gross Revenues**” is calculated based on the following line items of the Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements: (i) Total Revenues, (ii) minus Recovery of expenses and other minor items included in Other Revenues, (iii) plus Income from financial assets measured at fair value through P&L included in Financial (expense)/income and (iv) plus other income related to revenues included in Other operating (expense)/income;

“**Group**” refers to the Issuer and its subsidiaries;

“**Half Year Press Release**” refers to the press release issued by the Group to announce the approval of the half year report as of June 30, 2024

“**HSBC**” refers to HSBC Bank PLC;

“**Incremental Cash Consideration**” refers to certain increases of the Net Cash Consideration equal to €39,364 per each day of delay if the Gardant Group Acquisition Completion does not occur by October 31, 2024 and estimated to be approximately €0.9 million;

“**Incremental Term Facility**” refers to the incremental term facility for a maximum amount of €14 million which may be established by the Issuer for the purpose of partially repaying the 2026 Notes, pursuant to the 2024 Senior Facilities Agreement;

“**Initial Bank**” refers to each of the Initial Banks;

"**Initial Banks**" refers to the syndicate of financial institutions which signed the Commitment Letter;

"**Inspection**" refers to the general inspection carried out by Banca d'Italia at the premises of Master Gardant from June 5, 2023, to September 22, 2023;

"**Intercreditor Agreement**" refers to the intercreditor agreement entered into on June 3, 2020, by, *inter alios*, the Issuer and the Security Agent (as may be further amended, amended and restated, or supplemented from time to time) in the context of the 2024 Senior Facilities Agreement;

"**Internal Dealing Procedure**" refers to the procedure for the management of disclosure obligations deriving from the internal dealing regulations pursuant to Article 19 of the MAR Regulation and Article 152-*quinquies*. et seq. of the Issuers' Regulation;

"**Issuer's By-Laws**" refers to the by-laws adopted by the Issuer as in effect on the Prospectus Date;

"**Issuers' Regulation**" refers to CONSOB Regulation No. 11971 of May 14, 1999, as amended;

"**Italfondiario**" or "**doNext**" refers to Italfondiario S.p.A. (now doNext S.p.A.), a joint stock company (*società per azioni*) incorporated in Italy;

"**Joint Global Coordinators**" refer to Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit Bank GmbH, Milan Branch, Banca Akros S.p.A. – Gruppo Banco BPM and Intesa Sanpaolo S.p.A.;

"**Kedipes**" refers to Kedipes Asset Management, a private limited liability cooperative bank incorporated in Cyprus;

"**Kedipes Servicing Agreement**" refers to the servicing agreement entered into by doValue Cyprus and Kedipes on December 30, 2017, as amended on January 23, 2018;

"**Kedipes Servicing Agreements**" refers to the Reverse Kedipes Servicing Agreement together with the Kedipes Servicing Agreement;

"**Key Resources**" refers to (i) the Group Chief Executive Officer, the (ii) DIRs and (iii) certain key resources including the Chief Executive Officer doValue Greece, the Chief Executive Officer doValue Spain, the Chief Executive Officer doValue Cyprus;

"**Labour Disputes Special Indemnity**" refers to the Special Indemnity undertaken in connection with certain labour disputes;

"**Large Loans**" refers to loans with a GBV in excess of €500 thousand;

"**Leviticus Securitization**" refers to the securitization transaction carried out by Leviticus SPV under the Italian Securitization Law;

"**Leviticus Servicing Agreement**" refers to the servicing agreement entered into by Leviticus SPV and Credito Fondiario on February 4, 2019;

"**Leviticus SPV**" refers to Leviticus SPV S.r.l.;

"**Leviticus Sub-Servicing Agreement**" refers to the sub-servicing agreement entered into by Leviticus SPV, Credito Fondiario and First Servicing S.p.A. on May 31, 2019 in the context of the Leviticus Securitization;

"**M&A Bonuses**" refers to any transaction bonus paid by the Issuer to certain senior managers in connection with the Gardant Group Acquisition Completion;

"**Management Sellers**" refers to Harvip S.r.l., Mirko Gianluca Briozzo and Guido Giulio Fortunato Lombardo;

"**Manager Charged**" refers to the Issuer's manager charged with preparing the Issuer's financial reports;

"**Mandated Lead Arrangers**" refers to Mediobanca - Banca di Credito Finanziario S.p.A. and UniCredit as bookrunners and global coordinators, Alpha Bank S.A., acting through its Luxembourg Branch, Attica Bank S.A., Banca Monte dei Paschi di Siena S.p.A., Banco BPM, BdM Banca S.p.A., BPER Banca S.p.A., Citibank N.A., London, Eurobank, Intesa Sanpaolo S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Mediocredito Centrale - Banca del Mezzogiorno S.p.A., Piraeus Bank S.A., acting through its Frankfurt Branch and UniCredit in the context of the 2024 Senior Facilities Agreement;

"**Margin**" refers to the interest on the Term Facilities calculated based on a variable rate equal to the Euribor plus a variable margin depending on the Group's financial leverage;

"**MAR Procedure**" refers to the procedure for the handling of inside information and for the creation and maintenance of the register of the people who have access to inside information aimed at regulating the management and handling of inside information by the Issuer and its subsidiaries, as well as the creation and maintenance by the Issuer of the register of the people who, based on their work or professional activities or functions carried out, have access to inside information;

"**Master Gardant**" refers to Master Gardant S.p.A.;

"**Master Gardant Remediation Plan**" refers to the responses submitted and the 36 remedial actions defined by Master Gardant following the Bank of Italy's findings;

"**Master Legal**" refers to the Group's ancillary service focused primarily on legal support services connected with in-court recovery processes;

"**Maturity Date**" refers to the maturity date of the Convertible Bonds corresponding to April 26, 2025;

"**Maximum Subscription Price**" refers to the maximum price per New Rights Issue Share that can be subscribed to by Shareholders and Bondholders in the context of the Offer, equal to €4.36;

"**Medium Loans**" refers to loans with a GBV in between €50 thousand and €500 thousand;

"**Merger Control Condition**" refers to a condition provided under the Gardant SPA, whereby the merger control clearance shall be obtained, to the extent applicable;

"**Net Cash Consideration**" refers to the Cash Consideration, reduced by an agreed amount of €50.4 million, representing the net financial position of Gardant, resulting in a net amount of €179.6 million;

"**Net Financial Indebtedness**" refers to the current financial indebtedness and non-current financial indebtedness net of liquidity and current financial assets.

"**Net Financial Position**" refers to the sum of cash, cash equivalents and highly-liquid securities, net of amounts due to banks and bonds issued.

"**New Banks**" refers to the additional Banks adhering to the Commitment Letter;

"New Rights Issue Shares" refers to the new ordinary shares with no par value, offered by the Issuer, pursuant to the Rights granted to the Shareholders and the Bondholders under Article 2441, paragraphs 1, 2 and 3, of the Italian Civil Code;

"**New Shares**" refers collectively to the New Rights Issue Shares and the Conversion Shares;

"**Non-Compete and Exclusivity Agreement**" refers to the non-compete and exclusivity agreement to be entered into by the Issuer and Tiber on the Gardant Acquisition Completion pursuant to the Gardant SPA;

"**Non-Qualified Shareholding**" refers to a shareholding in a company listed on a regulated market other than a Qualified Shareholding;

"**Notes**" refers to the 2025 Notes and the 2026 Notes, collectively;

"**Notified Leakages**" refers to certain customary adjustments related to the occurrence of any leakage notified to the Issuer by the Sellers at least five business days prior to the Gardant Group Acquisition Completion;

"**NPE Servicing**" refers to the recovery of outstanding amounts of NPEs owned by the Group's Clients by the Group's NPL and UTP Servicing business unit;

"**NPL Entrustment Period**" refers to the period ending December 31, 2033 during which the FSA Banks shall entrust Gardant Bridge with the servicing of NPLs representing at least 90.0% of NPLs classified as "*sofferenze*" held on the respective balance sheet during the each NPL Reference Period, under the NPL Framework Servicing Agreement;

“**NPL Framework Servicing Agreement**” refers to the framework servicing agreement entered into by Gardant Bridge Servicing with BPER and Banco di Sardegna for the servicing of NPLs as part of Gardant Bridge Servicing’s strategic partnership with BPER;

“**NPL Reference Period**” refers to each semester of the NPL Entrustment Period;

“**NPL Servicing**” refers to the management of NPL, owned by the Group’s clients, for the purpose of recovering outstanding amounts owed via judicial or extra-judicial processes;

“**NPL Shortfall**” refers to an event, where the FSA Banks fail to meet the minimum threshold of NPLs to be entrusted to Gardant Bridge Servicing under the NPL Framework Servicing Agreement;

“**Offer**” or “**Offering**” or “**Rights Issue**” refers to the issue and offering of the New Shares hereby and the use of proceeds therefrom;

“**Offer Period**” refers to the days on which the Rights may be exercised, which runs from November 25, 2024 until December 12, 2024;

“**Operating EBITDA**” is calculated as net profit (loss) for the period excluding: (i) income tax expense; (ii) profit (loss) of equity investments; (iii) finance (expense)/income; and (iv) depreciation, amortization and impairment;

“**Original Gardant SPA**” refers to the sale and purchase agreement entered into by the Committed Sellers and the Issuer on April 26, 2024 to acquire 100% of the share capital of Gardant along with its subsidiaries;

“**Original Lenders**” refers to the financial institutions listed under the 2024 Senior Facilities Agreement as original lenders;

“**Originator Parties**” refers to Eurobank Leasing together with Eurobank in the context of the Service Level Agreement with Eurobank;

“**Other Minority Shareholders**” refers to other minority shareholders of Gardant that entered into the First A&R Gardant SPA;

“**Overdraft Facility**” refers to the €15 million overdraft facility between the Issuer, as borrower, and Santander, as mandated lead arranger and lender, on May 16, 2024;

“**Overdraft Facility Agreement**” refers to the agreement governing the Overdraft Facility;

“**Performance Shares**” refers to the Issuer’s shares which the beneficiaries of the 2024-2026 LTI Plan Final Cycle will be granted the right to receive, subject to the achievement of specific performance targets and taking into consideration their position within the Group;

“**Post-Gardant Group Acquisition By-laws**” refers to the by-laws that will be adopted by the Issuer, following the Gardant Group Acquisition Completion;

“**Potential Interests**” refer to derivative financial instruments or any other financial instrument or contract that, pursuant to a binding agreement, attributes the right to acquire, at the holder’s initiative, ordinary shares of a listed company;

“**Preliminary Industrial Plan 2024-2026**” refers to the business plan approved for Iberia region by the Board of Directors on January 12, 2024, and then included in the Business Plan;

“**Pre-Underwriting Agreement**” refers to the pre-underwriting agreement entered into by the Issuer and the Joint Global Coordinators in connection with the Rights Issue;

“**Price per Share**” refers to the price per share in the context of the 2023 Cash Awards Special Indemnity;

“**Principal Shareholders**” collectively refers to AVIO S.à r.l., Principal Holdings I LP, Adige Investments S.à r.l., FIG LLC, Fortress Operating Entity I LP, and Sankaty European Investments S.à r.l.;

“**Principal Shareholders Rights Offering Escrow**” refers to the deposit by the Principal Shareholders (or any affiliate to whom they have transferred their shareholding before the commencement of the Offer) of their respective Euro amounts corresponding to their Shareholders Irrevocable Undertaking to be applied for the subscription of the New Rights Issue Shares into escrow;

“**Principal Shareholders Restrictions**” refers to the lock-up commitments by which the Principal Shareholders shall abide in the context of the Offer;

“**Principal Shareholders Undertaking**” refers to the undertaking of the Principal Shareholders to subscribe for the New Rights Issue Shares to which they will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code as Shareholders for a maximum amount equal to €51,651,232.03;

“**Prisma**” refers to Prisma SPV S.r.l.;

“**Prisma Master Servicing Agreement**” refers to a master servicing agreement between doNext, as master servicer, and Prisma, entered into on October 11, 2019;

“**Prisma Servicing Agreements**” refers to the Prisma Special Servicing Agreement together with the Prisma Master Servicing Agreement;

“**Prisma Special Servicing Agreement**” refers to a special servicing agreement between doNext, as master servicer, Prisma and doValue, as special servicer, entered into on October 11, 2019;

“**Prospectus**” refers to this prospectus that has been prepared exclusively in connection with (i) the offering by doValue S.p.A. of new ordinary shares, with no par value, pursuant to transferable pre-emptive subscription rights granted to existing holders of its ordinary shares and holders of Convertible Bonds under Article 2441, paragraphs 1, 2 and 3, of the Italian Civil Code, and (ii) the admission to trading of the New Rights Issue Shares and 4,000,000 new shares resulting from the conversion of 4,000,000 convertible bonds on the STAR segment of Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A.;

“**Prospectus Date**” refers to the date on which the Prospectus has been approved by CONSOB;

“**Qualified Depository**” refers to any authorized resident or non-resident depository of the New Shares that is a member of the centralized deposit system managed by Monte Titoli S.p.A., as well as members of foreign centralized deposit systems that participate in the Monte Titoli S.p.A system;

“**Qualified Shareholding**” refers to a shareholding held in a company listed on a regulated market, inclusive of any shares (except for savings shares), such as the New Shares, rights or securities through which the shares may be acquired, representing, in the aggregate, more than 2% of voting rights in an ordinary shareholders’ meeting, or 5% of the company’s share capital;

“**REAM**” refers to the Real Estate Asset Management Gardant Group’s function;

“**Reference Portfolio**” refers to a reference portfolio consisting of all existing (as of June 1, 2020) and future NPE, forborne NPE, including certain performing forborne and certain cured performing forborne exposures and distressed positions owned by Eurobank or other members of the Eurobank group and which are originated in Greece, including all existing and future non-performing financial leasing loans owned by Eurobank Leasing, which is be comprehensively serviced and managed by doValue Greece;

“**Refinancing Term Facility**” refers to the credit term facility of €206 million to be made available to the Issuer to refinance a portion of €110.0 million of the financial indebtedness under the 2025 Notes (including, without limitation, by way of a tender offer) together with the proceeds of the Rights Issue, and (ii) refinance a portion of €96.0 million of the financial indebtedness under the 2026 Notes (including, without limitation, by way of a tender offer) and, in each case, paying related fees, premia, costs, taxes and expenses;

“**Reimbursement Amount**” refers to the amount of approximately €28 million, plus interest, that the Altamira Seller was ordered to reimburse in relation to the Altamira Tax Claim to doValue Spain by the Arbitral Chamber;

“**Relevant Period**” refers to the period of twelve months ending on or about the last day of the financial year and each period of twelve months ending on or about the last day of each financial semester;

“**Remaining Underwritten New Rights Issue Shares**” refers to any New Rights Issue Shares not subscribed for by the end of the Offer;

“**Remuneration Policy**” refers to the report on the 2024 remuneration policy and remuneration paid in 2023 outlining the remuneration and severance indemnity policy which was adopted by the ordinary Shareholders’ Meeting of the Issuer on April 26, 2024;

“**Reserved Capital Increase**” refers to the reserved capital increase approved on November 6, 2024 by the Issuer to serve the conversion of the Convertible Bonds issued on November 13, 2024;

“**Reverse Stock Split**” refers to the reverse stock split approved by the Extraordinary Shareholders’ Meeting of the Issuer on September 11, 2024 and completed by the Issuer on September 17, 2024 based on the ratio of 1 (one) new ordinary share for every 5 existing ordinary shares at the time of the Reverse Stock Split;

“**Reverse Kedipes Servicing Agreement**” refers to the reverse servicing agreement entered into by the Issuer and CCB on January 23, 2018;

“**Revolving Facility**” refers to a revolving credit facility of €80.0 million to be made available to the Issuer to finance and/or refinance the general corporate and/or working capital purposes of the Group including, without limitation, the funding or refinancing of capital expenditure, restructuring costs, acquisitions, investments, joint ventures, operational and reorganisation requirements of the Group, and the refinancing of financial indebtedness of the Group (including drawing the proceeds thereof onto balance sheet to finance such items in future and/or refinance previous expenditure on such items);

“**Revolving Facility Upfront Fee**” refers to an upfront fee provided under the Revolving Facility equal to 2% of the total amount;

“**Rights**” refers to the transferrable pre-emptive subscription rights granted to the Shareholders and the Bondholders under Article 2441, paragraphs 1, 2 and 3, of the Italian Civil Code in the context of the Offer;

“**Rights Offering Escrows**” refers to the Committed Sellers Rights Offering Escrow together with the Principal Shareholders Rights Offering Escrow;

“**Rights Auction**” refers to the offering by the Issuer of Rights that were neither sold on the STAR segment of the Euronext Milan nor exercised within the Offer Period for a period of at least two trading days in the rights auction on Euronext Milan pursuant to Article 2441, paragraph 3, of the Italian Civil Code, unless the Rights have already been sold in full;

“**Risks, Related Party Transactions and Sustainability Committee**” refers to the risks, related party transactions and sustainability committee of the Issuer, established pursuant to Articles 1 and 6 of the Corporate Governance Code and to the Related Party Regulation (*Regolamento Parti Correlate*) adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021;

“**RPT Procedure**” refers to the Issuer’s related party procedure in accordance with the Related Party Regulation adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021;

“**Sale of a Non-Qualified Shareholding**” refers to any sale of shares (except for savings shares), such as the New Shares, rights or securities through which the shares may be acquired, other than a Sale of a Qualified Shareholding;

“**Sale of a Qualified Shareholding**” refers to any sale of shares (except for savings shares), such as the New Shares, rights or securities through which the shares may be acquired, exceeding the limits of a Qualified Shareholding in any 12-month period. The 12-month period begins at the time when a shareholding exceeds the applicable limit of a Qualified Shareholding. With respect to the rights and securities through which the shares may be acquired, the percentages of voting rights and share capital potentially deriving from such shares are taken into account;

“**Sankaty**” refers to Sankaty European Investments S.à r.l.;

"**Santander**" refers to Banco Santander S.A., a private limited liability bank incorporated in Spain;

"**Santander Parties**" refers to Santander Consumer Finance, S.A., Santander Lease, S.A., EFC, Santander de Titulización, S.G.F.T., S.A., Luri 6, S.A.U., Dirgenfin, S.L. and Landcompany 2020, S.L., together with Santander and ASRE;

"**Santander Servicing Agreement**" refers to the servicing agreement entered into by Altamira (now doValue Spain) with Santander and ASRE on December 20, 2013, as subsequently amended and supplemented;

"**Sareb**" refers to Sociedad de Gestión de Activos procedentes de la Reestructuración Bancaria, S.A., a government-owned company incorporated in Spain;

"**Sareb Agreement**" refers to the servicing agreement entered into by and between doValue Spain and Sareb on December 23, 2014 and expired on June 30, 2022;

"**Second A&R Gardant SPA**" refers to the second amended and restated sale and purchase agreement, entered into by the Issuer and the Sellers on June 7, 2024, which amends the First A&R Gardant SPA;

"**Security Agent**" refers to UniCredit in the context of 2024 Senior Facilities Agreement;

"**Sellers**" refers to the Other Minority Shareholders together with the Committed Sellers;

"**Sellers' Conversion Shares Transfer Restrictions**" refers to the lock-up commitments with respect to the Conversion Shares to which the Sellers will agree to abide;

"**Sellers' Warranties**" refers to the customary title, capacity and solvency representations and warranties provided by the Seller to the Issuer;

"**Senior Management Team**" refers to the senior management team of the Issuer;

"**Senior Securities**" refers to the senior tranche of the asset-backed securities;

"**Service Level Agreement**" or "**SLA**" refers to a framework agreement entered into with the Group's clients containing the terms and conditions applicable to a servicing mandate, which may cover the management of portfolios of existing NPEs or similar exposures and/or REOs, and/or future exposures and/or REOs generated by the Group's clients during the term of the relevant agreement;

"**Servicing**" refers to NPL Servicing, Real Estate Servicing, UTP Servicing and Early Arrears and Performing Loans Servicing;

"**Shareholder Credits**" refers to the receivables arising from voluntary supplementary payments held by doValue Servicing Spain;

"Shareholder Irrevocable Undertaking" refers to each of the Shareholders Irrevocable Undertakings;

"**Shareholders**" refers to the holders of ordinary shares in doValue S.p.A.;

"**Shareholders Irrevocable Undertakings**" collectively refers to (i) the undertaking agreed upon by the Principal Shareholders and the Committed Sellers on the terms set forth into their respective commitment documents to subscribe for the New Rights Issue Shares, which they will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code as Shareholders or holders of Convertible Bonds for a maximum aggregate amount equal to €79,553,005.07, together with (ii) the undertaking agreed upon by Tiber on the terms set forth into the Gardant SPA to subscribe for the New Rights Issue Shares, to which certain minority shareholders of Gardant will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code and not subscribed by them, for a maximum amount equal to €2,955,186.44;

"**Shares**" refers to the Issuer's shares and the New Shares;

"**Small Loans**" refers to loans with a GBV lower than €50 thousand;

"**Southern Europe**" refers to Italy, Greece, Cyprus and Spain;

"**Special Indemnities**" refers to the undertakings provided in the Gardant SPA whereby, each Seller severally (and not jointly or severally or jointly), undertook to indemnify and hold harmless the Issuer from and against the entire amounts in connection with certain events;

"**Subscription Price**" refers to the price per New Rights Issue Share that can be subscribed to by Shareholders and Bondholders in the context of the Offer, which will not exceed the Maximum Subscription Price;

"**Special Gardant**" refers to Special Gardant S.p.A.;

"**Special Servicer Underperformance Termination Event**" refers to the special servicer underperformance event in the context of the Aurelia Servicing Agreement, where (a) the cumulative collection ratio (as defined in the Aurelia Servicing Agreement) is lower than 85% for 2 consecutive semi-annual payment dates (as defined in the Aurelia Servicing Agreement); or (b) the net present value cumulative profitability ratio (as defined in the Aurelia Servicing Agreement) is lower than 80% for 2 consecutive semi-annual payment dates;

"**Specific Indemnity**", in the context of the doValue Portugal Divestment, refers to the agreement whereby doValue Spain Servicing shall indemnify ASOAM and doValue Portugal from and against any losses incurred in respect of any third-party claim arising from using incorrect EURIBOR data;

"**Supervisory Body**" refers to the supervisory body as indicated in Article 6, paragraph 1, letter b) of Legislative Decree 231/2001 of the Issuer;

"**Sustainability Plan**" refers to the first sustainability plan approved by the Group for the years 2021 to 2023;

"**Targets**" collectively refers to the Combined Targets, the doValue Standalone Targets and the Gardant Group Targets;

"**Tag Along Rights**" refers to the tag-along rights in favour of BBPM in respect of the shares held by BBPM in Gardant Liberty Servicing in case (i) Special Gardant intends to transfer, in whole or in part, its shareholding in Gardant Liberty Servicing to a potential third-party purchaser and/or (ii) Elliott or any of its affiliates intends to transfer to a potential third-party purchaser an equity interest in Special Gardant or an equity interest in Gardant, as a result of which either Special Gardant or Gardant would cease to be controlled by Elliott;

"**Tax Indemnity**" refers to the indemnity undertaken by the Majority Seller to indemnify the Issuer and/or any of the Gardant Group Companies (at the Issuer's sole discretion) against certain tax losses;

"**Team 4 Tax Indemnity**" refers to the agreement entered into in the context of the Team 4 acquisition, whereby Bertelsmann shall hold harmless and indemnify Team 4 or doValue Spain (as the case may be) from and against any losses incurred in respect of certain tax liabilities;

"**Team 4**" refers to Team 4 Collection and Consulting S.L.U.;

"**Team 4 Labour Indemnity**" refers to the commitment undertaken by Bertelsmann in the context of the Team 4 Acquisition to hold harmless and indemnify Team 4 or doValue Spain (as the case may be) from and against any losses incurred in respect of certain labour disputes;

"**Team 4 Specific Indemnities**" collectively refers to the Team 4 Tax Indemnity, the Team 4 Labour Indemnity, the Data Protection Indemnity and the Arvato Indemnity in the context of the Team 4 acquisition;

"**Term Facilities**" refers to the Acquisition Term Facility and the Refinancing Term Facility;

"**Term Facilities Upfront Fee**" refers to the upfront fee provided under the Term Facilities equal to 2% of the total amount;

"**Tiber**" or "**Majority Seller**" refers to Tiber Investments S.à r.l.;

"**Tiber Underwriting Obligation**" refers to Tiber's undertaking to subscribe for the New Rights Issue Shares to which certain minority shareholders of Gardant will be entitled to receive on a pre-emptive basis pursuant to Article 2441, paragraph 1, of the Italian Civil Code and not subscribed by them, for a maximum amount equal to €2,955,186.44, provided that the Other Minority Shareholders have not subscribed for their pro rata portion of the shares and the shares have not otherwise been underwritten or placed on the market, and that such subscription does not require Tiber to launch a mandatory tender offer for the share capital of the Issuer;

"**Total Net Cash Consideration**" refers to the Net Cash Consideration plus (a) the Incremental Cash Consideration as of the Prospectus Date (as defined below) estimated to be approximately € 0.9 million, minus (b) the M&A Bonuses as of the Prospectus Date (as defined below) in connection with the Gardant Group Acquisition (as defined below) estimated to be approximately € 2.5 million, plus (c) Seller's relevant proportion of pre-completion notes adjustment as of the Prospectus Date estimated to be approximately €7.2 million (of which €6.8 million relates to the Ex-perimeter Notes and €0.4 million relates to the Ex-perimeter Assets), minus (d) notified leakages and/or deductible costs as of the Prospectus Date estimated to be approximately € 2.3 million, minus (e) Seller's relevant proportion of the W&I policy costs as of the Prospectus Date estimated to be approximately €2.0 million;

"**Trade Sale**" refers to BBPM's right to cause the sale of 100% of the share capital of Gardant Liberty Servicing under the GLS SHA;

"**Transactions**" collectively refers to the following transactions: (i) the acquisition of 100% of the share capital of Gardant, for a cash consideration, a variable consideration, plus the issuance of new shares to the Sellers, (ii) the financing package agreed in connection with the Gardant Group Acquisition, which is aimed at, amongst others, financing the purchase price of the acquisition and refinancing certain existing indebtedness of Gardant and refinancing the 2025 Notes and (iii) the Rights Issue;

"**Transaction Security**" refers to the security securing the liabilities under the 2024 Senior Facilities Agreement, the 2025 Notes and the 2026 Notes as described in paragraph "Guarantees and Security" under each of the sections "2025 Notes" and "2026 Notes";

"**Treaty**" refers to the Convention Between the Government of the United States of America and the Government of the Italian Republic for the Avoidance of Double Taxation with Respect to Taxes on Income and the Prevention of Fraud or Fiscal Evasion;

"**Trigger Event**" refers to the public announcement by the Issuer that it will not complete the Gardant Group Acquisition before the Maturity Date;

"**Trigger Event Notice**" refers to the notice which the Issuer shall provide to the Noteholders upon the occurrence of the Trigger Event no later than the third business day after the Trigger Event;

"**Trigger Event Redemption Date**" refers to the redemption date to be specified by the Trigger Event Notice;

"Unaudited Interim Condensed Consolidated Financial Statements" refers to the unaudited interim condensed consolidated financial statements of the Issuer and its subsidiaries as of and for the nine months ended September 30, 2023 and 2024, prepared in accordance with the IAS 34 and reviewed by EY S.p.A. and containing the independent auditors' review reports thereon;

"**Non-IFRS Reclassified Consolidated Income Statement**" refers to certain income statement data prepared by management for illustrative purposes;

"**Unaudited Pro Forma Consolidated Financial Information**" refers to the unaudited *pro forma* consolidated financial information of the Issuer and its subsidiaries as of and for the year ended December 31, 2023 and as of and for the nine months ended September 30, 2024, and containing the independent auditors' ISRE 3420 reports thereon;

"**Underwriting Agreement**" refers to the underwriting agreement governed by Italian law to be entered into, upon certain conditions and by the commencement of the Offer, by the Issuer and the Joint Global Coordinators pursuant to the Pre-Underwriting Agreement;

"**UniCredit**" refers to UniCredit S.p.A.;

"**UniCredit Loans under Management**" refers to certain existing NPLs of the UniCredit Parties as well as future flows of NPLs with a GBV not exceeding €2 billion, which doValue shall service and manage under the UniCredit Master Servicing Agreement;

"**UniCredit Master Servicing Agreement**" refers to the Master Servicing agreement between the Issuer and the UniCredit Parties, as subsequently amended and supplemented;

“**UniCredit Parties**” collectively refers to UniCredit Bank GmbH, Milan branch together with UniCredit;

“**UniCredit Servicing Agreements**” refers to the UniCredit Master Servicing Agreement, together with the service level agreement annexed thereto;

“**UtP Entrustment Period**” refers to the period ending December 31, 2033 during which the FSA Banks shall entrust Gardant Bridge Servicing with the servicing of UtPs representing at least 50.0% of the UtPs held on the respective balance sheets, during each UtP Reference Period;

“**UtP Framework Servicing Agreement**” refers to the framework servicing agreement entered into by Gardant Bridge Servicing with BPER and Banco di Sardegna for the servicing of UtPs as part of Gardant Bridge Servicing’s strategic partnership with BPER;

“**UtP Reference Period**” refers to each semester of the UtP Entrustment Period;

“**UTP Servicing**” refers to activities primarily focused on the support of companies requiring a business turnaround, sources of short-term liquidity or, an active credit restructuring process acting on behalf of one or more lending banks or investors, with the ultimate goal of allowing the company to return to making timely interest and principal payments in order to turn the status of the involved loans from being qualified as unlikely-to-pay to performing;

“**UtP Shortfall**” refers to an event, where the FSA Banks fail to meet the minimum threshold of UtPs to be entrusted to Gardant Bridge Servicing under the UtP Framework Servicing Agreement;

“**UWA Condition**” refers to a condition provided under the Gardant SPA, whereby (i) Principal Shareholders Undertaking related to the subscription of their pro rata portion of the Rights Issue and (ii) the Underwriting Agreement shall be signed and remain in full force and effect;

“**W&I Special Indemnity**” refers to the Special Indemnity provided under the Gardant SPA against any losses incurred by any Gardant Group Company in respect of a claim by a person (including, for the avoidance of doubt, any notice by any authority (including any tax authority) of any actual or alleged infringement of any applicable law) against any Gardant Group Company notified to the Issuer through the W&I bring down certificate covering matters that arose in relation to certain business warranties between signing of the Gardant SPA and Gardant Group Acquisition Completion;

“**W&I Insurance Policy**” refers to a synthetic warranty and indemnity insurance policy entered into by the Issuer in connection with certain warranties relating to business matters (such as tax, employment, contracts, among others but excluding information technology, advice to customers, breach of data protection laws, and certain tax liabilities and obligations) provided by the Sellers; and

“**Value Added Services**” or “**VAS**” refers to the services offered by the corresponding business unit which are complementary to the Group’s servicing activities, including: (i) due diligence services, supporting investors in evaluating loan portfolios; (ii) data quality & data enrichment services; (iii) master servicing and securitization services related to the structuring of securitization transactions; (iv) legal support services connected with in-court recovery processes and (v) co-investment activities consisting of participating in loan securitizations with clients to secure exclusive Service Level Agreements.

INDEX TO FINANCIAL STATEMENTS

ANNEX A AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS OF DECEMBER 31, 2021, 2022 AND 2023 AND FOR THE YEARS THEN ENDED AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023 AND 2024 AND FOR THE NINE MONTHS THEN ENDED

Audited Consolidated Financial Statements as of and for the year ended December 31, 2021

EY S.p.A.
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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 (also the "Group"), which comprise the balance sheet at December 31, 2021, 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 the 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 doValue Group at December 31, 2021, 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, dated February 28, 2005 and article 43 of Legislative Decree n. 136, dated August 18, 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. (also the "Parent 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.

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
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Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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We identified the following key audit matters:

Key audit matters	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 52% of the total, to servicing for securitization transactions for approximately 35% 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 fulfil 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 34% of total invoices to be issued and to 8% 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.
Impairment test of goodwill and other intangibles related to servicing contracts	
Intangible assets in the consolidated balance sheet at December 31, 2021 include goodwill for Euro 237 million and other intangible assets with a finite useful life for	Our audit procedures in response to the key audit matter, included, inter alia:

Euro 240,9 million, related to the value of multi-year servicing contracts that were accounted for following the acquisitions of Altamira Asset Management in 2019 and Eurobank FPS (now doValue Greece) in June 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 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 of the expected cash flows, the Directors used the Business Plan 2022-2024 data and considered the expected cash flows of each servicing contract as approved by the Board of Directors on January 25, 2022 in the current context of uncertainty created by the Covid-19 pandemic. 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 section "Accounting policies" and in Note 1 of section "Information on the consolidated balance sheet" of the notes to the consolidated financial statements.

- understanding the method used by the Parent Company for determining the recoverable amount in the context of the impairment test process approved by the Board of Directors and related key controls;
- comparing data used for the impairment test with those presented in the 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 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.

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, dated February 28, 2005 and article 43 of Legislative Decree n. 136, dated August 18, 2015, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of consolidated 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 Board of statutory auditors ("*Collegia 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 responsiveto 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, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the consolidated 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 June 1 7, 2016, appointed us to perform the audit of the consolidated financial statements of each year from the year ending December 31, 2016 to December 31, 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 Board of statutory auditors (*"Collegio Sindacale"*) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

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

The Directors of doValue S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) n. 81 5/2019 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 of doValue S.p.A. 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.

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

The Directors of doValue S.p.A. are responsible for the preparation of the Directors' Report on the Group and of the Report on Corporate Governance and Ownership Structure of the Group at December 31, 2021, 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 February 24, 1998, with the consolidated financial statements of the Group at December 31,2021 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Directors' Report on the Group 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 at December 31, 2021 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 January 27, 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 December 30, 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 December 30, 2016. We have verified that non-financial information has been approved by Directors.

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

Verona, April 6, 2022

EY S.p.A.
Signed by: Marco Bozzola, 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.

Note: The Directors' Report of the Group and the Report on Corporate Governance and Ownership Structure of the Group are not included in this Prospectus.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

	Note	December 31, 2021	December 31, 2020 Restated
		(€/000)	
Non-current assets:			
Intangible assets	**1**	545,225	564,136
Property, plant and equipment	**2**	34,149	36,121
Non-current financial assets	**3**	60,445	64,961
Deferred tax assets	**4**	112,640	102,950
Other non-current assets	**5**	2,013	1,646
Total non-current assets		**754,472**	**769,814**
Current assets:			
Inventories	**6**	55	55
Current financial assets	**3**	1,516	5,898
Trade receivables	**7**	206,326	175,155
Tax assets	**8**	38,462	21,874
Other current assets	**5**	17,107	16,172
Cash and cash equivalents	**9**	166,668	132,486
Total current assets		**430,134**	**351,640**
Assets held for sale	**10**	**30**	**30**
Total. assets		**1,184,636**	**1,121,484**
Shareholders' Equity:			
Share capital		41,280	41,280
Valuation reserve		(1)	(215)
Other reserves		96,300	145,456
Treasury shares		(4,678)	(103)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		23,744	(30,407)
Net Equity attributable to the Shareholders of the Parent Company		**156,645**	**156,011**
Net Equity attributable to Non-controlling interests		**37,358**	**27,743**
Total Net Equity	**11**	**194,003**	**183,754**
Non-current liabilities:			
Loans and other financing	**12**	555,224	456,676
Other non-current financial liabilities	**13**	46,048	24,293
Employee benefits	**14**	10,264	16,465
Provisions for risks and charges	**15**	44,235	87,346
Deferred tax liabilities	**4**	54,350	63,731
Other non-current liabilities	**17**	29,836	-
Total non-current liabilities		**739,957**	**648,511**
Current liabilities:			
Loans and other financing	**12**	17,604	86,376
Other current financial liabilities	**13**	25,600	51,772
Trade payables	**16**	73,710	51,824
Tax payables	**8**	58,710	28,083
Other current liabilities	**17**	75,052	71,164
Total current liabilities		**250,676**	**289,219**
Total liabilities		**990,633**	**937,730**
Total Net Equity and liabilities		**1,184,636**	**1,121,484**

The RESTATED balance sheet data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.

Consolidated Income Statement

	Note	December 31, 2021	December 31, 2020 Restated
		(€/000)	
Revenue from contracts with customers	**20**	524,365	379,592
Other revenues	**21**	40,774	42,018
Total revenue		**565,139**	**421,610**
Costs for services rendered	**22**	(56,680)	(45,582)
Personnel expenses	**23**	(231,581)	(183,420)
Administrative expenses	**24**	(99,231)	(86,175)
Other operating (expense)/income	**25**	(8,596)	64
Depreciation, amortisation and impairment	**26**	(96,263)	(80,338)
Provisions for risks and charges	**27**	(3,865)	(2,329)
Total costs		**(496,216)**	**(397,780)**
Operating income		**68,923**	**23,830**
Financial (Expense)/Income	**28**	(22,337)	(26,208)
Profit (loss) from equity investments		**83**	**1**
Profit (Loss) before tax		46,669	(2,377)
Income tax expense	**29**	(13,496)	(31,413)
Net profit (loss) from continuing operations		**33,173**	**(33,790)**
Profit (Loss) for the period		**33,173**	**(33,790)**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		23,744	(30,407)
o.w. Profit (loss) for the period attributable to Non-controlling interests		9,429	(3,383)
Earnings per share	**30**		
Basic		0.30	(0.38)
Diluted		0.30	(0.38)

The RESTATED data as at December 31, 2020 were restated based on the final results related to the Purchase Price Allocation of doValue Greece.

Consolidated Statement of Comprehensive Income

	December 31, 2021	December 31, 2020 Restated
	(€/000)	
Profit (Loss) for the period	**33,173**	**(33,790)**
Other comprehensive income after tax not recyclable to profit or loss		
Defined benefit plans	(161)	(82)
Other comprehensive income after tax recyclable to profit or loss		
Cash flow hedges	345	(66)
Total other comprehensive income after tax	**184**	**(148)**
Comprehensive income	**33,357**	**(33,938)**
o.w. Comprehensive income attributable to Shareholders of the Parent Company	23,928	(30,555)
o.w. Comprehensive income attributable to Non-controlling interests	9,429	(3,383)

The overall RESTATED data as at December 31, 2020 were restated based on the final results related to the Purchase Price Allocation of doValue Greece.

Statement of Changes in Consolidated Shareholders' Equity

December 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	Net equity attributable to Shareholders of the Parent Company	Net equity attributable to Non-controlling interests	Total Net 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**

December 31, 2020

(€/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	Net equity attributable to Shareholders of the Parent Company	Net equity attributable to Non-controlling interests	Total Net Equity
Initial balance	**41,280**	**(13)**	**18,606**	**127,292**	**(184)**	**38,318**	**225,299**	**-**	**225,299**
Allocation of the previous year profit to reserves	-	-	38,793	(190)	-	(38,603)	-	-	-
Changes in reserves	-	(54)	3	(42,143)	-	285	**(41,909)**	**10,785**	**(31,124)**
Stock options	-	-	3,680	(664)	81	-	**3,097**	**-**	**3,097**
Change in equity instruments	-	-	-	-	-	-	**-**	**31,680**	**31,680**
Comprehensive income of the period	-	(148)	-	-	-	(21,943)	**(22,091)**	**(1,201)**	**(23,292)**
Final balance	**41,280**	**(215)**	**61,082**	**84,295**	**(103)**	**(21,943)**	**164,396**	**41,264**	**205,660**

Consolidated Cash Flow Statement - Indirect Method

	December 31, 2021	December 31, 2020 Restated
	(€/000)	
Operating activities		
Profit (loss) for the period before tax	**46,669**	**(2,377)**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**123,549**	**113,897**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	(1,308)	1,997
Depreciation, amortisation and impairment	96,263	80,338
Change in net provisions for risks and charges	3,865	8,775
Financial (Expense)/Income	23,785	19,689
Profit/loss on equity interests and investments	(83)	-
Costs for share-based payments	1,027	3,098
Change in working capital	**(11,037)**	**14,612**
Change in trade receivables	(32,922)	15,319
Change in trade payables	21,885	(707)
Change in financial assets and liabilities	**23,488**	**(24,179)**
Financial assets measured at fair value through other comprehensive income	(9,989)	-
Other assets mandatorily measured at fair value	27,331	(31,998)
Financial assets measured at amortised cost	1,896	7,819
Financial liabilities measured at amortised cost	4,250	-
Other changes:	**(59,065)**	**(3,000)**
Interests paid	(18,135)	(9,316)
Payment of income taxes	(12,143)	(13,356)
Other changes in other assets/other liabilities	(28,787)	19,672
Cash flows generated by operations	**123,604**	**98,953**
Investing activities		
Sales of inventories	-	154
Sales of subsidiaries and business units	440	-
Purchases of property, plant and equipment	(4,194)	(7,123)
Purchases of intangible assets	(61,012)	(12,874)
Purchases of subsidiaries and business units	-	(234,599)
Net cash flows used in investing activities	**(64,766)**	**(254,442)**
Funding activities		
Issues/purchases of treasury shares	(4,603)	-
Dividends paid	(23,224)	(1,875)
Loans obtained	302,310	252,574
Repayment of loans	(290,500)	(83,067)
Payment of principal portion of lease liabilities	(8,639)	(7,819)
Net cash flows used in funding activities	**(24,656)**	**159,813**
Net liquidity in the period	**34,182**	**4,324**
Reconciliation		
Cash and cash equivalents at the beginning of period	132,486	128,162
Net liquidity in the period	34,182	4,324
Cash and cash equivalents at the end of the period	**166,668**	**132,486**

The RESTATED financial data as at December 31, 2020 were restated based on the final results related to the Purchase Price Allocation of doValue Greece.

ILLUSTRATIVE NOTES

ACCOUNTING POLICIES

GENERAL INFORMATION

Statement of Compliance with International Accounting Standards

This Consolidated Financial Statements as at December 31, 2021 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;
- Implementation 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 2021 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 Condensed 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 **Illustrative Notes**;

and are accompanied by the Directors' Report of the Group.

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 Illustrative 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.

The criteria adopted in these Consolidated financial statements as at December 31, 2021 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 for the year ended December 31, 2020.

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

The Directive 2013/50/EU - amending the Directive 2004/109/EC (known as "Transparency Directive") - establishes that as of January 1, 2020, all consolidated annual financial reports of issuers of securities traded on regulated markets must be drawn up in a single electronic communication format. The objective is to prepare the consolidated financial statements in a format that provides the structured data required by regulators and analysts, allowing the drafters to maintain full control over the layout and related presentation. The task of developing regulatory technical standards to specify this format was assigned to the European Securities and Markets Authority (ESMA), which published the European Single Electronic Format (ESEF).

On May 29, 2019, Regulation (EU) 2018/815 was published, which introduced the obligation of a single electronic format (ESEF) for annual financial reports.

At national level, the law converting the Milleproroghe Decree (Italian Law Decree no. 183 of December 31, 2020), published in the Official Journal on March 1, 2021, provides, in Article 3, paragraph 11-sexies, that the provisions of the ESEF Regulation will apply to financial reports relating to the years started as from January 1, 2021.

The doValue Group, in compliance with the above, has therefore postponed the preparation of the Consolidated Financial Statements in the single electronic format (ESEF) in relation to these 2021 Consolidated Financial Statements.

Scope and Method of Consolidation

The preparation of the Consolidated Financial Statements as at December 31, 2021 drew on the accounts as at December 31, 2021 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, 2021 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, 2021.

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 contingent consideration classified as equity is not remeasured and its subsequent payment is accounted for with a balancing entry in shareholders' equity. 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 stake 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 acquisition of additional stakes in entities that are already controlled are considered equity transactions, i.e. transactions with owners in their capacity as owners. 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 judgment 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 policy-making processes, including participation in decisions about dividends or other distributions;
    - material transactions between the entity and its investee;
    - interchange of managerial personnel;
    - provision of essential technical information.

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

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

Equity Method

With the equity method, the investment in an associate 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, 2021, 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		Voting rights % (2)
					Held by	Holding %	
1.	doNext S.p.A. (formerly Italfondiario S.p.A.)	Rome	Italy		Holding		
2.	doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
3.	Altamira Asset Management S.A.	Madrid	Spain	1	doValue S.p.A.	100%	100%
4.	doValue Portugal, Unipessoal Limitada	Lisbon	Portugal	1	doValue S.p.A.	85%	85%
5.	Altamira Asset Management Cyprus Limited	Nicosia	Cyprus	1	Altamira Asset Management S.A.	100%	100%
6.	doValue Cyprus Limited	Nicosia	Cyprus	1	Altamira Asset Management S.A.	100%	100%
7.	doValue Greece Loans and Credits Claim Management Societe Anonyme	Moschato	Greece	1	doValue S.p.A. + Altamira AM S.A.	94%+6%	94%+6%
8.	doValue Greece Real Estate Services single member Societe Anonyme	Moscato	Greece	1	doValue S.p.A.	80%	80%
9.	Zarco STC, S.A.	Lisbon	Portugal	1	doValue S.p.A.	100%	100%
10.	Adsolum Real Estate S.L.	Madrid	Spain	1	doValue Portugal, Unipessoal Limitada	100%	100%
11.	Adsolum Real Estate S.L.	Madrid	Spagna	1	Altamira Asset Management S.A.	100%	100%

Notes to the table

(1) Type of relationship:

1 =majority of voting rights at ordinary shareholders' meeting

2 =dominant influence at ordinary shareholders' meeting

3 =agreements with other shareholders

4 =other types of control

5 =centralised management pursuant to Article 39, paragraph 1, of Italian Legislative Decree 136/2015

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

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

Changes in the Scope of Consolidation

The main changes in the consolidation scope compared to December 31, 2020 are relating to:

- merger by incorporation of doValue Hellas in doValue Greece;
- demerger of the REO business unit of Altamira Asset Management into the new company Adsolum Real Estate, wholly owned by Altamira Asset Management (effective from January 1, 2021);
- establishment of Zarco STC, a securitisation vehicle company wholly owned by doValue Portugal.

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, 2021.

Subsequent Events

In accordance with the provisions of IAS 10, following the closing date of the financial statements and up to the approval of these financial statements, a significant event occurred such as to entail an adjustment to the results presented in the Consolidated Financial Statements.

Please refer to the specific paragraph of the Directors' Report on the Group for a description of the significant events occurred after the end of the period.

Other Matters

Going Concern

In preparing the Consolidated Financial Statements as at December 31, 2021 the Directors consider the going concern assumption appropriate as, in their opinion, despite the persistence of the complex economic and health scenario following the evolution of the COVID-19 pandemic and its variants, as well as the Government and EU interventions and the measures adopted by the various countries to deal with the pandemic, 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 business outlook, despite the uncertainties linked to the persistence of the emergency situation; 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, 2021, 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 December 31, 2021. 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. In addition, the economic effects deriving from the COVID-19 pandemic and the uncertainties of the future macroeconomic framework in which the Group will operate have required a careful analysis and weighting of the new economic context in the valuation models of the recoverable value 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 agreements 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 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 34% of total amounts to be invoiced as at December 31, 2021 and 8% 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 agreements, 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 that deals with 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 Dividend Discount Model (DDM), under which the value of a company is a function of the flow of dividends that it will be able to generate looking forward. In this case, the method used is the Excess Capital variant of the DDM, which assumes that the economic value of a company is equal to the sum of the current value of future cash flows (expected dividends) generated over the selected planning time horizon, and distributable to shareholders while maintaining an adequate level of capitalisation to ensure the expected future development of the business, and the perpetual capitalisation of the normalised dividend of the last year of the forecast, based on a pay-out ratio that is a function of profitability. 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.

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 the last few years; i.e., the acquisition of control of Altamira Asset Management S.A. (Altamira) and its subsidiaries in June 2019 and that of Eurobank FPS (now doValue Greece) concluded in June 2020.

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 Altamira 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, 2021 in accordance with the allocation of the final PPA of Altamira and final PPA of doValue Greece and the updating of amortisation pertaining to the period.

To this end, the Cash Generating Units (CGUs) in the two geographical segmentation areas pertaining to Altamira Asset Management and its subsidiaries and to doValue Greece, namely Iberia (Spain and Portugal) and Hellenic Region (Greece and Cyprus), were identified on a preliminary basis 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 Group's 2022-2024 Business Plan approved by the Board of Directors on January 25, 2022 was considered, which includes the most recent scenario assumptions collected by the subsidiaries that takes account of the pandemic trend and the estimated effects it has had and will have on the NPL servicing market. With regard in particular to the subsidiary Altamira Asset Management, the implications resulting from the non-renewal of a Servicing contract were also taken into account, as illustrated in the specific paragraph of the Directors' Report on the Group, to which reference should be made for further details. As part of the analysis, the current value in use attributable to the individual active servicing contracts were therefore consistently estimated, considering the respective expected cash flows over the entire useful life.

This analysis revealed some evidence of impairment, for a total of €3.5 million, such as differences between the value in use of active servicing contracts and the related book value net of amortisation for the period. The impairment losses were allocated to the relevant item of the consolidated income statement and the residual balances of the intangible fixed assets were adjusted accordingly.

As regards the comparison between the recoverable value and the total net book value of the CGUs as at December 31, 2021, 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 Illustrative Notes, paragraphs Accounting Policies and Information on the Financial Position - Note 1 Intangible assets).

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 value 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 cash flows 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);

- as regards the estimate of the recoverable value of the Brand Name 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:

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

where

- K_d, debt cost;

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

Equity Cost

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, "p", 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:

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

where

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

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, 2021;
- 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, calculated as the country risk premium (i.e. the rating-based default spread) of the specific country multiplied by the ratio between the volatility of the stock market and that of the government bonds of the specific country, using as a source data provided by New York University (Professor Damodaran database);
- use of values estimated to calculate the cost of equity, $K_e = R_f + \beta * ERP$;
- charge a cost of debt (K_d) equal to the interest rate of the most recent acquisition;
- calculate the WACC on the basis of the target financial structure, according to the formula WACC = $E/(D+E) * K_e + D/(D+E) * K_d$, where E and D represent Equity and Debt of the financial structure.

The test conducted using the aforementioned models revealed impairment losses for €3.5 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”, “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, 2021, 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, taking account of the fact that the business attributable of the two CGUs, to which it has been allocated, is attributable to more than one 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, 2021;
- 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, calculated as the country risk premium (i.e. the rating-based default spread) of the specific country multiplied by the ratio between the volatility of the stock market and that of the government bonds of the specific country, using as a source data provided by New York University (Professor Damodaran database);
- use of values estimated to calculate the cost of equity, $K_e = R_f + p * ERP$;
- charge a cost of debt (K_d) equal to the interest rate of the most recent acquisition;
- calculate the WACC on the basis of the target financial structure, according to the formula $WACC = E/(D+E) * K_e + D/(D+E) * K_d$, where E and D represent Equity and Debt of the financial structure.

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. 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.

The method described above showed in both cases a positive difference between the recoverable value and the net book value, which confirms the absence of impairment losses (please refer to Note 1 “Intangible assets” in the “Consolidated Balance Sheet” section for the results of the test).

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 combination" Section.

Hedging Derivatives

Since interest rate swaps are carried out for hedging purposes, they are measured at fair value, with an offsetting entry recorded in the cash flow hedge shareholders' equity reserves. The above-mentioned fair value, classified under the other current and non-current assets or liabilities, is calculated with adequate measurement techniques that use financial variables updated and used by market participants. These derivative contracts are classified as hedging instruments since the relationship between the derivatives and the hedged position is formally recorded and the hedging efficiency is high. More specifically, there is an economic relationship between the hedged underlyings and the hedging instruments since the IRS terms correspond to the variable rate loan terms (i.e. notional amount, maturity dates, payment dates). This efficiency, along with meeting the requirements set out under IAS 39 for hedge accounting purposes, has to be checked on a periodic basis. The fair value changes of the derivatives that do not meet the terms to be classified as hedging, are recognised in the income statement. As at December 31, 2021, there are no hedging derivatives as a result of the closure during the year of the loan to which they were related.

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, 2021, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond June 30, 2021 (issued on March 31, 2021);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (issued on August 27, 2020);
- Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 19 (issued on June 25, 2020).

On February 16, 2021, Consob published a Warning notice (No 1/21): COVID-19 - economic support measures.

On October 29, 2021, ESMA published its Public Statement announcing the priorities that listed issuers will need to focus on when preparing their IFRS 2021 financial statements, with a particular focus on the impacts arising from COVID-19 and on climate issues.

As at December 31, 2021, the following new international accounting standards, or amendments to standards already in force, were adopted, with mandatory application starting on January 1, 2022 or later (if the financial statements do not coincide with the calendar year):

- Amendments, all issued on May 14, 2020, to:
    - IFRS 3 Business Combinations;
    - IAS 16 Property, Plant and Equipment;
    - IAS 37 Provisions, Contingent Liabilities and Contingent Assets;
    - Annual Improvements 2018-2020;
- 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 the 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 IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, issued on February 12, 2021;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, issued on February 12, 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 to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on December 9, 2021).

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 longterm 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 combination" 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.

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 depreciated at constant rates over their useful life. Intangible assets with indefinite useful life are not depreciated.

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 depreciation of intangible assets with a definite useful life is recognised in the income statement under "Amortisation, depreciation and impairment".

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

For intangible assets with indefinite life, the carrying amount is compared with the recoverable amount on an annual basis even if no evidence of impairment is found. If the carrying amount is greater than the recoverable amount, a loss is recognised in the income statement under "Depreciation, amortisation and impairment" in an amount equal of 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 assesses whether 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.

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 "Profit (Loss) from equity investments".

Property, Plant and Equipment

Recognition and Classification Criteria

The item includes:

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

and it breaks down into the following categories:

- assets used in the business;
- investment property.

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

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

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

Property, plant and equipment is initially recognised at cost, including all charges directly attributable to the "commissioning" of the asset (transaction costs, professional fees, direct costs to transport the asset to the assigned location, installation costs, dismantling costs). Expenses incurred subsequently are added to the carrying amount of the asset or recognised as separate assets if it is probable that future economic benefits will be received in excess of those initially estimated and the cost can be reliably determined.

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

- Administrative expense, if pertaining to assets used in the business; or
- Depreciation, amortisation and impairment, if pertaining to investment property.

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

Measurement Criteria

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

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

Assets with indefinite useful life are not depreciated.

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

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

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

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

Derecognition Criteria

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

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 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 Held for Trading

Recognition Criteria

Like other financial instruments, financial assets held for trading are initially recognised on the settlement date at their fair value, which normally corresponds to the consideration paid, with the exception of transaction costs and revenues which are directly recognised in the income statement, albeit directly attributable to such financial assets. Trading derivative instruments are recognised by trade date.

Classification Criteria

A financial asset is classified as held for trading if:

- it is acquired mainly in order to be sold in the short term;
- it is part of a portfolio of financial instruments that are managed jointly and for which there is a strategy aimed at achieving profits in the short term;
- it is a derivative contract not designated as part of accounting hedging transactions including derivatives with positive fair value incorporated in financial liabilities other than those measured at fair value with recognition of the income effects in the income statement. As at December 31, 2021, only this case is present.

Measurement Criteria

After initial recognition, these financial assets are measured at fair value and the effects of the application of this measurement criterion are recognised in the income statement. Realised gains and losses on the sale or redemption and unrealised gains and losses deriving from changes in the fair value of instruments belonging to the Trading portfolio are recognised in the income statement, including profits and losses relating to derivative contracts operationally linked to assets and/or liabilities designated at fair value and other financial assets mandatorily measured at fair value. If the fair value of a financial instrument becomes negative, a circumstance that can occur for derivative contracts, this instrument is recognised under "Financial liabilities held for trading".

A financial instrument or other contract with the following three characteristics is considered a derivative:

- its value changes in relation to the change in an interest rate, the price of a financial instrument, the price of a commodity, the foreign currency exchange rate, a price or rate index, creditworthiness (rating) or credit ratios or other predetermined variable (generally referred to as the "underlying") provided that, in the case of a non-financial variable, this is not specific to one of the contractual parties;
- it does not require an initial net investment or requires a lower net initial investment than that required for other types of contracts, which would be expected to similarly fluctuate in value in response to changes in market factors;
- it is settled at a future date.

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 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 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. More specifically, 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).

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 (UCIs);
- 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 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 "Fair value disclosures".

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 or 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 "Fair value disclosures".

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 settlement date in the case of debt securities and on the disbursement date in the case 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 individual instrument and, for debt securities, to the subscription or purchase price on the market.

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;
- debt securities 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 tempo- ris over the term of the loan or receivable.

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

Derecognition Criteria

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

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

Impairment of Financial Assets

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

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

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

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

The Group's impairment process is applied to financial assets measured at amortised cost, which may include: loans, trade receivables, equity assets deriving from contracts, debt securities and financial assets measured at fair value through comprehensive income including the equity securities - 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 in the paragraph" "Impairment of financial assets".

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, current IRES and IRAP taxes were calculated using the tax rates established in current tax law in each country, using, in particular for doNext (formerly Italfondiario) the surtax of 3.5 percentage points applicable to credit and financial institutions (Italian Law no. 208 of December 28, 2015).

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 finance costs in the statement of profit/(loss).

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

Derecognition Criteria

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

Provisions for Risks and Charges

Recognition Criteria

Provisions for risks and charges consist of liabilities recognised when:

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

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

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

The potential liabilities for employees are also accounted for.

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

Measurement Criteria

The amounts allocated to provisions are determined so that they represent the best estimate of the expense required to settle the obligation. The estimate is determined by considering the risks and uncertainties pertaining to the facts and circumstances involved. Specifically, when the effect of deferring the charge in time is significant, the amount of the provision is determined as the present value of the best estimate of the cost assumed necessary to extinguish the obligation. In this case, the discount rate used reflects current market assessments.

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

Derecognition Criteria

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

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

Employee Benefits

Classification Criteria

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

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

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

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

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

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

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

Recognition and Measurement Criteria

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

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

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

The TFR provision as 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.

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, 2021, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and Liabilities Measured At fair Value on Recurring Basis

Asset Backed Securities

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

Equity Investments

Equities are assigned to Level 1 when an active market price considered liquid is available and to Level 3 when there are no prices or the prices have been suspended permanently. Such instruments are classified as Level 2 only if the volume of activity on the listing market is significantly reduced.

For equities measured at cost, an impairment loss is recognised if the cost exceeds the recoverable amount significantly and/or for a long time.

Investment Funds

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

Interest Rate Swaps (IRSs)

The net discounted cash flow analysis technique is used to determine the fair value of IRSs, which is classified as Level 2.

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 and the liquidity discount.

Hierarchy of Fair Value

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

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

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

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

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

Fair Value Hierarchy: Asset and Liabilities Measured AT Fair Value on a Recurring Basis - Breakdown by Fair Value Level

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

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

1. the value of the notes issued by the securitisation vehicle companies:
   - Romeo SPV and Mercuzio Securitisation, equal to 5% of the total securities;
   - Cairo, whose mezzanine notes were purchased on June 5, 2020 to coincide with the acquisition of the subsidiary doValue Greece;
   - Mexico, purchased in December 2021, remaining 5% of the total of subordinated securities issued by the vehicle;
2. UCITS Units: the equivalent of the amount paid for the subscription of the remaining 27 units of the Italian Recovery Fund (formerly Atlante II), reserved real estate investment fund, net of redemptions;
3. the fair value of the call option on equity instruments of the investee BidX1, acquired in conjunction with the purchase of the minority shareholding equal to 15.2% of the company's share capital on November 9, 2021.

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:

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

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 2 of "Other financial liabilities" for 2020 included the fair value of the derivative contracts hedging the Facility Loan entered into to finance the purchase of the investment in Altamira and to refinance the pre-existing indebtedness of the same investee, reimbursed in 2021 when the Facility Loan was repaid.

(€/000)	12/31/2021			12/31/2020 RESTATED		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss	**-**	**-**	**46,465**	**-**	**-**	**63,644**
Units in collective investment undertakings	-	-	25,805	-	-	26,857
Debt securities	-	-	18,881	-	-	36,741
Equity securities	-	-	197	-	-	46
Non-hedging derivatives	-	-	1,582	-	-	-

Financial assets measured at fair value through comprehensive income	**-**	**-**	**9,989**	**-**	**-**	**-**
Equity securities	-	-	9,989	-	-	-
Total	**-**	**-**	**56,454**	**-**	**-**	**63,644**
Other financial liabilities	**-**	**-**	**45,282**	**-**	**454**	**53,905**
Earn-out	-	-	23,043	-	-	22,807
Hedging derivatives	-	-	-	-	454	-
Put option on non-controlling interests	-	-	22,239	-	-	24,011
Total	**-**	**-**	**45,282**	**-**	**454**	**53,905**

CONSOLIDATED BALANCE SHEET

ASSETS

NOTE 1 - INTANGIBLE ASSETS

Changes in the period are reported in the following table.

	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total 12/31/2021	Total 12/31/2020 RESTATED
Gross opening balance	**129,158**	**46,870**	**2,807**	**192,992**	**440,007**	**811,834**	**499,614**
Initial reduction in value	(108,899)	(9,368)	-	-	(116,107)	(234,374)	(158,734)
Net opening balance	**20,259**	**37,502**	**2,807**	**192,992**	**323,900**	**577,460**	**340,880**
Initial adjustments	-	-	-	43,905	(40,554)	3,351	(28,274)
Increases	**15,556**	**11**	**9,764**	**-**	**35,497**	**60,828**	**344,027**
Purchases	13,674	11	11,828	-	35,497	61,010	12,871
Business combination (gross value)	-	-	-	-	-	-	331,217
Other changes	1,882	-	(2,064)	-	-	(182)	(61)
Decreases	**(9,416)**	**(9,007)**	**-**	**-**	**(77,991)**	**(96,414)**	**(92,497)**
Disposals	-	-	-	-	(86)	(86)	(182)
Business combination (reduction)	-	-	-	-	-	-	(20,112)
Amortisation	(9,489)	(9,007)	-	-	(57,792)	(76,288)	(49,265)
Impairment	-	-	-	-	(3,524)	(3,524)	-
Other changes	73	-	-	-	(16,589)	(16,516)	(22,938)
Gross closing balance	**144,714**	**46,881**	**12,571**	**236,897**	**431,340**	**872,403**	**815,185**
Final reduction in value	(118,315)	(18,375)	-	-	(190,488)	(327,178)	(251,049)
Net closing balance	**26,399**	**28,506**	**12,571**	**236,897**	**240,852**	**545,225**	**564,136**

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 and its subsidiaries, and in June 2020 the business combination of Eurobank-FPS (now doValue Greece). The values relating to this latter transaction were restated with respect to the closing balance resulting from the 2020 financial statements, following changes incurred in the PPA measurement, pursuant to IFRS 3, rendered final as at June 30, 2021, as the 12 months from its entry into the scope of consolidation had elapsed. These changes are included in the lines “Initial adjustements” and “Other changes” of the table above; for further details, please refer to the Section “Retrospective adjustments” in the chapter “Business combination”.

The definitive exercise of the Purchase Price Allocation (PPA) of doValue Greece led to the identification of goodwill of €112.4 million, intangible assets relating to Special and Master Servicing contracts, for the management of portfolios of impaired exposures, whose fair value amounted to €215.2 million (€160.2 million as at December 31, 2021 net of the amortisation for the period of €26.4 million). The Greek company also contributes to the item with software (€4.9 million) and fixed assets in progress, again linked to software, for €8.1 million.

In relation to the acquisition of Altamira Asset Management and its subsidiaries, whose PPA was finalised as at June 30, 2020, the balances as at December 31, 2021 relating to the assets allocated, inclusive of new capex for the year and net of amortisation and write-downs accrued in the period, are as follows:

- €10.0 million for software;
- €28.4 million for the Altamira brand;
- €45.1 million relating to other intangible assets, which include the valuation of active long-term servicing contracts (“SLAs”) with major banks and companies for €45.1 million and the backlog & database component for €1.0 million;
- €124.1 million relating to goodwill.

Among the **Increases** in the year, we note the value recognized under “Other intangible assets” against the costs incurred to obtain the servicing contract for the Frontier portfolio equal to €35.5 million. As indicated among the significant events of the period in the Director’s Report on the Group, doValue has in fact stipulated, through its subsidiary doValue Greece, a new servicing mandate in relation to an important securitization (“Frontier Project”) of impaired loans in Greece carried out by the National Bank of Greece, the largest Greek bank by total assets. The securitized portfolio was purchased by a Special Purpose Vehicle, whose mezzanine and junior notes were subscribed by a consortium made up of companies affiliated with Bain Capital and Fortress

Investment Group. In relation to this portfolio, there are also commitments for approximately €6.4 million relating to the fulfilment of specific contractual obligations.

Other significant increases (€13.7 million) are recorded in "Software" for developments related to business applications of non-performing positions as well as for the implementation of management and accounting applications. The item "Assets under construction and advances" was also affected by new software developments (totalling €11.9 million) for implementations aimed at improving applications dedicated to credit recovery and business as well as for new acquired portfolios under management, especially in Greece, which require technological investments in software dedicated to individual mandates. The technological developments made operational during the period were classified under Software for €1.9 million.

The **Decreases** with an economic impact during the period are attributable for €76.3 million to the amortisation charges. "Other intangible assets" include the values of long-term servicing contracts deriving from the evaluation of the Altamira and doValue Greece acquisition transactions, 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 period of each contract was calculated to an extent corresponding to the direct margin posted in the period.

Other decreases with an economic impact for a total of €3.5 million relate to **Impairment**. The latter originated from the outcome of the impairment test carried out on the values of intangible assets and on goodwill as at December 31, 2021, in line with the provisions of international accounting standard IAS 36 "Impairment of assets".

To this end, continuing with the approach taken to the test performed on the data as at December 31, 2020, and June 30, 2021, the Cash Generating Units (CGUs) in the two geographical segmentation areas pertaining to Altamira Asset Management and its subsidiaries and of doValue Greece, namely Iberia (Spain and Portugal) and Cyprus and Greece were used, 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 most recent scenario assumptions collected by the subsidiaries and reflected in the 2022-2024 business plan approved on January 25, 2022, by the Board of Directors of doValue was considered, that takes account of the pandemic trend and the estimated effects it has had and will have in the future on the NPL servicing market in general. With regard in particular to the subsidiary Altamira Asset Management, the implications resulting from the non-renewal of a Servicing contract were also taken into account, as illustrated in the specific paragraph "Significant events occurring after the end of the period" of the Directors' Report on the Group, to which reference is made for further details.

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, 2021, in both cases the model highlighted a large amount of recoverable value, confirming 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 €3.5 million, of which €2.9 million with reference to one of the Altamira contracts (Sareb) and €0.6 million relating to two servicings of doValue Greece.

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

(€/000)	**Net present value**	**Net book value**	**Impairment**
Software	8,755	8,755	
Brand	33,737	28,431	
Other ingible assets – SLAs	38,188	28,926	(2,905)
Other ingible assets – Database	1,041	1,041	-
Intangible Assets – Iberia	**81,721**	**67,153**	**(2,905)**
Software	1,145	1,145	-
Other ingible assets – SLAs	33,881	18,051	-
Intangible Assets - Hellenic Region	**35,026**	**19,196**	**-**
Total	**116,747**	**86,349**	**(2,905)**

It should also be noted that the aforementioned event relating to the non-renewal of a servicing contract resulted in an adjustment of the final figures for the 2021 financial statements regarding the need to update the amortisation rates for the year of all the intangibles belonging to the Spanish CGU and to a different quantification of the fair value at the reference date, following the re-execution of the impairment test on intangible fixed assets pursuant to accounting standard IAS 36. The overall value of this impact is quantified at €7.2 million, an increase in the item "Depreciation, amortisation and impairment".

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

(€/000)	**Net present value**	**Net book value**	**Impairment**
Intangible Assets - Regione Ellenica	**367,060**	**196,359**	**(618)**
Total	**367,060**	**196,359**	**(618)**

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**	**Other**	**Total 12/31/2021**	**Total 12/31/2020**
Gross opening balance	**45,898**	**2,909**	**10,500**	**17,175**	**76,482**	**44,474**
Initial reduction in value	(20,290)	(2,399)	(8,323)	(9,349)	(40,361)	(20,707)
Net opening balance	**25,608**	**510**	**2,177**	**7,826**	**36,121**	**23,767**
Initial adjustments	-	-	-	-	-	1
Increases	**9,159**	**278**	**1,294**	**1,134**	**11,865**	**33,497**
Purchases	10,269	369	1,317	1,412	13,367	17,610
ow: Rights of Use	*8,362*	-	-	*811*	*9,173*	*14,569*
Business combination	-	-	-	-	-	16,404
Capitalised expenditure on improvements	-	-	-	-	-	61
Other changes	(1,110)	(91)	(23)	(278)	(1,502)	(578)
Decreases	**(9,094)**	**(80)**	**(1,173)**	**(3,490)**	**(13,837)**	**(21,144)**
Disposals	(168)	-	-	(61)	(229)	(1,490)
Business combination	-	-	-	-	-	(7,324)
Amortisation	(9,641)	(171)	(1,196)	(3,717)	(14,725)	(13,373)
ow: Rights of Use	*(9,113)*	-	-	*(2,766)*	*(11,879)*	*(10,885)*
Impairment	-	-	-	(30)	(30)	-
Other changes	715	91	23	318	1,147	1,043
Gross closing balance	**54,889**	**3,187**	**11,794**	**18,218**	**88,088**	**76,482**
Final reduction in value	(29,216)	(2,479)	(9,496)	(12,748)	(53,939)	(40,361)
Net closing balance	**25,673**	**708**	**2,298**	**5,470**	**34,149**	**36,121**

In 2021, the Group recorded an overall decrease of €2.0 million, going from €36.1 million to €34.1 million.

The Increases for the year amounted to €11.9 million, of which €9.2 million related to new rights of use in application of the IFRS 16 - Leases principle. In particular, the new lease contract for the Athens office of doValue Greece takes on relevance in this context.

These increases are more than offset by the amortisation charge for the period of €14.7 million.

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

NOTE 3 - FINANCIAL ASSETS

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

(€/000)	12/31/2021	12/31/2020
Non-current financial assets	**60,445**	**64,961**
Financial assets measured at fair value through profit or loss	**44,949**	**63,644**
Units in collective investment undertakings	25,805	26,857
Debt securities	18,881	36,741
Equity securities	197	46
Non-hedging derivatives	66	-
Financial assets measured at amortised cost	**5,507**	**1,317**
Loans to customers	5,441	1,242
Loans to banks	66	75
Financial assets measured at fair value through other comprehensive income	**9,989**	**-**
Equity securities	9,989	-
Current financial assets	**1,516**	**5,898**
Financial assets measured at fair value through profit or loss	**1,516**	**-**
Non-hedging derivatives	1,516	-
Financial assets measured at amortised cost	**-**	**5,898**
Loans to customers	-	5,898
Total	**61,961**	**70,859**

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

UCITS units relate to the amount paid in previous years for the subscription of the 27 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). Following the two payments made, as at December 31, 2021, a minimal amount of €1.2 million remained recognised under commitments. The fair value of these units is determined through a credit adjustment of the NAV based on the specific characteristics communicated by the Fund.

Debt securities recorded an overall decrease of €17.9 million due to the combination of a sale and a new subscription. The first, which involves a reduction in the item of €20.6 million, relates to the sale of the mezzanine and junior securities referring to the Relais securitization; the increase in debt securities, an increase of €2.4 million in the item, refers instead to the residual notes from the Mexico transaction also described in the significant events of the period in the Directors' Report on the Group. In this context, 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, with the realization of an economic gain of €4.6 million; the remaining portion of notes recognized in the financial statements therefore corresponds to 5% class B (mezzanine) and 5% class C (junior).

In addition to the new Mexico notes, the residual balance of debt securities is therefore represented, for €13.8 million, by the ABS securities of the Cairo securitisations acquired as part of the acquisition of Eurobank-FPS (now doValue Greece) and, for €2.7 million, by the residual value of the ABS securities relating to the Romeo SPV and Mercuzio Securitisation securitisations. The amount subscribed by doValue corresponds to 5% of the total notes issued by the two vehicles Romeo SPV and Mercuzio Securitisation.

With the exception of the Mexico notes, for which the valuation at cost was maintained in consideration of its realization near the end of the year, the valuation of the other notes mentioned above took place using the Discounted Cash Flow method, as described in the section Accounting Policies - Information on fair value.

Equity investments classified at fair value through profit or loss are attributable to the minority shareholdings 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 profit or loss.

The category of **Non-current financial assets measured at amortised cost** included loans to customers which recorded an overall increase of €4.2 million, attributable primarily to the subsidiary doNext (formerly Italfondiario) and deriving from use of the financial resources originating from a limited recourse loan, for a specific business activity and classified under other financial liabilities. 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** from this year includes the value of equities relating to two companies:

- €1.5 million equal to 11.46% of the Brazilian fintech company QueroQuitar S.A. which operates in the field of digital collections;
- €8.5 million equal to 15.2% of BidX1, an Irish proptech company specializing in the promotion and execution of real estate transactions through online auction processes in real time.

For these non-controlling interests the Group has exercised the option available under IFRS 9 to measure these instruments at fair value through other comprehensive income not recyclable to profit or loss.

For more information, please refer to the significant events in the period of the Directors' Report on the Group.

Current financial assets include the valuation of a non-hedging derivative in the fair value through profit or loss. The derivative, with a positive fair value of €1.5 million, is the result of a call option included in the contract for the acquisition of the stake in BidX1 described above.

Current financial assets at amortised cost instead were eliminated in 2021 as a result of the disposal of the portfolio of non-performing loans acquired in 2019 as part of opportunistic and non-recurring transactions.

NOTE 4 - DEFERRED TAX ASSETS AND LIABILITIES

The items report deferred tax assets by deductible temporary difference.

Deferred tax assets include amounts in respect of loan write-downs and deferred tax assets determined specifically on the basis of the stocks of the components to which they refer (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 Legislative Decree 59 of May 3, 2016, ratified with Law 119 of June 30, 2016. This measure introduced the optional regime in order to eliminate issues that emerged at the Community level regarding the incompatibility of the DTA transformation legislation with the rules governing state aid, ensuring that the convertibility of qualifying DTAs into tax credits is only allowed following payment of a specific fee based on the amount of those DTAs.

With regard to the deferred tax assets referred to in Law 214/2011, as a result of the express provision of Article 56 of 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 (Law 145/2018) modified the temporary mechanism provided for in Article 16, paragraphs 3-4 and 8-9 of 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 (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.

As a result of this legislation, the amount of the deferred tax assets recognised in the financial statements will begin to change starting from 2023 instead of 2022, as provided for by the previous extension enacted with the 2019 Budget Act.

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

The test, performed on figures as at December 31, 2021, took account of the 2022-2024 Business Plan, which showed a large tax base that confirms its ability to absorb the deferred tax assets recorded. As at December 31, 2021, a total of additional DTAs of €13.7 million were recognized, of which €3.8 million in relation to property, plant and machinery and €6.8 million in relation to deferred income relating to sums invoiced in 2021 for the indemnity relating to the Mexico portfolio (see also Note 17 - Other liabilities). This increase was partially offset by lower deferred tax assets relating to the cancellations of prepaid taxes for the period for €4.0 million.

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

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

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

With regard to the calculation of the Italian IRAP (regional business tax) rate, doValue meets the requirements for classification as a non-financial holding company, as at December 31, 2021. 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)	**12/31/2021**	**12/31/2020 RESTATED**
Provisions recognised through Income Statement	**112,152**	**102,325**
Write-downs of loans	49,370	49,344
Tax losses carried forward	17,598	16,821
Provisions for risks and charges	9,474	12,309
Property, plant and equipment / intangible assets	25,135	21,369
Administrative expenses	1,393	1,926
Other assets / liabilities	9,182	556
Provisions recognised through Equity	**488**	**625**
Defined benefit plans	488	516
Cash flow hedges	-	109

Change

(€/000)	Income Statement	Recognised in Equity	Total 12/31/2021	Total 12/31/2020 RESTATED
Opening balance	**77,446**	**20**	**77,466**	**24,886**
Initial adjustments	(13,735)	-	(13,735)	(9,541)
Adjusted opening balance	**63,711**	**20**	**63,731**	**15,345**
Increases	**99**	**-**	**99**	**66,918**
Deferred tax liabilities recognised during the year	(1,720)	-	(1,720)	5,540
- In respect of previous years	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	(1,720)	-	(1,720)	5,540
Other changes	1,819	-	1,819	-
Business combination	-	-	-	61,378
Decreases	**(9,480)**	**-**	**(9,480)**	**(18,532)**
Deferred tax liabilities derecognised during the year	(5,579)	-	(5,579)	(18,532)
- Reversals of temporary differences	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	(5,579)	-	(5,579)	(18,532)
Reduction in tax rates	(3,900)	-	(3,900)	-
Other changes	(1)	-	(1)	-
Total	**54,330**	**20**	**54,350**	**63,731**

The opening balance of deferred tax assets was restated with respect to the closing balance resulting from the 2020 financial statements, following changes incurred in the PPA measurement, pursuant to IFRS 3, rendered final as at June 30, 2021, after 12 months from its entry into the scope of consolidation. These changes are included in the lines “Initial adjustments” of the table above; for further details, please refer to the Section “Retrospective adjustments” in the chapter “Business combination” relating to company enterprises or branches.

It should also be noted that the year was characterized by the reduction of the tax rate in Greece from 24% to 22% (€1.0 million).

Deferred tax liabilities

Breakdown

_(€/000)	12/31/2021	12/31/2020 RESTATED
Provisions recognised through Income Statement	**112,152**	**102,325**
Provisions recognised through Equity	**488**	**625**
Total	**112,640**	**102,950**

Change***

(€/000)	Income Statement	Recognised in Equity	Total 12/31/2021	Total 12/31/2020 RESTATED
Opening balance	**77,446**	**20**	**77,466**	**24,886**
Initial adjustments	(13,735)	-	(13,735)	(9,541)
Adjusted opening balance	**63,711**	**20**	**63,731**	**15,345**
Increases	**99**	**-**	**99**	**66,918**
Deferred tax liabilities recognised during the year	(1,720)	-	(1,720)	5,540
- In respect of previous years	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	(1,720)	-	(1,720)	5,540
Other changes	1,819	-	1,819	-
Business combination	-	-	-	61,378
Decreases	**(9,480)**	**-**	**(9,480)**	**(18,532)**
Deferred tax liabilities derecognised during the year	(5,579)	-	(5,579)	(18,532)
- Reversals of temporary differences	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	(5,579)	-	(5,579)	(18,532)
Reduction in tax rates	(3,900)	-	(3,900)	-
Other changes	(1)	-	(1)	-

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 in the last two years, namely Altamira and doValue Greece, both determined on the basis of the definitive PPA.

The opening balance of deferred tax assets was restated with respect to the closing balance resulting from the 2020 financial statements, following changes incurred in the PPA measurement, pursuant to IFRS 3, rendered final as at June 30, 2021, after 12 months from its entry into the scope of consolidation. These changes are included in the lines "Initial adjustments" of the table above; for further details, please refer to the Section "Retrospective adjustments" in the chapter "Business combination".

It should also be noted that the year was characterized by liabilities derecognised during the year for €5.6 million and by the reduction of the tax rate in Greece from 24% to 22% (€3.9 million).

NOTE 5 - OTHER ASSETS

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

(€/000)	12/31/2021	12/31/2020
Other non-current assets	**2,013**	**1,646**
Other current assets	**17,107**	**16,172**
Accrued income / prepaid expenses	1,852	2,126
Items for employees	1,274	2,171
Receivables for advances	10,797	9,154
Tax receivables	1,898	1,335
Other items	1,286	1,386
Total	**19,120**	**17,818**

The item shows an overall increase of €1.3 million compared to December 31, 2020 mainly due to higher receivables for advances on expenses on portfolios under management. Other non-current assets mainly consist of security deposits.

NOTE 6 - INVENTORIES

As at December 31, 2021, the item amounted to €55 thousand, unchanged with respect to the balance as at December 31, 2020. It refers to the Group's real estate portfolio composed of the value of 2 buildings.

NOTE 7 – TRADE RECEIVABLES

(€/000)	12/31/2021	12/31/2021
Receivables	**209,123**	**176,857**
Provisions recognised through Income Statement	112,152	96,712
Provisions recognised through Equity	488	80,145
Provisions	**(2,797)**	**(1,702)**
Provisions for expected losses on receivables	(2,797)	(1,702)
Total	**206,326**	**175,155**

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 an increase of €31.2 million compared to the balance as at December 31, 2020, mainly attributable to the combined effect of lower receivables for invoices issued to be collected, and higher allocations made to invoices to be issued at the end of the period.

As a percentage of total revenues, the incidence of receivables goes from 42% to 37%, highlighting the Group's constant commitment to improve the invoicing and collection processes of its revenues. The performance is particularly positive as results have been achieved despite the negative impact due to the Coronavirus pandemic, confirming the resilience of the business model of the doValue Group.

