

doValue

Consolidated Reports and Accounts

2021

doValue

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

Parent Company of the doValue Group
Registered in the Company Register of Verona, Tax I.D. no. 00390840239 and VAT registration no. 02659940239
www.dovalue.it

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Letter to Shareholders

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

In 2021 the doValue Group achieved record results, with around €14.7 billion in newly awarded Gross Book Value, Gross Revenues of €572.1 million, up by 36% compared to 2020, and an EBITDA excluding non-recurring items of €200.9 million, up by 58% compared to 2020. Furthermore, the Group's profitability increased by almost five percentage points, with an EBITDA margin (excluding non-recurrent items), which grew from 30.3% in 2020 to 35.1% in 2021.

The growth recorded was mainly achieved through the acquisitions of Altamira Asset Management and FPS, respectively in 2019 and 2020, which are now fully integrated.

Thanks to the progressive acceleration of the vaccination campaign during 2021, which gradually led to the normalisation of court activities and the suspension of the various measures implemented by different governments to support businesses and households, the Group's operations have returned to pre-pandemic levels, in particular with a recovery rate of 4.3%, higher than the level of 3.1% achieved in 2020 and of 4.1% reached in 2019.

The Frontier Project was one of the most significant transactions in 2021, the first securitisation of non-performing loans by NBG, the largest Greek bank in terms of total assets, under the Hellenic Asset Protection Scheme, successfully awarded after a competitive process in which doValue participated in a consortium with companies affiliated with Bain Capital and Fortress. Recently we have presented to the financial community a new 2022-2024 Business Plan, which outlines a significant organic growth, leveraging long-term structural market trends and a greater cross-selling activity in the region in which we already operate. We will continue to drive development in the credit servicing sector by investing in technology and strengthening the long-term strategic partnerships with banks and investors in a wider reference market to create value for all Stakeholders.

With particular regard to dividends, the expected strong cash generation and the thrust towards a growth more strongly driven by organic development allow us to review our dividend policies independently from profits, aimed at increasing distribution to shareholders and a greater visibility with the same.

As presented in the Business Plan, doValue is committed to pay a growing dividend per share, at a rate of at least 20% per year in the 2021-2024 period, starting with €0.50 per share, that is to pay total dividends of at least €200 million.

Both in geographical terms and in terms of customers and products, we seek diversification to achieve a more complete offer for customers and a more balanced risk profile for shareholders.

At the same time our innovation strategy has focussed on new acquisitions, such as the case of the minority interest transactions with the fintech QueroQuitar and the protecth company BidX1, as well as the creation of the joint venture with Debitos for the construction of the doLook NPL trading platform.

Sustainability represents one of the pillars of the Company's Business Plan. Inspired by listening to our own Stakeholders and by the willingness to actively contribute to a more inclusive and sustainable future, in December 2021 the Group published its first 2021-2023 Sustainability Plan, as well as its relative Policy, approved by the Board of Directors.

doValue has a delicate role in the financial ecosystem and this implies the need to act with transparency, independence and integrity with respect to customers and debtors. The doValue business is linked to people so it is important to enhance and develop professional profiles, strategic drivers to guarantee sustainable innovation and growth.

doValue's operating excellence and real commitment to sustainability are apparent in the recent ratings obtained for Servicing Rating and ESG Rating Agencies: in February 2022, for the role of Special Servicer, Fitch Ratings confirmed its "RSS1-/CSS1-" rating and Standard & Poor's its "Strong" rating, which represent the highest Servicer Ratings among those assigned to Italian operators in the sector.

In October 2021, MSCI ESG Ratings improved doValue's ESG rating from "A" to "AA", a tangible example of doValue's commitment to adopt best practices in the interest of its Stakeholders, in particular customers, capital providers (shareholders and bondholders), employees, and the broader social and environmental ecosystem in which the Company operates.

I thank our employees, Board of Directors and Stakeholders with whom we will continue to operate with our utmost commitment towards the creation of value and the achievement of increasingly significant results.

Chairman of the Board of Directors
Giovanni Castellaneta



doValue in brief

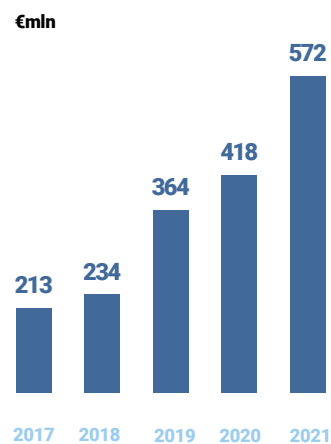
Leader Group in the management of non-performing assets in Southern Europe

doValue

With around **150 billion in assets under management** and **a more than 20-year track record**, doValue is **the leading provider of non-performing asset services** (loans and real estate assets) **in Southern Europe**.

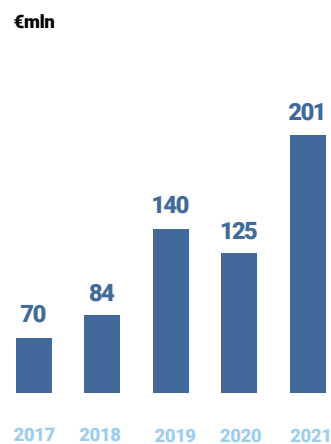
The doValue **mission is to create value for banks and investors** and **to contribute to growth**, promoting the sustainable development of the financial system.

Gross Revenues¹



EBITDA¹

(excluding non-recurring items)



Over the last few years, doValue has seen a strong expansion of the main economic-financial indicators, thanks to both a path of organic growth and M&A transactions that have accelerated its geographical and product diversification, albeit within the scope of a careful financial discipline.

Note:

1) Data presented as originally approved by the Board of Directors (not restated)

1° in Southern Europe, present in 5 markets

doValue is the market leader in **Italy, Spain, Greece and Cyprus**, markets characterised by significant growth opportunities, given the post-Covid growth of high levels of non-performing assets and the strong interest from international investors.

About 3,200 employees

The doValue operating model provides for a widespread territorial presence and a deep knowledge of the peculiarities of the jurisdictions in which it operates.

Business segments

doValue provides management services along the entire life cycle of loan and real estate asset management

- Servicing of performing and early arrears loans
- Servicing of UTP (unlikely-to-pay) loans
- Servicing of NPLs (non-performing loans)
- Servicing of real estate assets deriving from the recovery of non-performing loans
- Data supply services and other ancillary services to support servicing activities

doValue also provides additional ancillary services to **support investors in managing non-performing assets** such as:

- Master Servicing and securitisation structuring
- Due Diligence
- Other services such as the provision and management of credit data

Business Model

The business model is independent, aimed at all Banks and Investors in the market and "asset light": it does not involve direct investments in credit portfolios.

doValue customers

Banks: through long-term contracts, which also provide for the management of future NPE flows, doValue supports some of the main European financial institutions in optimising their processes in managing non-performing loans, improving their asset quality and accelerating their de-risking processes.

Specialised investors: doValue supports the main international investors specialised in non-performing assets in achieving their objectives, offering a complete portfolio of investment management services starting from the due diligence and structuring phases.

A highly attractive business model

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

SERVICES OFFERED

Servicing

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

OTHER SERVICES

Special Servicing

Restructuring and liquidation of loans.

Master Servicing

Administrative management and structuring of securitisation vehicles.

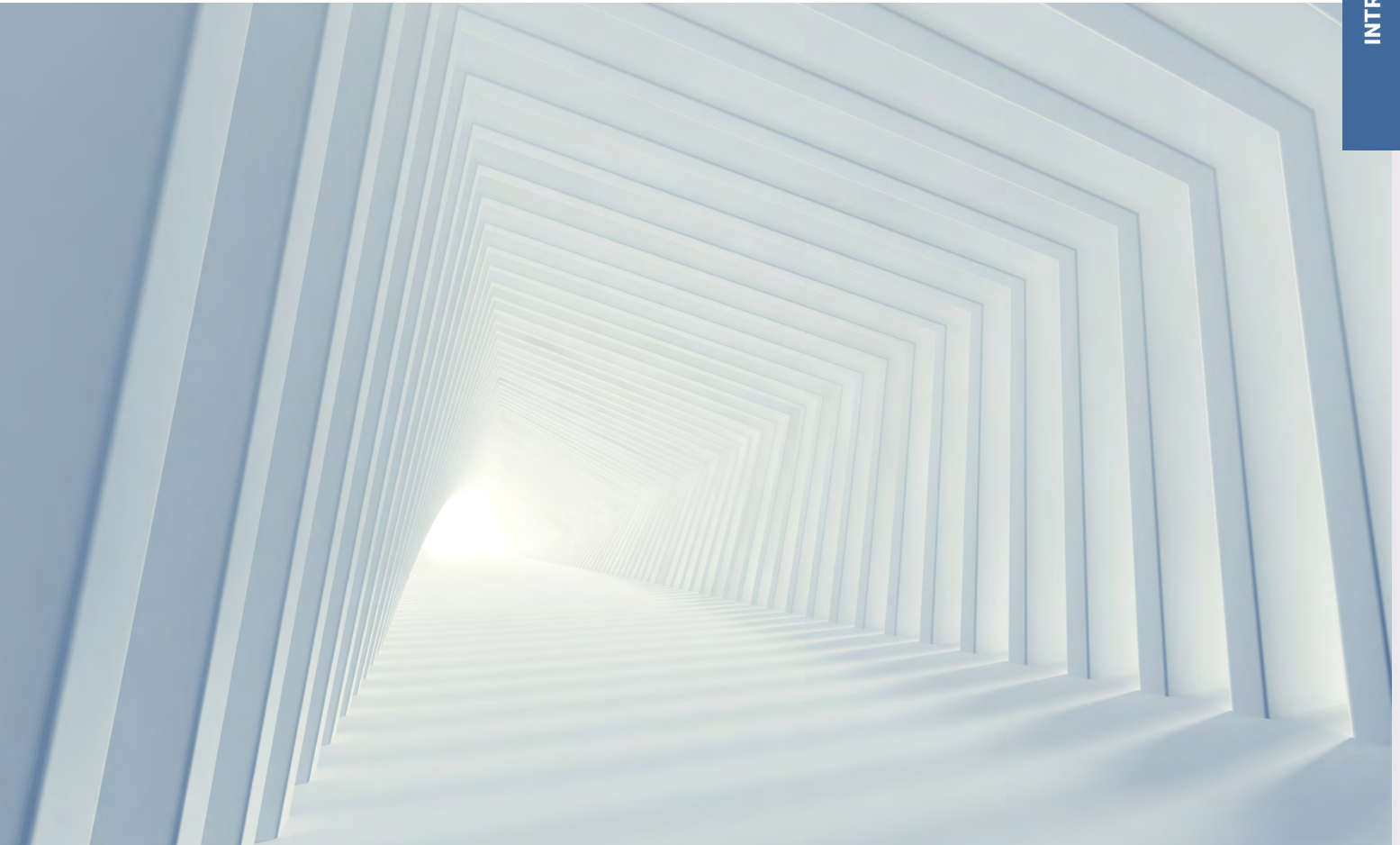
REO Servicing

Marketing, development and real estate asset management.

Due diligence

Ancillary Services

Management and supply of data and other services in support of Servicing.



Banks and investors entrust doValue with the management of loans and real estate assets owned by them both through long-term partnerships and through shorter-term contracts as part of the various investment transactions in portfolios of non-performing assets. doValue is chosen for some distinctive characteristics such as: its twenty years of experience, technology and process efficiency.