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

NOTE 8 - TAX ASSETS AND TAX LIABILITIES

The following table provides a breakdown of tax liabilities.

Tax assets

(€/000)	12/31/2021	12/31/2020
Current tax assets	6,392	6,977
VAT asset	32,070	14,897
Total	**38,462**	**21,874**

The increase in the item, whose total amounts to €38.5 million compared to €21.9 million as at December 31, 2020, is mainly attributable to a higher VAT credit balance recorded by the Hellenic Region segment.

Tax liabilities

(€/000)	12/31/2021	12/31/2020
Current tax liabilities	26,553	6,538
VAT liability	26,291	17,574
Withholding taxes and others	5,866	3,971
Total	**58,710**	**28,083**

Also for tax payables, the increase in the item compared to December 31, 2020 (€30.6 million) mainly refers to the Hellenic Region segment, in particular for higher payables for current taxes strictly related to the positive trend recorded by these companies in the economic result of the year.

NOTE 9 - CASH AND CASH EQUIVALENTS

The balance of €166.7 million, representing an increase of €34.2 million compared with the balance of €132.5 million reported as at December 31, 2020, represents the liquidity available at the end of the year. For information on the subsequent 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 three special purpose vehicles (SPV) which the Group intends to liquidate or sell to third parties.

(€/000)	12/31/2021	31/12/2020
Non-current assets:		
Intangible assets		-
Property, plant and equipment		-
Investments in associates and joint ventures		-
Non-current financial assets		10
Deferred tax assets		-
Other non-current assets		-
Total non-current assets		**10**
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		**10**
Non-current liabilities:		
Loans and other financing		-
Other non-current financial liabilities		-
Employee benefits		-
Provisions for risks and charges		-
Deferred tax liabilities		-
Total non-current liabilities		**-**
Current liabilities:		
Loans and other financing		-
Other current financial liabilities		-
Trade payables		-
Tax payables		-
Other current liabilities		-
Total current liabilities		**-**
Total liabilities associated with assets held for sale		**-**

LIABILITIES AND EQUITY

NOTE 11 - NET EQUITY

(€/000)	12/31/2021	12/31/2020 RESTATED
Net Equity attributable to the Shareholders of the Parent Company......	**156,645**	**156,011**
Share capital	41,280	41,280
Valuation reserve	(1)	(215)
Other reserves	96,300	145,456
Treasury shares	(4,678)	(103)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	23,744	(30,407)
Net Equity attributable to Non-controlling interests	**37,358**	**27,743**
Total	**194,003**	**183,754**

The composition of the **Share capital** is as follows:

(€/000)	12/31/2021	12/31/2020
Share Capital (euro thousand)	**41,280**	**41,280**
Number of ordinary shares	80,000,000	80,000,000
Nominal value of ordinary shares	0.52	0.52
Treasury Shares (euro thousand)	**4,678**	**103**
Number of treasury shares	972,339	651,542

The **Valuation reserves as** at December 31, 2021 amounted to a negative value of -€1 thousand, (-€215 thousand as at December 31, 2020) and include the components of the valuation of the severance indemnity pursuant to IAS 19. As at December 31, 2020, the item also included the fair value measurement of derivative contracts (Interest rate swaps) hedging the cash flows relating to the Facility Loan linked to the acquisition of Altamira, which was fully repaid during the year.

Other reserves break down as follows:

(€/000)	12/31/2021	12/31/2020 RESTATED
Reserves from allocation of profits or tax-suspended reserves	**50,864**	**61,080**
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,140	1,140
Reserve from retained earnings	16,935	29,647
Reserve established in by laws for purchase of treasury shares	75	103
Reserve from retained earnings - Share Based Payments	13,372	10,848
Other reserves	**45,436**	**84,376**
Extraordinary reserve	102,970	102,970
Reserve, Lgs. Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Law 218/90	4,179	4,179
Reserve from business combinations	1,746	1,746
Share Based Payments Reserve	4,689	6,185
Consolidation reserve	(57,698)	(21,333)
Negative reserve for put option on non-controlling interests	(16,597)	(15,518)
Total	**96,300**	**145,456**

Overall, the item shows a decrease of around €49.0 million due to the combination of the following main elements:

- Approximately €12.7 million decrease in the **Retained earnings reserve** mainly following the distribution of dividends approved by the Shareholders' Meeting on April 29, 2021 through the use of reserves generated in previous years in addition to €7.8 million profit for the year 2020 of the Parent Company doValue, for a total of €20.8 million of dividends distributed;

- €36.4 million increase in the negative **Consolidation reserve** mainly due to the 2020 results of the subsidiaries;

- €1.1 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 €-15.5 million to €-16.6 million due to the effect of the portion that exceeds the amount of assets pertaining to third parties with respect to the Altamira acquisition;

- €1.0 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.

Treasury shares, represented as a direct reduction of shareholders' equity, amounted to €4.7 million, an increase of €4.6 million compared to December 31, 2020 due to the purchases made during the period.

Net equity attributable to non-controlling interests amounts to €37.4 million, including the result for the period attributable to non-controlling interests of €11.3 million, and refers to the 20% stake in doValue Greece held by Eurobank. The portion of shareholders' equity attributable to minority interests in Altamira (€5.6 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 -€1.9 million and which represents the option to purchase the residual minority stake in Altamira with a maturity extended to the end of June 2023.

NOTE 12 - LOANS AND OTHER FINANCING

(€/000)	Interest Rate%	Due Date	12/31/2021	12/31/2020
Non-current loans and other financing			**555,224**	**456,676**
Bank loans				203,198
Due to other lenders	3%-5%	12/31/2024	4,365	6
Bond 2020	5%	8/04/2025	255,675	253,472
Bond 2021	3,375%	7/31/2026	295,184	
Current loans and other financing			**17,604**	**86,376**
Bank loans		on demand	41	80,998
Bank overdrafts	Euribor3m+1, 9%	on demand	7,566	
Due to other lenders		on demand	4	4
Bond 2020	5%	02/01/2022	5,521	5,374
Bond 2021	3,375%	1/31/2022	4,472	
Total			**572,828**	**543,052**

The balance of **Loans and other financing** as at December 31, 2021 includes the residual debt values at amortised cost of the following loans (current and non-current portion):

- €299.7 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 Altamira and to refinance the pre-existing debt of the same investee;

- €261.2 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.

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 **Non-current loans and other financing** includes **Due to other lenders** for an amount of €4.4 million relating to the limited recourse loan allocated for a specific business activity. For more details, please refer to the section of financial risks in the chapter on Information on risks and risk management policies.

Lastly, the item **Current loans and other financing** includes **Bank overdrafts** relating to a residual revolving facility line of the Spanish subsidiary.

NOTE 13 - OTHER FINANCIAL LIABILITIES

(€/000)	12/31/2021	12/31/2020 RESTATED
Other non-current financial liabilities	**46,048**	**24,293**
Lease liabilities	18,255	18,761
Earn-out	5,554	5,318
Put option on non-controlling interests	22,239	-
Hedging derivatives	-	214
Other current financial liabilities	**25,600**	**51,772**
Lease liabilities	8,111	10,032
Earn-out	17,489	17,489
Put option on non-controlling interests	-	24,011
Hedging derivatives	-	240
Total	**71,648**	**76,065**

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 under other current financial liabilities relates to part of the acquisition price of Altamira (€17.5 million), while that recorded under non-current liabilities, €5.6 million, relates to the debt arising from the acquisition of doValue Greece and is linked to the achievement of certain EBITDA targets over a ten-year period and any payments will not be due before 2024. The value of this liability as at December 31, 2020 was subject to restatement with respect to the final amounts resulting from the 2020 financial statements, following the changes in the valuation of PPA pursuant to IFRS 3, finalized as at June 30, 2021, after 12 months from entry into consolidation.

The **Put option on non-controlling interests** represents the liability linked to the option to purchase the residual minority stake in Altamira with expiry extended to the end of June 2023 through an agreement signed on July 6, 2021 which provides for the definition of some calculation parameters as well as the right to exercise the option only at the end of the two-year period.

As a result of this renegotiation and extension, the valuation of the put option as at December 31, 2021 falls within other non-current financial liabilities, while in the previous year it was represented in the current category.

The valuation of the option includes the discounting effect and is updated with respect to Altamira's accounting position as at December 31, 2021 and also takes into account the provisional results of the 2022-2024 business plan.

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 European Commission Regulation on prospectuses", the Group's net financial indebtedness as at December 31, 2021 breaks down as follows.

(€/000) Note		12/31/2021	12/31/2020 RESTATED
9	A Cash on hand	3	5
9	B Cash at banks and short-term deposits	166,665	132,481
	D Liquidity (A)+(B)+(C)	**166,668**	**132,486**
3	E Current financial assets	1,516	5,898
12	F Current bank debt	(7,566)	-
12	G Current portion of non-current debt	(41)	(80,998)
12, 13	H Other current financial debt	(25,604)	(51,776)
	I Current financial indebtedness (F)+(G)+(H)	**(33,211)**	**(132,774)**
	J Net current financial indebtedness (I)+(E)+(D)	**134,973**	**5,610**
12	K Bank loan, non-current	-	(203,198)
12	L Bond Issued	(560,852)	(258,846)
12, 13	M Other non-current loans	(50,413)	(24,299)
	N Non-current financial indebtedness (K)+(L)+(M)	**(611,265)**	**(486,343)**
	O Net financial indebtedness (J)+(N)	**(476,292)**	**(480,733)**

Compared with the net financial position, equal to €401.8 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 €74.5 million. The following table reconciles the two different representations:

(€/000)	12/31/2021	31/12/2020 RESTATED
A Net financial indebtedness	**(476,292)**	**(480,733)**
Other current financial debt	25,604	51,776
Other non-current loans	50,413	24,299
Current financial assets	(1,516)	(5,898)
B Items excluded from the Net financial position	**74,501**	**70,177**
C Net financial position (A)+(B)	**(401,791)**	**(410,556)**

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 opera-ting 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	0.80%
Salary increase rate	2.60%
Inflation rate	1.80%
Mortality	IPS55
Inability	Social Security Rates (INPS)
Advanced termination benefit	1.5% per annum in addition to the turnover rates used
Retirement age	Fulfilment of the minimum requisites provided by the General Mandatory Insurance
Advances on Employee severance indemnities	Fulfilment of the minimum requisites provided by the General Mandatory Insurance

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

Actuarial rate	0.42%
Salary increase rate	1.25%
Inflation rate	2.00%

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

(€/000)	12/31/2021	12/31/2020 RESTATED
Opening balance	**16,341**	**8,544**
Initial adjustments	124	-
Adjusted opening balance	**16,465**	**8,544**
Increases	**728**	**10,956**
Provisions for the year	525	777
Other changes	203	10,179
Decreases	**(6,929)**	**(3,035)**
Benefits paid	(842)	(1,758)
Other changes	(6,087)	(1,277)
Closing balance	**10,264**	**16,465**

The opening balance was restated with respect to the closing balance resulting from the 2020 financial statements, following changes incurred in the PPA measurement of the doValue Greece subsidiary, pursuant to IFRS 3, rendered final as at June 30, 2021, after 12 months from its entry into the scope of consolidation. These changes are included in the lines "Initial adjustments" of the table above; for further details, please refer to the Section "Retrospective adjustments" in the chapter "Business combination".

Overall, the item shows a decrease of approximately €6.2 million compared to December 31, 2020; this decrease originated for €3.5 million from a different classification of some items better attributable to payables to personnel within the item "other liabilities", while for €2.5 million the decrease derives from a change in the method of calculation of the severance indemnity for the subsidiary doValue Greece.

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 and tax disputes	**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 12/31/2021**	**Total 12/31/2020 RESTATED**
Opening balance	**8,852**	**6,159**	**3**	**15,014**	**6,112**	**33,984**	**-**	**40,096**	**55,110**	**25,669**
Initial adjustments	-	-	-	-	-		32,236	32,236	32,236	4,636
Adjusted opening balance	**8,852**	**6,159**	**3**	**15,014**	**6,112**	**33,984**	**32,236**	**72,332**	**87,346**	**30,305**
Increases	**2,892**	**4,371**	**-**	**7,263**	**258**	**898**	**12,422**	**13,578**	**20,841**	**73,964**
Provisions for the period	2,899	3,728	-	6,627	255	205	12,422	12,882	19,509	37,454
Changes due to the passage of time and changes in the discount rate	(7)	4	-	(3)	3	-	-	3	-	(48)
Business combination	-	-	-	-	-	-	-	-	-	36,319
Other changes	-	639	-	639	-	693	-	693	1,332	239
Decreases	**(4,280)**	**(2,239)**	**-**	**(6,519)**	**(5,640)**	**(32,981)**	**(18,812)**	**(57,433)**	**(63,952)**	**(16,923)**
Reallocations of the period	(1,970)	(789)	-	(2,759)	(135)	-	(18,812)	(18,947)	(21,706)	(3,384)
Utilisation for payment	(2,144)	(1,450)	-	(3,594)	(3,101)	(32,981)	-	(36,082)	(39,676)	(13,255)
Other changes	(166)	-	-	(166)	(2,404)	-	-	(2,404)	(2,570)	(284)
Closing balance	**7,464**	**8,291**	**3**	**15,758**	**730**	**1,901**	**25,846**	**28,477**	**44,235**	**87,346**

The opening balance was restated with respect to the closing balance resulting from the 2020 financial statements, following changes incurred in the PPA measurement of the doValue Greece subsidiary, pursuant to IFRS 3, rendered final as at June 30, 2021, after 12 months from its entry into the scope of consolidation. These changes are included in the "Initial adjustments" lines of the above table; specifically, the "**funds against other items of the income statement - Other**", which at December 31, 2021 was equal to a residual €25.8 million and refers to the provision estimated in the final PPA equal to an initial €34.5 million determined following a more precise interpretation of some clauses provided for by 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. For further information, reference is also made to the Section "Retrospective adjustments" in the chapter "Business combination" relating to company enterprises or branches.

The item **Legal and tax 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 €1.4 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 provisions** increased by €2.1 million, moving from €6.2 million as at December 31, 2020 to €8.3 million as at December 31, 2021 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 initial balance of this item also includes MBO premiums.

The amount of this item also reflects remuneration policies, which for certain categories of managers envisage changes in the structure of variable remuneration, which provides for deferred amounts and the grant of equity instruments. The decrease in the period equal to a total of €5.6 million is mainly due to the use of the provisions allocated in the previous year and to the new internal process for determining the aforementioned variable remuneration for employees, as provided for by the new Remuneration Policy for 2021 approved by the Shareholders' Meeting in the session of April 29, 2021, which entails its recognition under Other current liabilities.

The **Tax claims** component, which falls within the provisions as a counterpart to other items, is reduced by € 33.0 million due to the closure of the Altamira Tax Claim which took place on July 5 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") and in application of the provisions of the IFRS15 accounting standard.

RISKS CONNECTED WITH OUTSTANDING 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 OUTSTANDING TAX DISPUTES

In the context of a tax inspection conducted by the Spanish Tax Authorities on the subsidiary Altamira Asset Management ("AAM") and on the previous parent company Altamira Asset Management Holding ("AAMH") for fiscal years 2014 and 2015, on March 24, 2021, AAM was informed by the Spanish Administration of a different approach by the Tax Authorities in the calculation of the tax base compared to the one followed by the company at the time based on the existing legislation, mainly regarding the fiscal deductibility of expenses and financial charges incurred by Altamira and AAMH following the acquisition of Altamira by AAMH from Banco Santander.

In March 2021, the Spanish Tax Authorities, expressed their willingness to reach an agreement to fully settle pending tax disputes (also relating to the years 2016-2017-2018 for which said financial charges were deducted and that, in the event of agreement, shall be settled through the submission of supplementary tax returns by July 5, 2021) with no application of penalties, whose impact in economic-financial terms was quantified at a total of roughly €34 million. AAM considered it to be in its interest to reach an agreement with the Authorities under these terms, and adjusted the provision allocated in respect of said tax audit, registering an impact of €29.2 million on the 2020 income statement. It should be noted that, in 2019, the provision recorded originally amounted to €4.6 million (updated in 2020 to €4.8 million for the capitalisation of the relevant interest) and the prevalent part of this amount, €4.1 million, will be reimbursed by the seller of Altamira based on the clauses set out in the Share Purchase Agreement in the form of an acquisition price adjustment.

In April 2021, the Spanish Tax Authorities formalised the proposed agreement with AAMH and the subsidiary AAM, accurately quantifying the sums due at an amount essentially in line with the estimates drawn up previously, confirming the specific provision allocated to be more than enough. At the end of April, the two companies signed said proposed agreement.

Note should be taken of the fact that the tax charges recorded on the basis of said agreement derive from the structure originally put in place in 2013 and 2014 for the acquisition of AAM by the previous shareholders (Apollo, CCPIB and Adia) and that, at the moment of the acquisition of AAM by AAMH, doValue covered the risk of contingent liabilities, including tax-related, by obtaining declarations and guarantees from the seller and supplementing them with specific insurance cover.

At the end of June, the insurance company made a reimbursement of €726 thousand, relating to part of the tax payable generated by the assessment concerning some expenses reclassified by the Authority as non-deductible, net of the portion of €4.1 million in the form of an acquisition price adjustment, which was paid at the start of July by the seller AAMH based on the clauses set forth in the Share Purchase Agreement.

On July 5, the tax claim was paid by AAM and AAMH (given that in the assessment period, the companies belonged to the same group and were participating in the tax consolidation scheme) and supplementary tax returns were presented for the years 2016-2017-2018.

For more information, please refer to the section Significant events in the period of the Directors' Report on the Group.

NOTE 16 - TRADE PAYABLES

(€/000)	**12/31/2021**	**31/12/2020**
Payables to suppliers for invoices to be received	49,274	30,262
Payables to suppliers for invoices to be paid	24,436	21,562
Total	**73,710**	**51,824**

The figure for 2021 shows an increase of €21.9 million compared to that recorded as at December 31, 2020 mainly attributable to payables for invoices to be received (+63%) while the payables for invoices to be paid show a less significant increase (+13%).

NOTE 17 - OTHER LIABILITIES

(€/000)	**12/31/2021**	**31/12/2020 RESTATED**
Other non-current liabilities	**29,836**	**-**
Amounts to be paid to third parties	29,668	
Deferral of government grants related to assets	168	
Other current liabilities	**75,052**	**71,164**
Amounts to be paid to third parties	1,398	3,488
Amounts due to personnel	32,484	7,959
o.w. employees	*31,126*	*7,900*
o.w. members of Board of Directors and Auditors	*1,358*	*59*
Amounts due to pension and social security institutions	5,830	4,266
Items being processed	19,412	20,096
Deferral of government grants related to assets	121	-
Other accrued expenses / deferred income	13,932	33,318
Other items	1,875	2,037
Total	**104,888**	**71,164**

As at September 30, 2021 the item stood at €104.9 million against €71.2 million in 2020, with an overall increase of €33.7 million.

With regard to **Other non-current liabilities**, the increase of €29.7 million in the item "Sums to be paid to third parties" includes liabilities to customers related to indemnities received by the Group for portfolio sales and subject to certain conditions of performance.

With regard to **Other current liabilities**, the overall increase of €3.9 million derives mainly from the combined effect of an increase of €24.5 million in payables relating to personnel for variable compensation (allocated to the item "provision for risks and charges" in 2020), redundance incentives, holidays accrued and thirteenth month pay to be paid and a reduction in accrued expenses/deferred income of €19.4 million essentially due to the release of the portion relating to the period of the deferred income recorded at the end of 2020 amounting to €31 million, in application of IFRS 15 and relating to the accounting of the prepayment of fixed servicing fees pertaining to 2021.

As at December 31, 2021, there was also the presence of €289 thousand, divided between current and non-current liabilities, linked to the deferred income of the income recognized against public capital grants relating to the innovation tax credit Law 160/2019 calculated for investments made in 2020 and declared in doValue's 2021 IRES declaration. The credit in question can be used in three annual instalments in tax returns starting from the one referring to the year 2021.

NOTE 18 - SHARE-BASED PAYMENTS

The Report on the 2021 Remuneration policy and remuneration paid in 2020 of doValue S.p.A. (hereinafter "the Policy"), applicable to Directors, Key Management Personnel and Members of Supervisory Bodies was approved by the Shareholders' Meeting of doValue on April 29, 2021.

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 resulting from the annual Management By Objectives (MBO) bonus System of the Chief Executive Officer is paid in shares;
- a part of the variable remuneration of Executives with Strategic Responsabilities, 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 doVa- lue's shares ("Performance shares") and based on the assignment with a 3-year vesting period (2021-2023). 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 on a deferred basis. 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 DIRS 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 30 days 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.

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 the part pertaining to 2021 amounts to €2.0 million, with a corresponding amount reflected in a specific equity reserve.

NOTE 19 - LEASES

The Group leases properties and vehicles that are used in operations or assigned to employees. The property leases generally have an original term of 6 years, while the vehicle leases generally have an original term of 4 years. The liabilities in respect of these lease contracts are secured by the lessors' ownership of the leased assets. In general, the 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 systems	Other tangible assets	Total 12/31/2021	Total 31/12/2020
Opening balance	**24,238**	**-**	**-**	**5,092**	**29,330**	**17,840**
Initial adjustments		-	-	-	-	-
Adjusted opening balance	**24,238**			**5,092**	**29,330**	**17,840**
Increases	**8,362**	**-**	**-**	**919**	**9,281**	**22,803**
Purchases	8,362	-	-	811	9,173	14,569
Other changes		-	-	108	108	8,234
Decreases	**(9,675)**	**-**	**-**	**(2,912)**	**(12,587)**	**(11,313)**
Amortisation	(9,113)	-	-	(2,766)	(11,879)	(10,885)
Other changes	(562)	-	-	(146)	(708)	(428)
Closing balance	**22,925**	**-**	**-**	**3,099**	**26,024**	**29,330**

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

(€/000)	**12/31/2021**	**31/12/2020**
Opening balance	**28,793**	**18,028**
Initial adjustments	-	-
Adjusted opening balance	**28,793**	**18,028**
Increases	**7,833**	**20,113**
New liabilities	1,369	11,142
Financial expenses	674	580
Other changes	5,790	8,391
Decreases	**(10,260)**	**(9,348)**
Payments	(8,639)	(7,819)
Other changes	(1,621)	(1,529)
Closing balance	**26,366**	**28,793**
o.w.: Non-current lease liabilities	*18,255*	*18,761*
o.w.: Current lease liabilities	*8,111*	*10,032*

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

(€/000)	12/31/2021	31/12/2020
Amortisation of right-of-use assets	(11,879)	(10,885)
Financial expenses from lease liabilities	(674)	(580)
Total	**(12,553)**	**(11,465)**

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)	12/31/2021	31/12/2020
Non-current assets and disposal groups held for sale	(59)	(89)
Share of valuation reserves of equity accounted investments	-	(249)
Total	**(59)**	**(338)**

CONSOLIDATED INCOME STATEMENT

NOTE 20 - REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)	12/31/2021	31/12/2020 RESTATED
Servicing services	270,050	209,489
Servicing for securitisations	183,658	113,498
REO services	70,657	56,605
Total	**524,365**	**379,592**

On the whole, the item recorded an increase of 38% over the restated figure for 2020, thanks to the contribution of doValue Greece, acquired in June 2020, while on a like-for- like basis, that is excluding the contribution of the companies for both 2021 and 2020, the increase registered in the item is 14.5%. This item, as part of the **Servicing services** under mandate, also includes, in line with the past and with ordinary operations, revenue components linked to indemnities, against the sale of managed portfolios involving some Group entities.

In particular, the contribution of doValue Greece in 2021 with respect to the item servicing services under mandate amounted to €99.1 million and recorded an overall increase of 29% compared to 2020, while the contribution for the item **Servicing for securitisations** is €75.1 million.

REO services under mandate derive almost exclusively from Altamira Group companies and recorded an increase of 25% in turnover resulting from a higher volume of assets managed.

Performance obligations

SERVICING SERVICES AND FOR SECURITISATIONS

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

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 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 revenue	**153,286**	**217,439**	**179,175**	**(25,535)**	**524,365**

Year 2020 RESTATED	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	40,711	82,264	103,756	(17,242)	**209,489**
Servicing for securitisations	92,249	21,249	-	-	**113,498**
REO services	-	10,076	56,281	(9,752)	**56,605**
Total revenue	**132,960**	**113,589**	**160,037**	**(26,994)**	**379,592**

NOTE 21 - OTHER REVENUES

(€/000)	12/31/2021	12/31/2020
Administrative Servicing / Corporate Services Provider	10,299	5,254
Information services	4,655	4,733
Recovery of expenses	1,363	1,133
Due diligence & Advisory	2,618	8,810
Ancillary REO services	18,990	18,375
Other revenues	2,849	3,713
Total	**40,774**	**42,018**

The item **Other Revenues** recorded a decrease of 3% compared to the same period of the previous year, largely due to the effect of reduced due diligence & advisory activities, partially offset by higher income from recovery of expenses, ancillary real estate services and in particular from administrative/CSP services carried out by the Parent Company doValue and which include the new "Master Legal" business line with revenues of €6.4 million, compared to €0.7 million in 2020, when the activity had just started.

NOTE 22 - COSTS FOR SERVICES RENDERED

(€/000)	12/31/2021	12/31/2020
Costs for management of agency contracts	(34,564)	(28,739)
Brokerage fees	(21,176)	(15,875)
Costs for services	(940)	(968)
Total	**(56,680)**	**(45,582)**

The item, which includes the fees of the network dedicated to recovery, recorded an increase of 24% compared to the previous year, due to the enlargement of the consolidation perimeter to doValue Greece (+17% on a like-for-like basis), and the increased use of the network by all geographical segments following the increase in managed assets.

NOTE 23 - PERSONNEL EXPENSES

(€/000)	12/31/2021	31/12/2020 RESTATED
Payroll employees	(224,481)	(177,555)
Members of Board of Directors and Board of Statutory Auditors	(4,986)	(4,479)
Other personnel	(2,114)	(1,386)
Total	**(231,581)**	**(183,420)**

AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	12/31/2021	12/31/2020
Payroll employees	**3,156**	**2,863**
a) Executives	146	133
b) Managers	1,043	995
c) Other employees	1,967	1,735
Other staff	**82**	**56**
Total	**3,238**	**2,919**

The item recorded an increase of 26% while, on a like-for-like basis, i.e. excluding doValue Greece, the increase was 17%. This trend is mainly justified by the fact that in 2020, due to the pandemic in progress, the Group chose not to allocate the variable portion of salaries (MBO), which was instead restored in 2021, as well as by the fact that in the previous year the Group benefited from support measures implemented by the various national governments to deal with the epidemiological emergency.

In terms of the workforce, the average number of employees rose by 11% and, taking into account the fact that doValue Greece contributed 1,046 units during the year, on a like-for-like basis, the average number of employees decreased by 6% mainly due to the transfer to Dock Joined in Tech (subsidiary of IBM) of the business unit of doSolutions for the management of the Group's IT and Back Office systems (approximately 140 units). Personnel expenses include charges related to redundancy incentives (overall €10.2 million in Italy, within the scope of Altamira and doValue Greece) that will be disbursed to employees who signed up to the plan launched by the Group, in line with the objectives of the 2022-2024 Business Plan.

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)	12/31/2021	12/31/2020
External consultants	(33,234)	(30,455)
Information Technology	(34,935)	(29,918)
Administrative and logistical services	(5,386)	(6,279)
Rentals, building maintenance and security	(8,806)	(3,622)
Insurance	(2,410)	(2,067)
Indirect taxes and duties	(2,467)	(2,564)
Postal services, office supplies	(1,378)	(1,776)
Indirect personnel expenses	(2,782)	(1,734)
Debt collection	(772)	(604)
Utilities	(1,924)	(1,760)
Advertising and marketing	(4,495)	(3,595)
Other expenses	(642)	(1,801)
Total	**(99,231)**	**(86,175)**

The item shows an increase of 15% compared to the previous year, (12.4% excluding doValue Greece), which is mainly linked to IT services connected to the capitalized developments, as well as to a greater impact of administrative and logistic services due to the outsourcing to Dock Joined in Tech, a company of the IBM Group. The external consultancy has felt the impact of some one-off costs linked to the acquisition of doValue Greece as well as due diligence in relation to potential future business combinations.

NOTE 25 - OTHER OPERATING (EXPENSE)/INCOME

(€/000)	12/31/2021	12/31/2020
Recovery of expenses	726	-
Government grants	165	-
Reductions in assets	(3,378)	205
Other expenses	(6,190)	(141)
Other income	81	-
Total	**(8,596)**	**64**

The item shows a significant negative balance in 2021 substantially deriving from the item **Reductions in assets** for €3.3 million, due to the recognition of a "Net Economic Benefit" to the selling counterparty as part of the acquisition of doValue Greece and from the item **Other expenses** which includes of €6.1 million for indemnities paid to customers following contractual disputes.

Government grants, for €165 thousand, refer to the portion pertaining to the year deriving from the tax credit for innovation pursuant to Law 160/2019.

NOTE 26 - DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)	12/31/2021	12/31/2020 RESTATED
Intangible assets	**(79,812)**	**(65,940)**
Amortisation	(76,288)	(65,940)
Impairment	(3,524)	
Property, plant and equipment	**(14,755)**	**(13,373)**
Amortisation	(14,725)	(13,373)
Impairment	(30)	
Financial assets measured at amortised cost	**54**	**13**
Writedowns	(43)	(13)
Writebacks	97	26
Trade receivables	**(1,750)**	**(1,038)**
Writedowns	(1,750)	(1,038)
Total	**(96,263)**	**(80,338)**

The item recorded an increase of 20% with respect to the "restated" figure for "2020, which includes the economic effects of the values of intangible assets determined at the time of the final Purchase Price Allocation (PPA) of doValue Greece.

The figures for 2021 include the amortisation charge of each servicing contract, recognised under "Other intangible assets", and deriving from both the valuation of the acquisition of Altamira and the valuation, now definitive, of the acquisition of doValue Greece.

The write-down of intangible assets of €3.5 million derives from the effects of the impairment test conducted on the accounting balances as at December 31, 2021 and refers for €2.9 million to the Iberia perimeter and for €0.6 million to the Hellenic Region segment (for further 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 €11.9 million in 2021.

NOTE 27 - PROVISIONS FOR RISKS AND CHARGES

(€/000)	12/31/2021			31/12/2020		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and tax disputes	(2,892)	1,970	**(922)**	(1,712)	1,325	**(387)**
o.w. Employee disputes	*(318)*	*171*	***(147)***	*(340)*	*31*	***(309)***
Out-of-court disputes	(3,732)	789	**(2,943)**	(3,113)	1,171	**(1,942)**
Total	**(6,624)**	**2,759**	**(3,865)**	**(4,825)**	**2,496**	**(2,329)**

The item 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, 2021, the item shows a negative balance of €3.9 million (€2.3 million as at December 31, 2020), 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 2021 provisions for out-of-court disputes and other risk provisions mainly refer to:

- risks resulting from the indemnity obligations deriving from a specific commercial settlement agreement signed in 2019 for €1.1 million;
- risks relating to disputes with customers of servicing contracts for €1.3 million;
- subordination fees linked to the performance of some servicing contracts both in Italy and abroad for €0.6 million.

The reallocations (€2.8 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)	12/31/2021	12/31/2020 RESTATED
Financial income	**9,198**	**599**
Income from financial assets measured at fair value through P&L	8,846	429
Income from financial assets measured at amortised cost	133	35
Other financial income	219	135
Financial expense	**(32,843)**	**(24,810)**
Expense from financial liabilities measured at amortised cost	(31,220)	(17,878)
Expense from hedging derivates	(507)	(323)
Other financial expenses	(1,116)	(6,609)
Net change of other financial assets and liabilities measured at fair value through P&L	**1,308**	**(1,997)**
Debt securities	1,209	(1,425)
Units in collective investment undertakings	99	(572)
Total	**(22,337)**	**(26,208)**

Financial income from financial assets measured at fair value through P&L includes primarily the profit of €4.0 million realised from the transfer of the securities of the Relais securitisation and that of €4.6 million from the sale of Mexico securities; the remaining part is represented by income from the Romeo and Mercuzio ABS securities, down compared to 2020, following the gradual reimbursement of the outstanding amount.

Financial expenses (€32.8 million) include interest expense connected to the Senior Facility Loan for the acquisition of Altamira (€10.5 million) which include €4.7 million of costs initially capitalized on the loan and released to the income statement for the year due to the closing of the same and simultaneous refinancing through the issue of the bond for € 300.0 million in July 2021. Financial charges also include, for a total of €20.4 million, interest expense accrued on the aforementioned bond as well as that deriving from the bond issued on August 4, 2020 to cover the acquisition of doValue Greece and that relating to the use of a revolving facility by the Spanish subsidiary.

Other financial expenses essentially include the portion of interest calculated pursuant to IFRS 16, while in 2020 the item also included an amount of €4.0 million relating to the financial charges associated with the tax dispute of the subsidiary Altamira, which was liquidated and defined during the year.

The **Net change of other financial assets and liabilities measured at fair value through P&L** is attributable to the positive fair value delta relating to the notes of the Cairo securitisations (€0.9 million), the Romeo SPV securities (€0.3 million) and, for the remaining part, UCITS units of the Italian Recovery Fund.

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 2021 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 (Law no. 208 of December 28, 2015), which applies to the subsidiary Italfondiario.

In addition to IRES, in Italy, IRAP (regional business tax) must be added. As at December 31, 2021, 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)	12/31/2021	12/31/2020 RESTATED
Current tax	(31,255)	(10,633)
Changes in prior year taxes	(1,116)	(24,906)
Reduction of current taxes for the year	-	394
Changes in deferred taxes assets	7,676	4,473
Changes in deferred taxes liabilities	11,199	(741)
Total	**(13,496)**	**(31,413)**

Income taxes for the period are quantified on an accruals basis at €13.4 million, recording a decrease of €17.9 million mainly due to the effect of the one-off impact in 2020 of the tax dispute relating to the subsidiary Altamira which affected the item for €25.2 million.

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

(€/000)	12/31/2021	31/12/2020
Defined benefit plans	40	101
Cash flow hedges	(109)	21
Total	**(69)**	**122**

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 shown below:

(€/000)	12/31/2021	12/31/2020 RESTATED
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**46,669**	**(2,377)**
Theoretical tax rate	**24%**	**24%**
Theoretical computed taxes on income	**(11,201)**	**570**
- Different tax rates from the theoretical	2,452	1,216
- Non-taxable income - permanent differences	(3,690)	(1,869)
- Non-deductible expenses - permanent differences	(2,602)	(3,428)
- IRAP (regional business tax)	(528)	(680)
- Prior years and changes in tax rates	1,511	(25,420)
- Valuation adjustments and non-recognition of deferred tax assets/liabilities	1,028	(2,594)
- Other differences	(466)	792
Income tax recognised in income statement	**(13,496)**	**(31,413)**

NOTE 30 - EARNINGS PER SHARE

(€/000)	12/31/2021	12/31/2020 RESTATED
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]		
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share	**23,744**	**(30,407)**
basic [B]	79,156,795	79,049,423
diluted [C]	79,156,795	79,049,423
Earnings (loss) per share (in euro)		
basic [A/B]	0.30	(0.38)
diluted [A/C]	0.30	(0.38)

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

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.

In the last two years the review of the internal control system were aimed at assisting the Group's organisational evolution and international growth. In particular a review of the organisational structure was carried out in 2021, which led to the reorganisation of activities in homogeneous geographical areas (i.e. regions) and to establish Group functions responsible for the transversal coordination of activities (for example, the definition and implementation of business development strategies, management of corporate processes, etc.) and their alignment with the Group's strategic objectives.

In this context, the main impacts on the Group's internal control system concerned, in continuity with the operating model introduced in Italy in 2019, the establishment, from January 2021, of the following Group Functions:

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

- Group Internal Audit, reporting hierarchically to the Chief Group Control Officer, responsible for defining a common methodology for carrying out internal audit activities, common tools for performing controls, a common reporting system for the Bodies and the Management of the various Group components and ensuring its adoption by the various local Internal Audit Functions that functionally report to it;

- Group AML, reporting hierarchically to the Chief Group Control Officer, responsible for issuing Group guidelines and policies on the prevention of money laundering risk and for developing a common methodological approach to manage the same, as well as a common reporting for the Bodies and the Management of the different Group components, supervising its adoption by the various Anti-money Laundering Functions established at local level that functionally report to it;

- Compliance & Global DPO, reporting hierarchically to the Group General Counsel, responsible for developing a uniform compliance framework at Group level with the aim of ensuring compliance with regulations within the relative scope (e.g., Market Abuse, Related Parties, Consob Regulations, Anti-corruption, Privacy) through the definition of common guidelines and policies, regulatory monitoring and the implementation of the necessary interventions to ensure compliance with applicable regulations, as well as the introduction of specific intra-group information flows;

- Group Administration & Internal Control for Financial Report, reporting hierarchically to the Group Finance Function, within which the Internal Control for Financial Report structure is responsible for supporting the Financial Reporting Officer pursuant to Italian Law 262/2005 in fulfilling their responsibilities with reference to the issuer and to all the Group companies included in the consolidation.

Net of these organisational changes, the Internal Controls System continues to be structured as follows:

- primary responsibility for the completeness, adequacy, functionality and reliability of the system is attributed to the governing bodies and, in particular, to the Board of Directors, which is responsible for the strategic planning, management, evaluation and monitoring of the overall Internal Control System, supported in this by the Risks, Related-Party Transactions and Sustainability Committee. In this context, the Chief Executive Officer, by virtue of a specific mandate assigned by the Board of Directors, oversees the functionality of the internal control and risk management system, pursuant to the Code of Corporate Governance of Borsa Italiana. The Board of Statutory Auditors is responsible for overseeing the completeness, adequacy and effectiveness of the internal control system, ensuring the adequacy of the company units involved, the correct performance of duties and the adequate coordination of duties, promoting any necessary corrective actions;

- level three controls are targeted at periodically evaluating the completeness, functionality, adequacy and reliability in terms of the efficiency and effectiveness of the Internal Control System in relation to the nature and intensity of the risks of the company requirements, by also identifying any breaches of the organisational measures adopted by the Group. In the context of the outlined Internal Control and Risk Management System, the Internal Audit Functions set up at the Parent Company and its main subsidiaries (i.e. Altamira Asset Management, doValue Greece and Altamira Cyprus) is assigned the direct management of the internal audit activities, with a view to third-level control and in line with the principles and methodological standards defined at Group level, without prejudice to the competences and responsibilities of the respective Corporate Bodies;

- the second level controls seek to ensure the correct implementation of the risk management process, to verify compliance with the limits assigned to the various operating functions, to control the consistency of the operations of the individual operational areas with the risk-return objectives assigned as well as guarantee the compliance of company operations with applicable rules, including corporate governance regulations. The organisational structure and the perimeters under the responsibility of the functions within the Group that are responsible for overseeing the aforementioned areas are directly influenced by the structure of the business processes implemented in the various entities that make it up and by the nature and significance of the risks associated with them as well as the presence of specific regulatory requirements on risk governance. First level controls are aimed at ensuring the correct performance of operations and are the responsibility of the corporate functions responsible for the business activities/operations, which are called upon, in the context of daily operations, to identify, measure, monitor and mitigate the risks deriving from ordinary company operations in accordance with the risk management process and the applicable internal procedures.

In this context the Group Corporate Control Functions (Internal Audit Function, Anti-Money Laundering Function and Financial Reporting Officer) are independent from an organisational point of view and clearly separate from other organisational units, they have the authority, economic and physical resources, as well as the necessary skills to perform their tasks and report hierarchically to the Board of Directors or to the Chief Executive Officer of the Parent Company doValue S.p.A.

It is envisaged that the Corporate Control Functions include in their respective activity plans, each for its own mission, audits and/or consultancy activities at consolidated level aimed at ascertaining the compliance of the behaviour of the Subsidiaries in relation to the guidelines given by the Parent Company within the scope of management and coordination as well as the specific regulations applicable to them.

The adoption of an internal control and risk management system is also consistent with the provisions of the Borsa Italiana Corporate Governance Code, which the Parent Company doValue decided to adopt after its listing on the Italian regulated stock market (MTA), in the awareness that one of the crucial elements of the governance of a listed company is precisely its internal control system.

Board of Directors, Risks, Related-Party Transactions and Sustainability Committee

The guidelines of the Internal Control and Risk Management System are defined by the Board of Directors of the Parent Company in line with the strategic guidelines and risk appetite established by the same. In this way, the Board ensures that the main risks are correctly identified, measured and adequately monitored, also taking into account their evolution and interaction.

The Board of Directors carries out assessments and takes decisions on the internal control and risk management system with the support of the Risk, Related-Party Transactions and Sustainability Committee.

As part of its competences, the Board of Directors approves the establishment of the corporate control functions, the related tasks and responsibilities, the coordination and collaboration methods, the information flows between them and between them and the corporate bodies, appointing and revoking the relevant managers, having considered the opinion of the Board of Statutory Auditors, on the proposal of the Risk, Related-Party Transactions and Sustainability Committee.

Board of Statutory Auditors

The Board of Statutory Auditors monitors the comprehensiveness, appropriateness and functionality of the Internal Control System and the risk management and control processes, ensuring the adequacy of the corporate functions involved, the correct performance of their duties and the appropriate coordination of activities, promoting corrective actions for any shortcomings or irregularities found.

For the same purpose, the Board of Statutory Auditors, making use of the corporate control functions, carries out assessments to ensure the regularity and legitimacy of management, participating, among other things, in the work of the Board of Directors.

The Parent Company's Board of Statutory Auditors operates in close relationship with the corresponding bodies of the companies controlled by it and also has the task of informing the Supervisory Authorities without delay of all the acts or facts of which it becomes aware in the exercise of its activities, which may constitute an irregularity in the management of the Group.

In accordance with the governance model adopted by the Group, the Parent Company's Board of Statutory Auditors also performs the functions of the Supervisory Board pursuant to Italian Legislative Decree 231/2001.

Internal Control Department

The Internal Control Department ensures the uniform coordination of risk governance - in accordance with the strategic development lines being pursued by the Parent Company - and ensures an overall and forward-looking assessment on an ongoing basis of the adequacy of the controls implemented in corporate processes and systems within the scope of the doValue Group in Italy.

The Head of the Internal Control Department is appointed by the Parent Company's Board of Directors, to which he/she reports both hierarchically and functionally in order to ensure full independence. In order to ensure the centralised oversight and coordination of the control activities, and the planning and performance of audits, and to develop risk governance guidelines, Internal Audit and Anti-Money Laundering functions report directly to the Head of the Internal Control Department in order to monitor, respectively:

- the adequacy, functionality, reliability and compliance of the business and support corporate processes and the adequacy of the organisational, administrative and accounting structure;
- the risk of money laundering and terrorist financing.

Internal Audit

In the context of the centralised organisational model adopted by the Group in Italy, the Internal Audit function set up at the Parent Company performs the role of internal audit function on behalf of both the Parent Company and its Italian subsidiaries and ensures a constant, independent and objective assessment of the overall internal control system, so that its related purposes are guaranteed and the improvement of the organisation's effectiveness and efficiency is pursued. The Group Internal Audit Function is responsible for:

- ensuring, from a third level controls perspective, constant and independent supervisory activity on the due performance of operations and the processes of the Parent Company and the Subsidiaries, with the objective of preventing or detecting the arising of anomalous and risky conduct or situations;
- assessing the completeness, adequacy, functioning and reliability of the organisational structure and of the other components of the internal control system, of the risks management process and other corporate processes;

- assess the effectiveness of the procedural and control framework set up to safeguard the accuracy, reliability and timeliness of financial information, including the assessment activities carried out by the Financial Reporting Officer, the related outcomes as well as the methodology used by the latter;

- carry out checks on compliance with the external reference legislation applicable from time to time, of the company processes deriving from legislation or regulations (e.g. market abuse, privacy, usury, complaints, health and safety in the workplace, etc.) relating to the various Companies not supervised by the Group;

- supporting corporate governance and ensuring prompt and systematic disclosure on the state of the system of controls and the results of the activities carried out by the Corporate Bodies;

- directly supporting the Supervisory Board in carrying out its supervisory tasks on the functioning and observance of the Internal Control System.

Within the context of the doValue Group as a whole, Internal Audit Functions have also been established at the main foreign subsidiaries (i.e. Altamira Asset Management, do- Value Greece and Altamira Cyprus). Their unitary coordination, including the Parent Company function itself, is ensured through functional reporting lines to the Group Internal Audit Function, which is responsible for supervising the timely application of the common methodological principles adopted starting from 2021.

Anti-Money Laundering

The organisational model adopted by the doValue Group provides for the presence of Anti-Money Laundering Functions at the Parent Company and the other subsidiaries subject to the sector regulations issued by the respective national supervisory authorities. In this context, therefore, the AML Group Function located at the Parent Company, with the support of the doValue Anti-Money Laundering Function, is responsible for defining common standards for the management of money laundering risk at the level of the entire Group as well as for supervising and monitoring the consistent adoption of these standards by its different components.

These functions, in coordination with the Anti-Money Laundering Functions located at the subsidiaries, identify suitable organisational solutions to ensure compliance with the applicable provisions in relation to the various areas of operation and carry out a supervision activity so that risk management takes into account all the evaluation and measurement elements held by the individual companies. They also ensure that the procedures at the Italian subsidiaries and Group companies based in third countries are aligned with the Group's standards and allow information to be shared within it.

The Anti-Money Laundering (AML) Function oversees the activities of prevention and management of the risk of money laundering and terrorist financing, continuously verifying the suitability of the internal procedures in this regard, also for the purposes set forth in Italian Legislative Decree 231/2001. The Anti-Money Laundering function directly supports the control activities of the Supervisory Board, monitoring the effectiveness of the rules and principles of conduct indicated in the Internal Control System over time and collaborating, together with the other functions as far as they are concerned, with the updating of the Internal Control System, particularly as regards the management of anti-money laundering and terrorist financing risks. It also brings to the attention of the Supervisory Board any critical issues found in the course of its second-level audit activities, with particular reference to those potentially related to risk profiles of the commission of significant offences, as well as monitoring that the competent functions complete the mitigation actions identified in relation to these critical issues.

Financial Reporting Officer

The Financial Reporting Officer is responsible, as provided for in external legislation, for defining and implementing an appropriate internal control system for the financial reporting of the Group and for establishing adequate administrative and accounting procedures for the preparation of the annual financial statements and the consolidated financial statements, as well as any other communication of a financial nature.

The Financial Reporting Officer periodically communicates to the competent Corporate Bodies of the Group Companies the activities carried out, highlighting any points of attention and the actions taken to overcome them.

As part of his annual report, the Financial Reporting Officer communicates the scope of the companies and sensitive processes subject to testing, specifying any quantitative and qualitative assessments that have led to a change in the same with respect to the precise application of the methodological rules.

It also communicates the results of the assessments of reliability and adequacy of the internal control system on accounting and financial reporting, functional to the certifications required by the regulations.

The Financial Reporting Officer also certifies, together with the Chief Executive Officer, the adequacy and effective application of these administrative and accounting procedures for the financial statements of the Parent Company, the consolidated financial statements and the interim consolidated financial statements for the period to which they refer, as well as the reliability of the data they contain and their compliance with applicable accounting standards.

Finally, this Function verifies and certifies, with a specific declaration, that the information in the Company's communications to the market concerning the financial statements, including interim reports, is consistent with the Company's accounting documents, books and registers.

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

- Head of the Activities at the Subsidiary on behalf of the Financial Reporting Manager, if appointed by resolution of the Board of Directors of the individual entity, normally identified in the Chief Financial Officer (CFO) of the represented entity, who performs at local level, for the represented entity and any other specifically selected direct and indirect subsidiaries, the coordination and attestation activities expected of the Financial Reporting Officer;

- Management 262 (Italy), which carries out the controls required for 262 activities in Italy and for consolidation;

- Management 262 (local), if appointed, who carries out the controls required for 262 activities, based on their competence scope.

Other corporate functions with control duties

The Operational Risk Management and the Compliance & DPO functions of the Parent Company are among the Corporate Functions of the Parent Company involved in the management of the internal control system, monitoring specific regulatory/risk areas.

Compliance & DPO

Compliance & DPO is responsible for the correct monitoring of the Group's risk of non-compliance as well as for the coordination of local Compliance functions located at the various legal entities of the Group, in relation with the rules under their remit (for example, protection of personal data, anti-corruption), providing advice and support to the operating and business structures as well as preparing the necessary periodic disclosure for the Corporate Bodies.

Operational Risk Management

The Function is responsible for overseeing the management of significant risks to which the Parent Company's activities are exposed, with specific regard to operational risks. It defines the associated guidelines and identifies and monitors those risks, using suitable methodological approaches, procedures and tools and providing appropriate reporting to the Corporate Bodies.

For more information on the organisation of the Internal Control and Risk Management System of the doValue Group, please refer to the specific chapter of the Report on Corporate Governance.

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, 2021, the main trade counterparties were represented by banks and important investment funds 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 interlocutors 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.

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	12/31/2021	12/31/2020 RESTATED
Loans and other financing	**7,566**	**10,034**	**4**	**555,224**	**-**	**572,828**	**543,052**
Bank loans	7,566	41	-	-	-	7,607	284,196
Due to other lenders	-	-	4	4,365	-	4,369	11
Bonds	-	9,993	-	550,859	-	560,852	258,846
Other financial liabilities	**22**	**783**	**24,823**	**41,687**	**4,333**	**71,648**	**76,065**
Lease liabilities	22	783	7,334	14,938	3,289	26,366	28,793
Earn-out	-	-	17,489	4,510	1,044	23,043	22,807
Put option on non-controlling interests	-	-	-	22,239	-	22,239	24,011
Hedging derivatives	-	-	-	-	-	-	454
Trade payables	**2,778**	**42,522**	**28,410**	**-**	**-**	**73,710**	**51,824**
Other current liabilities	**4,043**	**17,682**	**20,836**	**62,327**	**-**	**104,888**	**71,164**
Total	**14,409**	**71,021**	**74,073**	**659,238**	**4,333**	**823,074**	**742,105**

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.

In order to neutralise the exposure to the risk of changes in interest rates, during the year the Group made use of the subscription of Interest Rate Swaps (IRSs), where the Group agrees to exchange, at defined intervals, the difference in the amount between the fixed rate and the floating rate calculated by reference to an agreed amount of notional principal. These swaps are designated to hedge the underlying debt.

The fair value delta of the derivative instruments as at December 31, 2021, equal to a positive €345 thousand, were recognised directly in the statement of the other comprehensive income and include the effect of closing the derivative against the repayment of the loan to which they were related to in July 2021. The interest rate subject to hedging is 6M Euribor and the details of the financial instruments being hedged are set out under Note 12 "Loans and other financing" while the details of the hedging instruments are set out under Note 13 "Other financial liabilities".

SECURITISATIONS

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 Mercu- zio Securitisation S.r.l. ("Mercuzio") and, at the same time, the issue of ABS was completed by both SPVs with a single tranching of the securities.

As originator, the Parent Company doValue has 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 (now doValue Greece), 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 do Next) and Special Servicer (performed by doValue).

In the second half of 2021, in relation to the Mexico transaction also described in the significant events during the period in the Directors' Report on the Group, 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, with the realization of an economic gain of €4.6

million; the remaining portion of notes recognized 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.

ASSETS ALLOCATED FOR A SPECIFIC BUSINESS ACTIVITY

"Vitruvian" asset allocated for a specific business activity

On March 16, 2021, the subsidiary doNext (formerly Italfondiario) 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 Italfondiario of €4.3 million, is aimed at allowing the disbursement of new pre-deductible finance pursuant to Article 182-quarter of Royal Decree 267 of March 16, 1942 by doNext in the restructuring procedure launched in accordance with Article 182-bis of Royal Decree 267 of March 16, 1942 by the borrower, and in particular:

- disbursement of a medium/long-term loan of €1.7 million, with repayment in quarterly instalments by December 2024;
- opening of a credit line of up to a total of €2.5 million, expiring on December 31, 2023.

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.

Pursuant to and in accordance with Article 2447-decies of the Italian Civil Code, a copy of the special purpose loan agreement was published in the Register of Companies.

For the initial structuring of the transaction, doNext has already collected a fee of €40 thousand.

As at December 31, 2021, the medium/long-term loan of €1.7 million had been disbursed and the credit facility had been fully utilised.

Details of the items in the Balance Sheet as at December 31, 2021 relating to this special purpose loan are shown below, whose amount in the income statement is equal to zero due to the full of offsetting of the interest income and interest expense both recognised in the item "financial (expenses) income".

(€/000)	**12/31/2021**
Non-current assets	
Non-current financial assets	4,365
Total non-current assets	**4,365**
Current assets	
Other current assets	1
Total current assets	**1**
Total assets	**4,366**
Non-current liabilities	
Loans and other financing	4,365
Total non-current liabilities	**4,365**
Current liabilities	
Other current liabilities	1
Total current liabilities	**1**
Total liabilities	**4,366**
Total Net Equity and liabilities	**4,366**

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, among other things, losses from fraud, human error, the interruption of operations, system unavailability, contractual breaches and natural disasters. Operational risks (including the IT component) include legal risk, while strategic and reputational risks are not included.

doValue adopts a set of controls, principles and rules to manage operational risk.

On an organisational basis, the Group's Operations Country Italy Department contains the Operational Risk Management structure with the aim of contributing to the realisation of the overall mission of said Department, guaranteeing constant monitoring and proactive management of risks relating to the business processes and support and their possible impact in terms of provisions and operational losses.

The Function is therefore responsible for overseeing the management of significant risks to which the Parent Company's activities are exposed, with specific regard to operational risks. It defines the associated guidelines and identifies and monitors those risks, using suitable methodological approaches, procedures and tools and providing appropriate reporting to the Corporate Bodies, consistent with the approach set out in the broader doValue Control System.

The governance structure for operational risks envisages not only the direct involvement of senior management but also an Operational Risks Committee, which is responsible for doValue, proposing measures to address the risks detected, examining operational risk reports, recommending control procedures and limits on operational risks and monitoring risk mitigation actions.

In order to manage operational risks, doValue has implemented a structured set of processes, functions and resources dedicated to:

- the collection, registration, verification (before approval) and monitoring of operational risk reports from workout units and other company structures;
- the analysis of provisions for risks and charges movements;
- the definition and implementation of operational risk indicators in the most important areas for company business activities.

With regard to the latter process, the indicators are a forward-looking component that promptly reflects improvements or deteriorations in the risk profile as a result of changes in operating segments, in human resources, technological and organisational resources as well as in the internal control system. In this regard, specific indicators have been created, which are monitored on a monthly basis and compared with the previous month to justify any positive or negative changes, in order to highlight any risks in corporate processes, as well as an action plan for indicators that do not fall within the specified ranges. Finally, the Parent Company doValue has set up a reporting system with different reporting dates and levels of detail that ensures timely reporting on operational risks to the Corporate Bodies and the heads of the organisational functions involved.

Similarly, a risk management framework compliant with Circular no. 288 of April 3, 2015 of the Bank of Italy that provides for the management of operational risk identification processes, not unlike those of the Parent Company, has also been implemented at the subsidiary doNext (formerly Italfondiario), which is entered the register of financial intermediaries pursuant to Article 106 of the Consolidated Banking Act, as well as the register of payment institutions pursuant to Article 114-septies of the Consolidated Banking Act.

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)	12/31/2021	12/31/2020 RESTATED
Loans and other financing (Note 12)	572,828	543,052
Other financial liabilities (Note 13)	71,648	76,065
Trade payables (Note 16)	73,710	51,824
Other liabilities (Note 17)	104,888	71,164
Less: cash and cash equivalents	(166,668)	(132,486)
Net debt (A)	**656,406**	**609,619**
Equity	156,645	156,011
Equity and net debt (B)	**813,051**	**765,630**
Gearing ratio (A/B)	**81%**	**80%**

The 2021 gearing ratio is substantially in line with that of 2020 due to lower indebtedness and greater liquidity compared to 2020.

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	12/31/2020 RESTATED
Net financial indebtness (Note 13)	**476,292**	**480,733**
Trade payables (Note 16)	73,710	51,824
Other liabilities (Note 17)	104,888	71,164
Current financial assets (Note 3)	1,516	5,898
Net debt (A)	**656,406**	**609,619**

SEGMENT REPORTING

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 organized into business units based on the geographical areas of the southern European area in which it operates following the latest corporate acquisitions in Europe (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 (formerly Italfondiario);
- **Hellenic Region**: includes doValue Greece, doValue Greece RES, based in Greece, and companies of the Altamira group based in Cyprus;
- **Iberia**: includes companies based in Spain and Portugal, namely Altamira Asset Management and doValue Portugal respectively.

(€/000)

Year 2021	**Italy**	**Hellenic Region**	**Iberia**	**Infrasector**	**Group**
Revenue from contracts with customers	153,287	217,438	179,175	(25,535)	524,365
Other revenues	23,852	1,608	22,176	(6,862)	40,774
Total revenue	**177,139**	**219,046**	**201,351**	**(32,397)**	**565,139**
Costs for services rendered	(10,703)	(8,235)	(37,888)	146	(56,680)
Personnel expenses	(97,680)	(68,565)	(61,283)	(4,053)	(231,581)
Administrative expenses	(48,619)	(24,082)	(36,564)	10,034	(99,231)
Other operating (expense)/income	(2,493)	57	(6,165)	5	(8,596)
Depreciation, amortisation and impairment	(12,766)	(32,145)	(61,413)	10,061	(96,263)
Provisions for risks and charges	(2,671)	-	(1,194)	-	(3,865)
Total costs	**(174,932)**	**(132,970)**	**(204,507)**	**16,193**	**(496,216)**
Operating income	**2,207**	**86,076**	**(3,156)**	**(16,204)**	**68,923**
Financial (expense)/income	(14,730)	(2,246)	(8,592)	3,231	(22,337)
Profit (loss) of equity	83	-	-	-	83
Dividends and ordinary similar income	10,008	521	11,739	(22,268)	-
Profit (loss) before tax	**(2,432)**	**84,351**	**(9)**	**(35,241)**	**46,669**
Income tax expense	356	(17,338)	377	3,109	(13,496)
Net Profit (loss) from continuing operations	**(2,076)**	**67,013**	**368**	**(32,132)**	**33,173**
Net profit (loss) for the period	**(2,076)**	**67,013**	**368**	**(32,132)**	**33,173**
Total assets	**(890,918)**	**(505,993)**	**(261,656)**	**473,931**	**(1,184,636)**
Total liabilities	**672,771**	**308,158**	**239,785**	**(230,081)**	**990,633**

Intra-sectoral revenues are eliminated at the consolidated level and are reflected in the “Intra-sectoral eliminations” column.

BUSINESS COMBINATION

Business combinations completed in the period

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

Therefore, business combinations involving company enterprises or business branches 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.

In 2021 there were no external business combinations, but an internal merger operation between two companies included in the consolidation perimeter.

INTERNAL BUSINESS COMBINATIONS

Merger by incorporation of doValue Hellas in doValue Greece

Following the approval of Bank of Greece, on August 4, 2021 the merger by incorporation of doValue Hellas Credit and Loan Servicing Societe Anonyme in doValue Greece Loans and Credits Claim Management Societe Anonyme was completed. This transaction has enabled doValue to rationalise its presence in Greece under a single brand and to achieve cost synergies related to the elimination of some corporate and onboarding costs of the portfolio under management of doValue Hellas on the systems of doValue Greece.

The total assets of doValue Hellas incorporated into doValue Greece amount to €4.3 million, while total liabilities are €3.2 million.

Spin-off of the Altamira Asset Management business unit into Adsolum Real Estate

On November 12, 2021, with effect from January 1, 2021, the spin-off of the REO business unit from the Spanish subsidiary Altamira Asset Management to the newco Adsolum Real Estate was finalized.

The spin-off took place with the aim of creating new growth flows and developing the RE development business in a more structured and targeted manner. In addition to this, the application of the Spanish legal framework implies certain responsibilities and risks for RE developers, which require an organization specialized in risk management and compliance. The total assets spun off in Adsolum as at December 31, 2021 amounted to €36.2 million and mainly consisted of intangible assets and trade receivables linked to REO servicing contracts. The separated total liabilities amount to €22.4 million and are essentially represented by payables for advances linked to REO servicing contracts.

Business combinations completed after the end of the period

The doValue Group did not carry out any business combinations after December 31, 2021.

Retrospective adjustments

In 2021, retrospective adjustments were made to business combinations carried out in previous years.

In particular, the retrospective adjustments concerned the values relating to the acquisition completed on June 5, 2020 of 80% of the share capital of Eurobank Financial Planning Services (FPS), now doValue Greece, whose fair value was made definitive one year on from the business combination.

These retrospective adjustments are reflected in the “restatement” adjustments to the balance sheet and income statement as at December 31, 2020, whose reconciliation with that published in the 2020 Consolidated Financial Statements is set out below.

(€/000)	12/31/2020	RESTATEMENT ADJs	12/31/2020 RESTATED
Revenue from contracts with customers	377,300	2,292	379,592
Other revenue	42,018	-	42,018
Total revenue	**419,318**	**2,292**	**421,610**
Costs for services rendered	(45,582)	-	(45,582)
Personnel expenses	(183,430)	10	(183,420)
Administrative expenses	(86,175)	-	(86,175)
Other operating (expense)/income	64	-	64
Depreciation, amortisation and impairment	(63,663)	(16,675)	(80,338)
Provisions for risks and charges	(2,329)	-	(2,329)
Total costs	**(381,115)**	**(16,665)**	**(397,780)**
Operating income	**38,203**	**(14,373)**	**23,830**
Financial (Expense)/Income	(26,471)	263	(26,208)
Profit (loss) from equity investments	1	-	1
Profit (Loss) before tax	**11,733**	**(14,110)**	**(2,377)**
Income tax expense	(34,877)	3,464	(31,413)
Net profit (loss) from continuing operations	**(23,144)**	**(10,646)**	**(33,790)**
Profit (Loss) for the period	**(23,144)**	**(10,646)**	**(33,790)**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company	(21,943)	(8,464)	(30,407)
o.w. Profit (loss) for the period attributable to Non-controlling interests	(1,201)	(2,182)	(3,383)

(€/000)	12/31/2020	RESTATEMENT ADJs	12/31/2020 RESTATED
Non-current assets			
Intangible assets	577,460	(13,324)	564,136
Property, plant and equipment	36,121	-	36,121
Non-current financial assets	64,961	-	64,961
Deferred tax assets	94,702	8,248	102,950
Other non current assets	1,646	-	1,646
Total non-current assets	**774,890**	**(5,076)**	**769,814**
Current assets			
Inventories	55	-	55
Current financial assets	5,898	-	5,898
Trade receivables	175,155	-	175,155
Tax assets	21,874	-	21,874
Other current assets	16,172	-	16,172
Cash and cash equivalents	132,486	-	132,486
Total current assets	**351,640**	**-**	**351,640**
Assets held for sale	**30**	**-**	**30**
Total assets	**1,126,560**	**(5,076)**	**1,121,484**
Shareholders' Equity			
Share capital	41,280	-	41,280
Valuation reserve	(215)	-	(215)
Other reserves	145,377	79	145,456
Treasury shares	(103)	-	(103)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(21,943)	(8,464)	(30,407)
Net Equity attributable to the Shareholders of the Parent Company	**164,396**	**(8,385)**	**156,011**
Net Equity attributable to Non-controlling interests	**41,264**	**(13,521)**	**27,743**
Total Net Equity	**205,660**	**(21,906)**	**183,754**
Non-current liabilities			
Loans and other financing	456,676	-	456,676
Other non-current financial liabilities	31,380	(7,087)	24,293
Employee benefits	16,341	124	16,465
Provisions for risks and charges	55,110	32,236	87,346
Deferred tax liabilities	77,466	(13,735)	63,731
Total non-current liabilities	**636,973**	**11,538**	**648,511**
Current liabilities			
Loans and other financing	86,376	-	86,376
Other current financial liabilities	51,772	-	51,772
Trade payables	51,824	-	51,824
Tax payables	28,083	-	28,083
Other current liabilities	65,872	5,292	71,164
Total current liabilities	**283,927**	**5,292**	**289,219**
Total liabilities	**920,900**	**16,830**	**937,730**
Total Net Equity and liabilities	**1,126,560**	**(5,076)**	**1,121,484**

Eurobank FPS (now doValue Greece)

On June 5, 2020, the Group purchased 80% of the share capital with voting rights of Eurobank Financial Planning Services (FPS), now doValue Greece. This acquisition occurred through a company - doValue Greece Holding - wholly owned by doValue S.p.A.; it was subsequently merged in the investee in December 2020, through a reverse merger transaction.

After one year from the acquisition date, the final fair value of net assets of doValue Greece at the acquisition date, determined as at June 30, 2021, is set out as below.

(€/000)	**Fair value recognised in acquisition**
Non-current assets	215,384
Intangible assets	215,188
of which Other Intangible Assets	215,188
servicing contracts (SLAs)	196
of which Software	9,080
Property, plant and equipment	175
Non-current financial assets	12,892
Deferred tax assets	315
Other non current assets	**237,846**
Total non-current assets	
Current assets	13,441
Trade receivables	5,039
Tax assets	523
Other current assets	3,518
Cash and cash equivalents	**22,521**
Total current assets	**260,367**
Total assets	
Non-current liabilities	7,182
Other non-current financial liabilities	6,122
Employee benefits	35,083
Provisions for risks and charges	53,579
Deferred tax liabilities	**101,966**
Total non-current liabilities	
Current liabilities	1,209
Other current financial liabilities	5,887
Trade payables	3,672
Tax payables	11,384
Other current liabilities	**22,152**
Total current liabilities	**124,118**
Total liabilities	**136,249**
Total net identifiable assets at fair value	**(27,250)**
Non-controlling interests measured at fair value	**112,391**
Goodwill arising from acquisition	**221,390**
Acquisition price	(5,182)
Earn-out	**216,208**
Acquisition price paid	

The process of gathering and analysing information useful for valuation purposes was completed in June 2021, one year after the transaction and within the deadlines envisaged by international accounting standards.

The table below summarises the results of the definitive Purchase Price Allocation (PPA) exercise according to the partial goodwill approach:

(€/000)	
Partial Goodwill - Purchase Price Allocation	
Purchase Price (80%)	221,390
(-) Equity (80%)	(425)
Excess of Purchase Price	**220,965**
Fair value of identified intangible assets	215,188
(-) DTL	(51,645)
(-) Fair value adjustments on liabilities	(36,612)
DTA	8,787
Net fair value of identified intangible assets	**135,718**
Goodwill after PPA	**112,391**
Non-controlling interests	**27,144**

With the definitive Purchase Price Allocation (PPA) exercise the following were identified:

- intangible assets relating to Special and Master Servicing contracts, for the management of portfolios of impaired exposures;
- a potential liability existing on the Closing Date relating to the repayment from doValue Greece to Eurobank of a particular type of commission ("Curing Fee") potentially due of the stock relating to credits acquired at the Closing Date, as envisaged by the Service Level Agreement (SLA) with Eurobank. Therefore, a provision has been set aside to take into account any future penalties associated with this reimbursement;
- workforce, considered part of goodwill pursuant to IFRS 3R. This value was calculated in order to identify the contribution relative to the Special and Master Servicing contracts.

The other intangible assets, recognized in the Company's financial statements at the reporting date, refer to computer software licenses, to which a fair value was not attributed as they were acquired and not generated internally.

The definitive fair value of the intangible assets linked to the servicing contracts amounts to €215.2 million and is attributable to 7 contracts.

The determination of the definitive fair value of the contracts is the result of the valuation performed using the "Multi-Period Excess Earnings Method" (MEEM), which discounts the value of the net cash flows specifically attributable to these active contracts. The discount rate, corresponding to the Weighted Average Cost of Capital "WACC", which expresses the expected return on the financial resources used in the Company (by way of risk capital and debt) on the basis of the financial structure adopted as a reference, it is 10.6% where the cost of debt is 2.55% and the cost of equity is 8.04%.

The table below compares the provisional values presented as at December 31, 2020 and the final values updated as at June 30, 2021 and reported in the previous table.

(€/000)	Fair value of acquisition exposed as at December 31, 2020	New valuation	Fair value of acquisition exposed as at June 30, 2021
Non-current assets			
Intangible assets	255,937	(40,553)	215,384
of which Other Intangible Assets	255,741	(40,553)	215,188
servicing contracts (SLAs)	255,741	(40,553)	215,188
of which Software	196	-	196
Property, plant and equipment	9,080	-	9,080
Non-current financial assets	210	(35)	175
Deferred tax assets	2,199	10,693	12,892
Other non-current assets	315	-	315
Total non-current assets	**267,741**	**(29,895)**	**237,846**
Current assets			
Trade receivables	14,520	(1,079)	13,441
Tax assets	5,039	-	5,039
Other current assets	537	(14)	523
Cash and cash equivalents	3,518	-	3,518
Total current assets	**23,614**	**(1,093)**	**22,521**
Total assets	**291,355**	**(30,988)**	**260,367**
Non-current liabilities			
Other non-current financial liabilities	8,391	(1,209)	7,182
Employee benefits	9,927	(3,805)	6,122
Provisions for risks and charges	555	34,528	35,083
Deferred tax liabilities	61,378	(7,799)	53,579
Total non-current liabilities	**80,251**	**21,715**	**101,966**
Current liabilities			
Other current financial liabilities	-	1,209	1,209
Trade payables	5,561	326	5,887
Tax payables	4,053	(381)	3,672
Other current liabilities	8,445	2,939	11,384
Total current liabilities	**18,059**	**4,093**	**22,152**
Total liabilities	**98,310**	**25,808**	**124,118**
Total net identifiable assets at fair value	**193,045**	**(56,796)**	**136,249**
Non-controlling interests measured at fair value	**(38,609)**	**11,359**	**(27,250)**
Goodwill arising from acquisition	**68,486**	**43,905**	**112,391**
Acquisition price	**222,922**	**(1,532)**	**221,390**
Earn-out	(12,006)	6,824	(5,182)
Acquisition price paid	**210,916**	**5,292**	**216,208**

In summary, the exercise of the definitive PPA entailed, with respect to the situation represented with reference to the date of December 31, 2020 and reflected in the consolidated financial statements at that date:

- a decrease of approximately €40.6 million in the values of intangible assets with a finite useful life, and an increase of approximately €43.9 million in the value of goodwill, substantially depending on a more accurate estimate of the components of cost of managing the serviced portfolio;
- a decrease of approximately €9.7 million in deferred tax liabilities associated with servicing contracts (also in this case mainly linked to a more accurate estimate of the cost components that affect the forecast results under observation) and an increase of €11.4 million in minority interests;
- the registration of a provision for approximately €34.5 million, and related deferred tax assets for €8.3 million, following a more precise interpretation of some clauses provided for by the SLA signed between doValue Greece and Eurobank connected to the "Curing Fee" and in application of the provisions of the IFRS15 accounting standard relating to variable fees.

Transaction costs of €5.2 million were charged to the consolidated income statement as at December 31, 2020 under "Administrative expenses".

The following table shows final cash flows for the acquisition.

(€/000)	**Heading**
Breakdown of acquisition cash flows	
Net liquidity acquired with the subsidiary	3,518
Price paid	(210,916)
Price adjustment	(5,291)
Total acquisition cash flows	**(212,690)**

The price adjustment of €5.3 million that increases the overall price of doValue Greece was determined in application of the provisions of the Share Purchase Agreement which provides that any Net Economic Benefit must be paid by one party to the other on the basis of the methods of calculation provided for by the agreement itself. This change, in the final PPA, was calculated on the basis of the best estimate of the Net Economic Benefit. The subsequent different definition of the amount which occurred during the second half of 2021 led to the economic recognition of a charge equal to €3.3 million (see also Note 25 - Other operating (expense)/income).

The payment of a deferred price (Earn-out) is also envisaged, linked to the achievement of certain EBITDA targets over a time horizon of ten years. Any Earn-Out payments will not be due before 2024 and will be related to the achievement of a performance higher than the current business plan expectations.

The Earn-out portion, which amounted to €5.6 million as at December 31, 2021 (of which financial expenses of €0.2 million) is recognised at fair value under other financial liabilities, as described in Note 13; it should be noted that this value was also revised at the time of definition of the PPA on the basis of the best estimates of the results expected for the observation periods.

RELATED-PARTY TRANSACTIONS

INTRODUCTION

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

Pursuant to IAS 24, significant related parties for the doValue Group include:

- the Parent Company;
- associates, joint ventures and their subsidiaries;
- key management personnel;
- close family members of key management personnel and companies controlled, including jointly, by key management personnel or their close family.

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

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

INFORMATION ON REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information on the compensation of key management personnel for the year 2021 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 General Director, 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	**12/31/2021**
Short term benefits	7,875
Post-employment benefits	249
Severance indemnity	350
Share-based payments	2,087
Total	**10,561**

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 2021 were concluded in the interest of the Group and at market or standard conditions.

The following table shows the assets, liabilities and guarantees and commitments outstanding as at December 31, 2021, and the items of the income statement, with separate indication for the various types of related parties pursuant to IAS 24.

(€/000)

Financial Transactions	Parent Company	Unconsolidated Subsidiaries	Associates	Joint Ventures	Key management personnel	Other related parties	Total
Property, plant and equipment	-	-	-	-	-	90	90
Non-current financial assets						2,755	2,755
Trade receivables	-	-	-	-	-	11,249	11,249
Total assets	**-**	**-**	**-**	**-**	**-**	**14,094**	**14,094**
Trade payables	-	-	-	-	-	58	58
Other current financial liabilities	-	-	-	-	-	117	117
Total liabilities	**-**	**-**	**-**	**-**	**-**	**175**	**175**

(€/000)

Costs/Revenues	Parent Company	Unconsolidated Subsidiaries	Associates	Joint Ventures	Key management personnel	Other related parties	Total
Revenue from contracts with customers	-	-	-	-	-	37,926	37,926
Other revenues	-	-	-	-	-	5,209	5,209
Administrative expenses	-	-	-	-	-	(321)	(321)
Personnel expenses	-	-	-	-	-	273	273
Financial (Expense)/ Income	-	-	-	-	-	482	482
Depreciation, amortisation and impairment	-	-	-	-	-	(1,082)	(1,082)
Total	**-**	**-**	**-**	**-**	**-**	**42,487**	**42,487**

With 25.05% of the shares, the ultimate **parent company** is Avio S.a 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.a r.l. does not exercise any management or coordination powers over doValue pursuant to Article 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 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 2021 the amount of revenues from contracts with customers for this category of customers amounts to €37.7 million, while sundry revenues are equal to €2.6 million with corresponding trade receivables of €9.8 million as at December 31, 2021; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €2.8 million of financial assets and €508 thousand of financial income are also recorded;

- Torre SGR S.p.A.: the company rents the Group certain properties for one of the main offices in Rome. This contract is accounted for in accordance with IFRS 16, with amor- tisation/depreciation of €1.1 million and financial expense of €26 thousand. During the period, administrative costs were also recorded, related to those buildings, for €321 thousand. The balancing entries are recorded under property, plant and equipment (€90 thousand), under other financial liabilities (€117 thousand);

- FIG LLC: doValue carries out due diligence services for the company and in the first semester of 2021 accrued revenues of €557 thousand and trade receivables of €682 thousand at the end of the period;

- 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 €2.0 million and trade receivables of €597 thousand.

ANNEXES

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

(€) **Type of services**	**doValue S.p.A.**		**Subsidiaries**	
	Service Provider	**Fee for the year in Euros (excluding VAT and expenses)**	**Service Provider**	**Fee for the year in Euros (excluding VAT and expenses)**
Auditing	EY S.p.A.	**216,000**	BDO, Network EY (*)	**341,586**
Audit related services	EY S.p.A.	**9,000**	BDO, Network EY (**)	**46,300**
Other services	EY S.p.A.	**120,000**		**-**
of which Non-Financial Statement		30,000		-
Total		**345,000**		**387,886**

(*) BDO for €25,500
(**) BDO for €4,000.

PUBLIC GRANTS PURSUANT TO LAW 124/2017

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 5 Business activities and competition, published on February 22, 2019, 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, 2021 were considered.

The Group's information is presented below in table form.

(€)

Type of grant	**Amount**
Employment Fund	62,880
Contribution exemption relief for hiring or stabilization on an open-ended basis (L.190/2014)	103,513
Tax credit for technological innovation (L. 160/2019)	202,058
Total	**368,451**

Unaudited reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet extracted from the directors' report on the Group for the year ended December 31, 2021

	For the year ended December 31, 2021
	(in € thousands)
NPE revenues	**446,097**
o.w. Revenue from contracts with customers	446,606
o.w. Other revenues	(509)
REO revenues	**82,529**
o.w. Revenue from contracts with customers	70,835
o.w. Other revenues	11,694
UTP Servicing	—
o.w. Revenue from contracts with customers	—
Co-investment revenues	**8,846**
o.w. Financial (expense)/income	8,846
Ancillary and other revenues	**34,579**
o.w. Financial (expense)/income	13
o.w. Revenue from contracts with customers	6,924
o.w. Other revenues	27,873
o.w. Costs for services rendered	(244)
o.w. Other operating (expense)/income	13
Gross Revenues	**572,051**
NPE Outsourcing fees	**(29,998)**
o.w. Costs for services rendered	(29,998)
o.w. Administrative expenses	(30,023)
o.w. Other operating (expense)/income	—
o.w. Other revenues	25
REO Outsourcing fees	**(24,217)**
o.w. Costs for services rendered	(24,217)
Ancillary Outsourcing fees	**(11,369)**
o.w. Costs for services rendered	(1,612)
o.w. Administrative expenses	(9,757)
o.w. Other operating (expense)/income	—
Net revenues	**506,467**
Staff expenses	**(215,851)**
o.w. Personnel expenses	(216,058)
o.w. Other revenues	207
Administrative expenses	**(91,269)**
o.w. Personnel expenses	**(5,026)**
o.w. Personnel expenses-o.w. SG&A	(5,026)
o.w. Administrative expenses	(87,855)
o.w. Administrative expenses-o.w. IT	(29,995)
o.w. Administrative expenses-o.w: Real Estate	(6,159)
o.w. Administrative expenses-o.w. SG&A	(51,701)
o.w. Other operating (expense)	**661**
o.w. Other operating (expense)/income-o.w. Real Estate	—
o.w. Other operating (expense)/income-o.w. SG&A	661
o.w. Other revenues	**993**
o.w. Other revenues-o.w. IT	(188)
o.w. Other revenues-o.w.Real Estate	—
o.w. Other revenues-o.w. SG&A	1,181
o.w. Costs for services rendered	(42)
o.w. Costs for services rendered-o.w. SG&A	(42)
Total "o.w. IT"	(30,183)
Total "o.w. Real Estate"	(6,159)
Total "o.w. SG&A"	(54,927)
Operating expenses	**(307,120)**
EBITDA	**199,347**
EBITDA margin	35%

Non-recurring items included in EBITDA	(1,572)
EBITDA excluding non-recurring items	**200,919**
EBITDA margin excluding non-recurring items	35%
Net write-downs on property, plant, equipment and intangibles	**(94,371)**
o.w. Depreciation, amortization and impairment	(94,536)
o.w. Other operating (expense)/income	165
Net Provisions for risks and charges	**(25,547)**
o.w. Personnel expenses	(10,497)
o.w. Provisions for risks and charges	(3,865)
o.w. Other operating (expense)/income	(9,435)
o.w. Depreciation, amortization and impairment	(1,751)
o.w. Administrative expenses	1
Net Write-downs of loans	**545**
o.w. Financial (expense)/income	30
o.w. Depreciation, amortization and impairment	24
o.w. Other revenues	491
Profit (loss) of equity investments	**83**
EBIT	**80,057**
Net income (loss) on financial assets and liabilities measured at fair value	**1,071**
o.w. Financial (expense)/income	1,071
Financial interest and commissions	**(32,839)**
o.w. Financial (expense)/income	(32,297)
o.w. Costs for services rendered	(542)
o.w. Profit (loss) of equity investments	—
EBT	**48,289**
Non-recurring items included in EBT	(33,350)
EBT excluding non-recurring items	81,639
Income tax for the period	**(15,116)**
o.w. Administrative expenses	(1,620)
o.w. Income tax expense	(13,496)
Profit (loss) for the period	**33,173**
Profit (loss) for the period attributable to Non-controlling interests.	(9,429)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**23,744**
Non-recurring items included in Profit (loss) for the period	(29,481)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(2,504)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,721
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	11,933
Earnings per share (in €)	**0.30**
Earnings per share excluding non-recurring items (€)	**0.64**

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Audited Consolidated Financial Statements as of and for the year ended December 31, 2022

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Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014

(Translation from the original Italian text)

To the Shareholders of
doValue S.p.A.

Report on the Audit of the 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.
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	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

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.

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.

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.

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.

Note: The Directors' Report of the Group and the Report on Corporate Governance and Ownership Structure of the Group are not included in this Prospectus.

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

Consolidated Financial Statements

Consolidated Balance Sheet

	Note	December 31, 2022	December 31, 2021
		(€/000)	
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

	Note	December 31, 2022	December 31, 2021
		(€/000)	
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-con- trolling interests		9,973	9,429
Earnings per share	**30**		
basic		0.21	0.30
diluted		0.21	0.30

Consolidated Statement of Comprehensive Income

	Note	December 31, 2022	December 31, 2021
		(€/000)	
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

31 December 2022

	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
					(€/000)				
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**

31 December 2021

	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
					(€/000)				
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**

Consolidated Cash Flow Statement - Indirect Method –

	Note	December 31, 2022	December 31, 2021
		(€/000)	
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

General

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 concen- trated 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:

					Owner relationship		
	Company name	**Headquarters and Registered Office**	**Country**	**Type of Relationship(1)**	**Held by**	**Holding %**	**Voting rights %(2)**
1.	doValue S.p.A.	Verona	Italy		Holding		
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. + doValueSpain 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 the 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:

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

where

- *Kd*, 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, Ke, 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:

$$E(Rj)= Rf+\beta j*[E(Rm)-Rf]$$

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:

$$Ke=Rf+\beta*ERP$$

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- Ke, cost of equity;
- Rf,risk-free yield rate;
- β, beta coefficient (measure of “systematic risk”);
- ERP, equity risk premium, E(Rm)- Rf.

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, $K_e=R_f+\beta\ ERP$;
- 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, $Ke= Rf+\beta\cdot ERP$;
- charge a cost of debt (Kd) 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, Ke=Rf+β•ERP;
- charge a cost of debt (Kd) 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).

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.

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.

	December 31, 2022			December 31, 2021		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
			(€/000)			
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

ASSETS

Note 1 – Intangible Assets

	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total December 31, 2022	Total December 31, 2021
				(€/000)			
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:

	Net present value	**Net book value**	**Impairment**
		(€/000)	
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.

	Net present value	Net book value	Impairment
		(€/000)	
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

	Buildings	Furniture	Electronic Systems	Assets under development and payments on account	Other	Total December 31, 2022	Total December 31, 2021
				(€/000)			
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	Recognised through Income Statement	Recognised through Shareholders' Equity	Total December 31, 2022	Total December 31, 2021
		(€/000)		
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

	December 31, 2022	December 31, 2021
	(€/000)	
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**

Change

	Recognised through Income Statement	Recognised through Shareholders' Equity	Total December 31, 2022	Total December 31, 2021
		(€/000)		
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.

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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.

	December 31, 2022	December 31, 2021
	(€/000)	
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	**-**	**-**

Liabilities and Shareholders' Equity

Note 11 – Shareholders' Equity

	December 31, 2022	December 31, 2021
	(€/000)	
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.

(no. of shares)	December 31, 2022	December 31, 2021
	(€/000)	
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.

(no. of treasury shares)	December 31, 2022	December 31, 2021
	(€/000)	
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:

	December 31, 2022	December 31, 2021
	(€/000)	
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

	Interest Rate %	Due Date	December 31, 2022	December 31, 2021
		(€/000)		
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

	December 31, 2022	December 31, 2021
	(€/000)	
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.

Note			**December 31, 2022**	**December 31, 2021**
			(€/000)	
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:

Note		**December 31, 2022**	**December 31, 2021**
		(€/000)	
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.

	December 31, 2022	**December 31, 2021**
	(€/000)	
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

	Funds against the item "Provisions for risk and charges" of the income statement				Funds against other items of the income statement					
	Legal disputes	**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 December 31, 2022**	**Total December 31, 2021**
					(€/000)					
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

	December 31, 2022	**December 31, 2021**
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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";
  - 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:

	Buildings	Furniture	Electronic system	Other tangible assets	Total December 31, 2022	Total December 31, 2021
			(€/000)			
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:

	December 31, 2022	December 31, 2021
	(€/000)	
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:

	December 31, 2022	December 31, 2021
	(€/000)	
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:

	December 31, 2022	December 31, 2021
	(€/000)	
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

Note 20 – Revenue From Contracts with Customers

	December 31, 2022	December 31, 2021
	(€/000)	
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:

Year 2022	Italy	Hellenic Region	Iberia	Infrasector	Group
			(€/000)		
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**

Year 2021	Italy	Hellenic Region	Iberia	Infrasector	Group
			(€/000)		
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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.

Note 26 – Depreciation, Amortisation And Impairment

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022			December 31, 2021		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
			(€/000)			
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

	December 31, 2022	December 31, 2021
	(€/000)	
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).

	December 31, 2022	**December 31, 2021**
	(€/000)	
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.

	December 31, 2022	**December 31, 2021**
	(€/000)	
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:

	December 31, 2022	December 31, 2021
	(€/000)	
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

	December 31, 2022	December 31, 2021
	(€/000)	
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

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.

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.

	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	December 31, 2022	December 31, 2021
				(€/000)			
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.

	December 31, 2022
	(€/000)
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**

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.

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.

	December 31, 2022	**December 31, 2021**
	(€/000)	
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.

	December 31, 2022	December 31, 2021
	(€/000)	
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

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.

Year 2022	**Italy**	**Hellenic Region**	**Iberia**	**Infrasector**	**Group**
			(€/000)		
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

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.

RELATED-PARTY TRANSACTIONS

Introduction

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

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

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

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

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

Information on Remuneration of Key Management Personnel

Information on the remuneration of key management personnel for the year 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.

Remuneration breakdown	**December 31, 2022**
	(€/000)
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.

Financial Transactions	**Amount related to "Other related parties"**	**Total as per financial statement**	**% of financial statement total**
		(€/000)	
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%**

Costs/Revenues	**Amount related to "Other related parties"**	**Total as per financial statement**	**% of financial statement total**
		(€/000)	
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.

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**

Unaudited reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet extracted from the directors' report on the Group for the year ended December 31, 2022

	For the year ended December 31, 2022
	(in € thousands)
NPE revenues	**433,538**
o.w. Revenue from contracts with customers	433,502
o.w. Other revenues	36
REO revenues	**76,626**
o.w. Revenue from contracts with customers	72,698
o.w. Other revenues	3,928
UTP Servicing	—
o.w. Revenue from contracts with customers	—
Co-investment revenues	**1,507**
o.w. Financial (expense)/income	1,507
Ancillary and other revenues	**46,578**
o.w. Financial (expense)/income	13
o.w. Revenue from contracts with customers	9,734
o.w. Other revenues	37,359
o.w. Costs for services rendered	(605)
o.w. Other operating (expense)/income	77
Gross Revenues	**558,249**
NPE Outsourcing fees	**(20,913)**
o.w. Costs for services rendered	(20,869)
o.w. Administrative expenses	(44)
o.w. Other operating (expense)/income	—
o.w. Other revenues	—
REO Outsourcing fees	**(22,631)**
o.w. Costs for services rendered	(22,631)
Ancillary Outsourcing fees	**(14,285)**
o.w. Costs for services rendered	(1,469)
o.w. Administrative expenses	(12,815)
o.w. Other operating (expense)/income	(1)
Net revenues	**500,420**
Staff expenses	**(212,395)**
o.w. Personnel expenses	(121,588)
o.w. Other revenues	193
Administrative expenses	**(89,317)**
o.w. Personnel expenses	**(5,192)**
o.w. Personnel expenses-o.w. SG&A	(5,192)
o.w. Administrative expenses	(85,940)
o.w. Administrative expenses-o.w. IT	(33,990)
o.w. Administrative expenses-o.w: Real Estate	(5,586)
o.w. Administrative expenses-o.w. SG&A	(46,364)
o.w. Other operating (expense)	**(37)**
o.w. Other operating (expense)/income-o.w. Real Estate	—
o.w. Other operating (expense)/income-o.w. SG&A	(37)
o.w. Other revenues	**1,883**
o.w. Other revenues-o.w. IT	956
o.w. Other revenues-o.w.Real Estate	—
o.w. Other revenues-o.w. SG&A	927
o.w. Costs for services rendered	(31)
o.w. Costs for services rendered-o.w. SG&A	(31)
Total "o.w. IT"	(33,034)
Total "o.w. Real Estate"	(5,586)
Total "o.w. SG&A"	(50,697)

Operating expenses	**(301,712)**
EBITDA	**198,708**
EBITDA margin	36%
Non-recurring items included in EBITDA	(2,979)
EBITDA excluding non-recurring items	**201,687**
EBITDA margin excluding non-recurring items	36%
Net write-downs on property, plant, equipment and intangibles	**(71,021)**
o.w. Depreciation, amortization and impairment	(71,535)
o.w. Other operating (expense)/income	514
Net Provisions for risks and charges	**(13,963)**
o.w. Personnel expenses	(13,368)
o.w. Provisions for risks and charges	(4,446)
o.w. Other operating (expense)/income	3,515
o.w. Depreciation, amortization and impairment	336
o.w. Administrative expenses	(1)
Net Write-downs of loans	**493**
o.w. Financial (expense)/income	—
o.w. Depreciation, amortization and impairment	46
o.w. Other revenues	447
Profit (loss) of equity investments	—
EBIT	**114,217**
Net income (loss) on financial assets and liabilities measured at fair value	**(22,520)**
o.w. Financial (expense)/income	(22,520)
Financial interest and commissions	**(28,868)**
o.w. Financial (expense)/income	(28,757)
o.w. Costs for services rendered	(111)
o.w. Profit (loss) of equity investments	—
EBT	**62,829**
Non-recurring items included in EBT	(35,901)
EBT excluding non-recurring items	98,730
Income tax for the period	**(36,354)**
o.w. Administrative expenses	(1,612)
o.w. Income tax expense	(34,742)
Profit (loss) for the period	**26,475**
Profit (loss) for the period attributable to Non-controlling interests.	(9,973)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**16,502**
Non-recurring items included in Profit (loss) for the period	(35,494)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(1,433)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,563
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	11,406
Earnings per share (in €)	**0.21**
Earnings per share excluding non-recurring items (€)	**0.64**

Audited Consolidated Financial Statements as of and for the year ended December 31, 2023

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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 2023, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 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.

EY S.p.A.
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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
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We identified the following key audit matters:

Key Audit Matter	Audit Response
Estimate of the accrued portion of servicing revenues and the effects deriving from the application of servicing contracts The Group operates mainly in the management and recovery of non-performing loans for banks and other financial institutions and the related revenues are recognized on an accrual basis, through the use of information technology management procedures and complex processes to account for the activities are carried out, taking into account the different contractual specificities of each mandate. Approximately 46% of these revenues, recorded in the income statement caption “Revenues from contracts with customers”, are attributable to servicing activities for securitization transactions, approximately 45% to mandated servicing and the remainder to mandated real estate servicing activities. The aforementioned contracts also provide for detailed clauses of rights and duties for the Group in relation with counterparties, which may also generate contingent liabilities deriving from any failure to fulfil its contractual obligations. At end year, a part of these revenues is determined by the directors with a complex procedure of estimating the accruals for services matured during the period, taking into account the contractual agreements, the dynamics of the recoveries actually occurred, and any contractual indemnities to be paid in relation to particular events or specific circumstances. As at the year-end date, the portion of servicing revenue without a clear acceptance by the counterparty amounted to 25% of the total invoices to be issued and 8% of “Total revenue” in the consolidated income statement. Information on the criteria for recording and measuring revenues related to servicing contracts, as well as the risks and uncertainties associated with the use of estimates, is disclosed in the “Accounting policies” section of the notes to the financial statements. In view of the significance of the estimation of the accrued portion of servicing revenues for the financial statements as a whole and the complexity of the underlying determination process, we considered it to be a key aspect of the audit.	Our audit procedures in response to the key audit matter, included, inter alia: • an understanding of the key processes and controls in determining revenues from servicing contracts; • conducting compliance tests on the revenue determination process and consequent invoicing; • the carrying out of testing procedures having as their object the verification of the appropriateness of the methodology and reasonableness of the assumptions used in the determination of revenues, both for the fixed and variable components; • the comparison of the estimates of the previous year with the data subsequently finalized and the analysis of the variances in order to support the reliability of the estimation process; • the examination of the adequacy of the information disclosed in the notes to the financial statements.

Impairment test of goodwill and other intangibles related to servicing contracts

Intangible assets recorded in the balance sheet of the consolidated balance sheet as at 31 December 2023 include goodwill for Euro 224.4 million and other intangible assets, related to multi-year servicing contracts for Euro 169.4 million, which were accounted for following the acquisitions of doValue Spain Servicing in 2019 and doValue Greece in 2020, both of which operate in the non-performing loans servicing sector with Special and Master Servicing contracts with prime counterparts.

Goodwill, which is not subject to systematic amortization, and other intangible assets, which are systematically amortized, as required by IAS 36 "Impairment of Assets", are subject at least annually to an impairment test by comparing the carrying amounts of the cash generating units "CGUs"), including goodwill and other intangible assets relating to servicing contracts, and its recoverable amount represented by the estimated future flows of servicing contracts.

The management of the parent company doValue S.p.A. has identified the "value in use" as the recoverable amount of the CGUs to be used for the purposes of the impairment test, determined through a procedure that provides for the discounting of expected cash flows and assumptions that by their nature imply the use of judgment by the directors.

In this context, for the purpose of estimating future cash flows, management used the forward-looking information determined in line with the doValue Group's 2024-206 business plan approved by the directors on 20 March 2024, including the forecast data relating to servicing contracts.

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

In view of the significance of the amount of goodwill and other intangible assets relating to servicing contracts for the consolidated financial statements as a whole, as well as subjectivity of the assumptions made by the directors in the process of estimating the recoverable amount of the CGUs, we considered the related impairment test to be a key aspect of the audit.

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

- an understanding the methods adopted by the parent company doValue S.p.A. as part of the impairment test process approved by the directors and the related key controls;
- the comparison between the data used to conduct the impairment test and those presented in the doValue Group's 2024-2026 business plan approved by the directors on 20 March 2024, in order to verify their substantial alignment;
- the analysis of the reasonableness of the economic forecasts included in the aforementioned business plan;
- the assessment of the appropriateness of the methodology and the reasonableness of the assumptions used by the directors to determine the recoverable amount, as well as the verification of the mathematical accuracy of the calculations and the sensitivity analysis on key assumptions.
- examination of the adequacy of the information disclosed in the notes to the consolidated financial statements.

Responsibilities of 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 art. 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 Company or to cease operations, or have no realistic alternative but to do so.

The Statutory Board of Auditors ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the 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 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 consolidated financial statements 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 Statutory Board of Auditors ("Collegio Sindacale") in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

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

The Directors of doValue S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the 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 as at 31 December 2023 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at 31 December 2023 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.

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 2023, 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 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

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

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

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 have been approved by Directors.

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

Rome, 28 March 2024

EY S.p.A.
Signed by: Wassim Abou Said, Auditor

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

Note: The Directors’ Report of the Group and the Report on Corporate Governance and Ownership Structure of the Group are not included in this Prospectus.

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

Consolidated balance sheet

	Note	December 31, 2023	December 31, 2022
		(€/000)	
Non-current assets:			
Intangible assets	**1**	473,784	526,888
Property, plant and equipment	**2**	48,677	59,136
Non-current financial assets	**3**	46,167	53,604
Deferred tax assets	**4**	78,351	101,758
Other non-current assets	**5**	3,716	2,076
Total non-current assets		**650,695**	**743,462**
Current assets:			
Inventories	**6**	1	55
Current financial assets	**3**	-	4,380
Trade receivables	**7**	199,844	200,143
Tax assets	**8**	4,556	12,441
Other current assets	**5**	64,076	31,840
Cash and cash equivalents	**9**	112,376	134,264
Total current assets		**380,853**	**383,123**
Assets held for sale	**10**	**16**	**13**
Total. assets		**1,031,564**	**1,126,598**
Shareholders' Equity:			
Share capital		41,280	41,280
Valuation reserve		(2,830)	(906)
Other reserves		38,506	84,015
Treasury shares		(6,095)	(4,332)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		(17,830)	16,502
Net Equity attributable to the Shareholders of the Parent Company		**53,031**	**136,559**
Net Equity attributable to Non-controlling interests		**51,660**	**44,361**
Total Net Equity	**11**	**104,691**	**180,920**
Non-current liabilities:			
Loans and other financing	**12**	552,861	554,220
Other non-current financial liabilities	**13**	50,301	54,158
Employee benefits	**14**	8,412	9,107
Provisions for risks and charges	**15**	26,356	37,655
Deferred tax liabilities	**4**	42,623	51,003
Other non-current liabilities	**17**	9,087	9,201
Total non-current liabilities		**689,640**	**715,344**
Current liabilities:			
Loans and other financing	**12**	35,169	14,283
Other current financial liabilities	**13**	46,239	62,323
Trade payables	**16**	85,383	70,381
Tax payables	**8**	10,536	16,794
Other current liabilities	**17**	59,906	66,553
Total current liabilities		**237,233**	**230,334**
Total liabilities		**926,873**	**945,678**
Total Net Equity and liabilities		**1,031,564**	**1,126,598**

Consolidated income statement

	Note	December 31, 2023	December 31, 2022
		(€/000)	
Revenue from contracts with customers	**20**	421,510	515,934
Other revenues	**21**	60,195	43,846
Total revenue		**481,705**	**559,780**
Costs for services rendered	**22**	(24,993)	(45,582716)
Personnel expenses	**23**	(213,097)	(231,149)
Administrative expenses	**24**	(90,661)	(100,412)
Other operating (expense)/income	**25**	5,089	4,070
Depreciation, amortisation and impairment	**26**	(92,742)	(71,153)
Provisions for risks and charges	**27**	(2,289)	(4,446)
Total costs		**(418,693)**	**(448,806)**
Operating income		**63,012**	**110,974**
Financial (Expense)/Income	**28**	(37,130)	(49,757)
Profit (loss) from equity investments		768	-
Profit (Loss) before tax		**26,650**	**61,217**
Income tax expense	**29**	(40,291)	(34,742)
Net profit (loss) from continuing operations		**(13,641)**	**26,475**
Profit (Loss) for the period		**(13,641)**	**26,475**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		(17,830)	16,502
o.w. Profit (loss) for the period attributable to Non-controlling interests		4,189	9,973
Earnings per share	**30**		
Basic		(0.23)	0.21
Diluted		(0.23)	0.21

Consolidated statement of comprehensive income

	NOTE	December 31, 2023	December 31, 2022
		(€/000)	
Profit (Loss) for the period		**(13,641)**	**26,475**
Other comprehensive income after tax not recyclable to profit or loss			
Equity instruments designated at fair value through comprehensive income	**3**	(2,006)	(1,341)
Defined benefit plans	**14**	113	436
Other comprehensive income after tax recyclable to profit or loss			
Total other comprehensive income after tax		**(1,893)**	**(905)**
Comprehensive income		**(15,534)**	**25,570**
o.w. Comprehensive income attributable to Shareholders of the Parent Company	**11**	(19,754)	15,597
o.w. Comprehensive income attributable to Non-controlling interests		4,220	9,973

Statement of changes in consolidated shareholders' equity (Note 11)

At December 31, 2023

(€/000)

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	Net equity attributable to Shareholders of the Parent Company	Net equity attributable to Non-controlling interests	Total Net Equity
			Reserves from profit and/or withholding tax	Other					
Initial balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**
Allocation of the previous year profit to reserves	-	-	19,471	145	-	(19,616)	-	-	-
Dividends and other payouts	-	-	(19,471)	(28,030)	-	(8,078)	**(55,579)**	**(5,000)**	**(60,579)**
Changes in reserves	-	-	-	(10,570)	-	11,192	**622**	**7,757**	**8,379**
Acquisition of treasury shares	-	-	-	-	(2,115)	-	**(2,115)**	-	**(2,115)**
Stock options	-	-	302	(7,034)	352	-	**(6,380)**	-	**(6,380)**
Changes in equity investments	-	-	-	(322)	-	-	**(322)**	**322**	-
Comprehensive income of the period	-	(1,924)	-	-	-	(17,830)	**(19,754)**	**4,220**	**(15,534)**
Final balance	**41,280**	**(2,830)**	**26,076**	**12,430**	**(6,095)**	**(17,830)**	**53,031**	**51,660**	**104,691**

At December 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	Net equity attributable to Shareholders of the Parent Company	Net equity attributable to Non-controlling interests	Total Net 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**

Consolidated cash flow statement – Indirect method -

		December 31, 2023	December 31, 2022
		(€/000)	
Operating activities			
Profit (loss) for the period before tax		**26,650**	**61,217**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:		**126,519**	**131,554**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	**3**	2,832	915
Depreciation, amortisation and impairment	**26**	92,742	71,153
Change in net provisions for risks and charges	**15**	2,289	4,446
Financial (Expense)/Income	**28**	35,277	49,483
Profit/loss on equity interests and investments		(768)	-
Costs for share-based payments	**11**	(5,853)	5,557
Change in working capital		**15,826**	**3,183**
Change in trade receivables	**7**	824	6,512
Change in financial assets and liabilities		**8,674**	**2,323**
Financial assets measured at fair value through other comprehensive income	**3**	-	(7)
Other assets mandatorily measured at fair value	**3**	2,293	1,849
Financial assets measured at amortised cost	**3**	6,381	481
Other changes:		**(106,161)**	**(135,975)**
Interests paid	**28**	(23,858)	(24,001)
Payment of income taxes	**29**	(26,002)	(42,477)
Other changes in other assets/other liabilities		(56,301)	(69,497)
Cash flows generated by operations		**71,508**	**62,302**
Investing activities			
Purchases of property, plant and equipment	**2**	(1,994)	(3,947)
Purchases of intangible assets	**1**	(19,367)	(27,110)
Net cash flows used in investing activities		**(21,361)**	**(31,057)**
Funding activities			
Issues/purchases of treasury shares	**11**	(2,115)	-
Dividends paid	**11**	(52,992)	(44,142)
Loans obtained	**12**	25,000	87,000
Repayment of loans	**12**	(4,480)	(94,566)
Payment of principal portion of lease liabilities	**19**	(15,928)	(11,941)
Sale/purchase of minority		(21,520)	-
Net cash flows used in funding activities		**(72,035)**	**(63,649)**
Net liquidity in the period		**(21,888)**	**(32,404)**
Reconciliation			
Cash and cash equivalents at the beginning of period	**9**	134,264	166,668
Net liquidity in the period		(21,888)	(32,404)
Cash and cash equivalents at the end of the period	**9**	**112,376**	**134,264**

ILLUSTRATIVE NOTES

ACCOUNTING POLICIES

General information

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

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

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

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

The 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 **Illustrative Notes**;

and is accompanied by the relevant comparative information as at December 31, 2022, and the **Directors' Report on the Group1**.

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, 2023, for the recognition, classification, measurement and derecognition of assets and liabilities and the recognition of costs and revenues have not been updated from those adopted in the preparation of the Consolidated financial statements as at December 31, 2022.

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, 2023, 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, 2023, 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.

1 Not included in this Prospectus

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, 2023.
As of December 31, 2023, there were no associated companies nor companies valued using the equity method.

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.

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

Notes to the table

(1) Type of relationship:
1 = majority of voting rights at ordinary shareholders' meeting
2 = dominant influence at ordinary shareholders' meeting
3 = agreements with other shareholders
4 = other types of control
5 = centralized management pursuant to Article 39, paragraph 1, of Legislative Decree 136/2015
6 = centralized management pursuant to Article 39, paragraph 2, of Legislative Decree 136/2015

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

Changes in the scope of consolidation

In the fiscal year 2023, the company Team 4 Collection and Consulting S.L.U. was included in the consolidation perimeter following its complete acquisition by the Spanish subsidiary doValue Spain Servicing S.A., which had changed its name from the previous Altamira Asset Management S.A. earlier in the year.

Furthermore, during the fourth quarter of 2023, the purchase of the minority interests equal to 15% of doValue Spain Servicing S.A. was finalized, following the receipt of notification for the exercise of the sale option on this residual stake.

Lastly, it is noted the change in denomination of the two Cypriot companies: from Altamira Asset Management Cyprus Limited to doValue Cyprus Limited and from doValue Cyprus Limited to doValue Special Projects Cyprus Limited.

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, 2023.

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

Macroeconomic context and Climate-related matters

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

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

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

Interest rates also strongly influence the distressed debt recovery market:

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

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

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

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

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

With regard to risks related to climate change, the Group's companies are deepening evaluations of potential impacts on the business with a goal of continuous monitoring.
The Group's Group Enterprise Risk Management function ensures integrated risk management, acting as a facilitator for the Group's growth and development by identifying and mitigating potential risks that may impact the Group.
Regarding operations, therefore, the Group assesses the possibility of climate risks affecting, for example, properties under management (REO business) and currently believes that this issue cannot significantly impact the Group as its business model does not involve ownership of assets but rather their function as collateral for managed debt.
Having said that, the Group will continue to monitor the evolution of climate change risks with an approach that takes into account applicable and emerging regulations, as well as its role as a service provider to the financial system.

Going concern

In preparing the Consolidated Financial Statements as at December 31, 2023, the Directors consider the going concern assumption appropriate as, in their opinion, despite the uncertainties linked to the macroeconomic environment, no uncertainties have emerged related to events or circumstances that, considered individually or as a whole, could give rise to doubts regarding the business as a going concern. The assessment took into account the Group's equity, financial position as well as the outlook of the operations; the possible presence of events or conditions linked to the climate, which may have an impact on the 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, 2023, as required by accounting standards. These processes are essentially based on estimates of future recoverability of the values recognised and were conducted on a going concern basis. These processes supported the book values recognised as at December 31, 2023. Estimates and assumptions are reviewed regularly.
By their nature, the estimates and assumptions used, while reasonable, may not be confirmed in future scenarios in which the Group operates, and therefore the results that will materialize in the future may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that are currently neither predictable nor estimable with respect to the carrying value of assets and liabilities recognised in the financial statements.

The following sections discuss the key accounting policies for the purposes of providing a true and fair representation of the 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 25% of total amounts to be invoiced as at December 31, 2023, and 8% 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 is provided in the “Legal and Tax risks” paragraph of the “Information on Risks and risk management policies” section.

Estimation of impairment losses on intangible assets

On at least an annual basis, at each financial year-end, or during interim periods, when evidence of impairment losses exists, the carrying amount of intangible assets is compared to their recoverable amount.
More specifically, 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 the general macroeconomic risks and the climate risks could have a significant impact (for further details, please refer to paragraph “Other Matters - Macroeconomic context and climate-related matters”).
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 doValue Spain Servicing S.A., and its subsidiaries in June 2019 and that of 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”.
The test was performed on the amounts of intangible assets with defined useful lives and goodwill, resulting, as at December 31, 2023, 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 purpose of carrying out the test, the forward-looking information determined in accordance with the Group Industrial Plan 2024-2026 approved by the Board of Directors on March 20, 2024, has been considered, incorporating the latest scenario hypotheses collected from subsidiaries, which take into account the trends 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 with defined useful lives, 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 doValue Spain 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.

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:

$$E(R_j) = R_f + \beta_j \cdot [E(R_M) - R_f]$$

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:

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

where

- 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, 2023;
- 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;
- 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 €13.4 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, 2023, 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, 2023;
- 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;
- 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.

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 the first point 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 the second point 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, $K_e = R_f + \beta \cdot ERP$;
- 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.

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, 2023 , the model confirmed the recoverable amount capacity and therefore the absence of impairment losses for the Greece-Cyprus CGU, while for the Iberia CGU (Spain – Portugal), an impairment of €12.5 million was recorded (for further details, please refer to the Illustrative Notes, Accounting Policies section 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, 2023, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments to IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (issued on 23 May 2023);
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 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 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020).

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

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

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

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

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

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

MATERIAL ACCOUNTING POLICY INFORMATION

Intangible assets

Recognition criteria

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

Financial assets

Financial assets measured at fair value through profit or loss

Recognition criteria

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

Classification criteria

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

- financial assets that are mandatorily measured at fair value, which are represented by financial assets that do not meet the requirements for measurement at amortised cost or at fair value through comprehensive income. These are financial assets whose contractual terms do not exclusively provide for repayments of capital and payments of interest on the amount of capital to be repaid (failed "SPPI

- test") or which are not held as part of a business model whose intent is to hold assets in order to collect contractual cash flows ("Hold to Collect" business model) or whose intent is achieved through the collection of contractual cash flows or through the sale of the financial assets ("Hold to Collect and Sell" business model);
- financial assets designated at fair value, i.e., financial assets so designated on initial recognition and for which the conditions are met. In this case, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss on initial recognition if, and only if, doing so eliminates or significantly reduces a measurement inconsistency;
- financial assets held for trading, mainly represented by the positive value of derivative contracts held for trading purposes.

Accordingly, this item reports:

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

Measurement criteria

Following initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of the application of this measurement criterion are recognised in the income statement.
For the criteria used to determine fair value, please see the section "Information on fair value".

Derecognition criteria

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

Financial assets measured at fair value through comprehensive income

Recognition criteria

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

Classification criteria

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

Measurement criteria

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

Derecognition criteria

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

Impairment of financial assets

Pursuant to IFRS 9, at each reporting date financial assets other than those measured at fair value through profit or loss undergo an assessment to determine whether there is evidence that the carrying amount of the assets cannot be fully recovered. An analogous analysis is conducted for commitments to disburse funds and for guarantees issued that fall within the scope of the impairment provisions of IFRS 9.
If evidence of impairment is found, the financial assets in question - consistently, where present, with all other assets pertaining to the same counterparty - are considered impaired and are classified in stage 3. These exposures require the recognition of write-downs equal to the expected losses over their residual life.

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

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

The 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.

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.

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

This present value is determined using the “Projected Unit Credit Method”. This method uniformly distributes the cost of the benefit over the working life of the employee, taking into account the provisions of the national law in each country.
Employee benefits that qualify as other long-term benefits, such as those arising from seniority bonuses that are paid on achievement of a pre-determined length of service, are recorded on the basis of the valuation at the balance sheet date of the liability assumed, determined using the “Projected Unit Credit Method”.
The TFR provision is recorded under liabilities in the corresponding item “Employee benefits”, while other post-employment benefits and sundry long-term benefits are recorded under “Provisions for risks and charges”.

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

Revenues from contracts with customers and other revenues

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

Recognition criteria

The model used for recognition of the servicing revenues is aligned with fulfilment of the performance obligation.
In many cases, this alignment is already provided for under the contract, therefore:

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

- if the commission is paid over time in order to pay for a service that is provided over time, it will be recognised as revenues upon receipt.

However, if the commission is received in advance in exchange for a service obligation that is provided over time, in various reporting periods, the overall amount of the commission will be put into the financial statements and will be recognised as revenues over the applicable period in which the service is supplied. In these cases, the commission will be recognised as revenues in the income statement in proportion to the time (i.e. on a pro rata basis).
Sales revenues associated with servicing contracts for the recovery of receivables managed under mandate are recognised on an accruals basis according to the activities carried out 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.

Other information

Treasury shares

Changes in treasury shares in the portfolio are recognised directly in shareholders' equity, i.e. reducing the latter by the value of purchases and increasing it by the value of sales.
This means that in the case of a subsequent transfer the difference between the sales price of the treasury shares and the associated repurchase cost, net of any tax effects, is fully recognised in shareholders' equity.

Share-based payments

Share-based payments are payments made to employees or comparable persons as payment for work or other services/assets received, based on shares representing capital, which consist in the grant of rights to receive shares upon meeting quantitative/qualitative objectives.
The cost of transactions settled with equity instruments is determined by the fair value at the date of the assignment. The fair value of payments settled through the issue of shares is based on their stock market price. This cost, together with the corresponding increase in shareholders' equity under Other Reserves, is recognised under Personnel expenses over the period in which the conditions relating to the achievement of objectives and/or the provision of the service are met. The cumulative costs recognised for these transactions at the end of each financial year up to the vesting date are commensurate with the expiry of the vesting period and the best estimate of the number of equity instruments that will actually accrue. The cost or revenue in the statement of profit/(loss) for the year represents the change in the cumulative cost recorded at the beginning and at the end of the year.
Service or performance conditions are not taken into account when determining the fair value of the plan at the award date. However, the probability that these conditions will be met is taken into account when defining the best estimate of the number of capital instruments that will accrue. Market conditions are reflected in the fair value at the award date. Any other plan-related condition that does not result in a service obligation is not considered an accrual condition. Non-vesting conditions are reflected in the fair value of the plan and result in the immediate recognition of the cost of the plan unless there are also service or performance conditions.
No cost is recognised for rights that do not reach maturity because performance and/or service conditions are not met. When rights include a market condition or a non-vesting condition, they are treated as if they had vested whether or not the market conditions or other non-vesting conditions to which they are subject are met, it being understood that all other performance and/or service conditions must be met.
If the terms of the plan are changed, the minimum cost to be recognised is the fair value at the award date in the absence of the plan amendment, assuming the original terms of the plan are met. In addition, a cost is

recognised for any change that increases the total fair value of the payment plan, or is otherwise favourable to employees; this cost is measured at the date of the change. When a plan is derecognised by the entity or the counterparty, any remaining element of the plan's fair value is expensed immediately in profit or loss.

INFORMATION ON FAIR VALUE

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

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

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

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

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

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

The information required by IFRS 13 with regard to accounting portfolios measured at fair value on a recurring basis is shown below. For financial assets not measured at fair value, the 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, 2023, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

Asset backed securities

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

Equity investments

Equities are assigned to Level 1 when an active market price considered liquid is available and to Level 3 when there are no prices or the prices have been suspended permanently. Such instruments are classified as Level 2 only if the volume of activity on the listing market is significantly reduced.

For equities measured at cost, an impairment loss is recognised if the cost exceeds the recoverable amount significantly and/or for a long time.

Investment funds

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

Other derivative instruments

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

Description of assessment techniques

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

Discounted cash flow

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

Market approach

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

NAV

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

Hierarchy of fair value

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

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

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

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

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

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

1. the value of the notes issued by the securitisation vehicle companies:
   - Romeo SPV and Mercuzio Securitisation, equal to 5% of the total securities;
   - Cairo, whose mezzanine notes were purchased on June 5, 2020 to coincide with the acquisition of the subsidiary doValue Greece;
   - Mexico, purchased in December 2021, remaining 5% of the total of subordinated securities issued by the vehicle;
   - doRes Securitisation S.r.l., whose untranched notes were issued as part of a new finance transaction and subscribed for 20% by doNext.
2. Units in collective investment undertakings (CIUs): the equivalent of the amount paid for the subscription of the remaining 23.3 units of the Italian Recovery Fund (formerly Atlante II), reserved real estate investment fund, net of redemptions;
3. the fair value of the call option on equity instruments of the investee BidX1, subscribed at the same time as the purchase of the minority interest, which amounted to 17.7% of the company's share capital as at December 31, 2023.

Level 3 of the category "Financial assets recognised at fair value through comprehensive income" includes the value of the equity instruments relating to the aforementioned minority interest in the company BidX1, and in the Brasilian fintech company QueroQuitar S.A. for a stake of 11.46%, 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:

1. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of doValue Spain;
2. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of doValue Greece, which is linked to the achievement of certain EBITDA targets over a 10-year period;
3. The deferred price of the newly acquired company Team 4 Collection and Consulting, which was paid during February 2024.

It is also noted that the fair value of the liability related to the put option for the purchase of remaining minority shares of the subsidiary doValue Spain shows a zero balance following the exercise of the sell option in the last quarter of 2023.
The fair value of these financial liabilities was determined on the basis of the contracts for the acquisition of equity interests and the economic-financial parameters that can be drawn from the long-term plans of the acquired companies. Since these parameters are not observable on the market (either directly or indirectly), these liabilities are classified under Level 3.

(€/000)

	12/31/2023			12/31/2022		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss	**-**	**-**	**37,360**	**-**	**-**	**42,323**
Units in collective investment undertakings (CIUs)	-	-	20,499	-	-	23,628
Debt securities	-	-	16,610	-	-	18,145
Equities	-	-	197	-	-	197
Non-hedging derivatives	-	-	54	-	-	353
Financial assets measured at fair value through comprehensive income	**-**	**-**	**8,165**	**-**	**-**	**10,171**
Equities	-	-	8,165	-	-	10,171
Total	**-**	**-**	**45,525**	**-**	**-**	**52,494**
Other financial liabilities	**-**	**-**	**55,041**	**-**	**-**	**66,543**
Earn-out	-	-	54,668	-	-	44,649
Put option on non-controlling interests	-	-	-	-	-	21,894
Others	-	-	373			-
Total	**-**	**-**	**55,041**	**-**	**-**	**66,543**

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

NOTE 1 – INTANGIBLE ASSETS

(€/000)

	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total	Total
						12/31/2023	12/31/2022
Gross opening balance	**175,010**	**46,885**	**10,791**	**236,897**	**436,418**	**906,001**	**872,403**
Initial reduction in value	(130,569)	(22,304)	-	-	(226,240)	(379,113)	(327,178)
Net opening balance	**44,441**	**24,581**	**10,791**	**236,897**	**210,178**	**526,888**	**545,225**
Changes in gross balance	**23,494**	**(17,187)**	**(2,838)**	**-**	**(13,077)**	**(9,608)**	**33,598**
Purchases	18,345	-	2,995	-	326	21,666	36,566
Disposals and dismissals	(1,267)	-	(165)	-	-	(1,432)	-
Business combination	565	-	-	-	-	565	-
Impairment	(48)	-	(130)	-	(13,403)	(13,581)	(1,344)
Other changes	5,899	(17,187)	(5,538)	-	-	(16,826)	(1,624)
Changes in reduction in value	**(16,522)**	**13,277**	**-**	**(12,530)**	**(27,721)**	**(43,496)**	**(51,935)**
Amortisation	(17,221)	(3,912)	-	-	(27,721)	(48,854)	(53,559)
Business combination	(454)	-	-	-	-	(454)	-
Impairment of goodwill	-	-	-	(12,530)	-	(12,530)	-
Other changes	1,153	17,189	-	-	-	18,342	-
Gross closing balance	**198,504**	**29,698**	**7,953**	**236,897**	**423,341**	**896,393**	**906,001**
Final reduction in value	(147,091)	(9,027)	-	(12,530)	(253,961)	(422,609)	(379,113)
Net closing balance	**51,413**	**20,671**	**7,953**	**224,367**	**169,380**	**473,784**	**526,888**

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 doValue Spain Servicing (hereinafter also "doValue Spain") and its subsidiaries, and in June 2020 the business combination of doValue Greece.

Thanks to the acquisition of doValue Greece, the following net values were recognised as at December 31, 2023:

- €27.3 million relating to software and related assets under development;
- €151.6 million related to multi-year servicing contracts ("SLAs"), of which €35.5 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, 2023, were as follows:

- €13.3 million relating to software and related assets under development;
- €20.6 million relating to the brand;
- €17.8 million relating to other intangible assets, which include the valuation of active long-term servicing contracts ("SLAs");
- €111.5 million relating to goodwill.

The **changes in gross balance** include "purchases", which during the year were concentrated on the development of the IT platform, with an increase in the "software" and "assets under development and payments on account" categories totalling €21.3 million and the "impairment" related to Iberia region for a total of €13.6 million primarily following the execution of the impairment test, as detailed below.
Furthermore, there is an increase related to "business combinations" of €0.6 million attributable to the incorporation of the Spanish company Team4.
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 include "impairment of goodwill" of €12.5 million following the results of the impairment test as described below, as well as the amortisation charges for the year of €48.9 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 of each contract was calculated to an extent corresponding to the direct margin posted in the year.

For the purpose of preparing the impairment test on the values as at December 31, 2023, continuing with the approach taken to the test performed in the previous accounting periods, 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 purpose of conducting the test, the forward-looking information included in the Group Industrial Plan 2024-2026 approved by the Board of Directors on March 20, 2024, has been considered.
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.
With regards to the test performed on the other intangible assets, the analysis revealed evidence of impairment losses such as differences between the value in use of the servicing contracts and the related book value net of amortization for the year, for a total of €13.4 million relating to doValue Spain's Santander contract.
Regarding the impairment of the Cash Generating Unit (CGU) "Iberia," it is noted that an impairment charge of €12.5 million was recognized as a result of the impairment test conducted on balances as of September 30, 2023, based on the preliminary cash flows of the Industrial Plan for the Iberia region, approved by the Board of Directors on January 12, 2024. This led to a reassessment of the carrying amount of goodwill as of September 30, 2023, as already reported in the Consolidated Interim Report at September 30, 2023, "restated," prepared in accordance with IAS 34, and approved on the same date. The carrying amount of goodwill, adjusted for the impairment charge recognized as of September 30, 2023, underwent a new impairment test as of December 31, 2023, which did not reveal any further need for impairment.

Regarding the impairment test of the CGU "Hellenic Region", the comparison between the recoverable amount and the carrying amount of the CGU as of December 31, 2023, has confirmed the adequacy of the recoverable amount, thus not indicating any impairment losses, both concerning the doValue Greece acquisition and the Cyprus component arising from the doValue Spain acquisition and its subsidiaries.

The discount rate (WACC - Weighted Average Cost of Capital) used in the impairment analysis carried out on goodwill and other intangible assets was 7.2% for the Spain and Portugal CGU and 8.2% for the Cyprus component of the Greece and Cyprus CGU and 7.8% for the single Greece component 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	9,865	9,865	-
Brand	20,665	20,603	-
Other ingible assets - SLAs	8,387	21,790	(13,403)
Intangible Assets - Iberia	**38,917**	**52,258**	**(13,403)**
Software	2,513	2,513	-
Other ingible assets - SLAs	17,640	9,120	-
Intangible Assets - Hellenic Region	**20,153**	**11,633**	**-**
Total	**59,070**	**63,891**	**(13,403)**

Similarly, the table summarising the impairment test performed on the value attributed to the intangible assets of doValue Greece, including also the “Frontier” contract, is shown below.

(€/000)

	Net present value	Net book value	Impairment
Intangible Assets - SLAs - Regione Ellenica	**344,350**	**151,557**	**-**
Total	**344,350**	**151,557**	**-**

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 12/31/2023	Total 12/31/2022
Gross opening balance	**69,971**	**3,566**	**29,139**	**1,455**	**15,692**	**119,823**	**88,088**
Initial reduction in value	(33,408)	(3,086)	(13,428)	-	(10,765)	(60,687)	(53,939)
Net opening balance	**36,563**	**480**	**15,711**	**1,455**	**4,927**	**59,136**	**34,149**
Changes in gross balance	**2,327**	**935**	**(506)**	**(1,064)**	**1,130**	**2,822**	**31,735**
Purchases	3,289	418	943	307	1,762	6,719	41,973
o.w. Right of Use	*3,012*	-	*50*	-	*1,663*	*4,725*	*38,027*
Disposals and dismissals	(820)	(19)	-	-	(248)	(1,087)	-
Business combination	215	32	65	-	123	435	-
Other changes	(357)	504	(1,514)	(1,371)	(507)	(3,245)	(10,238)
Changes in reduction in value	**(7,180)**	**(708)**	**(3,613)**	**-**	**(1,780)**	**(13,281)**	**(6,748)**
Amortisation	(9,805)	(323)	(5,067)	-	(2,084)	(17,279)	(16,626)
o.w. Right of Use	*(8,750)*	-	*(4,207)*	-	*(1,366)*	*(14,323)*	*(13,061)*
Business combination	(191)	(17)	(20)	-	(94)	(322)	-
Other changes	2,816	(368)	1,474	-	398	4,320	9,878
Gross closing balance	**72,298**	**4,501**	**28,633**	**391**	**16,822**	**122,645**	**119,823**
Final reduction in value	(40,588)	(3,794)	(17,041)	-	(12,545)	(73,968)	(60,687)
Net closing balance	**31,710**	**707**	**11,592**	**391**	**4,277**	**48,677**	**59,136**

During 2023, the item recorded an overall decrease of €10.5 million, amounting to €48.7 million.

The **changes in gross balance** mainly include "purchases", which in the year totalled €6.7 million (of which €4.7 million in rights of use) and consisted of the renewal of rental contracts, enlargments and improvements for certain premises in Italy and Cyprus, as well as renewals and additional car rentals in the category “Other”.

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.
As indicated for intangible assets, it is also noted for the item in question the impact of Team4's entry into "business combination", with a gross contribution of €0.4 million.

The **changes in reduction in value** included depreciation of €17.3 million, of which €14.3 million related to rights of use.

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

NOTE 3 – FINANCIAL ASSETS

(€/000)

	12/31/2023	12/31/2022
Non-current financial assets	**46,167**	**53,604**
Financial assets measured at fair value through profit or loss	**37,360**	**42,323**
Units in collective investment undertakings (CIUs)	20,499	23,628
Debt securities	16,610	18,145
Equities	197	197
Non-hedging derivatives	54	353
Financial assets measured at amortised cost	**642**	**1,110**
Loans to customers	602	1,057
Loans to banks	40	53
Financial assets measured at fair value through other comprehensive income	**8,165**	**10,171**
Equities	8,165	10,171
Current financial assets	**-**	**4,380**
Financial assets measured at amortised cost	**-**	**4,380**
Loans to customers	-	4,380
Total	**46,167**	**57,984**

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 23.3 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). During the year, partial reimbursements of quotas amounting to €2.2 million were recorded, along with valuation effects reducing €0.9 million, while additional shares to be subscribed of €1.1 million were recognised under commitments.
Debt securities reduced by €1.5 million, almost entirely referred to evaluation effects. The breakdown of debt securities is represented, for €12.3 million by the ABS securities of the Cairo securitisations acquired as part of the acquisition of doValue Greece, for €2.1 million by the value of the ABS securities relating to the Romeo SPV and Mercuzio Securitisation securitisations and, for €2.1 million by the co-investment in the Mexico securitisation notes and for €0.1 million by the fair value of new ABS securities subscribed by doNext and issued by the vehicle doRes Securitisation S.r.l. as part of a new finance operation.

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** only include the non-current part of €0.6 million mainly related to loans to customers, which is down comparing to the previous year. On the other hand, the **current** component is reduced to zero as a result of the transfer to third parties of the limited recourse loan for a specific business.

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;
- €6.7 million equal to 17.7% of BidX1, an Irish proptech company specialising in the promotion and execution of real estate transactions through online auction processes in real time. The reduction of the item by €2.0 million compared to 31 December 2022 originates from the fair value evaluation process and refers exclusively to the investment in BidX1.

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.
During the first quarter of 2023, the subsidiary doNext disbursed a loan which was transferred in the same period to the credit securitization company doRes Securitization S.r.l.. As part of this transaction, doNext subscribed 20% of the untranched notes issued by the SPV, corresponding to a nominal amount of €0.4 million, and assumed the roles of Master and Special Servicer.

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 "DTAs") 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.

The 2024 Budget Act (Law No. 213/2023) has amended the original deduction plan for the fourth time. The previous deductible quota envisaged for 2024 is reduced from 18% to 17%, deferring 1% in equal installments for the tax periods ending on December 31, 2027, and December 31, 2028; furthermore, for the tax period ending on December 31, 2026, the deductible quota is reduced from 7.7% to 4.7%, deferring 3% in equal installments for the tax periods ending on December 31, 2027, and December 31, 2028.
Following the amendment, the recovery plan is now as follows: 5% for the tax period ending on December 31, 2016; 8% for the tax period ending on December 31, 2017; 12% for the tax period ending on December 31, 2020; 12% for the tax period ending on December 31, 2021; 8.3% for the tax period ending on December 31, 2022; 18% for the tax period ending on December 31, 2023; 17% (-1%) for the tax periods ending on December 31, 2024; 11% for the tax period ending on December 31, 2025; 4.7% (-3%) for the tax period ending on December 31, 2026; 2% (+2%) for the tax period ending on December 31, 2027; 2% (+2%) for the tax period ending on December 31, 2028.

As a result of these law provisions, the amount of the deferred tax assets relating to the Parent Company begins to change starting from the current year, through reversals with economic impact.
As a result of paying the fee for converting DTA into tax credit, the amount of impairments pertaining to the 2023 period that will contribute to the tax loss, will be transformed into tax credit starting from the date of submission of the tax return (IRES and IRAP), by September 30, 2024. A portion of the DTA stock consisting of impairments and credit losses recorded as of December 31, 2023, due to civil losses, will be converted into tax credit subsequent to the approval of the 2023 Financial Statements.

With regard to the provisions of IAS 12, the balance of deferred tax assets is subject to sustainability testing, taking account of forecast profits in future years and verifying that future taxable income will be available against which the deferred tax assets can be used.
The test carried out on the data as at December 31, 2023, took therefore into account the 2024-2026 Idustrial Plan approved in the Board of Directors of March 20, 2024, and in general of estimates based on the most recent both endogenous and exogenous parameters.

As at December 31, 2023, additional DTAs totalling €11.1 million have been recognised mainly relating to tax losses that can be carried forward in the future, deriving from the reversal of the write-downs on loans of Law 214/2011. This increase was more than offset by lower deferred tax assets related to the cancellation of deferred tax assets for the year of €34.5 million mainly attributable to:

- "write-downs of non-recoverable items" for a total of €17.8 million following the execution of the sustainability test based on the Industrial Plan 2024-2026 of which €12.6 million attributable to the the Iberia region and €5.2 million for the DTAs recognized by the doValue Parent Company doValue; and
- change of DTAs referred to Law 214/2011 described above for €10.7 million.

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

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

Additionally, there are €43.0 million of unrecorded cumulated DTA (€10.9 million raised in the year), comprising €19.1 million related to tax losses concerning the Iberian Region and, to a lesser extent, to the Parent Company, €17.8 million for impaired DTAs resulting from the sustainability test as indicated above, and finally, €6.2 million of potential DTAs related to the doValue Parent Company stemming from the portion of interest expenses subject to the 30% deductibility limitation of the Gross Taxable Operating Income, for which their recognition may be assessed in subsequent fiscal 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 basis-point tax envisaged for Italian credit and financial institutions (Italian Law no. 208 of December 28, 2015).
With regard to the calculation of the Italian IRAP (regional business tax) rate as at December 31, 2023, doValue meets the requirements for classification as a non-financial holding company. In accordance with that classification, doValue determines its tax base on the same basis as ordinary companies and takes account of the difference between the interest income and similar income and the interest expense and similar charges to the extent provided for under tax law, also applying the increased rate (of 5.57% unless otherwise provided by the individual regions) levied on credit and financial institutions.

Deferred tax assets

Breakdown

(€/000)

	12/31/2023	12/31/2022
Provisions recognised through Income Statement	**78,032**	**101,408**
Write-downs of loans	40,239	49,391
Tax losses carried forward	18,230	19,300
Provisions for risks and charges	2,658	7,729
Property, plant and equipment / intangible assets	12,021	18,241
Administrative expenses	1,504	1,504
Other assets / liabilities	3,380	5,243
Provisions recognised through Equity	**319**	**350**
Defined benefit plans	319	350
Total	**78,351**	**101,758**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 12/31/2023	Total 12/31/2022
Opening balance	**101,408**	**350**	**101,758**	**112,640**
Increases	**11,049**	**13**	**11,062**	**4,093**
Deferred tax assets recognised during the period	11,049	13	11,062	4,008
- In respect of previous periods	366	-	366	1,005
- Accruals	10,683	13	10,696	3,003
Other changes	-	-	-	85
Decreases	**(34,425)**	**(44)**	**(34,469)**	**(14,975)**
Deferred tax assets derecognised during the period	(34,297)	-	(34,297)	(14,836)
- Reversals of temporary differences	(16,531)	-	(16,531)	(12,927)
- Write-downs of non-recoverable items	(17,766)	-	(17,766)	(1,909)
Other changes	(128)	(44)	(172)	(139)
Closing balance	**78,032**	**319**	**78,351**	**101,758**

Deferred tax liabilities

Breakdown

(€/000)

	12/31/2023	12/31/2022
Provisions recognised through Income Statement	**42,602**	**50,982**
Other assets / liabilities	43,155	50,809
Others	(553)	173
Provisions recognised through Equity	**21**	**21**
Defined benefit plans	21	21
Total	**42,623**	**51,003**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 12/31/2023	Total 12/31/2022
Opening balance	**50,982**	**21**	**51,003**	**54,350**
Increases	**1,429**	**-**	**1,429**	**2,621**
Deferred tax liabilities recognised during the period	1,429	-	1,429	2,620
- Accruals	1,429	-	1,429	2,620
Other changes	-	-	-	1
Decreases	**(9,809)**	**-**	**(9,809)**	**(5,968)**
Deferred tax liabilities derecognised during the period	(9,809)	-	(9,809)	(5,968)
- Reversals of temporary differences	(4,900)	-	(4,900)	-
- Other	(4,909)	-	(4,909)	(5,968)
Closing balance	**42,602**	**21**	**42,623**	**51,003**

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.
It should be noted that following the impairment of intangible assets, please refer to Note 1 - Intangible assets, the balance at December 31, 2023 was characterized by the derecognition of deferred tax liabilities for €3.4 million recorded in the "Other" item.

NOTE 5 – OTHER ASSETS

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

(€/000)

	12/31/2023	12/31/2022
Other non-current assets	**3,716**	**2,076**
Other current assets	**64,076**	**31,840**
Accrued income / prepaid expenses	2,268	2,152
Items for employees	696	823
Receivables for advances	43,130	21,966
Current receivables on taxes other than income tax	16,576	4,032
Other items	1,406	2,867
Total	**67,792**	**33,916**

Overall, the item increased by €33.9 million compared to December 31, 2022, mainly due to higher receivables for advances from customers within the Hellenic Region, particularly as a result of measures to increase legal recovery activities which already started during the last quarter of 2022.

Other non-current assets mainly consist of security deposits.

NOTE 6 – INVENTORIES

As of December 31, 2023, the item is substantially zeroed compared to the balance of December 31, 2022, which amounted to €55 thousand following the sale of the two properties held at the end of the previous fiscal year.

	12/31/2023	12/31/2022
Receivables	**200,948**	**201,828**
Receivables accruing (Invoices to be issued)	151,452	127,643
Receivables for invoices issued but not collected	49,496	74,185
Provisions	**(1,104)**	**(1,685)**
Provisions for expected losses on receivables	(1,104)	(1,685)
Total	**199,844**	**200,143**

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 substantial stability compared to the balance of December 31, 2022, resulting from the total offsetting of the increase in invoices to be issued with the decrease in invoices to be collected.

Provisions for expected future credit losses account for 0.6% of receivables (0.8% in 2022).

NOTE 7 – TRADE RECEIVABLES

(€/000)

	12/31/2023	12/31/2022
Receivables	**200,948**	**201,828**
Receivables accruing (Invoices to be issued)	151,452	127,643
Receivables for invoices issued but not collected	49,496	74,185
Provisions	**(1,104)**	**(1,685)**
Provisions for expected losses on receivables	(1,104)	(1,685)
Total	**199,844**	**200,143**

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 substantial stability compared to the balance of December 31, 2022, resulting from the total offsetting of the increase in invoices to be issued with the decrease in invoices to be collected.

Provisions for expected future credit losses account for 0.6% of receivables (0.8% in 2022).

NOTE 8 – TAX ASSETS AND TAX LIABILITIES

As at December 31, 2023, tax assets amounted to €4.6 million and include tax credits originating from Italian and Spanish companies.

Tax liabilities amount to €10.5 million and represent the payable to the tax authorities for taxes net of liquidations made in the year.

NOTE 9 - CASH AND CASH EQUIVALENTS

The balance of €112.4 million, with a decrease of €21.9 million compared with the €134.3 million reported as at December 31, 2022, represents the liquidity available at the end of the 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 a new vehicle in Spain has been created, similar to the one acquired at the end of 2022, with the view to transferring control in the current year.
Therefore, the value as at December 31, 2023, corresponds to three SPVs, one based in Italy and two based in Spain.
Furthermore, it is noted that, as indicated in the paragraph “Significant Events occurred during the year” in the Directors’ Report on the Group, in November 2023, the Board of Directors of doValue Spain, as the sole shareholder of its subsidiary doValue Portugal, resolved to initiate the sale process, considering the negative economic and financial outlook of the company, despite the initiatives undertaken up to that point to reduce its financial losses. As of December 31, 2023, the status of the activities related to this sale had just begun, and therefore, there were no grounds for the recognition of the related values under IFRS 5. However, as of the date of this document, it is reasonable to expect a high probability of the sale of doValue Portugal within the next 12 months.
doValue Portugal, along with its subsidiary Zarco, currently predominantly manage the servicing of a long-term contract, the intangible value of which is fully amortized. As of December 31, 2023, the combined contribution of the two companies belonging to the Iberian Region amounts to a total of €7.8 million in negative economic result, while the total assets amount to €4.3 million.

(€/000)

	12/31/2023	12/31/2022
Non-current assets:		
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	16	13
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**16**	**13**
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	**16**	**13**
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	**-**	**-**

LIABILITIES AND EQUITY

NOTE 11 – NET EQUITY

(€/000)

	12/31/2023	12/31/2022
Net Equity attributable to the Shareholders of the Parent Company	**53,031**	**136,559**
Share capital	41,280	41,280
Treasury shares	(6,095)	(4,332)
Valuation reserve	(2,830)	(906)
Other reserves	38,506	84,015
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(17,830)	16,502
Net Equity attributable to Non-controlling interests	**51,660**	**44,361**
Total	**104,691**	**180,920**

As at December 31, 2023, 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.

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

Treasury shares, shown as a direct reduction of Shareholders' Equity, amounted to €6.1 million, with an increase of €1.8 million, compared to €4.3 million in the previous year.
Below are the details concerning the movement of treasury shares, which indicate an increase due to market acquisitions totalling 667,400 shares for a value of €2.1 million. Additionally, there is a decrease resulting from the exercise of 73,204 performance stock grants (with a value of €352 thousand), allocated by doValue to beneficiaries upon finalization of the incentive system, in accordance with the Remuneration Policy.

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

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

The **valuation reserve** as at December 31, 2023, amounted to a negative value of €2.8 million, (**-**€0.9 thousand as at December 31, 2022) and included the combined effect of the valuation of the severance indemnity pursuant to IAS 19 and that arising from the valuation of the Bidx1 equity.

Other reserves break down as follows:

(€/000)

	12/31/2023	12/31/2022
Reserves from allocation of profits or tax-suspended reserves	**26,076**	**25,774**
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,140	1,140
Reserve from retained earnings	(8,597)	(8,597)
Reserve from retained earnings - Share Based Payments	14,191	13,889
Other reserves	**12,430**	**58,241**
Extraordinary reserve	60,388	88,417
Reserve, Lgs. Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Law 218/90	4,179	4,179
Reserve from business combinations	1,746	1,746
Share Based Payments Reserve	2,134	9,168
Consolidation reserve	(62,164)	(33,132)
Negative reserve for put option on non-controlling interests	-	(18,284)
Total	**38,506**	**84,015**

Overall, the item shows a decrease of €45.5 million due to the combination of the following main elements:

- €47.5 million decrease related to the dividends that the Shareholders' Meeting of April 27, 2023 resolved to distribute in full from the profit for 2022 equal to €19.5 million and €28.0 million the **extraordinary reserve**;
- €29.0 million increase in the negative consolidation reserve due to the 2022 results of subsidiaries (€3.0 million), to which was added the effect of acquiring minority interests (15%) in doValue Spain (€26.0 million, of which €8.1 million relates to third-party results as of September 30, 2023) following the exercise of the put option that took place on October 24, 2023. This exercise simultaneously resulted in the zeroing of the related negative reserve in accordance with IAS 32, which as of December 31, 2022, amounted to €18.3 million;
- €6.7 million net decrease of the **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the post-IPO remuneration policy, which provides for the grant of shares as remuneration to certain categories of managers and as a consequence of the former CEO resignation (for further details, please refer to Note 18 – Share based payments).

Shareholders' equity attributable to Non-controlling interests amounted to €51.7 million, including the profit (loss) for the period attributable to non-controlling interests of €12.3 million, and refers to the 20% stake in doValue Greece held by Eurobank.

NOTE 12 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	12/31/2023	12/31/2022
Non-current loans and other financing			**552,861**	**554,220**
Bond 2020	5%	8/4/2025	259,601	258,056
Bond 2021	3,375%	7/31/2026	293,260	296,164
Current loans and other financing			**35,169**	**14,283**
Bank loans	Euribor3m+1,8%	12 months	25,506	126
Bank overdrafts	Euribor3m+1,9%	on demand	-	37
Due to other lenders			-	4,380
Bond 2020	5%	2/1/2024	5,500	5,521
Bond 2021	3,375%	1/31/2024	4,163	4,219
Total			**588,030**	**568,503**

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

- €265.1 million for the guaranteed senior bond loan issued on August 4, 2020, maturing in 2025, at the annual rate of 5% for a principal of €264.0 million (€265.0 million at issue), reduced by €1.0 million in the year due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The liquidity deriving from this bond loan had been used to repay the bridge loan in the context of the acquisition of doValue Greece;
- €297.4 million for the guaranteed senior bond loan issued on July 22, 2021, maturing in 2026, at the annual fixed rate of 3.375%, for a principal amount of €296.0 million (€300.0 million at issue), reduced by €4.0 million in the year due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The bond was used to repay the Facility Loan concluded to finance the purchase of the interest in doValue Spain and to refinance the pre-existing debt of the same investee.

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

The bond buyback transactions mentioned above for a total of €5.0 million were concluded by repurchasing part of its debt on the market below par, with the aim to reduce the total amount of liabilities by more than the required financial outlay. This therefore determined the recognition of a €0.5 million income.

The **bank loan** component includes €25.5 million relating almost completely to the use of a revolving credit line with a 12-month maturity aimed at temporary liquidity needs in the Hellenic Region.

The **due to other lenders** component at December 31, 2023 is nil following the termination in January 2023 of the limited recourse loan allocated for a specific business, as a consequence of the transfer of the related receivable recorded under financial assets.

NOTE 13 – OTHER FINANCIAL LIABILITIES

(€/000)

	12/31/2023	12/31/2022
Other non-current financial liabilities	**50,301**	**54,158**
Lease liabilities	29,795	38,109
Earn-out	20,506	16,049
Other current financial liabilities	**46,239**	**62,323**
Lease liabilities	11,704	11,829
Earn-out	34,162	28,600
Put option on non-controlling interests	-	21,894
Others	373	-
Total	**96,540**	**116,481**

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 year.

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

The remaining Earn-out portion recognised under current financial liabilities amounts to €22.2 million and is related to the portion of the acquisition price of doValue Spain which was supplemented by the component of interest expense for late payment of €4.0 million.

On October 24, 2023, the exercise of the put option for the remaining minority stake (equal to 15%) in doValue Spain was completed through the transfer of these shares to the Parent Company; therefore, the put option liability on minority interests, amounting to €21.9 million as of December 31, 2022, is zeroed in the reporting period as it was settled with the counterparty.

It is worth noting that the deadline for the put option had been extended to the end of September 2023 through the agreement signed on June 26, 2023, which also defined the exercise price of the option. The formalization and execution of the transfer of the minority stake in doValue Spain took effect on October 24, 2023 ("Transfer date").

Among **other** financial liabilities, the deferred consideration (€373 thousand) arising from the acquisition of the Spanish company Team 4 Collection and Consulting is recorded, which was settled with the selling counterparty in February 2024. For further details, please refer to Section 7 - Business Combinations.

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, 2023, breaks down as follows.

(€/000)

Note			12/31/2023	12/31/2022
9	A	Cash on hand	5	5
9	B	Cash at banks and short-term deposits	112,371	134,259
	D	**Liquidity (A)+(B)+(C)**	**112,376**	**134,264**
3	E	Current financial assets	-	4,380
12	F	Current bank debt	(25,506)	(37)
12	G	Current portion of non-current debt	-	(126)
12, 13	H	Other current financial debt	(46,239)	(66,703)
	I	**Current financial indebtness (F)+(G)+(H)**	**(71,745)**	**(66,866)**
	J	**Net current financial indebtness (I)+(E)+(D)**	**40,631**	**71,778**
12	L	Bond Issued	(562,524)	(563,960)
12, 13	M	Other non-current loans	(50,301)	(54,158)
	N	**Non-current financial indebtness (K)+(L)+(M)**	**(612,825)**	**(618,118)**
	O	**Net financial indebtness (J)+(N)**	**(572,194)**	**(546,340)**

Compared with the net financial position, equal to €475.7 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 €96.5 million.

The following table reconciles the two different representations:

(€/000)

		12/31/2023	12/31/2022
A	**Net financial indebtness**	**(572,194)**	**(546,340)**
	Other current financial debt	46,239	66,703
	Other non-current loans	50,301	54,158
	Current financial assets	-	(4,380)
B	**Items excluded from the Net financial position**	**96,540**	**116,481**
C	**Net financial position (A)+(B)**	**(475,654)**	**(429,859)**

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 3.67% - 5 years 2.96% - 15 years 3.34%
Salary increase rate	2.60%
Inflation rate	1 year 1.58% - 10 years 2.13% - 30 years 2.44%
Mortality	IPS55
Disability	INPS2000
Advanced termination benefit	1.50%
Average annual percentage of personnel leaving	3.78%
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	3,11% - 3,14%
Salary increase rate	3,50%
Inflation rate	2.60%

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

(€/000)

	12/31/2023	**12/31/2022**
Opening balance	**9,107**	**10,264**
Increases	**2,693**	**3,008**
Provisions for the period	2,636	3,000
Other changes	57	8
Decreases	**(3,388)**	**(4,165)**
Benefits paid	(3,188)	(3,577)
Other changes	(200)	(588)
Closing balance	**8,412**	**9,107**

Overall, this item decreased of approximately €0.7 million compared to December 31, 2022.

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 in a range between 0.02% and 4% of the balance at December 31, 2023.

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 disputes	**Out-of-court disputes and other provisions**	**Total funds against the item "Provisions for risk and charges" of the income statement**	**Potential liabilities for employee**	**Other**	**Total funds against other items of the income statement**	**Total 12/31/2023**	**Total 12/31/2022**
Opening balance	**5,701**	**12,262**	**17,963**	**535**	**19,157**	**19,692**	**37,655**	**44,235**
Increases	**4,073**	**2,688**	**6,761**	**216**	**-**	**216**	**6,977**	**16,519**
Provisions for the period	3,902	2,138	**6,040**	147	-	**147**	**6,187**	**15,829**
Changes due to the passage of time and changes in the discount rate	151	191	**342**	67	-	**67**	**409**	**106**
Other changes	20	359	**379**	2	-	**2**	**381**	**584**
Decreases	**(2,759)**	**(6,291)**	**(9,050)**	**(29)**	**(9,197)**	**(9,226)**	**(18,276)**	**(23,099)**
Reallocations of the period	(752)	(3,341)	**(4,093)**	-	(4,126)	**(4,126)**	**(8,219)**	**(12,286)**
Utilisation for payment	(1,648)	(1,619)	**(3,267)**	(29)	(5,071)	**(5,100)**	**(8,367)**	**(10,591)**
Other changes	(359)	(1,331)	**(1,690)**	-	-	**-**	**(1,690)**	**(222)**
Closing balance	**7,015**	**8,659**	**15,674**	**722**	**9,960**	**10,682**	**26,356**	**37,655**

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 increased by €1.3 million owing to the lower impact of the settlement of a number of disputes compared with provisions for new disputes.

The item **out-of-court disputes and other provisions** decreased by €3.6 million, moving from €12.3 million as at December 31, 2022 to €8.7 million as at December 31, 2023, and mainly includes provisions for risks for which no litigation has currently been activated. In particular, we highlight the release of €1.8 million relating to a dispute with a Spanish customer which was successfully concluded.

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

The **other** component, which falls within the funds against other items of the income statement, is halved from €19.2 million to €10.0 million due to the combined effect of a release of €1.8 million following the settlement of the tax dispute in Spain, as well as the release to the income statement of shares related to the exercise of variable consideration associated with a particular type of fee (so-called "Curing Fee"), in accordance with the accounting principle IFRS 15, amounting to a total of €7.4 million.

NOTE 16 – TRADE PAYABLES

(€/000)

	12/31/2023	12/31/2022
Payables to suppliers for invoices to be received	48,245	48,799
Payables to suppliers for invoices to be paid	37,138	21,582
Total	**85,383**	**70,381**

As of December 31, 2023, the figure shows a 21% increase amounting to €15.0 million compared to the balance recorded on December 31, 2022, which can be attributed to both categories of payables to suppliers highlighted.

NOTE 17 – OTHER LIABILITIES

(€/000)

	12/31/2023	12/31/2022
<u>Other non-current liabilities</u>	**9,087**	**9,201**
Amounts to be paid to third parties	8,812	8,845
Deferral of government grants related to assets	275	356
<u>Other current liabilities</u>	**59,906**	**66,553**
Amounts to be paid to third parties	4,411	8,050
Amounts due to personnel	22,139	25,874
o.w. employees	*21,780*	*24,874*
o.w. members of Board of Directors and Auditors	*359*	*1,000*
Amounts due to pension and social security institutions	6,047	5,621
Current payables on taxes other than income tax	11,938	-
Items being processed	1,484	8,900
Deferral of government grants related to assets	426	352
Other accrued expenses / deferred income	13,313	16,088
Other items	148	1,668
Total	**68,993**	**75,754**

As December 31, 2023, this item amounted to €69.0 million compared to €75.8 million in 2022, with an overall decrease of €6.8 million.

With regard to **other non-current liabilities**, the main component "amounts to be paid to third parties" includes for €5.1 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 includes also €3.8 million for the liability related to the acquisition of software under medium-long-term contracts in Italy and Greece.

The item **other current liabilities** shows an overall decrease of €6.6 million, primarily originating from the category "amounts to be paid to third parties", thanks to the settlement of €5.8 million related to contractual liabilities linked to the Frontier SLA, in the categories of "amounts due to personnel" following the settlement of performance bonus and exit incentives, as well as in the category of "other accrued expenses / deferred income", reduced due to the gradual release of the portion of accrued liability regarding the advance payment of servicing fees for the Hellenic Region.
Additionally, there is the reimbursement during the fiscal year of "items being processed" items amounting to €6.0 million attributable to the subsidiary doValue Spain for an advance related to the management of a portfolio.

NOTE 18 – SHARE-BASED PAYMENTS

The Shareholders' Meeting of doValue on April 27, 2023, approved the Report on the Remuneration policy 2023 and remuneration paid in 2022, keeping unchanged the 2022-2024 Remuneration policy (hereinafter "the Policy"), which was approved by the Shareholders' Meeting on April 28, 2022, applicable to Directors, Key Management Personnel and Members of Supervisory Bodies.
The Remuneration Policy is based on the 2022-2024 time horizon, in line with the Business Plan and thus able to ensure a high degree of consistency to the entire Governance system, to favour the coverage of key roles and also to guarantee an attractive remuneration offer to people who are key to the Group's long-term strategy.
With a view to a three-year policy, the main characteristics of the previous Remuneration Policy are confirmed, while introducing some elements:

- maintenance of the variable remuneration strategy for Key management personnel, broken down as follows:
    - a short-term Management By Objectives (MBO) incentive plan to encourage annual performance, both financial and non-financial, with a focus on skills and conduct to improve alignment with doValue values across the Group;

- a long-term incentive plan (LTI) to promote the alignment of participants with the long-term interests of the Stakeholders, to attract and retain individuals who are key to the long-term success of the Group, and to promote the "One-Group culture";
- an increased focus on ESG metrics as a key element in strengthening doValue's sustainability plan;
- a review of the Peer Group in order to identify the relative "Total Shareholders Return" (TSR), to take into account the new structure of the doValue Group.

The Policy envisages remuneration systems in some cases based on the use of its own financial instruments. In detail, they include the following types of remuneration:

- a portion of the fixed remuneration and the entire variable component of the Chief Executive Officer is paid in shares;
- a part of the variable remuneration of Key management personnel, specifically that deriving from the long-term incentive (LTI) plan, is paid in shares. The LTI plan provides for an annual grant ("rolling" plan) based entirely on the value of doValue's shares ("Performance shares") and based on the assignment with a 3-year vesting period. The 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.
Without prejudice to the right to compensation for any greater damage, after the payment of the variable compensation, doValue reserves the right, within 5 years from the date of assignment of the variable compensation, to ask the beneficiary to return the bonus ("clawback"), in specific cases of fraudulent behavior or gross negligence, violation of laws or of the Code of Ethics and company rules, or the attribution of a bonus on the basis of data which subsequently turns out to be manifestly incorrect or intentionally altered. The malus conditions are also applicable if one of the clawback clauses occurs during the performance period.

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

	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)	194,371	€10.23	10,242	21
2022 Plan (GM of April 28, 2022)	297,953	€7.66	297,953	26
2023 Plan (GM of April 27, 2023)	357,108	€6.80	357,108	28

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

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

The former Group CEO, having communicated his intention to voluntary resign as of April 28, 2023, one year in advance of the expiry of his mandate, basing on the current Remuneration Policy, the former Group CEO was not entitled to any form of remuneration, except for the fixed remuneration accrued up to the date. Considering this, any other entitlement to remuneration not yet paid or assigned and for which the vesting period is not completed has been cancelled.
Consistently with the Remuneration Policy and contract provisions, the upfront portion of the 2022 MBO awarded was paid after the Shareholders’ Meeting of April 27, 2023 which approved the 2022 financial statements, while any deferred MBO regarding 2022 has been cancelled.

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

NOTE 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 year:

(€/000)

	Buildings	Electronic system	Other tangible assets	Total 12/31/2023	Total 12/31/2022
Opening balance	**33,886**	**14,219**	**2,545**	**50,650**	**26,024**
Increases	**4,201**	**50**	**1,695**	**5,946**	**27,907**
Purchases	3,012	50	1,663	4,725	38,027
Other changes	1,189	-	32	1,221	(10,120)
Decreases	**(9,279)**	**(4,207)**	**(1,548)**	**(15,034)**	**(3,281)**
Amortisation	(8,750)	(4,207)	(1,366)	(14,323)	(13,061)
Other changes	(529)	-	(182)	(711)	9,780
Closing balance	**28,808**	**10,062**	**2,692**	**41,562**	**50,650**

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

(€/000)

	12/31/2023	12/31/2022
Opening balance	**49,938**	**26,366**
Increases	**7,788**	**35,908**
New liabilities	3,361	34,936
Financial expenses	1,298	963
Other changes	3,129	9
Decreases	**(16,227)**	**(12,336)**
Payments	(15,928)	(11,941)
Other changes	(299)	(395)
Closing balance	**41,499**	**49,938**
o.w.: Non-current lease liabilities	29,795	38,109
o.w.: Current lease liabilities	11,704	11,829

The increases of €7.8 million mainly refer to the buildings category following the renewal of lease contracts for certain premises in Italy and Cyprus.

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

(€/000)

	12/31/2023	12/31/2022
Amortisation of right-of-use assets	(14,323)	(13,061)
Financial expenses from lease liabilities	(1,298)	(963)
Total	**(15,621)**	**(14,024)**

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)

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

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)

	12/31/2023	12/31/2022
Servicing services	189,768	243,448
Servicing for securitisations	194,408	201,616
REO services	37,334	70,870
Total	**421,510**	**515,934**

The item as a whole decreased by 18% compared to the previous year.
This result is due to lower revenues recorded in all components: **servicing services** (-22%), **REO services** (-47%), and **servicing for securitisation** (-4%).
This contraction, in line with the Group's expectations, is the result of the worsening macroeconomic conditions that are affecting the market to which must be added the effect of the offboarding of the Sareb portfolio in Spain which took place between July and October 2022. At a geographical level there was a negative difference between the two years in comparison in all regions.

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 2023	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	26,178	124,122	51,351	(11,883)	**189,768**
Servicing for securitisations	103,176	91,232	-	-	**194,408**
REO services	-	10,691	31,603	(4,960)	**37,334**
Total revenue	**129,354**	**226,045**	**82,954**	**(16,843)**	**421,510**

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 revenue	**154,827**	**249,394**	**127,794**	**(16,081)**	**515,934**

NOTE 21 – OTHER REVENUES

(€/000)

	12/31/2023	12/31/2022
Administrative Servicing/Corporate Services Provider	21,491	18,274
Information services	7,282	4,647
Recovery of expenses	2,072	2,088
Due diligence & Advisory	2,390	3,146
Ancillary REO services	647	11,611
Other revenues	26,313	4,080
Total	**60,195**	**43,846**

The item records a positive variation of 37% compared to 2022 and originates from the **other revenues** component, which includes proceeds from ancillary services provided to SPV clients in the Hellenic Region, as well as increased revenue from **administrative Servicing/Corporate Services Provider** services primarily provided by the Parent Company doValue and from **information services**. These increased revenues were primarily offset by lower revenues related to **ancillary REO services**, which in the comparative period mainly included revenues from the Sareb portfolio, terminated in the latter part of 2022.

NOTE 22 – COSTS FOR SERVICES RENDERED

(€/000)

	12/31/2023	12/31/2022
Costs related to Assets Under Management	(14,731)	(25,014)
Brokerage fees	(9,832)	(19,211)
Costs for services	(430)	(1,491)
Total	**(24,993)**	**(45,716)**

The item, which includes the fees of the recovery network, was almost halved compared to the previous year (-45%) following the decrease in the portfolios managed in Iberia and in Italy which also generated the reduction in revenues as reported above.
The remuneration mechanism of the external network, directly related to revenues, combined with the flexibility of the collaboration agreements, allows the Group to reduce these direct costs to protect its margins in cyclical phases of business slowdown.

NOTE 23 – PERSONNEL EXPENSES

(€/000)

	12/31/2023	12/31/2022
Payroll employees	(208,208)	(219,639)
Members of Board of Directors and Board of Statutory Auditors	3,541	(6,995)
Other personnel	(8,430)	(4,515)
Total	**(213,097)**	**(231,149)**

Average number of employees by category

	12/31/2023	12/31/2022
Payroll employees	**2,880**	**3,048**
a) Executives	107	129
b) Managers	920	942
c) Other employees	1,853	1,977
Other staff	**306**	**180**
Total	**3,186**	**3,228**

The item shows an overall reduction of 8% compared to December 31, 2022: in detail, there is a reduction of 5% in the "payroll employees", while the "members of the Board of Directors and Statutory Auditors" component shows a positive amount due to the effect the release of provisions for deferred variable compensation in favor of the former Chief Executive Officer, who resigned on April 27, 2023. The residual component "other employees", which mainly includes temporary agency work, instead recorded a significant increase, mainly in Spain and Greece.

In line with the objectives of the 2022-2024 Industrial Plan, personnel expenses include charges related to early retirement incentives totaling €14,1 million, of which €6.8 million only in Iberia following the restructuring program already started in 2022.
Regarding the breakdown of the cost for employee benefits included in this item, please refer to Note 14 – Employee benefits.

NOTE 24 – ADMINISTRATIVE EXPENSES

(€/000)

	12/31/2023	12/31/2022
External consultants	(23,828)	(32,779)
Information Technology	(31,944)	(38,569)
Administrative and logistical services	(12,844)	(8,724)
Building maintenance and security	(2,584)	(2,571)
Insurance	(2,165)	(1,971)
Indirect taxes and duties	(2,147)	(2,275)
Postal services, office supplies	(467)	(963)
Indirect personnel expenses	(2,005)	(3,206)
Debt collection	(5,242)	(356)
Utilities	(2,479)	(2,603)
Advertising and marketing	(4,257)	(4,897)
Other expenses	(699)	(1,498)
Total	**(90,661)**	**(100,412)**

The item as a whole showed a reduction of 10% compared to the previous year. Such trend is primarily driven by lower costs for external consulting, IT services related to technological developments, and indirect personnel expenses, which are offset by higher costs for administrative and logistical services and for credit recovery.

NOTE 25 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)

	12/31/2023	12/31/2022
Government grants	647	514
Reductions in assets	(379)	(33)
Other expenses	(139)	(704)
Other income	4,960	4,293
Total	**5,089**	**4,070**

The item, amounting to €5.1 million compared to €4.1 million in 2022, includes primarily the effect of an income related to a settlement agreement with a client in Spain, as well as proceeds recorded within the national perimeter, related to assets under management. In 2022, the item was primarily characterized by proceeds related to an insurance indemnity of €4.1 million.

NOTE 26 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	12/31/2023	12/31/2022
Intangible assets	**(74,965)**	**(54,903)**
Amortisation	(48,854)	(53,559)
Impairment	(26,111)	(1,344)
o.w. Impairment on goodwill	(12,530)	-
Property, plant and equipment	**(17,279)**	**(16,626)**
Amortisation	(17,279)	(16,626)
Financial assets measured at amortised cost	**(235)**	**47**
Write-downs	(252)	-
Write-backs	17	47
Trade receivables	**525**	**329**
Write-downs	(37)	(680)
Write-backs	562	1,009
Other assets	**(788)**	**-**
Write-downs	(1,050)	-
Write-backs	262	-
Total	**(92,742)**	**(71,153)**

The item shows a 30% increase compared to the previous year.
Specifically, the **intangible assets** component includes impairment losses amounting to €26.1 million compared to €1.3 million in the previous year, in addition to the portion of amortizations reflecting the amortization curves on long-term contracts based on their respective business plans.
The impairment losses recorded in the year mainly result from the outcomes of the impairment test. Evidence of impairment of servicing contracts has emerged in the aforementioned analysis, totalling €13.4 million related to the Santander contract of doValue Spain and €12.5 million related to the CGU "Iberia." For further details, please refer to Note 1 - Intangible Assets.