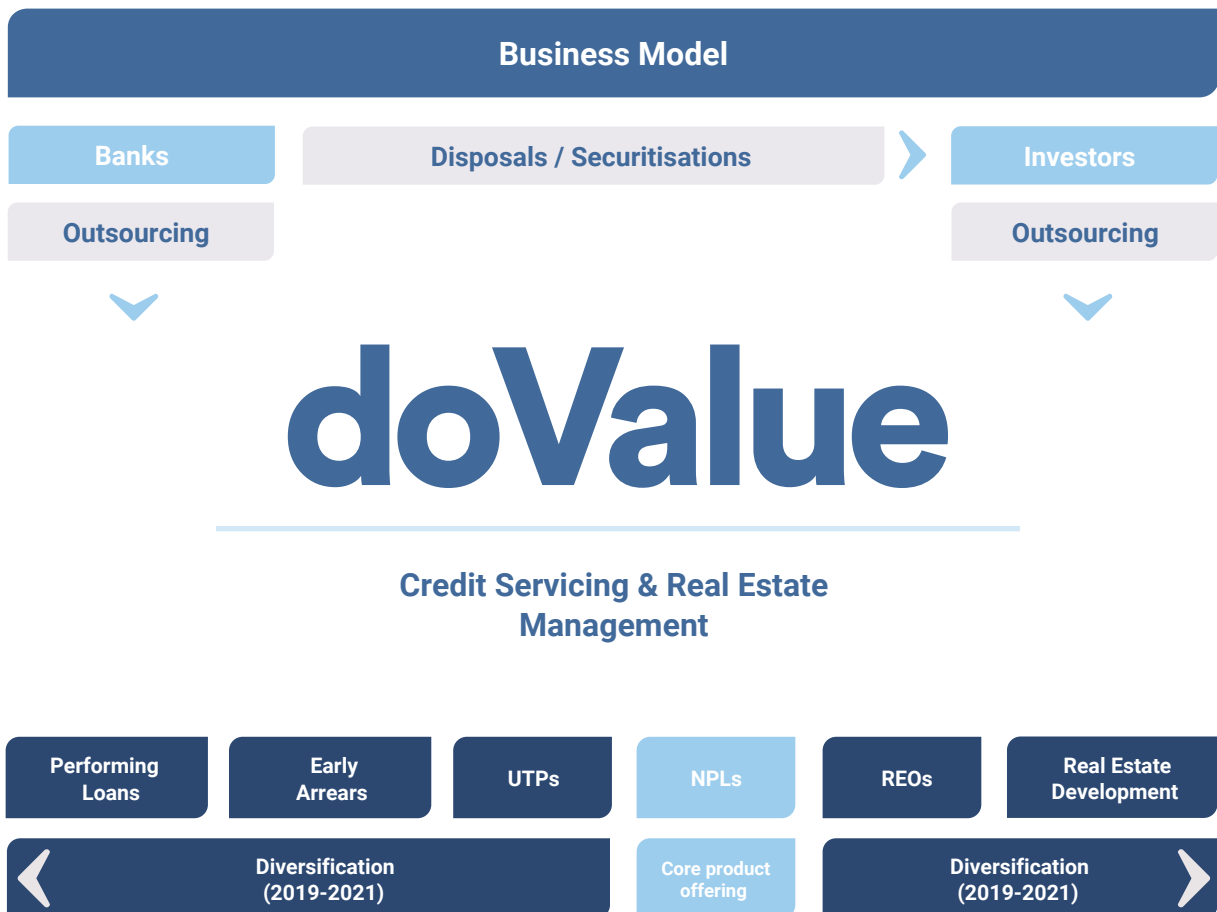
doValue is characterised by an independent servicer business model, open to all banks and specialised investors in the sector, which applies a simple remuneration structure based on fixed and variable fees without contemplating direct investments in loan or real estate portfolios - therefore "asset-light"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

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

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

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

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



Key Strengths

1	Capital light	<ul style="list-style-type: none"> • No acquisition of credit portfolios • Limited capex needs (IT only) • Limited investments in portfolios (co-investments) 	✓
2	High visibility	<ul style="list-style-type: none"> • Long-term contracts (10+ years) • Recurring and highly predictable revenues • Fixed fee + variable fee structure 	✓
3	Protection	<ul style="list-style-type: none"> • Protection in case portfolios are sold by clients • Contractual indemnity fees 	✓
4	Independence	<ul style="list-style-type: none"> • No structural conflict of interest with clients • Ability to serve every bank / investor 	✓
5	Diversification	<ul style="list-style-type: none"> • Client, product and market diversification • Exposure to most attractive post-COVID markets 	✓
6	High barriers to entry	<ul style="list-style-type: none"> • Scale, IT and data act as key barriers to entry • High termination fees • Scarcity of specialised talent 	✓
7	Attractive across cycles	<ul style="list-style-type: none"> • NPE stock grows during recessions • Collections grow in macro-recovery periods 	✓

The reference market

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

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

Despite the numerous transfers made by banks to professional investors in recent years, the stock of non-performing loans of banks in Europe, and the related real estate guarantees, represent a significant reference market for servicers and continue to attract the interest of specialised investors.

In particular, there is a significant concentration of these types of assets in Southern Europe, a market characterised by higher than average NPL ratios and greater urgency on the part of financial institutions to transfer loan portfolios or promote their more efficient management, through outsourcing contracts executed with specialised operators, including doValue.

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

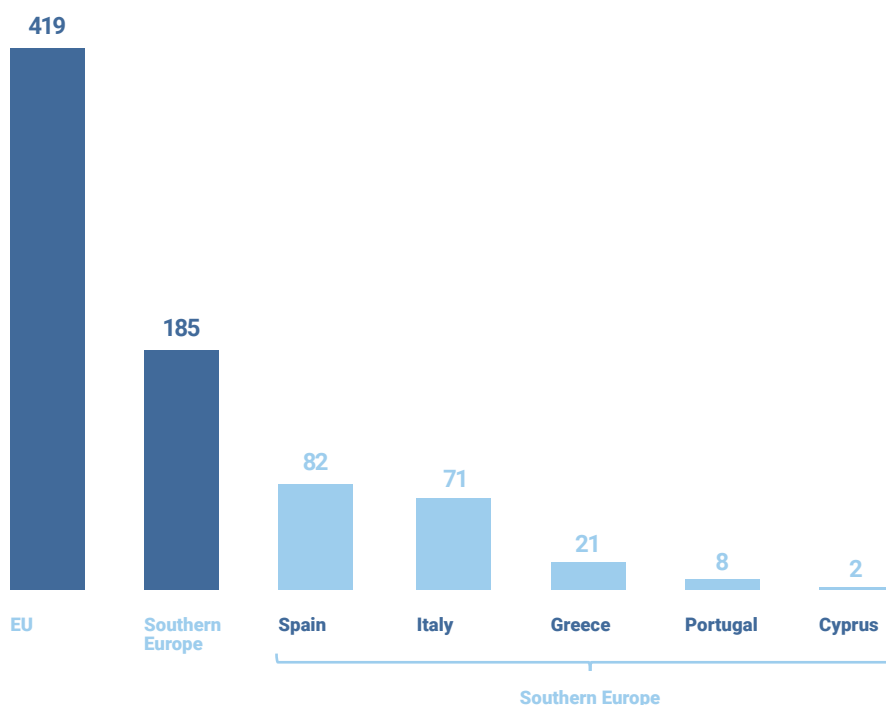


Introduction

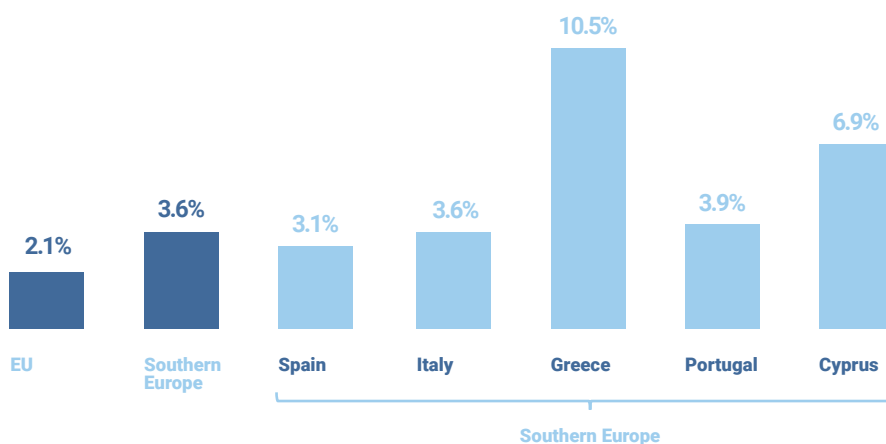
In a market context, which saw the post-COVID normalisation of court activity and the end of moratoria in all regions in 2021, we can expect an acceleration in the formation of new Non Performing Exposures ("NPEs") in the reference markets. Indeed, some third-party sources estimate a substantial creation of new NPEs in Southern Europe, amounting to around €200 billion in the 2022-2024 period in terms of GBV.

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

Non-performing loans (Euro miliardi)



NPL ratio (%)



Source: EBA, data as at September 30, 2021

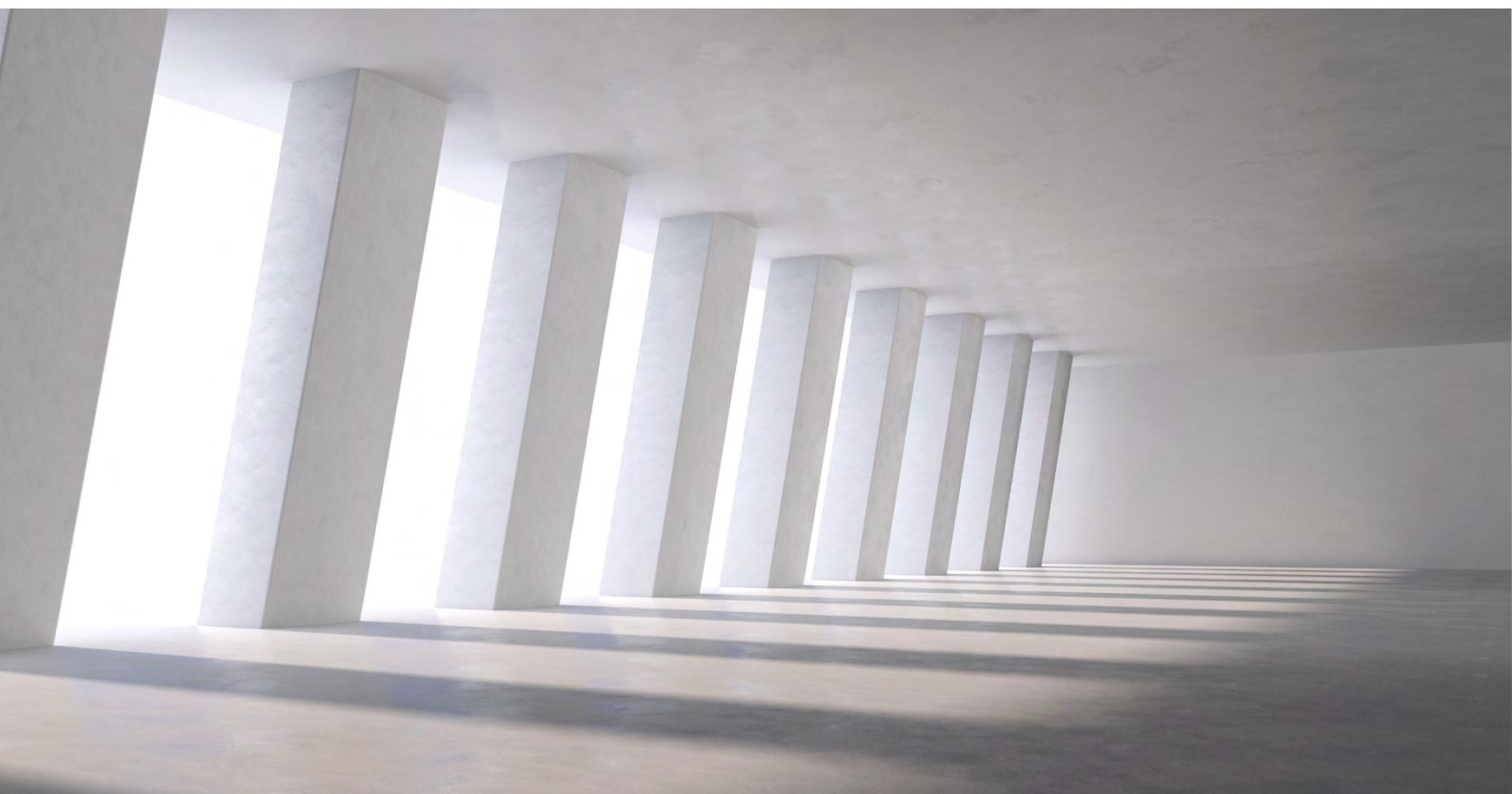
Structural market tailwinds

Several factors to support doValue reference market both in the short, medium and long term

The servicing market in Southern Europe continues to be vibrant, with banking institutions particularly keen to accelerate their asset quality projects in view of the expected rise in default rates on the back of the lifting of moratoria across the entire Southern Europe in 2021. In fact, some third parties estimate a substantial formation of new NPEs in Southern Europe at around €200 billion in the 2022-2024 period in terms of GBV.

In addition, progresses in the vaccination campaign, the normalisation of economic activities and the lifting of most limitations on foreclosures activities together with the end of the limitations regarding the sale of real estate assets underlying insolvency procedures have supported the full normalisation of the operating environment in the credit servicing sector.

More generally, doValue activity is underpinned by external and favourable medium to long term tailwinds, including the implementation, by banks, of stringent regulations for the recognition of loans (IFRS 9, Calendar Provisioning, Basel IV), which will result in banks having a very proactive approach in managing their balance sheets, in addition to the well-established outsourcing trend by banks of servicing activities.