The **property, plant, and equipment** category includes the effects of IFRS 16 for lease right-of-use asset amortizations, which amount to €14.3 million for 2023 compared to €13.1 million as of December 31, 2022.
The component related to **other assets** includes impairment adjustments of €1.1 million related to the estimation of recoverable value of advances paid for businesses being disposed of in the Iberian Region.

NOTE 27 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	12/31/2023			12/31/2022		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal disputes	(4,053)	752	**(3,301)**	(2,662)	2,344	**(318)**
o.w. Employee disputes	*(274)*	*48*	***(226)***	(27)	160	***133***
Out-of-court disputes and other risk provisions	(2,329)	3,341	**1,012**	(6,071)	1,940	**(4,131)**
Provisions on other commitments and other guarantees issued	-	-	-	-	3	**3**
Total	**(6,382)**	**4,093**	**(2,289)**	**(8,733)**	**4,287**	**(4,446)**

The item, whose net balance reflects a decrease of €2.2 million compared to 2022, consists of operational changes in provisions for legal disputes, out-of-court settlements, and other risk provisions, set aside to fulfil legal and contractual obligations that are anticipated to require the use of economic resources in subsequent fiscal years.

As at December 31, 2023, the item showed a negative balance of €2.3 million (-€4.4 million as at December 31, 2022), due to the combined effect of the releases for provisions of previous years that are no longer needed and prudential provisions relating to both legal disputes and operational risks and other charges.

In particular, the 2023 provisions for **out-of-court disputes and other risk provisions** mainly refer to:

- Risks related to ongoing arbitrations and out-of court disputes amounting to €0.5 million;
- operational risks of €0.4 million;
- sundry risks mainly related to disputes with customers of servicing contracts of €0.4 million;
- subordination fees linked to the performance of some servicing contracts for €0.8 million.

The reallocations (€3.3 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, including that deriving from a settlement agreement with a customer in Spain.

NOTE 28 – FINANCIAL (EXPENSE)/INCOME

(€/000)

	12/31/2023	12/31/2022
Financial income	**4,616**	**1,955**
Income from financial assets measured at fair value through P&L	1,290	1,507
Income from financial assets measured at amortised cost	1,767	420
Income from financial liabilities measured at amortised cost	454	-
Other financial income	1,105	28
Financial expense	**(38,914)**	**(29,192)**
Expense from financial liabilities measured at amortised cost	(26,853)	(27,146)
Other financial expenses	(12,061)	(2,046)
Net change of other financial assets and liabilities measured at fair value through P&L	**(2,832)**	**(22,520)**
Financial assets - o.w.: debt securities	(1,642)	(550)
Financial assets - o.w.: units in collective investment undertakings	(891)	(652)
Financial assets - o.w.: non-hedging derivatives	(299)	287
Financial liabilities	-	(21,605)
Total	**(37,130)**	**(49,757)**

Financial income amounted to €4.6 million and was mainly due to income from the ABS securities (€1.3 million), from interest income on term deposits (€1.8 million), from income (€0.5 million) realized from the partial repurchase by the Parent Company of its own debt securities, at a lower market value than the issue value (for further details, see Note 12) and lastly, in the category of "other financial income", the release of a provision for impairment (€1.1 million) set aside for a credit collected during the fiscal year and owed to the Revenue Agency for interest on tax credits from previous years.
Financial expense (€26.9 million) includes interest expense accrued on outstanding 2020 and 2021 bonds, while the component of "other financial expenses" mainly includes mainly the portion of interest calculated in accordance with IFRS 16 (€1.3 million), €5.3 million for the time value accrued on the Earn-out of the doValue Greece acquisition, as well as €3.3 million million in interest expense for late payment related to the arbitration with Altamira Asset Management Holdings S.L. and connected to the Earn-out for the acquisition of doValue Spain.
The **net change of other financial assets and liabilities measured at fair value through P&L** for a total amount of €2.8 million, is attributable to the fair value delta relating to the notes in the portfolio.

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 2023 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, 2023, 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 extension of the tax base also to financial charges and income and the application of the rate envisaged for banks of 5.57% unless otherwise provided by the individual regions.

(€/000)

	12/31/2023	**12/31/2022**
Current tax	(25,175)	(25,975)
Adjustment to current tax of prior years	(1,999)	(1,287)
(Expense)/income related to tax disputes	1,751	-
Changes to deferred tax assets	(23,248)	(10,827)
Changes to deferred tax liabilities	8,380	3,347
Total	**(40,291)**	**(34,742)**

Income tax for the year amounted to €40.3 million on an accrual basis, up from €34.7 million as at December 31, 2022, mainly due to a negative impact of changes in deferred tax assets partially offset by deferred tax liabilities.

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

(€/000)

	12/31/2023	**12/31/2022**
Defined benefit plans	(31)	(137)
Total	**(31)**	**(137)**

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)

	12/31/2023	12/31/2022
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**26,650**	**61,217**
Theoretical tax rate	**24%**	**24%**
Theoretical computed taxes on income	**(6,396)**	**(14,692)**
- Different tax rates from the theoretical	3,553	4,195
- Non-taxable income - permanent differences	1,475	910
- Non-deductible expenses - permanent differences	(11,295)	(12,341)
- IRAP (regional business tax)	(461)	(1,026)
- Prior years and changes in tax rates	13	(1,562)
- Valuation adjustments and non-recognition of deferred tax assets/liabilities	(28,695)	(10,473)
- Other differences	1,515	247
Income tax recognised in income statement	**(40,291)**	**(34,742)**

The reconciliation between theoretical and actual tax expense highlights how taxes recorded in the fiscal year are primarily affected by the component "valuation adjustments and non-recognition of deferred tax assets/liabilities" which includes €17.8 million in impairment of DTA due to subsequent unrecoverability, in addition to €10.9 million of unrecorded DTA of the year (see also Note 4 for further details).

NOTE 30 – EARNINGS PER SHARE

(€/000)

	12/31/2023	12/31/2022
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]	**(17,830)**	**16,502**
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
basic [B]	79,033,812	79,091,053
diluted [C]	79,033,812	79,091,053
Earnings (loss) per share (in euro)		
basic [A/B]	(0.23)	0.21
diluted [A/C]	(0.23)	0.21

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

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.

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, 2023, the main trade counterparties were represented by banks and important Investors with high credit standing and Vehicle Companies established pursuant to the provisions of Italian Law 130/1999.
For a quantitative analysis, please see the Note on trade receivables.
With regard to individual non-performing positions, which concern a marginal number of positions acquired over time, the procedures and tools supporting the activity of the workout units always enable position managers to prepare accurate forecasts of the amounts and timing of expected recoveries on the individual relationships in accordance with the state of progress in the recovery management process. These analytical evaluations take account of all the elements objectively connected with the counterparty and are in any case conducted by the position managers in compliance with the principle of sound and prudent management.

As regards the credit risk relating to relations with banks and financial institutions, the 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, 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.

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

(€/000)

	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	12/31/2023	12/31/2022
Loans and other financing	**-**	**9,768**	**25,402**	**552,860**	**-**	**588,030**	**568,503**
Bank loans	-	105	25,402	-	-	25,507	126
Bank overdraft	-	-	-	-	-	-	37
Due to other lenders	-	-	-	-	-	-	4,380
Bonds	-	9,663	-	552,860	-	562,523	563,960
Other financial liabilities	**-**	**2,410**	**43,830**	**37,200**	**13,100**	**96,540**	**116,481**
Lease liabilities	-	2,037	9,668	26,878	2,916	41,499	49,938
Earn-out	-	-	34,162	10,322	10,184	54,668	44,649
Put option on non-controlling interests	-	-	-	-	-	-	21,894
Others	-	373	-	-	-	373	
Trade payables	**14,430**	**53,595**	**17,358**	**-**	**-**	**85,383**	**70,381**
Other current liabilities	**8,039**	**35,217**	**16,650**	**8,439**	**648**	**68,993**	**75,754**
Total	**22,469**	**100,990**	**103,240**	**598,499**	**13,748**	**838,946**	**831,119**

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

Assets allocated for a specific business activity

"Vitruvian" asset allocated for a specific business activity

On January 9, 2023, the contract to assign the loans was finalised with the investor investor Vitruvian Investments SA and therefore, as at December 31, 2023, there are no longer values representing the assets in question, which originated in 2021 against the collection by the subsidiary doNext of funds deriving from a passive loan contract allocated for a specific business activity and governed by articles 2447 - bis, paragraph 1 lett. B and 2447 - decies of the Italian civil code.

OPERATIONAL RISK

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;
- 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.
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 interimly 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” on the basis of the information that becomes available.

Risks connected with tax disputes

Regarding the events following the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain Servicing S.A. (hereinafter "doValue Spain"), on May 11, 2023, the International Court of Arbitration of the International Chamber of Commerce issued the arbitral award condemning Altamira Asset Management Holdings S.L. (hereinafter "AAMH") to repay approximately €28 million, plus legal interest, in favor of the doValue Group. Similarly, doValue S.p.A. (hereinafter “doValue”) is required to make the Earn-out payment, inclusive of passive interests. The amounts related to the Spanish tax claim were paid in 2021 by doValue Spain to the Spanish Tax Authority in the context of the inspection launched in connection to facts and events occurred prior to the acquisition performed by doValue which took place in 2019. In response to this arbitral award, AAMH has initiated legal action, before the competent Spanish courts, seeking the partial annulment of the arbitral award concerning its obligation to pay the tax claim imposed under the arbitral award still pending to date. The judgment of the High Court of Justice of Madrid on the annulment action brought by AAMH should be announced no later than the beginning of May 2024.
Regarding the enforcement action initiated by the Parent Company doValue and its subsidiary doValue Spain in July 2023 to enforce and collect the sums due from AAMH, on December 21, 2023, the competent Court in Madrid issued an enforcement order, condemning AAMH to pay the amount specified in the arbitral award, leading to the seizure of all assets owned by AAMH. Regarding such executive procedure, AAMH has filed an opposition. On February 26, 2024, the competent Court in Madrid rejected the opposition filed by AAMH against the enforcement procedure that sentenced it to pay the amount stipulated in the arbitral award, resulting in the seizure of all assets. AAMH had the option to appeal against the order dismissing the opposition within 20 working days. This appeal does not suspend the execution process unless AAMH provides security for the entire amount owed (tax debt, interest, and potential damages).

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

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

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

Considering the above for both assessments, the Parent Company deems the risk of liability possible and has also deemed it appropriate to release the provision that has been recorded in the financial statements starting from the Consolidated Half-Year Report at June 30, 2023, net of legal expenses.

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)

	12/31/2023	**12/31/2022**
Loans and other financing (Note 12)	588,030	568,503
Other financial liabilities (Note 13)	96,540	116,481
Trade payables (Note 16)	85,383	70,381
Other liabilities (Note 17)	68,992	75,754
Less: cash and cash equivalents (Note 9)	(112,376)	(134,264)
Net debt (A)	**726,569**	**696,855**
Equity	53,031	136,559
Equity and net debt (B)	**779,600**	**833,414**
Gearing ratio (A/B)	**93%**	**84%**

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)

	12/31/2023	**12/31/2022**
Net financial indebtness (Note 13)	**572,194**	**546,340**
Trade payables (Note 16)	85,383	70,381
Other liabilities (Note 17)	68,992	75,754
Current financial assets (Note 3)	-	4,380
Net debt (A)	**726,569**	**696,855**

Commitments and guarantees provided

As at December 31, 2023, 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, 2023, amounted to €0.9 million and are related to rented operating properties.

SEGMENT REPORTING

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 corporate acquisitions in Europe (doValue Spain at the end of June 2019 and doValue Greece 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 subsidiaries Adsolum and Team4, as well as doValue Portugal with the subsidiary Zarco.

(€/000)

Year 2023	**Italy**	**Hellenic Region**	**Iberia**	**Infrasector**	**Group**
Revenue from contracts with customers	129,354	226,045	82,954	(16,843)	421,510
Other revenues	36,753	25,112	3,442	(5,112)	60,195
Total revenue	**166,107**	**251,157**	**86,396**	**(21,955)**	**481,705**
Costs for services rendered	(6,635)	(9,131)	(9,228)	1	(24,993)
Personnel expenses	(85,408)	(78,837)	(50,793)	1,941	(213,097)
Administrative expenses	(52,270)	(21,221)	(22,324)	5,154	(90,661)
Other operating (expense)/income	2,306	2	2,198	583	5,089
Depreciation, amortisation and impairment	(14,483)	(36,629)	(33,916)	(7,714)	(92,742)
Provisions for risks and charges	(1,805)	(1,371)	887	-	(2,289)
Total costs	**(158,295)**	**(147,187)**	**(113,176)**	**(35)**	**(418,693)**
Operating income	**7,812**	**103,970**	**(26,780)**	**(21,990)**	**63,012**
Financial (expense)/income	(22,000)	(4,287)	(7,113)	(3,730)	(37,130)
Profit (loss) of equity	-	-	768	-	768
Dividends and ordinary similar income	21,299	-	5,876	(27,175)	-
Profit (loss) before tax	**7,111**	**99,683**	**(27,249)**	**(52,895)**	**26,650**
Income tax expense	(7,685)	(22,610)	(12,992)	2,996	(40,291)
Net Profit (loss) from continuing operations	**(574)**	**77,073**	**(40,241)**	**(49,899)**	**(13,641)**
Net profit (loss) for the period	**(574)**	**77,073**	**(40,241)**	**(49,899)**	**(13,641)**
Total assets	**(850,657)**	**(512,243)**	**(156,087)**	**487,423**	**(1,031,564)**
of which: Intangible assets	(18,834)	(299,331)	(66,956)	(88,663)	(473,784)
of which: Property, plant and equipment	(13,661)	(22,561)	(12,455)	-	(48,677)
of which: Other non-current assets	(314)	(2,024)	(1,378)	-	(3,716)
Total liabilities	**708,042**	**223,319**	**199,890**	**(204,378)**	**926,873**

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

BUSINESS COMBINATIONS

Business combinations completed in the year

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.

External business combinations

On December 29, 2023, the subsidiary doValue Spain signed the complete acquisition of Team 4 Collection & Consulting S.L.U. (hereinafter also referred to as "Team4"), a subsidiary of the Arvato Group (Bertelsmann), aiming to expand its operations in the management of small unsecured loans.
The provisional fair value of the identifiable assets and liabilities of Team4 as of the acquisition date is presented below.

(€/000)

	Fair value recognised in acquisition
Non-current assets	
Intangible assets	112
Property, plant and equipment	113
Other non-current assets	366
Total non-current assets	**591**
Current assets	
Trade receivables	1,793
Other current assets	107
Cash and cash equivalents	524
Total current assets	**2,424**
Total assets	**3,015**
Non-current liabilities	
Other non-current financial liabilities	10
Total non-current liabilities	**10**
Current liabilities	
Other current financial liabilities	43
Trade payables	307
Other current liabilities	1,514
Total current liabilities	**1,864**
Total liabilities	**1,874**
Total net identifiable assets at fair value	**1,141**
Goodwill/(Bargain) arising from acquisition	**(768)**
Purchase consideration	**373**

The fair value assessment of the identified assets and liabilities was conducted using the acquisition method ("Purchase Price Allocation"), and the resulting figures cannot yet be considered final; therefore, they may need subsequent adjustments, along with a corresponding adjustment of the bargain, within one year from the transaction, in accordance with IFRS 3.

The allocation of the difference between the consideration for the acquisition and the net book value of the assets and liabilities was performed by recognizing these assets and liabilities at their fair value as of December 31, 2023, considering the proximity of the transaction's closing and the fact that no significant events altering the fair value of the subsidiary's assets and liabilities were observed in this short timeframe. Therefore, Team4 contributes to the doValue Group's consolidated financial statements as of December 31, 2023, only with the balance sheet values.

During the purchase price allocation, no fair value adjustments of the identified assets and liabilities were identified; hence, the bargain, albeit provisional, amounts to €768 thousand.

The net cash flows of the transaction are presented below:

(€/000)

Breakdown of acquisition cash flows	
Net liquidity acquired with the subsidiary	524
Purchase consideration paid	(373)
Net acquisition cash flows	**151**

Business combinations completed after the end of the year

The doValue Group did not carry out any internal or external business combinations after December 31, 2023.

Retrospective adjustments

As at December 31, 2023, there were no retrospective adjustments relating to previous business combinations.

RELATED-PARTY TRANSACTIONS

Introduction

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

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

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

In compliance with Consob Resolution no. 17221 of March 12, 2010, as amended, doValue has adopted the "Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group", published on the corporate website of doValue (www.doValue.it), which defines the principles and rules for managing the risk associated with situations of possible conflict of interest engendered by the proximity of certain parties to decision-making centres.
To manage transactions with related parties, doValue established a Risks and Related Party Transactions Committee - composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from the non-executive members of the Board of Directors, and with the majority meeting independence requirements - charged with the task of issuing reasoned opinions to the Board of Directors regarding transactions with related parties in the cases governed by the procedure.

Information on remuneration of key management personnel

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

(€/000)

Remuneration breakdown	**12/31/2023**
Short term benefits	6,009
Post-employment benefits	205
Severance indemnity	250
Share-based payments	708
Total	**7,172**

Related-party transactions

During the year, low-value transactions with related parties of an ordinary nature and lesser importance were carried out, mainly attributable to contracts for the provision of services. All transactions with related parties carried out in 2023 were concluded in the interest of the Group and at market or standard conditions. The following table shows the values outstanding as at December 31, 2023.

(€/000)

Financial Transactions	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Non-current financial assets	2,056	46,167	4.5%
Trade receivables	15,358	199,844	7.7%
Total assets	**17,414**	**246,011**	**7.1%**
Trade payables	(193)	85,383	-0.2%
Total liabilities	**(193)**	**85,383**	**-0.2%**

(€/000)

Costs/Revenues	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Revenue from contracts with customers	54,199	421,510	12.9%
Other revenues	5,184	60,195	8.6%
Personnel expenses	(2,009)	(213,097)	0.9%
Administrative expenses	14	(90,661)	0.0%
Depreciation, amortisation and impairment	-	(92,742)	0.0%
Other operating (expense)/income	100	5,089	2.0%
Financial (Expense)/Income	443	(37,130)	(1.2)%
Total	**57,931**	**53,164**	**109.0%**

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

The main relations with 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 2023 the amount of revenues from contracts with customers for this category of customers amounts to €54.1 million, while other revenues are equal to €4.7 million with corresponding trade receivables of €14.5 million at December 31, 2023; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €2.1 million of financial assets and €402 thousand of financial income are also recorded;
- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management s.r.l.): the Group mainly carries out due diligence on the indicated company and in 2023 accrued other revenues and other operating income of €215 thousand, in addition to having trade receivables of €493 thousand at the end of the year; there is also an active staff secondment relationship with one of the companies, which generated income of €677 thousand;
- Companies affiliated to the Bain Capital Credit group (Beat Capital Partners Limited, Aptia Group Limited, Bain Capital Credit, Ltd): the Group recognizes trade receivables for €13 thousand at the end of the year;
- Torre SGR S.p.A.: the company rented the Group a property for one of the main offices in Rome, which was disposed; trade payables for €9 thousand is the amount at the end of the year;
- ReoCo: the Group manages property assets for certain ReoCo (real estate owned companies), with other revenue and other operating income during the year of €261 thousand and trade receivables of €191 thousand;
- Eurolife FFH General Insurance Single Member Societé Anonyme: the company manages pension funds and medical insurance for the employees of the subsidiary doValue Greece. At December 31, 2023, personnel expenses of €2.7 million and trade payables of €273 thousand were recorded. At the same time, the company

has an active contract for ancillary services, which resulted in the recognition of other operating income and trade receivables amounting to €100 thousand.

Fees paid to the independent auditors: information pursuant to Art. 149-Duodecies of the CONSOB Issuers' Regulation

(€)

Type of services	doValue S.p.A.		Subsidiaries	
	Service Provider	Fee for the year in Euros (excluding VAT and expenses)	Service Provider	Fee for the year in Euros (excluding VAT and expenses)
Auditing	EY S.p.A.	**241,000**	Network EY	**385,345**
Audit related services	EY S.p.A.	**9,000**	Network EY	**75,400**
Other services	EY S.p.A.	**33,000**	Network EY	-
of which Non-Financial Statement		33,000		-
Total		**283,000**		**460,745**

Public grants pursuant to Law 124/2017

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

Also noteworthy is Circular Assonime 5 Business Activities and Competition, published on February 22, 2019, which provides some guidelines and highlights points of major uncertainty, hoping for regulatory intervention by the competent authorities to ensure correct and uniform compliance with obligations by companies, as well as non-application of the sanctions contained in the regulation itself.

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

The information present in the Group is then presented in tabular form.

(€)

Type of grant	Amount
Employment Fund	45,600
Training contributions to the Banking Fund	364,334
Tax credit for technological innovation (L. 160/2019)	1,252,110
Total	**1,662,044**

Unaudited reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet extracted from the directors' report on the Group for the year ended December 31, 2023

	For the year ended December 31, 2023
	(in € thousands)
NPE revenues	**366,697**
o.w. Revenue from contracts with customers	357,697
o.w. Other revenues	9,000
REO revenues	**53,193**
o.w. Revenue from contracts with customers	53,191
o.w. Other revenues	—
UTP Servicing	—
o.w. Revenue from contracts with customers	—
Co-investment revenues	**1,290**
o.w. Financial (expense)/income	1,290
Ancillary and other revenues	**64,551**
o.w. Financial (expense)/income	62
o.w. Revenue from contracts with customers	10,622
o.w. Other revenues	49,090
o.w. Costs for services rendered	—
o.w. Other operating (expense)/income	4,777
Gross Revenues	**485,731**
NPE Outsourcing fees	**(14,365)**
o.w. Costs for services rendered	(14,225)
o.w. Administrative expenses	(140)
o.w. Other operating (expense)/income	—
o.w. Other revenues	—
REO Outsourcing fees	**(9,684)**
o.w. Costs for services rendered	(9,684)
Ancillary Outsourcing fees	**(18,525)**
o.w. Costs for services rendered	(1,085)
o.w. Administrative expenses	(17,383)
o.w. Other operating (expense)/income	(57)
Net revenues	**443,157**
Staff expenses	**(196,312)**
o.w. Personnel expenses	(196,336)
o.w. Other revenues	24
Administrative expenses	**(71,500)**
o.w. Personnel expenses	**(1,907)**
o.w. Personnel expenses-o.w. SG&A	(1,907)
o.w. Administrative expenses	(71,536)
o.w. Administrative expenses-o.w. IT	(31,076)
o.w. Administrative expenses-o.w: Real Estate	(5,216)
o.w. Administrative expenses-o.w. SG&A	(35,244)
o.w. Other operating (expense)	**(20)**
o.w. Other operating (expense)/income-o.w. Real Estate	(20)
o.w. Other operating (expense)/income-o.w. SG&A	—
o.w. Other revenues	**1,963**
o.w. Other revenues-o.w. IT	414
o.w. Other revenues-o.w.Real Estate	132
o.w. Other revenues-o.w. SG&A	—
o.w. Costs for services rendered	1,417
o.w. Costs for services rendered-o.w. SG&A	—
Total "o.w. IT"	(30,662)
Total "o.w. Real Estate"	(5,084)
Total "o.w. SG&A"	(35,754)
Operating expenses	**(267,812)**
EBITDA	**175,345**
EBITDA margin	36%
Non-recurring items included in EBITDA	(3,355)
EBITDA excluding non-recurring items	**178,700**
EBITDA margin excluding non-recurring items	37%

Net write-downs on property, plant, equipment and intangibles	**(91,920)**
o.w. Depreciation, amortization and impairment	(92,246)
o.w. Other operating (expense)/income	326
Net Provisions for risks and charges	**(16,555)**
o.w. Personnel expenses	(14,854)
o.w. Provisions for risks and charges	(2,289)
o.w. Other operating (expense)/income	63
o.w. Depreciation, amortization and impairment	525
o.w. Administrative expenses	—
Net Write-downs of loans	**(906)**
o.w. Financial (expense)/income	(1,021)
o.w. Depreciation, amortization and impairment	—
o.w. Other revenues	115
Profit (loss) of equity investments	**—**
EBIT	**65,964**
Net income (loss) on financial assets and liabilities measured at fair value	**(8,180)**
o.w. Financial (expense)/income	(8,180)
Financial interest and commissions	**(29,534)**
o.w. Financial (expense)/income	(30,302)
o.w. Costs for services rendered	—
o.w. Profit (loss) of equity investments	768
EBT	**28,250**
Non-recurring items included in EBT	(19,674)
EBT excluding non-recurring items	47,924
Income tax for the period	**(41,891)**
o.w. Administrative expenses	(1,600)
o.w. Income tax expense	(40,291)
Profit (loss) for the period	**(13,641)**
Profit (loss) for the period attributable to Non-controlling interests	(4,189)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**(17,830)**
Non-recurring items included in Profit (loss) for the period	(21,420)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(1,755)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	1,835
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	5,944
Earnings per share (in €)	**(0.23)**
Earnings per share excluding non-recurring items (€)	**0.02**

Unaudited Interim Condensed Consolidated Financial Statements as of and for the nine months ended September 30, 2023

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

Consolidated balance sheet

(€/000)

	NOTE	9/30/2023 Restated	12/31/2022
Non-current assets			
Intangible assets	**1**	472,526	526,888
Property, plant and equipment	**2**	52,193	59,136
Non-current financial assets	**3**	52,374	53,604
Deferred tax assets	**4**	82,908	101,758
Other non-current assets	**5**	2,962	2,076
Total non-current assets		**662,963**	**743,462**
Current assets			
Inventories	**6**	217	55
Current financial assets	**3**	-	4,380
Trade receivables	**7**	158,902	200,143
Tax assets	**8**	5,010	12,441
Other current assets	**5**	65,177	31,840
Cash and cash equivalents	**9**	95,667	134,264
Total current assets		**324,973**	**383,123**
Assets held for sale	**10**	**16**	**13**
Total assets		**987,952**	**1,126,598**
Shareholders' Equity			
Share capital		41,280	41,280
Valuation reserve		(2,724)	(906)
Other reserves		40,013	84,015
Treasury shares		(4,006)	(4,332)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		(25,667)	16,502
Net Equity attributable to the Shareholders of the Parent Company		**48,896**	**136,559**
Net Equity attributable to Non-controlling interests		**47,172**	**44,361**
Total Net Equity	**11**	**96,068**	**180,920**
Non-current liabilities			
Loans and other financing	**12**	551,896	554,220
Other non-current financial liabilities	**13**	48,730	54,158
Employee benefits	**14**	8,582	9,107
Provisions for risks and charges	**15**	30,481	37,655
Deferred tax liabilities	**4**	42,828	51,003
Other non current liabilities	**17**	9,008	9,201
Total non-current liabilities		**691,525**	**715,344**
Current liabilities			
Loans and other financing	**12**	29,283	14,283
Other current financial liabilities	**13**	67,021	62,323
Trade payables	**16**	48,282	70,381
Tax liabilities	**8**	9,182	16,794
Other current liabilities	**17**	46,591	66,553
Total current liabilities		**200,359**	**230,334**
Total liabilities		**891,884**	**945,678**
Total Net Equity and liabilities		**987,952**	**1,126,598**

Consolidated income statement

(€/000)

	NOTE	9/30/2023 Restated	9/30/2022
Revenue from contracts with customers	**20**	297,758	395,235
Other revenues	**21**	38,900	30,354
Total revenue		**336,658**	**425,589**
Costs for services rendered	**22**	(18,334)	(37,650)
Personnel expenses	**23**	(155,038)	(171,238)
Administrative expenses	**24**	(63,309)	(78,314)
Other operating (expense)/income	**25**	1,728	4,138
Depreciation, amortisation and impairment	**26**	(75,343)	(48,171)
Provisions for risks and charges	**27**	(1,564)	(2,296)
Total costs		**(311,860)**	**(333,531)**
Operating income		**24,798**	**92,058**
Financial (Expense)/Income	**28**	(20,935)	(21,125)
Profit (Loss) before tax		**3,863**	**70,933**
Income tax expense	**29**	(29,797)	(21,775)
Net profit (loss) from continuing operations		**(25,934)**	**49,158**
Profit (Loss) for the period		**(25,934)**	**49,158**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		(25,667)	39,181
o.w. Profit (loss) for the period attributable to Non-controlling interests		(267)	9,977
Earnings per share	**30**		
basic		(0.32)	0.50
diluted		(0.32)	0.50

Consolidated statement of comprehensive income

(€/000)

	NOTE	9/30/2023 Restated	9/30/2022
Profit (Loss) for the period		**(25,934)**	**49,158**
Other comprehensive income after tax not recyclable to profit or loss:			
Equity instruments designated at fair value through comprehensive income	**3**	(1,863)	(597)
Defined benefit plans	**14**	46	388
Other comprehensive income after tax recyclable to profit or loss:			
Total other comprehensive income after tax		**(1,817)**	**(209)**
Comprehensive income	**11**	**(27,751)**	**48,949**
o.w. Comprehensive income attributable to Shareholders of the Parent Company		(27,484)	38,972
o.w. Comprehensive income attributable to Non-controlling interests		(267)	9,977

Statement of changes in consolidated shareholders' equity (Note 11)

At 9/30/2023 Restated

(€/000)

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
			Reserves from profit and/or withholding tax	Other					
Initial balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**
Allocation of the previous ...	-	-	19,471	(322)	-	(19,149)	**-**	**-**	**-**
Dividends and other	-	-	(19,471)	(28,030)	-	-	**(47,501)**	**(5,000)**	**(52,501)**
Changes in reserves	-	(1)	-	(10,209)	-	2,647	**(7,563)**	**8,078**	**515**
Stock options	-	-	255	(5,696)	326	-	**(5,115)**	**-**	**(5,115)**
Comprehensive income of ...	-	(1,817)	-	-	-	(25,667)	**(27,484)**	**(267)**	**(27,751)**
Final balance	**41,280**	**(2,724)**	**26,029**	**13,984**	**(4,006)**	**(25,667)**	**48,896**	**47,172**	**96,068**

At December 31, 2022

(€/000)

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
			Reserves from profit and/or withholding tax	Other					
Initial balance	**41,280**	**(1)**	**50,864**	**45,436**	**(4,678)**	**23,744**	**156,645**	**37,358**	**194,003**
Allocation of the previous	-	-	(535)	24,279	-	(23,744)	**-**	**-**	**-**
Dividends and other	-	-	(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	-	(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**

At September 30, 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	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net 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	-	-	(75)	(74)	-	-	**(149)**	**(278)**	**(427)**
Stock options	-	-	765	4,046	338	-	**5,149**	**-**	**5,149**
Comprehensive income of the period	-	(209)	-	-	-	39,181	**38,972**	**9,977**	**48,949**
Final balance	**41,280**	**(210)**	**26,023**	**59,134**	**(4,340)**	**39,181**	**161,068**	**42,055**	**203,123**

Consolidated cash flow statement – Indirect Method –

(€/000)

	NOTE	9/30/2023 Restated	9/30/2022
Operating activities			
Profit (loss) for the period befor tax		**3,863**	**70,933**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:		**92,937**	**77,074**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	**3**	(2,995)	994
Depreciation, amortisation and impairment	**26**	75,343	48,171
Change in net provisions for risks and charges	**15**	1,564	2,296
Financial (Expense)/Income	**28**	23,786	20,803
Costs for share-based payments	**11**	(4,761)	4,810
Change in working capital		**19,388**	**(7,654)**
Change in trade receivables	**7**	41,487	8,281
Change in trade payables	**16**	(22,099)	(15,935)
Change in financial assets and liabilities		**9,019**	**2,109**
Other assets mandatorily measured at fair value	**3**	2,285	1,849
Financial assets measured at amortised cost	**3**	6,734	260
Other changes:		**(109,699)**	**(100,907)**
Interests paid	**28**	(23,331)	(23,821)
Payment of income taxes	**29**	(18,371)	(23,701)
Other changes in other assets/other liabilities		(67,997)	(53,385)
Cash flows generated by operations		**15,508**	**41,555**
Investing activities			
Purchases of property, plant and equipment	**2**	(1,423)	(4,695)
Purchases of intangible assets	**1**	(7,748)	(12,119)
Net cash flows used in investing activities		**(9,171)**	**(16,814)**
Funding activities			
Dividends paid	**11**	(52,618)	(41,765)
Loans obtained	**12**	25,000	25,000
Repayment of loans	**12**	(4,480)	(7,500)
Payment of principal portion of lease liabilities	**19**	(12,836)	(7,626)
Net cash flows used in funding activities		**(44,934)**	**(31,891)**
Net liquidity in the period		**(38,597)**	**(7,150)**
Reconciliation			
Cash and cash equivalents at the beginning of period	**9**	134,264	166,668
Net liquidity in the period		(38,597)	(7,150)
Cash and cash equivalents at the end of the period	**9**	**95,667**	**159,518**

ILLUSTRATIVE NOTES

ACCOUNTING POLICIES

General information

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These interim condensed consolidated Financial Statements as at September 30, 2023 have been prepared in accordance with IAS 34 - Interim Financial Reporting. In accordance with paragraph 10 of mentioned IAS 34, the Group has opted to provide condensed consolidated financial statements.
The interim condensed consolidated financial statements do not provide all the information required in the annual consolidated financial statements. For this reason, it is necessary to read the interim condensed consolidated Financial Statements together with the consolidated Financial Statements as at December 31, 2022.
Although the Group has defined the half-year as the interim period of reference for the application of the aforementioned international accounting standard IAS 34 and the definition of interim financial statements therein, this Consolidated Interim Report as at September 30, 2023, has been prepared in compliance with said standard. This is done to have an interim report available for use (if necessary) in the documentation to be prepared in the context of potential refinancing transactions.
Furthermore, this Consolidated Interim Report as at September 30, 2023, takes into account the informational elements that emerged subsequent to the approval on November 9, 2023, of the previous Consolidated Interim Report as of the same date, published on the doValue Group's website, as described in the section "Restatement of data as of and for the nine months ended September 30, 2023" in these Illustrative Notes.

The preparation, the measurement and consolidation criteria and the accounting standards adopted to prepare these condensed consolidated Financial Statements are compliant with the accounting standards adopted in the preparation of the consolidated Financial Statements as at December 31, 2022, with the exception of the adoption of new or amended standards of the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee as set out in the paragraph “New accounting standards”. The adoption of these amendments and interpretations did not have significant impacts on the Group’s financial position or performance.

These interim condensed consolidated Financial Statements are accompanied by the Certification of the Financial Reporting Officer pursuant to Article 154-bis of Legislative Decree 58/1998.

BASIS OF PREPARATION

The interim condensed consolidated Financial Statements are prepared using the euro as the accounting currency, in accordance with the provisions of Art. 5(2) of Legislative Decree No 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 **Illustrative Notes**;

and are accompanied by the **Directors’ Interim 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 Section “Main items of the financial statements” of these Illustrative Notes.

The interim condensed consolidated Financial Statements have been 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.
The accounting policies adopted in these interim condensed consolidated Financial Statements at September 30, 2023 for the recognition, classification, measurement and derecognition of assets and liabilities and the recognition of costs and revenues have not been updated from those adopted in the preparation of the consolidated Financial Statements for the year ended December 31, 2022.

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

Restatement of the figures as of September 30, 2023 and for the nine months period ended at such date

The figures as of and for the nine months ended September 30, 2023, included in the Consolidated Interim Report at September 30, 2023, approved by the Board of Directors on November 9, 2023 have been restated to reflect the effects of certain events occurred after such date and up to January 12, 2024.
These adjustments relate mainly to (i) the impairment of intangible assets and deferred tax assets of the Iberian region based on the Preliminary Industrial Plan 2024-2026 for this region approved by the Board of Directors on January 12, 2024, and (ii) the reversal of a risk provision following the signing of a settlement agreement with a customer.
Details of such events are disclosed in paragraph "Significant events after the end of the period" of the Directors' Interim Report on the Group and details of the reconciliation between the interim financial information approved on November 9, 2023, and the restated values, compliant with IAS 34, are disclosed in the Annexes.
The abovementioned restatement has the following effects on the consolidated income statement for the nine months ended September 30, 2023:

(€/000)

	9/30/2023 Restated	Change	9/30/2023 approved on November 09, 2023
Depreciation, amortisation and impairment	(75,343)	(28,210)	(47,133)
Provisions for risks and charges	(1,564)	2,459	(4,023)
Profit (Loss) before tax	**3,863**	**(25,751)**	**29,613**
Income tax expense	(29,797)	(10,959)	(18,838)
Profit (Loss) for the period	**(25,934)**	**(36,709)**	**10,775**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company	(25,667)	(31,409)	5,742
o.w. Profit (loss) for the period attributable to Non-controlling interests	(267)	(5,300)	5,033

The effects on the consolidated balance sheet and on the shareholders' equity as of September 30, 2023, are the following:

(€/000)

	9/30/2023 Restated	Change	9/30/2023 approved on November 09, 2023
Intangible assets	472,526	(28,210)	500,735
Deferred tax assets	82,908	(14,541)	97,449
Total assets	**987,952**	**(42,751)**	**1,030,702**
Provisions for risks and charges	30,481	(2,459)	32,940
Deferred tax liabilities	42,828	(3,581)	46,409
Total liabilities	**891,884**	**(6,040)**	**897,924**
Total Net Equity	**96,068**	**(36,709)**	**132,778**
o.w. Net Equity attributable to the Shareholders of the Parent Company	48,896	(36,709)	85,606

Going concern

In preparing the consolidated Financial Statements as at September 30, 2023, the Directors consider the going concern assumption appropriate as, in their opinion, despite the macroeconomic context is still affected by the continuing of inflation and the resulting in rising interest rates, by military tensions 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; 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' Interim 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 interim condensed consolidated Financial Statements at September 30, 2023, as required by accounting standards. These processes are essentially based on estimates of future recoverability of the values recognised and were conducted on a going concern basis. These processes supported the book values recognised as at September 30, 2023. 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 Group’s activities over time, 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 the end of the period, accrued revenues 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.
In addition, any certain or contingent liabilities must be prudentially determined in order to assess compliance with the obligations set out in the servicing agreement, 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 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 the assessments conducted 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 "Information on risks and risk management policies", section "Operational risks – legal and tax risks".

Estimation of impairment losses on intangible assets

At least on an annual basis, upon preparing the Financial Statements, the absence of lasting impairment losses on intangible assets is verified. 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 a function of the cash flows that it will be able to generate looking forward, 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 verify 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 the general macroeconomic risks as well as those related to 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 assessments 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 doValue Spain Servicing S.A. and its subsidiaries in June 2019 and that of 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”.
The test was performed on the amounts of intangible assets and goodwill, resulting, as at September 30, 2023, 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 last quarter data deriving from 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 was taken into consideration with the exception of intangible assets attributable to the Iberia region for which the test was performed on the basis of the preliminary 2024-2026 Business Plan approved by the Board of Directors on January 12, 2024.
This analysis revealed some evidence of impairment relating to the acquisition of doValue Spain, for a total of €16.4 million, such as differences between the value in use of the servicing contract attributable to Santander and the brand with the related net book value net of depreciation for the period.
As regards the comparison between the recoverable amount and the total net book value of the CGUs as at September 30, 2023, the model has highlighted for the “Iberia” CGU (Spain-Portugal) impairment losses for the goodwill recorded amounting to €12.5 million. However, it confirmed the recoverable value capacity for the CGU Greece-Cyprus, both concerning the doValue Greece acquisition and for the Cyprus component arising from the doValue Spain and its subsidiaries' acquisition.
The impairment losses have been allocated to the related consolidated income statement item and the residual amounts of intangible assets have been adjusted accordingly (for further details, see also Note 1 Intangible Assets below).

As regards the methodological approach to the impairment test, please refer to the Accounting policies in the paragraph "Other matters - Estimation of impairment losses of intangible assets " of the consolidated Financial Statements as at December 31, 2022. Furthermore, 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.

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 Group uses all available information; however, this process implies, by definition, complex and subjective estimations.
For information on the Group's business combinations, please refer to the specific “Business combinations relating to company enterprises or business branches” section.

SCOPE AND METHOD OF CONSOLIDATION

The preparation of the interim condensed consolidated Financial Statements at September 30, 2023, drew on the accounts at 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 September 30, 2023, 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 September 30, 2023.

Subsidiaries

Entities in which doValue holds direct or indirect control are considered subsidiaries. Control over an entity is determined 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 identifying an acquirer 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 other circumstances such as: the entity whose fair value is significantly greater, the entity that transfers cash, or the entity that issues new shares.
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 managerial personnel;
  - provision of essential technical information.

Note that only companies that are governed through voting rights can be classified as subject to significant influence.
Investments in associates are measured using the equity method. In accordance with IAS 36, the carrying amount of associates is tested as a single asset, comparing this with the recoverable amount (defined as the higher of its value in use and its fair value less costs of disposal).

Equity 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 September 30, 2023, 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 Held by	Holding %	Voting rights % (2)
1.	doValue S.p.A.	Verona	Italy		Holding		
2.	doNext S.p.A.	Rome	Italy	1	doValue S.p.A.	100%	100%
3.	doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
4.	doValue Spain Servicing S.A.	Madrid	Spain	1	doValue S.p.A.	85%	85%
5.	doValue Portugal, Unipessoal Limitada	Lisbon	Portugal	1	doValue Spain Servicing S.A.	100%	100%
6.	doValue Cyprus Limited (formerly Altamira Asset Management Cyprus Limited)	Nicosia	Cyprus	1	doValue Spain Servicing S.A.	100%	100%
7.	doValue Special Projects Cyprus Limited (formerly doValue Cyprus Limited)	Nicosia	Cyprus	1	doValue S.p.A. + doValue Spain Servicing S.A.	94%+6%	94%+6%
8.	doValue Greece Loans and Credits Claim Management Société Anonyme	Moschato	Greece	1	doValue S.p.A.	80%	80%
9.	doValue Greece Real Estate Services single member Société Anonyme	Moschato	Greece	1	doValue S.p.A.	100%	100%
10.	Zarco STC, S.A.	Lisbon	Portugal	1	doValue Portugal, Unipessoal Limitada	100%	100%
11.	Adsolum Real Estate S.L.	Madrid	Spain	1	doValue Spain Servicing S.A.	100%	100%

Notes to the table

(1) Type of relationship:
1 = majority of voting rights at ordinary shareholders' meeting
2 = dominant influence at ordinary shareholders' meeting
3 = agreements with other shareholders
4 = other types of control
5 = centralized management pursuant to Article 39, paragraph 1, of Legislative Decree 136/2015
6 = centralized management pursuant to Article 39, paragraph 2, of Legislative Decree 136/2015

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

Changes in the scope of consolidation

There were no changes to the scope of consolidation in the first nine months of 2023.

However, it should be noted the change of the two Cypriot companies' name: from Altamira Asset Management Cyprus Limited to doValue Cyprus Limited and from doValue Cyprus Limited to doValue Special Projects Cyprus Limited.

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 at September 30, 2023.

SUBSEQUENT EVENTS

Please refer to the specific paragraph of the Directors' Interim Report on the Group for a description of the significant events, adjusting and non-adjusting, occurred after the end of the period.

OTHER MATTERS

NEW ACCOUNTING STANDARDS

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

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

We also note the following amendments which come into force for financial years starting from January 1, 2024:

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

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

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

Main items of the financial statements

As regards the criteria for the recognition, classification, measurement and derecognition of the main items of the financial statements, refer to the corresponding section of the Illustrative Notes to the consolidated Financial Statements as at December 31, 2022.

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 interim condensed consolidated Financial Statements at September 30, 2023, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

ASSET BACKED SECURITIES

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

EQUITY INVESTMENTS

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

INVESTMENT FUNDS

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

OTHER DERIVATIVES

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:

4. 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;
   - Dores Securitization S.r.l., whose untranched notes were issued as part of a new funding operation and 20% subscribed by doNext;
5. Units in collective investment undertakings (CIUs): the equivalent of the amount paid for the subscription of the remaining 23.3 units of the Italian Recovery Fund (formerly Atlante II), reserved real estate investment fund, net of redemptions;
6. 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 September 30, 2023.

Level 3 of the category "Financial assets recognised at fair value through comprehensive income" includes the value of the equity instruments relating to the minority interests in the aforementioned company BidX1 and in the brazilian fintech company QueroQuitar S.A. for 11,46%, for which the Group applies the option for the designation at fair value through comprehensive income.
The fair value of these financial 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:

4. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of doValue Spain;
5. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of doValue Greece, which is linked to the achievement of certain EBITDA targets over a 10-year period;
6. the fair value of the liability linked to the put option to purchase residual minority interests in the subsidiary doValue Spain. At September 30, 2023, the fair value of this liability was classified under the item "Others" following receipt of the notification for the exercise of this option at the end of September 2023, with the effectiveness of the transaction postponed to the following month.

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)

	9/30/2023			12/31/2022		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
	-	**-**	**43,172**	**-**	**-**	**42,323**
Financial assets measured at fair value through profit or loss						
Units in collective investment undertakings (CIUs)	-	-	21,968	-	-	23,628
Debt securities	-	-	20,953	-	-	18,145
Equities	-	-	197	-	-	197
Non-hedging derivatives	-	-	54	-	-	353
Financial assets measured at fair value through comprehensive income	**-**	**-**	**8,309**	**-**	**-**	**10,171**
Equities	-	-	8,309	-	-	10,171
Total	**-**	**-**	**51,481**	**-**	**-**	**52,494**
Other financial liabilities	**-**	**-**	**71,718**	**-**	**-**	**66,543**
Earn-out	-	-	50,198	-	-	44,649
Put option on non-controlling interests	-	-	-	-	-	21,894
Others			21,520			-
Total	**-**	**-**	**71,718**	**-**	**-**	**66,543**

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

NOTE 1 – INTANGIBLE ASSETS

(€/000)

	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total 9/30/2023 Restated	Total 12/31/2022
Gross opening balance	**175,010**	**46,885**	**10,791**	**236,897**	**436,418**	**906,001**	**872,403**
Initial reduction in value	(130,569)	(22,304)	-	-	(226,240)	(379,113)	(327,178)
Net opening balance	**44,441**	**24,581**	**10,791**	**236,897**	**210,178**	**526,888**	**545,225**
Changes in gross balance	**8,921**	**(1,686)**	**184**	**-**	**(14,712)**	**(7,293)**	**33,598**
Purchases	3,567	-	5,580	-	-	9,147	36,566
Impairment	(55)	(1,686)	(435)	-	(14,712)	(16,888)	(1,344)
Other changes	5,409	-	(4,961)	-	-	448	(1,624)
Changes in reduction in value	**(11,606)**	**(2,628)**	**-**	**(12,530)**	**(20,305)**	**(47,069)**	**(51,935)**
Amortisation	(11,693)	(2,628)	-	-	(20,305)	(34,626)	(53,559)
Impairment of goodwill	-	-	-	(12,530)	-	(12,530)	-
Other changes	87	-	-	-	-	87	1,624
Gross closing balance	**183,931**	**45,199**	**10,975**	**236,897**	**421,706**	**898,708**	**906,001**
Final reduction in value	(142,175)	(24,932)	-	(12,530)	(246,545)	(426,182)	(379,113)
Net closing balance	**41,756**	**20,267**	**10,975**	**224,367**	**175,161**	**472,526**	**526,888**

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 doValue Spain Servicing (hereinafter also "doValue Spain") and its subsidiaries, and in June 2020 the business combination of doValue Greece.

Thanks to the acquisition of doValue Greece, the following net values were recognised as at September 30, 2023:

- €21.7 million relating to software and related assets under development;
- €157.6 million related to multi-year servicing contracts ("SLAs"), of which €36.3 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 September 30, 2023, were as follows:

- €12.3 million relating to software and related assets under development;
- €20.2 million relating to the brand;
- €17.6 million relating to other intangible assets, which include the valuation of active long-term servicing contracts ("SLAs");
- €111.5 million relating to goodwill.

The **changes in gross balance** include "purchases", which during the period 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 €9.1 million and the "impairment" related to Iberia region for a total of €16.9 million primarily following the execution of the impairment test, as detailed below.
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 include "impairment of goodwill" of €12.5 million following the results of the impairment test as described below, as well as the amortisation charges for the period of €34.6 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 of each contract was calculated to an extent corresponding to the direct margin posted in the period.

For the purpose of preparing the impairment test on the values as at September 30, 2023, continuing with the approach taken to the test performed on the data as at December 31, 2022, and June 30, 2023, 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 carrying out the test, the prospective information has been determined in line with that relating to the last quarter of 2023 deriving from the 2023 Budget approved by the Board of Directors on December 22, 2022 and with the 2022-2024 Group Business Plan approved by the Board of Directors on January 25, 2022, with the exception of intangible assets attributable to the Iberia region for which the test was performed on the basis of the preliminary 2024-2026 Business Plan approved by the Board of Directors on January 12, 2024.
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.
With regards to the test performed on the other intangible assets, the analysis revealed evidence of impairment losses such as differences between the value in use of the servicing contracts and the related book value net of amortization for the period, for a total of €14,7 million relating to doValue Spain's Santander contract. Furthermore, the test performed on the brand item also revealed evidence of impairment, for a total of €1.7 million relating to the brand attributable to the subsidiary doValue Spain.

As regards goodwill, the comparison between the recoverable value and the aggregate net book value of the CGUs as of 30 September 2023, the model highlighted for the “Iberia” CGU (Spain-Portugal) impairment losses for the goodwill recorded equal to €12.5 million. However, it confirmed the recoverable value capacity for the CGU Greece-Cyprus, both concerning the doValue Greece acquisition and for the Cyprus component arising from the doValue Spain and its subsidiaries' acquisition.

The discount rate (WACC - Weighted Average Cost of Capital) used in the impairment analysis carried out on goodwill and other intangible assets was 7.6% for the Spain and Portugal CGU and 8.6% for the Cyprus component of the Greece and Cyprus CGU and 8.4% for the single Greece component 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	9,575	9,575	-
Brand	20,198	21,885	(1,687)
Other ingible assets - SLAs	7,421	22,133	(14,712)
Intangible Assets - Iberia	**37,194**	**53,593**	**(16,399)**
Software	2,529	2,529	-
Other ingible assets - SLAs	20,503	10,139	-
Intangible Assets - Hellenic Region	**23,032**	**12,668**	**-**
Total	**60,226**	**66,261**	**(16,399)**

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 - Regione Ellenica	**318,480**	**157,600**	**-**
Total	**318,480**	**157,600**	**-**

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	Total
						9/30/2023	12/31/2022
Gross opening balance	**69,971**	**3,566**	**29,139**	**1,455**	**15,692**	**119,823**	**88,088**
Initial reduction in value	(33,408)	(3,086)	(13,428)	-	(10,765)	(60,687)	(53,939)
Net opening balance	**36,563**	**480**	**15,711**	**1,455**	**4,927**	**59,136**	**34,149**
Changes in gross balance	**1,284**	**695**	**(1,330)**	**385**	**683**	**1,717**	**31,735**
Purchases	3,265	191	148	827	1,273	5,704	41,973
o.w. Right of Use	*3,080*	-	*50*	-	*1,149*	*4,279*	*38,027*
Disposals and dismissals	(720)	-	-	-	(161)	(881)	-
Other changes	(1,261)	504	(1,478)	(442)	(429)	(3,106)	(10,238)
Changes in reduction in value	**(4,350)**	**(601)**	**(2,432)**	**-**	**(1,277)**	**(8,660)**	**(6,748)**
Amortisation	(7,072)	(213)	(3,794)	-	(1,556)	(12,635)	(16,626)
o.w. Right of Use	*(6,531)*	-	*(3,207)*	-	*(1,011)*	*(10,749)*	*(13,061)*
Other changes	2,722	(388)	1,362	-	279	3,975	9,878
Gross closing balance	**71,255**	**4,261**	**27,809**	**1,840**	**16,375**	**121,540**	**119,823**
Final reduction in value	(37,758)	(3,687)	(15,860)	-	(12,042)	(69,347)	(60,687)
Net closing balance	**33,497**	**574**	**11,949**	**1,840**	**4,333**	**52,193**	**59,136**

In the first nine months of 2023, the item recorded an overall decrease of €6.9 million, going from €59.1 million to €52.2 million.

The **changes in gross balance** mainly include "purchases", which in the period totalled €5.7 million (of which €4.3 million in rights of use) and consisted of the renewal of rental contracts, enlargments and improvements for certain premises in Italy and Cyprus, as well as renewals and additional car rentals in the category “Other”.
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.

The **changes in reduction in value** included depreciation of €12.6 million, of which €10.7 million related to rights of use.

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

NOTE 3 –FINANCIAL ASSETS

(€/000)

	9/30/2023	12/31/2022
Non-current financial assets	**52,374**	**53,604**
Financial assets measured at fair value through profit or loss	**43,172**	**42,323**
Units in collective investment undertakings (CIUs)	21,968	23,628
Debt securities	20,953	18,145
Equities	197	197
Non-hedging derivatives	54	353
Financial assets measured at amortised cost	**893**	**1,110**
Loans to customers	839	1,057
Loans to banks	54	53
Financial assets measured at fair value through other comprehensive income	**8,309**	**10,171**
Equities	8,309	10,171
Current financial assets	**-**	**4,380**
Financial assets measured at amortised cost	**-**	**4,380**
Loans to customers	-	4,380
Total	**52,374**	**57,984**

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 23.3 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). Partial repayments of €2.3 million were recorded during the period, which have been compensated by revaluation effects of €0.6 million, while additional shares to be subscribed of €1.1 million were recognised under commitments.
Debt securities increased by €2.8 million, almost entirely referred to positive evaluation effects accounted on one of the Cairo portfolios. The breakdown of debt securities is represented, for €16.7 million by the ABS securities of the Cairo securitisations acquired as part of the acquisition of doValue Greece, for €2.0 million by the value of the ABS securities relating to the Romeo SPV and Mercuzio Securitisation securitisations and, for €2.1 million by the co-investment in the Mexico securitisation notes and for €0.1 million by the fair value of new ABS securities subscribed by doNext and issued by the vehicle Dores Securitisation S.r.l. as part of a new finance operation.

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** include the non-current part of €0.9 million mainly related to loans to customers, which is stable comparing to the previous year. On the other hand, the **current** component is reduced to zero as a result of the transfer to third parties of the limited recourse loan for a specific business.

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;
- €6.8 million equal to 17.7% of BidX1, an Irish proptech company specialising in the promotion and execution of real estate transactions through online auction processes in real time. The reduction of the item by €1.9 million compared to 31 December 2022 originates from the fair value evaluation process and refers exclusively to the investment in BidX1.

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.
During the first quarter of 2023, the subsidiary doNext disbursed a loan which was transferred in the same period to the credit securitization company Dores Securitization S.r.l.. As part of this transaction, doNext subscribed 20% of the untranched notes issued by the SPV, corresponding to a nominal amount of €0.4 million, and assumed the roles of Master and Special Servicer.

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 "DTAs") 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.
As a result of Italian Law Decree no. 17/2022, the pre-2015 recovery plan of adjustments is now the following: 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 begins to change starting from the current year, through reversals with economic impact.

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 September 30, 2023, took therefore into account the 2022-2024 Business Plan updated on the basis of the Preliminary Plan 2024-2026 relating to the Iberia region approved in the Board of Directors of January 12, 2024, and in general of estimates based on the most recent both endogenous and exogenous parameters.

As at September 30, 2023, additional DTAs totalling €8.5 million have been recognised mainly relating to tax losses that can be carried forward in the future. This increase was more than offset by lower deferred tax assets related to the cancellation of deferred tax assets for the period of €26.8 million mainly attributable to:

- “write-downs of non-recoverable items” for a total of €14.5 million of which €13.2 million attributable to the DTAs, both from tax losses and temporary differences, of the subsidiaries doValue Spain and doValue Portugal primarily following the execution of the sustainability test based on the Preliminary plan 2024-2026 of the Iberia region and €1.4 million for the DTAs recognized by the doValue Group to cover the portions of non-deductible interest expenses from previous fiscal periods; and
- movement of DTAs referred to in Law 214/2011 described above for €7.4 million.

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

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

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 September 30, 2023, doValue meets the requirements for classification as a non-financial holding company. In accordance with that classification, doValue determines its tax base on the same basis as ordinary companies and takes account of the difference between the interest income and similar income and the interest expense and similar charges to the extent provided for under tax law, also applying the increased rate (of 5.57% unless otherwise provided by the individual regions) levied on credit and financial institutions.

Deferred tax assets

Breakdown

(€/000)

	9/30/2023 Restated	12/31/2022
Provisions recognised through Income Statement	**82,573**	**101,408**
Writedowns of loans	41,846	49,391
Tax losses carried forward	16,341	19,300
Provisions for risks and charges	6,259	7,729
Property, plant and equipment / intangible assets	12,981	18,241
Administrative expenses	1,464	1,504
Other assets / liabilities	3,682	5,243
Provisions recognised through Equity	**335**	**350**
Defined benefit plans	335	350
Total	**82,908**	**101,758**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 9/30/2023 Restated	Total 12/31/2022
Opening balance	**101,408**	**350**	**101,758**	**112,640**
Increases	**8,545**	**-**	**8,545**	**4,093**
Deferred tax assets recognised during the period	8,104	-	8,104	4,008
- In respect of previous periods	95	-	95	1,005
- Accruals	8,009	-	8,009	3,003
Other changes	441	-	441	85
Decreases	**(27,380)**	**(15)**	**(27,395)**	**(14,975)**
Deferred tax assets derecognised during the period	(26,811)	(1)	(26,812)	(14,836)
- Reversals of temporary differences	(12,104)	-	(12,104)	(12,927)
- Writedowns of non-recoverable items	(14,540)	-	(14,540)	(1,909)
- Other	(167)	(1)	(168)	-
Other changes	(569)	(14)	(583)	(139)
Closing balance	**82,573**	**335**	**82,908**	**101,758**

Deferred tax liabilities

Breakdown

(€/000)

	9/30/2023 Restated	12/31/2022
Provisions recognised through Income Statement	**42,807**	**50,982**
Other assets / liabilities	43,360	50,809
Others	(553)	173
Provisions recognised through Equity	**21**	**21**
Defined benefit plans	21	21
Total	**42,828**	**51,003**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 9/30/2023 Restated	Total 12/31/2022
Opening balance	**50,982**	**21**	**51,003**	**54,350**
Increases	**879**	**-**	**879**	**2,621**
Deferred tax liabilities recognised during the period	879	-	879	2,620
- Accruals	879	-	879	2,620
Other changes	-	-	-	1
Decreases	**(9,054)**	**-**	**(9,054)**	**(5,968)**
Deferred tax liabilities derecognised during the period	(9,054)	-	(9,054)	(5,968)
- Reversals of temporary differences	(3,651)	-	(3,651)	-
- Other	(5,403)	-	(5,403)	(5,968)
Closing balance	**42,807**	**21**	**42,828**	**51,003**

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.
It should be noted that following the impairment of intangible assets, please refer to Note 1 - Intangible assets, the balance at September 30, 2023 was characterized by the derecognition of deferred tax liabilities for €4.1 million recorded in the "other" item.

NOTE 5 – OTHER ASSETS

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

(€/000)

	9/30/2023	12/31/2022
Other non-current assets	**2,962**	**2,076**
Other current assets	**65,177**	**31,840**
Accrued income / prepaid expenses	4,022	2,152
Items for employees	651	823
Receivables for advances	45,283	21,966
Current receivables on taxes other than income tax	12,668	4,032
Other items	2,553	2,867
Total	**68,139**	**33,916**

Overall, the item increased by €34.2 million compared to December 31, 2022, mainly due to higher receivables for advances from customers within the Hellenic Region, particularly as a result of measures to increase legal recovery activities which already started during the last quarter of 2022; in addition to this, part of the increase is due to advances paid for a new real estate business project undertaken in Spain.

Other non-current assets mainly consist of security deposits.

NOTE 6 – INVENTORIES

As at September 30, 2023, the item amounted to €217 thousand, an increase compared to the balance as at December 31, 2022, which amounted to €55 thousand.
During the period, one of the two buildings present at the end of the previous year was sold and €200 thousand of suspended costs relating to the Iberian Region were recorded in relation to a real estate business project under construction.

NOTE 7 – TRADE RECEIVABLES

(€/000)

	9/30/2023	12/31/2022
Receivables	**160,286**	**201,828**
Receivables accruing (Invoices to be issued)	136,793	127,643
Receivables for invoices issued but not collected	23,493	74,185
Provisions	**(1,384)**	**(1,685)**
Provisions for expected losses on receivables	(1,384)	(1,685)
Total	**158,902**	**200,143**

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 €41.2 million compared to the balance as at December 31, 2022, mainly attributable to the collection of invoices, partially offset by higher accruals for invoices to be issued at the end of the period.

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

NOTE 8 – TAX ASSETS AND TAX LIABILITIES

As at September 30, 2023, tax assets amounted to €5.0 million and include tax credits originating from Italian and Spanish companies.
Tax liabilities amount to €9.2 million and represent the payable to the tax authorities for taxes net of liquidations made in the period.

NOTE 9 - CASH AND CASH EQUIVALENTS

The balance of €95.7 million, with a decrease of €38.6 million compared with the €134.3 million reported as at December 31, 2022, represents the liquidity available at the end of the third quarter 2023. 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 period a new vehicle in Spain has been created, similar to the one acquired at the end of 2022, with the view to transferring control in the current year.
Therefore, the value as at September 30, 2023, corresponds to three SPVs, one based in Italy and two based in Spain.

(€/000)

	9/30/2023	**12/31/2022**
Non-current assets:		
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	16	13
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**16**	**13**
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	**16**	**13**
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	**-**	**-**

LIABILITIES AND EQUITY

NOTE 11 – NET EQUITY

(€/000)

	9/30/2023 Restated	12/31/2022
Net Equity attributable to the Shareholders of the Parent Company	**48,896**	**136,559**
Share capital	41,280	41,280
Treasury shares	(4,006)	(4,332)
Valuation reserve	(2,724)	(906)
Other reserves	40,013	84,015
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(25,667)	16,502
Net Equity attributable to Non-controlling interests	**47,172**	**44,361**
Total	**96,068**	**180,920**

As at September 30, 2023, 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.

(no. of shares)	9/30/2023	12/31/2022
Ordinary shares issued	80,000,000	80,000,000
Treasury shares	(832,618)	(900,434)
Total shares outstanding	**79,167,382**	**79,099,566**

Treasury shares, shown as a direct reduction of Shareholders' Equity, amounted to €4.0 million, compared to €4.3 million in the previous year.
The following table provides information on the changes in the number of treasury shares held, showing a decrease as a result of 67,816 performance stock grants (for a value of €326 thousand), which were allocated by doValue to the beneficiaries at the time of the 2022 incentive system, in accordance with the 2022 Remuneration Policy.
As at September 30, 2023, the number of treasury shares is 1.04% of the number of issued ordinary shares.

(no. of treasury shares)	9/30/2023	12/31/2022
Opening balance	900,434	972,339
Transfers due to exercise of performance stock grants	(67,816)	(71,905)
Closing balance	**832,618**	**900,434**

The **valuation reserve** as at September 30, 2023, amounted to a negative value of €2.7 million, (-€0.9 thousand as at December 31, 2022) and included 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)

	9/30/2023 Restated	12/31/2022
Reserves from allocation of profits or tax-suspended reserves	**26,029**	**25,774**
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,140	1,140
Reserve from retained earnings	(8,597)	(8,597)
Reserve from retained earnings - Share Based Payments	14,144	13,889
Other reserves	**13,984**	**58,241**
Extraordinary reserve	60,388	88,417
Reserve, Lgs. Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Law 218/90	4,179	4,179
Reserve from business combinations	1,746	1,746
Share Based Payments Reserve	3,472	9,168
Consolidation reserve	(36,165)	(33,132)
Negative reserve for put option on non-controlling interests	(25,783)	(18,284)
Total	**40,013**	**84,015**

Overall, the item shows a decrease of €44 million due to the combination of the following main elements:

- €47.5 million decrease related to the dividends that the Shareholders' Meeting of April 27, 2023 resolved to distribute in full from the profit for 2022 equal to €19.5 million and €28.0 million the **extraordinary reserve.** Of the approved amount, €0.4 million not yet collected by shareholders as at September 30, 2023;
- €3.0 million increase in the **negative consolidation reserve** mainly due to the 2022 results of the subsidiaries;
- €7.5 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 -€18.3 million to -€25.8 million due to the portion exceeding the amount of equity pertaining to non-controlling interests with respect to the doValue Spain acquisition;
- €5.4 million net decrease of the **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the post-IPO remuneration policy, which provides for the grant of shares as remuneration to certain categories of managers and as a consequence of the former CEO resignation (for further details, please refer to Note 18 – Share based payments).

Shareholders' equity attributable to Non-controlling interests amounted to €47.2 million, including the profit (loss) for the period attributable to non-controlling interests of €7.8 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, which also includes the negative result for the period attributable to minority interests equal to -€8.1 million, is absorbed by the recognition of the liability related to the "Put option on non-controlling interests", classified under item “others” among other financial liabilities at September 30, 2023 (please refer to Note 13 – Other financial liabilities).

NOTE 12 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	9/30/2023	12/31/2022
Non-current loans and other financing			**551,896**	**554,220**
Bond 2020	5%	8/4/2025	258,917	258,056
Bond 2021	3,375%	7/31/2026	292,979	296,164
Current loans and other financing			**29,283**	**14,283**
Bank loans	Euribor3m+1,8%	12 months	25,418	126
Bank overdrafts	Euribor3m+1,9%	on demand	-	37
Due to other lenders		0	-	4,380
Bond 2020	5%	8/1/2023	2,200	5,521
Bond 2021	3,375%	7/31/2023	1,665	4,219
Total			**581,179**	**568,503**

The balance of loans and other financing as at September 30, 2023, includes the residual debt values at amortised cost of the following **bonds** (current and non-current portions):

- €261.1 million for the guaranteed senior bond loan issued on August 4, 2020, maturing in 2025, at the annual rate of 5% for a principal of €264.0 million (€265.0 million at issue), reduced by €1.0 million in the period due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The liquidity deriving from this bond loan had been used to repay the bridge loan in the context of the acquisition of doValue Greece;
- €294.6 million for the guaranteed senior bond loan issued on July 22, 2021, maturing in 2026, at the annual fixed rate of 3.375%, for a principal amount of €296.0 million (€300.0 million at issue), reduced by €4.0 million in the period due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The bond was used to repay the Facility Loan concluded to finance the purchase of the interest in doValue Spain and to refinance the pre-existing debt of the same investee.

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

The bond buyback transactions mentioned above for a total of €5.0 million were concluded by repurchasing part of its debt on the market below par, with the aim to reduce the total amount of liabilities by more than the required financial outlay. This therefore determined the recognition of a €0.5 million income.

The **bank loan** component includes €25.4 million relating almost completely to the use of a revolving credit line with a 12-month maturity aimed at temporary liquidity needs in the Hellenic Region.

The **due to other lenders** component at September 30, 2023 is nil following the termination in January 2023 of the limited recourse loan allocated for a specific business, as a consequence of the transfer of the related receivable recorded under financial assets.

NOTE 13 – OTHER FINANCIAL LIABILITIES

(€/000)

	9/30/2023	12/31/2022
Other non-current financial liabilities	**48,730**	**54,158**
Lease liabilities	31,923	38,109
Earn-out	16,807	16,049
Other current financial liabilities	**67,021**	**62,323**
Lease liabilities	12,110	11,829
Earn-out	33,391	28,600
Put option on non-controlling interests	-	21,894
Others	21,520	-
Total	**115,751**	**116,481**

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 €16.8 million under other non-current financial liabilities as well as €11.8 million under the current portion, relates to the debt arising from the acquisition of doValue Greece linked to the achievement of certain EBITDA targets over a ten-year period and any payments will not be due before 2024.
The remaining Earn-out portion recognised under current financial liabilities amounts to €21.6 million and is related to the portion of the acquisition price of doValue Spain which was supplemented by the component of interest expense for late payment of €4.1 million (of which €1.3 million already allocated under Provisions for risks and charges) relating to the arbitration with Altamira Asset Management Holdings S.L...

Last September 29, 2023 the notification was received for the exercise of the sale option of the residual minority share (equal to 15%) of doValue Spain. The **put option on non-controlling interests** liability, equal to €21.9 million at December 31, 2022, was therefore cancelled in the reference period as the related amount of €21.5 million, defined between the parties, was included among the category related to **other** financial liabilities category following the exercise of the option.
Please note that the expiry of the put option was extended to the end of September 2023 through the agreement signed on June 26, 2023, with which the exercise price of the option was also defined; it should also be noted that the formalization and execution of the transfer of the minority share of doValue Spain took effect from October 24, 2023 ("Transfer date").

Net financial indebtness

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 September 30, 2023, breaks down as follows.

(€/000)

Note			9/30/2023	12/31/2022
9	A	Cash on hand	3	5
9	B	Cash at banks and short-term deposits	95,664	134,259
	D	**Liquidity (A)+(B)+(C)**	**95,667**	**134,264**
3	E	Current financial assets	-	4,380
12	F	Current bank debt	(25,418)	(37)
12	G	Current portion of non-current debt	-	(126)
12, 13	H	Other current financial debt	(67,021)	(66,703)
	I	**Current financial indebtness (F)+(G)+(H)**	**(92,439)**	**(66,866)**
	J	**Net current financial indebtness (I)+(E)+(D)**	**3,228**	**71,778**
12	L	Bond Issued	(555,761)	(563,960)
12, 13	M	Other non-current loans	(48,730)	(54,158)
	N	**Non-current financial indebtness (K)+(L)+(M)**	**(604,491)**	**(618,118)**
	O	**Net financial indebtness (J)+(N)**	**(601,263)**	**(546,340)**

Compared with the net financial position, equal to €485.5 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 €115.8 million.
The following table reconciles the two different representations:

(€/000)

		9/30/2023	12/31/2022
A	**Net financial indebtness**	**(601,263)**	**(546,340)**
	Other current financial debt	67,021	66,703
	Other non-current loans	48,730	54,158
	Current financial assets	-	(4,380)
B	**Items excluded from the Net financial position**	**115,751**	**116,481**
C	**Net financial position (A)+(B)**	**(485,512)**	**(429,859)**

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.

Employee benefits changed as follows during the period.

(€/000)

	9/30/2023	12/31/2022
Opening balance	**9,107**	**10,264**
Increases	**469**	**3,008**
Provisions for the period	469	3,000
Other changes	-	8
Decreases	**(994)**	**(4,165)**
Benefits paid	(935)	(3,577)
Other changes	(59)	(588)
Closing balance	**8,582**	**9,107**

Overall, the item shows a balance substantially in line with the one at December 31, 2022, with a slight decrease of €0.5 million.

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 disputes	Out-of-court disputes and other provisions	Total funds against the item "Provisions for risk and charges" of the income statement	Potential liabilities for employee	Other	Total funds against other items of the income statement	Total 9/30/2023 Restated	Total 12/31/2022
Opening balance	**5,701**	**12,262**	**17,963**	**535**	**19,157**	**19,692**	**37,655**	**44,235**
Increases	**2,546**	**2,769**	**5,315**	**35**	**2,860**	**2,895**	**8,210**	**16,519**
Provisions for the period	2,433	2,289	**4,722**	34	2,683	**2,717**	**7,439**	**15,829**
Changes due to the passage of time and changes in the discount rate	94	121	**215**	1	-	**1**	**216**	**106**
Other changes	19	359	**378**	-	177	**177**	**555**	**584**
Decreases	**(1,937)**	**(6,154)**	**(8,091)**	**(11)**	**(7,282)**	**(7,293)**	**(15,384)**	**(23,099)**
Reallocations of the period	(97)	(3,276)	**(3,373)**	-	(7,162)	**(7,162)**	**(10,535)**	**(12,286)**
Utilisation for payment	(1,481)	(1,370)	**(2,851)**	(12)	(120)	**(132)**	**(2,983)**	**(10,591)**
Other changes	(359)	(1,508)	**(1,867)**	1	-	**1**	**(1,866)**	**(222)**
Closing balance	**6,310**	**8,877**	**15,187**	**559**	**14,735**	**15,294**	**30,481**	**37,655**

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, increasing by €0.6 million owing to the greater impact of the provisions for new disputes compared with the settlement of a number of disputes.

The item **out-of-court disputes and other provisions**, which mainly includes provisions for risks for which no litigation has currently been activated, decreased by €3.4 million comparing to the balance at December 31, 2022. This decrease is attributable for €2.5 million to the release of a risk provision by the subsidiary doValue Spain following a settlement agreement with a customer. For further details, please refer to the paragrapg "Significant events after the end of the period" of the Directors' Interim Report on the Group.

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

The dynamics of the item **other** is mainly due to the provision, release to the income statement and payment of the respective portions pertaining to the period 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)

	9/30/2023	12/31/2022
Payables to suppliers for invoices to be received	33,360	48,799
Payables to suppliers for invoices to be paid	14,922	21,582
Total	**48,282**	**70,381**

The amount at September 30, 2023 decreased by 31% equal to of €22.1 million, compared to the figure recorded as at December 31, 2022, which is attributable in equal percentage to both categories of debts to suppliers showed.

NOTE 17 – OTHER LIABILITIES

(€/000)

	9/30/2023	12/31/2022
Other non-current liabilities	**9,008**	**9,201**
Amounts to be paid to third parties	8,844	8,845
Deferral of government grants related to assets	164	356
Other current liabilities	**46,591**	**66,553**
Amounts to be paid to third parties	8,229	8,050
Amounts due to personnel	20,516	25,874
o.w. employees	*20,183*	*24,874*
o.w. members of Board of Directors and Auditors	*333*	*1,000*
Amounts due to pension and social security institutions	4,464	5,621
Current payables on taxes other than income tax	7,242	-
Items being processed	158	8,900
Deferral of government grants related to assets	277	352
Other accrued expenses / deferred income	5,480	16,088
Other items	225	1,668
Total	**55,599**	**75,754**

As September 30, 2023, this item amounted to €55.6 million compared to €75.8 million in 2022, with an overall decrease of €20.2 million.

With regard to **other non-current liabilities**, the main component "amounts to be paid to third parties" includes for €6.1 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 includes also €2.8 million for the liability related to the acquisition of software under medium-long-term contracts in Italy and Greece.

The item **other current liabilities** showed an overall decrease of €20.0 million, which resulted mainly from the category “amounts due to personnel” and “amounts due to pension and social security institutions” following the liquidation of performance bonuses and redundancies, as well as from the "other accrued expenses/deferred income” category, which is reducing for the progressive release of the deferred income on the advance payment of the Hellenic servicing fees.

It is also noted that, compared to December 31, 2022, an “item being processed” of €6.0 million attributable to the subsidiary doValue Spain and referring to an advance payment for a portfolio management, was classified among the “amounts to be paid to third parties” at September 30, 2023.

NOTE 18 – SHARE-BASED PAYMENTS

The Shareholders' Meeting of doValue on April 27, 2023, approved the Report on the 2023 remuneration Policy and on the remuneration paid in 2022, maintaining unchanged the 2022-2024 Remuneration policy (hereinafter “the Policy”), which was approved by the Shareholders’ Meeting of April 28, 2022 and which is 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.
The three-year Policy confirmed the main characteristics of the previous Remuneration Policy, while introducing some elements:

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

The Policy envisages remuneration systems in some cases based on the use of its own financial instruments.
In detail, they include the following types of remuneration:

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

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

For the shares allocated to Executives with Strategic Responsibilities (DIRS) 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 cycle.
Without prejudice to the right to compensation for any additional damages, after payment of the variable compensation, the Company reserves the right, within 5 years from the granting date of the variable remuneration, to ask the beneficiary to repay the bonus (“clawback”), in specific cases of fraudulent behaviour or gross negligence, violations of laws or the Code of Ethics and Company rules, or the allocation of a bonus based on data which later turns out to be manifestly incorrect or intentionally altered. Malus conditions are also applicable if one of the clawback clauses occurs during the performance period.

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

Effects of the voluntary resignation of the former Chief Executive Officer of the Group
The former Group CEO, having communicated his intention to voluntary resign as of April 28, 2023, in advance of the expiry of the mandate coinciding with the date of the shareholders' meeting that will approve the 2024 Financial Statements, basing on the current Remuneration Policy, the former Group CEO was not entitled to any form of remuneration, except for the fixed remuneration accrued up to the date. Considering this, any other entitlement to remuneration not yet paid or assigned and for which the vesting period is not completed has been cancelled.
Consistently with the Remuneration Policy and contract provisions, the upfront portion of the 2022 MBO awarded was paid after the Shareholders' Meeting of April 27, 2023 which approved the 2022 financial statements, while any deferred MBO regarding 2022 has been cancelled.

The amount recognised in the income statement as a consequence of the former CEO resignation is 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	**Electronic system**	**Other tangible assets**	**Total 9/30/2023**	**Total 12/31/2022**
Opening balance	**33,886**	**14,219**	**2,545**	**50,650**	**26,024**
Increases	**3,613**	**50**	**1,149**	**4,812**	**27,907**
Purchases	3,080	50	1,149	4,279	38,027
Other changes	533	-	-	533	(10,120)
Decreases	**(6,368)**	**(3,207)**	**(1,182)**	**(10,757)**	**(3,281)**
Amortisation	(6,531)	(3,207)	(1,011)	(10,749)	(13,061)
Other changes	163	-	(171)	(8)	9,780
Closing balance	**31,131**	**11,062**	**2,512**	**44,705**	**50,650**

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)

	9/30/2023	12/31/2022
Opening balance	**49,938**	**26,366**
Increases	**7,069**	**35,908**
New liabilities	2,933	34,936
Financial expenses	1,049	963
Other changes	3,087	9
Decreases	**(12,974)**	**(12,336)**
Payments	(12,836)	(11,941)
Other changes	(138)	(395)
Closing balance	**44,033**	**49,938**
o.w.: Non-current lease liabilities	31,923	38,109
o.w.: Current lease liabilities	12,110	11,829

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

(€/000)

	9/30/2023	9/30/2022
Amortisation of right-of-use assets	(10,749)	(8,396)
Financial expenses from lease liabilities	(1,049)	(456)
Total	**(11,798)**	**(8,852)**

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)

	9/30/2023	9/30/2022
Servicing services	129,252	205,967
Servicing for securitisations	138,799	133,509
REO services	29,707	55,759
Total	**297,758**	**395,235**

The item as a whole decreased by 25% compared to September 30, 2022.
This result is due to lower revenues recorded in the component of the **servicing services** (-37%) and of revenues from **REO services (-47%)**, only partially offset by the positive performance of **servicing for securitisation** (+4%).
This contraction, in line with the Group's expectations, is the result of the worsening macroeconomic conditions that are affecting the market to which must be added the effect of the off-boarding of the Sareb portfolio in Spain which took place between July and October 2022.
At a geographical level there was a negative difference between the two periods in comparison in all regions.

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)

First Nine Months 2023	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	15,392	86,820	35,033	(7,993)	**129,252**
Servicing for securitisations	73,989	64,810	-	-	**138,799**
REO services	-	7,338	25,915	(3,546)	**29,707**
Total revenue	**89,381**	**158,968**	**60,948**	**(11,539)**	**297,758**

First Nine Months 2022	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	26,877	132,479	53,710	(7,099)	**205,967**
Servicing for securitisations	85,864	47,645	-	-	**133,509**
REO services	-	9,953	50,775	(4,969)	**55,759**
Total revenue	**112,741**	**190,077**	**104,485**	**(12,068)**	**395,235**

NOTE 21 – OTHER REVENUES

(€/000)

	9/30/2023	9/30/2022
Administrative Servicing/Corporate Services Provider	14,284	12,917
Information services	5,164	3,263
Recovery of expenses	1,646	750
Due diligence & Advisory	3,751	1,910
Ancillary REO services	2,483	8,753
Other revenues	11,572	2,761
Total	**38,900**	**30,354**

The item shows an increase of 28% compared to the first nine months of 2022 and finds its origin in all the categories of other revenues exposed above, with the exception of the **ancillary REO services** component, which in the comparison period mainly included revenues of Sareb portfolio ended in the latter part of 2022.
The **other revenues** component includes income from the Hellenic Region relating to ancillary services provided to SPV customers.

NOTE 22 – COSTS FOR SERVICES RENDERED

(€/000)

	9/30/2023	9/30/2022
Costs related to Assets Under Management	(10,979)	(19,318)
Brokerage fees	(7,355)	(16,996)
Costs for services	-	(1,336)
Total	**(18,334)**	**(37,650)**

The item, which includes the fees of the recovery network, was halved overall compared to the same period of the previous year (-51%) following the decrease in the portfolios managed in Iberia and in Italy which also generated the reduction in revenues as reported above.
The remuneration mechanism of the external network, directly related to revenues, combined with the flexibility of the collaboration agreements, allows the Group to reduce these direct costs to protect its margins in cyclical phases of business slowdown.

NOTE 23 – PERSONNEL EXPENSES

(€/000)

	9/30/2023	9/30/2022
Payroll employees	(153,267)	(162,137)
Members of Board of Directors and Board of Statutory Auditors	4,099	(6,119)
Other personnel	(5,870)	(2,982)
Total	**(155,038)**	**(171,238)**

Average number of employees by category

	9/30/2023	9/30/2022
Payroll employees	**2,889**	**3,067**
a) Executives	111	133
b) Managers	920	939
c) Other employees	1,858	1,995
Other staff	**250**	**171**
Total	**3,139**	**3,239**

The item shows an overall reduction of 9% compared to September 30, 2022: in detail, there is a reduction of 5% in the "payroll employees", while the "members of the Board of Directors and Statutory Auditors" component shows a positive amount due to the effect the release of provisions for deferred variable compensation in favor of the former Chief Executive Officer, who resigned on April 27, 2023. The residual component "other personnel", which mainly includes temporary agency work, instead recorded an increase which partially offsets the previous item.

In line with the objectives of the 2022-2024 Business Plan, personnel expenses include charges related to early retirement incentives totaling €11.8 million, of which €6.0 million only in Iberia following the restructuring program already started in 2022.
Regarding the breakdown of the cost for employee benefits included in this item, please refer to Note 14 – Employee benefits.

NOTE 24 – ADMINISTRATIVE EXPENSES

(€/000)

	9/30/2023	9/30/2022
External consultants	(15,354)	(28,670)
Information Technology	(25,514)	(27,005)
Administrative and logistical services	(9,145)	(6,445)
Building maintenance and security	(1,826)	(2,845)
Insurance	(1,638)	(1,543)
Indirect taxes and duties	(1,566)	(1,738)
Postal services, office supplies	(415)	(675)
Indirect personnel expenses	(1,333)	(2,544)
Debt collection	(929)	(262)
Utilities	(1,953)	(1,960)
Advertising and marketing	(3,212)	(3,439)
Other expenses	(424)	(1,188)
Total	**(63,309)**	**(78,314)**

The item as a whole showed a reduction of 19% compared to the the same period of the previous year. This trend is mainly driven by lower costs for external consultants, and it is also a result of the restructuring program in Iberia.

NOTE 25 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)

	9/30/2023	9/30/2022
Government grants	281	101
Reductions in assets	(116)	62
Other expenses	(98)	(267)
Other income	1,661	4,242
Total	**1,728**	**4,138**

The item, equal to €1.7 million compared to €4.1 million in the first nine months of 2022, reveals a decrease of €2.4 million essentially due to the effect of the income present in the comparison period relating to an insurance indemnity for €4.1 million.

NOTE 26 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	9/30/2023 Restated	9/30/2022
Intangible assets	**(64,044)**	**(37,294)**
Amortisation	(34,626)	(36,704)
Impairment	(29,418)	(590)
o.w. Impairment on goodwill	(12,530)	-
Property, plant and equipment	**(12,635)**	**(10,726)**
Amortisation	(12,635)	(10,726)
Financial assets measured at amortised cost	**829**	**45**
Writedowns	(324)	(41)
Writebacks	1,153	86
Trade receivables	**245**	**(196)**
Writedowns	(38)	(262)
Writebacks	283	66
Other assets	**262**	**-**
Writebacks	262	-
Total	**(75,343)**	**(48,171)**

The item shows an increase of 56% compared to the same period of the previous year.
In detail, the **intangible assets** component includes impairment losses of €29.4 million in the period compared to €0.6 million in the previous period, in addition to the amortization which reflects the trend of the amortization curves on long-term contracts based on the relevant business plans.
The impairment recorded in the period derives from the results of the impairment test. As part of the aforementioned analysis, evidence of impairment emerged on servicing contracts, for a total of €14.7 million referring to the Santander contract of doValue Spain, as well as €1.7 million referring to the brand attributable to the the same subsidiary and to €12.5 million relating to the goodwill of the “Iberia” CGU. For further details, please refer to Note 1 - Intangible assets.

The **property, plant and equipment** category includes the effects of the IFRS 16 standard for depreciation on rights of use which, for the first nine months of 2023, had an impact of €10.7 million compared to €8.4 million at September 30, 2022.
The "write-backs" component of **financial assets measured at amortized cost** is linked to the repayment of a previously written-down receivable.

NOTE 27 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	9/30/2023 Restated			9/30/2022		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal disputes	(2,527)	97	**(2,430)**	(1,535)	1,005	**(530)**
o.w. Employee disputes	*(36)*	*18*	***(18)***	-	11	***11***
Out-of-court disputes and other risk provisions	(2,410)	3,276	**866**	(2,545)	779	**(1,766)**
Total	**(4,937)**	**3,373**	**(1,564)**	**(4,080)**	**1,784**	**(2,296)**

The item, whose net balance showed an increase of €0.7 million compared to the same period of 2022, consists of operational changes in provisions for legal disputes and out-of court disputes and other risk provisions allocated to meet legal and contractual obligations that are presumed will require an outflow of economic resources in subsequent years.
As at September 30, 2023, the item showed a negative balance of €1.6 million (€2.3 million as at September 30, 2022), due to the combined effect of the releases for provisions of previous years that are no longer needed and prudential provisions relating to both legal disputes and operational risks and other charges.
In particular, we note the release of a fund for €2.5 million by the subsidiary doValue Spain following a settlement agreement with a customer. For further details, please refer to the section "Significant events after the end of the period" of the Directors' Interim Report on the Group.

NOTE 28 – FINANCIAL (EXPENSE)/INCOME

(€/000)

	9/30/2023	9/30/2022
Financial income	**2,836**	**1,304**
Income from financial assets measured at fair value through P&L	1,064	1,141
Income from financial assets measured at amortised cost	1,307	134
Income from financial liabilities measured at amortised cost	454	-
Other financial income	11	29
Financial expense	**(26,766)**	**(21,435)**
Expense from financial liabilities measured at amortised cost	(20,121)	(20,200)
Other financial expenses	(6,645)	(1,235)
Net change of other financial assets and liabilities measured at fair value through P&L	**2,995**	**(994)**
Financial assets - o.w.: debt securities	2,716	(1,962)
Financial assets - o.w.: units in collective investment undertakings	577	353
Financial assets - o.w.: non-hedging derivatives	(298)	615
Total	**(20,935)**	**(21,125)**

Financial income amounted to €2.8 million and was mainly due to income from the ABS securities (€1.1 million), from interest income on term deposits (€1.3 million) and finally from income (€0.5 million) realized from the partial repurchase by the Parent Company of its own debt securities, at a lower market value than the issue value (for further details, see Note 12).
Financial expense (€26.8 million) includes interest expense accrued on outstanding 2020 and 2021 bonds, while the component of "other financial expenses" mainly includes the portion of interest calculated in accordance with IFRS 16 as well as €2.8 million million in interest expense for late payment related to the arbitration with Altamira Asset Management Holdings S.L. and connected to the Earn-out for the acquisition of doValue Spain.
The **net change of other financial assets and liabilities measured at fair value through profit or loss** is attributable to the fair value delta relating to the notes in the portfolio.

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. At September 30, 2023, as regards tax rates 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 September 30, 2023, 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).

Income taxes for the period have been restated and amount to €29.8 million, an increase compared to the figure of 2022 when they amounted to €21.8 million.
It has to highlight that the data for the period includes elements not present in the balance at September 30, 2022, such as mainly €14.5 million of DTAs impairment due to subsequent irrecoverability (see Note 4 for details) and €4.1 million of reduction in deferred tax liabilities following the impairment of intangible assets of doValue Spain (see Note 1 for details).

NOTE 30 – EARNINGS PER SHARE

(€/000)

	9/30/2023 Restated	**9/30/2022**
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]	**(25,667)**	**39,181**
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
basic [B]	79,154,865	79,084,698
diluted [C]	79,154,865	79,084,698
Earnings (loss) per share (in euro)		
basic [A/B]	(0.32)	0.50
diluted [A/C]	(0.32)	0.50

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.

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.

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 September 30, 2023, the main trade counterparties were represented by banks and important Investors with high credit standing and Vehicle Companies established pursuant to the provisions of Italian Law 130/1999.
For a quantitative analysis, please see the Note on trade receivables.
With regard to individual non-performing positions, which concern a marginal number of positions acquired over time, the procedures and tools supporting the activity of the workout units always enable position managers to prepare accurate forecasts of the amounts and timing of expected recoveries on the individual relationships in accordance with the state of progress in the recovery management process. These analytical evaluations take account of all the elements objectively connected with the counterparty and are in any case conducted by the position managers in compliance with the principle of sound and prudent management.

As regards the credit risk relating to relations with banks and financial institutions, the 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	9/30/2023	12/31/2022
Loans and other financing	**-**	**3,953**	**25,330**	**551,896**	**-**	**581,179**	**568,503**
Bank loans	-	88	25,330	-	-	25,418	126
Bank overdraft	-	-	-	-	-	-	37
Due to other lenders	-	-	-	-	-	-	4,380
Bonds	-	3,865	-	551,896	-	555,761	563,960
Other financial liabilities	**113**	**23,979**	**42,929**	**38,326**	**10,404**	**115,751**	**116,481**
Lease liabilities	113	2,459	9,538	28,306	3,617	44,033	49,938
Earn-out	-	-	33,391	10,020	6,787	50,198	44,649
Put option on non-controlling interests	-	-	-	-	-	-	21,894
Others	-	21,520	-	-	-	21,520	
Trade payables	**11,545**	**14,558**	**19,683**	**2,496**	**-**	**48,282**	**70,381**
Other current liabilities	**4,711**	**20,745**	**21,135**	**8,113**	**895**	**55,599**	**75,754**
Total	**16,369**	**63,235**	**109,077**	**600,831**	**11,299**	**800,811**	**831,119**

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 medium-term indebtedness with variable interest rates.

Thanks to the 2020 and 2021 fixed rate bonds, the structure of the Group's current medium-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 January 9, 2023, the contract to assign the loans was finalised with the investor investor Vitruvian Investments SA and therefore, as at September 30, 2023, there are no longer values representing the assets in question, which originated in 2021 against the collection by the subsidiary doNext of funds deriving from a passive loan contract allocated for a specific business activity and governed by articles 2447 - bis, paragraph 1 lett. B and 2447 – decies of the Italian civil code.

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;
- 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 interimly 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

Regarding the events following the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain Servicing S.A. (hereinafter "doValue Spain"), on May 11, 2023, the International Court of Arbitration of the International Chamber of Commerce issued the arbitral award condemning Altamira Asset Management Holdings S.L. (hereinafter "AAMH") to repay approximately €28 million, plus legal interest, in favor of the doValue Group. Similarly, doValue S.p.A. is required to make the Earn Out payment. The amounts related to the Spanish tax claim were paid in 2021 by doValue Spain to the Spanish Tax Authority in the context of the inspection launched in connection to facts and events occurred prior to the acquisition performed by doValue which took place in 2019. In response to this arbitral award, AAMH has initiated legal action, before the competent Spanish courts, seeking the partial annulment of the arbitral award concerning its obligation to pay the tax claim imposed under the arbitral award.
Regarding the enforcement action initiated by the Parent Company doValue and its subsidiary doValue Spain in July 2023 to enforce and collect the sums due from AAMH, on December 21, 2023, the competent court in Madrid issued an enforcement order, condemning AAMH to pay the amount specified in the arbitral award, leading to the seizure of all assets owned by AAMH. The enforcement procedure is subject to legal opposition.
In light of the above, the Group holds a contingent asset and expects to realize an amount of at least approximately €22 million.

Additionally, concerning the formal closure of the tax audit that the Parent Company has received by the Italian Tax Authority concerning the fiscal years 2015, 2016 and 2017, prior to the listing, at the end of April 2023, a tax assessment was received in connection with the 2016 finding and for which it filed a tax settlement proposal to activate the adequate protection measures and demonstrate, supported by a pool of professionals, the reasons for the correctness of the own conduct. Following the inability to reach a settlement agreement, on December 16, 2023, the settlement procedure was formally closed, and a judicial appeal was filed.
On December 19, 2023, a tax assessment was also received regarding the 2017 fiscal year finding. The Parent Company is currently evaluating, with the support of its consultant, the actions to be taken within the legal timeframe.
Considering the above for both tax assessments, the Company has deemed the risk of potential liabilities possible and considers the provision allocated in the financial statements appropriate, thereby confirming the assessments made in the Consolidated half-year Report as of June 30, 2023.

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)

	9/30/2023 Restated	12/31/2022
Loans and other financing (Note 12)	581,179	568,503
Other financial liabilities (Note 13)	115,751	116,481
Trade payables (Note 16)	48,282	70,381
Other liabilities (Note 17)	55,599	75,754
Less: cash and cash equivalents (Note 9)	(95,667)	(134,264)
Net debt (A)	**705,144**	**696,855**
Equity	48,896	136,559
Equity and net debt (B)	**754,040**	**833,414**
Gearing ratio (A/B)	**94%**	**84%**

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)

	9/30/2023	12/31/2022
Net financial indebtness (Note 13)	**601,263**	**546,340**
Trade payables (Note 16)	48,282	70,381
Other liabilities (Note 17)	55,599	75,754
Current financial assets (Note 3)	-	4,380
Net debt (A)	**705,144**	**696,855**

Commitments and guarantees provided

As at September 30, 2023, 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 September 30, 2023, amounted to €0.9 million and are related to rented operating properties.

SEGMENT REPORTING

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 corporate acquisitions in Europe (doValue Spain at the end of June 2019 and doValue Greece 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)

First Nine Months 2023 Restated	**Italy**	**Hellenic Region**	**Iberia**	**Infrasector**	**Group**
Revenue from contracts with customers	89,381	158,968	60,948	(11,539)	297,758
Other revenues	27,663	12,725	2,380	(3,868)	38,900
Total revenue	**117,044**	**171,693**	**63,328**	**(15,407)**	**336,658**
Costs for services rendered	(4,913)	(6,539)	(6,882)	-	(18,334)
Personnel expenses	(60,443)	(56,933)	(37,639)	(23)	(155,038)
Administrative expenses	(37,071)	(14,468)	(15,783)	4,013	(63,309)
Other operating (expense)/income	1,879	(3)	(148)	-	1,728
Depreciation, amortisation and impairment	(9,484)	(26,195)	(22,537)	(17,127)	(75,343)
Provisions for risks and charges	(2,062)	(731)	(1,230)	2,459	(1,564)
Total costs	**(112,094)**	**(104,869)**	**(84,219)**	**(10,678)**	**(311,860)**
Operating income	**4,950**	**66,824**	**(20,891)**	**(26,085)**	**24,798**
Financial (expense)/income	(12,427)	(2,971)	(5,059)	(478)	(20,935)
Dividends and ordinary similar income	21,300	-	5,876	(27,176)	-
Profit (loss) before tax	**13,823**	**63,853**	**(20,074)**	**(53,739)**	**3,863**
Income tax expense	(6,364)	(15,126)	724	(9,031)	(29,797)
Net Profit (loss) from continuing operations	**7,459**	**48,727**	**(19,350)**	**(62,770)**	**(25,934)**
Net profit (loss) for the period	**7,459**	**48,727**	**(19,350)**	**(62,770)**	**(25,934)**
Total assets	**(846,639)**	**(472,359)**	**(172,152)**	**503,198**	**(987,952)**
of which: Intangible assets	(18,812)	(299,797)	(74,667)	(79,250)	(472,526)
of which: Property, plant and equipment	(15,052)	(23,675)	(13,466)	-	(52,193)
of which: Other non-current assets	(312)	(1,626)	(1,024)	-	(2,962)
Total liabilities	**692,382**	**211,519**	**194,585**	**(206,602)**	**891,884**

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

BUSINESS COMBINATIONS RELATING TO COMPANY ENTERPRISES OR BUSINESS BRANCHES

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 September 30, 2023.

Business combinations completed after the end of the period

On December 29, 2023, doValue Spain signed the acquisition of full control of Team 4 Collection & Consulting S.L.U., a subsidiary of the Arvato Group (Bertelsmann), to expand its business in the management of small unsecured tickets.

Retrospective adjustments

As at September 30, 2023, there were no retrospective adjustments relating to previous business combinations.

RELATED-PARTY TRANSACTIONS

INTRODUCTION

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

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

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

In compliance with Consob Resolution no. 17221 of March 12, 2010, as amended, doValue has adopted the “Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group”, published on the corporate website of doValue (www.doValue.it), which defines the principles and rules for managing the risk associated with situations of possible conflict of interest engendered by the proximity of certain parties to decision-making centres.
To manage transactions with related parties, doValue established a Risks and Related Party Transactions Committee - composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from the non-executive members of the Board of Directors, and with the majority meeting independence requirements - charged with the task of issuing reasoned opinions to the Board of Directors regarding transactions with related parties in the cases governed by the procedure.

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 the first nine months of 2023 were concluded in the interest of the Group and at market or standard conditions. The following table shows the values outstanding as at September 30, 2023.

(€/000)

Financial Transactions	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Non-current financial assets	2,022	52,374	3.9%
Trade receivables	3,565	158,902	2.2%
Total assets	**5,587**	**211,276**	**2.6%**
Trade payables	802	48,282	1.7%
Total liabilities	**802**	**48,282**	**1.7%**

(€/000)

Costs/Revenues	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Revenue from contracts with customers	21,001	297,758	7.1%
Other revenues	2,445	38,900	6.3%
Personnel expenses	(1,332)	(155,038)	0.9%
Other operating (expense)/income	281	1,728	16.3%
Financial (Expense)/Income	(125)	(20,935)	0.6%
Total	**22,270**	**162,413**	**13.7%**

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 the first nine months of 2023 the amount of revenues from contracts with customers for this category of customers amounts to €20.9 million, while other revenues are equal to €2.1 million with corresponding trade receivables of €2.5 million at September 30, 2023; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €2.0 million of financial assets, €195 thousand of other operating income and €125 thousand of financial expenses are also recorded;
- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management s.r.l.): the Group mainly carries out due diligence on the indicated company and in the first nine months of 2023 accrued other revenues and other operating income of €247 thousand, in addition to having trade receivables of €679 thousand at the end of the period; there is also an active staff secondment relationship with one of the companies, which generated income of €392 thousand;
- Companies affiliated to the Bain Capital Credit group (Beat Capital Partners Limited, Aptia Group Limited, Bain Capital Credit, Ltd): the Group recognizes trade receivables for €120 thousand at the end of the period;
- Torre SGR S.p.A.: the company rented the Group a property for one of the main offices in Rome, which was disposed; trade payables for €37 thousand is the amount at the end of the period.
- ReoCo: the Group manages property assets for certain ReoCo (real estate owned companies), with other revenue and other operating income during the period of €216 thousand and trade receivables of €204 thousand;
- Eurolife FFH General Insurance Single Member Societé Anonyme: the company manages pension funds and medical insurance for the employees of the subsidiary doValue Greece. At September 30, 2023, personnel expenses of €1.7 million and trade payables of €0.8 million were recorded.

ANNEXES

Annex 1: RESTATEMENT OF THE CONSOLIDATED BALANCE SHEET

(€/000)

	9/30/2023 Restated	Change	9/30/2023 approved on November 09, 2023
Non-current assets			
Intangible assets	472,526	(28,210)	500,735
Property, plant and equipment	52,193	-	52,193
Non-current financial assets	52,374	-	52,374
Deferred tax assets	82,908	(14,541)	97,449
Other non-current assets	2,962	-	2,962
Total non-current assets	**662,963**	**(42,751)**	**705,713**
Current assets			
Inventories	217	-	217
Trade receivables	158,902	-	158,902
Tax assets	5,010	-	5,010
Other current assets	65,177	-	65,177
Cash and cash equivalents	95,667	-	95,667
Total current assets	**324,973**	**-**	**324,973**
Assets held for sale	**16**	**-**	**16**
Total assets	**987,952**	**(42,751)**	**1,030,702**
Shareholders' Equity			
Share capital	41,280	-	41,280
Valuation reserve	(2,724)	-	(2,724)
Other reserves	40,013	(5,300)	45,314
Treasury shares	(4,006)	-	(4,006)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(25,667)	(31,409)	5,742
Net Equity attributable to the Shareholders of the Parent Company	**48,896**	**(36,709)**	**85,606**
Net Equity attributable to Non-controlling interests	**47,172**	**-**	**47,172**
Total Net Equity	**96,068**	**(36,709)**	**132,778**
Non-current liabilities			
Loans and other financing	551,896	-	551,896
Other non-current financial liabilities	48,730	1	48,729
Employee benefits	8,582	(1)	8,583
Provisions for risks and charges	30,481	(2,459)	32,940
Deferred tax liabilities	42,828	(3,581)	46,409
Other non current liabilities	9,008	-	9,008
Total non-current liabilities	**691,525**	**(6,040)**	**697,565**
Current liabilities			
Loans and other financing	29,283	-	29,283
Other current financial liabilities	67,021	-	67,021
Trade payables	48,282	-	48,282
Tax liabilities	9,182	-	9,182
Other current liabilities	46,591	-	46,591
Total current liabilities	**200,359**	**-**	**200,359**
Liabilities associated with assets held for sale	**-**	**-**	**-**
Total liabilities	**891,884**	**(6,040)**	**897,924**
Total Net Equity and liabilities	**987,952**	**(42,749)**	**1,030,702**

Annex 2: RESTATAMENT OF THE CONSOLIDATED INCOME STATEMENT

(€/000)

	9/30/2023 Restated	Change	9/30/2023 approved on November 09, 2023
Revenue from contracts with customers	297,758	-	297,758
Other revenues	38,900	-	38,900
Total revenue	**336,658**	**-**	**336,658**
Costs for services rendered	(18,334)	1	(18,335)
Personnel expenses	(155,038)	-	(155,038)
Administrative expenses	(63,309)	-	(63,309)
Other operating (expense)/income	1,728	-	1,728
Depreciation, amortisation and impairment	(75,343)	(28,210)	(47,133)
Provisions for risks and charges	(1,564)	2,459	(4,023)
Total costs	**(311,860)**	**(25,750)**	**(286,110)**
Operating income	**24,798**	**(25,750)**	**50,548**
Financial (Expense)/Income	(20,935)	-	(20,935)
Profit (Loss) before tax	**3,863**	**(25,750)**	**29,613**
Income tax expense	(29,797)	(10,959)	(18,838)
Net profit (loss) from continuing operations	**(25,934)**	**(36,709)**	**10,775**
Profit (Loss) for the period	**(25,934)**	**(36,709)**	**10,775**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company	(25,667)	(31,409)	5,742
o.w. Profit (loss) for the period attributable to Non-controlling interests	(267)	(5,300)	5,033
Earnings per share			
basic	(0.32)	(0.40)	0.07
diluted	(0.32)	(0.40)	0.07

Annex 3: RESTATAMENT OF THE CONSOLIDATED CASH FLOW STATEMENT

(€/000)

	9/30/2023 Restated	Change	9/30/2023 approved on November 09, 2023
Operating activities			
-			
Profit (loss) for the period befor tax	**3,863**	**(25,750)**	**29,613**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**92,937**	**25,751**	**67,186**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	(2,995)	-	(2,995)
Depreciation, amortisation and impairment	75,343	28,210	47,133
Change in net provisions for risks and charges	1,564	(2,459)	4,023
Financial (Expense)/Income	23,786	-	23,786
Costs for share-based payments	(4,761)	-	(4,761)
Change in working capital	**19,388**	**-**	**19,388**
Change in trade receivables	41,487	-	41,487
Change in trade payables	(22,099)	-	(22,099)
Change in financial assets and liabilities	**9,019**	**-**	**9,019**
Other assets mandatorily measured at fair value	2,285	-	2,285
Financial assets measured at amortised cost	6,734	-	6,734
Other changes:	**(109,699)**	**(1)**	**(109,698)**
Interests paid	(23,331)	-	(23,331)
Payment of income taxes	(18,371)	-	(18,371)
Other changes in other assets/other liabilities	(67,997)	(1)	(67,996)
Cash flows generated by operations	**15,508**	**-**	**15,508**
Investing activities			
Purchases of property, plant and equipment	(1,423)	-	(1,423)
Purchases of intangible assets	(7,748)	-	(7,748)
Net cash flows used in investing activities	**(9,171)**	**-**	**(9,171)**
-			
Funding activities			
Dividends paid	(52,618)	-	(52,618)
Loans obtained	25,000	-	25,000
Repayment of loans	(4,480)	-	(4,480)
Payment of principal portion of lease liabilities	(12,836)	-	(12,836)
Sale/purchase of minority	-	-	-
Net cash flows used in funding activities	**(44,934)**	**-**	**(44,934)**
Net liquidity in the period	**(38,597)**	**-**	**(38,597)**
Reconciliation			
Cash and cash equivalents at the beginning of period	134,264	-	134,264
Net liquidity in the period	(38,597)	-	(38,597)
Cash and cash equivalents at the end of the period	**95,667**	**-**	**95,667**

Unaudited reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet extracted from the directors' report on the Group for the nine months ended September 30, 2023

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
	(in € thousands)
NPE revenues	**251,623**
o.w. Revenue from contracts with customers	251,623
o.w. Other revenues	-
REO revenues	**39,875**
o.w. Revenue from contracts with customers	39,873
o.w. Other revenues	2
Co-investment revenues	**1,064**
o.w. Financial (expense)/income	1,064
Ancillary and other revenues	**42,592**
o.w. Financial (expense)/income	28
o.w. Revenue from contracts with customers	6,263
o.w. Other revenues	34,786
o.w. Other operating (expense)/income	1,515
Gross Revenues	**335,154**
NPE Outsourcing fees	**(10,692)**
o.w. Costs for services rendered	(10,630)
o.w. Administrative expenses	(62)
o.w. Other operating (expense)/income	-
REO Outsourcing fees	**(7,256)**
o.w. Costs for services rendered	(7,256)
Ancillary Outsourcing fees	**(12,569)**
o.w. Costs for services rendered	(449)
o.w. Administrative expenses	(12,082)
o.w. Other operating (expense)/income	38
Net revenues	**304,637**
Staff expenses	**(141,751)**
o.w. Personnel expenses	(141,780)
o.w. Other revenues	29
Administrative expenses	**(47,551)**
o.w. Personnel expenses	**(1,538)**
o.w. Personnel expenses-o.w. SG&A	(1,538)
o.w. Administrative expenses	**(49,966)**
o.w. Administrative expenses-o.w. IT	(22,199)
o.w. Administrative expenses-o.w: Real Estate	(3,900)
o.w. Administrative expenses-o.w. SG&A	(23,867)
o.w. Other operating (expense)	**(15)**
o.w. Other operating (expense)/income-o.w. Real Estate	(15)
o.w. Other revenues	**3,968**
o.w. Other revenues-o.w. IT	2,595
o.w. Other revenues-o.w.Real Estate	99
o.w. Other revenues-o.w. SG&A	1,274
Total "o.w. IT"	(19,604)
Total "o.w. Real Estate"	(3,801)
Total "o.w. SG&A"	(24,146)
Operating expenses	**(189,302)**
EBITDA	**115,335**
EBITDA margin	**34%**
Non-recurring items included in EBITDA	(79)
EBITDA excluding non-recurring items	115,414

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,
	2023
	(*in € thousands*)
EBITDA margin excluding non-recurring items	34%
Net write-downs on property, plant, equipment and intangibles	**(76,437)**
o.w. Depreciation, amortization and impairment	(76,779)
o.w. Other operating (expense)/income	242
Net Provisions for risks and charges	**(13,015)**
o.w. Personnel expenses	(11,719)
o.w. Provisions for risks and charges	(1,564)
o.w. Other operating (expense)/income	23
o.w. Depreciation, amortization and impairment	245
Net Write-downs of loans	**1,207**
o.w. Depreciation, amortization and impairment	1,092
o.w. Other revenues	115
Profit (loss) from equity investments	**0**
o.w. Profit (loss) of equity investments	0
EBIT	**27,090**
Net income (loss) on financial assets and liabilities measured at fair value	**1,586**
o.w. Financial (expense)/income	1,586
Financial interest and commissions	**(23,614)**
o.w. Financial (expense)/income	(23,614)
EBT	**5,062**
Non-recurring items included in EBT	(11,833)
EBT excluding non-recurring items	16,895
Income tax for the period	**(30,996)**
o.w. Administrative expenses	(1,199)
o.w. Income tax expense	(29,797)
Profit (loss) for the period	**(25,934)**
Profit (loss) for the period attributable to Non-controlling interests	267
Profit (loss) for the period attributable to the Shareholders of the Issuer	**(25,667)**
Non-recurring items included in Profit (loss) for the period	(12,249)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(784)
Profit (loss) for the period attributable to the Shareholders of the Issuer excluding non-recurring items	(14,202)
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	517
Earnings per share (in €)	**(1.62)**
Earnings per share excluding non-recurring items (€)	**(0.90)**

Unaudited Interim Condensed Consolidated Financial Statements as of and for the nine-months ended September 30, 2024

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Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

To the Board of Directors of
doValue S.p.A.

Introduction

We have reviewed the attached interim condensed consolidated financial statements, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the related explanatory notes of doValue S.p.A. and its subsidiaries (the "doValue Group") as of and for the nine-month periods ended 30 September 2024 and 30 September 2023. The Directors are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with *International Standard on Review Engagements* 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached interim condensed consolidated financial statements of the doValue Group as of and for the nine-month periods ended 30 September 2024 and 30 September 2023 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of Matter

Without modifying our conclusion, we draw attention to the paragraph "Restatement of the figures as of September 30, 2023 and for the nine-month period ended at such date" of the explanatory notes related to the approval, on 12 January 2024 by the Directors of doValue S.p.A., of the interim condensed consolidated financial statements as of and for the nine-month period ended 30 September 2023.

Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 2.975.000 i.v.
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Other matters

The interim condensed consolidated financial statements as of and for the nine-month period ended 30 September 2023 present comparative information related to the corresponding nine-month period ended 30 September 2022. Such comparative information has not been audited or reviewed.

Rome, 12 November 2024

EY S.p.A.

Signed by: Wassim Abou Said, Auditor

This 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.

CONSOLIDATED BALANCE SHEET

(€/000)

	NOTE	9/30/2024	12/31/2023
Non-current assets			
Intangible assets	**1**	454,701	473,784
Property, plant and equipment	**2**	41,935	48,677
Non-current financial assets	**3**	41,945	46,167
Deferred tax assets	**4**	75,421	78,351
Other non-current assets	**5**	3,848	3,716
Total non-current assets		**617,850**	**650,695**
Current assets			
Inventories		1	1
Trade receivables	**6**	174,544	199,844
Tax assets	**7**	4,466	4,556
Other current assets	**5**	73,706	64,076
Cash and cash equivalents	**8**	90,509	112,376
Total current assets		**343,226**	**380,853**
Assets held for sale	**9**	**10**	**16**
Total assets		**961,086**	**1,031,564**
Shareholders' Equity			
Share capital		41,280	41,280
Valuation reserve		(4,317)	(2,830)
Other reserves		19,414	38,506
Treasury shares		(9,347)	(6,095)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		10,341	(17,830)
Net Equity attributable to the Shareholders of the Parent Company		**57,371**	**53,031**
Net Equity attributable to Non-controlling interests		**57,755**	**51,660**
Total Net Equity	**10**	**115,126**	**104,691**
Non-current liabilities			
Loans and other financing	**11**	294,041	552,861
Other non-current financial liabilities	**12**	44,572	50,301
Employee benefits	**13**	8,147	8,412
Provisions for risks and charges	**14**	26,451	26,356
Deferred tax liabilities	**4**	40,443	42,623
Other non current liabilities	**16**	8,407	9,087
Total non-current liabilities		**422,061**	**689,640**
Current liabilities			
Loans and other financing	**11**	290,977	35,169
Other current financial liabilities	**12**	24,195	46,239
Trade payables	**15**	63,209	85,383
Tax liabilities	**7**	5,576	10,536
Other current liabilities	**16**	39,942	59,906
Total current liabilities		**423,899**	**237,233**
Total liabilities		**845,960**	**926,873**
Total Net Equity and liabilities		**961,086**	**1,031,564**

CONSOLIDATED INCOME STATEMENT

(€/000)

	NOTE	9/30/2024	9/30/2023 Restated
Revenue from contracts with customers	**19**	280,613	297,758
Other revenues	**20**	37,426	38,900
Total revenue		**318,039**	**336,658**
Costs for services rendered	**21**	(15,390)	(18,334)
Personnel expenses	**22**	(153,678)	(155,038)
Administrative expenses	**23**	(70,003)	(63,309)
Other operating (expense)/income	**24**	659	1,728
Depreciation, amortisation and impairment	**25**	(42,903)	(75,343)
Provisions for risks and charges	**26**	(3,259)	(1,564)
Total costs		**(284,574)**	**(311,860)**
Operating income		**33,465**	**24,798**
Financial (Expense)/Income	**27**	(18,992)	(20,935)
Profit (loss) from equity investments	**28**	(2,959)	-
Profit (Loss) before tax		**11,514**	**3,863**
Income tax expense	**29**	4,921	(29,797)
Net profit (loss) from continuing operations		**16,435**	**(25,934)**
Profit (Loss) for the period		**16,435**	**(25,934)**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		10,341	(25,667)
o.w. Profit (loss) for the period attributable to Non-controlling interests		6,094	(267)
Earnings per share	**30**		
basic		0.67	(1.62)
diluted		0.67	(1.62)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)

	NOTE	9/30/2024	9/30/2023 Restated
Profit (Loss) for the period		**16,435**	**(25,934)**
Other comprehensive income after tax not recyclable to profit or loss			
Equity instruments designated at fair value through comprehensive income	**3**	(1,559)	(1,863)
Defined benefit plans	**13**	71	46
Other comprehensive income after tax recyclable to profit or loss			
Total other comprehensive income after tax		**(1,488)**	**(1,817)**
Comprehensive income	**10**	**14,947**	**(27,751)**
o.w. Comprehensive income attributable to Shareholders of the Parent Company		8,853	(27,484)
o.w. Comprehensive income attributable to Non-controlling interests		6,094	(267)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - Note 10

At September 30, 2024

(€/000)

	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
			Reserves from profit and/or withholding tax	Other					
Initial balance	**41,280**	**(2,830)**	**26,076**	**12,430**	**(6,095)**	**(17,830)**	**53,031**	**51,660**	**104,691**
Allocation of the previous year profit to reserves	-	-	-	(17,830)	-	17,830	-	-	-
Changes in reserves	-	1	-	(839)	-	-	**(838)**	**1**	**(837)**
Acquisition of treasury shares	-	-	-	-	(3,421)	-	**(3,421)**	**-**	**(3,421)**
Stock options	-	-	18	(441)	169	-	**(254)**	**-**	**(254)**
Comprehensive income of the period	-	(1,488)	-	-	-	10,341	**8,853**	**6,094**	**14,947**
Final balance	**41,280**	**(4,317)**	**26,094**	**(6,680)**	**(9,347)**	**10,341**	**57,371**	**57,755**	**115,126**

At December 31, 2023

(€/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	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
Initial balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**
Allocation of the previous year profit to reserves	-	-	19,471	145	-	(19,616)	**-**	**-**	**-**
Dividends and other payouts	-	-	(19,471)	(28,030)	-	(8,078)	**(55,579)**	**(5,000)**	**(60,579)**
Changes in reserves	-	-	-	(10,570)	-	11,192	**622**	**7,757**	**8,379**
Acquisition of treasury shares	-	-	-	-	(2,115)	-	**(2,115)**	**-**	**(2,115)**
Stock options	-	-	302	(7,034)	352	-	**(6,380)**	**-**	**(6,380)**
Changes in equity investments	-	-	-	(322)	-	-	**(322)**	**322**	**-**
Comprehensive income of the period	-	(1,924)	-	-	-	(17,830)	**(19,754)**	**4,220**	**(15,534)**
Final balance	**41,280**	**(2,830)**	**26,076**	**12,430**	**(6,095)**	**(17,830)**	**53,031**	**51,660**	**104,691**

At September 30, 2023 Restated

(€/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	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
Initial balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**
Allocation of the previous	-	-	19,471	(322)	-	(19,149)	**-**	**-**	**-**
Dividends and other	-	-	(19,471)	(28,030)	-	-	**(47,501)**	**(5,000)**	**(52,501)**
Changes in reserves	-	(1)	-	(10,209)	-	2,647	**(7,563)**	**8,078**	**515**
Stock options	-	-	255	(5,696)	326	-	**(5,115)**	**-**	**(5,115)**
Comprehensive income of	-	(1,817)	-	-	-	(25,667)	**(27,484)**	**(267)**	**(27,751)**
Final balance	**41,280**	**(2,724)**	**26,029**	**13,984**	**(4,006)**	**(25,667)**	**48,896**	**47,172**	**96,068**

CONSOLIDATED CASH FLOW STATEMENT - INDIRECT METHOD -

(€/000)

	NOTE	9/30/2024	9/30/2023 Restated
Operating activities			
Profit (loss) for the period befor tax		**11,514**	**3,863**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:		**71,135**	**92,937**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	**3**	(166)	(2,995)
Depreciation, amortisation and impairment	**25**	42,903	75,343
Change in net provisions for risks and charges	**14**	3,259	1,564
Financial (Expense)/Income	**27**	22,355	23,786
Profit/loss on equity interests and investments		2,960	-
Costs for share-based payments	**10**	(176)	(4,761)
Change in working capital		**3,228**	**19,388**
Change in trade receivables	**6**	25,402	41,487
Change in trade payables	**15**	(22,174)	(22,099)
Change in financial assets and liabilities		**4,432**	**9,019**
Other assets mandatorily measured at fair value	**3**	2,914	2,285
Financial assets measured at amortised cost	**3**	1,518	6,734
Other changes:		**(80,095)**	**(109,699)**
Interests paid	**27**	(23,912)	(23,331)
Payment of income taxes	**28**	(13,389)	(18,371)
Other changes in other assets/other liabilities		(42,794)	(67,997)
Cash flows generated by operations		**10,214**	**15,508**
Investing activities			
Sales of subsidiaries and business units		(2,822)	-
Purchases of equity investments		(373)	-
Purchases of property, plant and equipment	**2**	(617)	(1,423)
Purchases of intangible assets	**1**	(11,715)	(7,748)
Net cash flows used in investing activities		**(15,527)**	**(9,171)**
Funding activities			
Issues/purchases of treasury shares	**10**	(3,421)	-
Dividends paid	**10**	-	(52,618)
Loans obtained	**11**	-	25,000
Repayment of loans	**11**	(401)	(4,480)
Payment of principal portion of lease liabilities	**18**	(12,732)	(12,836)
Net cash flows used in funding activities		**(16,554)**	**(44,934)**
Net liquidity in the period		**(21,867)**	**(38,597)**
Reconciliation			
Cash and cash equivalents at the beginning of period	**8**	112,376	134,264
Net liquidity in the period		(21,867)	(38,597)
Cash and cash equivalents at the end of the period	**8**	**90,509**	**95,667**

ILLUSTRATIVE NOTES

ACCOUNTING POLICIES

General information

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These interim condensed consolidated Financial Statements at September 30, 2024 have been prepared in accordance with IAS 34 - Interim Financial Reporting. In accordance with paragraph 10 of mentioned IAS 34, the Group has opted to provide condensed consolidated Financial Statements.
The interim condensed consolidated financial statements do not provide all the information required in the annual consolidated Financial Statements. For this reason, it is necessary to read the interim condensed consolidated Financial Statements together with the consolidated Financial Statements as at December 31, 2023.
Although the Group has defined the half-year as the interim period of reference for the application of the aforementioned international accounting standard IAS 34 and the definition of interim financial statements therein, this Consolidated Interim Report at September 30, 2024, has been prepared in compliance with said standard. This is done to have an interim report available for use (if necessary) in the documentation to be prepared in the context of potential extraordinary transactions and/or refinancing transactions.

The preparation, the measurement and consolidation criteria and the accounting standards adopted to prepare these interim condensed consolidated Financial Statements are compliant with the accounting standards adopted in the preparation of the consolidated Financial Statements as at December 31, 2023, with the exception of the adoption of new or amended standards of the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee as set out in the paragraph “New accounting standards”. The adoption of these amendments and interpretations did not have significant impacts on the Group’s financial position or performance.

These interim condensed consolidated Financial Statements are accompanied by the Certification of the Financial Reporting Officer pursuant to Article 154-bis of Legislative Decree 58/1998 and have undergone a limited audit by the auditing firm EY S.p.A..

Please note that the interim condensed consolidated Financial Statements as of September 30, 2023, has also been prepared in compliance with IAS 34; furthermore, the interim condensed consolidated Financial Statements as of September 30, 2023, have been subjected to a limited audit by EY S.p.A.

BASIS OF PREPARATION

The interim condensed consolidated Financial Statements are prepared using the euro as the accounting currency, in accordance with the provisions of Art. 5(2) of Legislative Decree No 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 **Illustrative Notes**;

and are accompanied by the **Directors’ Interim 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 Section “Main items of the financial statements” of these Illustrative Notes.

The interim condensed consolidated Financial Statements have been 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 accounting policies adopted in these interim condensed consolidated Financial Statements at September 30, 2024 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 for the year ended December 31, 2023.

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

It should also be noted that the data as of September 30, 2023, refer to the Consolidated Interim Report as of September 30, 2023, approved by the Board of Directors on January 12, 2024. These figures have been restated compared to the document approved on November 9, 2023, to reflect the effects of certain events that occurred after such date and up to January 12, 2024. These adjustments related mainly to (i) the impairment of intangible assets and deferred tax assets of the Iberian region based on the Preliminary Industrial Plan 2024-2026 for this region approved by the Board of Directors on January 12, 2024, and (ii) the reversal of a risk provision following the signing of a settlement agreement with a customer.
Therefore, in this document, the designation “September 30, 2023 Restated” is used wherever the financial statements or tables included in the Illustrative Notes contain restated comparative values due to the aforementioned changes.

SCOPE AND METHOD OF CONSOLIDATION

The preparation of the interim condensed consolidated Financial Statements at September 30, 2024, drew on the accounts at 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 September 30, 2024, 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.
As at September 30, 2024, there were no associated companies nor companies valued using the equity method.

The following section shows the consolidation principles adopted by the Group in preparing the interim condensed consolidated Financial Statements as at September 30, 2024.

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. 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.

Investments in subsidiaries

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

					Owner relationship		
	Company name	**Headquarters and Registered Office**	**Country**	**Type of Relationship (1)**	**Held by**	**Holding %**	**Voting rights % (2)**
1.	doValue S.p.A.	Verona	Italy		Holding		
2.	doNext S.p.A.	Rome	Italy	1	doValue S.p.A.	100%	100%
3.	doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
4.	doValue Spain Servicing S.A.	Madrid	Spain	1	doValue S.p.A.	100%	100%
5.	doValue Cyprus Limited	Nicosia	Cyprus	1	doValue Spain Servicing S.A.	100%	100%
6.	doValue Special Projects Cyprus Limited	Nicosia	Cyprus	1	doValue S.p.A. + doValue Spain Servicing S.A.	94%+6%	94%+6%
7.	doValue Greece Loans and Credits Claim Management Société Anonyme	Moschato	Greece	1	doValue S.p.A.	80%	80%
8.	doValue Greece Real Estate Services single member Société Anonyme	Moschato	Greece	1	doValue S.p.A.	100%	100%
9.	Adsolum Real Estate S.L.	Madrid	Spain	1	doValue Spain Servicing S.A.	100%	100%
10.	TEAM 4 Collection and Consulting S.L.U.	Madrid	Spain	1	doValue Spain Servicing S.A.	100%	100%
11.	doAdvise Advisory Services Single Member S.A.	Tavros	Greece	1	doValue S.p.A.	100%	100%
12.	finThesis Financing Solutions Creators Single Member Société Anonyme	Tavros	Greece	1	doValue S.p.A.	100%	100%

Notes to the table

(1) Type of relationship:

1 = majority of voting rights at ordinary shareholders' meeting

2 = dominant influence at ordinary shareholders' meeting

3 = agreements with other shareholders

4 = other types of control

5 = centralized management pursuant to Article 39, paragraph 1, of Legislative Decree 136/2015

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

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

Changes in the scope of consolidation

During the first nine-months of 2024, two newcos were established in Greece. The first in order of incorporation, called doAdvise Advisory Services Single Member S.A., has as its corporate purpose the provision advisory services regarding debts and financing solutions. The second, called finThesis Financing Solutions Creators Single Member S.A., has as its corporate purpose the provision of real estate brokerage services, credit intermediation services, consulting services and insurance product distribution services.

The consolidation perimeter also sees the exit of the two Portuguese companies, doValue Portugal and its subsidiary Zarco, following the sale of the full ownership interest held by the Spanish subsidiary doValue Spain. The disposal was completed on July 24, 2024, resulting in a capital loss of €3.0 million, included under "Profit (loss) from equity investments".

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 September 30, 2024.

SUBSEQUENT EVENTS

In accordance with the provisions of IAS 10, following the closing date of these first nine months of 2024 and up to the approval of these Financial Statements, no significant events occurred that would require an adjustment to the results presented in the interim condensed consolidated Financial Statements.

Please refer to the Directors' Interim Report on the Group for a description of the significant events occurred after the end of the period.

OTHER MATTERS

Macroeconomic context and Climate-related matters

The Group operates in Italy, Spain, Cyprus and Greece and its results depend in particular on general business and economic conditions in those countries and globally.

Global macroeconomic conditions have been subject to volatility in recent years due to a number of factors, including the lingering effects of the COVID-19 pandemic, the outbreak of the conflict between Russia and Ukraine, volatility of interest rates and, more recently, the hostilities in the Middle East.

In particular, the COVID-19 caused a decrease in collections, resulting in a substantial loss in gross revenues, partially offset by an increase in the GBV of assets under management. Even though the pandemic has subsided, the Group may still experience material adverse impacts due to global economic repercussions, including potential recessions, slowdowns, or rising unemployment. Future epidemics could have similar or more severe effects with material negative effects on the Group's business, results of operations or financial conditions.

Furthermore, the military conflict that erupted between Russia and Ukraine in 2022 led to widespread sanctions against Russia by countries and organizations such as the United States, the European Union, the United Kingdom, Switzerland, Canada, Japan and Australia. In October 2023, tensions escalated in the Middle East following an assault by Hamas on southern Israel. Currently, the conflict is ongoing with unpredictable outcomes. While the Group has no direct business in Russia, Ukraine or Middle East, these geopolitical tensions, which have resulted in, and may continue to result in, inflationary pressures, could impact debtors' businesses and disposable income, affecting the Group's results.

In addition to the above, global credit and financial markets have recently faced extreme volatility, with diminished liquidity, declining consumer confidence, high inflation, rising unemployment, and general economic uncertainty. In response, central banks began raising interest rates in 2022 and 2023 and are now maintaining such rates at high levels.

Although the European Central Bank's and the Federal Reserve's decisions to cut the benchmark interest rates may mark the beginning of monetary easing, with positive implications for economies, current market conditions still make it difficult to predict the financial stability of borrowers. If interest rates continue to rise or remain high, households and SMEs could see further financial strain, reducing their ability to repay debts. This could decrease the amounts collected by the Group in its servicing activities and prolong loan recovery times. Persistent negative macroeconomic conditions may not be offset by an increase in available NPEs, potentially having a material adverse effect on the Group's business, financial condition, and prospects.

The factors mentioned above have increased volatility in stock and bond markets, contributing to lowered global economic expectations. Furthermore, governments may implement additional measures to limit NPL volumes during periods of recession, impacting the Group's operations, financial condition, and outlook.

All the above factors contribute to a situation of ongoing macroeconomic and geopolitical uncertainty, requiring the doValue Group to conduct careful analysis and continuous monitoring.

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

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

In the closing process as of September 30, 2024, these factors influenced the following points to varying degrees:

e) impairment test: current market conditions were taken into account in constructing the discount rate, WACC. Stress conditions were also applied to the yield curve up to a maximum of 250 basis points;
f) fair value evaluation of securities: future cash flows were discounted by updating the Euribor yield curve based on individual maturities;
g) the inflation rate has been incorporated as an event affecting debtors' ability to repay their debt and thus embedded in the collection levels underlying the Group's gross revenue calculation;
h) the inflation rate was used in the evaluation of liabilities and benefits expected from defined benefit plans within the Italy and Greece perimeter.

Additionally, with reference to risks related to climate change and associated mitigation measures, the Group's companies continuously monitor potential impacts on the business, taking into account applicable and emerging regulations, as well as their role as a service provider to the financial system.
Regarding operations, therefore, the Group assesses the possibility of climate risks affecting, for example, properties under management (REO business) and currently believes that this issue cannot significantly impact the Group as its business model does not involve ownership of assets but rather their function as collateral for managed debt.

Going concern

In preparing the interim condensed consolidated Financial Statements as at September 30, 2024, the Directors consider the going concern assumption appropriate as, in their opinion, despite the uncertainties linked to the macroeconomic environment, no uncertainties have emerged related to events or circumstances that, considered individually or as a whole, could give rise to doubts regarding the business as a going concern. The assessment took into account the Group's equity, financial position as well as the outlook of the operations; the possible presence of events or conditions linked to the climate, which may have an impact on the 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' Interim 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 interim condensed consolidated Financial Statements at September 30, 2024, 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 September 30, 2024. Estimates and assumptions are reviewed regularly.

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

The following sections discuss the key accounting policies for the purposes of providing a true and fair representation of the 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.

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 is provided in the “Operational risks - Legal and Tax risks” paragraph of the “Information on Risks and risk management policies” section.

Estimation of impairment losses on intangible assets

On at least an annual basis, at each financial year-end, or during interim periods, when evidence of impairment losses exists, the carrying amount of intangible assets is compared to their recoverable amount.

More specifically, 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.

In particular, goodwill, identified as an intangible asset with an indefinite useful life, does not generate cash flows unless combined with other company assets. Therefore, it is necessary, as a preliminary step, to allocate this asset to largely autonomous operational units within the management framework, the so-called Cash Generating Units (CGUs), which are capable of generating financial resources largely independent of those produced by other business areas, but interdependent within the organizational unit generating them.

According to IAS 36, it is essential to correlate the level at which goodwill is tested with the level of internal reporting for business performance and future trend planning, which is the level at which management monitors its dynamics. From this perspective, defining such a level is closely tied to the organizational models and the allocation of management responsibilities for operational activity guidance and corresponding monitoring.

The organizational model of the doValue Group is structured as follows:

- management decisions are centralized with the heads of the different business units/operating segments;
- strategies are defined and directed centrally for each business unit;
- planning processes and reporting systems are carried out at the business unit level;
- as a result of this centralization, revenue streams are heavily dependent on policies formulated at the segment level to ensure balanced development of individual business units, rather than independently considered legal entities;
- the different operating segments function in homogeneous markets, meaning that revenue streams are strongly dependent on policies formulated at the segment level to ensure balanced development of the individual operational units, rather than independently considered legal entities.

The doValue Group's organizational model is divided into three business units/Regions based on the geographical areas of Southern Europe in which it operates:

- **Italy**: includes companies operating in the Italian territory, namely the parent company doValue, doData, and doNext;
- **Hellenic Region**: includes doValue Greece, doValue Greece RES, doAdvise Advisory Services, and finThesis Financing Solutions Creators, based in Greece, as well as companies based in Cyprus (doValue Cyprus and doValue Cyprus Special Project);
- **Iberia**: includes companies based in Spain, namely doValue Spain with its subsidiaries Adsolum and Team4. The companies based in Portugal (doValue Portugal and Zarco), having been sold at the end of July 2024, are no longer part of the Region.

These Regions have therefore been considered representative of the CGUs, as each of them constitutes the smallest group of assets generating independent inflows. Additionally, as mentioned, they represent the minimum level at which the parent company doValue manages internal planning and reporting processes. Consequently, this is the minimum level at which goodwill can be allocated on a non-arbitrary basis and monitored.

Moreover, the Group believes, in compliance with the need to correlate the level at which goodwill is tested with the level of reporting at which management controls the value’s growth and reduction dynamics, that it is appropriate to test separately the goodwill values attributable to the same CGU when there is a higher level of disaggregation among the various entities comprising the CGU itself, proportionally to their prospective cash flows. In this specific case, the goodwill of the Hellenic Region CGU (Greece-Cyprus) is tested separately concerning the Group's two acquisitions: doValue Greece and doValue Cyprus, relating to the acquisition of doValue Spain and its subsidiaries.

Impairment testing for 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 the general macroeconomic risks and the climate risks could have a significant impact (for further details, please refer to paragraph “Other Matters - Macroeconomic context and climate-related matters”).

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 doValue Spain Servicing S.A., and its subsidiaries in June 2019 and that of 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.

Regardless of the outcome of internal and external trigger events, which are the indicators determining the need to conduct the impairment test, the Group performed the impairment test as of September 30, 2024, considering the current uncertainty related to the macroeconomic environment, 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 test was performed on the amounts of intangible assets with defined useful lives and goodwill, resulting, as at September 30, 2024, and the updating of amortisation pertaining to the period.

For the purpose of conducting the test, the forward-looking information determined in line with the Group's 2024-2026 Industrial Plan, approved by the Board of Directors on March 20, 2024, and updated with respect to the 2024 budget based on the new projections approved by the Board of Directors on August 7, 2024, has been considered. These projections incorporate the latest scenario hypotheses collected from subsidiaries, which take into account the trends of the main market and macroeconomic variables, estimating their effects from a forward-looking perspective.

This analysis did not reveal any evidence of impairment, such as differences between the carrying amount and the value in use of intangible assets with a defined useful life.

As regards the comparison between the recoverable value and the total net book value of the CGUs as at September 30, 2024, the model confirmed the recoverable amount capacity and therefore the absence of impairment losses for the recognized goodwill (for further details, please refer to the Illustrative Notes, Information on the consolidated balance sheet - Note 1 Intangible assets).

As regards the methodological approach to the impairment test, please refer to the Accounting Policies in the paragraph "Risks and uncertainties associated with the use of estimates - Estimation of impairment losses on intangible assets" of the consolidated Financial Statements as at

December 31, 2023. Furthermore, 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.

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 interim condensed consolidated Financial Statements that took effect for financial years beginning as from January 1, 2024, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments to IAS 1 Presentation of Financial Statements:
    - Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
    - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020);
    - Non-current Liabilities with Covenants (issued on 31 October 2022).
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023).

There are no amendments that come into force for financial years starting from January 1, 2025 and thereafter.

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

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024);
- Annual Improvements Volume 11 (issued on 18 July 2024);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024);
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024).

MATERIAL ACCOUNTING POLICY INFORMATION

As regards the criteria for the recognition, classification, measurement and derecognition of the main items of the financial statements, refer to the corresponding section of the Illustrative Notes to the consolidated Financial Statements as at December 31, 2023.

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 interim condensed consolidated Financial Statements at September 30, 2024, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

ASSET BACKED SECURITIES

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

EQUITY INVESTMENTS

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

INVESTMENT FUNDS

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

OTHER DERIVATIVE INSTRUMENTS

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

Description of assessment techniques

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

DISCOUNTED CASH FLOW

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

MARKET APPROACH

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

NAV

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

Hierarchy of fair value

Financial instruments are assigned to a certain fair value level based on whether the inputs used for valuation are observable.
When the fair value is measured directly using an observable quoted price in an active market, the instrument will be classified within Level 1. When the fair value must be measured using a comparable approach or a pricing model, the instrument will be classified in either Level 2 or Level 3, depending on whether all significant inputs used in the valuation are observable.
In the choice between the different valuation techniques, the one that maximises the use of the observable inputs is used.
All transfers between the levels of the fair value hierarchy are made with reference to the end of the reporting period.
The main factors that would prompt a transfer between fair value levels (both between Level 1 and Level 2 and within Level 3) include changes in market conditions and improvements in valuation models and the relative weights of unobservable inputs used in fair value measurement.

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

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

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

7. 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;
   - doRes Securitisation S.r.l., whose untranched notes were issued as part of a new finance transaction and subscribed for 20% by doNext.
8. Units in collective investment undertakings (CIUs): the equivalent of the amount paid for the subscription of the remaining 20.2 units of the Italian Recovery Fund (formerly Atlante II), reserved real estate investment fund, net of redemptions;
9. 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 11.9% of the company's share capital as at September 30, 2024.

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, and in the Brasilian fintech company QueroQuitar S.A. for a stake of 11.46%, 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 doValue Greece, which is linked to the achievement of certain EBITDA targets over a 10-year period. It should also be noted that the Earn-out related to the portion of the acquisition price of doValue Spain, has been closed following the definition of the arbitration in Spain.
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)

	9/30/2024			12/31/2023		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss	**-**	**-**	**34,751**	**-**	**-**	**37,360**
Units in collective investment undertakings (CIUs)	-	-	18,418	-	-	20,499
Debt securities	-	-	16,098	-	-	16,610
Equities	-	-	197	-	-	197
Non-hedging derivatives	-	-	38	-	-	54
Financial assets measured at fair value through comprehensive income	**-**	**-**	**6,607**	**-**	**-**	**8,165**
Equities	-	-	6,607	-	-	8,165
Total	**-**	**-**	**41,358**	**-**	**-**	**45,525**
Other financial liabilities	**-**	**-**	**33,984**	**-**	**-**	**55,041**
Earn-out	-	-	33,984	-	-	54,668
Others	-	-	-			373
Total	**-**	**-**	**33,984**	**-**	**-**	**55,041**

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

NOTE 1 – INTANGIBLE ASSETS

(€/000)

	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total	Total
						9/30/2024	12/31/2023
Gross opening balance	**198,504**	**29,698**	**7,953**	**236,897**	**423,341**	**896,393**	**906,001**
Initial reduction in value	(147,091)	(9,027)	-	(12,530)	(253,961)	(422,609)	(379,113)
Net opening balance	**51,413**	**20,671**	**7,953**	**224,367**	**169,380**	**473,784**	**526,888**
Changes in gross balance	**5,089**	**-**	**5,902**	**-**	**(4,109)**	**6,882**	**(9,608)**
Purchases	3,397	-	8,318	-	-	11,715	21,666
Disposals and dismissals	(495)	-	-	-	-	(495)	(1,432)
Business combination	-	-	-	-	-	-	565
Impairment	-	-	-	-	-	-	(13,581)
Other changes	2,187	-	(2,416)	-	(4,109)	(4,338)	(16,826)
Changes in reduction in value	**(13,194)**	**(2,471)**	**-**	**-**	**(10,300)**	**(25,965)**	**(43,496)**
Amortisation	(13,618)	(2,471)	-	-	(14,409)	(30,498)	(48,854)
Business combination	-	-	-	-	-	-	(454)
Impairment of goodwill	-	-	-	-	-	-	(12,530)
Other changes	424	-	-	-	4,109	4,533	18,342
Gross closing balance	**203,593**	**29,698**	**13,855**	**236,897**	**419,232**	**903,275**	**896,393**
Final reduction in value	(160,285)	(11,498)	-	(12,530)	(264,261)	(448,574)	(422,609)
Net closing balance	**43,308**	**18,200**	**13,855**	**224,367**	**154,971**	**454,701**	**473,784**

As of September 30, 2024, this item has been impacted by the exit from the Group of the two Portuguese companies, doValue Portugal and Zarco, following the sale process concluded in July 2024. The related derecognition values is recorded under item "other changes" in the gross balance and in reduction in value, impacting the category "other intangible assets".

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 doValue Spain Servicing (hereinafter also "doValue Spain") and its subsidiaries, and in June 2020 the business combination of doValue Greece.

Thanks to the acquisition of doValue Greece, the following net values were recognised as at September 30, 2024:

- €28.8 million relating to software and related assets under development;
- €139.4 million related to multi-year servicing contracts ("SLAs"), of which €33.0 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 September 30, 2024, were as follows:

- €10.9 million relating to software and related assets under development;
- €18.1 million relating to the brand;
- €15.6 million relating to other intangible assets, which include the valuation of active long-term servicing contracts ("SLAs");
- €111.5 million relating to goodwill.

The **changes in gross balance** include "purchases", which during the period 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 €11.7 million.
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 include the amortisation charges for the first nine months of 2024 of €30.5 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 of each contract was calculated to an extent corresponding to the direct margin posted in the period.

Impairment test of goodwill

For the purpose of preparing the impairment test, continuing with the approach taken to the test performed in the previous accounting periods, the Cash Generating Units (CGUs) in the two geographical segmentation areas pertaining to doValue Spain and its subsidiaries and to doValue Greece, namely "Iberia" (which currently includes only Spain since companies based in Portugal have been sold) and the "Hellenic Region" (Cyprus and Greece) were used, and the allocation of intangible assets and goodwill to the two separate CGUs was determined, with the latter represented in the following table:

(€/000)

	Hellenic Region	Iberia	Total
doValue Spain Business Combination	17,759	93,775	111,534
doValue Greece Business Combination	112,391	-	112,391
Other minor	442	-	442
Total	**130,592**	**93,775**	**224,367**

The value in use of the Cash Generating Units (CGUs) was determined by discounting the expected cash flows using the Discounted Cash Flow (DCF) method, which is based on the forward-looking information included in the Group's 2024-2026 Industrial Plan approved by the Board of Directors on March 20, 2024, and updated for the 2024 budget based on new projections approved by the Board on August 7, 2024. The basis of the Industrial Plan consists of long-term contracts governing the credit portfolios under management. These contracts generally have a duration exceeding ten years with predefined economic terms and conditions. The cash flows from existing management contracts are supplemented by assumptions regarding new contracts to be acquired and the renewal of any expiring contracts.

The main assumptions used by management to estimate the value in use include expectations regarding changes in revenues and costs over the five-year period considered for the calculation, the discount rate (WACC), and the growth rate (g-rate) of terminal values.
The discount rate used for the impairment test is represented by the weighted average cost of capital (WACC), calculated for each country within the CGU. The WACC for the CGU is equal to the weighted average of the WACC for each Country included in the CGU, based on revenues.

For the purpose of conducting the test, the most recent scenario assumptions collected from all Group companies were considered, taking into account the trends of key market and macroeconomic variables and estimating their effects from a forward-looking perspective.

	Growth rate	WACC rate	Period of cash flows	Terminal value
Hellenic Region				
of which: doValue Spain Business Combination	0%	7.8%	5 years	Perpetuity
of which: doValue Greece Business Combination	0%	7.4%	5 years	Perpetuity
Iberia	0%	6.9%	5 years	Perpetuity

As of September 30, 2024, the comparison between the recoverable amount and the total net book value of the CGUs (represented by the sum of the residual net book values of all intangible assets attributable to each CGU, including goodwill and deferred taxes) indicates that the recoverable amount exceeds the carrying amount, resulting in no impairment losses.
Such headroom over the net book value of the CGUs is 38% for the Iberia CGU, while for the Hellenic Region CGU it is more than sufficient, about 150% for Greece and exceeding 450% for Cyprus.

Sensitivity analysis

The Group performs a sensitivity analysis on the estimated recoverable value based on the main parameters of the impairment test, specifically the EBITDA growth rate, the long-term sustainable growth rate (g-rate), and the discount rate (WACC).
The sensitivity analysis, which combines the g-rate with the discount rate, demonstrated the resilience of the goodwill attributable to the Iberia CGU, provided that i) the g-rate does not fall below -2pp and the WACC does not increase by more than 1pp or ii) the g-rate does not fall below -0.5pp and the WACC does not increase by more than 2pp. Furthermore, the analysis confirmed no impairment for the Hellenic Region CGU (Greece-Cyprus), even under significant WACC increases or substantial g-rate decreases.
As part of a stress test approach, variations in the EBITDA growth rate, long-term sustainable growth rate (g-rate), and discount rate (WACC) were considered separately. These variations were tested to determine the threshold points at which the CGU’s value in use equals its net book value. In other words, they represent the critical input limits beyond which the CGU's impairment test would indicate a reduction in value.
The result of this test indicates that for Spain, no impairments would arise until a decrease in the g-rate to -3.2% compared to the 0% used, a WACC of 9.1% compared to the 6.9% applied, or an EBITDA stress of -27%. For Greece, no impairment would be recognized unless there is a reduction in the g-rate below -100%, a WACC of 23% compared to the 7.4% applied, or an EBITDA stress of -48%. For Cyprus, the absence of impairments would be maintained with a g-rate reduction below -100%, a WACC of 40% compared to the 7.8% applied, or an EBITDA stress of -72%.

Impairment Test for Other Intangible Assets

The impairment test conducted on the category of other intangible assets did not reveal any indication of impairment, as shown in the tables below, starting with the table for intangible assets of doValue Spain:

(€/000)

	Net present value	Net book value	Impairment
Software	8,133	8,133	-
Brand	19,843	18,136	-
Other ingible assets - SLAs	8,269	7,775	-
Intangible Assets - Iberia	**36,245**	**34,044**	**-**
Software	1,891	1,891	-
Other ingible assets - SLAs	14,137	7,578	-
Intangible Assets - Hellenic Region	**16,028**	**9,469**	**-**
Total	**52,273**	**43,513**	**-**

Similarly, the table summarising the impairment test performed on the value attributed to the intangible assets of doValue Greece, including also the “Frontier” contract, is shown below.

(€/000)

	Net present value	Net book value	Impairment
Intangible Assets - SLAs - Regione Ellenica	**332,319**	**139,352**	**-**
Total	**332,319**	**139,352**	**-**

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 “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	Total
						9/30/2024	12/31/2023
Gross opening balance	**72,298**	**4,501**	**28,633**	**391**	**16,822**	**122,645**	**119,823**
Initial reduction in value	(40,588)	(3,794)	(17,041)	-	(12,545)	(73,968)	(60,687)
Net opening balance	**31,710**	**707**	**11,592**	**391**	**4,277**	**48,677**	**59,136**
Changes in gross balance	**(1,509)**	**(282)**	**3,265**	**294**	**(115)**	**1,653**	**2,822**
Purchases	585	5	4,146	294	1,941	6,971	6,719
o.w. Right of Use	*560*	-	*4,013*	-	*1,782*	*6,355*	*4,725*
Disposals and dismissals	(465)	(31)	(188)	-	(338)	(1,022)	(1,087)
Business combination	-	-	-	-	-	-	435
Other changes	(1,629)	(256)	(693)	-	(1,718)	(4,296)	(3,245)
Changes in reduction in value	**(5,458)**	**(45)**	**(3,216)**	**-**	**324**	**(8,395)**	**(13,281)**
Amortisation	(7,350)	(192)	(3,547)	-	(1,419)	(12,508)	(17,279)
o.w. Right of Use	*(6,633)*	-	*(3,126)*	-	*(1,009)*	*(10,768)*	*(14,323)*
Business combination	-	-	-	-	-	-	(322)
Other changes	1,892	147	331	-	1,743	4,113	4,320
Gross closing balance	**70,789**	**4,219**	**31,898**	**685**	**16,707**	**124,298**	**122,645**
Final reduction in value	(46,046)	(3,839)	(20,257)	-	(12,221)	(82,363)	(73,968)
Net closing balance	**24,743**	**380**	**11,641**	**685**	**4,486**	**41,935**	**48,677**

During the first nine months of 2024, the item recorded an overall decrease of €6.7 million, amounting to €41.9 million.

As highlighted in Note 1, this item has been impacted by the exit from the Group of the two Portuguese companies, doValue Portugal and Zarco, following the sale process concluded in July 2024. The related derecognition values (amounting to a total of €0.8 million) are recorded item “other changes” in the gross balance and in reduction in value.

The **changes in gross balance** mainly include "purchases", which in the period totalled €7.0 million (of which €6.4 million in rights of use) and mainly consisted of electronic systems, as well as renewals and additional car rentals in the category “Other”.
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, in addition to the previously mentioned impact from the sale of the two Portuguese companies.

The **changes in reduction in value** included amortization of €12.5 million, of which €10.8 million related to rights of use.
Please see Note 18 for more details on changes in rights of use.

NOTE 3 – FINANCIAL ASSETS

(€/000)

	9/30/2024	12/31/2023
Non-current financial assets	**41,945**	**46,167**
Financial assets measured at fair value through profit or loss	**34,751**	**37,360**
Units in collective investment undertakings (CIUs)	18,418	20,499
Debt securities	16,098	16,610
Equities	197	197
Non-hedging derivatives	38	54
Financial assets measured at amortised cost	**587**	**642**
Loans to customers	546	602
Loans to banks	41	40
Financial assets measured at fair value through other comprehensive income	**6,607**	**8,165**
Equities	6,607	8,165
Total	**41,945**	**46,167**

Non-current financial assets measured at fair value through profit or loss include CIUs units, debt securities, equities and non-hedging derivatives.
CIUs relate to 20.2 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). During the period, partial reimbursements of units amounting to €2.7 million were recorded, partially offset by a positive fair value differential of €0.6 million, while additional shares to be subscribed of €1.1 million were recognised under commitments.
Debt securities show a decrease of €0.5 million, due to a combination of valuation effects and collections during the period. The breakdown of debt securities is represented, for €12.3 million by the ABS securities of the Cairo securitisations acquired as part of the acquisition of doValue Greece, for €1.8 million by the value of the ABS securities relating to the Romeo SPV and Mercuzio Securitisation securitisations and, for €1.9 million by the co-investment in the Mexico securitisation notes and for €0.1 million by the fair value of ABS securities subscribed by doNext and issued by the vehicle doRes Securitisation S.r.l. as part of a new finance operation.

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** only include the non-current part of €0.6 million mainly related to loans to customers, which is substantially in line with the previous year.

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;
- €5.1 million equal to 11.9% of BidX1, an Irish proptech company specialising in the promotion and execution of real estate transactions through online auction processes in real time. The reduction in the stake held in BidX1 compared to December 31, 2023, when it was 17.7%, is a result of the new share issuances by the company in the first half of 2024.
The reduction of the item by €1.6 million compared to 31 December 2023 originates from the fair value evaluation process and refers exclusively to the investment in BidX1.

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.
During the first quarter of 2023, the subsidiary doNext disbursed a loan which was transferred in the same period to the credit securitization company doRes Securitization S.r.l.. As part of this transaction, doNext subscribed 20% of the untranched notes issued by the SPV, corresponding to a nominal amount of €0.4 million, and assumed the roles of Master and Special Servicer.

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 "DTAs") 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 as at December 31, 2022 and the three subsequent tax periods. The deferral is made on a straight-line basis.
Article 42 of Italian Law Decree no. 17/2022 intervenes for the third time on the original deduction plan with a postponement technique substantially similar to that carried out by Italian Law no. 160/2019.

The 2024 Budget Act (Law No. 213/2023) has amended the original deduction plan for the fourth time. The previous deductible quota envisaged for 2024 is reduced from 18% to 17%, deferring 1% in equal installments for the tax periods ending on December 31, 2027, and December 31, 2028; furthermore, for the tax period ending on December 31, 2026, the deductible quota is reduced from 7.7% to 4.7%, deferring 3% in equal installments for the tax periods ending on December 31, 2027, and December 31, 2028.
Following the amendment, the recovery plan is now as follows: 5% for the tax period ending on December 31, 2016; 8% for the tax period ending on December 31, 2017; 12% for the tax period ending on December 31, 2020; 12% for the tax period ending on December 31, 2021; 8.3% for the tax period ending on December 31, 2022; 18% for the tax period ending on December 31, 2023; 17% (-1%) for the tax periods ending on December 31, 2024; 11% for the tax period ending on December 31, 2025; 4.7% (-3%) for the tax period ending on December 31, 2026; 2% (+2%) for the tax period ending on December 31, 2027; 2% (+2%) for the tax period ending on December 31, 2028.

As a result of these legal provisions, the amount of the deferred tax assets relating to the Parent Company began to change starting in 2023 through reversals with economic impact.
Thanks to the fee for converting DTAs into tax credit, the amount of impairments pertaining to the 2023 fiscal year that contributed to the tax loss will be converted into tax credit starting from the date of submission of the tax return (IRES and IRAP), by October 15, 2024 (€10.7 million). Moreover, a portion of this DTA stock (€0.8 million) has already been converted into tax credit during the second quarter of 2024, following the approval of the 2024 Financial Statements, due to the presence of regulatory requirements related to statutory losses.

As of September 30, 2024, this item shows an overall reduction of €2.9 million, partly due to the aforementioned conversion into a tax credit and to period reversals of temporary differences. The dynamics related to the DTAs pursuant to Law 214/2011 resulted in period reversals of €12.7 million, with corresponding new provisions of the same amount.

Additionally, there are €47.1 million of unrecorded cumulated DTAs (€10.8 million raised in the period), of which €32.1 million related to tax losses concerning the Iberian Region and €15.0 million to the Parent Company, of which €11.2 million stemming from the portion of interest expenses subject to the 30% deductibility limitation of the Gross Taxable Operating Income, for which their recognition may be assessed in subsequent fiscal years.

With regard to the provisions of IAS 12, the balance of deferred tax assets is 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 September 30, 2024, took therefore into account the 2024-2026 Industrial Plan approved in the Board of Directors of March 20, 2024, and updated for the 2024 budget based on new projections approved by the Board on August 7, 2024, as well as estimates based on the most recent both endogenous and exogenous parameters. The outcome of the probability test as of September 30, 2024, supports the Group companies' ability to generate sufficient future taxable income to absorb the recoverability of their remaining DTAs.

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.

Taxes were calculated by applying the tax rates established under current law in each country, using, only for doNext the additional IRES 3.5 basis-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 September 30, 2024, 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)

	9/30/2024	12/31/2023
Provisions recognised through Income Statement	**75,124**	**78,032**
Write-downs of loans	26,958	40,239
Tax losses carried forward	30,288	18,230
Provisions for risks and charges	2,486	2,658
Property, plant and equipment / intangible assets	9,644	12,021
Administrative expenses	2,392	1,504
Other assets / liabilities	3,356	3,380
Provisions recognised through Equity	**297**	**319**
Defined benefit plans	297	319
Total	**75,421**	**78,351**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 9/30/2024	Total 12/31/2023
Opening balance	**78,032**	**319**	**78,351**	**101,758**
Increases	**13,627**	**-**	**13,627**	**11,062**
Deferred tax assets recognised during the period	12,907	-	12,907	11,062
- In respect of previous periods	91	-	91	366
- Accruals	12,816	-	12,816	10,696
New taxes or increases in tax rates	1	-	1	-
Other changes	719	-	719	-
Decreases	**(16,535)**	**(22)**	**(16,557)**	**(34,469)**
Deferred tax assets derecognised during the period	(15,642)	-	(15,642)	(34,297)
- Reversals of temporary differences	(15,642)	-	(15,642)	(16,531)
- Writedowns of non-recoverable items	-	-	-	(17,766)
Other changes	(893)	(22)	(915)	(172)
Closing balance	**75,124**	**297**	**75,421**	**78,351**

Deferred tax liabilities

Breakdown

(€/000)

	9/30/2024	12/31/2023
Provisions recognised through Income Statement	**40,422**	**42,602**
Other assets / liabilities	40,975	43,155
Others	(553)	(553)
Provisions recognised through Equity	**21**	**21**
Defined benefit plans	21	21
Total	**40,443**	**42,623**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 9/30/2024	Total 12/31/2023
Opening balance	**42,602**	**21**	**42,623**	**51,003**
Increases	**393**	**-**	**393**	**1,429**
Deferred tax liabilities recognised during the period	393	-	393	1,429
- Accruals	393	-	393	1,429
Decreases	**(2,573)**	**-**	**(2,573)**	**(9,809)**
Deferred tax liabilities derecognised during the period	(2,573)	-	(2,573)	(9,809)
- Reversals of temporary differences	(2,188)	-	(2,188)	(4,900)
- Other	(385)	-	(385)	(4,909)
Closing balance	**40,422**	**21**	**40,443**	**42,623**

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)

	9/30/2024	12/31/2023
Other non-current assets	**3,848**	**3,716**
Other current assets	**73,706**	**64,076**
Accrued income / prepaid expenses	3,070	2,268
Items for employees	1,110	696
Receivables for advances	57,608	43,130
Current receivables on taxes other than income tax	7,140	16,576
Other items	4,778	1,406
Total	**77,554**	**67,792**

The item shows an increase of €9.8 million, reaching €77.6 million, generated by the combined effect of a reduction in current receivables on taxes other than income tax, mainly attributable to the subsidiary doValue Greece, and an increase in receivables for advance from clients in the Hellenic Region, primarily due to strengthened legal recovery activities. Lastly, there is an increase in other items due to accrued and deferred costs directly attributable to the capital increase and the refinancing of the bonds linked to the Gardant acquisition, which are expected to be finalized in the fourth quarter. Once the transaction is recorded, these costs will be reclassified to equity.

Other non-current assets mainly consist of security deposits.

NOTE 6 – TRADE RECEIVABLES

(€/000)

	9/30/2024	12/31/2023
Receivables	**175,678**	**200,948**
Receivables accruing (Invoices to be issued)	150,756	151,452
Receivables for invoices issued but not collected	24,922	49,496
Provisions	**(1,134)**	**(1,104)**
Provisions for expected losses on receivables	(1,134)	(1,104)
Total	**174,544**	**199,844**

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 reduction of €25.3 million compared to the balance as of December 31, 2023, driven by a significant decrease in invoices issued but not collected (€24.6 million); receivables accruing, however, remain essentially stable.

Provisions for expected future credit losses account for 0.6% of receivables.

NOTE 7 – TAX ASSETS AND TAX LIABILITIES

As at September 30, 2024, tax assets amounted to €4.5 million (€4.6 million at December 31, 2023) and include tax credits originating from Italian and Spanish companies.
Tax liabilities amount to 5.6 million (€10.5 million at December 31, 2023) and represent the payable to the tax authorities for taxes net of liquidations made in the period.

NOTE 8 - CASH AND CASH EQUIVALENTS

The balance of €90.5 million, with a decrease of €21.9 million compared with the €112.4 million reported as at December 31, 2023, represents the liquidity available at the end of the period. For information on the next evolution, please refer to the paragraph on the Net Financial Position in the Directors' interim Report on the Group.
For an analysis of changes in cash and cash equivalents, please refer to the Consolidated Cash Flow Statement.

NOTE 9 – ASSETS HELD FOR SALE AND RELATED LIABILITIES

The item essentially includes the assets measured at the lower of its cost, as the carrying amount, and the recoverable amount, which due to the decisions taken by the management meet the requirements for their classification in line with "IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations”.
The table shows values related to the Group's full ownership of shares in Special Purpose Vehicles (SPVs) that are either in liquidation or intended for sale to third parties.
The data as of September 30, 2024, pertain to a SPV based in Italy; compared to the December 31, 2023, the amount related to two SPVs based in Spain has been fully written down.

(€/000)

	9/30/2024	12/31/2023
Non-current assets:		
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	10	16
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**10**	**16**
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	**10**	**16**
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	**-**	**-**

LIABILITIES AND EQUITY

NOTE 10 – NET EQUITY

(€/000)

	9/30/2024	12/31/2023
Net Equity attributable to the Shareholders of the Parent Company	**57,371**	**53,031**
Share capital	41,280	41,280
Treasury shares	(9,347)	(6,095)
Valuation reserve	(4,317)	(2,830)
Other reserves	19,414	38,506
Profit (loss) for the period attributable to the Shareholders of the Parent Company	10,341	(17,830)
Net Equity attributable to Non-controlling interests	**57,755**	**51,660**
Total	**115,126**	**104,691**

As of September 30, 2024, the subscribed and paid-up **share capital** of the Parent Company amounted to €41.3 million, divided into 16,000,000 ordinary shares with no par value. In this regard, it should be noted that, starting from September 23, following the resolution adopted on September 11, 2024 by the extraordinary Shareholders' Meeting, the original 80,000,000 ordinary doValue shares underwent a reverse stock split into 16,000,000 ordinary shares on the basis of a ratio of 1 new share for every 5 existing shares, without changing their characteristics.

The following table shows the shares outstanding at the reporting date. For a consistent comparison, the data for the comparative period have been restated as if the above-mentioned reverse stock split had taken effect on January 1, 2023.

(no. of shares)	9/30/2024	12/31/2023 (*)
Ordinary shares issued	16,000,000	16,000,000
Treasury shares	(555,385)	(298,926)
Total shares outstanding	**15,444,615**	**15,701,074**

(*) Restated amounts following the reverse stock split

Treasury shares, shown as a direct reduction of Shareholders' Equity, amounted to €9.3 million, with an increase of €3.2 million, compared to €6.1 million in the previous year. As at September 30, 2024, the number of treasury shares is 3.47% of the number of issued ordinary shares.

Below are the details concerning the movement of treasury shares, which indicate an increase due to market acquisitions totalling 1,332,600 shares for a value of €3.4 million. Additionally, there is a decrease resulting from the exercise of 50,302 performance stock grants (with a value of €168 thousand), allocated by doValue to beneficiaries upon finalization of the incentive system, in accordance with the Remuneration Policy.
The reverse stock split described above is presented in the table as a single transaction, as it occurred after the purchase and sale movements.