Market tailwinds

Short Term	Moratoria Ending	<ul style="list-style-type: none"> • Uptick in new NPEs formation expected from 2022 onwards • Inflation and potential increase in interest rates to exacerbate distressed situations • Increase in Stage 2 loans and relevance of UTPs (not yet actively managed by banks)
	Court activity	<ul style="list-style-type: none"> • Back to normalised levels despite COVID cycles • Enhanced IT platforms for National Legal Systems in Italy
Medio Termine	Consolidation of servicers	<ul style="list-style-type: none"> • Increase economies of scale and maintain pricing power • Invest in technology, merge platforms • Increase productivity, performance and margins
	Originators and Investors	<ul style="list-style-type: none"> • Challenger banks and fintech already producing NPLs • Specialised investors hold significant amounts of dry powder • doValue enjoys strong relationship with key NPL investors, including Fortress and Bain
Lungo Termine	Banking regulation	<ul style="list-style-type: none"> • IFRS 9 (since 2018), calendar provisioning (since 2019), Basel IV (from 2023) • Increased pressure to de-lever • Faster provisioning for defaulted loans • More expensive to hold and internally manage NPLs
	Outsourcing	<ul style="list-style-type: none"> • Proven efficiency of external credit management services • Cost reduction and collections performance reinforcing outsourcing trend • Flight-to-quality towards best performing servicers

A track record of **profitable growth**

Substantial growth across all key metrics since IPO

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

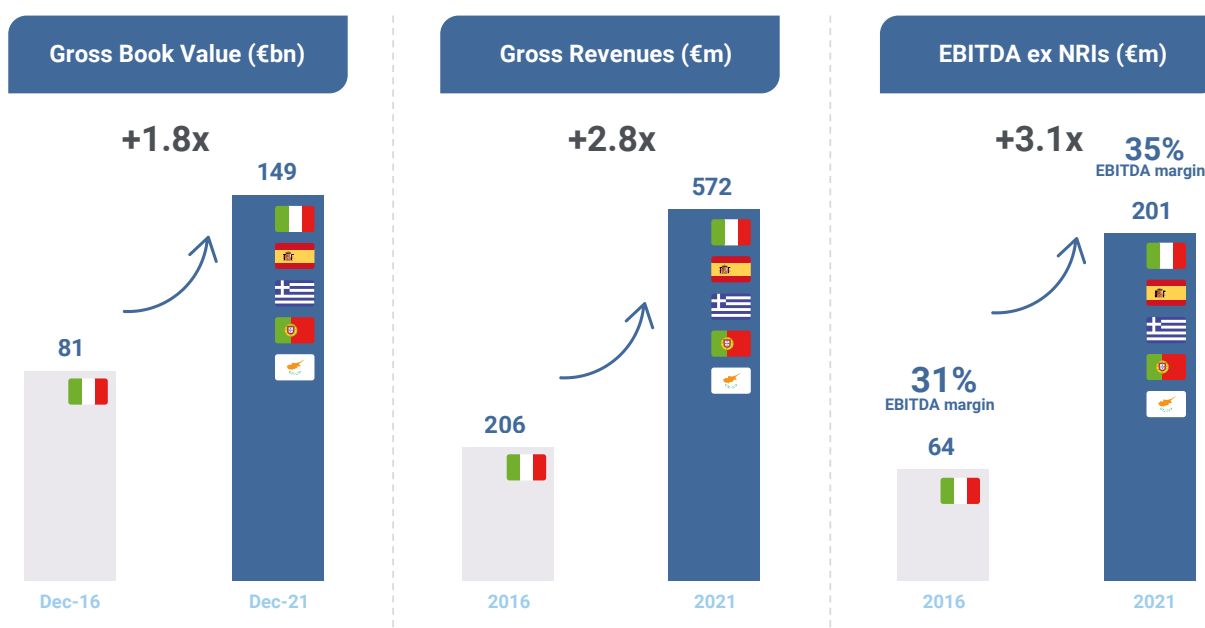
The Group has delivered 2x growth in GBV and 3x growth in both Gross Revenues and EBITDA (with an improvement in EBITDA margin from 31% to 35%). Growth brought doValue a high degree of diversification, both in terms of geographies, clients and products.

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

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

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

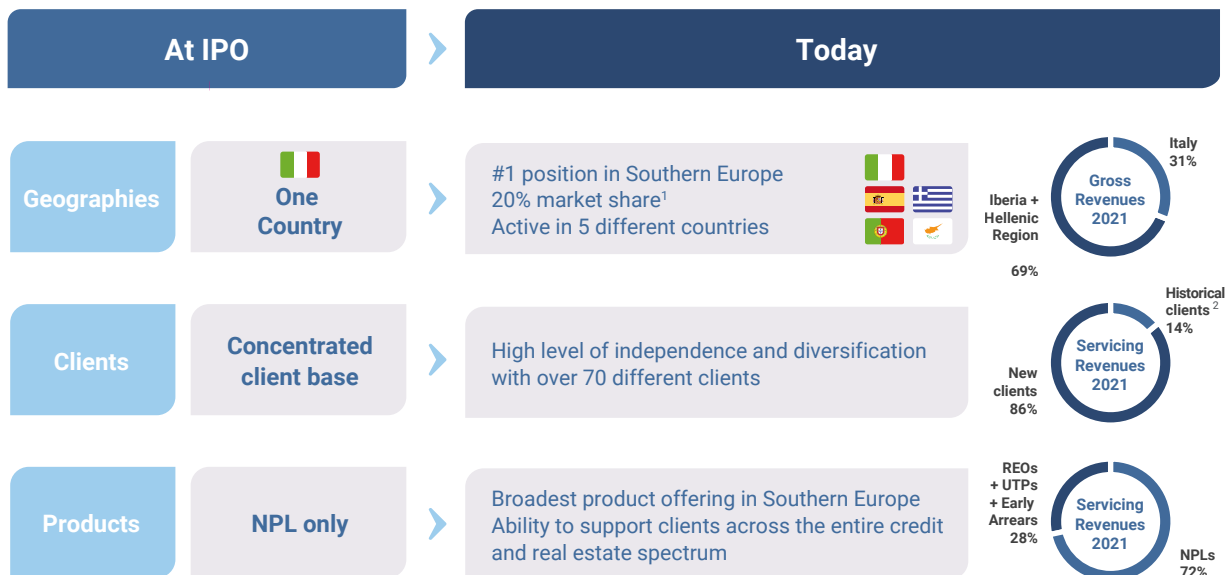
These innovation-driven activities will further enhance doValue's growth in the future.



A track record of diversification

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

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



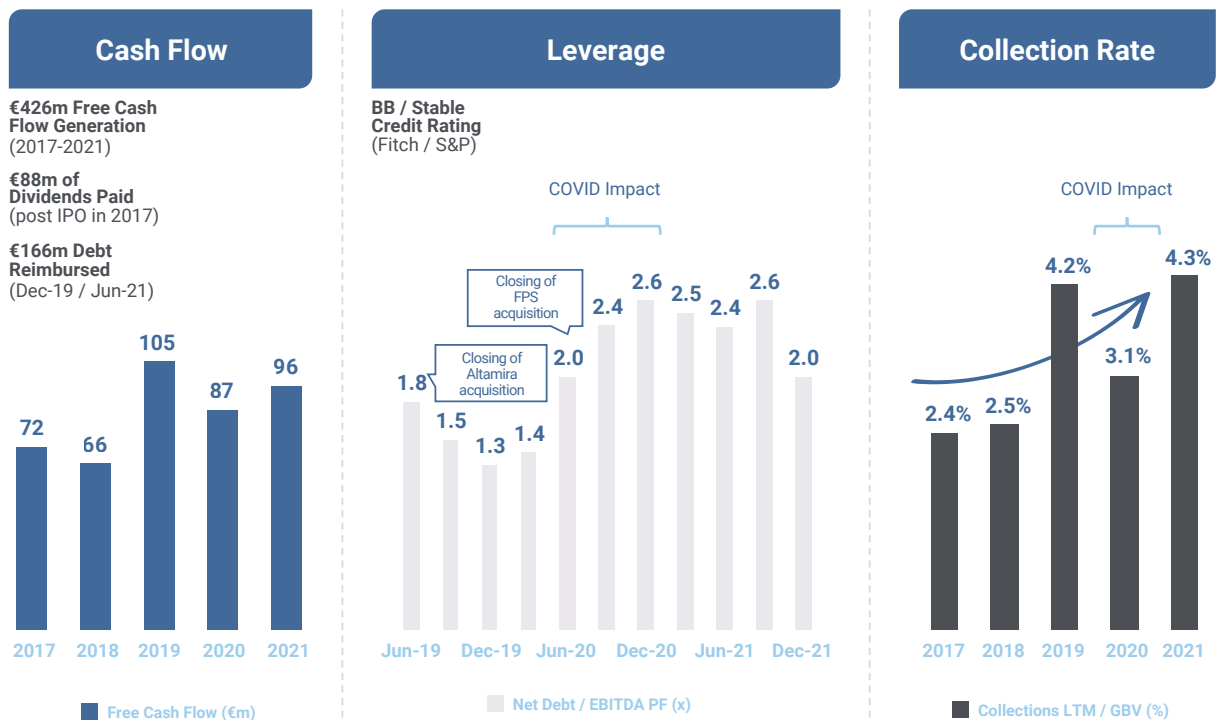
Note:
 1 Calculated as doValue GBV divided by aggregate GBV of servicers operating in Southern Europe
 2 Historical clients refer to UniCredit, Fortress and Intesa Sanpaolo

■ Post-IPO diversification

A track record of resilience

Strong and consistent cash flow generation, deleveraging post M&A and operational resilience, only marginally impacted by COVID

The history of doValue since its IPO demonstrate the attractiveness and the resilience of its operating model, which has consistently produced Free Cash Flow (pre-dividends and pre-M&A) of more than €60 million, which has allowed a substantial deleveraging post-M&A. In addition, the Group has been able to weather the COVID pandemic in an excellent way, preserving an EBITDA margin above 30% and a satisfactory Collection Rate.



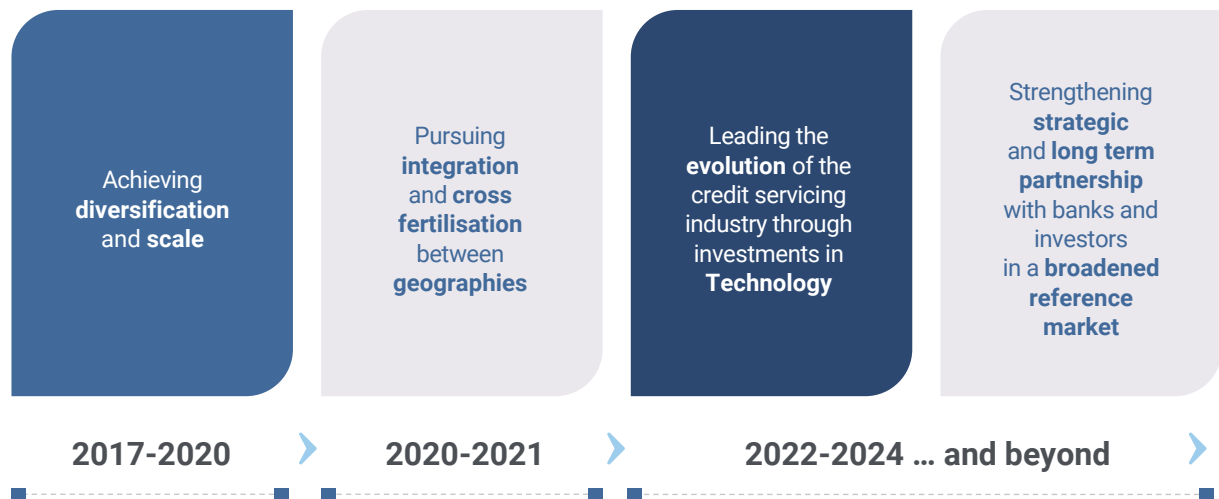
Notes:

1 Historical Free Cash Flow calculated based on restated figures. Net Debt / EBITDA PF for Dec-20 calculated based on restated EBITDA

doValue strategic evolution

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

The doValue journey since its IPO has already seen the Group achieving a strong degree of diversification and scale on the back of the acquisitions performed (Altamira Asset Management and FPS). These acquisitions have been fully integrated and a cross fertilisation exercise has been already commenced and will further deepen in the next three years. The vision around “doValue 2024” mainly revolves around the Group ability to lead the evolution of the credit servicing industry through investments in technology as well as through its ability to strengthen strategic and long-term partnerships with banks and investors in a broader reference market.



Strategic pillars of doValue 2024

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

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

doValue



GROW



TRANSFORM



CARE



ENHANCE



INNOVATE

Grow

Gross Revenues and EBITDA are expected to grow in the 2022-2024 Business Plan period notwithstanding a substantial stability in headline GBV level. It is also expected an improvement of the average vintage of GBV through an increase of the Collection Rate and activity aimed at securing new mandates with volumes comparable to the activity of the last 3 years. Such rotation of the assets under management, together with a cross selling of products and services between countries, will allow to extract more revenues with the same headline GBV. Such results will be achieved through a limited capital deployment, in line with doValue historical track record of being a capital light credit servicer. Further upside potentially derives from a possible acceleration in the formation of new NPEs in the reference markets.