(no. of treasury shares)	9/30/2024	12/31/2023
Opening balance	1,494,630	900,434
Purchases	1,332,600	667,400
Transfers due to exercise of performance stock grants	(50,302)	(73,204)
Reverse Stock Split	(2,221,543)	(1,195,704)
Closing balance	**555,385**	**298,926**

The **valuation reserve** as at September 30, 2024, amounted to a negative value of €4.3 million, (-€2.8 million as at December 31, 2023) and included 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)

	9/30/2024	12/31/2023
Reserves from allocation of profits or tax-suspended reserves	**26,094**	**26,076**
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,140	1,140
Reserve from retained earnings	(8,597)	(8,597)
Reserve from retained earnings - Share Based Payments	14,209	14,191
Other reserves	**(6,680)**	**12,430**
Extraordinary reserve	57,452	60,388
Reserve, Lgs. Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Law 218/90	4,179	4,179
Reserve from business combinations	1,746	1,746
Share Based Payments Reserve	1,693	2,134
Consolidation reserve	(77,897)	(62,164)
Total	**19,414**	**38,506**

Overall, the item shows a decrease of €19.1 million due to the combination of the following main elements:

- a decrease of €2.9 million due to the 2023 fiscal year loss, which the Shareholders' Meeting on April 26, 2024, resolved to cover using the **extraordinary reserve**;
- an increase of €15.7 million in the negative consolidation reserve, primarily due to the 2023 results of the subsidiaries;
- a net reduction of €0.4 million in **Share-Based Payments** reserves accounted for under IFRS 2, resulting from the remuneration policy that provides for compensation in the form of shares to certain categories of managers (see Note 17 – for further details).

Shareholders' equity attributable to Non-controlling interests amounted to €57.8 million, including the profit (loss) for the period attributable to non-controlling interests of €6.1 million, and refers to the 20% stake in doValue Greece held by Eurobank.

NOTE 11 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	9/30/2024	12/31/2023
Non-current loans and other financing			**294,041**	**552,861**
Bond 2020	5%	8/4/2025	-	259,601
Bond 2021	3,375%	7/31/2026	294,041	293,260
Current loans and other financing			**290,977**	**35,169**
Bank loans	Euribor3m+1,8%	12 months	25,516	25,506
Bond 2020	5%	2/1/2025	263,796	5,500
Bond 2021	3,375%	1/31/2025	1,665	4,163
Total			**585,018**	**588,030**

The balance of loans and other financing as at September 30, 2024, includes the residual debt values at amortised cost of the following **bonds** (current and non-current portions):

- €263.8 million for the guaranteed senior bond loan issued on August 4, 2020, maturing in 2025, at the annual rate of 5% for a principal of €264.0 million (€265.0 million at issue), reduced in 2023 by €1.0 million due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The liquidity deriving from this bond loan had been used to repay the bridge loan in the context of the acquisition of doValue Greece;
- €295.7 million for the guaranteed senior bond loan issued on July 22, 2021, maturing in 2026, at the annual fixed rate of 3.375%, for a principal amount of €296.0 million (€300.0 million at issue), reduced in 2023 by €4.0 million due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The bond was used to repay the Facility Loan concluded to finance the purchase of the interest in doValue Spain and to refinance the pre-existing debt of the same investee.

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

The **bank loan** component includes €25.5 million relating almost completely to the use of a revolving credit line with a 12-month maturity aimed at temporary liquidity needs in the Hellenic Region.

It should be noted that both the bonds and the bank loan include certain covenants, which were met as of September 30, 2024. For further details, please refer to the section “Information on risks and risk management policies - Capital management.”

NOTE 12 – OTHER FINANCIAL LIABILITIES

(€/000)

	9/30/2024	12/31/2023
Other non-current financial liabilities	**44,572**	**50,301**
Lease liabilities	22,588	29,795
Earn-out	21,984	20,506
Other current financial liabilities	**24,195**	**46,239**
Lease liabilities	12,195	11,704
Earn-out	12,000	34,162
Others	-	373
Total	**68,767**	**96,540**

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 18 for information on changes in lease liabilities during the year.

The **Earn-out** liability recorded in the amount of €22.0 million under other non-current financial liabilities as well as €12.0 million under the current portion, relates to the debt arising from the acquisition of doValue Greece linked to the achievement of certain EBITDA targets over a ten-year period. By the end of 2024, an agreement will be finalized with the seller regarding the payment schedule and any potential adjustments to the amount due for the current portion.

During the period, following the resolution of the arbitration in Spain, the Earn-out debt related to the acquisition of doValue Spain was settled, totaling €22.4 million, including interest expenses for late payment amounting to €4.8 million (for more details, refer to the "Operational Risks – Legal and Tax Risks" section as well as the Significant Events section of the Directors’ Interim Report on the Group).

Net financial indebtedness

The net financial indebtedness is reported in compliance with Guideline No. 39 issued on March 4, 2021 by ESMA and with warning notice No. 5/2021 issued on April 29, 2021 by CONSOB, which replaced the references to the CESR Recommendations of February 10, 2005, “Recommendations for the Consistent Implementation of the European Commission's Prospectus Regulation” and those in Communication No. DEM/6064293 of July 28, 2006, regarding the net financial position.

The comparative data as of December 31, 2023, has been restated according to the ESMA scheme mentioned above, replacing the format used in the 2023 Consolidated Annual Financial Report, which was compliant with the CESR Recommendations of February 10, 2005.

(€/000)

Note			9/30/2024	12/31/2023
8	A	Cash	90,509	112,376
	B	Cash equivalents	-	-
	C	Other current financial assets	-	-
	D	**Liquidity (A)+(B)+(C)**	**90,509**	**112,376**
11	E	Current financial debt (including debt instruments)	(289,312)	(25,879)
11, 12	F	Current portion of non-current financial debt	(25,860)	(55,529)
	G	**Current financial indebtedness (E)+(F)**	**(315,172)**	**(81,408)**
	H	**Net current financial indebtedness (G)+(D)**	**(224,663)**	**30,968**
11	I	Non-current financial debt (excluding current portion and debt instruments)	(44,572)	(50,301)
11	J	Debt instruments	(294,041)	(552,861)
	K	Non-current trade and other payables	-	-
	L	**Non-current financial indebtedness (I)+(J)+(K)**	**(338,613)**	**(603,162)**
	M	**Total financial indebtedness (H)+(L)**	**(563,276)**	**(572,194)**

Below is a reconciliation between the financial indebtedness according to the ESMA scheme presented above and the net financial position prepared according to the representation criteria of the doValue Group and included in the Directors' Interim Report on the Group.

(€/000)

		9/30/2024	12/31/2023
A	**Net financial indebtedness (as per ESMA Guideline)**	**(563,276)**	**(572,194)**
	Other current financial liabilities (Note 12)	24,195	46,239
	Non-current financial debt (excluding current portion and debt instruments)	44,572	50,301
B	**Items excluded from the Net financial position**	**68,767**	**96,540**
C	**Net financial position (A)+(B)**	**(494,509)**	**(475,654)**

NOTE 13 – 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.

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

(€/000)

	9/30/2024	12/31/2023
Opening balance	**8,412**	**9,107**
Increases	**490**	**2,693**
Provisions for the period	491	2,636
Other changes	(1)	57
Decreases	**(755)**	**(3,388)**
Benefits paid	(663)	(3,188)
Other changes	(92)	(200)
Closing balance	**8,147**	**8,412**

Overall, this item shows a 3% reduction compared to December 31, 2023.

NOTE 14 – 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 disputes	**Out-of-court disputes and other provisions**	**Total funds against the item "Provisions for risk and charges" of the income statement**	**Potential liabilities for employee**	**Other**	**Total funds against other items of the income statement**	**Total 9/30/2024**	**Total 12/31/2023**
Opening balance	**7,015**	**8,659**	**15,674**	**722**	**9,960**	**10,682**	**26,356**	**37,655**
Increases	**3,242**	**1,593**	**4,835**	**53**	**2,246**	**2,299**	**7,134**	**6,977**
Provisions for the period	3,136	1,458	**4,594**	36	2,246	**2,282**	**6,876**	**6,187**
Changes due to the passage of time and changes in the discount rate	7	67	**74**	17	-	**17**	**91**	**409**
Other changes	99	68	**167**	-	-	**-**	**167**	**381**
Decreases	**(2,038)**	**(1,646)**	**(3,684)**	**(152)**	**(3,203)**	**(3,355)**	**(7,039)**	**(18,276)**
Reallocations of the period	(688)	(721)	**(1,409)**	-	-	**-**	**(1,409)**	**(8,219)**
Utilisation for payment	(1,282)	(821)	**(2,103)**	(14)	(3,203)	**(3,217)**	**(5,320)**	**(8,367)**
Other changes	(68)	(104)	**(172)**	(138)	-	**(138)**	**(310)**	**(1,690)**
Closing balance	**8,219**	**8,606**	**16,825**	**623**	**9,003**	**9,626**	**26,451**	**26,356**

The **legal disputes** item, with the corresponding economic impact reflected in the "provisions for risks and charges" account, primarily includes the provision for risks related to passive legal disputes arising from the Group's core activities, showing a reduction of €1.2 million compared to December 31, 2023, due to the combined effect of releases for the settlement of certain lawsuits, payments, and provisions for new disputes.

The item for **out-of-court disputes and other provisions** shows a balance of €8.6 million, which is essentially in line with the balance as of December 31, 2023, and primarily includes provisions for risks for which no legal actions have been currently initiated.

The item for **potential liabilities for employees** includes provisions recorded to cover potential bonuses that are not tied to determinable quantification mechanisms.

The **other** component, which falls within the funds against other items of the income statement, decreased from €10.0 million to €9.0 million due to provisions and payments for the nine-month's portion of variable consideration associated to a specific type of fee (the so-called "Curing Fee"), in accordance with the accounting standard IFRS 15, resulting in a net effect of -€1.0 million.

NOTE 15 – TRADE PAYABLES

(€/000)

	9/30/2024	12/31/2023
Payables to suppliers for invoices to be received	30,727	48,245
Payables to suppliers for invoices to be paid	32,482	37,138
Total	**63,209**	**85,383**

As of September 30, 2024, the data shows a 26% decrease, amounting to €22.2 million, compared to the balance as of December 31, 2023, due to a reduction in payables for invoices to be received as well as in payables for invoices to be paid.

NOTE 16 – OTHER LIABILITIES

(€/000)

	9/30/2024	12/31/2023
Other non-current liabilities	**8,407**	**9,087**
Amounts to be paid to third parties	8,267	8,812
Deferral of government grants related to assets	140	275
Other current liabilities	**39,942**	**59,906**
Amounts to be paid to third parties	285	4,411
Amounts due to personnel	18,725	22,139
o.w. employees	*18,254*	*21,780*
o.w. members of Board of Directors and Auditors	*471*	*359*
Amounts due to pension and social security institutions	4,218	6,047
Current payables on taxes other than income tax	10,752	11,938
Items being processed	970	1,484
Deferral of government grants related to assets	227	426
Other accrued expenses / deferred income	4,618	13,313
Other items	147	148
Total	**48,349**	**68,993**

As of September 30, 2024, this item amounted to €48.3 million compared to €69.0 million in 2023, with an overall decrease of €20.6 million.

With regard to **other non-current liabilities**, the main component "amounts to be paid to third parties"
includes for €5.4 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 includes also €2.9 million for the liability related to the acquisition of software under medium-long-term contracts in Italy and Greece.

The **other current liabilities** item shows an overall decrease of €20.0 million, primarily originating from the category "other accrued expenses / deferred income" which has decreased by €8.7 million due to the gradual release of the deferral on the advance payment of servicing fees for the Hellenic Region.
The remaining categories also show a decreasing trend, notably the overall reduction in "amounts due to personnel" and "amounts due to pension and social security institutions" (-€5.2 million), the category "amounts to be paid to third parties" (-€4.1 million), and "current payables on taxes other than income tax" (-€1.2 million).

NOTE 17 – SHARE-BASED PAYMENTS

The Shareholders' Meeting of doValue on April 26, 2024, approved the Report on the Remuneration policy 2024 and remuneration paid in 2023.
The Remuneration Policy is based on the 2024-2026 timeframe, in line with the three-year Industrial Plan approved on March 20, 2024. This alignment ensures a high level of consistency across the entire Governance system and aligns the compensation structure of the Chief Executive Officer (hereinafter, "CEO") and other Executives with Strategic Responsibilities (hereinafter, "DIRs") with long-term objectives.

The new 2024-2026 Remuneration Policy highlights the following changes:

- a new remuneration structure for the CEO, which oversees a revision of fixed and variable remuneration and the inclusion among the beneficiaries of the third and last cycle (2024-2026) of the 2022-2024 Long Term Incentive (hereinafter "LTI") Plan;
- a review of the Pay-Mix of the CEO and DIRS which includes:

- for the Group Chief Executive Officer (Group CEO), a maximum of 100% of fix remuneration as the short-term variable component ("STI") and a maximum of 160% of fix remuneration as LTI Plan;
    - for other DIRs, the alignment of the short-term variable component with the long-term variable component (up to a maximum of 100% of fix remuneration as STI and up to a maximum of 100% of fix remuneration as LTI);
- a review of the CEO and DIRs MBO scorecards, increasing the weight of financial KPIs in line with market practice;
- the disclosure on the KPIs linked to the third and final 2024-2026 cycle of the 2022-2024 LTI Plan.

The LTI plan grants beneficiaries (Chief Executive Officer, DIRS and Key Resources) the right to receive on a 3 year rolling cycle, free doValue's shares if a given set of performance conditions is achieved at the end of the vesting period. This plan includes an entry gate linked to Group profitability.
The 2024-2026 cycle of the LTI is linked to objectives of economic sustainability and financial growth, share price appreciation, revenue growth, and ESG.
For the shares allocated to DIRs, provision is made for a 1-year retention period ("lock-up") for 50% of the shares accrued, while for the Chief Executive Officer, this period corresponds to 2 years.

The reference price for calculating the number of shares to be assigned at the end of each period as the value 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 cycle.
After the payment of the variable compensation, doValue reserves the right, within 5 years from the date of assignment of the variable compensation, to ask the beneficiary to return the bonus ("clawback"), in specific cases of fraudulent behavior or gross negligence, violation of laws or of the Code of Ethics and company rules, or the attribution of a bonus on the basis of data which subsequently turns out to be manifestly incorrect or intentionally altered. The malus condition is also applicable if one of the clawback clauses occurs during the performance period.

The Group uses treasury shares for these remuneration plans.

The amount recognised in the income statement for the first nine months of 2024 amounted to €176 thousand, with a corresponding amount reflected in a specific equity reserve.

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).

NOTE 18 – 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	Electronic system	Other tangible assets	Total 9/30/2024	Total 12/31/2023
Opening balance	**28,808**	**10,062**	**2,692**	**41,562**	**50,650**
Increases	**662**	**4,013**	**1,906**	**6,581**	**5,946**
Purchases	560	4,013	1,782	6,355	4,725
Other changes	102	-	124	226	1,221
Decreases	**(6,938)**	**(3,679)**	**(1,472)**	**(12,089)**	**(15,034)**
Amortisation	(6,633)	(3,126)	(1,009)	(10,768)	(14,323)
Other changes	(305)	(553)	(463)	(1,321)	(711)
Closing balance	**22,532**	**10,396**	**3,126**	**36,054**	**41,562**

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)

	9/30/2024	12/31/2023
Opening balance	**41,499**	**49,938**
Increases	**7,280**	**7,788**
New liabilities	6,191	3,361
Financial expenses	1,021	1,298
Other changes	68	3,129
Decreases	**(13,996)**	**(16,227)**
Payments	(12,732)	(15,928)
Other changes	(1,264)	(299)
Closing balance	**34,783**	**41,499**
o.w.: Non-current lease liabilities	22,588	29,795
o.w.: Current lease liabilities	12,195	11,704

The increases, amounting to €7.3 million, mainly pertain to the category of electronic system and other tangible assets, which primarily include company cars.

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

(€/000)

	9/30/2024	9/30/2023
Amortisation of right-of-use assets	(10,768)	(10,749)
Financial expenses from lease liabilities	(1,021)	(1,049)
Total	**(11,789)**	**(11,798)**

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

NOTE 19 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)

	9/30/2024	9/30/2023
Servicing services	126,904	129,252
Servicing for securitisations	131,872	138,799
REO services	21,837	29,707
Total	**280,613**	**297,758**

The item as a whole decreased by 6% compared to the first nine months of the previous year.
This result is due to lower revenues recorded in all components: **servicing services** (-2%), **REO services** (-26%), and **servicing for securitisation** (-5%).
This contraction, in line with the Group's expectations, is the result of the worsening macroeconomic conditions that are affecting the market.
At the geographical level, a negative difference is reported between the two periods under comparison in both the Hellenic Region, mainly due to the deferral of certain disposal revenues into the fourth quarter, and the Iberian Region, primarily in REO services due to pressure on real estate prices. In contrast, revenues in Italy show substantial stability.

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)

First Nine Months 2024	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	23,905	77,898	30,782	(5,681)	**126,904**
Servicing for securitisations	65,154	66,718	-	-	**131,872**
REO services	-	7,751	16,140	(2,054)	**21,837**
Total revenue	**89,059**	**152,367**	**46,922**	**(7,735)**	**280,613**

First Nine Months 2023	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	15,392	86,820	35,033	(7,993)	**129,252**
Servicing for securitisations	73,989	64,810	-	-	**138,799**
REO services	-	7,338	25,915	(3,546)	**29,707**
Total revenue	**89,381**	**158,968**	**60,948**	**(3,375)**	**297,758**

NOTE 20 – OTHER REVENUES

(€/000)

	9/30/2024	9/30/2023
Administrative Servicing/Corporate Services Provider	16,595	14,284
Information services	7,215	5,164
Recovery of expenses	2,885	1,646
Due diligence & Advisory	1,783	3,751
Ancillary REO services	312	2,483
Other revenues	8,636	11,572
Total	**37,426**	**38,900**

This item shows a 4% decrease compared to the first nine months of 2023, as a result of a deterioration recorded in the **due diligence & advisory**, **ancillary REO services** and **other revenues** (overall -40%), not offset by the increase in the remaining categories listed in the table.

NOTE 21 – COSTS FOR SERVICES RENDERED

(€/000)

	9/30/2024	9/30/2023
Costs related to Assets Under Management	(8,483)	(10,979)
Brokerage fees	(6,743)	(7,355)
Costs for services	(164)	-
Total	**(15,390)**	**(18,334)**

The item, which includes the fees of the recovery network, shows a reduction compared to the first nine months of the previous year (-16%) also due to the decrease in revenue from contracts with customers as mentioned in Note 19 above.
The remuneration mechanism of the external network, directly related to revenues, combined with the flexibility of the collaboration agreements, allows the Group to reduce these direct costs to protect its margins in cyclical phases of business slowdown.

NOTE 22 – PERSONNEL EXPENSES

(€/000)

	9/30/2024	9/30/2023
Payroll employees	(145,651)	(153,267)
Members of Board of Directors and Board of Statutory Auditors	(1,972)	4,099
Other personnel	(6,055)	(5,870)
Total	**(153,678)**	**(155,038)**

Average number of employees by category

	9/30/2024	9/30/2023
Payroll employees	**2,801**	**2,889**
a) Executives	89	111
b) Managers	898	920
c) Other employees	1,814	1,858
Other staff	**293**	**250**
Total	**3,094**	**3,139**

The item shows a 1% reduction compared to the same period last year: specifically, there is a 5% reduction in the **payroll employees**, while the analysis of the **members of Board of Directors and Board of Statutory Auditors** component must consider the positive effect of 2023 due to the release of provisions for deferred variable compensation in favor of the former Chief Executive Officer. The **other employees** component, which mainly includes temporary agency work, records a 3% increase.

Personnel expenses include charges related to exit incentives totalling €10.3 million, of which €6.1 million only in Iberia.
Regarding the breakdown of the cost for employee benefits included in this item, please refer to Note 13 – Employee benefits.

NOTE 23 – ADMINISTRATIVE EXPENSES

(€/000)

	9/30/2024	9/30/2023
External consultants	(22,646)	(15,354)
Information Technology	(25,203)	(25,514)
Administrative and logistical services	(10,810)	(9,145)
Building maintenance and security	(1,983)	(1,826)
Insurance	(1,180)	(1,638)
Indirect taxes and duties	(1,319)	(1,566)
Postal services, office supplies	(265)	(415)
Indirect personnel expenses	(1,217)	(1,333)
Debt collection	(754)	(929)
Utilities	(1,694)	(1,953)
Advertising and marketing	(2,543)	(3,212)
Other expenses	(389)	(424)
Total	**(70,003)**	**(63,309)**

Overall, the item shows a 11% increase compared to the same period of the previous year. This trend is mainly driven by higher costs for **external consultants** and, to a lesser extent, for **administrative and logistical services**, while there are spending reductions for almost all other components, particularly for **insurance**, **indirect taxes and duties**, **utilities**, **advertising and marketing**, which partially offset the highlighted increases.

NOTE 24 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)

	9/30/2024	9/30/2023
Recovery of expenses	6	-
Government grants	334	281
Reductions in assets	(265)	(116)
Other expenses	(172)	(98)
Other income	756	1,661
Total	**659**	**1,728**

The item shows a positive balance of €0.7 million for the period, compared to a same positive balance of €1.7 million in the same period last year.

NOTE 25 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	9/30/2024	9/30/2023 Restated
Intangible assets	**(30,498)**	**(64,044)**
Amortisation	(30,498)	(34,626)
Impairment	-	(29,418)
o.w. Impairment on goodwill	-	(12,530)
Property, plant and equipment	**(12,508)**	**(12,635)**
Amortisation	(12,508)	(12,635)
Financial assets measured at amortised cost	**2**	**829**
Writedowns	(14)	(324)
Writebacks	16	1,153
Trade receivables	**101**	**245**
Writedowns	(32)	(38)
Writebacks	133	283
Other assets	**-**	**262**
Writebacks	-	262
Total	**(42,903)**	**(75,343)**

The item shows a 43% reduction compared to the same period of the previous year.
Specifically, the **intangible assets** component includes the amortization portion reflecting the amortization curves of long-term contracts based on the respective business plans.
The period reduction of the component (-€4.1 million) is linked to the different margins on SLAs, particularly in the Hellenic region. Furthermore, unlike the previous year, this period does not include the negative impact of impairment losses, which in the prior period resulted in a €14.7 million write-down of the Santander SLA, €1.7 million for the brand attributable to the subsidiary doValue Spain, and €12.5 million related to the goodwill of the "Iberia" CGU.

The **property, plant, and equipment** category includes the effects of IFRS 16 for amortization on right-of-use assets, which amounted to €10.8 million in the first nine months of 2024 (€10.7 million also in the first nine months of 2023).

NOTE 26 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	9/30/2024			9/30/2023 Restated		
	Provisions	**Reallocations**	**Total**	**Provisions**	**Reallocations**	**Total**
Legal disputes	(3,143)	688	**(2,455)**	(2,527)	97	**(2,430)**
o.w. Employee disputes	*(664)*	*12*	***(652)***	(36)	18	***(18)***
Out-of-court disputes and other risk provisions	(1,525)	721	**(804)**	(2,410)	3,276	**866**
Total	**(4,668)**	**1,409**	**(3,259)**	**(4,937)**	**3,373**	**(1,564)**

The item, whose net negative balance reflects a worseing of €1.7 million compared to the first nine months of 2023, consists of operational changes in provisions for legal disputes, out-of-court settlements, and other risk provisions, set aside to fulfil legal and contractual obligations that are anticipated to require the use of economic resources in subsequent periods.

As at September 30, 2024, the item showed a negative balance of €3.3 million (-€1.6 million as at September 30, 2023), 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.

NOTE 27 – FINANCIAL (EXPENSE)/INCOME

(€/000)

	9/30/2024	9/30/2023
Financial income	**5,192**	**2,836**
Income from financial assets measured at fair value through P&L	1,025	1,064
Income from financial assets measured at amortised cost	1,462	1,307
Income from financial liabilities measured at amortised cost	-	454
Other financial income	2,705	11
Financial expense	**(24,351)**	**(26,766)**
Expense from financial liabilities measured at amortised cost	(20,173)	(20,121)
Other financial expenses	(4,178)	(6,645)
Net change of other financial assets and liabilities measured at fair value through P&L	**167**	**2,995**
Financial assets - o.w.: debt securities	(457)	2,716
Financial assets - o.w.: units in collective investment undertakings	640	577
Financial assets - o.w.: non-hedging derivatives	(16)	(298)
Total	**(18,992)**	**(20,935)**

Financial income amounts to €5.2 million and derives from accrued income on ABS securities in the portfolio (€1.0 million), interest on fixed-term deposits (€1.5 million), and, under "other financial income" the income related to the interest portion (€2.7 million) resulting from the settlement of the arbitration in Spain totaling €22.7 million (for more details, refer to the "Operational Risks – Legal and Tax Risks" section and the significant events occurred during the period in the Directors' Interim Report on the Group).
The **Financial expense** item (€24.4 million) includes accrued interest on the 2020 and 2021 bonds outstanding, while the "other financial expenses" component mainly includes interest calculated under IFRS 16 (€1.0 million), €1.7 million of time value related to the Earn-out for the acquisition of doValue Greece, and €1.1 million of interest on the credit line of the Greek company doValue Greece.
The **Net change pf other financial assets and liabilities measured at fair value through P&L** is primarily attributable to the fair value delta of portfolio notes as well as of the OICR units. Compared to the same period in the previous year, which recorded a positive balance due to the valuation of Cairo notes, in the current period the fair value delta of debt securities is negative across all portfolio notes.

NOTE 28 – PROFIT (LOSS) FROM EQUITY INVESTMENTS

As of September 30, 2024, the balance of the item is negative by €3.0 million, arising from the disposal outside the Group of the Portuguese companies, doValue Portugal and its subsidiary Zarco, completed in July 2024.

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.
For the reporting period 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 September 30, 2024, 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 extension of the tax base also to financial charges and income and the application of the rate envisaged for banks of 5.57% unless otherwise provided by the individual regions.

(€/000)

	9/30/2024	9/30/2023 Restated
Current tax	(14,773)	(18,204)
Adjustment to current tax of prior years	229	(129)
(Expense)/income related to tax disputes	20,018	(931)
Changes to deferred tax assets	(2,733)	(18,708)
Changes to deferred tax liabilities	2,180	8,175
Total	**4,921**	**(29,797)**

Income taxes are positive at €4.9 million due to the presence of €20.0 million in the **(expense)/income related to tax disputes** category, as part of the total €22.7 million resulting from the settlement of the arbitration in Spain (for more details, refer to the "Operational Risks – Legal and Tax Risks" section and the significant events occurred during the period in the Directors' Interim Report on the Group).

Compared to the same period of the previous year, the balance for the period also benefits from the absence of deferred tax asset write-downs related to the Iberian region, which had negatively impacted the comparative figure by €14.5 million, in addition to a €4.1 million reduction in deferred tax liabilities following the write-down of intangible assets of doValue Spain.

NOTE 30 – EARNINGS PER SHARE

(€/000)

	9/30/2024	9/30/2023 Restated
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]	**10,341**	**(25,667)**
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
basic [B]	15,462,941	15,827,664
diluted [C]	15,462,941	15,827,664
Earnings (loss) per share (in euro)		
basic [A/B]	0.67	(1.62)
diluted [A/C]	0.67	(1.62)

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.
This denominator was impacted by the reverse stock split that took place on September 23, based on a ratio of 1 new share for every 5 existing shares, which resulted in the consolidation of the original 80,000,000 ordinary shares into 16,000,000 shares with the same characteristics (for further details, refer to Note 10). The weighted average number of shares outstanding for the comparative period was therefore recalculated in accordance with IAS 33 to ensure a consistent comparison between the two periods.
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

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.

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 September 30, 2024, 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 (current account balances and short-term time deposits readily convertible with leading banks).
In order to ensure efficient liquidity management, treasury activities are largely centralised at the Parent Company level, with liquidity needs being met primarily from cash flows generated by the ordinary course of business and any surpluses being managed appropriately.

The Group expects to meet its requirements related to investment activities, working capital management and debt repayment at maturity through currently available funds and credit facilities, as well as from funds that will be generated by operating and financing activities (included the acquisition of Gardant). Additionally, €82.5 million deriving from a right issue capital increase of €150 million, which are part of the agreed financing package related to the Gardant acquisition, will support these requirements (refer to details already provided in the Director's Interim Report on the Group).

The Group currently believes that the right issue capital increase of €150 million - covered by a so-called pre-underwriting agreement with leading banks for €67.5 million, representing the portion not subscribed by the main shareholders - will be fully subscribed. As a result, doValue would also have access to cash from the refinancing term facility, which is part of the new bank financing package exceeding €500 million linked to the Gardant acquisition. Of this referincancing term facility, of total €196 million, €110 million will expect to be used, along with cash from the capital increase, to repay the bond maturing in August 2025. The remaining €86 million portion of the refinancing term facility, together with available liquidity and cash generated from business operations, will support the refinancing of the bond maturing in 2026 in the manner and timing deemed most suitable in light of market conditions.
In the event of a partial completion of the market capital increase, the Group may be able to access the refinancing term facility and supplement it with available liquidity, as well as proceeds from third-party subscriptions of equity instruments, quasi-equity, or subordinated debt instruments issued by doValue.
If the right issue is not finalized, and the related refinancing term facility is not drawn - a scenario the Group considers remote as of the date of this document - the Group has identified additional financial options that could be activated to meet obligations related to the repayment of the bond maturing in August 2025. These options include issuing a new bond, potentially through an exchange offer with current bondholders (offering them new bonds with a longer maturity and a higher interest rate in exchange for bonds maturing in 2025), and/or securing new bank credit lines. Furthermore, the Group may consider issuing equity, hybrid-equity, or subordinated debt instruments subscribed by third-party investors, or potentially by the bondholders themselves. These measures, supported by the Group's established access to financial markets and stable relationships with key banking and institutional counterparts, are considered realistic and feasible, especially in light of recent market conditions where several players, including those in the same sector as doValue, have completed similar transactions.

(€/000)

	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	9/30/2024	12/31/2023
Loans and other financing	**-**	**141**	**290,836**	**294,041**	**-**	**585,018**	**588,030**
Bank loans	-	141	25,375	-	-	25,516	25,507
Bonds	-	-	265,461	294,041	-	559,502	562,523
Other financial liabilities	**-**	**1,190**	**23,005**	**33,551**	**11,021**	**68,767**	**96,540**
Lease liabilities	-	1,190	11,005	22,574	14	34,783	41,499
Earn-out	-	-	12,000	10,977	11,007	33,984	54,668
Others	-	-	-	-	-	-	373
Trade payables	**16,413**	**9,308**	**37,488**	**-**	**-**	**63,209**	**85,383**
Other current liabilities	**3,142**	**21,435**	**15,366**	**8,120**	**286**	**48,349**	**68,993**
Total	**19,555**	**32,074**	**366,695**	**335,712**	**11,307**	**765,343**	**838,946**

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 medium-term indebtedness with variable interest rates.
The Group's financial structure has benefited from relatively low interest rates over the past 4-5 years, thanks to the fixed-rate bond issuances in 2020 and 2021, minimizing exposure to interest rate fluctuations.
In the short term, however, the Group's financial structure will be affected by interest rate conditions related to the new funding source; for the various scenarios currently anticipated, please refer to the previous section on Liquidity Risk.

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;
- 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") ensures 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.
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 interimly 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" on the basis of the information that becomes available.

Risks connected with tax disputes

Regarding the events following the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain Servicing S.A. (hereinafter "doValue Spain"), on May 11, 2023, the International Court of Arbitration of the International Chamber of Commerce issued the arbitral award condemning Altamira Asset Management Holdings S.L. (hereinafter "AAMH") to repay approximately €28 million, plus legal interest, in favour of the doValue Group. Similarly, doValue S.p.A. (hereinafter "doValue") was required to make the Earn-out payment, inclusive of passive interests. The amounts related to the Spanish tax claim were paid in 2021 by doValue Spain to the Spanish Tax Authority in the context of the inspection launched in connection to facts and events occurred prior to the acquisition performed by doValue which took place in 2019. In response to this arbitral award, AAMH has initiated legal action, before the competent Spanish courts, seeking the partial annulment of the arbitral award concerning its obligation to pay the tax claim imposed under the arbitral award. The judgment of the High Court of Justice of Madrid on the annulment action brought by AAMH, in favour of doValue Group, was announced on June 7, 2024.
Regarding the enforcement action initiated by the Parent Company doValue and its subsidiary doValue Spain in July 2023 to enforce and collect the sums due from AAMH under the Award, on December 21, 2023, the competent Court in Madrid issued an enforcement order, condemning AAMH to pay the amount specified in the arbitral award, leading to the seizure of all assets owned by AAMH. Regarding such executive procedure, AAMH filed an opposition. On February 26, 2024, the competent Court in Madrid rejected the opposition filed by AAMH. No further appeal was brought and is pursuable by AAMH.
On January 16, 2024, doValue deposited approximately €22 million with the competent Court, in execution of its own motion (i.e., the seizure of the Earn-out credit that AAMH holds against doValue pursuant to the arbitral award). Regarding these sums, attributable to the aforementioned Earn-Out, the Court has consented to their use to satisfy a portion of the credit that doValue Spain holds against AAMH in light of the Award. With a decision dated April 4, 2024, the Court accepted the Group's request and ordered the delivery of the deposited amount of approximately €22 million to doValue Spain; doValue Spain received the funds on April 11, 2024.

Additionally, concerning the formal closure of the tax audit that the Parent Company has received by the Italian Tax Authority concerning the fiscal years 2015, 2016 and 2017, prior to the listing, at the end of April 2023, a tax assessment was received in connection with the 2016 finding and for which it filed a tax settlement proposal to activate the adequate protection measures and demonstrate, supported by a pool of professionals, the reasons for the correctness of the own conduct. Following the inability to reach a settlement agreement, which was pursued to achieve an out-of-court agreement quickly and with minimal expenditure considering the correctness of its position, on December 16, 2023, the settlement procedure was formally closed, and a judicial appeal was filed. A hearing was held on May 23, 2024, and on June 21, 2024, the Tax Court issued a ruling that fully upheld doValue's appeal and annulled the 2016 assessment notice.
On September 13, 2024, the Tax Authority filed an appeal against the first instance decision. The term for challenging in the second-degree proceedings is currently pending, and the counter-arguments and cross-appeal are being prepared for submission by November 12, 2024.
On December 19, 2023, the Group also received a tax assessment for the 2017 fiscal year; the Parent Company filed a tax settlement proposal on February 16, 2024, to demonstrate the correctness of its actions based on a multitude of well-founded elements from a legal tax perspective. Following the inability to reach a settlement agreement with the Tax Authority, the Parent Company filed a judicial appeal on May 15, 2024.
Considering the above for both assessments, the Parent Company deems the risk of liability possible.

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.

However, the bond loans issued in 2020 and 2021 require compliance with certain covenants that, subject to certain exceptions, limit the Group's ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances, and the transfer of assets;
- sell, lease, or transfer certain assets, including shares of restricted subsidiaries;
- engage in certain transactions with affiliates;
- merge or consolidate with other entities.

As of September 30, 2024, no breaches of the covenants described above have occurred.

(€/000)

	9/30/2024	12/31/2023
Loans and other financing (Note 11)	585,018	588,030
Other financial liabilities (Note 12)	68,767	96,540
Trade payables (Note 15)	63,209	85,383
Other liabilities (Note 16)	48,349	68,993
Less: cash and cash equivalents (Note 8)	(90,509)	(112,376)
Net debt (A)	**674,834**	**726,570**
Equity	57,371	53,031
Equity and net debt (B)	**732,205**	**779,601**
Gearing ratio (A/B)	**92%**	**93%**

The table below reconciles the **net debt** figure shown in the previous table with the **net financial indebtedness** presented in Note 12 of the "Information on the consolidated balance sheet" section.

(€/000)

	9/30/2024	12/31/2023
Net financial indebtedness (Note 12)	**563,276**	**572,194**
Trade payables (Note 15)	63,209	85,383
Other liabilities (Note 16)	48,349	68,993
Net debt (A)	**674,834**	**726,570**

Commitments and guarantees provided

As at September 30, 2024, 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) (refer also Note 3).

The guarantees issued as at September 30, 2024, amounted to €2.0 million, of which €0.9 million and are related to rented operating properties and €1.1 million pertains to pledges on bank accounts.

SEGMENT REPORTING

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 corporate acquisitions in Europe (doValue Spain at the end of June 2019 and doValue Greece in June 2020), illustrated below:

- **Italy:** it includes the companies operating in Italy, namely the Parent Company doValue, doData and doNext;
- **Hellenic Region:** it includes doValue Greece, doValue Greece RES, doAdvise Advisory Services, and finThesis Financing Solutions Creators based in Greece, as well as the companies based in Cyprus (doValue Cyprus and doValue Cyprus Special Project).
- **Iberia**: in terms of balance sheet, it includes only the companies based in Spain, namely doValue Spain and its subsidiaries Adsolum and Team4, as the companies based in Portugal, doValue Portugal and its subsidiary Zarco, were sold to third parties in July. The economic values include the contribution of the two companies only up until the date of the sale.

(€/000)

First Nine Months 2024	**Italy**	**Hellenic Region**	**Iberia**	**Infrasector**	**Group**
Revenue from contracts with customers	89,061	152,366	46,921	(7,735)	280,613
Other revenues	30,038	8,362	3,749	(4,723)	37,426
Total revenue	**119,099**	**160,728**	**50,670**	**(12,458)**	**318,039**
Costs for services rendered	(4,093)	(7,064)	(4,233)	-	(15,390)
Personnel expenses	(61,434)	(60,419)	(29,912)	(1,913)	(153,678)
Administrative expenses	(44,319)	(15,908)	(13,689)	3,913	(70,003)
Other operating (expense)/income	472	(15)	202	-	659
Depreciation, amortisation and impairment	(11,385)	(22,548)	(18,766)	9,796	(42,903)
Provisions for risks and charges	(1,102)	(1,241)	(916)	-	(3,259)
Total costs	**(121,861)**	**(107,195)**	**(67,314)**	**11,796**	**(284,574)**
Operating income	**(2,762)**	**53,533**	**(16,644)**	**(662)**	**33,465**
Financial (expense)/income	(16,493)	(2,582)	695	(612)	(18,992)
Profit (loss) of equity	-	-	(2,959)	-	(2,959)
Dividends and ordinary similar income	1,500	-	7,000	(8,500)	-
Profit (loss) before tax	**(17,755)**	**50,951**	**(11,908)**	**(9,774)**	**11,514**
Income tax expense	(1,355)	(11,220)	17,716	(220)	4,921
Net Profit (loss) from continuing operations	**(19,110)**	**39,731**	**5,808**	**(9,994)**	**16,435**
Net profit (loss) for the period	**(19,110)**	**39,731**	**5,808**	**(9,994)**	**16,435**
Total assets	**(842,039)**	**(497,616)**	**(133,311)**	**511,880**	**(961,086)**
of which: Intangible assets	(17,582)	(287,299)	(51,145)	(98,675)	(454,701)
of which: Property, plant and equipment	(13,122)	(19,893)	(8,920)	-	(41,935)
of which: Other non-current assets	(229)	(2,338)	(1,281)	-	(3,848)
Total liabilities	**723,694**	**176,112**	**97,018**	**(150,864)**	**845,960**

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

BUSINESS COMBINATIONS

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.

External business combinations

During the semester, there were no business combinations completed with companies external to the Group. However, as indicated in the Directors' Interim Report on the Group, on June 7th, doValue signed a binding agreement for the full acquisition of Gardant for a total consideration including: (i) a cash consideration of €230 million (including Gardant's net financial position) and (ii) new shares of doValue, resulting in a 20% stake in doValue. This consideration is subject to adjustment mechanisms which, as part of the finalization of values at the acquisition date, could impact the values of the Purchase Price Allocation (PPA).

The financing package agreed in connection with the acquisition includes (i) a new bank financing package exceeding €500 million, (ii) a reserved capital increase to Gardant shareholders of a 20% stake in the Combined Group, and (iii) a rights issue of €150 million to existing and new shareholders which will include a pro-rata underwriting commitment from entities managed by Fortress Investment Group LLC ("Fortress"), Elliott, an entity managed by Bain Capital Credit, LP or its affiliates ("Bain"), as well as certain Gardant minority shareholders, in the amount of €82.5 million.

In connection with the Rights Issue a pre-underwriting agreement has been entered into between doValue and a pool of financial institutions, subject to conditions in line with market practice for similar transactions, including the absence of any fact or circumstance impeding the drawdown of the bank financing relating to the transaction, to enter into an underwriting agreement for the subscription of any newly issued shares that remain unsubscribed at the end of the auction period of the Rights Issue offering, for an amount of up to approximately €67.5 million.

The acquisition will create a leading European credit management company, whose central role to support the financial system and the economy is strengthened through the creation of the leading credit management company in Italy, with products ranging from sub-performing to non-performing loans, state-of-the-art IT platform, fund management, diversified business lines across the full spectrum of credit management, and long-term contracts with the largest European Banking Groups.

This acquisition will significantly enhance the breadth of the combined Group's customer portfolio, thanks to the existing agreements of Gardant with two of the country's largest banking groups (Banco BPM and BPER) as well as Elliott, which will be an additional highly valuable industry partner for the combined Group.

Business combinations completed after the end of the period

The doValue Group did not carry out any internal or external business combinations after September 30, 2024.

Retrospective adjustments

As at September 30, 2024, there were no retrospective adjustments relating to previous business combinations.

RELATED-PARTY TRANSACTIONS

INTRODUCTION

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

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

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

In compliance with Consob Resolution no. 17221 of March 12, 2010, as amended, doValue has adopted the "Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group", published on the corporate website of doValue (www.doValue.it), which defines the principles and rules for managing the risk associated with situations of possible conflict of interest engendered by the proximity of certain parties to decision-making centres.
To manage transactions with related parties, doValue established a Risks and Related Party Transactions Committee - composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from the non-executive members of the Board of Directors, and with the majority meeting independence requirements - charged with the task of issuing reasoned opinions to the Board of Directors regarding transactions with related parties in the cases governed by the procedure.

RELATED-PARTY TRANSACTIONS

During the first nine months of 2024, 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 the period were concluded in the interest of the Group and at market or standard conditions. The following table shows the values outstanding as at September 30, 2024.

(€/000)

Financial Transactions	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Non-current financial assets	1,773	41,945	4.2%
Trade receivables	15,105	174,544	8.7%
Total assets	**16,878**	**216,489**	**7.8%**
Trade payables	1,671	63,209	2.6%
Total liabilities	**1,671**	**63,209**	**2.6%**

(€/000)

Costs/Revenues	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Revenue from contracts with customers	39,078	280,613	13.9%
Other revenues	6,547	37,426	17.5%
Costs for services rendered	(703)	(15,390)	4.6%
Personnel expenses	(513)	(153,678)	0.3%
Administrative expenses	(218)	(70,003)	0.3%
Financial (Expense)/Income	281	(18,992)	(1.5)%
Total	**44,472**	**59,976**	**74.1%**

With 25.05% of the shares, the **ultimate parent company** is Avio S.à r.l., a company incorporated under Luxembourg law, whose capital is indirectly owned by FIG Buyer GP, LLC. The latter is the General Partner of Foundation Holdco LP, which is associated with affiliates of Mubadala Investment Company PJSC and certain members of the management of Fortress Investment Group LLC and entities controlled by them.
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, fall within the scope of related parties and for the period the amount of revenues from contracts with customers for this category of customers amounts to €39.0 million, while other revenues are equal to €6.1 million with corresponding trade receivables of €14.0 million and trade payables of €0.9 million at September 30, 2024; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €1.8 million of financial assets and €281 thousand of financial income are also recorded;
- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management s.r.l., FNPL Esp Investment DAC): the Group mainly carries out due diligence on the indicated company and in the period accrued revenues for a total of €208 thousand, in addition to having trade receivables of €733 thousand at the end of the period; there is also an active staff secondment relationship with one of the companies, which generated income of €324 thousand;
- Boston Consulting Group: the Group utilizes consulting services from this firm, incurring €703 thousand recorded under costs for services rendered and trade payables;
- Mytilineos SA: the subsidiary doValue Greece relies on this provider for electricity supply at its headquarters, with a cost of €206 thousand for the period classified under administrative expenses, corresponding to trade payables of €24 thousand;
- ReoCo: the Group manages property assets for certain ReoCo (real estate owned companies), with revenues from contracts with customers of €108 thousand, other revenues during the period of €194 thousand and trade receivables of €146 thousand;
- Eurolife FFH General Insurance Single Member Societé Anonyme: the company manages pension funds and medical insurance for the employees of the subsidiary doValue Greece. At September 30, 2024, personnel expenses of €837 thousand.

Unaudited reconciliation of the condensed and the statutory income statement and reconciliation of the condensed and the statutory balance sheet extracted from the directors' report on the Group for the nine months ended September 30, 2024

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,
	2024
	(*in € thousands*)
NPE revenues	**240,614**
o.w. Revenue from contracts with customers	240,614
o.w. Other revenues	-
REO revenues	**32,179**
o.w. Revenue from contracts with customers	32,179
o.w. Other revenues	0
Co-investment revenues	**1,025**
o.w. Financial (expense)/income	1,025
Ancillary and other revenues	**42,886**
o.w. Financial (expense)/income	7
o.w. Revenue from contracts with customers	7,820
o.w. Other revenues	34,605
o.w. Other operating (expense)/income	454
Gross Revenues	**316,704**
NPE Outsourcing fees	**(8,421)**
o.w. Costs for services rendered	(8,205)
o.w. Administrative expenses	(237)
o.w. Other operating (expense)/income	21
REO Outsourcing fees	**(6,648)**
o.w. Costs for services rendered	(6,648)
Ancillary Outsourcing fees	**(16,850)**
o.w. Costs for services rendered	(537)
o.w. Administrative expenses	(16,316)
o.w. Other operating (expense)/income	3
Net revenues	**284,785**
Staff expenses	**(140,777)**
o.w. Personnel expenses	(141,130)
o.w. Other revenues	353
Administrative expenses	**(51,856)**
o.w. Personnel expenses	**(1,722)**
o.w. Personnel expenses-o.w. SG&A	(1,722)
o.w. Administrative expenses	**(52,377)**
o.w. Administrative expenses-o.w. IT	(20,889)
o.w. Administrative expenses-o.w: Real Estate	(3,830)
o.w. Administrative expenses-o.w. SG&A	(27,658)
o.w. Other operating (expense)	**(85)**
o.w. Other operating (expense)/income-o.w. Real Estate	(85)
o.w. Other revenues	**2,328**
o.w. Other revenues-o.w. IT	474
o.w. Other revenues-o.w.Real Estate	123
o.w. Other revenues-o.w. SG&A	1,731
Total "o.w. IT"	(20,415)
Total "o.w. Real Estate"	(3,707)
Total "o.w. SG&A"	(27,734)
Operating expenses	**(192,632)**
EBITDA	**92,152**
EBITDA margin	**29%**
Non-recurring items included in EBITDA	(3,635)
EBITDA excluding non-recurring items	95,787

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,
	2024
	(*in € thousands*)
EBITDA margin excluding non-recurring items	31%
Net write-downs on property, plant, equipment and intangibles	**(42,834)**
o.w. Depreciation, amortization and impairment	(43,007)
o.w. Other operating (expense)/income	173
Net Provisions for risks and charges	**(13,869)**
o.w. Personnel expenses	(10,826)
o.w. Provisions for risks and charges	(3,259)
o.w. Other operating (expense)/income	114
o.w. Depreciation, amortization and impairment	102
Net Write-downs of loans	**121**
o.w. Depreciation, amortization and impairment	2
o.w. Other revenues	119
Profit (loss) from equity investments	**(2,959)**
o.w. Profit (loss) of equity investments	(2,959)
EBIT	**32,611**
Net income (loss) on financial assets and liabilities measured at fair value	**(1,405)**
o.w. Financial (expense)/income	(1,405)
Financial interest and commissions	**(18,619)**
o.w. Financial (expense)/income	(18,619)
EBT	**12,587**
Non-recurring items included in EBT	(14,850)
EBT excluding non-recurring items	27,437
Income tax for the period	**3,848**
o.w. Administrative expenses	(1,073)
o.w. Income tax expense	4,921
Profit (loss) for the period	**16,435**
Profit (loss) for the period attributable to Non-controlling interests	(6,094)
Profit (loss) for the period attributable to the Shareholders of the Issuer	**10,341**
Non-recurring items included in Profit (loss) for the period	5,369
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(153)
Profit (loss) for the period attributable to the Shareholders of the Issuer excluding non-recurring items	4,819
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	6,247
Earnings per share (in €)	**0.67**
Earnings per share excluding non-recurring items (€)	**0.31**

ANNEX B AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GARDANT GROUP AS OF DECEMBER 31, 2022 AND 2023 AND FOR THE YEARS THEN ENDED AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE GARDANT GROUP AS OF SEPTEMBER 30, 2024 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2024

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Independent auditors' report

To the board of directors of
Gardant S.p.A.

Opinion

We have audited the accompanying consolidated financial statements of Gardant S.p.A. (the "Company" and together with its subsidiaries the "Group") which comprise the consolidated statement of financial position as at 31 December 2023 and 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended and notes thereto, including material accounting policies information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Gardant Group as at 31 December 2023 and 2022 and of its financial performance and cash flows for the years then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) endorsed by the European Union.

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 the Company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The consolidated financial statements are prepared to provide the information that issuer doValue S.p.A. must include in the offering documents for the planned issue of new shares by doValue S.p.A. in connection with the acquisition of Gardant Group by doValue S.p.A. itself.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") 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 the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) endorsed by the European Union and, within the terms established by the Italian 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.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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20124 Milano MI ITALIA

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' 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 auditors' 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 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 the 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 ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- obtain 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate 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;
- obtain 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 communicate with those charged with governance, identified at the appropriate level 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.

Roma, 12 September 2024

KPMG S.p.A.

Riccardo De Angelis
Director of Audit

Consolidated Financial Statements

Statement of financial position as of December 31st, 2023 and 2022

(thousands of euro)

ASSETS	Notes	31/12/2023	31/12/ 2022
NON-CURRENT ASSETS			
Property, plant and equipment	1	12,316	13,804
Intangible assets	2	113,312	121,823
Deferred tax assets	3	20,645	24,572
Investments		-	12
Other non-current financial assets	4	68,271	35,725
Other non-current assets	5	1,959	2,341
Total non-current assets		**216,503**	**198,276**
CURRENT ASSETS			
Trade receivables	6	42,586	40,451
Tax assets	7	2,094	5,862
Cash and cash equivalents	8	86,801	29,460
Other current assets	9	5,526	4,112
Financial assets		-	-
Total current assets		**137,006**	**79,884**
Total assets		**353,510**	**278,161**

LIABILITIES	Notes	31/12/ 2023	31/12/ 2022
EQUITY			
Share capital	10	210	210
Share premium		140,506	157,466
Reserves	11	64,010	10,830
Profit/(loss) for the year attributable to the owners of the Parent		5,495	(12,172)
Equity attributable to non-controlling interests		20,915	20,882
Total equity		**231,136**	**177,217**
NON-CURRENT LIABILITIES			
Non-current loans	12	23,365	34,268
Deferred tax liabilities	3	14,893	17,212
Employee benefits	13	2,745	2,688
Provisions for risks and charges	13	58	51
Other payables		21	-
Total non-current liabilities		**41,081**	**54,219**
CURRENT LIABILITIES			
Trade payables	14	13,698	12,364
Current loans	12	13,141	12,043
Other payables	15	53,458	20,457
Tax liabilities		996	1,861
Total current liabilities		**81,293**	**46,724**
Total liabilities and equity		**353,510**	**278,161**

The notes on pages 6 to 44 are an integral part of these consolidated financial statement

Statement of profit or loss and other comprehensive income for the years ended December 31st, 2023 and 2022

(thousands of euro)

INCOME STATEMENT	Notes	2023	2022
Revenues	16	83,648	61,785
Interests on investments	16	13,201	7,701
Other income	17	6,138	6,139
Total revenues and other income		**102,987**	**75,625**
Costs for services	18	(23,349)	(25,555)
Expenses for the use of third-party assets	19	(3,027)	(3,476)
Personnel expenses	20	(40,888)	(37,116)
Amortisation, depreciation and write-downs	21	(15,524)	(12,479)
Other operating expenses	22	(4,151)	(1,353)
Total costs		**(86,939)**	**(79,979)**
Operating result		**16,048**	**(4,354)**
Financial charges	23	(5,420)	(1,649)
Value adjustments to financial assets		(29)	
Profit (loss) before tax		**10,599**	**(6,003)**
Tax	24	(2,914)	(3,577)
Profit (loss) for the period		**7,685**	**(9,580)**
Profit (loss) for the year attributable to third parties		2,190	**2,592**
Group's profit (loss) for the year		**5,495**	**(12,172)**
Other comprehensive income net of taxes without reversal to the Income Statement			
Defined benefit plans		(576)	600
Cash flow hedges		(1,272)	
Total other comprehensive income net of taxes		**(1,848)**	**600**
Comprehensive income		**5,837**	**(8,980)**
Comprehensive income attributable to third parties		**2,126**	**2,641**
Comprehensive income attributable to the Parent Company		**3,711**	**(11,622)**

The notes on pages 6 to 44 are an integral part of these consolidated financial statement

Statement of cash flows for the years ended December 31st, 2023 and 2022

(thousands of euro)

A. OPERATING ACTIVITIES	31/12/2023	31/12/2022
1. Operations	**24,952**	**6,683**
- profit (loss) for the year (+/-)	7,685	(9,580)
- net depreciation and amortization and impairment gains/losses on property, plant and equipment and intangible assets (+/-)	12,072	11,456
- net provisions for risks and charges (+/-)	3,452	1,023
- interest and financial charges	(1,027)	-
- unpaid taxes, fees and tax credits (+/-)	2,914	3,577
- other adjustments (+/-)	(143)	208
2. Cash generated by/used in financial assets	**(31,373)**	**7,051**
- trade receivables	(5,587)	(4,611)
- other assets	(25,786)	11,662
3. Cash generated by/used in financial liabilities	**26,507**	**6,441**
- trade payables	1,334	1,812
- other liabilities	25,173	4,629
4. Other changes	**(1,586)**	**237**
- interests collected	1,468	1,057
- interests paid	(1,562)	(765)
- payment of income taxes	(1,492)	(55)
Net cash generated by/used in operating activities	**18,500**	**20,412**

B. INVESTMENT ACTIVITIES		
1. Cash generated by	**122**	**151**
- sales of property, plant and equipment	122	151
2. Cash used in	**(2,335)**	**(10,844)**
- purchases of property, plant and equipment	(908)	(9,536)
- purchases of intangible assets	(1,427)	(1,308)
Net cash generated by/used in investment activities	**(2,214)**	**(10,693)**
C. FINANCING ACTIVITIES		
- issues/purchases of ordinary shares	51,001	-
- loans	(7,853)	(7,470)
- distribution of dividends and other purposes	(2,093)	(1,835)
Net cash generated by/used in financing activities	**41,055**	**(9,305)**
NET CASH GENERATED/USED DURING THE YEAR	**57,341**	**414**

Reconciliation

(thousands of euro)

Financial statement items	31/12/2023	31/12/2022
- Cash and cash equivalents at the beginning of the year	29,460	29,046
- Total net cash generated/used during the year	57,341	414
- Cash and cash equivalents at the close of the year	86,801	29,460

The notes on pages 6 to 44 are an integral part of these consolidated financial statement

Statement of changes in equity for the year ended December 31st, 2023

(thousands of euro)

	Total equity 1.1.2023	Equity attr. to the owners of the Parent 1.1.2023	Equity attr, to non-controlling interests 1.1.2023	Changes in the year: Allocation of profit for the previous year	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity 31.12.2023	Equity attr. to the owners of the Parent 31.12.2023	Equity attr, to non-controlling interests 31.12.2023
Share capital	255	210	45	-		-	-	255	210	45
Reserves	26,603	8,393	18,209	8,327	(2,093)	49,228	-	82,065	63,357	18,708
Share premium	157,466	157,466	-	(17,907)		947	-	140,506	140,506	-
Fair value reserve	2,473	2,437	36	-		-	(1,848)	625	653	(28)
Profit (loss) for the year	(9,580)	(12,172)	2,592	9,580		-	7,685	7,685	5,495	2,190
Equity	**177,217**	**156,335**	**20,882**	**-**	**(2,093)**	**50,175**	**5,837**	**231,136**	**210,221**	**20,915**
Equity attributable to the owners of the Parent	**156,335**	**156,335**	**-**	**-**	**-**	**50,175**	**3,711**	**210,221**	**210,221**	**-**
Equity attributable to non-controlling interests	**20,882**	**-**	**20,882**	**-**	**(2,093)**	**-**	**2,126**	**20,915**	**-**	**20,915**

The column "change in reserves" includes for Euro 51,001 a payment for capital increase that has been commutated in ordinary shares only after the communication to the Italian Authority (Chamber of Commerce) in January 2024

The notes on pages 6 to 44 are an integral part of these consolidated financial statement

Statement of changes in equity for the year ended December 31st, 2022

(thousands of euro)

	Total equity 1.1.2022	Equity attr. to the owners of the Parent 1.1.2022	Equity attr, to non-controlling interests 1.1.2022	Changes in the year: Allocation of profit for the previous year	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity 31.12.2022	Equity attr. to the owners of the Parent 31.12.2022	Equity attr, to non-controlling interests 31.12.2022
Share capital	255	210	45	-		-	-	255	210	45
Reserves	71,857	53,193	18,663	(44,047)	(1,835)	627	-	26,603	8,393	18,209
Share premium	157,658	157,658	-	-		(191)	-	157,466	157,466	-
Fair value reserve	(82)	(69)	(13)	-		1,955	600	2,473	2,437	36
Profit (loss) for the year	(44,047)	(45,428)	1,381	44,047		-	(9,580)	(9,580)	(12,172)	2,592
Equity	**185,640**	**165,564**	**20,076**	**-**	**(1,835)**	**2,391**	**(8,980)**	**177,217**	**156,335**	**20,882**
Equity attributable to the owners of the Parent	**165,564**	**165,564**	**-**	**-**	**-**	**2,391**	**(11,621)**	**156,335**	**156,335**	**-**
Equity attributable to non-controlling interests	**20,076**	**-**	**20,076**	**-**	**(1,835)**	**-**	**2,641**	**20,882**	**-**	**20,882**

The notes on pages 6 to 44 are an integral part of these consolidated financial statement

Notes to the consolidated financial statements

1. Notes to the Consolidated Financial Statements

PART A - ACCOUNTING POLICIES

A. 1 GENERAL PART

Summary of accounting policies

The consolidated financial statements of Gardant Group as at and for the years ended December 31, 2023 and 2022 have been prepared in accordance with Legislative Decree no. 38 of 28 February 2005 and the International Financial Reporting Standards and the International Accounting Standards issued by the International Accounting Standards Board (IASB) and the related interpretative documents of the International Financial Reporting Interpretations Committee (IFRIC) and approved by the European Commission (hereinafter collectively "IFRS") in accordance with the procedure set forth in Article 6 of EU Regulation no. 1606 of 19 July 2002.

The present document "Consolidated financial statement 2023 and 2022" is prepared to provide the Information that issuer doValue S.p.A. must include in the Offering Documents ("ID") for the planned issue of new shares by doValue S.p.A. in connection with the acquisition of Gardant Group by doValue S.p.A. itself .

The Consolidated financial statement 2023 and 2022" is audited by KPMG S.p.A..

The present document "Consolidated financial statement 2023 and 2022" was approved by the Board of Directors of Gardant S.p.A. on 5 September 2024.

The consolidated financial statements are drawn up in thousands of Euro, unless otherwise indicated and are composed of:

- Statement of Financial Position;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Cash Flows;
- Statement of Changes in Equity;
- Notes to the Consolidated Financial Statements.

If present, income and expenses deriving from non-recurring transactions and expenses deriving from business combinations are indicated separately in profit or loss.

Where the financial statements of the consolidated companies are prepared in compliance with the schedules imposed by the Bank of Italy Circulars (Master Gardant S.p.A. and Gardant Investor SGR S.p.A.), the financial statement items have been appropriately reclassified to adapt them to the statements of the Parent.

The consolidated financial statements have been prepared assuming that the Group and the consolidated companies will continue as a going concern, as the Directors of the Parent have verified that there are no financial, operational or other indicators that could indicate critical issues regarding the ability of the Group and the Group companies to meet their obligations in the foreseeable future and in particular in the next 12 months.

Scope and basis of consolidation

The consolidated financial statements include the separate financial statements of the Parent Gardant and those of the companies in which it directly or indirectly controls the majority of votes that can be exercised at the ordinary shareholders' meeting.

The scope of consolidation takes into account the criteria imposed by IFRS 10 "Consolidated Financial Statements" and, therefore, includes the companies for which there is the assumption of control that occurs when all three of the following elements are verified:

- power over the company;
- exposure to the risk or rights deriving from the variable returns linked to its involvement;

- ability to influence key company decisions on which variable returns may depend.

Subsidiaries are consolidated on a line-by-line basis from the date on which control is actually acquired and are no longer consolidated from the date on which control is transferred to third parties.

The criteria adopted for line-by-line consolidation are:

- the assets, liabilities, charges and income of the subsidiaries are taken on a line-by-line basis, attributing to the non-controlling investors, where applicable, their respective portions of equity and the profit for the year;
- reciprocal items are eliminated.

The companies included in the scope of consolidation are:

Company	Registered Office	Share/quota capital (Euro/000)	% held (direct and indirect)	Consolidation method
Gardant S.p.A. (Parent Company)	Via Curtatone, 3 - Rome	210,000		Line-by-line
Master Gardant S.p.A.	Via Curtatone, 3 - Rome	2,160,000	100	Line-by-line
Special Gardant S.p.A.	Via Curtatone, 3 - Rome	210,000	100	Line-by-line
Gardant Investor SGR S.p.A.	Via Curtatone, 3 - Rome	690,000	100	Line-by-line
Gardant Liberty Servicing S.p.A.	Via Curtatone, 3 - Rome	150,000	70	Line-by-line
Gardant Bridge S.p.A.	Via Curtatone, 3 - Rome	10,000	100	Line-by-line
Aurelia SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Bramito SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Celio SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Cosmo SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Leviticus SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Lucullo SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
New Levante SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Ponente SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
POP NPLs 2020 S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Tevere SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Tiberina SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
Vette SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60	Line-by-line
LeaseCo One S.r.l.	Via Curtatone, 3 - Rome	50,000	100	Line-by-line
LeaseCo Europa S.r.l.	Via Curtatone, 3 - Rome	50,000	100	Line-by-line
LeaseCo Simeto S.r.l.	Via Curtatone, 3 - Rome	10,000	100	Line-by-line

Table: Companies included in the scope of consolidation as of December 31st, 2023

The scope of consolidation as of December 31st 2023 changed compared to the end of the previous year. The newly incorporated company Gardant Bridge S.p.A., 100% owned by Special Gardant S.p.A., the company Tevere SPV S.r.l., and the managed assets of Velino SPV S.r.l. joined the scope of consolidation; the companies Piave SPV S.r.l. and Viminale SPV S.r.l. left the scope of consolidation.

Taking into account the Framework for the preparation and presentation of the financial statements (Framework) and the concepts of “significance” and “materiality” referred to therein, it is noted that the inclusion in the consolidated financial statements of the wholly owned subsidiary under Luxembourg law Gardant GP in liquidation was deemed to be of no substantial use:

- the negligible impact of the latter at the aggregate level, given the immateriality of the assets of the subsidiary Gardant GP, with respect to the total aggregate assets;
- the absence of non-controlling interests in the ownership structure of the subsidiary;
- the immateriality of any additional information deriving from a possible consolidation of the subsidiary and the effects deriving from the same;
- the substantial representation of the equity and profitability of the Group already reflected in the financial statements of the Parent and in these consolidated financial statements.

Non-controlling interests are related to the 30% of Gardant Liberty Servicing owned by Banco BPM; the amount of the equity is mainly attributable to Banco BPM and for euro 48 thousand are related to the 40% of the SPV companies reported in the previous table. The following table summarizes the information relating to Gardant Liberty Servicing, the only Group’s subsidiary that has material non controlling interest, before any intra group eliminations.

(thousands of euro)

Gardant Liberty Servicing	2023	2022
NCI percentage	**30%**	**30%**
Non-current asset	4,810	5,068
Current asset	41,792	37,917
Non-current liabilities	3,671	3,925
Current liabilities	10,257	11,798
Net asset	**32,673**	**27,262**
Revenue	35,152	36,413
Profit	12,602	13,956
OCI	(214)	164
Total comprensive income	**12,388**	**14,119**
Profit allocated to NCI	3,781	4,187
OCI allocated to NCI	3,716	4,236
Cash flow form operating activities	6,649	1,152
Cash flow from investment activities	(39)	(445)
Cash flow from financing activities	(6,978)	(6,117)
Net increase (decrease) in cash and cash equivalents	**(368)**	**(5,410)**

Other equity attributable to non controlling interests are not material.

Use of accounting estimates

The application of IFRS for the preparation of the consolidated financial statements requires the companies to make, for some asset and liability items, accounting estimates considered reasonable and realistic on the basis of information known at the time of the estimate, which influence the carrying amount of the assets and liabilities and disclosure on contingent assets and liabilities at the reporting date, as well as the amount of revenue and costs in the reporting period.

In addition, changes in the conditions underlying the judgements, assumptions and estimates made may have an impact on subsequent results.

The main cases for which the use of subjective assessments by management is required are:

- the quantification of fair value gains and losses on financial assets measured at fair value;
- the quantification of provisions for personnel and provisions for risks and charges;
- estimates and assumptions on the recoverability of deferred tax assets.

The description of the accounting policies applied to the main financial statement aggregates provides the information necessary to identify the main assumptions and valuations used in the preparation of the financial statements.

Other aspects

It should be noted that during the year some reclassifications were made of some items in the consolidated financial statements as of December 31st 2022 to make the comparison with the current year consistent. In particular, the reclassifications are as follows:

- Euro 4,332 thousand from Other current assets in the statement of financial position to tax assets in the statement of financial position;
- Euro 1,953 thousand from the *Non-current loans* under liabilities in the statement of financial position to *Other non-current financial assets under assets in the statement of financial position*, amount attributable to the fair value of the IRS derivative;
- Euro 11,110 thousand from the *Non-current loans* under liabilities in the statement of financial position to the *Current loans*, attributable to the loan instalments falling due within 12 months;
- Euro 150 thousand from Other payables in the statement of financial position to Current tax liabilities.

A.2 NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Measurement criteria

The most significant recognition and measurement criteria used to prepare the consolidated financial statements are described below.

1 - Property, plant and equipment

Recognition

Property, plant and equipment are accounted for at acquisition cost, including the purchase price, related trade discounts and rebates, non-recoverable purchase taxes (for example, non-deductible value added tax and registration taxes) and all costs directly attributable to the commissioning depending on the use for which the asset was purchased.

Classification

Property, plant and equipment and other items of property, plant and equipment used in operations are subject to IAS 16, while investment property (land and buildings) is subject to IAS 40. This includes assets subject to finance leases (for lessees) and operating leases (for lessors), as well as improvements and incremental expenses incurred on third-party assets.

In order to determine whether a contract contains a lease, reference is made to the interpretation IFRS 16. Property, plant and equipment are recognised as assets when:

- it is probable that the Group will receive the future economic benefits of the asset;
- the cost of the asset can be reliably determined.

Measurement criteria

Subsequent expenses, relating to an item of property, plant and equipment already recognised, are added to the carrying amount of the asset when it is probable that future economic benefits will be obtained in excess of the normal performance of the asset originally ascertained. All other expenses incurred are recognised at cost in the period to which they relate.

Subsequent to initial recognition, property, plant and equipment, all of which are instrumental in nature, are recorded at cost net of accumulated depreciation and any impairment losses over time.

Impairment is estimated annually.

Derecognition criteria

An item of property, plant and equipment is derecognised at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Recognition of effects on profit or loss

Property, plant and equipment assets are depreciated on a straight-line basis over the useful life of the asset.

The useful life of an asset is defined in terms of the expected use to the enterprise. If the useful life of an asset differs materially from previous estimates during the periodic review, the depreciation charge for the current and subsequent periods is adjusted.

The rates considered adequate to represent the useful life of each asset are listed below:

Property, plant and equipment	Rate
Electronic machines and computers	20%
Furniture and furnishings	15%
Telephony and telecommunications equipment	20%

Impairment losses on property, plant and equipment are recognised if an item is impaired in accordance with IAS 36. A full or partial reversal of an impairment loss is made if the reasons for the loss cease to apply in a subsequent period and the impairment gain is recognised as non-recurring income.

2 - Leases

Recognition

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This right exists if the Group holds, over the period of use of the asset, the right to obtain substantially all the economic benefits deriving from the use of the asset, as well as the right to direct its use.

At the commencement date of the lease (i.e. the date on which the asset is made available for use), the Group recognises a ROU asset in the statement of financial position and a liability representing the obligation to make the payments envisaged in the contract. In particular, the liability is initially recognised at an amount equal to the present value of the payments due under the contract.

Measurement

After initial recognition, the lease liability is measured at amortised cost.

The ROU asset is initially recognised at cost. After initial recognition, the right of use is adjusted to take account of the accumulated depreciation and any accumulated impairment losses.

The determination of the reasonable certainty of exercising or not the option of extension and/or termination envisaged by the lease agreement is the result of a process that involves complex judgements by Management. In this regard, the reasonable certainty of exercising these options is verified at the commencement date, considering all the facts and circumstances that generate an economic incentive to exercise them, as well as when significant events or changes occur in the circumstances that are under the control of the lessee and that influence the valuation previously carried out.

3 - Intangible assets

Recognition

Intangible assets are recognised at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will flow to the Group and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in profit or loss in the period in which it is incurred.

The rates considered adequate to represent the useful life of each asset are listed below:

Intangible assets		Rate
Software		33%
Other intangible assets		
	POP Contract	7%
	Gerica	100%
	GLS New Inflow Contracts	18%
	GLS Contracts	12%

Other Intangible assets on Gerica will be closed on January 2024.

Classification

Under the IFRS, intangible assets include goodwill and other intangible assets, subject to IAS 38.

An intangible asset is recognised as an asset in the statement of financial position only if it is determined to be a resource that is:

- non-monetary;
- identifiable;
- without physical consistency;
- held for use in the production or supply of goods and services, for rental to third parties or for administrative purposes;
- controlled by the Group;
- expected to generate future economic benefits.

Measurement

For assets with a finite useful life, the cost is amortised on a straight-line basis or using the declining balance method, determined according to the inflow of economic benefits expected from the asset. Assets with an indefinite useful life are not subject to systematic amortisation, but to periodic impairment testing.

If there is any indication that an asset may be impaired, the asset's recoverable amount is estimated. The amount of the loss, recognised in profit or loss, is equal to the difference between the asset's carrying amount and its recoverable amount.

In particular, intangible assets include:

- technology-based intangible assets, such as application software, which are amortised based on their expected technological obsolescence and in any case for a maximum period of seven years. In particular, costs incurred internally for the development of software projects constitute intangible assets and are recognised as assets only if all of the following conditions are met: i) the cost attributable to the development activity is reliably determinable, ii) there is an intention, the availability of financial resources and the technical ability to make the asset available for use or sale, iii) it can be demonstrated that the asset is capable of producing future economic benefits. Capitalised software development costs include only those expenses incurred that can be directly attributed to the development process. Capitalised software development costs are systematically amortised over the estimated life of the related product/service to reflect the manner in which the future economic benefits deriving from the asset are expected to be consumed by the entity from the start of production along the estimated life of the product;

- intangible assets linked to customer relationships, represented by the valuation, at the time of business combinations, of asset management relationships and of the insurance portfolio. These assets, with a finite useful life, are initially measured by discounting, using a rate representative of the time value of money and the specific risks of the asset, the flows representing the profit margins over a period expressing the residual duration, contractual or estimated, of the relations in place at the time of the business combination. They are amortised, for asset management relationships, on a straight-line basis over the period of greatest inflow of expected economic benefits in the case of relationships without a predetermined expiration and, for relationships linked to insurance contracts, using the declining balance method, over the duration of the contracts in the case of relationships with a predetermined expiration (residual life of the policies);

Goodwill

Lastly, intangible assets include goodwill.

Goodwill can be recognised, as part of business combinations, when the positive difference between the consideration transferred and the possible recognition at fair value of the minority interest and the fair value of the equity elements acquired is representative of the future income-generating capacity of the company equity investment (goodwill).

If this difference is negative (badwill) or in the event that the goodwill is not justified by the future income-generating capacity of the investee, the difference is recorded directly in profit or loss.

Every year (or each time there is evidence of impairment), an adequacy test is carried out on the value of goodwill. To this end, the cash-generating unit to which the goodwill is attributed is identified. The amount of any impairment is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount, if lower. Said recoverable amount is equal to the higher of the fair value of the cash-generating unit (CGU), net of any costs to sell, and the related value in use. The resulting impairment losses are recognised in profit or loss.

Derecognition

An intangible asset is derecognised on disposal or when future economic benefits are no longer expected.

Recognition of effects on profit or loss

Intangible assets are amortised on a straight-line basis over the useful life of the asset. The useful life of an asset is defined in terms of the expected use of the asset by the enterprise. If the useful life of an asset differs materially from previous estimates during the periodic review, the amortisation charge for the current and subsequent periods is adjusted.

Any impairment losses of intangible assets are recorded if an element has suffered impairment pursuant to IAS 36. A full or partial reversal of an impairment loss is made if the reasons for the loss cease to apply in a subsequent period and the reversal is recognised as extraordinary income.

4 – Equity investments

Recognition, classification, and measurement

The item includes interests held in subsidiaries, jointly controlled companies, and associates.

Subsidiaries are entities, including structured entities, over which the Parent Company has direct or indirect control. Control over an entity is evidenced by:

- the existence of power over the relevant activities;
- exposure to the variability of returns;
- the ability to use the power held to influence the returns to which the Company is exposed.

In order to verify the existence of control, the Company considers the following factors:

- the purpose and establishment of the investee, in order to identify the objectives of the entity, the activities that determine its returns and how these activities are governed;
- the power, in order to understand whether the Company has contractual rights that attribute the ability to govern the relevant activities; to this end, only substantive rights that provide practical governance capacity are considered;
- the exposure to the investee, in order to assess whether the Company has relations with the investee whose returns are subject to changes depending on the performance of the investee;
- the existence of potential principal-agent relationships.

Where the relevant activities are governed through voting rights, the existence of control is subject to verification by considering the voting rights, even potential, held and the existence of any agreements or shareholders' agreements that attribute the right to control the majority of the shareholders voting rights themselves, to appoint the majority of the governing body or in any case the power to determine the financial and operating policies of the entity.

Subsidiaries may also include "structured entities" in which the voting rights are not significant for the purposes of the existence of control, including companies or special purpose entities and investment funds.

In the case of structured entities, the existence of control is subject to verification considering both the contractual rights that allow the governance of the relevant activities of the entity (i.e. those that contribute most to the results) and the exposure of the Company to the variable returns deriving from these activities.

Entities are considered to be joint ventures when, on a contractual basis, control is shared between the investor and one or more other parties, or when unanimous consent of all parties that share control is required for decisions regarding the relevant activities.

Companies subject to significant influence (associates) are entities in which the company owns at least 20% of the voting rights (including "potential" voting rights), or in which (although with a lower proportion of voting rights) it has the power to participate in determining the financial and operating policies of the investee by virtue of particular legal ties such as participation in shareholders' agreements. Certain interests exceeding 20% are not considered to be subject to significant influence, in which the investor holds only equity rights on a portion of the returns on investments, has no access to management policies and may exercise governance rights limited to the protection of equity interests.

Investments in subsidiaries, jointly controlled companies and associates are valued at cost less any impairment.

If there is evidence that the value of an investment may have decreased, the recoverable amount of the investment is estimated, taking into account the present value of the future cash flows that the investment may generate, including the final disposal value of the investment.

If the recoverable amount is lower than the carrying amount, the relative difference is recognised in profit or loss.

If the reasons for the impairment are eliminated as a result of an event occurring after the recognition of the impairment, reversals are taken to profit or loss.

Derecognition

Investments are derecognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the equity investment is sold, substantially transferring all the risks and benefits connected to it.

5 - Financial instruments

Recognition and classification

Depending on the characteristics of the instrument and the business model adopted, financial assets, which represent debt instruments, are classified into the following three categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income ("OCI") ("FVTOCI");

- financial assets measured at fair value through profit or loss ("FVTPL").

These assets are initially recognised at fair value.

For trade receivables without a significant financial component, the initial recognition value is the transaction price.

Measurement and recognition of amortisation and gains and losses

After initial recognition, financial assets that generate contractual cash flows exclusively representing payments of principal and interest are measured at amortised cost if held for the purpose of collecting the contractual cash flows ("Held to Collect" business model). According to the amortised cost method, the initial carrying amount is subsequently adjusted to take into account the principal repayments, any impairment losses and the amortisation of the differences between the repayment value and the initial carrying amount.

Amortisation is carried out on the basis of the effective interest rate, which represents the rate that makes the present value of expected cash flows equal to the initial recognition value at the time of initial recognition.

Receivables and other financial assets measured at amortized cost are presented in the statement of financial position net of the related loss allowance.

Financial assets representing debt instruments whose business model envisages both the possibility of collecting contractual cash flows and the possibility of realizing capital gains from disposal ("Held to Collect and Sale" business model), are measured at fair value with the effects taken to OCI. In this case, fair value gains and losses on the instrument are recognised in equity under other comprehensive income. The cumulative fair value gains and losses, recognized in the equity reserve, which includes the other comprehensive income, is reclassified to profit or loss when the instrument is derecognized. Interest income calculated using the effective interest rate, any exchange rate differences and impairment losses are recognized in profit or loss.

Financial assets held for sale or their contractual cash flows not composed solely of principal and interest are measured at fair value through profit or loss.

The assessment of the recoverability of financial assets representing debt instruments not measured at fair value through profit or loss is carried out using to the expected credit loss model.

Expected losses are determined on the basis of the product of: (i) the exposure due to the counterparty net of the related mitigating agents (Exposure at default); (ii) the probability that the counterparty will not comply with its obligation (Probability of default); (iii) the estimate, in percentage terms, of the amount of credit that will not be able to be recovered in the event of default (Loss given default), defined on the basis of past experience and possible recovery actions that can be carried out.

Credit losses on trade receivables and other receivables are recognized in profit or loss, net of any reversals, under the item "Credit losses and other allowances".

Derecognition

The financial assets sold are derecognized when the contractual rights related to obtaining the cash flows associated with the financial instrument expire or are transferred to third parties.

6 - Current and deferred taxation

Recognition

Income taxes, calculated in accordance with national tax laws, are recognised as an expense on an accrual basis, consistent with the manner in which the costs and revenues that generated them are recognised in the consolidated financial statements. They therefore represent the balance of current and deferred taxation on income for the year. In application of the "balance sheet liability method", they include:

- current tax assets, i.e., excess payments over tax obligations to be discharged under current corporate income tax rules;
- current tax liabilities, i.e., tax liabilities to be paid in accordance with current corporate income tax rules;

- deferred tax assets, i.e., income tax savings that may be realised in future periods as a result of deductible temporary differences (represented mainly by charges deductible in the future, according to current tax regulations, on the Group's profit);
- deferred tax liabilities, i.e., income tax liabilities to be paid in future periods as a result of taxable temporary differences (represented mainly by the deferral of taxation of revenue or the acceleration of the deduction of expenses, in accordance with current tax regulations, on the group's profit).

Classification

Current tax assets and liabilities include the balances of tax positions vis-à-vis the tax authorities. In particular, current tax liabilities represent the tax expense due for the year; current tax assets include payments on account and other tax credits for withholding taxes or other tax credits from previous years for which off-setting with taxes from subsequent years has been requested.

Deferred tax assets/liabilities are classified as non-current assets/liabilities in accordance with IAS 1.56.

Therefore, deferred taxes are recognised as non-current liabilities under "Deferred tax liabilities" when they represent liabilities or relate to economic items that will become taxable in future tax periods, while they are recognised as assets in the statement of financial position among the non-current assets, under "Deferred tax assets", when they relate to items that will be deductible in future tax periods.

"Deferred" taxation, if it relates to transactions affecting equity, is recognised in equity.

Measurement

Corporate income tax and regional business tax are recognised on the basis of a realistic estimate of the negative and positive components for the year and are determined on the basis of the current IRES and IRAP rates.

Deferred tax assets are recognised only where there is a high and concrete probability that deductible temporary differences will be fully absorbed by expected future taxable profits. Deferred tax liabilities are generally always recognised.

Current tax assets and liabilities and those of deferred taxation are offset against each other only when the taxpayer has the right, based on current tax laws, to offset them and has decided to use this option.

Recognition of effects on profit or loss

The balancing entry for tax assets and liabilities (both current and deferred) is usually "Income taxes on profit for the year from continuing operations"). When the tax liability (current or deferred) to be recognised relates to transactions the effects of which are to be recognised directly in equity, the resulting tax assets and liabilities are recognised in equity.

7 - Provisions for risks and charges

Recognition

Provisions for risks and charges include accruals related to legal or employment-related obligations or disputes, including tax disputes, arising from a past event for which an outflow of economic resources to settle the obligation is probable, provided a reliable estimate of the amount can be made.

A provision is recognised if and only if:

- there is an ongoing obligation (legal or constructive) as a result of a past event;
- it is probable that economic benefits will be required to meet the obligation;
- a reliable estimate can be made of the amount deriving from the fulfilment of the obligation.

Classification

A provision, if it meets the recognition requirements, is recognised under "Provisions for risks and charges" (item 120).

The provisions include in particular the provisions to cover:

- the Group's legal disputes, with particular reference to the risks associated with possible revocation actions, and operational risks associated with the provision of services on behalf of third parties, and in general against any other operational risk as a result of complaints received by the customers;
- any other provision committed against specific charges and/or risks of a different nature, which the Group has contractually or voluntarily assumed to satisfy the effects for certain, even if at the reporting date they are not still specifically formalised.

Measurement

The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation at the reporting date and reflects risks and uncertainties that inevitably arise from a number of facts and circumstances.

Provisions against liabilities that are expected to be settled more than one year later are recognised at present values.

Derecognition

The provision is released to profit or loss when the use of resources embodying economic benefits to fulfil the obligation becomes unlikely or when the same is extinguished.

Recognition of accruals

Where the time element is significant, provisions are discounted using current market rates. The provision and increases due to the time factor are recognised in profit or loss.

The accrual to provisions for risks and charges for corporate restructuring covers significant reorganisations that have a significant effect on the nature and strategic direction of the business activities. The provision mainly includes consultancy costs for the restructuring plan.

Accruals to the provisions for risks and charges are included in profit or loss under "net accruals to the provisions for risks and charges".

8 - Financial liabilities measured at amortised cost

Recognition

The first recognition of such financial liabilities takes place on the date the contract is entered into, which normally coincides with the receipt of the funds raised or the issue of the debt securities.

Initial recognition is on the basis of the fair value of the liabilities, normally equal to the amount received or the issue price, plus any additional costs/income directly attributable to the individual funding or issuance transaction. Internal costs of an administrative nature are excluded.

Classification

Bank loans and borrowings, amounts due to customers and securities issued include the various forms of interbank funding and with customers, repurchase agreements with forward repurchase obligations and deposits made through certificates of deposit, bonds and other instruments of outstanding deposits, net of any repurchased amounts.

Also included are lease liabilities recognised by the Group as lessee.

Measurement

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

This is with the exception of current liabilities for which the time factor is negligible, which are recognised for the amount collected.

Derecognition

Financial liabilities are derecognised when they are past due or settled. They are derecognised even if previously issued bonds are repurchased. The difference between the carrying amount of the liability and the amount paid to acquire it is recognised in profit or loss.

The placing of own securities on the market after their repurchase is considered as a new issue with registration at the new placement price.

Recognition of interest expense

Interest expense, calculated at the nominal interest rate, is recognised in profit or loss as "interest and financial expense".

9 - Derivative instruments

Recognition, classification, and measurement

Derivative financial instruments, including embedded ones, are assets and liabilities measured at fair value.

The qualification of the transactions as hedges requires: (i) verification that there is an economic relationship between the hedged item and the hedging instrument, so that changes in value are offset against each other and that this offsetting ability is not impaired by the level of counterparty credit risk; (ii) the definition of a hedge ratio consistent with the risk management objectives, as part of the defined risk management strategy, and where necessary carrying out the appropriate rebalancing actions.

When hedging derivatives hedge the risk of changes in the fair value of the hedged instruments, the derivatives are recognised at fair value with the effects recognised in profit or loss. When the derivatives hedge the risks of changes in the cash flow risks of the hedged instruments, the changes in fair value of the derivatives considered effective are initially recognised in the equity reserve relating to other comprehensive income and subsequently recognised in profit or loss in line with the economic effects generated by the hedged transaction.

10 - Accruals and deferrals

Accruals and deferrals, which refer to charges and income pertaining to the year accrued on assets and liabilities, are recognised in the consolidated financial statements as an adjustment to the assets and liabilities to which they refer.

11 - Recognition of revenue and costs

Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of the enterprise and is recognised when control of the goods or services is transferred to the customer, at an amount that represents the amount of consideration to which the customer is expected to be entitled. In particular, revenue recognition is performed by applying a model that must meet the following criteria:

- identification of the contract, defined as an agreement in which the parties have undertaken to fulfil their respective obligations;
- identification of the individual performance obligations, contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of the goods and/or services to the customer;
- allocation of the transaction price to each performance obligation, based on the sale prices of the individual bond;
- recognition of revenue when (or over time as) the obligation to do something is performed by transferring the promised good or service to the customer.

Revenue may be recognised at a point in time when the entity performs its obligation to do so by transferring the promised good or service to the customer, or over time as the entity performs its obligation to do so by transferring the promised good or service to the customer. In particular:

- interest paid is recognised on a pro-rata basis, based on the contractual interest rate or the effective interest rate if amortised cost is applied. Interest income (or interest expense) also includes positive (or negative) spreads or margins accrued up to the reporting date, relating to financial derivative contracts:
    - hedging of assets and liabilities that generate interest;

    - classified in the statement of financial position in the trading portfolio, but operationally linked to financial assets and/or liabilities measured at fair value (fair value option);
    - operationally connected with assets and liabilities classified in the trading book and which envisage the settlement of spreads or margins with multiple maturities;
- interest on arrears, where envisaged by contract, is recognised in profit or loss only at the time of its actual collection;
- dividends are recognised in profit or loss during the year in which their distribution is approved;
- revenue from service fees is recorded, on the basis of the existence of contractual agreements, in the period in which the services were provided. Fees considered in the amortised cost for the purposes of determining the effective interest rate are recognised under interest;
- profits and losses deriving from the trading of financial instruments are recognised in profit or loss at the time of finalisation of the sale, based on the difference between the amount paid or collected and the carrying amount of the instruments;
- revenue from the sale of non-financial assets are recognised when the sale is completed, unless most of the risks and benefits associated with the asset have been retained.

Costs are recognised in profit or loss on an accrual basis; costs related to obtaining and fulfilling contracts with customers are recognised in profit or loss in the years in which the related revenue is recorded.

12 - Post-employment benefits

Italian "TFR" is a "post-employment benefit" classified as:

- a "defined contribution plan" for the portions of post-employment benefits accruing from 1 January 2007 (i.e. after 1 January 2007, the date of entry into force of the supplementary pension reform pursuant to Legislative Decree no. 252 of 5 December 2005) both in the case of the employee opting for the supplementary pension scheme and in the case of allocation to the INPS treasury fund. The amount of the accruals is recognised as personnel expense and is determined on the basis of the contributions due without the application of actuarial calculation methods;
- a "defined benefit plan" for the portion of post-employment benefits accrued up to December 31st 2006. The accruals in question are recorded on the basis of their actuarial value determined using the projected unit credit method, without applying the pro-rata amount for service rendered as the current service cost of the post-employment benefits is almost entirely accrued and its revaluation, for the years to come, is not expected to give rise to significant benefits for employees.

For discounting purposes, the rate used is determined with reference to the market yield on bonds of leading companies, taking into account the average residual maturity of the liability, weighted by the percentage of the amount paid and paid in advance, for each maturity, with respect to the total amount to be paid and paid in advance until the final discharge of the entire obligation. Costs for servicing the plan are recognised in personnel expenses while actuarial gains and losses are recognised in the statement of profit or loss and other comprehensive income in accordance with IAS 19.

13 - Cash and cash equivalents

Cash and cash equivalents provisions include cash and available bank deposits and other forms of short-term investment, with a maturity of less than three months.

14 - Treasury shares

The Parent and the other Group companies do not hold treasury shares.

16 - Equity

Equity includes:

- share capital;

- the share premium;
- the legal reserve;
- other reserves;
- prior year losses carried forward and not yet covered;
- the profit for the year.

Estimates and assumptions

The preparation of these consolidated financial statements requires the Directors to apply accounting policies and methods which, for some items, are based on subjective valuations and estimates based on historical experience and on assumptions that are considered reasonable in certain circumstances.

The areas that required greater subjectivity are:

- impairment test: the performance of tests to determine any impairment of asset items requires the adoption of subjective assessments based on information available within the Group and on the market;
- amortization/depreciation: the economic life of property, plant and equipment, and intangible assets is estimated at the time of their acquisition on the basis of historical experience relating to similar assets, as well as on future forecasts that could have effects on the useful life of the assets;
- employee benefits: the values of provisions for risks related to personnel or the provision for post-employment benefits are calculated on an actuarial basis. Any changes in the discount rate used affect the present value of these provisions. The rate used corresponds to that of "high-quality corporate" bonds recorded on the market.
- financial assets measured at fair value: these assets are measured through the use of business plans relating to the portfolios underlying the ABS securities. These business plans are reviewed on a semi-annual basis on the basis of the actual performance of loan recoveries and the performance of the reference market of the underlying guarantees;
- derivatives: derivatives are measured at fair value on the basis of appropriate valuation techniques that use financial variables observable on the market where possible;
- business combinations: the recognition of business combinations implies the attribution to the assets and liabilities of the acquired company/platform of the difference between the purchase cost and the net carrying amount. For the part not attributed to the assets and liabilities, the difference is recorded in the item "Goodwill".

A.3 INFORMATION ON THE TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During the year, no transfers were made between different portfolios of assets held.

A.4 INFORMATION ON FAIR VALUE

Qualitative disclosure

Fair value is the consideration that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Reference is made to an ordinary transaction between independent counterparties in possession of a reasonable degree of knowledge of market conditions and of the relevant facts connected with the subject matter of the negotiation. In defining fair value, the assumption that an entity is in normal operating conditions and does not have an urgent need to liquidate or significantly reduce a position is fundamental. The fair value of an instrument reflects, among other factors, its credit quality as it incorporates the risk of default of the counterparty or issuer.

For financial instruments, the fair value is determined according to a hierarchy of criteria based on the origin, type and quality of the information used. In detail, this hierarchy assigns the highest priority to quoted prices (not modified) in active markets and less importance to unobservable inputs. Three different input levels are identified:

- Level 1: inputs represented by quoted prices (not modified) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2: inputs other than quoted prices included in level 1 that are observable, directly or indirectly, for the assets or liabilities to be measured;
- Level 3: inputs that are not based on data observable on the market.

The above-mentioned valuation approaches must be applied in hierarchical order. Therefore, if a price quoted in an active market is available, valuation approaches different from that of Level 1 cannot be followed. Moreover, the valuation technique adopted must maximize the use of observable factors on the market and, therefore, rely as little as possible on subjective parameters or "private information".

In the case of financial instruments not listed on active markets, the placement within the fair value hierarchy must be defined by considering among the significant inputs used to determine the fair value the one that assumes the lowest level in the hierarchy. To this end, the significance of the inputs must be assessed with respect to the determination of the fair value in its entirety. This assessment requires a judgment that must take into account the specific factors of the asset or liability.

The valuation techniques used to determine the fair value are periodically calibrated and validated using variables observable on the market, to ensure that these represent the real market conditions and to identify any weaknesses in the same.

The fair value hierarchy was introduced in IFRS 7 exclusively for disclosure purposes and not for measurements of items in the financial statements. The latter, therefore, are carried out on the basis of that provided for by IFRS 13 in this respect.

Level 1

A financial instrument is considered to be listed on an active market when the relative price is:

- readily and regularly available from stock exchanges, MTFs, intermediaries, information providers, etc.;
- significant, i.e. it represents actual market transactions that regularly take place in normal trading.

To be considered Level 1, the price must also be unadjusted and, therefore, not adjusted through the application of a valuation adjustment factor. Otherwise, the fair value measurement of the financial instrument will be Level 2.

Level 2

A financial instrument is included in Level 2 when all significant inputs (other than the quoted prices included in Level 1) used directly or indirectly for the valuation of the same are observable on the market.

The Level 2 inputs are as follows:

- prices quoted in active markets for similar financial assets or liabilities;
- prices quoted in non-active markets for identical or similar financial assets or liabilities;
- inputs other than quoted prices, which are directly observable for the financial asset or liability (risk-free rate curve, credit spread, volatility, etc.);
- inputs that derive mainly or are corroborated (through correlation or other techniques) by market-corroborated inputs.

An input is defined as observable when it reflects the assumptions that market participants would use in pricing a financial asset or liability on the basis of market data provided by sources independent of the person making the valuation.

If a fair value measurement uses observable data, which requires a significant adjustment based on non-observable inputs, this measurement is included in Level 3.

Level 3

Level 3 of the fair value hierarchy includes the financial instrument whose fair value is estimated using a valuation technique that uses inputs not observable on the market, even indirectly. More specifically, to be included in Level 3 it is sufficient that at least one of the significant inputs used for the valuation of the instrument is not observable on the market.

In particular, this classification must be made if the inputs used reflect the evaluator's own assumptions, developed on the basis of available information.

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

For financial instruments, the fair value is determined through the use of prices acquired from financial markets, in the case of instruments listed on active markets, or through the use of internal valuation models for other financial instruments.

In the absence of a listing of an active market or in the absence of a regular operation of the market, the determination of the fair value is mainly carried out through the use of valuation techniques with the objective of establishing the price of a hypothetical independent transaction, motivated by normal market considerations. These assessments include:

- the reference to market values indirectly linked to the instrument to be measured and inferred from similar products in terms of risk characteristics;
- valuations made (even only partially) by using inputs not taken from parameters observable on the market, for which recourse is made to estimates and assumptions made by the valuer.

Hierarchical levels of fair value measurement

During 2023, as in the comparative period, there were no transfers between hierarchical levels of fair value, nor changes in the allocation of financial assets that resulted in a different classification of the assets themselves.

The table below shows the fair value hierarchy of financial assets that are measured at fair value on a recurring basis.

(thousands of euro)

	December 31st 2023			December 31st 2022		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Other non-current financial assets	-	-	68,271	-	-	35,725
Total Assets	-	-	68,271	-	-	35,725

The table above doesn't include financial instruments such as short-term trade receivables and payables, because their carrying amount is a reasonable approximation of fair value.

The group has no financial liabilities measured at fair value either as of December 31st 2023 or December 31st 2022.

The valuation techniques adopted for measuring fair value:

The fair value measurements classified as Level 3, for exposures other than short-term exposures, is applied to ABS securities classified as financial assets measured at fair value through profit or loss.

The fair value measurement method defined for a financial instrument is adopted continuously over time and is only changed as a result of material changes in market conditions or subjective changes in the issuer of the financial instrument. The group has internal policies on the evaluation process and a dedicated function for this purpose.

To complete the analyses required by IFRS 13, supplementary information is provided below on the valuation techniques and inputs used to measure fair value.

The valuation model adopted for the purposes of estimating the fair value level 3 is based on the Discount Cash Flow Model (DCFM). The model discounts, through a discount factor, the estimated future cash flows present in the Business Plan related to the investment transaction. The discount factors are obtained by considering:

- the risk free rate curve

- the initial risk premium of the investment

The model is Impacted by the fallowing unobservable inputs:

- the estimated future cash flows present in the Waterfall related to the investment held from the Group
- the zero risk free rate curve resulting from the bootstrapping technique of risk free interest rates quoted on the market;
- the z-spread as the initial risk premium which defines the implicit riskiness of the investment and represents the spread that added to each zero risk free rate makes the present value of the expected cash flows equal to the price of the instrument at the inception date

The estimated Fair Value would increase/decrease if:

- The estimate future cash flows from waterfall increase (decrease)
- The zero risk free rate curve decrease (increase)
- the z-spread as the initial risk premium decrease (increase)

Changes during the year in financial assets measured at fair value level 3

During the year ended December 31st 2023, there were no transfers of financial assets that are measured at fair value on a recurring basis from level 3 to other levels and vice versa resulting from changes in the significant input variables of observable valuation techniques.

With reference to the financial instruments that are classified in level 3 of the fair value hierarchy, details of the changes that occurred during the year, including gains/(losses) recognised in the income statement on revenues caption, are provided below:

(thousands of euro)

Financial Assets	2023	2022
Balance as at the beggining of the year	**35,725**	**38,310**
Gain (losses) recognised in the P&L (revenues)	(1,130)	(17,065)
Gain (losses) recognised to OCI	(1,052)	-
Purchase/Emissions/Disposals/Extinctions	34,728	14,480
Balance as at the end of the year	**68,271**	**35,725**

Other information

The Group does not avail itself of the exception provided by paragraph 48 of IFRS 13 (fair value based on the net position) in relation to financial assets and liabilities with positions that offset with reference to market risk or counterparty risk.

PART B – NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

1. Property, plant and equipment: property, plant, machinery

Property, plant and equipment consist of:

(thousands of euro)

Property, plant and equipment	31.12.2023	31.12.2022
Electronic machines and computers	612	839
Furniture and furnishings	661	823
Telephony and telecommunications equipment	62	32
Property recognised in accordance with IFRS 16	10,719	11,769
Cars recognised under IFRS 16	199	228
Printers recognised under IFRS 16	63	113
Total	**12,316**	**13,804**

The changes for the year are represented in the table below:

(thousands of euro)

	Electronic machines and computers	Furniture and furnishings	Telephony and telecommunications equipment	Property recognised in accordance with IFRS 16	Cars recognised under IFRS 16	Printers recognised under IFRS 16	Total
Gross opening balance	**1,856**	**1,146**	**94**	**13,705**	**325**	**170**	**17,296**
Totale net writedown	(1,017)	(323)	(62)	(1,936)	(97)	(57)	(3,492)
Net opening balance	**839**	**823**	**32**	**11,769**	**228**	**113**	**13,804**
Purchases	55	11	52	94	57	-	269
Sales	(10)	-	-	-	-	-	(10)
Other changes	10	-	-	375	14	-	399
Depreciation	(282)	(173)	(22)	(1,519)	(100)	(50)	(2,146)
Gross closing balance	**1,901**	**1,157**	**146**	**14,174**	**396**	**170**	**17,944**
Totale net writedown	(1,289)	(496)	(84)	(3,455)	(197)	(107)	(5,628)
Net closing balance	**612**	**661**	**62**	**10,719**	**199**	**63**	**12,316**

The changes for the prior year are represented in the table below:

(thousands of euro)

	Electronic machines and computers	Furniture and furnishings	Telephony and telecommunications equipment	Property recognised in accordance with IFRS 16	Cars recognised under IFRS 16	Printers recognised under IFRS 16	Total
Gross opening balance	**1,262**	**860**	**87**	**5,847**	**180**	**12**	**8,248**
Totale net writedown	(762)	(531)	(45)	(740)	(22)	(12)	(2,112)
Net opening balance	**500**	**329**	**42**	**5,107**	**158**	**-**	**6,136**
Purchases	594	654	7	8,052	157	266	9,730
Sales	-	(368)	-	(95)		(110)	(573)
Other changes	3	333	-	(99)	(12)	2	227
Depreciation	(258)	(125)	(17)	(1,196)	(75)	(45)	(1,716)
Gross closing balance	**1,856**	**1,146**	**94**	**13,705**	**325**	**170**	**17,296**
Totale net writedown	(1,017)	(323)	(62)	(1,936)	(97)	(57)	(3,492)
Net closing balance	**839**	**823**	**32**	**11,769**	**228**	**113**	**13,804**

The disclosure pursuant to paragraph 53 letter h) of IFRS 16 is provided below.

The rights of use relating to the leased offices amount to Euro 10,719 thousand (Euro 11,769 thousand as of December 31st 2022), initially corresponding to the present value of the future payments discounted using a discount rate related to the duration of the contract. During the year, they were depreciated by Euro 1,519 thousand (Euro 1,196 thousands as of December 31st 2022) and generated an interest expense of Euro 401 thousand (Euro 323 thousand as of December 31st 2022).

The item also includes the rights of use of company cars, totalling Euro 199 thousand (Euro 228 thousand as of December 31st 2022), depreciated by Euro 100 thousand during the current year (Euro 75 thousand as of December 31st 2022), and which generated interest expense of euro 7 thousands (Euro 4 thousand as of December 31st 2022) and the right of use of the printers for euro 63 thousands (Euro 113 thousand as of December 31st 2022), depreciated by Euro 50 thousands (Euro 45 thousand as of December 31st 2022), which generated interest expense of Euro 2 thousand (Euro 3 thousand as of December 31st 2022).

2. Intangible assets

Intangible assets consist of:

(thousands of euro)

Intangible assets	31.12.2023	31.12.2022
Goodwill	54,402	54,402
Other intangible assets	57,531	66,234
Software	1,380	1,187
Total	**113,312**	**121,823**

The changes for the year are represented in the table below:

(thousands of euro)

	Goodwill	ther intangible asse	Software	Total
Gross opening balance	**64,802**	**94,272**	**2,341**	**161,415**
Totale net writedown	(10,400)	(28,038)	(1,154)	(39,592)
Net opening balance	**54,402**	**66,234**	**1,187**	**121,823**
Purchases	-	145	1,282	1,427
Sales	-	-	-	-
Amortisation	-	(8,848)	(1,089)	(9,937)
Gross closing balance	**64,802**	**94,417**	**3,621**	**162,840**
Totale net writedown	(10,400)	(36,886)	(2,243)	(49,529)
Net closing balance	**54,402**	**57,531**	**1,380**	**113,312**

The changes for the prior year are represented in the table below:

(thousands of euro)

	Goodwill	ther intangible asse	Software	Total
Gross opening balance	**64,802**	**94,272**	**1,035**	**160,109**
Totale net writedown	(10,400)	(19,190)	(354)	(29,944)
Net opening balance	**54,402**	**75,082**	**681**	**130,165**
Purchases	-	-	1,306	1,306
Sales	-	-	-	-
Impairment	-	-		
Amortisation	-	(8,848)	(892)	(9,740)
Other changes			92	92
Gross closing balance	**64,802**	**94,272**	**2,341**	**161,415**
Totale net writedown	(10,400)	(28,038)	(1,154)	(39,592)
Net closing balance	**54,402**	**66,234**	**1,187**	**121,823**

Both goodwill and other intangible assets concern the two platforms for the management of NPLs of the Banco-BPM Group and the Carige Group, purchased in previous years by Banca CF+.

As of December 31st 2023, the values of the two platforms are as follows:

- with regard to the "Gerica" platform, of the Carige Group:
    - goodwill of Euro 7,600 thousand (same in 2022);
    - other intangible assets of Euro 6,308 thousand (Euro 7,737 thousand at the end of 2022);
- with regard to the "Gardant Liberty Servicing" platform of Banco-BPM Group:
    - goodwill of Euro 46,802 thousand;
    - other intangible assets of Euro 51,079 thousand (Euro 58,497 thousand at the end of 2022).

The other intangible assets are amortised on the basis of the useful life of the servicing contracts negotiated at the time of purchase of the two platforms.

Impairment test of goodwill

IAS 36 par. 10 requires that an intangible asset with an indefinite useful life (e.g. goodwill) or that is not yet available for use be tested for impairment at least annually.

Therefore, for the purposes of the annual impairment procedures as required by IAS 36 for the goodwill recognised in the consolidated financial statements, the Special Servicing CGU is subject to impairment testing.

Specifically, the impairment test is aimed at verifying that the "recoverable amount" of the CGU (or "value in use") is higher than the carrying amount of the CGU itself.

For the purposes of the impairment test on goodwill as of December 31st 2023, the estimate of the recoverable amount was based on the most updated economic, equity and financial projections available at the reference date.

In particular, the flows used are:

- the flows generated by the company Gardant Liberty Servicing S.p.A. referring to the servicing contracts in place to date (with the special purpose vehicles Leviticus, Aurelia, Tevere and with BBPM);
- the future flows attributable to the "Bridge" platform referring to the servicing contracts managed by Gardant Bridge Servicing S.p.A.;
- the flows generated by the Special Servicing CGU (net of the economic/financial contribution generated by the Bridge and GLS platforms) in the period 2023-2027, in addition to a terminal value ("TV") calculated on the basis of the last year envisaged by the projections (2027).

It should be noted that the "recoverable amount" is defined by the accounting standard as the higher of:

- value in use;
- fair value of the asset less costs to sell

The value in use was determined using the Discounted Cash Flow ("DCF") method. This method determines that the value of a company ("Enterprise Value" or "EV") is equal to the present value of its future flows after taxes, the unlevered free cash flow ("UFCF"), plus the residual value ("Terminal Value" or "TV") of the company to be measured at the end of the period covered by the projections.

For the discounting of the Unlevered Free Cash Flow, professional doctrine usually calls for the use of the Weighted Average Cost of Capital ("WACC"). This is because the "UFCF" is a measure of flows available to shareholders and bondholders.

In this case, the application of the Discounted Cash Flow is divided into the following phases:

- Estimation of flows generated through the use of prospective data;
- Adjustment of flows to take into account:
    - the change in net working capital ("NWC");

- taxation;
- the capital expenditures (“CAPEX”);

- Calculation of the present value of flows.

For the purposes of determining the fair value, the market multiples method was selected. This method enables a company to be valued on the basis of data derived from the listings of comparable companies on the stock markets, by calculating and applying market multipliers to the indicators of the company being valued.

Specifically, the method involves the development of multipliers (i.e. “stock market multiples”) resulting from the relationship between the value that the market attributes to comparable companies and their economic/equity indicators.

Determination of the recoverable amount

The analysis carried out through the DCF and market multiples methods therefore led to the determination of a value in use of Euro 544.1 million, against a carrying amount of the CGU as of December 31st 2023 of Euro 312.2 million. Therefore, the recoverable amount is higher than the carrying amount.

The CGU valuation was based on the net flows generated by:

- Gardant Liberty Servicing S.p.A. in the years 2024-2028;
- Gardant Bridge Servicing S.p.A. for the years 2024 – 2042;
- Special Gardant S.p.A. for the years 2024-2027.

For the present value of the cash flows it has been utilized a WACC equal to 12,8% that is also equal to the Ke (cost of equity).

In conclusion, on the basis of the analyses carried out, management found that in the assumed scenario, the Goodwill does not show an impairment loss but a positive value buffer as shown in the following table:

(millions of euro)

	Carrying Amount (a)	Value in Use (b)	Fair Value (c)	Delta Value in Use d = (b-a)	Delta FV e = (c-a)	Recoverable Amount f = max (b;c)	Heedroo m g = f-a	Impairment losses
	54.4	544.1	402.6	489.7	348.2	489.7	435.3	No

The amounts at the end of 2022 were:

(millions of euro)

	Carrying Amount (a)	Value in Use (b)	Fair Value (c)	Delta Value in Use d = (b-a)	Delta FV e = (c-a)	Recoverable Amount f = max (b;c)	Heedroo m g = f-a	Impairment losses
	54.4	579.1	437.7	524.7	383.3	524.7	470.3	No

Sensitivity Analysis

Since Value in Use is determined through the use of estimates and assumptions that may contain elements of uncertainty, sensitivity analyses were performed, as required by the IFRSs, to verify the sensitivity of the results obtained to changes in certain parameters and underlying assumptions. In order to study the fluctuation of the EV as the estimated parameters for discounting future cash flows change, such as the cost of capital and the long-term growth rate, i.e. the main parameters of the model, it was assumed that the Ke and the g-rate would vary by +/-0.25%. The test showed that, even in the case of the lower EV estimated, this is higher than the carrying amount.

3. Deferred tax assets and liabilities

(thousands of euro)

Deferred tax assets	31.12.2023	31.12.2022
Deferred tax assets on tax release of goodwill of Liberty Servicing	18,739	23,268
Deferred tax assets Law 214/2011	647	767
Deferred tax assets on previous losses	365	532
Deferred tax assets on actuarial valuation of post-employment benefits	30	5
IRAP deferred tax assets	5	-
IRES deferred tax assets	860	-
Total	**20,645**	**24,572**

(thousands of euro)

Deferred tax liabilities	31.12.2023	31.12.2022
Deferred tax liabilities on IAS 19 actuarial value	13	81
Deferred tax liabilities for deferred tax deductibility on intangibles	628	810
Deferred tax liabilities from Purchase Price Allocation on business combinations	14,252	16,321
Total	**14,893**	**17,212**

At the end of 2023 the Group has Euro 34,939 thousand unused tax losses at single entity level and Euro 34,313 thousand unused tax losses at Group level for which no deferred tax assets has been recognized. Thes tax losses do not have an expiration date.

The below table represents the change of the year of the Deferred tax assets and liabilities:

(euro thousand)

Deferred tax assets change of the year	2023	2022
Deferred tax assets at the beginning of the year	**24,572**	**29,128**
Increase:		
Temprary difference for cost not deductable in the year recorded in income statement	667	228
Temprary difference for cost not deductable in the year recorded to OCI	198	2
Decrease:		
Deferred tax utiliesed in the year related to intangible assets and recorded in income statement	(4,678)	(4,786)
change in tax rates recorded in income statement	(114)	-
Deferred tax assets at the end of the year	**20,645**	**24,572**

Deferred tax liabilities change of the year	2023	2022
		(euro thousand)
Deferred tax liabilities at the beginning of the year	**17,212**	**19,195**
Deferred tax liabilities utiliesed in the year related to intangible assets and recorded in income statement	(2,070)	(2,070)
Other	(249)	87
Deferred tax liabilities at the end of the year	**14,893**	**17,212**

In particular, deferred tax assets on tax release of goodwill of Liberty Servicing derive from the payment of substitute tax on goodwill and intangible assets recognised in the consolidated financial statements of Banca CF+ at the time of purchase of 70% of the investment in the company and transferred as part of the demerger transactions from the bank to Special Gardant. The decrease is a consequence of their use during the year.

The deferred tax assets booked have been submitted to probability test which confirms the recoverability of the assets.

4. Other non-current financial assets

The Group's financial assets are all held by the Parent and concern:

(thousands of euro)

Other financial assets	31.12.2023	31.12.2022
ABS securities	57,005	23,897
Forward fund units	10,366	9,876
Value of fair value hedging derivatives	901	1,953
Total	**68,271**	**35,725**

The residual value of the ABS securities in the portfolio reflects the fair value of the investments. The value of the units of the Forward Fund represents the Net Asset Value (NAV) of the fund as of December 31st 2023. The value of the derivative represents the fair value of the IRS in the financial statements as of December 31st 2023. The increase in the investment in ABS securities is attributable to the subscription of the securities issued by Velino SPV S.r.l.

5. Other non-current assets

Other non-current assets amounted to Euro 1,959 thousand (Euro 2,341 thousand as of December 31st 2022) and refer for Euro 1,741 thousand to the start-up costs of the Gardant Liberty Servicing business that the company has been recognising over the years. The remainder are security deposits for various reasons.

CURRENT ASSETS

6. Trade receivables

As of December 31st 2023, trade receivables amounted to Euro 42,586 thousand (Euro 40,451 thousand as of December 31st 2022) and concern fees accrued at the end of 2023 invoiced or to be invoiced for services provided by Group companies.

In the table below the information relating to gross values and its adjustment:

	2023		
	Gross Value	Total value adjustment	Net value
Trade receivable	46,029	3,443	42,586

(thousands of euro)

	31/12/2022		
	Gross Value	Total value adjustments	Net Value
Trade receivables	40,521	(70)	40,451

7. Current tax assets

Current tax assets as of December 31st, 2023 are broken down as follows:

(thousands of euro)

Current tax assets	31.12.2023	31.12.2022
IRES advance payment	-	3,350
IRAP advance payment	1,399	990
VAT Credit	449	1,425
IRAP assets	-	96
IRES assets	3	1
Withholdings on interest	130	-
Substitute tax advances	64	-
DTA transformation	48	-
Total	**2,094**	**5,862**

8. Cash and cash equivalents

The item "Cash and cash equivalents" amounted to Euro 86,801 thousand and includes on-demand deposits in current accounts to banks.

9. Other current assets

The other current assets are composed of:

(thousands of euro)

Other current assets	31.12.2023	31.12.2022
Advances to employees	9	10
Prepaid cards	21	2
Receivables from SPV	7	-
Items being settled	-	272
Prepaid expenses	1,356	656
Accrued income	114	-
Other SPV assets	982	781
Receivables from segregated assets to cover prepaid expenses and establishment funds	200	200
Credit notes to be received	-	3
Other assets	804	474
Receivable from BPER (formerly Carige)	1,715	1,715
VAT assets from VAT Group companies	319	-
Total	**5,526**	**4,112**

EQUITY

10. Share capital

As of December 31st, 2023, the Parent's share capital amounted to Euro 210,000, divided into 210,000 ordinary shares with a nominal value of Euro 1.00 each, and it was fully paid up and subscribed.

The company has no treasury shares in its portfolio.

11. Reserves

The changes in equity reserves during the year are shown in the tables of these consolidated financial statements.

LIABILITIES

12. Loans

The loans consist of the principal portion of credit lines and lease liabilities recognised in accordance with IFRS 16 .

For the non-current part, they concern:

(thousands of euro)

Non - current loans	31.12.2023	31.12.2022
Lease liabilities - IFRS16	11,427	12,246
Credit line from banks	11,938	22,022
Total	**23,365**	**34,268**

For the non- current part, they concern:

(thousands of euro)

Non-Current loans	31.12.2023	31.12.2022
Financial payable from application of IFRS16	11,427	12,246
Property recognised in accordance with IFRS 16	*11,301*	*12,075*
Cars recognised under IFRS 16	*113*	*112*
Printers recognised under IFRS 16	*13*	*59*
Credit line from banks	11,938	22,022
Total	**23,365**	**34,268**

For the current part, they concern:

(thousands of euro)

Current loans	31.12.2023	31.12.2022
Financial payable from application of IFRS16	1,374	933
Property recognised in accordance with IFRS 16	*1,233*	*811*
Cars recognised under IFRS 16	*90*	*72*
Printers recognised under IFRS 16	*51*	*50*
Credit line from banks	11,767	11,110
Total	**13,141**	**12,043**

Below is the information required by IFRS 16, paragraphs 58 and 53, letter g):

- future non-discounted cash outflows for leases amounted to Euro 14,245 thousand, of which Euro 13,967 thousand referring to offices and apartment, Euro 65 thousand to printing and Euro 213 thousand to company cars;
- the agreements are expected to expire between the 2026 and 2032, while those for printing in 2025 and those for company cars between 2024-2027.

(thousands of euro)

Finance lease	31/12/2023	31/12/2022
Up to 1 year	1,373	928
More than 1 and 2 years	1,735	1,323
More than 2 and 3 years	1,880	1,655
More than 3 and 4 years	1,890	1,786
More than 4 and 5 years	1,938	1,820
More than 5	3,985	5,667
Total payment due for leasing	**12,801**	**13,179**

13. Employee benefits and Provisions for risks

As of December 31st, 2023, Employee benefits included the post-employment benefits for a total of Euro 2,745 thousand (Euro 2,688 thousand as of December 31st, 2022). This provision is calculated on an actuarial basis in accordance with IAS 19.

The economic and demographic assumptions used in the actuarial valuations are detailed below:

- Discount rate 3.40%
- Inflation rate 1.90%
- Wage growth rate N/A
- Expected mortality rate IPS55
- Expected disability rate INPS model

The existing provision for risks of Euro 57 thousand concerns the loyalty bonuses envisaged for the employees of Gardant Liberty Servicing, which are also calculated using the actuarial method required by IAS 19.

Employee benefits	2023	2022
Defined benefit obligation at end of prior year	**2,688**	**3,062**
Service cost:		
a. Current service cost	2	-
Interest expense	94	6
Cash flows		
a. Benefit payments from plan assets	(119)	(120)
Remeasurements		
a. Effect of changes in financial assumptions	41	(481)
b. Effect of experience adjustments	39	221
Defined benefit obligation at the end of year	**2,745**	**2,688**

The valuation was carried out according to IAS 19, as the Employee benefits is assimilated to a 'post-employment benefit' of the 'defined benefit plan' type, the amount of which already accrued must be projected into the future to estimate the amount to be paid upon termination of employment and must then be discounted, using the 'projected unit credit method', to take into account the time that will elapse before actual payment.

The actuarial assumptions adopted refer to:

- assumptions of causes for leaving the Group: mortality, total and permanent disability, personnel turnover, such as resignations, dismissals, and retirement and old age retirements;
- economic and financial assumptions: discount rate of future benefits; salary growth line, which determines the dynamics of salaries; annual inflation and rate of return recognised annually on accrued severance indemnities;
- further assumptions were made on the frequency of advances on severance pay, tax withholdings and, overall, the legislation in force.

All assumptions used in the valuations were derived from market experience, and reflect the current corporate, regulatory and market conditions existing at the valuation date, in the perspective of business continuity.

For the quantification of Employee benefits, regulated by Article 2120 of the Italian Civil Code. The benefit is calculated as the sum of annual accruals increased by an inflation-related index.

The gross annual accrual is calculated by dividing pensionable salary by 13.5. The net annual accrual is obtained by subtracting the social charges of 0.5% of the Social Security salary base from the gross accrual. For employees who have elected to redirect part of the whole annual accrual to a supplementary pension plan, the net Employee benefits accrual has to be reduced accordingly. For companies with at least 50 employees, starting in 2007 accruals are redirected either to external defined contribution pension funds or to the social security fund. Therefore, there are no further accruals in the Employee benefits plan.

The Employee benefits inflation-related index is calculated as 75% of the official CPI set by a Government Agency (ISTAT) plus 1.50%

14. Trade payables

Trade payables amounted to Euro 13,698 thousand (Euro 12,364 thousand as of December 31st 2022) and refer to invoices received or to be received for the purchase of goods and services.

15. Other payables

Other payables amounted to Euro 53,458 thousand (Euro 20,457 thousand as of December 31st 2022) and refer to:

(thousands of euro)

Other payables	31.12.2023	31.12.2022
Contributions to be paid	1,798	1,152
Taxes and withholdings to be paid	1,682	1,182
Remuneration to corporate bodies	124	214
Amounts to be paid to personnel and related contributions	12,247	9,463
Other SPV liabilities	16	182
Deferred payables for portfolio purchase	5,062	8,200
VAT payable to VAT Group companies	41	-
Time deposits	31,706	-
Other	783	64
Total	**53,458**	**20,457**

Time deposits are received to permit to Gardant to buy an ABS investment and is pledged by this investment. This amount will be reimbursed within 2024.

PART C – NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVENUE

16. Revenue

The item revenue is broken down in the following table:

Revenues	2023	2022
Revenues from customer		
special servicing fees	69,422	63,838
Master servicing and administrative management fees	6,715	6,772
Other fees	1,240	1,759
incom from management of AIF funds	5,400	4,150
Carige indemnity	1,715	1,715
Other revenues	286	615
Change in fair value of ABS investments	(1,130)	(17,065)
TOTAL	83,648	61,785

The revenues at December 31st, amount to 84 million euro and they are all generated in Italy.

Revenues from customers are accounted all at a point in time while the change in fair value from ABS are accounted according to IFRS 9. The contribution of each company of the Group is the follows:

- Euro 6.4 million from the Parent Company Gardant S.p.A.;
- Euro 35.0 million from Gardant Liberty Servicing S.p.A.;
- Euro 8.5 million from Master Gardant S.p.A;
- Euro 35.7million from Special Gardant S.p.A.;
- Euro 5.2 million from Gardant Investor SGR S.p.A;
- Euro 6.0 million from other group companies.

Interests on investments arises from ABS investments amount to Euro 13 million in 2023 and to 7.7 million in 2022 and are accounted at amortised cost. 2023 increase is due to the new investment in Velino ABS.

17. Other income

The item Other income is broken down in the following table:

Other income	2023	2022
Recovery of employee contributions	140	396
Rental income	-	84
Capital gains on sale of capital goods	-	25
Recovery of expenses - Due Diligence	-	2,386
Recovery of Bridge project costs	3,064	-
Recharging of sundry costs	784	-
Other SPV revenue	1,737	1,393
Other	413	1,856
Total	**6,138**	**6,139**

(thousands of euro)

Recovery of Bridge project costs relates to the rebate to Gardant Bridge Servicing of the costs sustained for the strategic operation described in the subsequent events paragraph.

COSTS

18. Services

The table below details the costs for services:

(thousands of euro)

Services	2023	2022
Rating agencies	166	150
Consultancies	2,439	6,285
IT costs	1,495	1,597
Costs for business development	506	2,959
Maintenance	255	477
Corporate bodies	1,488	1,355
Policies	371	198
Postal services	541	337
Corporate advertising	321	296
Cleaning	197	263
Entertainment	212	248
Retainer fees for business combinations		220
Accounting audit	913	807
Services received for personnel selection and payroll processing	392	417
Notary fees	335	65
External support for activities	2,511	2,487
Administrative support to debt collection activities	10,200	6,493
Telephony	121	263
Land registry searches and mortgage registrations	-	171
Other	885	467
Total	**23,349**	**25,555**

19. Use of third-party assets

The breakdown of expenses for the use of third-party assets is provided below:

(thousands of euro)

Use of third-party assets	2023	2022
Annual fees for IT products	2,401	2,321
Rent and condominium charges	561	1,118
Equipment rental	65	37
Total	**3,027**	**3,476**

20. Personnel expense

Details of personnel expense are as follows:

(thousands of euro)

Personnel expense	2023	2022
Wages and salaries	29,494	26,200
Social charges	8,690	7,945
Post-employment benefits	1,134	1,659
Net revenue from secondment of staff	-	42
Other personnel expense	1,571	1,269
Total	**40,888**	**37,116**

21. Amortisation, depreciation and write-downs

The item amortisation, depreciation and impairment losses is detailed below:

(thousands of euro)

Amortisation, depreciation and impairment losses	2023	2022
Depreciation of property, plant and equipment	477	400
Depreciation pursuant to IFRS 16	1,669	1,316
Software amortisation	1,089	893
Amortisation of intangible assets	8,848	8,847
Credit losses	3,440	1,023
Total	**15,524**	**12,479**

22. Other operating expenses

The item other operating expenses is detailed below:

Other operating expenses	2023	2022
		(thousands of euro)
Other expenses	1.875	825
Other income	(1.192)	-
Other from SPV	212	-
DTA Law Decree 59/2016	247	241
Membership contributions	93	66
Indirect taxes	208	221
Operating losses	37	-
Bridge costs to be charged back	2.671	-
Total	**4.151**	**1.353**

23. Financial expense and income

The item includes the following amounts:

(thousands of euro)

Financial expense	2023	2022
Interest on listed assets according to IFRS 16	411	330
Interest on bank loans	1,825	1,107
Bank costs	6	10
Other interest and financial expense	4,800	214
Total	**7,042**	**1,661**

(thousands of euro)

Financial revenue	2023	2022
Negative differentials on derivatives	1,080	3
Interest income on current accounts	427	8
Interest income on government bonds	115	-
Total	**1,622**	**11**

24. Tax

Tax is broken down as follows:

(thousands of euro)

Tax	2023	2022
Income from deferred tax assets	(865)	-
Reversal of deferred tax liabilities to the income statement	4.678	4.786
Tax effects of consolidation entries	(2.070)	(2.070)
IRES on profit for the year	62	-
IRAP on profit for the year	945	862
IRES previous years	(180)	-
IRAP previous years	442	-
Tax credit	(98)	-
Total	**2.914**	**3.577**

Current taxes were determined on the basis of the tax rates in force.

The Group is able to optimise the IRES taxes to be paid on income by taking advantage of the possibility of offsetting, as part of the tax consolidation contract, the taxable income generated by some companies with the tax losses generated by others.

The table below shows the movement of tax during the year thousand of euro

Reconciliation of effective tax rate				
	2023		2022	
Profit before tax from continuing operations		10,599		-6,003
Tax using the Group domestic tax rate	29%	3,074	29%	-
Tax effects:				
Recognition of previously unrecognised deductable temporary difference		-3,895		-2,070
				-
Non deductable expenses		7,354		5,647
Previous year tax losses utilisation		-3,619		-
	27%	2,914		3,577

The domestic tax rate indicates the some of IRES and IRAP domestic direct taxes. The tax impact is increased by the non deductables expenses and decreased by the recongnition of previously unrecognised deductable temporary difference most of which concerns the enfranchisement of goodwill and intangibles from business combinations. Other decrease of the tax rate is given by the previous year tax losses the have been utilised in 2023.

The Group's 2022 profit before tax is negative and therefore there are no theoretical taxes due.

The Group is able to optimise the IRES taxes to be paid on income by taking advantage of the possibility of offsetting, as part of the tax consolidation contract, the taxable income generated by some companies with the tax losses generated by others.

PART D - OTHER INFORMATION

Risk management

The Group has a complex Internal Control System ("ICS"), which operates within the reference organisational model, in order to support the systematic execution of all operational and business activities carried out in line with the assigned mission, the strategies, and objectives pursued. The Internal Control System is therefore configured as a tool for overseeing the assumption and ongoing management of risks, with the aim of defining and supervising the application of a risk-based culture, which makes it possible to contribute to a sustainable value creation process, ensuring at the same time regulatory compliance and providing for an integrated use of human resources, technologies, and methodologies.

The ICS does not only concern the Functions responsible for controls, but involves all the corporate structures of the Group Companies, through the definition, application and development of mechanisms, methodologies and tools capable of identifying, measuring/assessing, managing/mitigating risks and ensure adequate disclosure to the corporate bodies.

The Parent, through Group Controls, ensures the coordination of the entire Internal Control System of the Group, without prejudice to the autonomy and independence of the Control Functions of the supervised Companies.

Within the Gardant Group, the Internal Control System of Master Gardant is structured as follows:

- the primary responsibility for completeness, adequacy, functionality and reliability lies with the governance bodies, and in particular with the Body with strategic supervision function, which is responsible for strategic planning, management, assessment and monitoring of the overall internal control system; it is instead the duty of the Body with Control Function (including the Supervisory Body established pursuant to Italian Legislative Decree 231/2001 for the areas of its competence) to supervise the completeness, adequacy and functionality of the internal controls, ascertaining the adequacy of the Company Functions involved and the adequate coordination of the same, promoting where necessary, any corrective actions;

- *Third-level controls*, carried out by the following structures:
  - Group Controls, in the parent Gardant S.p.A., under the responsibility of the Chief Controls Officer (CCO), carries out third-level controls on the parent and on the subsidiary Special Gardant (including the subsidiary Gardant Liberty Servicing);
  - The Internal Audit Function of Master Gardant and of Gardant Investor SGR (outsourced to the company Protiviti Italy S.r.l.), are respectively responsible for the performance of third-level controls of Master Gardant and Gardant Investor SGR.
- *Second-level controls*, carried out by the following structures:
  - Group Controls, in the parent Gardant S.p.A., under the responsibility of the Chief Controls Officer (CCO), carries out second-level controls on the parent and on the subsidiary Special Gardant (including the subsidiary Gardant Liberty Servicing); the structure also supports the Control Functions of Master Gardant and Gardant Investor SGR, ensuring the harmonisation of models and processes for identifying, measuring and monitoring risks, ensuring an adequate level of independence in the performance and execution of control activities. Within Group Controls there is also the Data Protection & IT Risk Function, which has the aim of ensuring the monitoring of personal data processed by the Group and the entities managed and carrying out second-level control activities in the IT risk area;
  - The Risk Management Function of Master Gardant, collaborates, as a second-level control function according to a risk-based approach, in defining the governance policies and the risk management process, the relative procedures and methods of detection and control, verifying their adequacy on an ongoing basis;
  - The Compliance & AML function in Master Gardant ensures the evaluation (ex ante and ex post) of the adequacy of internal organisational measures with respect to the objective of preventing the violation of mandatory (laws and regulations) and self-regulatory standards (articles of association, Codes of Conduct, self-governance codes);
  - The Risk Management Function of Gardant Investor SGR, has the objective of ensuring the assessment and monitoring, both current and forward-looking, of the different types of risk, guaranteeing the continuous identification, assessment/measurement and monitoring of all company risks, as well as the definition and implementation of second-level controls;
  - The Compliance & AML Function of Gardant Investor SGR, outsourced to TMF Compliance (Italy) S.r.l., has the objective of periodically checking and assessing the adequacy and effectiveness of the measures, policies and procedures adopted by the Company with respect to the Directive 2011/61/EU ("AIFMD") and the measures defined to remedy any shortcomings in the fulfilment of the obligations envisaged.
- *First-level controls:* carried out directly at operational level by the Group structures during the day-to-day business operations (through the information system, powers, and authorities delegated or envisaged by regulations, policies, and internal procedures).

The following sections provide summary information on the management of the various risks within the Group. For details on the risk management process of the individual Group companies, please refer to the Notes to the respective separate financial statements.

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 that a counterparty defaults.

The Gardant Group is mainly exposed to credit risk deriving primarily from its operating activities, i.e. from trade receivables and deposits with leading banks and financial institutions and other financial instruments.

At each reporting date, these receivables are also subject to an assessment to determine whether there is any evidence that the carrying amount of the assets may not be fully recoverable.

As of December 31st, 2023, the main commercial counterparties are banks and important investment funds with a high credit standing, as well as special purpose vehicles established pursuant to Law no. 130 of 1999.

In particular, in 2023 the vehicles which represent 10% more then of the Group's total revenues (Euro 9,685 thousands) and trade receivable (Euro 4,258 thousands) are Banco BPM (Euro 9,694 thousands of revenues and Euro 4,308 for trade receivable) and the loan portfolio managed by Leviticus SPV S.r.l. (Euro 14,172 thousands of revenues and Euro 9,109 of trade receivable).

In 2022 the vehicles which represent 10% more then of the Group's total revenues (Euro 6,949 thousand) and trade receivable (Euro 4,045 thousand) were Leviticus SPV S.r.l. (Euro 23,204 thousands of revenues and Euro 12,964 thousands of trade receivables) and Banco BPM (Euro 7,603 thousands of revenues and Euro 1,903 thousands of trade receivables).

For a quantitative analysis, please refer to the note on trade receivables.

As regards the credit risk relating to relations with banks and financial institutions, the Gardant Group only makes use of interlocutors with high credit standing. As of December 31st 2023, the liquidity of Gardant was invested in bank deposits held with leading credit institutions.

As regards the operations of Master Gardant S.p.A. - a financial intermediary pursuant to Art. 106 of the TUB, subject to supervision - credit risk is mainly attributable to trade receivables deriving from the Company's core business, receivables from primary banking institutions arising from current account balances, and receivables from the Parent deriving from cash pooling operations. Therefore, given the nature of the portfolio, with specific reference to trade receivables, the main credit risk mitigation activity is carried out primarily through contractual agreements with the SPV, which place Master Gardant in a privileged position within the waterfall of cash flows generated by servicing activities.

In addition to the above, it should be noted that, in line with the provisions of the 2023 – 2025 Strategic Plan, the Company started lending activities, granting to date only one unsecured loan, on a revolving basis, to a ReoCo. In consideration of the hypothetical launch of new business initiatives, deriving from the assumption of the role of risk retainer through the subscription of a portion of the bond issues or the loan disbursed by the SPVs, assets not present in the Company's financial statements to date, Master Gardant is potentially exposed to a particular type of credit risk, i.e. the securitisation risk.

With reference to Gardant Investor SGR, the Company is exposed to credit risk mainly due to its deposits with other intermediaries and the management fees and expenses collected by the Funds managed. The Risk Management Function assesses and manages the SGR's credit risk according to the guidelines defined in the risk management policy.

The credit with a past due more than 180 days amount to Euro 4,778 thousand with value adjustments for Euro 1,698 thousand. In 2022 the credit with past due more than 180 days amount to Euro 1,612 thousand without value adjustments.

The other value adjustments for 1,745 thousand euros (Euro 70 thousand at 2022 end) concern credits overdue less 180 days.

Liquidity risk

Liquidity risk is the risk of not being able to meet payment commitments due to the inability to raise funds on the market (funding liquidity risk) or to sell its assets (market liquidity risk). The sources of risk are therefore mainly classified as follows:

- *operational liquidity mismatches*, connected to the ratio between incoming and outgoing cash flows, the monitoring of which is aimed at verifying the ability to meet expected payment commitments;
- *structural liquidity mismatches*, connected to the ratio between total liabilities and non-current assets, whose monitoring is aimed at ensuring the stability and balance of the liquidity profile of asset and liability items. Liquidity risk is considered a measurable risk against which no current internal capital is calculated or future internal capital is estimated.

The establishment of the Group has made it possible to activate **centralised liquidity management** at consolidated level in order to optimise the overall liquidity balance, preserving the specificities of the business of each subsidiary.

The Group's objective is to maintain a balanced management of its financial exposure over time, in order to guarantee the coherence of the liability structure with the composition of assets in the statement of financial position, while ensuring the necessary operating flexibility through the use of the liquidity generated by current operating activities and recourse to bank loans.

The ability to generate liquidity from ordinary operations, together with its borrowing capacity, therefore allows the Group to adequately meet its operating needs, financing the operating working capital and investments, as well as meeting its financial obligations.

Cash pooling management in the Gardant Group (the "Group") is carried out on a split model on the following five companies:

- Gardant S.p.A.;
- Master Gardant S.p.A.;
- Gardant Investor SGR S.p.A.;
- Special Gardant S.p.A.;
- Gardant Liberty Servicing S.p.A.

In order to replicate the advantages of the centralised management of the Group Treasury and to meet the need to formalize the underlying financial relationship between the aforementioned companies, a Group cash pooling mechanism was activated.

The Group's financial policy and the management of related financial risks are centrally guided and monitored. In this regard, the Parent, through the Group Controls structure and with the support of Planning & Control and the Treasury, carries out a quarterly monitoring of the Group's consolidated liquidity level with the aim of verifying the short/medium-term operating cash balance and suggesting the adoption of adequate controls in order to prevent situations of liquidity deficit.

Specifically, the analysis of the actual and prospective level of liquidity is performed with respect to a minimum liquidity buffer to be held at Group level to ensure ordinary operating activities.

In the presence of a negative deviation from the reference Liquidity Buffer, a process has been defined to activate specific escalation mechanisms towards the Corporate Bodies and potential remedial actions have been identified to be implemented based on the severity and persistence of the deviation.

The Gardant Group, in view of its organisational structure, provides that the Treasury Structure, as part of its treasury activities, also manages liquidity on behalf of Master Gardant. In order to optimise the management of liquidity within the group, the opportunity was identified to implement, through the technical instrument of a Group cash pooling, a model suitable for replicating the advantages of centralised management of the Group Treasury and ensuring at the same time adequate formalisation of the underlying financial relationship between the various Group companies.

With reference to Gardant Investor SGR, the liquidity risk pertains to the risk related to the fact that the investments made by the SGR, on its own account, will not be transformed into cash in a sufficiently adequate time to meet the ordinary and/or extraordinary needs that the SGR may have to face. The Risk Management Function assesses and manages the SGR's liquidity risk according to the guidelines defined in the risk management policy.

Interest rate risk

Interest rate risk is the risk caused by the difference in the maturity and timing of the interest rate of assets and liabilities (change in the market value of statement of financial position items due to a change in the yield curve).

The Gardant Group uses external financial resources in the form of debt and uses available liquidity in bank deposits. Changes in market interest rates affect the cost and return of the various forms of financing and lending, therefore affecting the level of financial income and expense of the Group.

The Group regularly assesses and monitors its exposure to the risk of changes in interest rates.

With regard to Master Gardant S.p.A., in line with what is defined by the supervisory regulations applicable to class 3 financial intermediaries, the management of interest rate risk on the banking book is conducted by the Risk Management Function, which measures the Company's exposure to interest rate risk on a quarterly basis, according to the simplified methodology provided for by Bank of Italy Circular 288 of 2015 (Chapter 14, Section IV, Appendix C), verifying compliance with the maximum limit provided for by the regulations.

At Group level below are reported the main features of the floating rate liabilities as of December 2023 with the potential impact arising from the delta cash flow driven by a change in the forward Euribor interest rate curve:

❖ Taking into account a period of 12 months starting from the reference date:

						Positive parallel shift			Negative parallel shift		
Company	Variable interest liability	Reference floating rate	Hedging Instrument	Hedging Strike	Oustanding Amount @ Dec.23	Δ± FV (Eur.+10bps)	Δ± FV (Eur.+50bps)	Δ± FV (Eur.+100bps)	Δ± FV (Eur.-10bps)	Δ± FV (Eur.-50bps)	Δ± FV (Eur.-100bps)
Special Gardant S.p.A.	*Term Loan Facility*	*Eur. 6M*	*IRS*	*-0,19%*	*€22.2*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gardant S.p.A.	*Term Loan Facility*	*Eur. 1M*	-	-	*€1.5*	-0.1%	-0.4%	-0.8%	+0.1%	+0.4%	+0.8%
					€23.7	-0.1%[1] (-€0.00m)	-0.4%[1] (-€0.01m)	-0.8%[1] (-€0.01m)	+0.1%[1] (+€0.00m)	+0.4%[1] (+€0.01m)	+0.8%[1] (+€0.01m)

❖ Taking into account a period from the reference date till the maturity of the term loan facilities:

						Positive parallel shift			Negative parallel shift		
Company	Variable interest liability	Reference floating rate	Hedging Instrument	Hedging Strike	Oustanding Amount @ Dec.23	Δ± FV (Eur.+10bps)	Δ± FV (Eur.+50bps)	Δ± FV (Eur.+100bps)	Δ± FV (Eur.-10bps)	Δ± FV (Eur.-50bps)	Δ± FV (Eur.-100bps)
Special Gardant S.p.A.	*Term Loan Facility*	*Eur. 6M*	*IRS*	*-0,19%*	*€22.2*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gardant S.p.A.	*Term Loan Facility*	*Eur. 1M*	-	-	*€1.5*	-0.1%	-0.6%	-1.2%	+0.1%	+0.6%	+1.2%
					€23.7	-0.1%[1] (-€0.00m)	-0.6%[1] (-€0.01m)	-1.2%[1] (-€0.02m)	+0.1%[1] (+€0.00m)	+0.6%[1] (+€0.01m)	+1.2%[1] (+€0.02m)

Operational risk

Operational risk is the risk of suffering losses resulting from inadequate or dysfunctional procedures, human resources and internal systems, or from exogenous events.

This includes, among other things, losses resulting from fraud, human error, business interruption, system failure, breach of contract and natural disasters. Strategic and reputational risks are not included in this area, while legal risk is included (i.e. the risk deriving from violations or lack of compliance with laws or regulations or lack of transparency regarding the rights and duties of counterparties in a transaction) and conduct risk (i.e. the risk of incurring losses as a result of an inappropriate offer of financial services and the resulting legal costs, including cases of intentionally inadequate or negligent conduct).

The first-level controls against this risk are carried out by the operational functions. Second and third-level audits are carried out by the Group Controls Department.

The Gardant Group has also developed a Business Continuity strategy that envisages the analysis of the impacts on operations and the identification of some crisis/disaster scenarios, in order to identify the most appropriate continuity solutions to guide the restoration of essential processes from an organisational, logistical and IT point of view.

Business continuity refers to the availability of critical resources, such as information, people, infrastructure, technology, communication networks, premises, which are needed to ensure the operation of the most critical business processes in emergency/crisis situations. The sudden unavailability of these resources may result in the interruption of operations, with consequent economic, regulatory and image impacts.

The Business Continuity Plan (BCP) provides for roles and/or Committees for the management of business continuity that operate both in "normal" situations, in order to guarantee the maintenance of the BCP, and in crisis situations to guarantee the adequate supervision, coordination and control of recovery activities and return to normality of the impacted processes.

With regard to the companies subject to supervision, Master Gardant S.p.A. and Gardant Investor SGR, the risk analysis is carried out with an approach focused on the Risk self-assessment technique of the exposure to operational risks supplemented by appropriate interviews with the various organisational units and company functions in order to identify both potential risks and the control systems adopted to mitigate them.

With reference to Master Gardant S.p.A., in line with the Supervisory Provisions applicable to Class 3 financial intermediaries, the Company uses the BIA (Basic Indicator Approach) method to determine the regulatory capital requirement.

Other risks

Concentration risk

Concentration risk is the risk deriving from exposures to counterparties, including central counterparties, groups of related counterparties and counterparties operating in the same economic sector, in the same geographical region or carrying out the same activity or trading the same commodity, as well as from the application of credit risk mitigation techniques, particularly including risks deriving from indirect exposures, for example, with respect to individual guarantee providers.

Specifically, concentration risk is divided into the following sub-categories:

- *single name concentration risk*, i.e. risk deriving from excessive exposure to individual counterparties or groups of related counterparties. The possibility of insolvency of a counterparty or of counterparties connected to each other may result in losses such as to compromise the stability of the Company;
- *geo-sectorial concentration risk*, or the risk deriving from excessive exposure to counterparties in the same economic sector or carrying out the same activity or belonging to the same geographical area. The relative possibility of insolvency may result in losses that could compromise the stability of the Company.

With reference to the operations of Master Gardant S.p.A., a financial intermediary pursuant to Art. 106 of the TUB, subject to supervision, it is deemed that this risk can be broken down only in the ***single name concentration*** component, connected to the recovery forecasts for individual debtors or groups of connected debtors. It should also be noted that the Supervisory Provisions[1] pay particular attention to the concentration of exposures by providing a specific framework that establishes, among other things:

- the monitoring of "large exposures", i.e. those whose value is equal to or greater than 10% of the eligible capital as defined on the basis of Article 392 CRR;
- that the amount of the exposure to a single customer or a group of related customers does not exceed 25% of the admissible capital (Article 395, ordinary concentration limit, CRR).

In this context, Master Gardant, to ensure adequate flexibility for the Company's financial operations and to allow the efficient allocation of liquidity to a limited number of bank current accounts, adequate to the Company's volumes, within the framework of a conscious assumption of the concentration risk, raised, upon approval by the Board of Directors, the concentration limit with respect to certain banks to 75% of Tier 1 capital.

Securitisation risk

A particular type of credit risk is the securitisation risk, i.e. the risk of incurring losses due to the fact that the economic substance of the securitisation transaction is not fully reflected in the risk assessment and management decisions. Securitisation risk arises when a company of the Group purchases part of the notes issued by securitisation vehicles with underlying loan portfolios.

Related party transactions

As of December 31st 2023, transactions with related parties mainly concerned transactions with Banca CF+ and with directors.

(thousands of euro)

Related party	Assets	Liabilities	Costs	Revenue
Banca CF+	-	6	82	359
Directors	-	-	1,084	-
	-	**6**	**1,167**	**359**

As at December 31st 2022 the transactions with related parties were:

[1] See Circular 288/2015 of the Bank of Italy, Title IV, Chapter 12 "Large exposures"

(thousands of euro)

Related party	Receivables	Payables	Costs	Revenues
Banca CF+	349	8.253	183	905
Directors	-	-	1,084	-
Total 2022	**349**	**8.253**	**1,267**	**905**

Subsequent events

In the context of the strategic partnership between BPER Group and Gardant Group signed on November 28th, 2022, on January 15th, 2024:

- Gardant Bridge S.p.A., a Gardant Group company, purchased 70% of the share capital of Gardant Bridge Servicing S.p.A. by BPER Banca S.p.A.;
- Gardant Bridge Servicing S.p.A. joined the Gardant Group as the credit platform, dedicated to the servicing activities on credits classified as Bad Loans (Bad Loans) or Unlikely to Pay loans (UtP Loans) of BPER Group;
- Gardant Bridge Servicing S.p.A. signed two ten-year servicing contracts (two for each bank) with BPER Banca S.p.A. and with Banco di Sardegna S.p.A. for the management of:
  - an initial stock of credits classified as Bad Loans (Bad Loans) for a nominal amount of Euro 1.1 billion, in addition to 90% of the new bad loans flows that the two banks will originate in the next 10 years; and
  - an initial stock of credits classified as Bad Loans (Bad Loans) for a nominal amount of Euro 1.2 billion in addition to 50% of the new UtP credit flows, the two banks will accrue over the next 10 years.

As part of the partnership project activities, on February 1st, 2024 and March 1st, 2024 Gardant Bridge Servicing S.p.A. started the special servicing activities on the portfolios owned by Loira SPV S.r.l. and AMCO S.p.A. and originated by BPER Group. In the first half of 2023 BPER Group had sold a portfolio of mainly UtP Loans to Loira SPV S.r.l. and a portfolio of primarily Bad Loans to AMCO S.p.A. In that context, Special Gardant S.p.A. had obtained an *ad-interim* servicing mandate on both portfolios, pending the set-up of the joint venture. After the acquisition of Gardant Bridge Servicing S.p.A. by Gardant Bridge S.p.A., the credit servicing activities on those two portfolios were mandated to the joint venture.

The partnership was financed by both equity capital, ultimately provided by the shareholders of Gardant S.p.A., and bank financing provided by a pool of banks.

The resolution for the increase in ordinary shares of Gardant S.p.A. was taken on December 5th, 2023 by the Extraordinary General Meeting. The capital increase of Gardant S.p.A. for Euro 51,001 thousand was communicated to the Italian Authority (Chamber of Commerce) in January 2024, and the capital increase of Euro 51,001 thousand was recorded as an increase in ordinary shares in 2024. Following the capital increase of Gardant S.p.A., in January 2024, the equity of Special Gardant S.p.A. and Garant Bridge S.p.A. were accordingly increased to finance the acquisition of the 70% of the share capital of Gardant Bridge Servicing S.p.A. by BPER Banca S.p.A.

On 12th January 2024, Gardant Bridge S.p.A. signed a €55,5 million financing agreement with a pool of banks that supported the Gardant Group in establishing the partnership with the BPER Group. The agreement, aimed at the acquisition of the stake in Gardant Bridge Servicing S.p.A., provided the Company with the financial resources necessary to carry out the acquisition transaction.

Following the previous announcement made by doValue S.p.A. on March 21st, 2024, on June 7th, 2024 doValue S.p.A. announced that it entered into a binding agreement with Tiber Investments S.à r.l., an affiliate of funds advised by Elliott Advisors (UK) Limited, and other minority shareholders, to acquire 100% of the entire issued share capital of Gardant S.p.A. for a total consideration including: (i) a cash consideration of €230 million (including Gardant's net financial position) and (ii) new shares of doValue, resulting in a 20% stake in doValue. The operation would be closed within the end of 2024, subject to certain conditions precedent being satisfied.

The Acquisition would create a leading European credit management company, whose central role to support the financial system and the economy is strengthened through the creation of the leading credit management company in Italy, with products ranging from sub-performing to non-performing loans, state-of-the-art IT platform, fund management, diversified business lines across the full spectrum of credit management, and long-term contracts with the largest European Banking Groups.

Concerning the inspection by the Bank of Italy in Master Gardant S.p.A., which took place in 2023, and the related start of a single sanctioning procedure, which includes an initial investigation phase, on 26 March 2024 the Board of Directors approved an action plan. All actions envisaged by this action plan by 30 June 2024 are completed on the same date.

Remuneration of directors and auditors

The total fees paid to directors of the various Group companies amounted to Euro 1,084 thousand; those of the Boards of Statutory Auditors amounted to Euro 331 thousand.

No Group company disbursed advances or loans to the members of the corporate bodies.

Independent auditors' fees

The Independent Auditor of the Gardant Group is KPMG S.p.A, whose fee for the year 2023 for auditing activities was Euro 757 thousand.

Number of employees of the Group broken down by categories

The average number of Group employees can be broken down as follows:

- managers 24
- middle managers 188
- other employees 130

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Report on review of condensed consolidated interim financial statements

To the board of directors of
Gardant S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of the Gardant Group (the "group"), comprising the condensed consolidated statement of financial position as at 30 September 2024, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine months then ended and notes thereto. The directors of Gardant S.p.A. are responsible for the preparation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of the review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Gardant Group as at and for the nine months ended 30 September 2024 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Other matters

The group's condensed consolidated interim financial statements as at and for the nine months ended 30 September 2023 were neither audited nor reviewed.

Rome, 6 November 2024

KPMG S.p.A.

(signed on the original)

Riccardo De Angelis
Director of Audit

1. Condensed consolidated interim financial statements

Condensed consolidated statement of financial position as at 30 September 2024

(thousands of euro)

ASSETS	Notes	30/09/2024	31/12/2023
NON-CURRENT ASSETS			
Property, plant and equipment	1	11,851	12,316
Intangible assets	2	206,602	113,312
Deferred tax assets	3	19,038	20,645
Other non-current financial assets	4	30,203	68,271
Other non-current assets	5	5,114	1,959
Total non-current assets		***272,808***	***216,503***
CURRENT ASSETS			
Trade receivables	6	28,204	42,586
Cash and cash equivalents	7	55,643	86,801
Tax assets	8	1,660	2,094
Other current assets	9	8,760	5,526
Financial assets	10	14,950	-
Total current assets		***109,217***	***137,007***
Total assets		**382,025**	**353,510**

(thousands of euro)

LIABILITIES	Notes	30/09/2024	31/12/2023
EQUITY			
Share capital	11	260	210
Share premium	12	191,456	140,506
Reserves	12	16,866	64,010
Profit/(loss) for the year atrributable to the owners of the Parent		6,402	5,495
Equity attributable to non-controlling interests		26,581	20,915
Total equity		**241,565**	**231,136**
NON-CURRENT LIABILITIES			
Non-current loans	13	59,643	23,365
Employee benefits	14	4,002	2,745
Provisions for risks and charges	14	81	58
Deferred tax liabilities	3	13,397	14,893
Other non-current payables		32	21
Other non-current financial payables	4	975	-
Total non-current liabilities		**78,130**	**41,081**
CURRENT LIABILITIES			
Current loans	13	21,638	13,141
Trade payables	15	9,287	13,698
Tax liabilities	16	8,643	996
Other payables	17	22,762	53,458
Total current liabilities		**62,330**	**81,293**
TOTAL LIABILITIES AND EQUITY		**382,025**	**353,510**

The notes from page 9 to page 51 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income for the nine months ended 30 September 2024

(thousands of euro)

INCOME STATEMENT	Notes	30/09/2024	30/09/2023
Revenues	18	91,941	54,370
Interest on investments	18	4,121	6,484
Other income	19	1,833	3,561
Total revenue and other income		**97,895**	**64,415**
Costs for services	20	(17,171)	(14,456)
Personnel expenses	21	(38,701)	(29,382)
Expenses for the use of third-party assets	22	(2,597)	(2,084)
Other operating expenses	23	(1,219)	(4,431)
Amortisation, depreciation and write-downs	24	(16,690)	(10,163)
Total costs		**(76,379)**	**(60,516)**
Operating result		**21,516**	**3,899**
Financial charges	25	(3,696)	(2,834)
Value adjustments to financial assets		109	-
Profit (loss) before tax		**17,929**	**1,065**
Tax	26	(6,565)	(3,271)
Profit (loss) for the period		**11,364**	**(2,206)**
Profit (loss) for the period attributable to third parties		*4,962*	*625*
Group's profit (loss) for the period		*6,403*	*(2,831)*
Other comprehensive income (loss) net of taxes without reversal to the Income Statement		**(1,040)**	**(316)**
Defined benefit plans		(27)	-
Cash flow hedges		(1,013)	(316)
Other comprehensive income (loss) net of taxes with reversal to the Income Statement		**101**	**12**
Financial assets evaluated at fair value to OCI		101	12
Total other comprehensive income (loss) net of taxes		**(939)**	**(303)**
Comprehensive income		**10,425**	**(2,509)**
Comprehensive income (loss) attributable to third parties		*4,925*	*625*
Comprehensive income (loss) attributable to the Parent Company		*5,499*	*(3,134)*

The notes from page 9 to page 51 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows for the nine months ended 30 September 2024

(thousands of euro)

A.	OPERATING ACTIVITIES	30/09/2024	30/09/2023
1.	**Operations**	**35,314**	**9,641**
-	profit (loss) for the year (+/-)	11,364	(2,206)
-	net depreciation, amortisation and *impairment* on property, plant and equipment and intangible assets (+/-)	14,572	8,960
-	net provisions for risks and charges (+/-)	2,158	1,205
-	interest and financial expense	(516)	(725)
-	unpaid taxes, fees and tax credits (+/-)	8,529	3,271
-	other adjustments (+/-)	(793)	(864)
2.	**Cash generated by/used in financial assets**	**28,142**	**(2,619)**
-	trade receivables	12,263	5,954
-	other assets	15,878	(8,572)
3.	**Cash generated by/used in financial liabilities**	**(33,212)**	**(359)**
-	trade payables	(4,411)	130
-	other liabilities	(28,801)	(489)
4	**Other changes**	**9,932**	**(1,136)**
-	interest collected	14,374	767
-	interest paid	(4,106)	(844)
-	payment of income taxes	(337)	(1,059)
	Net cash generated by/used in operating activities	**40,175**	**5,527**

B.	INVESTMENT ACTIVITIES	30/09/2024	30/09/2023
1.	**Cash generated by**	**8,082**	**122**
-	sales of property, plant and equipment	82	122
-	repayment of financial assets	8,000	
2.	**Cash used in**	**(127,300)**	**(1,968)**
-	acqusition of business net of cash acquired	(103,207)	(350)
-	purchases of financial assets	(22,732)	
-	purchases of property, plant and equipment	(296)	(663)
-	purchases of intangible assets	(1,065)	(955)
	Net cash generated by/used in investment activities	**(119,218)**	**(1,846)**
C.	**FINANCING ACTIVITIES**	**30/09/2024**	**30/09/2023**
-	issue/purchases of shares	2,540	-
-	proceeds for loans and borrowing	55,500	-
-	repayment of borrowing	(8,265)	(5,817)
-	distribution of dividends and other purposes	(1,890)	(2,093)
	Net cash generated by/used in financing activities	**47,885**	**(7,911)**
	NET CASH GENERATED/USED DURING THE YEAR	**(31,158)**	**(4,230)**

Reconciliation

(thousands of euro)

Financial statement items	30/09/2024	30/09/2023
- Cash and cash equivalents at the beginning of the year	86,801	29,460
- Total net cash generated/used during the year	(31,158)	(4,230)
- Cash and cash equivalents at the close of the year	55,643	25,230

The notes from page 9 to page 51 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity for the nine months ended 30 September 2024

(thousands of euro)

	Total equity 31.12.2023	Equity attr. to the owners of the Parent 31.12.2023	Equity attr. to non-controlling interests 31.12.2023	Changes in the period: Allocation of profit for the previous year	Issue of new shares	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity 30.09.2024	Equity attr. to the owners of the Parent 30.09.2024	Equity attr. to non-controlling interests 30.09.2024
Share capital	255	210	45	-	150		-	-	405	260	145
Reserves	82,065	63,357	18,708	7,685	(50,947)	(1,890)	(645)	-	36,268	17,115	19,153
Share premium	140,506	140,506	-	-	53,337			-	193,843	191,456	2,387
Fair value reserve	625	653	(28)	-			- -	939	(314)	(250)	(65)
Profit (loss) for the period	7,685	5,495	2,190	(7,685)			-	11,364	11,364	6,402	4,962
Equity	**231,136**	**210,221**	**20,915**	**-**	**2,540**	**(1,890)**	**(645)**	**10,425**	**241,566**	**214,985**	**26,581**
Equity attributable to the owners of the Parent	**210,221**	**210,221**	**-**	**-**	**-**		**(736)**	**5,499**	**214,985**	**214,985**	**-**
Equity attributable to non-controlling interests	**20,915**	**-**	**20,915**	**-**	**2,540**	**(1,890)**	**91**	**4,925**	**26,581**	**-**	**26,581**

The notes from page 9 to page 51 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity for the nine months ended 30 September 2023

(thousands of euro)

	Total equity 31.12.2022	Equity attr. to the owners of the Parent 31.12.2022	Equity attr. to non-controlling interests 31.12.2022	Changes in the period: Allocation of previous year's result	Dividend paid to non-controlling interests	Change in reserves	Comprehensive income	Total equity 30.09.2023	Equity attr. to the owners of the Parent 30.09.2023	Equity attr. to non-controlling interests 30.09.2023
Share capital	255	210	45	-		-	-	255	210	45
Reserves	26,603	8,393	18,210	8,327	(2,093)	813	-	33,650	14,942	18,708
Share premium	157,466	157,466	-	(17,907)		947	-	140,506	140,506	-
Fair value reserve	2,473	2,437	36	-		-	(303)	2,170	2,134	36
Profit (loss) for the period	(9,580)	(12,172)	2,592	9,580		-	(2,205)	(2,205)	(2,830)	625
Equity	**177,217**	**156,335**	**20,882**	**-**	**(2,093)**	**1,760**	**(2,508)**	**174,376**	**154,962**	**19,414**
Equity attributable to the owners of the Parent	**156,335**	**156,335**	**-**	**-**	**-**	**1,760**	**(3,133)**	**154,962**	**154,962**	**-**
Equity attributable to non-controlling interests	**20,882**	**-**	**20,882**	**-**	**(2,093)**	**-**	**625**	**19,414**	**-**	**19,414**

The notes from page 9 to page 51 are an integral part of these condensed consolidated interim financial statements.

GARDANT

Notes to the condensed consolidated interim Financial Statements

2. Notes to the condensed consolidated interim financial statements

PART A – ACCOUNTING POLICIES

A. 1 GENERAL PART

Entity preparing the financial statements

Gardant S.p.A. (hereinafter also the "Parent Company" or the "Company") has its registered office in Via Curtatone 3, Rome (Italy). The condensed consolidated interim financial statements for the nine months ended 30 September 2024 include the financial statements of the Company and its subsidiaries (together, the "Group"). The Group is mainly active in the credit management sector with a unique business model: it is both a Debt Servicer (DS) and an Asset Manager/Debt Purchaser (DP) and operates on all asset classes linked to bank loans and leases (performing, unlikely- to-pay, bad loans).

These condensed consolidated interim financial statements were approved by the Board of Directors on 5 November 2024.

Summary of accounting policies

The condensed consolidated interim financial statements (hereinafter also "consolidated interim financial statements") as at 30 September 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and must be read together with the latest annual consolidated financial statements of the Group as at 31 December 2023. While not including all the information required for full IFRS Accounting Standards disclosures, specific notes are included to explain events and transactions that are relevant to understand changes in the Group's statement of financial position and performance since the last annual financial statements.

These consolidated interim financial statements do not include all the information required by the annual financial statements and, therefore, must be read together with the consolidated financial statements prepared for the year ended 31 December 2023.

It should be noted that the accounting standards used, the recognition and measurement criteria of estimates and assumptions, as well as the consolidation criteria and methods applied to these condensed consolidated interim financial statements at 30 September 2024 are the same as those adopted for the preparation of the consolidated financial statements as at 31 December 2023.

The consolidated interim financial statements are drawn up in thousands of Euro, unless otherwise indicated and are composed of:

- condensed consolidated statement of financial position;
- condensed consolidated statement of profit or loss and other comprehensive income;
- condensed statement of cash flows;
- consolidated statement of changes in equity;
- notes to the condensed consolidated financial statements.

The consolidated interim financial statements show comparative data or a comparison with the comparable prior period and, where deemed necessary, with the statement of financial position for the last financial year.

If present, income and expenses arising from non-recurring transactions and expenses resulting from extraordinary transactions are shown separately in the condensed consolidated statement of comprehensive income.

Where the financial statements of the consolidated companies are prepared in compliance with the schedules imposed by the Bank of Italy Circulars (Master Gardant S.p.A. and Gardant Investor SGR S.p.A.), the financial statements items have been appropriately reclassified to adapt them to the statements of the Parent Company.

The consolidated interim financial statements have been prepared assuming that the Group and the consolidated companies will continue as a going concern, as the Directors of the Parent Company have verified that there are no financial, operational or other indicators that could raise critical issues regarding the ability of the Group and the Group companies to meet their obligations in the foreseeable future and in particular in the next 12 months.

Scope and basis of consolidation

The consolidated interim financial statements include the separate interim financial statements of the Parent Company Gardant and those of the companies in which it directly or indirectly controls the majority of votes that can be exercised at ordinary shareholders' meetings.

The scope of consolidation takes into account the criteria set forth in IFRS 10 "Consolidated Financial Statements" and, therefore, includes the companies for which there is the assumption of control that occurs when all three of the following requirements are met:

- power over the company;
- exposure to the risks or rights deriving from the variable returns linked to its involvement;
- ability to influence key company decisions on which variable returns may depend.

Subsidiaries are consolidated on a line-by-line basis from the date on which control is actually acquired and are no longer consolidated from the date on which control is transferred to third parties.

The criteria adopted for line-by-line consolidation are:

- the assets, liabilities, charges and income of the subsidiaries are taken on a line-by-line basis, attributing to the minority shareholders, where applicable, their respective portions of equity and profit for the period;
- reciprocal items are written-off.