Replenish GBV organically

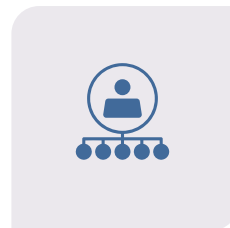


Increase market share with new clients

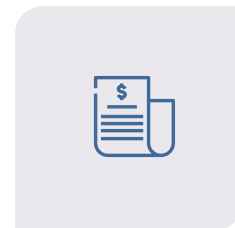
Capitalise on forward flows agreements with existing clients



Limited balance sheet deployment for new servicing contracts



Revenue and EBITDA growth based on extracting more value out of a stable headline GBV



Post-COVID / postmoratoria market opportunity as additional upside

Track Record

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



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



≈€14bn per annum

vs ≈€10bn average per annum guidance

Business Plan

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

Including both forward flows agreements and mandates from new clients



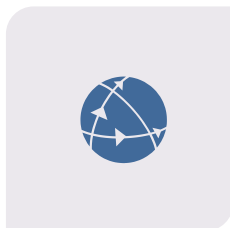
Region	Percentage
Italy	38%
Iberia	38%
Hellenic Region	23%

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

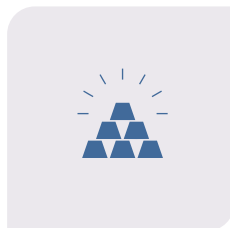
Enhance

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

Enhance product offering



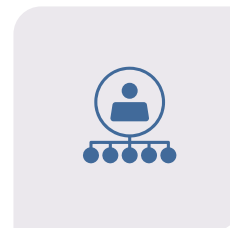
Cross fertilization across geographies, clients and products



Leveraging on best practices within the doValue Group



Climb the credit value-chain upwards from NPLs to performing loans



Capitalise on client base to sell more products per unit of GBV managed

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

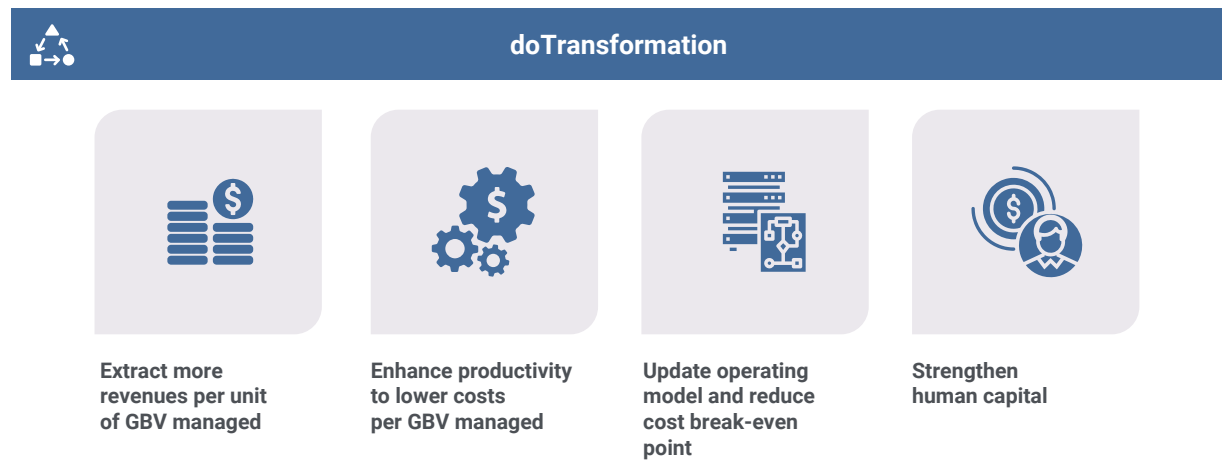
Expansion of product portfolio vs status quo
Fully exploit platforms already set-up in 2020-2021 for revenue generation in 2022-2024





Transform

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





Innovate

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

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



**Drive long-term
sustainable growth**



**Increase scope of
reference market**



**Foster innovation
across the doValue
ecosystem**



**New services and
value proposition
for existing
and new clients**



**Decrease correlation
with credit cycle**



**Move from
labourintensive model
to technology-driven
model**



2020

- Joint venture between doValue and Debitos
- Online NPL trading platform
- Exclusive partnership for Italian and Greek NPLs (expanding into Spain)
- Generated €6m of revenues since inception



2021

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



2021

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

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

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

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





Care

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



Act professionally, responsibly and sensitively



Clients

- Performance
- Reputation
- Operational excellence
- Data treatment



Regulators

- Legal framework
- Compliance
- Regulation
- Multiple jurisdictions



Debtors

- Ethical processes & fair treatment
- Extrajudicial recovery processes
- Data security and privacy
- Anti-corruption oversight



Employees

- Training & development
- Compensation & benefits
- Diversity & inclusion
- Engagement & talent retention



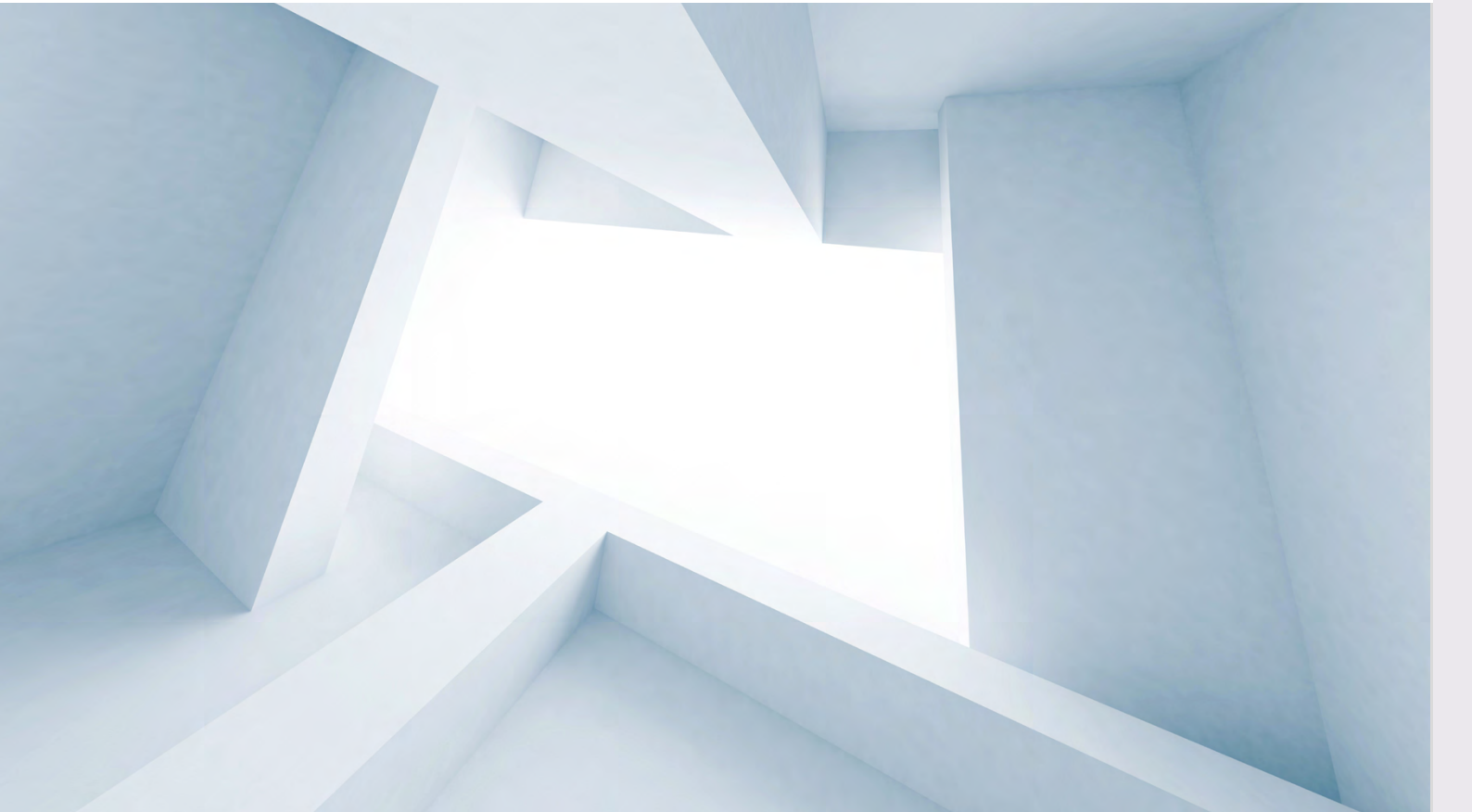
Best in class Servicer and ESG Ratings demonstrate ongoing operational excellence for the benefit of all key stakeholders

Servicer Ratings	Rating	Scope
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Fitch (Special Servicer)	Level 1 (feb-22)	<ul style="list-style-type: none"> Operating Performance Control Systems IT & Operations Human Resources
S&P (Special Servicer)	Strong (feb-22)	
Fitch (Primary Servicer)	Level 2 (feb-22)	
S&P (Primary Servicer)	Strong (feb-22)	
Fitch (Master Servicer)	Level 2 (feb-22)	

ESG Rating	Rating	Scope
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MSCI ESG Ratings Sustainalytics	AA (Oct-21) Upgraded from A Medium Risk (Apr-21)	<ul style="list-style-type: none"> Environmental Social Governance
Vigeo Eiris	Limited Risk (Jan-21)	

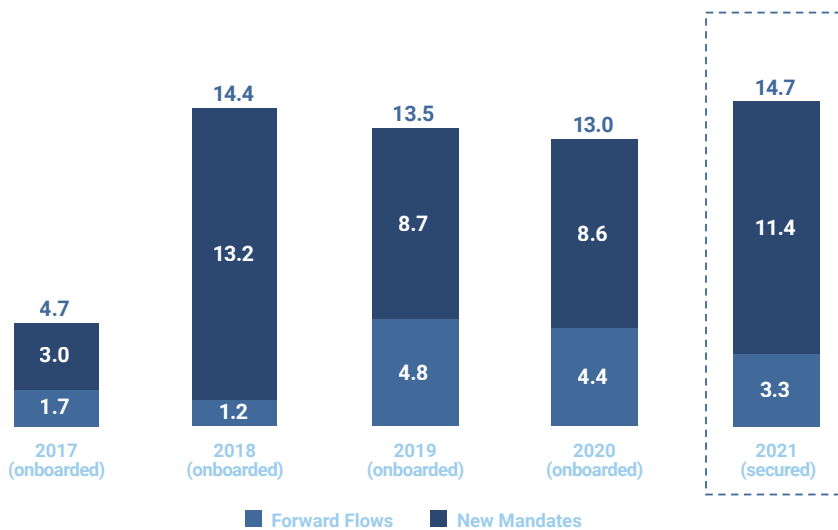


Record inflows in 2021

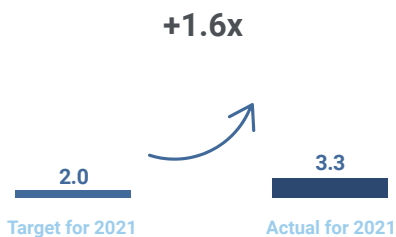
The year 2021 was characterised by record inflows, with close to €15 billion of new GBV secured

Record results were achieved in 2021, with approx. €14.7 billion of new Gross Book Value secured from a mix of new and existing clients. Approx. €3.3 billion of forward flows were received from existing clients through forward flow agreements (well above the target of €2.0 billion) and €11.4 billion of new mandates were secured by doValue (well above the target of €7.0-9.0 billion). The figures above mentioned include Project Frontier (a €5.7 billion mandate in Greece signed in October 2021 and purchased by doValue for €35 million).

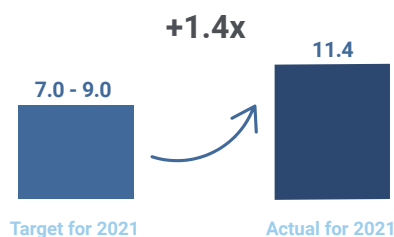
Inflows overview 2017-2021 (€bn)



Forward Flows in 2021 (€bn)



New Mandates in 2021 (€bn)



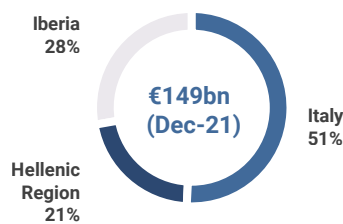
A well-diversified business

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

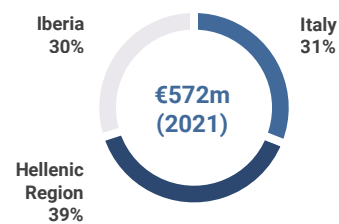
Well diversified GBV by region and client type

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

GBV by Region



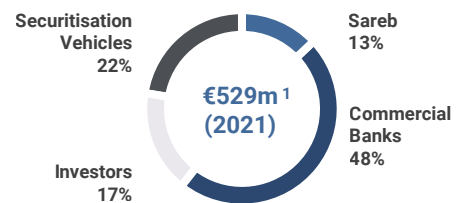
Gross Revenues by Region



GBV by client type



Gross Revenues by client type



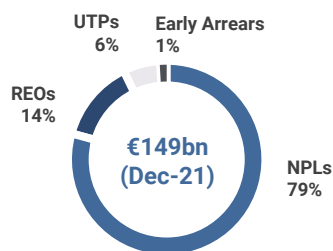
Notes:

1 Gross Revenues including Servicing Revenues only

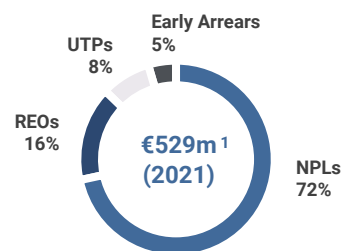
Well diversified GBV by product and security

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

GBV by product



Gross Revenues by product



GBV by security



Gross Revenues by security



Note:

1 Gross Revenues including Servicing Revenues only

2 Breakdown assumed in line with GBV

Regional performance

A well balance regional exposure

FOCUS ON ITALY

The Italian market has reached a relatively high degree of maturity, with most banks having widely deployed securitisations schemes (also through the GACS framework) to de-consolidate portfolios. In this context doValue has, over the years, proactively adapted its business to consider a lower fee environment whilst in parallel working on securing mandates and broadening its client base. Going forward the expectation is to have a stable to marginally improving fee environment. The 2022-2024 Business Plan for Italy is based on revenue growth underpinned by strong origination activity and improved collection rates, an increase in activity related to more profitable businesses such as UTPs and Early Arrears and a disciplined cost control activity. Overall, the expectation in Italy is for a low-single digit Gross Revenues CAGR in 2021-2024, and high-single digit EBITDA CAGR, leading to a material improvement in EBITDA margin.