The companies included in the scope of consolidation are:

Company	Registered Office	Share capital (Euro)	% held (direct and indirect)	Consolidation method
Gardant S.p.A. (Parent Company)	Via Curtatone, 3 - Rome	260,247		Integral Method
Master Gardant S.p.A.	Via Curtatone, 3 - Rome	2,160,000	100.00	Integral Method
Special Gardant S.p.A.	Via Curtatone, 3 - Rome	210,000	100.00	Integral Method
Gardant Investor SGR S.p.A.	Via Curtatone, 3 - Rome	690,000	100.00	Integral Method
Gardant Liberty Servicing S.p.A.	Via Curtatone, 3 - Rome	150,000	70.00	Integral Method
Gardant Bridge S.p.A.	Via Curtatone, 3 - Rome	1,238,000	95.90	Integral Method
Gardant Bridge Servicing S.p.A.	Via Curtatone, 3 - Rome	150,000	67.13	Integral Method
Aurelia SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Bramito SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Celio SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Cosmo SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Leviticus SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Lucullo SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
New Levante SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method

Ponente SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
POP NPLs 2020 S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Tevere SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Tiberina SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
Loira SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method
LeaseCo One S.r.l.	Via Curtatone, 3 - Rome	50,000	100.00	Integral Method
LeaseCo Europa S.r.l.	Via Curtatone, 3 - Rome	50,000	100.00	Integral Method
LeaseCo Simeto S.r.l.	Via Curtatone, 3 - Rome	10,000	100.00	Integral Method
Vette SPV S.r.l.	Via Curtatone, 3 - Rome	10,000	60.00	Integral Method

Companies included in the scope of consolidation as at 30 September 2024

The scope of consolidation as at 30 September 2024 changed compared to the end of the previous year due to the purchase of the equity investment in the company Gardant Bridge Servicing S.p.A. which is 70% owned by Gardant Bridge S.p.A., by the entry of FBS into the share capital of Gardant Bridge S.p.A. for 4.1% and the entry of the company Loira SPV S.r.l. into the same scope.

Lastly, it should be noted that the company governed by Luxembourg law Gardant GP in liquidation was cancelled from the register of companies of the country of residence.

The non-controlling interests of 30% of Gardant Liberty Servicing and Gardant Bridge Servicing are held by Banco BPM S.p.A. and BPER Banca S.p.A., respectively; the additional 2.87% stake in Gardant Bridge Servicing is held by FBS Next S.p.A.

Below is a breakdown of the amounts in the financial statements of the two investee companies before consolidation records.

(thousands of euro)

Gardant Liberty Servicing	30.09.2024	31.12.2023
Minority interest percentage	**30%**	**30%**
Non-current assets	4,343	4,810
Current assets	43,038	41,792
Non-current liabilities	3,531	3,671
Current liabilities	11,837	10,257
Net assets	**32,013**	**32,673**
	30.09.2024	**30.09.2023**
Revenue	21,010	22,197
Profit for the period	5,648	6,048
OCI	(7)	-
Total Income Statement and OCI	**5,641**	**6,048**
Profit (loss) of minority interests	1,694	1,814
OCI of minority interests	(2)	-
Cash flows from operating activities	6,217	6,668
Cash flows from investment activities	81	(40)
Cash flows from financial activities	(6,301)	(6,978)
Increase (decrease) in cash flows	**(3)**	**(350)**

(thousands of euro)

Gardant Bridge Servicing	30.09.2024
Minority interest percentage	**32.87%**
Non-current assets	3,845
Current assets	24,140
Non-current liabilities	1,913
Current liabilities	11,712
Net assets	**14,360**
	30.09.2024
Revenue	34,475
Profit for the period	14,201
OCI	(12)
Total Income Statement and OCI	**14,189**
Profit (loss) of minority interests	4,668
OCI of minority interests	(4)
Cash flows from operating activities	15,475
Cash flows from investment activities	(722)
Cash flows from financial activities	-
Increase (decrease) in cash flows	**14,753**

The other minority interests are not material.

Use of accounting estimates

The application of IFRS for the preparation of the consolidated interim financial statements requires the company's management to make, on some balance sheet items, accounting estimates considered reasonable and realistic on the basis of information known at the time of the estimate, which affect the amounts of assets and liabilities of revenue and costs in the reporting period. However, it should be noted that, since these are estimates, the results obtained will not necessarily be the same as those shown in these financial statements.

Management's material assessments in applying the Group's accounting standards and the main sources of estimate uncertainty are unchanged from those disclosed in the last annual financial statements.

The main cases for which the use of subjective judgements by company management are required are:

- the quantification of value adjustments or write-backs on financial assets measured at fair value;
- the quantification of provisions for personnel and provisions for risks and charges;
- estimates and assumptions on the recoverability of deferred tax assets.

The variable amount of revenues and servicing costs was determined on the basis of the contractual specificities of each mandate through the final reports available at the date of preparation of these interim financial statements.

The description of the accounting policies applied to the main financial statements aggregates provides the information necessary to identify the main assumptions and valuations used in the preparation of the financial statements.

Fair value measurement

Various accounting standards applied by the Group require the fair value measurement of financial and non-financial assets and liabilities.

In relation to fair value measurement, the Group has a consolidated control structure in place that relies on a valuation team who reports directly to the administrative director, who is generally responsible for all significant fair value measurements, including Level 3 measurements.

The valuation team regularly reviews unobservable input data and measurement adjustments. When third party information is used to determine fair value, such as broker prices or pricing services, the valuation team assesses and documents the evidence obtained from third parties to support the fact that these assessments meet the provisions of the IFRS, including the level of the fair value hierarchy in which to classify the related valuation.

Significant aspects relating to the measurement are communicated to the Group audit.

For more details, please refer to section A.4 INFORMATION ON FAIR VALUE.

Significant transactions and events

On 15 January 2024, the operations establishing the partnership between the BPER Group and the Gardant Group were completed through:

- the creation of the servicing platform Gardant Bridge Servicing S.p.A., 70% owned by Gardant Bridge S.p.A., a company of the Gardant Group, and 30% owned by BPER Banca;
- the signing of two servicing agreements relating to the management and recovery of receivables classified as both UtP and NPL, owned by BPER Banca S.p.A. and Banco di Sardegna S.p.A.

On the same date, therefore, the Group company Gardant Bridge S.p.A. purchased 70% of the company Gardant Bridge Servicing S.p.A., with 30% remaining with the BPER Group. The purchase price of the aforementioned equity investment was Euro 105,250 thousand (then subject to adjustment for a further Euro 143 thousand).

The capital endowment to the acquiring company was provided through a capital increase of Euro 59.4 million subscribed for approximately 96% by Special Gardant S.p.A. and for the remaining part by a business partner. Special Gardant has also made an additional capital payment of Euro 2.4 million. The financial resources for this capital increase of the subsidiary had been made available to the Group by the shareholders of the Parent Company in December 2023.

As far as financial support is concerned, the transaction was supported by a pool of leading banks that assisted the Gardant Group throughout the entire phase of conception and implementation of the transaction. The bank loan, taken out by Gardant Bridge S.p.A., amounted to Euro 55,500 thousand, subject to cash flow hedging through an Interest Rate Swap ("IRS") contract in order to limit the interest rate risk of the loan itself. Of the total amount received, Euro 43,500 thousand were used for the purchase of the equity investment.

The excess cost paid over the value of the assets and liabilities acquired was temporarily allocated to goodwill; the Purchase Price Allocation ("PPA") process will be completed by the end of the year.

Intangible assets, in addition to incorporating the amount of goodwill shown above, were subject to a write-off for Euro 6,308 thousand of the intangible asset recognised on the special servicing contract entered into with the former Carige Group (now merged into the BPER Group) following the termination of said contract (whose underlying receivables were assigned as special servicing to Gardant Bridge Servicing S.p.A.). In view of the closure of the aforementioned contract, the Group received compensation of Euro 9,035 thousand.

Acquisition of Gardant Bridge Servicing S.p.A.

As mentioned in the previous paragraph, on 15 January 2024 the Group company Gardant Bridge S.p.A. purchased 70% of the company Gardant Bridge Servicing S.p.A., 30% of which remains with the BPER Group.

The control of Gardant Bridge Servicing S.p.A. allows the Group to consolidate its role in the special servicing sector through the signing of two servicing agreements relating to the management and recovery of loans classified both as UtP and non-performing loans, owned by BPER Banca S.p.A. and Banco di Sardegna S.p.A.

In the nine months period ended 30 September 2024, the subsidiary generated revenue of Euro 34,475 thousand and a profit of Euro 14,201 thousand.

There are no share-based payment incentives or terminations of pre-existing relationships in the purchased company.

Identifiable assets acquired and liabilities assumed

The amounts recognised with reference to assets acquired and liabilities assumed at the acquisition date are summarised below. The table also illustrates the effect of the transition from national accounting standards to the IAS/IFRS accounting standards. As can be seen from the tables below, the main effects of the transition concerned the following aspects:

- recognition in accordance with IFRS 16 of the company's lease contracts (Euro 1,057 thousand in property, plant and equipment and Euro 1,116 thousand in financial liabilities);
- the write-off of the costs of incorporation of the company previously recognised under intangible assets;
- positive effect of the application of IAS 19 on post-employment benefits and provisions for risks and charges for employee loyalty bonuses (Euro 526 thousand);
- the net positive effect on equity for Euro 119 thousand.

units in euro

ASSETS	Previous accounting standards	Transition effects	IAS/IFRS
NON-CURRENT ASSETS			
Property, plant and equipment	156,748	1,057,012	1,213,760
Intangible assets	27,000	(27,000)	-
Investments	-	-	-
Deferred tax assets	-	-	-
Other non-current financial assets	-	-	-
Other non-current assets	40,460	54,793	95,253
Total non-current assets	**224,208**	**1,084,805**	**1,309,013**
CURRENT ASSETS			
Trade receivables	-	-	-
Tax receivables	33,856	-	33,856
Other current assets	231,826	-	231,826
Cash and cash equivalents	1,902,515	-	1,902,515
Total current assets	**2,168,197**	**-**	**2,168,197**
Total assets	**2,392,405**	**1,084,805**	**3,477,210**

units in euro

SHAREHOLDERS' EQUITY AND LIABILITIES	Previous accounting standards	Transition effects	IAS/IFRS
SHAREHOLDERS' EQUITY			
Capital	150,000	-	150,000
Legal reserve	-	-	-
Share premium reserve	-	-	-
Other reserves	51,442	(30,298)	21,144
Profit (loss) for the period	(16,493)	149,616	133,123
Total shareholders' equity	**184,949**	**119,318**	**304,267**
NON-CURRENT LIABILITIES			
Non-current loans	-	1,116,038	1,116,038
Deferred tax liabilities	-	-	-
Provisions for risks and charges	427,995	(401,461)	26,534
Employee benefits	1,083,025	(124,149)	958,876
Total non-current liabilities	**1,511,020**	**590,428**	**2,101,448**
CURRENT LIABILITIES			
Trade payables	113,434	-	113,434
Current loans	-	-	-
Current tax payables	-	-	-
Other payables	583,002	375,059	958,061
Total current liabilities	**696,436**	**375,059**	**1,071,495**
Total shareholders' equity and liabilities	**2,392,405**	**1,084,805**	**3,477,210**

Purchase price

The following table summarises the fair value at the acquisition date of the main components of the purchase price:

	(thousands of euro)
Cash and cash equivalents used	43,500
Capital instruments (n. 1,188,000 ordinary shares)	59,400
Capital payment	2,350
Total purchase price	**105,250**

The value of the shares issued by Gardant Bridge S.p.A. is equal to Euro 50 per share, including the share premium.

Costs related to the transaction

The Group incurred costs associated with the acquisition relating to legal and consultancy expenses of Euro 3,229 thousand which were capitalised in the amortised cost of the loan, and notary costs, for Euro 211 thousand capitalised under Investments in the financial statements of Gardant Bridge S.p.A.

Identifiable assets acquired and liabilities assumed

The amounts recognised in respect of assets acquired and liabilities assumed at the date of acquisition are summarised below:

	(thousands of euro)
Property, plant and equipment	1,214
Other non-current assets	95
Tax receivables	34
Other current assets	232
Cash and cash equivalents	1,903
Non-current loans	(1,116)
Provisions for risks and charges	(27)
Employee benefits	(959)
Trade payables	(114)
Other payables	(958)
Total net identifiable assets	**304**

Trade receivables and other receivables are recorded at gross value as all receivables were deemed collectable at the acquisition date.

Goodwill

The excess cost paid with respect to the value of the assets and liabilities acquired was temporarily allocated to goodwill pending the *Purchase Price Allocation* process that will be completed by the end of the year and from the completion of which, on the basis of the evidence available to date, it is not believed that there will be any significant effects on the Group's equity and on the Group's result for the period as at 30 September 2024. Goodwill was recognised as the difference between the price paid for the shares and the book equity value after application of IAS/IFRS, as shown in the following table:

(thousands of euro)

Total purchase price	105,250
Adjustement of the purchase price	142
Fair value of total net identifiable assets	(304)
Goodwill	**105,088**

Goodwill, as well as any intangible assets recognised as a result of the Purchase Price Allocation recorded in the consolidated financial statements on the higher value paid for the shares, may be deductible for tax purposes if the Group decides to redeem this higher value by paying the relevant substitute tax.

Closure of the investment in Velino SPV S.r.l.

During the first nine months of 2024, the investment in the securitisation of the company Velino SPV S.r.l. in which, at the end of 2023, the Company had made an investment of approximately Euro 31 million, was closed.

Closure of the investment in Lucullo SPV S.r.l.

During the first nine months of 2024, the investment in the securitisation of the company Lucullo S.r.l. was also closed, where, as at 30 September 2024, a minimum involvement of Euro 8 thousand remained pending the full repayment of the company's ABS securities.

Binding agreement between doValue S.p.A. and the shareholders of Gardant S.p.A. for the acquisition of 100% of the share capital of Gardant S.p.A.

On 7 June 2024, doValue S.p.A., a leader in the credit management sector in Italy and with a significant presence in Spain, Greece and Cyprus, announced that it had signed a binding agreement with the shareholders of Gardant S.p.A. for the acquisition of 100% of the share capital of Gardant S.p.A.

The objective of the acquisition is to create a leading credit management group in Europe, whose central role in supporting the financial system and the economy is strengthened through the creation of a unified credit management entity in Italy, with products ranging from sub-performing to non-performing loans, a state-of-the-art IT platform, asset management, diversified business lines across the entire spectrum of credit management, and long-term contracts with major European banking groups.

As part of this transaction, Gardant will be able to play a key role in further supporting the growth of doValue's leadership in Italy, while strengthening its partnerships with banks and investors and diversifying its product offering, in particular through long-term servicing contracts, management capabilities of non-performing and UTP rated loans and a growing asset management business.

Bank of Italy inspection in Master Gardant S.p.A.

With reference to the Bank of Italy inspection in 2023, on 26 March 2024 the Board of Directors approved an action plan. All the actions under this action plan to be carried out by 30 September 2024 were completed by the same date.

Other aspects

With regard to acquisitions and disposals of property, plant and equipment, please refer to the specific note in Part B of this section.

During the nine months period, adjustments were made to receivables for Euro 2,118 thousand to take into account the special servicing fees withheld, following the underperformance of some contracts held by the Group.

For transactions with related parties, please refer to the appropriate table at the end of these notes.

During the first nine months of 2024, Gardant Liberty Servicing paid dividends to third parties in the amount of Euro 1,890 thousand.

Subsequent events

Preparatory and preliminary activities for the acquisition of 100% of the share capital of Gardant SpA by doValue S.p.A.

Following the announcement on 7 June 2024 by doValue S.p.A., the activities aimed at the acquisition of 100% of Gardant S.p.A. continued, with the purchaser requesting the necessary authorisations from the competent authorities and, if obtained, the closing of the transaction. According to what was disclosed by doValue S.p.A. to the financial markets, the transaction is expected to be completed by the end of 2024, subject to meeting all the conditions precedent, including the necessary authorisations.

Conclusion of the Bank of Italy 's inspection of Master Gardant S.p.A.

With reference to the initiation of a single sanctioning procedure, on 16 October 2024 it was communicated by the Supervisory Authority that the investigation phase ended with the proposal not to take further action.

First investment of the Terre Agricole Italiane Fund

On 30 July 2024, the Terre Agricole Italiane Fund, managed by the Group’s asset management company, made its first investment for Euro 6.8 million.

A.2 - SECTION ON THE MAIN ITEMS OF THE 2024 FINANCIAL STATEMENTS

Evaluation criteria

The most significant accounting standards and valuation criteria used to prepare the consolidated interim financial statements are shown below.

It should be noted that these interim consolidated financial statements have been prepared using the same accounting standards as those applied to the Group's consolidated financial statements for the year ended 31 December 2023, with the exception of the changes to existing standards for first-time adoption on 1 January 2024 summarised below:

New accounting standards or amendments
Non-current Liabilities with Covenants (Amendments to IAS 1) and *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The application of these amendments, at present, has not had any impact on these consolidated interim financial statements as at 30 September 2024.

The accounting standard for the recognition and measurement of taxes used in the interim period is consistent with that applied in the comparative interim period and is described in note 26.

New accounting standards published but not yet adopted

With regard to future requirements, the amendments made recently to the IFRS Accounting Standards are reported below, which can be applied in advance, but not necessarily, starting from the financial year beginning on 1 January 2024.

Date of entry into force	New accounting standards or amendments
1 January 2025	*Lack of Exchangeability (Amendments to IAS 21)*
Optional adoption/date of entry into force postponed indefinitely is possible.	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*

The Group has decided not to adopt them in advance for the preparation of these consolidated interim financial statements.

The application of these standards, at present, should not have an impact on the Group's consolidated financial statements.

1 - Property, plant and equipment

Recognition criteria

Property, plant and equipment are accounted for at acquisition cost, including the purchase price, related trade discounts and rebates, non-recoverable purchase taxes (for example, non-deductible value added tax and registration taxes) and all costs directly attributable to the commissioning depending on the asset for which it was purchased.

Classification criteria

Property, plant and equipment and other tangible assets used in operations are governed by IAS 16, while investment properties (land and buildings) are governed by IAS 40. This includes assets subject to finance lease transactions (for lessees) and operating leases (for lessors), as well as improvements and incremental expenses incurred on third-party assets.

In order to determine whether a contract contains a lease, reference is made to the IFRS 16 interpretation. Property, plant and equipment are recognised as assets when:

- it is probable that the future economic benefits of the asset will be enjoyed;
- the cost of the asset can be reliably determined.

Evaluation criteria

Subsequent expenses, relating to an element of property, plant and equipment already recognised, are added to the carrying amount of the asset when it is probable that future economic benefits will be obtained in excess of the normal performance of the asset originally ascertained. All other expenses incurred are recognised at cost in the period to which they relate.

Subsequent to initial recognition, property, plant and equipment, all of which are instrumental in nature, are recorded at cost net of accumulated depreciation and any impairment that has occurred over time.

Impairment is estimated annually.

Cancellation criteria

An element of property, plant and equipment is de-recognised from the statement of financial position at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Criteria for recognising income components

Property, plant and equipment assets are depreciated on a straight-line basis over the useful life of the asset. The useful life of an asset is defined in terms of the expected use by the enterprise. If the useful life of an asset differs significantly from previous estimates during the periodic review, the depreciation rate for the current and subsequent periods is adjusted.

The depreciation rate that represents the useful life of each class of property, plant and equipment is shown below:

Property, plant and equipment	Depreciation rate
Electronic machines and computers	20%
Furniture and furnishings	15%
Telephony and telecommunications equipment	20%

Impairment of property, plant and equipment is recognised if an item is impaired in accordance with IAS 36. If the reasons for the write-down no longer apply in a subsequent financial year, the written-down value is reversed in whole or in part by recording the reversal under extraordinary income.

2 - Leases

Recognition criteria

On the date of signing the contract, the company verifies whether the contract contains or represents a lease, i.e. if it confers the right to control the use of an asset identified for an established period of time in exchange for a consideration. This right exists if the right to obtain substantially all the economic benefits deriving from the use of the asset, as well as the right to direct its use, is held over the period of use.

At the start date of the lease agreement (i.e. the date on which the asset is made available for use), the company recognises, in the statement of financial position, an asset representing the right of use of the asset and a liability representing the obligation to make the payments under the contract. In particular, the liability is initially recognised at an amount equal to the present value of the payments due under the contract.

Evaluation criteria

After initial recognition, the lease liability is measured at amortised cost.

The right to use a leased asset is initially recognised at cost. After initial recognition, the right of use is adjusted to take account of the accumulated depreciation and any accumulated impairment losses.

The determination of the reasonable certainty of exercising (or not) the option of extension and/or termination envisaged by the lease agreement is the result of a process that involves complex judgements by company management. In this regard, the reasonable certainty of exercising these options is verified at the start date, considering all the facts and circumstances that generate an economic incentive to exercise them, as well as when significant events or changes occur in the circumstances that are under the control of the lessee and that influence the measurement previously made.

3 – Intangible assets

Recognition criteria

Intangible assets are recognised at cost, adjusted for any incidental expenses, only if it is probable that the future economic benefits attributable to the asset will flow to the company and if the cost of the asset can be measured reliably. Otherwise, the cost of the intangible asset is recognised in profit or loss in the period in which it is incurred.

The amortisation rate that represents the useful life of each class of intangible assets is shown below:

Intangible assets	Amortisation rate
Intangibles	
Intangible assets recognised on a purchased master servicing contract	7%
New GLS contracts	18%
GLS contracts	12%
Software	33%

Classification criteria

Intangible assets for IAS purposes include goodwill and other intangible assets under IAS 38.

An intangible asset is recognised as an asset in the statement of financial position only if it is determined to be a resource that is:

- non-monetary;
- identifiable;
- without physical consistency;
- held for use in the production or supply of goods and services, for rental to third parties or for administrative purposes;
- controlled by the company;
- expected to provide future economic benefits.

Evaluation criteria

For assets with a finite useful life, the cost is amortised on a straight-line or decreasing balance basis, determined according to the inflow of economic benefits expected from the asset. Assets with an indefinite useful life are not subject to systematic amortisation, but rather to a periodic test of the adequacy of the related book value.

If there is any indication that an asset may be impaired, the asset's recoverable amount is estimated. The amount of the loss, recognised in the income statement, is equal to the difference between the asset's carrying amount and its recoverable amount.

In particular, intangible assets include:

- technology-based intangible assets, such as application software, which are amortised based on their expected technological obsolescence and in any case for a maximum period of seven years. In particular, costs incurred internally for the development of software projects constitute intangible assets and are recognised as assets only if all of the following conditions are met: i) the cost attributable to the development activity is reliably determinable, ii) there is an intention, the availability of financial resources and the technical ability to make the asset available for use or sale, iii) it can be demonstrated that the asset is capable of producing future economic benefits. Capitalised software development costs include only those expenses incurred that can be directly attributed to the development process. Capitalised software development costs are systematically amortised over the estimated life of the related product/service to reflect the manner in which the future economic benefits deriving from the asset are expected to be consumed by the entity from the start of production along the estimated life of the product;
- intangible assets linked to customers represented by the meaurement, at the time of business combinations, of asset management and of the insurance portfolio transactions. These assets, with a finite useful life, are originally measured by discounting, using a rate representative of the time value of money and the specific risks of the asset, the flows representative of the profit margins over a period expressing the residual duration, contractual or estimated, of the transactions in place at the time of the business combination. They are amortised, for asset management transactions, on a straight-line basis over the period of greatest inflow of expected economic benefits in the case of transactions without a predetermined maturity and, for transactions linked to insurance contracts, in decreasing amounts corresponding to the duration of the contracts in the case of transactions with a definite expiry (residual life of the policies);
- intangible assets linked to marketing represented by the enhancement of the brand name, also recorded at the time of business combinations. This asset is considered to have an indefinite life as it is believed that it may contribute for an indefinite period to the formation of income flows.

Goodwill

Lastly, intangible assets include goodwill.

Goodwill can be recognised, as part of business combinations, when the positive difference between the purchase price and the possible recognition at fair value of the minority interest and the fair value of the equity elements acquired is representative of the future income-generating capacity of the company equity investment (goodwill).

If this difference is negative (badwill) or in the event that the goodwill is not justified by the future income-generating capacity of the investee, the difference is recorded directly in the income statement.

Every year (or each time there is evidence of impairment), an adequacy test is carried out on the value of goodwill. To this end, the cash-generating unit to which the goodwill is attributed is identified. The amount of any impairment is determined on the basis of the difference between the carrying amount of the goodwill and its recoverable amount, if lower. Said recoverable amount is equal to the higher of the fair value of the cash-generating unit (CGU), net of any costs to sell, and the related value in use. The resulting value adjustments are recognised in the income statement.

Cancellation criteria

An intangible asset is derecognised from the statement of financial position on disposal or when future economic benefits are no longer expected.

Criteria for recognising income components

Intangible assets are amortised on a straight-line basis over the useful life of the asset. The useful life of an asset is defined in terms of the expected use of the asset by the enterprise. If the useful life of an asset differs significantly from previous estimates during the periodic review, the amortisation rate for the current and subsequent periods is adjusted.

Any write-downs of intangible assets are recorded if an element has suffered impairment pursuant to IAS 36. If the reasons for the write-down no longer apply in a subsequent financial year, the written-down value is reversed in whole or in part by recording the reversal under extraordinary income.

4 - Investments

Recognition, classification, and evaluation criteria

The item includes interests held in subsidiaries, jointly controlled companies, and associates.

Subsidiaries are entities, including structured entities, over which the Company has direct or indirect control. Control over an entity is evidenced by:

- the existence of power over the relevant activities;
- exposure to the variability of returns;
- the ability to use the power held to influence the returns to which the Company is exposed.

In order to verify the existence of control, the Company considers the following factors:

- the purpose and establishment of the investee, in order to identify the objectives of the entity, the activities that determine its returns and how these activities are governed;

- the power, in order to understand whether the Company has contractual rights that attribute the ability to govern the relevant activities; to this end, only substantive rights that provide practical governance capacity are considered;
- the exposure to the investee, in order to assess whether the Company has relations with the investee whose returns are subject to changes depending on the performance of the investee;
- the existence of potential principal-agent relationships.

Where the relevant activities are governed through voting rights, the existence of control is subject to verification by considering the voting rights, even potential, held and the existence of any agreements or shareholders' agreements that attribute the right to control the majority of the shareholders voting rights themselves, to appoint the majority of the governing body or in any case the power to determine the financial and operating policies of the entity.

Subsidiaries may also include so-called "structured entities" in which the voting rights are not significant for the purposes of the existence of control, including companies or special purpose entities and investment funds.

In the case of structured entities, the existence of control is subject to verification considering both the contractual rights that allow the governance of the relevant activities of the entity (i.e. those that contribute most to the results) and the exposure of the Company to the variable returns deriving from these activities.

Entities are considered to be joint ventures when, on a contractual basis, control is shared between the company and one or more other parties, or when unanimous consent of all parties that share control is required for decisions regarding the relevant activities.

Companies subject to significant influence (associates) are entities in which the company owns at least 20% of the voting rights (including "potential" voting rights), or in which (although with a lower proportion of voting rights) it has the power to participate in determining the financial and operating policies of the investee by virtue of particular legal ties such as participation in shareholders' agreements. Certain interests exceeding 20% are not considered to be subject to significant influence, in which the company holds only equity rights on a portion of the returns on investments, has no access to management policies and may exercise governance rights limited to the protection of equity interests.

Investments in subsidiaries, jointly controlled companies and associates are measured at cost less any impairment.

If there is evidence that the value of an investment may have decreased, the recoverable amount of the investment is estimated, taking into account the present value of the future cash flows that the investment may generate, including the final disposal value of the investment.

If the recoverable amount is lower than the carrying amount, the relative difference is recognised in the income statement.

If the reasons for the impairment are eliminated as a result of an event occurring after the recognition of the impairment, reversals are booked to the income statement.

Cancellation criteria

Investments are de-recognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the equity investment is sold, substantially transferring all the risks and benefits connected to it.

5 - Financial instruments

Recognition and classification criteria

Depending on the characteristics of the instrument and the business model adopted, financial assets, which represent debt instruments, are classified into the following three categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income ("OCI") ("FVTOCI");
- financial assets measured at fair value on the income statement ("FVTPL").

These assets are initially recognised at fair value.

For trade receivables without a significant financial component, the initial recognition value is the transaction price.

Criteria for evaluating and recognising income components

After initial recognition, financial assets that generate contractual cash flows exclusively representing payments of principal and interest are measured at amortised cost if held for the purpose of collecting the contractual cash flows ("Held to Collect" business model). According to the amortised cost method, the initial carrying amount is subsequently adjusted to take into account the principal repayments, any write-downs and the amortisation of the differences between the repayment value and the initial carrying amount.

Amortisation is carried out on the basis of the effective interest rate, which represents the rate that makes the present value of expected cash flows equal to the initial carrying amount at the time of initial recognition.

Receivables and other financial assets measured at amortised cost are recognised in the statement of financial position net of the related write-down provision.

Financial assets representing debt instruments whose business model involves both the possibility of collecting contractual cash flows and the possibility of realising capital gains from disposal ("Held to Collect and Sale" business model), are measured at fair value through OCI. In this case, changes in the fair value of the instrument are recognised in equity among the other components of comprehensive income. The cumulative amount of changes in fair value, booked to the equity reserve, which includes the other components of comprehensive income, is subject to reversal to the income statement when the instrument is de-recognised. Interest income calculated using the effective interest rate, any exchange rate differences and write-downs are recognised in the income statement.

Financial assets held for sale or their contractual cash flows are not composed exclusively of principal and interest, but are measured at fair value through profit or loss.

The measurement of the recoverability of financial assets representing debt instruments not measured at fair value on the income statement is carried out on the basis of the "Expected credit loss model".

Expected losses are determined on the basis of the product of: (i) the exposure due to the counterparty net of the related mitigating agents (Exposure at default); (ii) the probability that the counterparty will not comply with its obligation (Probability of default); (iii) the estimate, in percentage terms, of the amount of credit that will not be able to be recovered in the event of default (Loss given default), defined on the basis of past experience and possible recovery actions that can be carried out.

Write-downs of trade receivables and other receivables are recognised in the income statement, net of any write-backs, under the item "Write-downs of receivables and other provisions".

Cancellation criteria

The financial assets sold are eliminated from the balance sheet assets when the contractual rights related to obtaining the cash flows associated with the financial instrument expire, or are transferred to third parties.

6 - Current and deferred taxation

Recognition criteria

Income taxes, calculated in accordance with national tax laws, are recognised as an expense on an accrual basis, consistent with the manner in which the costs and revenue that generated them are recognised in the financial statements. They therefore represent the balance of current and deferred taxation on income for the year. In application of the "balance sheet liability method", they include:

- tax assets, i.e., excess payments over tax obligations to be met under current corporate income tax rules;
- current tax liabilities, i.e., tax payables to be paid in accordance with current corporate income tax rules;
- deferred tax assets, i.e., income tax savings that may be realised in future periods as a result of deductible temporary differences (represented mainly by charges deductible in the future, according to current tax regulations, on the company's income);
- deferred tax liabilities, i.e., income tax liabilities to be paid in future periods as a result of taxable temporary differences (represented mainly by the deferral of taxation on revenue or the acceleration of the deduction of expenses, in accordance with current tax regulations, on the company's income).

Classification criteria

Current tax assets and liabilities include the balances of tax positions vis-à-vis the tax authorities. In particular, current tax liabilities represent the tax expense due for the year; tax assets include payments on account and other tax credits for withholding taxes or other tax credits from previous years for which off-setting with taxes from subsequent years has been requested.

Deferred tax assets/liabilities are classified as non-current assets/liabilities in accordance with IAS 1.56.

Therefore, deferred taxes are recognised as non-current liabilities under "Deferred tax liabilities" when they represent liabilities or relate to economic items that will become taxable in future tax periods, while they are recognised as assets in the statement of financial position under the non-current assets, under "Deferred tax assets", when they relate to items that will be deductible in future tax periods.

"Deferred" taxation, if it relates to transactions affecting equity, is recognised in equity.

Evaluation criteria

Corporate income tax and regional business tax are recognised on the basis of a realistic estimate of the negative and positive components for the year and are determined on the basis of the current IRES and IRAP rates.

Deferred tax assets are recognised only where there is a high and present probability that deductible temporary differences will be fully absorbed by expected future taxable profits. Deferred tax liabilities are generally always recognised.

Tax assets and liabilities and those of deferred taxation are offset against each other only when the taxable person has the right, based on current tax laws, to offset them and has decided to use this option.

Criteria for recognising income components

The accounting counterpart for tax assets and liabilities (both current and deferred) is usually the income statement (item "Income taxes for the year on current operations"). When the tax liability (current or deferred) to be recognised relates to transactions whose results are to be recognised directly in equity, the resulting tax assets and liabilities are recognised in equity.

7 - Provisions for risks and charges

Recognition criteria

Provisions for risks and charges include accruals related to legal or employment-related obligations or disputes, including tax disputes, arising from a past event for which an outflow of economic resources to settle the obligation is probable, provided a reliable estimate of the amount can be made.

A provision is recognised if and only if:

- there is an ongoing obligation (legal or constructive) as a result of a past event;
- it is probable that the fulfilment of the obligation will require the use of resources capable of producing economic benefits;
- a reliable estimate can be made of the amount deriving from the fulfilment of the obligation.

Classification criteria

A provision, if it meets the recognition requirements, is recognised under "Provisions for risks and charges" (item 120).

The provisions include in particular the provisions to cover:

- the Company's legal disputes, with particular reference to the risks associated with possible revocation actions, and operational risks associated with the provision of services on behalf of third parties, and in general against any other operational risk as a result of complaints received by the customers;
- any other provision committed to specific charges and/or risks of a different nature, the effects of which the Company, contractually or voluntarily, has undertaken to meet, even if, at the date of the financial statements, they have not yet been specifically formalised.

Evaluation criteria

The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation at the balance sheet date and reflects risks and uncertainties that inevitably arise from a number of facts and circumstances.

Provisions against liabilities that are expected to be settled more than one year later are recognised at present values.

Cancellation criteria

The provision is reversed, through reallocation to the income statement, when the use of resources embodying economic benefits to fulfil the obligation becomes unlikely or when the same is extinguished.

Criteria for recognising income components

Where the time element is significant, provisions are discounted using current market rates. The provision and increases due to the time factor are recognised in the Income Statement.

The allocation to provisions for risks and charges for corporate restructuring covers significant reorganisations that have a significant effect on the nature and strategic direction of the business activities. The provision mainly includes consultancy costs for the restructuring plan.

Provisions made against provisions for risks and charges are included in the income statement item “net provisions for risks and charges”.

8 - Financial liabilities measured at amortised cost

Recognition criteria

The first recognition of these financial liabilities takes place on the date the contract is entered into, which normally coincides with the receipt of the funds raised or the issue of the debt securities.

Initial recognition is on the basis of the fair value of the liabilities, normally equal to the amount received or the issue price, plus any additional costs/income directly attributable to the individual funding or issuance transaction. Internal costs of an administrative nature are excluded.

Classification criteria

Payables to banks, Payables to customers and Securities issued include the various forms of interbank and customer funding, repurchase agreements and funding through certificates of deposit, bonds and other funding instruments in issue, net of any repurchased units.

Also included are payables recognised by the company in its capacity as lessee in finance lease transactions.

Evaluation criteria

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

Short-term liabilities, for which the time factor is negligible, remain recognised for the amount collected.

Cancellation criteria

Financial liabilities are de-recognised when they are past due or settled. De-recognition occurs even if previously issued bonds are repurchased. The difference between the carrying amount of the liability and the amount paid to acquire it is recognised in the income statement.

The placing of own securities on the market after their repurchase is considered as a new issue with registration at the new placement price.

Criteria for recognising income components

Interest expenses, calculated on the basis of the nominal interest rate, are recorded in the income statement item “interest expense and similar charges”.

9 - Derivative instruments

Recognition, classification, and evaluation criteria

Derivative financial instruments, including embedded ones, are assets and liabilities measured at fair value.

The qualification of the transactions as hedges requires: (i) verification that there is an economic relationship between the hedged item and the hedging instrument, so that changes in value are offset against each other and that this offsetting ability is not impaired by the level of counterparty credit risk; (ii) the definition of a hedge ratio consistent with the risk management objectives, as part of the defined risk management strategy, and where necessary carrying out the appropriate rebalancing actions.

When hedging derivatives hedge the risk of changes in the fair value of the hedged instruments, the derivatives are recognised at fair value on the income statement. When the derivatives hedge the risks of changes in the cash risks of the hedged instruments, the changes in fair value of the derivatives considered effective are initially recognised in the equity reserve relating to the other components of the comprehensive income and subsequently recognised in the income statement in line with the economic effects generated by the hedged transaction.

10 - Accruals and deferrals

Accruals and deferrals that include charges and income pertaining to the period accrued on assets and liabilities are recognised in the financial statements as an adjustment to the assets and liabilities to which they refer.

11 - Recognition of revenue and costs

Revenue is the gross inflow of economic benefits arising in the course of the ordinary activities of the enterprise and is recognised when control of the goods or services is transferred to the customer, at an amount that represents the consideration to which the customer is expected to be entitled. In particular, revenue recognition is performed by applying a model that must meet the following criteria:

- identification of the contract, defined as an agreement in which the parties have undertaken to fulfil their respective obligations;
- identification of the individual performance obligations, contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of the goods and/or services to the customer;
- allocation of the transaction price to each performance obligation, based on the sale prices of the individual obligation;
- recognition of revenue when (or as and when) the obligation to do something has been performed by transferring the promised good or service to the customer.

Revenue may be recognised at a point in time when the entity performs its obligation to do so by transferring the promised good or service to the customer, or over time as the entity performs its obligation to do so by transferring the promised good or service to the customer. In particular:

- interest paid is recognised on a pro-rata basis, based on the contractual interest rate or the effective interest rate if amortised cost is applied. Interest income (or interest expense) also includes positive (or negative) spreads or margins accrued up to the reporting date, relating to financial derivative contracts:
    - hedging of assets and liabilities that generate interest;

  - classified in the trading portfolio of the statement of financial position, but operationally linked to financial assets and/or liabilities measured at fair value (fair value option);
  - operationally connected with assets and liabilities classified in the trading portfolio and which envisage the settlement of spreads or margins with multiple maturities;
- interest on arrears, possibly under the contract, is recorded in the income statement only at the time of their actual collection;
- dividends are recognised in the income statement during the year in which their distribution is resolved on;
- commissions for revenue from services are recorded, on the basis of the existence of contractual agreements, in the period in which the services were provided. Commissions considered in the amortised cost for the purposes of determining the effective interest rate are recognised under interest;
- profits and losses deriving from the trading of financial instruments are recognised in the income statement at the time of finalisation of the sale, based on the difference between the amount paid or collected and the carrying amount of the instruments;
- revenue from the sale of non-financial assets is recognised when the sale is completed, unless most of the risks and benefits associated with the asset have been retained.

With regard to commissions for revenues from services, it should be noted that the Group mainly operates in the management and recovery of impaired loans in favour of banks and other financial institutions, and the relative revenues are recognised on an accrual basis, through the use of computerised management procedures and complex processes for reporting the activity performed, taking into account the different contractual specificities of each mandate. These mandates also contain well-structured clauses on the rights and duties of various Group companies in their relations with counterparties, which may also generate contingent liabilities arising from any failure to fulfil contractual obligations.

At the end of the period, a portion of these revenues is determined by the Directors using procedures to estimate the fees accrued during the period, taking into account contractual agreements, the dynamics of the recoveries made, the information available at the date of preparation of the financial statements and any contractual indemnities to be paid in relation to particular events or specific circumstances.

Costs are recognised in the Income Statement on an accrual basis; costs related to obtaining and fulfilling contracts with customers are recognised in the Income Statement in the periods in which the related revenue is recorded.

12 - Post-employment benefits

Severance pay is a “post-employment benefit” classified as:

- "defined contribution plan" for the employee post-employment benefits accruing from 1 January 2007 (or after 1 January 2007, the date on which the supplementary pension reform pursuant to Legislative Decree No. 252 of 5 December 2005 came into force) both in the case of the employee's option for the supplementary pension, and in the case of allocation to the treasury fund at INPS. The amount of the contributions is accounted for under personnel costs and is determined on the basis of the contributions due without the application of actuarial calculation methods;
- “defined benefit plan” for the amount of post-employment benefits accrued up to 31 December 2006. The amounts in question are recorded on the basis of their actuarial value determined using the "Projected Unit Credit" Method without applying the pro-rata for service rendered, since the current service cost of the employee post-employment benefits is

almost fully accrued and its revaluation, for the years to come, is not expected to result in significant benefits for employees.

For discounting purposes, the rate used is determined with reference to the market yield on bonds of leading companies, taking into account the average residual maturity of the liability, weighted by the percentage of the amount paid and prepaid, for each maturity, with respect to the total amount to be paid and prepaid until the final repayment of the entire obligation. Costs for servicing the plan are recognised in personnel expense while actuarial gains and losses are recognised in the statement of comprehensive income in accordance with IAS 19.

13 - Cash and cash equivalents

Cash and cash equivalents provisions include cash and available bank deposits and other forms of short-term investment, with a maturity of less than three months.

14 - Treasury shares

The Parent Company and the other Group companies do not hold treasury shares.

16 - Equity

Equity includes:

- share capital;
- the share premium;
- the legal reserve;
- other reserves;
- losses from previous years not yet covered;
- the result for the period.

Estimates and assumptions

The preparation of these consolidated financial statements requires the Directors to apply accounting standards and methods which, for some items, are founded on subjective assessments and estimates based on historical experience and on assumptions that are considered reasonable in certain circumstances.

The areas that required greater subjectivity are:

- impairment test: the performance of tests to determine any impairment of asset items requires the adoption of subjective assessments based on information available within the Group and on the market;
- amortisation/depreciation: the economic life of tangible and intangible assets is estimated at the time of their acquisition on the basis of historical experience relating to similar assets, as well as on future forecasts that could have effects on the useful life of the assets;
- employee benefits: the values of provisions for risks related to personnel or the provision for post-employment benefits are calculated on an actuarial basis. Any changes in the discount rate used affect the present value of these provisions. The rate used corresponds to that of “high quality corporate” bonds recorded on the market.

- financial assets measured at fair value: these assets are measured through the use of business plans relating to the portfolios underlying the ABS securities. These business plans are reviewed on a semi-annual basis according to the actual performance of loan recoveries and the performance of the reference market of the underlying guarantees;
- derivatives: derivatives are measured at fair value on the basis of appropriate measurement techniques that use financial variables observable on the market where possible;
- business combinations: the recognition of business combinations implies the allocation to the assets and liabilities of the acquired company/platform of the difference between the acquisition cost and the net book value. For the part not attributed to the assets and liabilities, the difference is recorded in the item "Goodwill".

A.3 INFORMATION ON THE TRANSFERS AMONG PORTFOLIOS OF FINANCIAL ASSETS

During the first nine months, no transfers were made among different portfolios of assets held.

A.4 INFORMATION ON FAIR VALUE

Qualitative disclosure

The fair value represents the consideration that could be received to sell an asset, or paid to transfer a liability, in a regular transaction between market participants as at the measurement date. Reference is made to an ordinary transaction between independent counterparties in possession of a reasonable degree of knowledge of market conditions and of the relevant facts connected with the subject matter of the negotiation. In defining the fair value, the assumption that an entity is in normal operating conditions and does not have an urgent need to liquidate or significantly reduce a position is fundamental. The fair value of an instrument reflects, among other factors, its credit quality as it incorporates the risk of default of the counterparty or issuer.

In measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. The fair values are divided into various hierarchical levels based on the input data used in the valuation process.

In detail, this hierarchy assigns the highest priority to quoted prices (not modified) in active markets and less importance to unobservable inputs. Three different input levels are identified:

- Level 1: inputs represented by quoted prices (not modified) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2: inputs other than quoted prices included in level 1 that are observable, directly or indirectly, for the assets or liabilities to be measured;
- Level 3: inputs that are not based on data observable on the market.

The above-mentioned measurement approaches must be applied in hierarchical order. Therefore, if a price quoted in an active market is available, measurement approaches different from that of Level 1 cannot be followed. Moreover, the measurement technique adopted must maximise the use of observable factors on the market and, therefore, rely as little as possible on subjective parameters or "private information".

For assets and liabilities not listed in active markets, the placement within the fair value hierarchy must be defined by considering, among the significant inputs used to determine the fair value, the one that assumes the lowest level in the hierarchy. To this end, the significance of the inputs must be assessed with respect to the determination of the fair value in its entirety. This assessment requires an assessment that must take into account the specific factors of the asset or liability.

The measurement techniques used to determine the fair value are periodically calibrated and validated using variables observable on the market, to ensure that these represent the real market conditions and to identify any weaknesses in the same.

The fair value hierarchy was introduced in IFRS 7 exclusively for disclosure purposes and not for financial statement measurements. The latter, therefore, are made on the basis of the relevant provisions of IFRS 13.

Level 1

A financial instrument is considered to be listed on an active market when the relative price is:

- readily and regularly available from stock exchanges, MTFs, intermediaries, information providers, etc.;
- significant, i.e. it represents actual market transactions that regularly take place in normal trading.

To be considered Level 1, the price must also be unadjusted and, therefore, not adjusted through the application of a measurement adjustment factor. Otherwise, the fair value measurement of the financial instrument will be Level 2.

Level 2

A financial instrument is included in Level 2 when all significant inputs (other than the quoted prices included in Level 1) used directly or indirectly for its measurement are observable on the market.

The Level 2 inputs are as follows:

- prices quoted in active markets for similar financial assets or liabilities;
- prices quoted in non-active markets for identical or similar financial assets or liabilities;
- inputs other than quoted prices, which are directly observable for the financial asset or liability (risk-free rate curve, credit spread, volatility, etc.);
- inputs that derive mainly or are validated (through correlation or other techniques) by observable market data (market-corroborated inputs).

An input is defined as observable when it reflects the assumptions that market participants would use in pricing a financial asset or liability on the basis of market data provided by sources independent of the person making the measurement .

If a fair value measurement uses observable data, which requires a significant adjustment based on non-observable inputs, this measurement is included in Level 3.

Level 3

Level 3 of the fair value hierarchy includes the financial instrument whose fair value is estimated using a measurement technique that uses inputs not observable on the market, even indirectly. More specifically, to be included in Level 3 it is sufficient that at least one of the significant inputs used for the measurement of the instrument is not observable on the market.

In particular, this classification must be made if the inputs used reflect the evaluator's own assumptions, developed on the basis of available information.

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

For financial instruments, the fair value is determined through the use of prices acquired from financial markets, in the case of instruments listed on active markets, or through the use of internal measurement models for other financial instruments.

In the absence of a listing of an active market or in the absence of a regular operation of the market, the determination of the fair value is mainly carried out through the use of measurement techniques with the objective of establishing the price of a hypothetical independent transaction, motivated by normal market considerations. These assessments include:

- the reference to market values indirectly linked to the instrument to be measured and inferred from similar products in terms of risk characteristics;
- measurements made (even only partially) by using inputs not taken from parameters observable on the market, for which recourse is made to estimates and assumptions made by the measuring party.

Fair value level hierarchy

During the first nine months of 2024, as in the previous period, there were no transfers of financial assets from one level of fair value to another, nor changes in the classification of financial assets measured at fair value.

The table below shows the fair value hierarchy of financial assets that are measured at fair value on a recurring basis:

(thousands of euro)

	30/09/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Current financial assets	14,950					
Other non-current financial assets			30,203			68,271

The table below shows the fair value hierarchy of financial liabilities that are measured at fair value on a recurring basis:

(thousands of euro)

	30/09/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other non-current financial liabilities			975			

The tables above do not include financial instruments such as short-term receivables and payables since their carrying amount is a reasonable approximation of the fair value.

Financial assets classified in fair value hierarchy 1 refer to government bonds in which the Group has invested part of the available liquidity. The value of these instruments corresponds to the market value as at 30 September 2024.

The Group had no financial liabilities measured at fair value at 31 December 2023.

Processes and sensitivity of valuations

The fair value measurements classified as Level 3 concerned, for positions other than short-term ones: ABS securities classified as financial assets measured at fair value through profit or loss and the value of interest rate swap contracts with which the Group hedged future cash flows deriving from interest rate trends on the two loans signed by the Group companies Gardant Liberty Servicing and Gardant Bridge Servicing (the latter signed in January 2024).

The fair value measurement method relating to financial assets and liabilities is adopted on an ongoing basis over time and varies according to changes in market conditions or changes relating to the entity that has issued the securities. The group has internal policies governing the measurement process and business units dedicated thereto.

In order to comply with the requirements of IFRS 13, information regarding the measurement process and inputs used in measuring fair value are described below.

The valuation model adopted to estimate the Level 3 fair value is based on the Discount Cash Flow Model ("DCFM"). The model discounts, through a discounting factor, the future flows present in the Business Plans relating to investments. The discounting factor is obtained by considering:

- the risk-free rate curve;

- the opening interest rate of the investment.
- The model is impacted by the following unobservable inputs:
- the estimate of the future flows present in the future waterfalls of the ABS securities subject to investment;
- the zero risk-free curve resulting from the bootstrapping technique applied to risk-free interest rates listed on the market;
- the z-spread as an opening risk premium that measures the implicit risk of the investment and represents the spread that, added to each risk-free rate measured by the market, equals the expected future flows of the opening investment.

The fair value increases or decreases if:

- expected future flows increase or decrease;
- the zero risk free curve increases or decreases;
- the z-spread increases or decreases.

The valuation process adopted to calculate the fair value of the interest rate swaps is equal to the present value of the estimated future cash flows. Estimates of floating rate future cash flows are based on listed swap rates, futures prices and interbank rates. The estimated cash flows are discounted according to a return curve derived from similar sources that reflect the reference interbank rate applied by market participants for the measurement of interest rate swaps. The estimate of the fair value is subject to credit risk adjustment, which reflects the credit risk of the Group and the counterparty. The latter is calculated on the basis of the spread of the current credit default swap or the prices of the bonds.

Changes during the nine months in financial assets measured at Level 3 fair value

During the first nine months of 2024, there were no changes to other levels and vice versa in financial assets measured at fair value in Level 3. The change in financial instruments measured at fair value in the first nine months of 2024 is shown below:

(thousands of euro)

	Other non-current financial assets
Opening balances as at 31.12.2023	**68,271**
Profits/Losses charged to the Income Statement	4,060
Profits/Losses charged to Comprehensive Income	(358)
Purchases/Issues/(Sales)/(Redemptions)	(41,770)
Closing balances as at 30.09.2024	**30,203**

as well as the changes in 2023:

(thousands of euro)

	Other non-current financial assets
Opening balances as at 31.12.2022	**35,725**
Profits/Losses charged to the Income Statement	(1,130)
Profits/Losses charged to Comprehensive Income	(1,052)
Purchases/Issues/(Sales)/(Redemptions)	34,728
Closing balances as at 31.12.2023	**68,271**

The main reduction relating to the first nine months of 2024 relates to the repayment of the investment in the ABS security issued by Velino.

(thousands of euro)

Other non-current financial liabilities	
Opening balances as at 31.12.2023	**-**
Profits/Losses charged to the Income Statement	-
Purchases/Issues/(Sales)/(Redemptions)	-
Profits/Losses charged to Comprehensive Income	975
Closing balances as at 30.09.2024	**975**

As at 30 September 2024 the item other non-current financial liabilities includes the derivatives's fair value signed by Gardant Bridge S.p.A. in January 2024.

Other information

The Company does not avail of the exception provided by paragraph 48 of IFRS 13 (fair value based on the net position) in relation to financial assets and liabilities with positions with offsetting market or counterparty risk positions.

PART B - NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

NON-CURRENT ASSETS

1. Property, plant and equipment: property, plant, machinery

Property, plant and equipment consist of:

(thousands of euro)

Property, plant and equipment	30.09.2024	31.12.2023
Electronic machines and computers	568	612
Furniture and furnishings	547	661
Telephony and telecommunications equipment	62	62
Property recognised in accordance with IFRS 16	10,382	10,719
Cars recognised under IFRS 16	186	199
Printers recognised under IFRS 16	106	63
Total	**11,851**	**12,316**

The changes in the first nine months of 2024 are represented in the table below:

(thousands of euro)

Property, plant and equipment	Electronic machines and computers	Furniture and furnishings	Telephony and telecommunications equipment	Property recognised in accordance with IFRS 16	Cars recognised under IFRS 16	Printers recognised under IFRS 16	Total
Gross opening balance	**1,901**	**1,157**	**146**	**14,174**	**396**	**170**	**17,944**
Total depreciation	(1,289)	(496)	(84)	(3,455)	(197)	(107)	(5,628)
Net opening balance	**612**	**661**	**62**	**10,719**	**199**	**63**	**12,316**
Purchases	59	2	14	-	80	141	296
Purchases by Business Allocation	90	5	2	1,117	-	-	1,214
Sales	-	-	-	-	(19)	(63)	(82)
Depreciation	(193)	(121)	(16)	(1,268)	(77)	(35)	(1,710)
Other changes	-	-	-	(186)	3	-	(183)
Gross closing balance	**2,050**	**1,164**	**162**	**15,105**	**460**	**248**	**19,189**
Total depreciation	(1,482)	(617)	(100)	(4,723)	(274)	(142)	(7,338)
Net closing balance	**568**	**547**	**62**	**10,382**	**186**	**106**	**11,851**

The disclosure pursuant to paragraph 53, letter h) of IFRS 16 is provided below.

The "rights of use" relating to the leased offices and apartments amount to Euro 10,382 thousand, initially corresponding to the present value of the future payments discounted using a discount rate in accordance with the duration of the contract. During the first nine months, they were depreciated by Euro 1,268 thousand and generated interest expense of Euro 331 thousand. The increase shown in the item “purchases” refers to the present value of the new lease contracts held by Gardant Bridge Servicing.

The item also includes the right of use of company cars, totalling Euro 186 thousand, depreciated by Euro 77 thousand and generated interest expense of Euro 8 thousand; and the right of use of the printers for Euro 106 thousand, depreciated by Euro 35 thousand, which generated interest expense of Euro 7 thousand.

2. Intangible assets

Intangible assets consist of:

(thousands of euro)

Intangible assets	30.09.2024	31.12.2023
Goodwill	159,490	54,402
Intangibles	45,646	57,531
Software	1,466	1,380
Total	**206,602**	**113,312**

The increase in goodwill is related to the provisional allocation of the excess cost paid for the acquisition of Gardant Bridge Servicing S.p.A. The completion of the Purchase Price Allocation process, pursuant to IFRS 3, will be completed by 31 December 2024.

The process was not completed as at 30 September 2024 due to the difficulty of assessing the fair value of the intangible assets acquired (i.e. the credit management platform).

The changes in the item are represented in the table below:

(thousands of euro)

Intangible assets	Goodwill	Other intangible assets	Software	Total
Gross opening balance	**64,802**	**94,417**	**3,621**	**162,840**
Total net writedown	(10,400)	(36,886)	(2,243)	(49,529)
Net opening balance	**54,402**	**57,531**	**1,380**	**113,312**
Purchases	105,088	-	1,065	106,153
Sales	-	-	-	-
Depreciation	-	(5,577)	(977)	(6,554)
Other changes	-	(6,308)	-	(6,308)
Gross closing balance	**169,890**	**88,109**	**4,686**	**262,685**
Total net writedown	(10,400)	(42,463)	(3,220)	(56,083)
Net closing balance	**159,490**	**45,646**	**1,466**	**206,602**

As part of intangible assets, pending the PPA to be completed by the end of the current year, the excess price paid for the purchase of 70% of the shares of Gardant Bridge Servicing S.p.A. (Euro 105,088 thousand, considering the price adjustment) was recognised as goodwill.

Furthermore, during the first nine months, the intangible asset recognised on the special servicing contract with the former Carige Group (now BPER Group) was written-off following the closure of said contract. This amount, equal to Euro 6,308 thousand, is shown in the table above among other changes.

As of 30 September 2024, the values of intangible assets are as follows:

- with regard to the goodwill (for a total net value of Euro 159,490 thousand):
    - Euro 105,088 thousand for the Gardant Bridge Servicing S.p.A. debt collection platform;
    - Euro 7,600 thousand for the former Carige Group platform;
    - Euro 46,802 thousand for the “Gardant Liberty Servicing” platform of Banco-BPM Group;
- with regard to the other intangible assets (for a total net value of Euro 45,646 thousand):
    - the “Gardant Liberty Servicing” platform of the Banco-BPM Group for Euro 45,510 thousand;
    - the cost of the master servicing contract for a GACS purchased by Master Gardant for Euro 136 thousand;
- with regard to the software for Euro 1,466 thousand, all recognised in the financial statements of the consolidating company.

The other intangible assets are amortised on the basis of the useful life of the servicing contracts negotiated at the time of purchase of the two platforms.

Goodwill is tested for *impairment test* every six months, as at 30 June 2024 the *test* showed that no *impairment adjustments* had to be made*,* and as at 30 September the test was not carried out.

Impairment test of goodwill

IAS 36 par. 10 requires that an intangible asset with an indefinite useful life (e.g. goodwill) has to be tested for impairment at least annually; however, considering the acquisition by doValue, it was decided, even in the absence of trigger events, to perform an additional impairment test on 30 June 2024, whose validity was also assumed with reference to the date of 30 September 2024.

The cash generating unit (“CGU”) for testing the Group's goodwill is represented by the set of companies that perform special servicing activities (i.e., the companies operating pursuant to Article 115 of the TULPS).

Specifically, the test is aimed at verifying that the value in use of the CGU is higher than the carrying amount of the goodwill.

For the purposes of the impairment test on goodwill as of 30 June 2024, the estimate of the value in use was developed on the basis of the most updated economic, equity and financial projections. In particular, the flows used are:

- flows related to Gardant Liberty Servicing S.p.A. referring to the contracts in place (with the special purpose vehicles Leviticus, Aurelia, Tevere and with BBPM);
- flows related to Gardant Bridge Servicing S.p.A. referring to the contracts in place (BPER Group, Loira SPV S.r.l. and AMCO);
- flows generated by Special Gardant S.p.A. for the period 2024-2027.

The value in use was determined using the Discounted Cash Flow (“DCF”) method. This method determines that the value of a company ("Enterprise Value" or "EV") is equal to the present value of its future flows after taxes, the unlevered free cash flow ("UFCF"’) plus the residual value ("Terminal Value" or "TV") of the company to be measured at the end of the period covered by the projections.

For the discounting of the Unlevered Free Cash Flow, professional doctrine usually calls for the use of the Weighted Average Cost of Capital (“WACC”). This is because the "UFCF" is a measure of flows available to shareholders and bondholders.

In this case, the application of the Discounted Cash Flow is divided into the following phases:

- estimation of flows generated through the use of prospective data;
- taxation;
- capitalised expenses.

The market multiples method is used to determine fair value. More specifically, the method imposes multipliers resulting from the ratio between the value that the market attributes to comparable companies and their economic and equity indicators.

Determination of the recoverable amount

The analysis carried out through the DCF and market multiple methods led to the determination of a value in use of Euro 548.5 million and a fair value of Euro 433.1 million. These values are well above the carrying amount of the CGU considered equal to Euro 159.5 million; therefore, there was no need to calculate any impairment losses on the goodwill recognised in the financial statements.

For the purposes of discounting expected cash flows, the weighted average cost of capital W.A.C.C. was used, i.e. the weighted average between the cost of equity and the cost of debt:

$$\text{W.A.C.C.} = [K_e x \frac{E}{D+E}] + [K_d x\ (1-t)\ x \frac{D}{D+E}]$$

The average cost of equity (“K_e”) is calculated on the basis of:

- a risk-free rate (“Rf”) (e.g. 10-year BTP return);
- a beta factor (“β”) determined on the basis of those observed for a group of comparable listed companies operating in the non-performing loan servicing sector;
- a risk premium (“ERP”) estimated in line with the best normal measurement practice of the market (e.g. Kroll);
- an additional specific risk rate (“SRP”).
    - $K_e = [R_f + (\beta * ERP) + SRP]$
    - The values of the measurement metrics were updated as at 30 June 2024.
    - The average cost of equity (“$\mathbf{K_e}$”) used is 12.2%[1], calculated on the basis of a Rf of 3.8% (6-month average of the return of the 10-year BTP recorded as at 30 June 2024), a β of 1.4% (sector average), an ERP of 5.5%[2] and, finally, an SRP of 1%.
    - The long-term growth rate (“**g**”) was estimated at 2.0%.

In conclusion, based on the analysis conducted, the value of goodwill should not be subject to impairment as summarised in the table below.

[€m]	Reference balance sheet	Carrying amount [a]	Value in use [b]	Fair Value [c]	Recoverable amount [d= max (b;c)]	Delta [e = d-a]	Test result
Goodwill	Consolidated	159.5	548.5	433.1	548.5	389.0	No impairment

Other financial flow intangible asset generating units were also subject to an impairment test as at 30 June 2024 but there were no indicators of impairment.

Since the determination of value in use is subject to estimates that contain elements of uncertainty, in compliance with the requirements of international accounting standards, the measurement results were verified by introducing sensitivity through the application of some changes to the assumptions underlying the valuation exercise. To this end, it was simulated that the Ke varies by +/- 0.25%. Also with the application of the sensitivity test, the value in use was higher than the carrying amount.

3. Deferred tax assets and liabilities

Details are provided below:

[1] The average cost applied as at 31 December 2023 was 12.8%, slightly higher than that used for the measurement as at 30 June 2024, especially for the component concerning the Free Risk curve.

[2] Duff & Phelps, 2023.

Deferred tax assets	30.09.2024	31.12.2023
		(thousands of euro)
Deferred tax assets on tax release of goodwill of Liberty Servicing	15,343	18,739
Deferred tax assets Law 214/2011	416	647
Deferred tax assets on previous losses	365	365
Deferred tax assets on actuarial valuation of post-employment benefits	36	30
IRAP deferred tax assets	297	5
IRES deferred tax assets	2,581	860
Total	**19,038**	**20,645**

Deferred tax liabilities	30.09.2024	31.12.2023
		(thousands of euro)
Deferred tax liabilities on IAS19 actuarial value	10	13
Deferred tax liabilities from PPAs on business combinations	12,697	14,252
Deferred tax liabilities for deferred tax deductibility on intangible	526	628
Deferred tax liabilities for deferred tax deductibility on financial assets	164	-
Total	**13,397**	**14,893**

Deferred tax assets include, in particular, those related to the redemption of the higher value of Liberty Servicing deriving from the payment of substitute tax on goodwill and intangible assets recognised in the consolidated financial statements of Banca CF+ at the time of the purchase of 70% of the investment in the company and transferred to Special Gardant S.p.A. as part of the demerger of 1 August 2021 (as part of the demerger were also transferred tax assets deriving from decree “Cura Italia”, totally used in compensation in accordance with Italian current tax laws, and deferred tax assets deriving from tax losses). The decrease in this item (Euro 3,396 thousand) is linked to their use in the first nine months of 2024.

As at 30 September 2024, the Group has unused tax losses totalling Euro 34,495 thousand at single entity level and Euro 33,379 thousand of tax losses at Group level for which only Euro 365 thousand of deferred tax assets hs been recognised.

The recognition of deferred tax assets is based on the expectation of adequate future taxable income, as at 31 December 2023.

4. Other non-current financial assets and other non-current financial liabilities

Financial assets and liabilities relate to investments in securities, including those relating to securitisations and the shareholding in the Forward Fund.

The Group’s financial assets are all held by the Parent Company and concern:

Other non-current financial assets	30.09.2024	31.12.2023
		(thousands of euro)
ABS securities	19,470	57,005
Forward fund units	10,109	10,366
Loan to Leviticus Reoco	87	-
Fair value hedging derivatives	537	901
Total	**30,203**	**68,271**

(thousands of euro)

Other non-current financial liabilities	30.09.2024	31.12.2023
Fair value hedging derivates	975	-
Total	**975**	**-**

The residual value of the ABS securities in the portfolio reflects the fair value of the investments; the decrease is primarily due to the repayment of the Velino SPV S.r.l. security during 2024. The value of the units of the Forward Fund represents the Net Asset Value (NAV) of the fund as of 30 June 2024. The value of the derivatives represents the fair value of the two IRSs present in the financial statements as at 30 September 2024.

5. Other non-current assets

Other non-current assets amounted to Euro 5,114 thousand (Euro 1,959 thousand as at 31 December 2023) and refer for Euro 4,317 thousand to the start-up costs of the Gardant Liberty Servicing business (Euro 1,500 thousand) and the Gardant Bridge Servicing business (Euro 2,817 thousand) allocated over the life of the respective servicing contract signed at the time of the purchase of the two companies, by the Group, and for Euro 513 thousand to the start-up costs of the managed Funds incurred by the SGR (asset management fund) which were allocated over the life of the relevant Funds. The remainder are security deposits established for various reasons.

CURRENT ASSETS

6. Trade receivables

As at 30 September 2024, trade receivables amounted to Euro 28,204 thousand (Euro 42,586 thousand as at 31 December 2023) and concern fees accrued in the first nine months of 2024 invoiced or to be invoiced for services provided by Group companies.

The table below shows the information relating to gross values and its adjustment:

(thousands of euro)

	Gross value	Total value adjustment	Net value
Trade receivables	32,420	(4,216)	28,204
Total	**32,420**	**(4,216)**	**28,204**

7. Cash and cash equivalents

The item Cash and cash equivalents amounted to Euro 55,643 thousand (Euro 86,801 thousand as at 31 December 2023) and includes on-demand deposits in current accounts to banks.

The decrease in cash and cash equivalents is due to the presence as at 31 December 2023 of the amounts paid by the shareholders of the Parent Company in the capital increase transaction carried out close to the end of the financial year 2023, and subsequently used for the purchase of the equity investment in Gardant Bridge Servicing.

8. Current tax assets

Current tax assets are composed of:

(thousands of euro)

Current tax receivables	30.09.2024	31.12.2023
IRAP advance payment	1,257	1,399
Substitute tax advances	162	64
Withholdings on interest	211	130
VAT Credit	4	449
IRES assets	21	3
DTA transformation	5	48
Total	**1,660**	**2,094**

9. Other current assets

The other current assets are composed of:

(thousands of euro)

Other current assets	30.09.2024	31.12.2023
Advances to employees	9	9
Prepaid cards	22	21
Receivables from SPV	18	7
Prepaid expenses	2,383	1,356
Accrued income	100	114
Other SPV assets	1,739	982
Receivables from segregated assets to establishment funds	200	200
Other assets	3,907	804
Receivable from BPER (formerly Carige)	-	1,715
VAT receivable from VAT Group companies	382	319
Total	**8,760**	**5,526**

10. Current Financial assets

Current financial assets consist of the fair value of government bonds in the Group's portfolio as at 30 September 2024, classified in the Held to Collect and Sell's portfolio.

EQUITY

11. Share capital

As at 30 September 2024, the Parent Company's share capital amounted to Euro 260,247, divided into 260,247 ordinary shares with a nominal value of Euro 1.00 each, and it was fully paid up and subscribed.

In January 2024, the share capital increase approved in 2023 was completed with the enrolment in the companies' register. At that time, 50,247 new ordinary shares were issued. The capital increase approved by the Shareholders' Meeting of 5 December 2023 also provided for the payment of a share premium as described below.

The company has no treasury shares in its portfolio.

12. Reserves and Share premium Reserve

Changes in equity and share premium reserves during the nine months are shown in the statement of these consolidated interim financial statements.

It should be noted that the share premium of the Parent Company, with a balance of Euro 191,456 thousand, increased compared to the balance as at 31 December 2023 of Euro 140,506 thousand following the completion of the capital increase referred to above.

LIABILITIES

13. Loans

Financial liabilities amounted to Euro 81,281 thousand as at 30 September 2024 (Euro 36,506 thousand as at 31 December 2023). The increase is substantially due to the loan received for the purchase of the equity investment in GBS for Euro 55,500 thousand.

The item includes the present values of future lease payments recognised pursuant to IFRS 16 equal to Euro 12,771 thousand (Euro 12,801 thousand as at 31 December 2023) and for the remainder payables to banks.

Financial liabilities, for the non-current part, concern:

(thousands of euro)

Non-current loans	30.09.2024	31.12.2023
Financial payable from application of IFRS16	10,958	11,427
Property recognised in accordance with IFRS 16	*10,790*	*11,301*
Cars recognised under IFRS 16	*106*	*113*
Printers recognised under IFRS 16	*62*	*13*
Credit line from banks	48,685	11,938
Total	**59,643**	**23,365**

The loans, for the current part, concern:

(thousands of euro)

Current loans	30.09.2024	31.12.2023
Financial payable from application of IFRS16	1,813	1,374
Property recognised in accordance with IFRS 16	*1,682*	*1,233*
Cars recognised under IFRS 16	*85*	*90*
Printers recognised under IFRS 16	*46*	*51*
Credit line from banks	19,825	11,767
Total	**21,638**	**13,141**

Below is the information required by IFRS16, paragraphs 58 and 53, letter g):

- Future non-discounted cash outflows for leases amounted to Euro 13,880 thousand, of which Euro 13,556 thousand referring to offices and apartments, Euro 207 thousand referring to company cars and Euro 117 thousand referring to printers;
- The table below summarises the expiries, by time brackets, of the lease contracts:

(thousands of euro)

Finance lease	30.09.2024	31.12.2023
Up to 1 year	1,813	1,373
More than 1 and 2 years	2,095	1,735
More than 2 and 3 years	2,075	1,880
More than 3 and 4 years	2,099	1,890
More than 4 and 5 years	2,143	1,938
More than 5	2,546	3,985
Total payment due for leasing	**12,771**	**12,801**

As at 30 September 2024, the Group had three bank loans in place equal to Euro 68,510 thousand (Euro 23,705 thousand as at 31 December 2023).

In detail, these loans were granted to:

- Gardant S.p.A. signed on 30 March 2023 for an original amount of Euro 2,000 thousand and with a residual amount as at 30 September 2024 of Euro 1,088 thousand;
- Special Gardant S.p.A. signed on 6 August 2021 for an original amount of Euro 50,000 thousand and with a residual amount as at 30 September 2024 of Euro 16,871 thousand;
- Gardant Bridge S.p.A. signed on 27 September 2023 and utilised in January 2024 for an original amount of Euro 55,500 thousand and with a residual amount as at 30 September 2024 of Euro 50,551 thousand. The new loan due date in 2030 has an interest equal to 4.75% + 3-month Euribor.

The loans of Special Gardant S.p.A. and Gardant Bridge S.p.A. are subject to covenants. All these covenants had been respected until 30 September 2024 and the Group expects to respect them for the next 12 months. Therefore, the loans were recorded as non-current liabilities (except for the principal amounts due within twelve months).

14. Employee benefits and Provisions for risks

As at 30 September 2024, Employee benefits included the post-employment benefits for a total of Euro 4,002 thousand (balance as at 31 December 2023 of Euro 2,745 thousand). This provision is calculated on an actuarial basis in accordance with IAS 19.

The increase of the item is mainly due to the addition of Gardant Bridge Servicing's personnel, whose Provision for post-employment benefits as at 30 September 2024 amounted to Euro 1,043 thousand.

Provisions for risks and charges amounted to Euro 81 thousand (Euro 58 thousand as at 31 December 2023) and concerned the actuarial measurement of Loyalty Bonuses of employees of Gardant Liberty Servicing and of Gardant Bridge Servicing for this period.

15. Trade payables

Trade payables amounted to Euro 9,287 thousand (Euro 13,698 thousand as at 31 December 2023) and refer to invoices received or to be received for the purchase of goods and services.

16. Current tax liabilities

Current tax liabilities amounted to Euro 8,643 thousand (Euro 996 thousand as at 31 December 2023) and refer for Euro 4,746 thousand to the IRES liability and for Euro 2,305 thousand to the IRAP liability calculated on the result as at 30 September 2024, for Euro 1,541 thousand to the Group's VAT liability as at that date and for Euro 51 thousand to the substitute tax liability on loans granted by the Funds managed by the Group's SGR.

17. Other current payables

Other current payables amounted to Euro 22,762 thousand and refer to:

(thousands of euro)

Other current payables	30.09.2024	31.12.2023
Contributions to be paid	1,315	1,798
Taxes and withholdings to be paid	792	1,682
Remuneration to corporate bodies	785	124
Amounts to be paid to personnel and related contributions	13,783	12,247
Deferrals on prepaid commissions on Group's asset management company	1,658	-
Other SPV liabilities	434	16
Deferred payables for portfolio purchase	-	5,062
VAT payable to VAT Group companies	10	41
Time deposits	2	31,706
Other	3,983	783
Total	**22,762**	**53,458**

This item decreased by Euro 30,696 thousand due to the return of the escrow deposit related to the special purpose vehicle 130/99 Velino S.p.A. in the amount of Euro 31,695 thousand as at 31 December 2023.

PART C - NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVENUES

18. Revenues and Interest on investments

The item Revenues is broken down in the following table:

(thousands of euro)

Revenues	30/09/2024	30/09/2023
Change in fair value on investments	**(63)**	**(1,295)**
Revenue from contracts:		
Special servicing fees	70,445	45,554
Master servicing and administrative management fees	6,142	5,139
Other fees	2,306	917
Income from management of AIF Funds	4,071	3,932
Carige special servicing agreement indemnity	9,035	-
Other revenue	5	124
Total	**92,004**	**55,665**
Total	**91,941**	**54,371**

Among revenues, all the positive income components represented therein are from contracts except the component of the change in fair value on investments.

All revenues are generated in Italy.

Revenues, considering the Group's business, are not seasonal in nature.

The item Interest on investments is detailed below:

(thousands of euro)

Interest on investments	30/09/2024	30/09/2023
Interest on investments	4,121	6,484

This interest relates entirely to the ABSs in which the Group has invested.

All income is accounted for “at point in time”, while charges arising from the fair value measurement of ABS are accounted for on the basis of the provisions of IFRS 9. The contribution of each Group company to the items is as follows:

- Euro 3,652 thousand from the Parent Company Gardant S.p.A.;
- Euro 34,402 thousand from Gardant Bridge Servicing S.p.A.;
- Euro 20,975 thousand from Gardant Liberty Servicing S.p.A.;
- Euro 6,805 thousand from Master Gardant S.p.A.;
- Euro 25,657 thousand from Special Gardant S.p.A.;
- Euro 4,165 thousand from Gardant Investor SGR S.p.A.;

- Euro 406 thousand from other Group companies.

The growth in revenues during the period, compare to the previous year is mainly related to the start-up of the joint venture with the BPER Group, operational from January 2024, which increased revenue for special servicing activities, as well as generated revenue to GBS for the onboarding activities of the portfolios under management and to Special Gardant for the termination of the special servicing contract with the former Carige Group (now BPER Group), which was replaced with the new servicing contracts entered into between the BPER Group and GBS.

19. Other income

The item Other income is broken down in the following table:

(thousands of euro)

Other income	30/09/2024	30/09/2023
Recovery of employee contributions	120	98
Other income on government bonds	29	-
Recovery of expenses - Due Diligence	68	1,822
Other SPV revenue	1,429	1,168
Other	187	473
Total	**1,833**	**3,561**

COSTS

20. Costs for services

The table below details the costs for services:

(thousands of euro)

Cost for services	30/09/2024	30/09/2023
Rating agencies	125	110
Consultancies	1,574	1,345
IT costs	1,052	1,006
Costs for business development	1,233	142
Maintenance	221	140
Corporate bodies	1,154	1,093
Policies	279	280
Postal services	222	290
Corporate advertising	175	162
Cleaning	179	137
Entertainment	111	107
Accounting audit	853	665
Services received for personnel selection and payroll processing	183	216
Notary fees	133	269
External support for activities	1,754	1,655
Administrative support to debt collection activities	7,085	6,774
Telephony	164	72
Lower administrative costs previous years	(49)	(637)
Other	723	630
Total	**17,171**	**14,456**

The increase in costs can be attributed to the entry of Gardant Bridge Servicing into the Gardant Group as well as the occurrence of some non-recurring consultancy costs in connection with the integration project with doValue.

21. Personnel expense

Details of personnel expense are as follows:

(thousands of euro)

Personnel expense	30/09/2024	30/09/2023
Wages and salaries	27,032	20,968
Social charges	8,642	6,269
Post-employment benefits	1,705	1,077
Other personnel expense	1,322	1,068
Total	**38,701**	**29,382**

The increase in personnel expense compared to the same period of 2023 is attributable to increases in the national collective labour agreement at the end of 2023 as well as the entry of Gardant Bridge Servicing personnel into the Group, whose personnel expense as at 30 September 2024 amounted to Euro 8,121 thousand.

22. Expenses for the use of third-party assets

The breakdown of expenses for the use of third-party assets is provided below:

(thousands of euro)

Expenses for the use of third-party assets	30/09/2024	30/09/2023
Annual fees for IT products	1,914	1,622
Rent and condominium charges	621	413
Equipment rental	62	49
Total	**2,597**	**2,084**

23. Other operating expenses

Details of other operating expenses are provided below:

(thousands of euro)

Other operating expenses	30/09/2024	30/09/2023
Other expenses	719	2,099
Other from SPV	156	-
DTA D.L. 59/2016	183	182
Membership contributions	100	88
Indirect taxes	61	160
Operating losses	-	80
Chargeback of various costs to Gardant Bridge	-	1,822
Total	**1,219**	**4,431**

24. Amortisation, depreciation and write-downs

The item amortisation, depreciation and write-downs is detailed below:

(thousands of euro)

Amortisation, depreciation and write-downs	30/09/2024	30/09/2023
Depreciation of property, plant and equipment	330	355
Depreciation pursuant to IFRS 16	1,380	1,248
Software amortisation	977	737
Amortisation of intangible assets	5,577	6,620
Write-off of intangible assets	6,308	-
Credit losses	2,118	1,203
Total	**16,690**	**10,163**

As shown in the table, the increase in the item derives mainly from the write-off of the intangible asset recognised on the servicing contract with the former Carige Group following the termination of the contract.

25. Financial income and charges

The item includes the following amounts:

(thousands of euro)

Financial expense	30/09/2024	30/09/2023
Interest on listed assets according to IFRS 16	346	310
Interest on bank loans	4,905	1,297
Bank costs	87	16
Other interest and financial expense	-	2,238
Total	**5,338**	**3,861**

(thousands of euro)

Financial revenue	30/09/2024	30/09/2023
Differentials on derivatives	898	707
Interest income on current accounts	391	267
Interest on government bonds	75	53
Interest on bank loans	6	-
Other interest and financial revenue	272	-
Total	**1,642**	**1,027**

The increase in financial charges was attributable to the interest expense accrued as at 30 September 2024 on the bank loan the company used to finance the acquisition of the equity investment in Gardant Bridge Servicing, which amounted to Euro 3,884 thousand.

26. Taxes

Taxes are broken down as follows:

(thousands of euro)

Tax	30/09/2024	30/09/2023
Reversal of deferred tax assets to the Income Statement	3,616	3,396
DTA recognised in the period	(1,780)	-
Reversal of deferred tax liabilities to the Income Statement	113	101
Tax effects of consolidation entries	(1,555)	(1,548)
IRES on profit for the year	4,746	399
IRAP on profit for the year	1,427	654
IRES previous years	5	(61)
IRAP previous years	(7)	330
Total	**6,565**	**3,271**

Current taxes were determined on the basis of the tax rates in force.

Income tax expense is recognised based on management's best estimate of the expected weighted average annual tax rate for the entire year, applying it to the pre-tax profit for the period, adjusted to reflect the tax effect of certain items recognised in full during the period. Therefore, the actual rate of the interim financial statements may be different from that estimated by the company management for the entire year.

The Group's actual rate for continuing operations for the nine months ended 30 September 2024 was 30.6%.

The Group manages to optimise its IRES tax by taking advantage of the possibility of offsetting, as part of the tax consolidation contract, the taxable income generated by some companies with the tax losses generated by others.

PART D - OTHER INFORMATION

Credit risk concentration

Trade receivables overdue by more than 180 days amounted to Euro 5,967 thousand as at 30 September 2024 (Euro 4,778 thousand as at 31 December 2023) and were written down by Euro 3,300 thousand (Euro 1,698 thousand as at 31 December 2023).

Other adjustments on receivables for Euro 913 thousand (Euro 1,745 thousand as at 31 December 2023) were made on receivables with a due date of less than 180 days.

Related party transactions

During the first nine months of 2024, transactions with related parties mainly concerned transactions with Banca CF+ and with the Directors:

(thousands of euro)

Related party	Receivables	Payables	Costs	Revenues
Banca CF+	75	6	-	568
Directors	-	457	715	-
Total	**75**	**463**	**715**	**568**

As at 31 December 2023, transactions with related parties are summarised in the table below:

(thousands of euro)

Related party	Receivables	Payables	Costs	Revenues
Banca CF+	-	6	82	359
Directors	-	-	1,084	-
Total	**-**	**6**	**1,166**	**359**

As at 30 September 2023, costs to related parties concerned Banca CF+ for Euro 55 thousand and Directors for Euro 701 thousand, while revenue related to Banca CF+ for Euro 494 thousand. Payables to Directors at the same date equal to Euro 444 thousand, while payables to CF + amounted to Euro 18 thousand. Lastly, there were receivables of Euro 94 thousand from CF +.

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