FOCUS ON THE HELLENIC REGION

The market in the Hellenic Region is in a relatively early stage of development, with most key credit servicers having been carved out from banks only in the last few years and with servicing fees being significantly higher than other markets in Europe. The relatively early-stage development of the sector coupled with the relatively concentrated nature of the servicing market means that fee levels are likely to remain relatively high going forward. In addition, the NPLs ratios in the region remain widely above the 5% target established by the ECB which guarantees a certain supply of portfolios shifting from banks to investors in the near term. All these factors make the Hellenic Region a very attractive market for doValue. In the Hellenic Region, doValue displays a very complete product offering, (NPLs, to REOs, to UTPs and Early Arrears). All these ingredients make the Hellenic Region a crucial element of the 2022-2024 Business Plan. A strong expected origination effort, coupled with a vibrant market activity, are expected to lead to mid-single digit Gross Revenues CAGR in 2021-2024 and mid to high single digit EBITDA CAGR, with EBITDA margin remaining comfortably above 50%.




FOCUS ON IBERIA

The credit and real estate servicing market structure in Iberia remains relatively fragmented, and the currently ongoing tender process with Sareb (the company set up by the Spanish Government and the Spanish Banks in 2012 with the purpose of managing and divest distressed assets that were transferred to it from four nationalised Spanish financial institutions), expected to be finalised in the first part of 2022, is likely to reshape the market significantly. On February 24, 2022, Sareb has communicated that it has not awarded a new contract to doValue (the current contract expires in June 2022) nor to any of the current servicers managing the portfolio.

The event was already envisaged as a possibility by doValue, as described in the 2022-2024 Business Plan presented by the Group on January 26, 2022. Considering the highly competitive nature of the process that Sareb has conducted in the last few months (which was focussed on the level of commissions payable by Sareb to the servicers), the new contract would have not contributed positively to the Group profitability, and therefore the decision by Sareb will not have a material impact on the 2022-2024 Business Plan financial targets and on the overall strategic direction of the Group.

Sareb is currently a relevant client of doValue in Spain, as such the decision by Sareb will trigger a reorganisation of doValue's operations in Spain aimed at operating at an adequate scale preserving the profitability of the business in Iberia. In addition, doValue's growth in Spain in 2023 and 2024, in particular in terms of EBITDA, will be led by a higher extraction of value from the current GBV (excluding Sareb), new servicing agreements and new revenue streams. The Business Plan in Iberia assumes low single-digit Gross Revenues CAGR in 2021-2024, and flat EBITDA, leading to a stable margin above 20%. An area of upside in Iberia is represented by the possibility of major banks outsourcing the management of their UTP and Early Arrears portfolios, which would represent a major opportunity for doValue that will be able to leverage on its consolidated track record both in Italy and Greece.

Regional performance in 2021

	doValue Group	Italy 	Hellenic Region 	Iberia 
Collections	€5.7bn	€1.7bn (30% of tot)	€1.3bn (23% of tot)	€2.7bn (47% of tot)
Collection Rate	4.3%	2.4%	6.0%	6.6%
Gross Revenues	€572m	€180m (31% of tot)	€220m (38% of tot)	€172m (30% of tot)
EBITDA ex NRIs	€201m	€40m (20% of tot)	€119m (59% of tot)	€42m (21% of tot)
EBITDA margin ex NRIs	35%	22%	54%	25%

Notes:

- 1 Collections exclude curing
- 2 Collection Rate includes doValue Greece (which was previously excluded, up to 9M 2021 results)
- 3 Collection Rate calculated on the basis of GBV in stock for the entire 2021

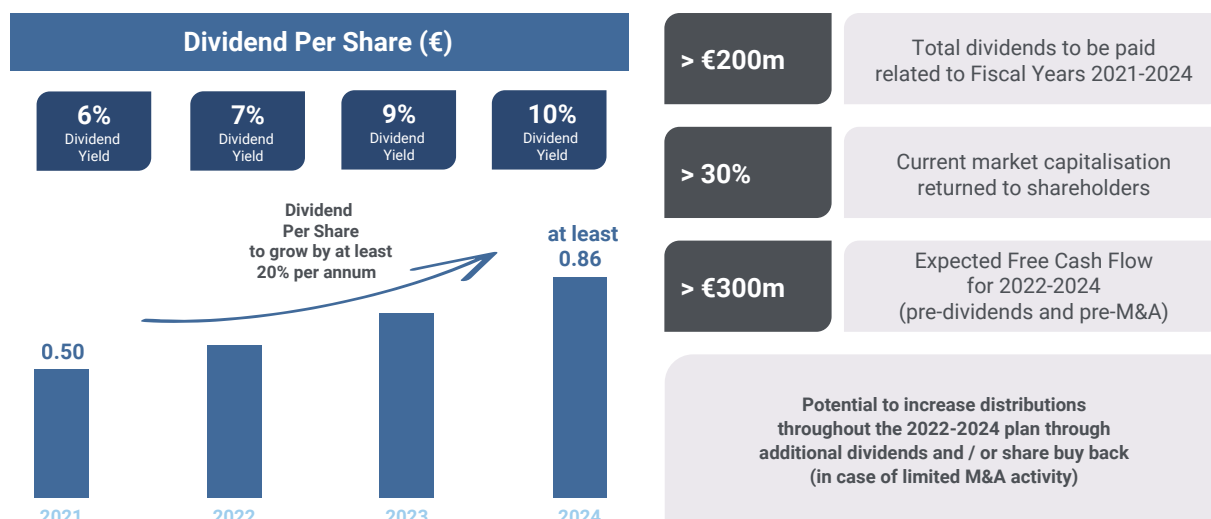
Shareholders' remuneration

Attractive shareholders' remuneration based on a new dividend policy

The Board of Directors of doValue has resolved to propose to shareholders a dividend related to the fiscal year 2021 equal to €0.50 per share.

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

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



Note:
Dividend yield calculated on the stock market price at the end of 2021

Group sustainability

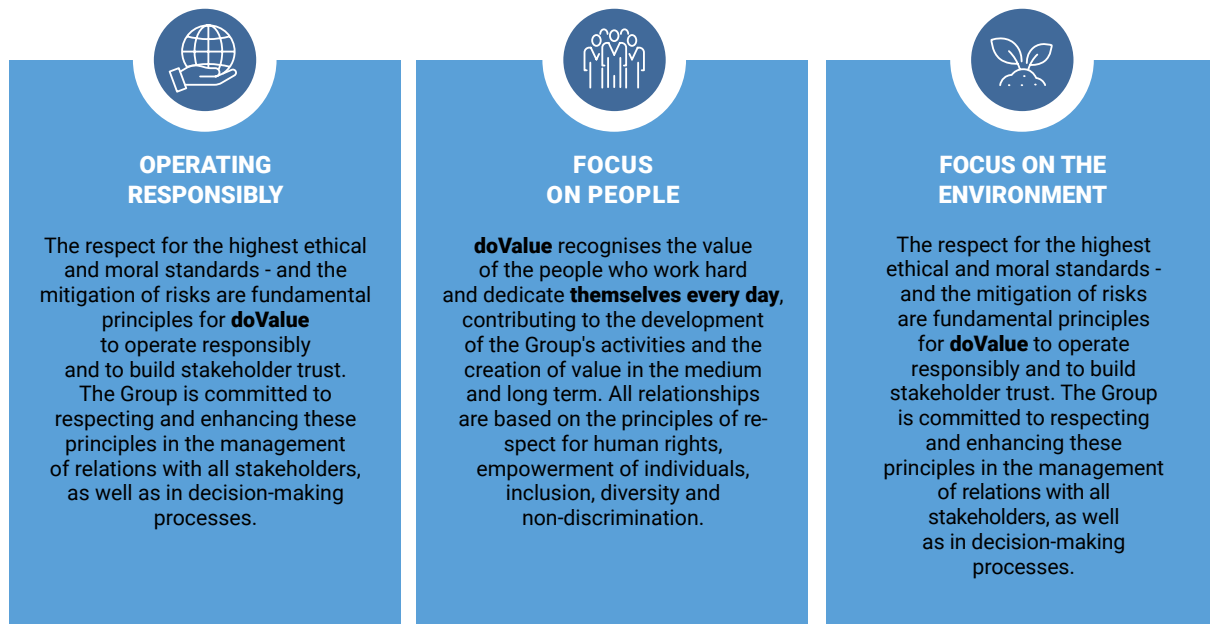
In the last few years doValue has integrated economic, social and governance sustainability in its business strategy to generate sustainable value over the long term for shareholders, investors, employees, customers, and the community.

In order to strengthen its own path towards the creation of shared value, in 2021 doValue defined its ESG (Environmental, Social, Governance) strategy by publishing its first Sustainability Plan for the 2021-2023 three-year period, which represents a fundamental stage in the path initiated in 2016.



The 2021-2023 Sustainability Plan, inspired by listening to its own Stakeholders and by the willingness to actively contribute to a more inclusive and sustainable future, has involved the Management and several functions of all the Group companies.

A path shared and approved by the Risk Committee of the doValue's Board of Directors in December 2021, focusing on three areas of commitment in accordance with the business strategy and in line with the business strategy and the SDGs - Sustainable Development Goals - of the United Nations 2030 Agenda:



The Group's Sustainability has become an integral part of corporate activities, processes and strategy and represents a fundamental driver in the strategic and financial choices of the Group.

The Sustainability Plan's commitment areas were included in the 2022-2024 Business Plan of the Group presented in January 2022, with the aim of pursuing a continuous improvement of its own business and at the same time contribute to the achievement of the social, environmental and governance development targets.

In the definition of strategic drivers and of their relative commitments, the priorities defined in the 2030 Agenda for Sustainable Development Goals were taken into consideration.

The specific objectives and targets, both quantitative and qualitative, that the Group has set for itself with a view to a continuous improvement of its own sustainability performance and on which to work in the 2021-2023 three-year period aim at:

- developing business activities conducted in accordance with the applicable legislation and the highest ethical and moral standards;
- consolidating information security management systems and ensuring maximum respect for privacy;
- spreading a culture of inclusivity;
- promoting the satisfaction, health and well-being of employees and collaborators;
- promoting and supporting communities in their territories.

OPERATING RESPONSIBLY

Social responsibility

Our business requires to measure performances not only from a financial point of view but also with a view to ESG issues: the "Social" part plays a fundamental role for doValue.

In the interest of communities, we search solution aimed at pursuing the best management strategy, favouring out-of-court agreements with customer debtors, avoiding judicial routes, which are long and expensive, and allowing them to re-establish a financial balance to return to perform an economically active role.

The principles of correctness, responsibility and integrity drive our activities and our relations according to conduct standards consistent with those indicated in the Group Code of Ethics and in the Code of Conduct for the External Network.

Activities are carried out in full respect of the rights and dignity of customer debtors towards whom we act with transparency, sensitivity, and absolute correctness.

We tend to assume a conciliatory and conservative approach, which allows customer debtors to resolve their outstanding issues. Every solution is targeted to the delegation authorities granted, or submitted to the customer committee. All actions put in place are in line with current regulations on consumer protection (for private entities), as well as solvency procedures protecting companies in crisis.

Attention to people

doValue recognises the value of the people who contribute every day, with commitment and dedication, to the development of the Group's activities and to the creation of value in the medium- and long-term.

The attention to people also extends to supporting the local communities and territories in which doValue operates. With the objective of favouring social inclusion, support communities living in disadvantaged conditions, doValue has for years chosen to join campaigns for raising awareness in favour of non-profit organisations and charities operating for the well-being of communities.

doValue also considers diversity and inclusion to be two fundamental elements in its corporate culture and central to its value system and for this reason it is committed to promote the value of every person and to create a working environment that is respectful, supportive, and inclusive. This translates into a constant awareness of the needs of its employees and into practical actions aimed at promoting individual and corporate well-being.

Attention to the environment

doValue is sensitive to issues such as environmental sustainability and every day takes concrete actions to proactively address the challenge of pollution, reduce the impact on the environment generated by its activities and ensure that future generations have a cleaner, more liveable, and more sustainable planet.

To confirm its own commitment to the environment, "Guidelines on environmental issues" have been drawn up, with the aim of defining principles and good practices to inform daily behaviour and the projects that the group decides to support in favour of the environment.

ESG Ratings

To confirm the Group's commitment to adopt the best practices in the interest of its Stakeholders, MSCI ESG Rating has continuously improved its Rating, from BBB in 2018 to A in 2020 and AA today, placing doValue among the companies with the best ESG performances in the Diversified Financial sector at global level. doValue's ESG framework is currently also rated by Sustainalytics (with a "medium risk" rating) and Vigeo Eiris (with a "limited risk" rating).

The Group Sustainability Policy

The integration of sustainability within its corporate regulatory system has led to the definition of the Sustainability Policy of the doValue Group, which provides the Guidelines relative to social and environmental contexts identified as priority and to the promotion of a corporate culture oriented towards sustainable development.

The Sustainability Policy is applied to all of the Group's companies and has been drawn up in accordance with the principles and values defined by the Code of Ethics, the Organisational, Management and Control Models that the Companies of the Group have adopted pursuant to Italian Legislative Decree no. 231/2001 and the other policies and procedures approved by the Board of Directors.

Sustainable Governance

The constant involvement and commitment of the Board of Directors and of the Risk, Related-Parties and Sustainability Committee are a clear indicator of central role played by ESG issues in the Group Governance.



Governing and control bodies

BOARD OF DIRECTORS

Chairman

GIOVANNI CASTELLANETA

CEO

ANDREA MANGONI

Directors

FRANCESCO COLASANTI ⁽²⁾
EMANUELA DA RIN
GIOVANNI BATTISTA DAGNINO ⁽⁴⁾
NUNZIO GUGLIELMINO ⁽¹⁾
ROBERTA NERI ⁽⁴⁾
GIUSEPPE RANIERI
MARELLA IDI MARIA VILLA ⁽²⁾
CRISTINA FINOCCHI MAHNE ⁽³⁾

BOARD OF STATUTORY AUDITORS

Chairman

NICOLA LORITO ⁽⁶⁾

Statutory Auditors

FRANCESCO MARIANO BONIFACIO ⁽⁶⁾
CHIARA MOLON ⁽⁵⁾

Alternate Auditors

SONIA PERON
MAURIZIO DE MAGISTRIS

AUDIT FIRM

EY S.p.A.

Financial Reporting Officer

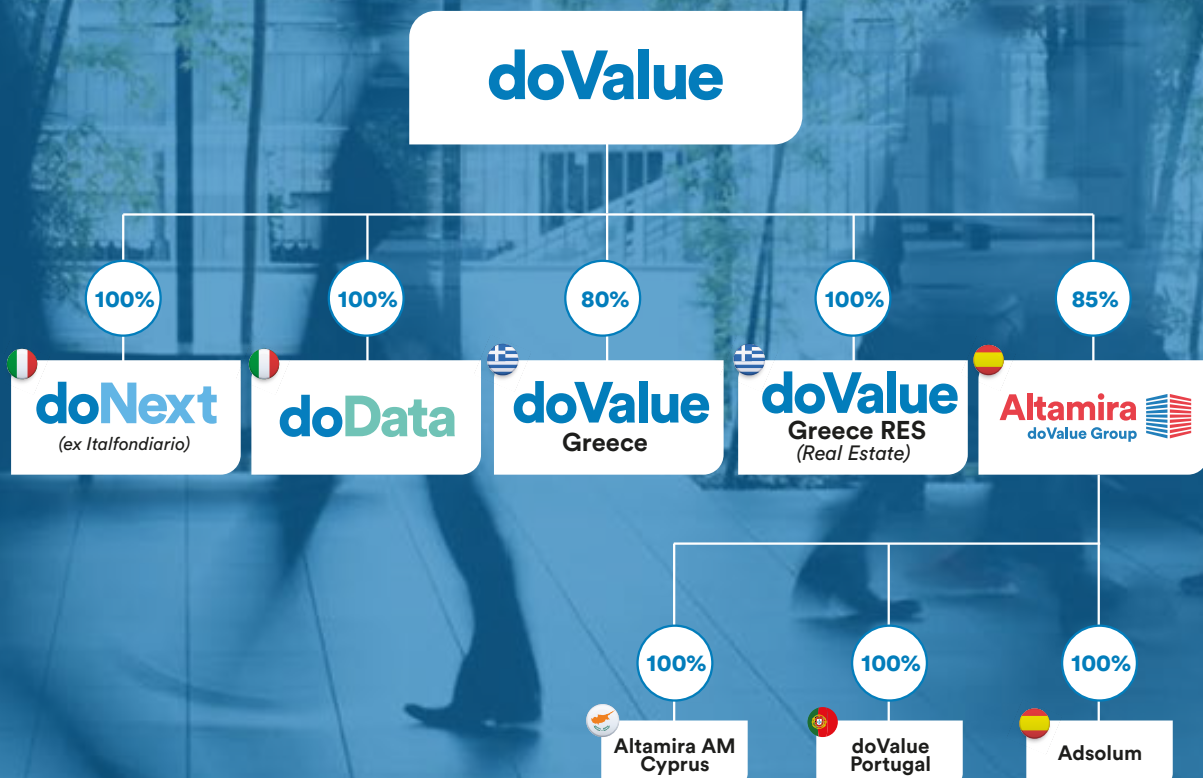
ELENA GOTTARDO

(1) Appointments and Remuneration Committee Chairman
(2) Appointments and Remuneration Committee Member
(3) Chairman of the Risks, Related Party Transactions and Sustainability Committee
(4) Member of the Risks, Related Party Transactions and Sustainability Committee
(5) Chairman of Supervisory Body, pursuant to Legislative Decree 231/2001
(6) Member of Supervisory Body, pursuant to Legislative Decree 231/2001

Group structure

doValue is one of the main players in Southern Europe providing **services** to banks and investors **for the management of loans and real estate assets (Servicing)**, with assets under management equal to **about €150 billion at the end of 2021 (gross book value)**.

The following diagram shows the structure of the Group as at December 31, 2021, which reflects the organic and external growth and diversification of doValue over 21 years of operations.



The Parent Company doValue S.p.A., a servicing company governed by Article 115 of the T.U.L.P.S.¹, and its subsidiaries carry out servicing activities for PL, Early Arrears, UTP, NPL and Real Estate assets, and provide ancillary services for business information and Master Servicing, operating in a specific business area or geographical market.

doValue was created from a combination, in 2016, of the two largest Italian servicers: UCCMB, originally part of the UniCredit Group, and doNext (formerly Italfondinario), active since 2000 in partnership with leading specialised investors.

In July 2017, doValue's share debuted on the stock market, placed with institutional investors. The doValue shares are identified with ISIN code IT0001044996 and the alphanumeric code DOV [Bloomberg: DOV IM].

Between 2018 and 2019 doValue experienced a phase of major expansion and significant diversification, first with the entry in the Greek market with a mandate contract from four systemic local banks and later in the wider Southern European market, with the acquisition of Altamira Asset Management, a servicer active in Spain, Portugal and Cyprus and a leader in the management of real estate assets. doValue's growth continued in the Italian market with the acquisition of new management contracts from banks and investors, in particular its leading position in servicing of securitisations backed by state guarantee ("GACS").

At the end of 2019, doValue announced the acquisition of FPS (now doValue Greece), a Greek servicer with managed assets of over €26 billion, which allowed the Group to become a leader also in the promising Greek market. The completion of the FPS acquisition in June 2020 represents a further step forward in the strengthening of doValue's leadership in the servicing market in Southern Europe, using an "asset-light" business model that does not require direct investments in asset portfolios and aims to pursue increasingly greater diversification in the credit value chain.

¹ Italian Consolidated Law on Public Security

doValue: a story of growth and diversification

GBV

€ 77 bn

2017

doBank is listed in the Milan Stock Exchange at 9€/share

€ 82 bn

2018

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

€ 132 bn

2019

- doBank gives up its banking license and takes on the name doValue, completes the acquisition of Altamira and becomes market leader in Southern Europe
- doValue announces the acquisition of Greek servicer FPS Loans and Credits Claim Manage

€ 158 bn

2020

- doValue completes the acquisition of FPS (today doValue Greece) and becomes market leader in Greece
- doValue has completed the issue of a senior guaranteed bond loan

€ 150 bn

2021

- May:** doValue sign an agreement for the investment in a stake of c.10% in Brazilian fintech company QueroQuitar
- July:** doValue completa l'emissione del suo secondo prestito obbligazionario
- October:** doValue acquires a new servicing mandate for Frontier portfolio, a €5.7 bn securitization of National Bank of Greece
- November:** doValue acquires an approximately 15% stake in Irish proptech company BidX1

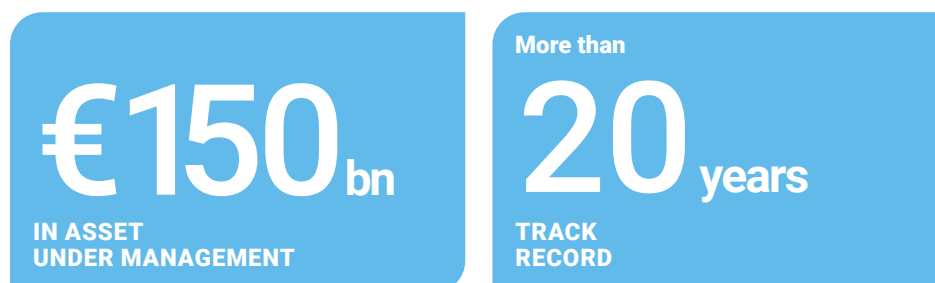
Directors' Report on the Group

The summary results and financial indicators are based on accounting data and are used in management reporting to enable management to monitor performance.

They are also consistent with the most commonly used metrics in the relevant sector, ensuring the comparability of the figures presented.

0.1

The Group's business



The doValue Group provides services to Banks and Investors over the entire life-cycle of loans and real estate assets (“servicing”).

doValue is the Southern Europe’s leading servicer, with about €150 billion (gross book value) in assets under management and a track record spanning more than 20 years. Its business model is independent, aimed at all Banks and Investors in the market, and asset light: it does not require direct investments in loan portfolios.

doValue’s services are remunerated under long term contracts based on a fee structure that includes fixed fees based on the volume of assets under management and variable fees linked to the performance of servicing activities, such as collections from NPL receivables or the sale of customers’ real estate assets or the number of real estate and business information services provided.

The Group provides services in the following categories:

- **NPL Servicing:** the administration, management and recovery of loans utilising in court and out-of-court recovery processes for and on behalf of third parties for portfolios mainly consisting in non-performing loans. Within its NPL Servicing operations, doValue focuses on corporate bank loans of medium-large size and a high proportion of real estate collateral;
- **Real Estate Servicing:** the management of real estate assets on behalf of third parties, including:
 - > Real estate collateral management: activities to develop or sell, either directly or through intermediaries, real estate assets owned by customers originally used to secure bank loans;
 - > Real estate development: analysis, implementation and marketing of real estate development projects involving assets owned by customers;
 - > Property management: management and maintenance of customers’ real estate assets, with the aim of maximising profitability through sale or lease;

- **UTP Servicing:** administration, management and restructuring of loans classified as unlikely-to-pay, on behalf of third parties, with the aim of returning them to performing status; this activity is primarily carried out by the doNext subsidiaries (formerly Italfondario) pursuant to art. 106 of the Consolidated Banking Act (T.U.B.) (financial intermediary) and doValue Greece, pursuant to the Greek law 4354/2015 (NPL Servicer under the license and supervision of the Bank of Greece);
- **Early Arrears and Performing Loans Servicing:** the management of performing loans or loans past due by less than 90 days, not yet classified as non-performing, on behalf of third parties, with the aim of supporting creditors and ensuring the rapid return of the positions to performing status;
- **Master Legal:** management of judicial procedures of all types and degrees in relation to loans, mainly non-performing ones, managed by doValue for third parties;
- **Ancillary Data and Products:** the collection, processing and provision of commercial, real estate and legal information (through the subsidiary doData) on debtors as well as the provision of other services strictly linked to loan recovery activities, including:
 - > Due Diligence: services for the collection and organisation of information in data room environments and advisory services for the analysis and assessment of loan portfolios for the preparation of business plans for Collection and Recovery activities;
 - > Master Servicing and Structuring: administrative, accounting, cash management and reporting services in support of the securitisation of loans; structuring services for securitisation transactions under Law 130/1999 as well as performing the role of authorised entity in securitisation transactions;
 - > Co-investment: Co-investment in loan portfolios in partnership with major financial investors, where this activity is instrumental to obtaining servicing contracts. This activity involves taking positions in securities issued by securitisation vehicles.

doValue and doNext (formerly Italfondario), in their capacity as Special Servicers, have received the following ratings which have been confirmed on February 2022: "RSS1-/CSS1-" by Fitch Ratings, and "Strong" by Standard & Poor's, which are the highest ratings assigned to Italian operators in the sector. They have been assigned to the two companies since 2008, before any other operator in this sector in Italy. In 2017, doValue was also assigned a Master Servicer rating of "RMS2/CMS2/ABMS2" by Fitch Ratings, which was also improved by a notch in 2019.

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

This rating was confirmed by both agencies as part of a new bond issue completed on July 22, 2021.

0.2 Macroeconomic environment

The global economy in 2021 was characterized by a strong recovery that must be interpreted in the context of the deep recession that characterized the previous year and caused by the COVID-19 pandemic and the related lockdown periods and the various economic stimulus measures and monetary policy set up by various world governments and major central banks. Global Gross Domestic Product growth in 2021 is estimated at around +5.9% (compared to a contraction of -3.1% in 2020) by the International Monetary Fund (World Economic Outlook, January 2022), while for the European Union it is estimated at +5.2% (compared to a contraction of -6.4% in 2020).

The various economic and monetary stimulus measures put in place by various world governments and major central banks, in combination with the discontinuity and imbalances created by the lockdown periods of 2020 and 2021, have led to an increase in inflation which in the advanced economies is estimated by the International Monetary Fund (World Economic Outlook, January 2022) at approximately +3.1% in 2021 (compared to a level equal to +0.7% in 2020). Rising inflation changed the attitudes of major central banks, particularly in the United States and the European Union, and expectations of a rise in interest rates led to higher bond yields during the second half of the year 2021 and in particular in the first two months of 2022. This element, together with the geopolitical tensions linked to the situation in Ukraine, led to an increase in volatility in the stock and bond markets in the first months of 2022.

During 2021, various support measures for companies and households put together by the various European governments, both in terms of debt moratoriums and in terms of restrictions on the activity of foreclosure of assets to guarantee debts, ceased. Furthermore, the advancement of the vaccination campaign has led to a progressive normalization of court activities with a consequent acceleration of the collection activities by sector operators compared to what was recorded in 2020.

According to EBA data, at September 30, 2021 European banks recorded a level of NPEs equal to €419 billion, of which €185 billion in the balance sheets of Southern European banks (Italy €71 billion, Spain €82 billion, Greece €21 billion, Portugal €8 billion and Cyprus €2 billion). NPE ratios remain at relatively low levels compared to recent history, with an NPE Ratio of 2.1% for European banks and 3.6% for Southern European banks (Italy 3.6%, Spain 3.1%, Greece 10.5%, Portugal 3.9% and Cyprus 6.9%). It is believed that these NPE Ratio levels are not actually representative of the real degree of credit deterioration because they do not yet fully discount the end of the moratoriums and various forms of government support put in place during the pandemic and which is set to increase during 2022. Indeed, some third-party sources estimate a substantial creation of new NPEs in Southern Europe, amounting to around €200 billion in 2022-2024 in terms of GBV. The servicing market in Southern Europe continues to be buoyant, with banking institutions particularly keen to accelerate their projects to improve the quality of their balance sheets in view of the expected increase in downstream default rates as the moratorium period ends throughout Southern Europe in 2021.

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

February 24, 2022, saw the beginning of the military invasion of Ukraine by Russia and the beginning of a real war on Ukrainian territory, [still ongoing]. In addition to triggering a humanitarian crisis for the Ukrainian people, this geopolitical crisis continues to have serious repercussions on the financial markets and on the global growth of the economy. In particular, the conflict situation, the economic and financial sanctions imposed by various countries on Russia, and the importance of the Ukrainian territory in terms of exports of raw materials and primary agricultural goods, are already causing an acceleration of inflation and a slowdown in global growth, as well as increasing the volatility of financial markets. At the date of approval of the Financial Statements, given the high degree of uncertainty linked to potential evolutionary scenarios of the current crisis, it is difficult and probably premature to estimate the actual short, medium and long-term impacts on the Group's business. In general, recessive macroeconomic scenarios could lead to a decrease in the recoverability rate of the current assets under management by the Group, but at the same time they lead to the creation of new volumes of impaired loans by the banks, whose management, if outsourced by the banks, may lead to an increase in the medium term of the assets under management by the Group.

0.3 Group Highlights

The tables below show the main economic and financial data of the Group extracted from the related condensed statements, which are subsequently represented in the section of the Group Results as at December 31, 2021.

(€/000)

Key data of the consolidated income statement	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Gross Revenues	572,051	420,535	151,516	36%
Net Revenues	506,467	370,373	136,094	37%
Operating expenses	(307,120)	(253,724)	(53,396)	21%
EBITDA	199,347	116,649	82,698	71%
EBITDA Margin	35%	28%	7%	26%
Non-recurring items included in EBITDA ¹	(1,572)	(10,869)	9,297	(86)%
EBITDA excluding non-recurring items	200,919	127,518	73,401	58%
EBITDA Margin excluding non-recurring items	35%	30%	5%	16%
EBT	48,289	(658)	48,947	n.s.
EBT Margin	8%	(0%)	9%	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company	23,744	(30,407)	54,151	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,721	12,033	38,688	n.s.

¹ Non-recurring items in Operating expenses include the costs connected with the merger between doValue Greece and doValue Hellas, the insurance reimbursement linked to the Altamira tax dispute and other consultancy related to M&A projects

(€/000)

Key data of the consolidated balance sheet	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Cash and liquid securities	166,668	132,486	34,182	26%
Intangible assets	545,225	564,136	(18,911)	(3)%
Financial assets	61,961	70,859	(8,898)	(13)%
Trade receivables	206,326	175,155	31,171	18%
Tax assets	152,996	126,157	26,839	21%
Financial liabilities	644,476	619,117	25,359	4%
Trade payables	73,710	51,824	21,886	42%
Tax Liabilities	113,060	91,814	21,246	23%
Other liabilities	104,888	71,164	33,724	47%
Provisions for risks and charges	44,235	87,346	(43,111)	(49)%
Group Shareholders' equity	156,645	156,011	634	0%

The RESTATED data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.



In order to facilitate an understanding of the doValue Group's performance and financial position, a number of alternative performance measures ("Key Performance Indicators" or "KPIs") have been selected by the Group and are summarised in the table below. Starting from financial year 2021, in order to best represent the Group's performance, it was decided to include the breakdown of performances by Region in the following table. Therefore, the indicators relating to "Gross Book Value (EoP)", "Collections of the period" and "LTM Collections/GBV EoP Stock" have been added for the three Regions (Italy, Iberia, Hellenic Region). These data are reported, for homogeneity, also for the comparative period.

(€/000)		
KPIs	12/31/2021	12/31/2020 RESTATED
Gross Book Value (EoP) - Group	149,486,889	157,686,703
Collections of the period - Group	5,743,101	4,272,111
LTM Collections / GBV EoP - Group - Stock	4.3%	3.1%
Gross Book Value (EoP) - Italy	75,965,150	78,435,631
Collections of the period - Italy	1,698,356	1,386,817
LTM Collections / GBV EoP - Italy - Stock	2.4%	1.9%
Gross Book Value (EoP) - Iberia	41,523,359	45,098,915
Collections of the period - Iberia	2,726,453	1,760,061
LTM Collections / GBV EoP - Iberia - Stock	6.6%	3.9%
Gross Book Value (EoP) - Hellenic Region	31,998,380	34,152,157
Collections of the period - Hellenic Region	1,318,292	1,125,234
LTM Collections / GBV EoP - Hellenic Region - Stock	6.0%	9.5%
Staff FTE / Total FTE Group	44%	43%
EBITDA	199,347	116,649
Non-recurring items (NRIs) included in EBITDA	(1,572)	(10,869)
EBITDA excluding non-recurring items	200,919	127,518
EBITDA Margin	35%	28%
EBITDA Margin excluding non-recurring items	35%	30%
Profit (loss) for the period attributable to the shareholders of the Parent Company	23,744	(30,407)
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(26,977)	(42,440)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,721	12,033
Earnings per share (Euro)	0.30	(0.38)
Earnings per share excluding non-recurring items (Euro)	0.64	0.15
Capex	29,640	19,735
EBITDA - Capex	169,707	96,914
Net Working Capital	132,616	123,331
Net Financial Position	(401,791)	(410,556)
Leverage (Net Debt / EBITDA LTM PF)	2.0x	2.6x

The RESTATED data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.

KEYS

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

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

LTM collections Stock/GBV (Gross Book Value) EoP Stock: the ratio between total collections of the last 12 months (LTM) on the Stock portfolio under management at the start of the reference year and the end-period GBV of that portfolio.

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

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

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

EBITDA excluding non-recurring items: EBITDA attributable to core operations, excluding all items connected with extraordinary operations such as corporate restructuring, acquisitions or disposals of entities, start-up of new businesses or entry into new markets.

EBITDA Margin: obtained by dividing EBITDA by Gross Revenues.

EBITDA Margin excluding non-recurrent items: items obtained by dividing Ordinary EBITDA by Gross Revenues.

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

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

Capex: investments in property, plant and equipment and intangible assets.

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

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

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

Leverage: this is the ratio between the net financial position and pro-forma EBITDA for the last 12 months to take account of significant transactions from the start of the reference year. It represents an indicator of the Group's debt level.

0.4

Group Results at December 31, 2021

PERFORMANCE

The table below compares the consolidated income statement as at December 31, 2021 with the same period of the previous year. It should be noted that the values as at December 31, 2021 include the full contribution relating to doValue Greece, whose closing was completed on June 5, 2020, while the comparative data include seven months' economic contribution.

(€/000)				
Condensed Income Statement	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Servicing Revenues:	528,626	386,082	142,544	37%
<i>o/w: NPE revenues</i>	446,097	318,442	127,655	40%
<i>o/w: REO revenues</i>	82,529	67,640	14,889	22%
Co-investment revenues	8,846	429	8,417	n.s.
Ancillary and other revenues	34,579	34,024	555	2%
Gross revenues	572,051	420,535	151,516	36%
NPE Outsourcing fees	(29,998)	(22,147)	(7,851)	35%
REO Outsourcing fees	(24,217)	(17,407)	(6,810)	39%
Ancillary Outsourcing fees	(11,369)	(10,608)	(761)	7%
Net revenues	506,467	370,373	136,094	37%
Staff expenses	(215,851)	(172,911)	(42,940)	25%
Administrative expenses	(91,269)	(80,813)	(10,456)	13%
<i>Total "o.w. IT"</i>	(30,183)	(26,440)	(3,743)	14%
<i>Total "o.w. Real Estate"</i>	(6,159)	(5,484)	(675)	12%
<i>Total "o.w. SG&A"</i>	(54,927)	(48,889)	(6,038)	12%
Operating expenses	(307,120)	(253,724)	(53,396)	21%
EBITDA	199,347	116,649	82,698	71%
EBITDA margin	35%	28%	7%	26%
Non-recurring items included in EBITDA ¹	(1,572)	(10,869)	9,297	(86)%
EBITDA excluding non-recurring items	200,919	127,518	73,401	58%
EBITDA margin excluding non-recurring items	35%	30%	5%	16%
Net write-downs on property, plant, equipment and intangibles	(94,371)	(79,313)	(15,058)	19%
Net provisions for risks and charges	(25,547)	(11,272)	(14,275)	127%
Net write-downs of loans	545	162	383	n.s.
Profit (loss) from equity investments	83	(2)	85	n.s.
EBIT	80,057	26,224	53,833	n.s.
Net income (loss) on financial assets and liabilities measured at fair value	1,071	(3,466)	4,537	(131)%
Financial interest and commissions	(32,839)	(23,416)	(9,423)	40%
EBT	48,289	(658)	48,947	n.s.
Non-recurring items included in EBT ²	(33,350)	(25,139)	(8,211)	33%
EBT excluding non-recurring items	81,639	24,481	57,158	n.s.
Income tax for the period	(15,116)	(33,132)	18,016	(54)%
Profit (Loss) for the period	33,173	(33,790)	66,963	n.s.

Continue →

Condensed Income Statement	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Profit (loss) for the period attributable to Non-controlling interests	(9,429)	3,383	(12,812)	n.s.
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	23,744	(30,407)	54,151	n.s.
Non-recurring items included in Profit (loss) for the period	(29,481)	(47,550)	18,069	(38)%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(2,504)	(5,110)	2,606	(51)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,721	12,033	38,688	n.s.
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	11,933	1,727	10,206	n.s.
Earnings per share (in Euro)	0.30	(0.38)	0.68	n.s.
Earnings per share excluding non-recurring items (Euro)	0.64	0.15	0.49	n.s.

¹ Non-recurring items in Operating expenses include the costs connected with the merger between doValue Greece and doValue Hellas, the insurance reimbursement linked to the Altamira tax dispute and other consultancy related to M&A projects

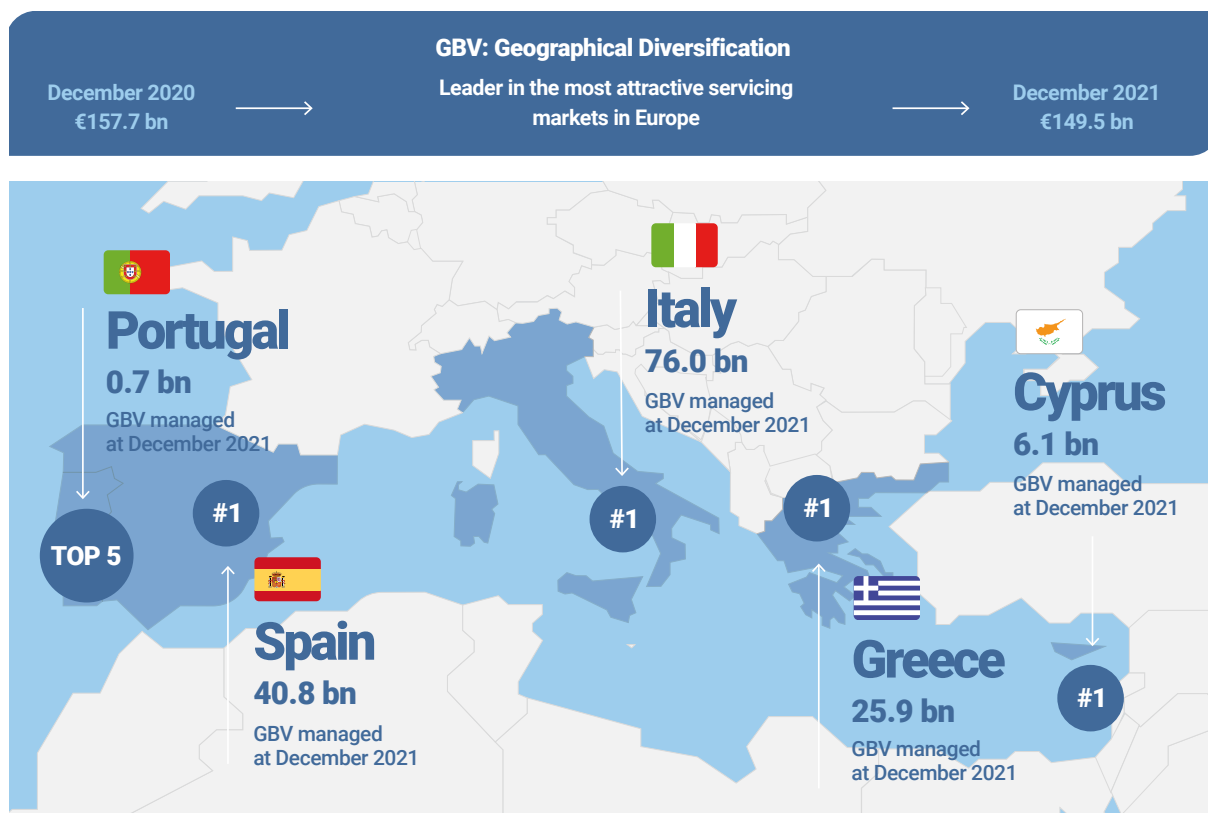
² Non-recurring items included below EBITDA refer mainly to (i) termination incentive plans that have therefore been reclassified from personnel expenses, (ii) one-off effect of the residual transaction costs released to the P&L and linked to the closure of the Senior Facility Loan for the acquisition of Altamira, (iii) one-off accruals on provisions for risks, (iv) recognition of a price adjustment in the acquisition of doValue Greece, (v) effects of the non-renewal of the contract with Sareb and (v) relative income taxes

I dati RESTATED al 31 dicembre 2020 sono stati rideterminati in base alle risultanze definitive relative alla PPA di doValue Greece.

Portfolio under management

As at December 31, 2021, the Group's Managed Assets (GBV) in the five reference markets of Italy, Spain, Portugal, Greece and Cyprus amounted to €149.5 billion, compared to the figure as at December 31, 2020 of €157.7 billion, thanks to the trends in new mandates and the flows related to long-term contracts acquired during the year net of the collections made in the same period. These data confirm, on the one hand, the effectiveness of the strategic decision taken in previous years through adequate geographic diversification and, on the other, the significant appeal of the Group on the various reference markets.

The following chart shows the geographical distribution of the GBV: in particular for each country, the share managed as at December 31, 2021 is highlighted.

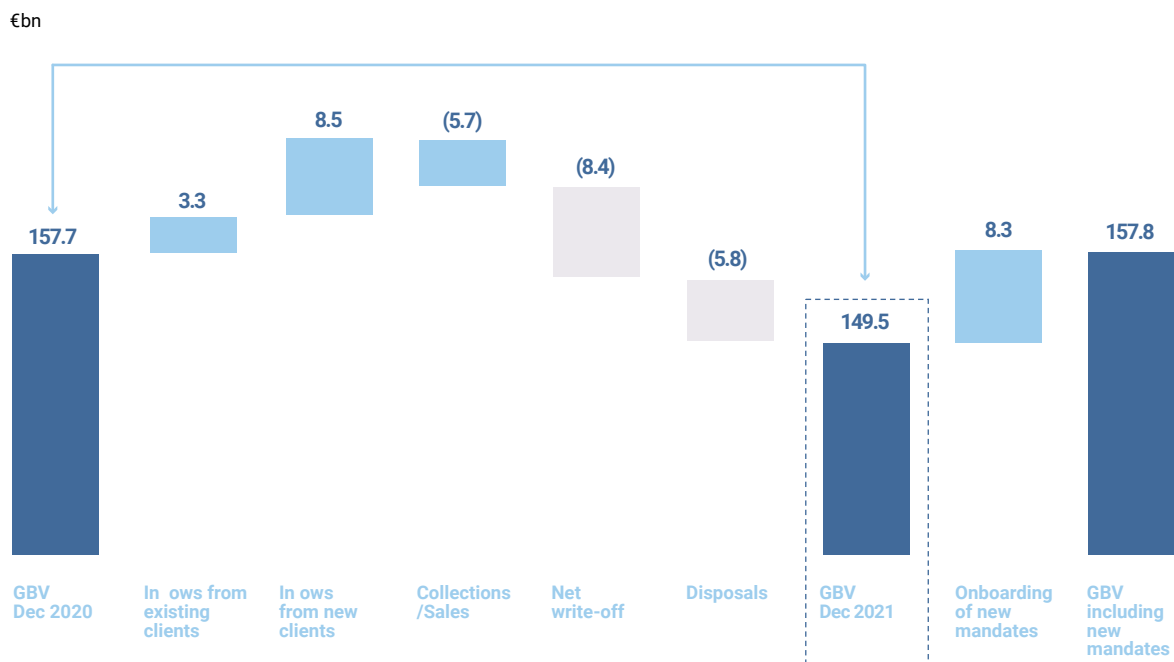


The development of the Managed Portfolio which includes only onboarded portfolios, in 2021 was characterised by contracts relating to new customers of roughly €8.5 billion, of which €2.8 billion for contracts signed in 2020 and €5.7 billion deriving from contracts signed in 2021:

- new contracts totalling €1.4 billion, relating to a portfolio deriving from a contract signed with two leading Banks in Spain;
- new contracts totalling €4.5 billion, among which €0.8 billion for the management of two portfolios of NPL and UTP positions assigned following a competitive process launched by AMCO for €3.5 billion relating to the completion of GACS securitisations in Italy and €0.2 billion relating to the extension of the perimeter of the loans managed in Greece;
- the onboarding of the Icon portfolio relating to the agreement with Bain Capital Credit for roughly €2.6 billion, announced on July 2, 2020 which provides for the exclusive management of a portfolio of NPL loans.

In addition to the flows listed above, a further €3.3 billion comes from existing customers through onboarded flow contracts. It should also be noted that for this item the target for the year had already been reached last June, reflecting the Group's particular commercial strength.

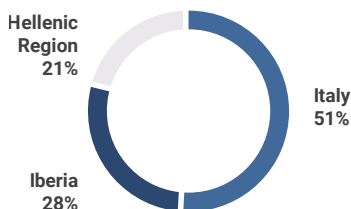
With reference to the GBV decreases, in the period there were disposals for a total of €5.8 billion and write-offs for a total of €8.4 billion, of which €3.5 billion relating to the NPL portfolio managed in Cyprus on behalf of Alpha Bank which announced its intention to sell it in the first quarter of 2022, transforming the credit management agreement into a consultancy agreement in order to allow Alpha to prepare for the sale of the portfolio.



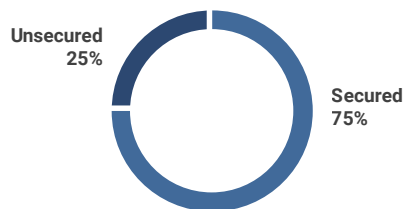
Assets under management is to be considered in further growth with respect to the picture already described due to new mandates acquired and currently in the on-boarding phase for a total amount of €8.3 billion, of which:

- €5.7 billion relating to a new servicing mandate in relation to the Frontier project, a major securitization of non-performing loans in Greece, carried out by the National Bank of Greece;
- €2.0 billion relating to portfolios managed by leading Italian banks and an investor in Greece;
- €0.6 billion relating to the Marina Portfolio, in Cyprus, for which the signing of a Memorandum of Understanding was announced with Bain Capital Credit.

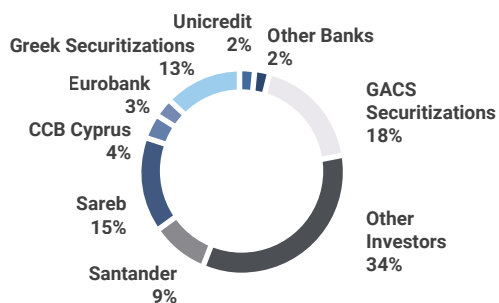
Breakdown GBV by Region



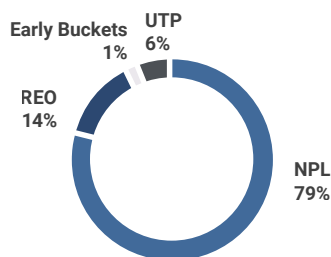
Breakdown GBV by Profile



Breakdown GBV by Cliente



Breakdown GBV by Business



Group collections during the period amounted to €5.7 billion, compared to €4.3 billion in 2020. The increase is partly attributable to the better overall performances recorded in Italy and on the perimeter relating to the subsidiary Altamira, as well as the full contribution of the contracts of doValue Greece (present in 2020 for only seven months).

The geographical breakdown of collections is as follows: €1.7 billion in “Italy”, €2.7 billion in “Iberia” (Spain and Portugal) and €1.3 billion in the “Hellenic Region” (Greece and Cyprus).

Performance

During 2021 the conditions linked to the health emergency progressively improved even though some of the restrictions contained in the various legal provisions issued from time to time, slowed the activities of important services needed for the performance of loan and real-estate asset servicing activities, mainly including the courts and support services for real estate transactions. These measures, together with the regulatory initiatives that extended the effects of loan moratoria in almost all countries in which the Group operates, influenced normal collection activities and the usual business access conditions.

Despite operating in a complex scenario, both from a macroeconomic and health perspective, the doValue Group recorded gross revenues of €572.1 million in 2021, marking an increase of 36% compared to €420.5 million which was registered in 2020. It should be noted that the period under review includes the full contribution of all the Group's subsidiaries, while in the comparative period, the activities of the subsidiary doValue Greece, acquired in June, was included in the Group's accounts for only seven months.

In pro-forma aggregated terms, therefore including the effects of the acquisitions of Altamira Asset Management and doValue Greece from the start of each relevant period, gross revenues in 2020 would have been €478.2 million. Consequently, the current €572.1 million reported above would mark an increase, on a like-for-like basis, of €93.9 million, equating to a rise of 20%.

NPE and REO Servicing revenues, amounting to €528.6 million, show a 37% increase compared to the previous year, when revenues of €386.1 million were recorded. The current year, as mentioned, benefited from the full contribution of doValue Greece, but in general the Group was able to achieve better results in all the geographical areas in which it operates. The positive trend in NPE base fees (up by about 20% compared with the same period of 2020), despite virtually no change in the average fees on the GBV of assets under management, is related to the greater weight of this revenue component, in absolute and average fees terms, in the markets of Southern Europe, where Altamira and doValue Greece operate, as compared with Italy, a factor that can further strengthen the future visibility of the Group's revenues.



Co-investment revenues include the contribution of €8.8 million (€429 thousand in 2020) linked to income deriving from the ABS securities of the two securitisations Romeo SPV and Mercuzio Securitisation of which doValue holds 5%, as well as to the capital gains to be realized related to the Relais securitization (€4.0 million) whose mezzanine and junior notes were purchased in the last days of 2020 and resold in the first half of February 2021 and to the Greek securitization Mexico (€4.6 million) of which 95% subordinated notes were subscribed in the fourth quarter of 2021 with simultaneous resale to a third investor for 90%.

The contribution of Ancillary and other revenues is even more relevant and amounts to €34.6 million, essentially in line with the €34.0 million as at December 2020, was more significant and can be attributed to the following:

- within Italy, mainly to income from data processing and provision services and other services connected with servicing activities, such as due diligence, master and structuring services, and legal services;
- for Altamira, especially to services provided in the areas of rentals, real estate development, and diversified advisory and portfolio management activities.

These revenues represent 6% of total gross revenues for the period, while in the previous year their incidence had been approximately equal to 8%. The reason for the decrease in percentage terms, but with substantially equal absolute values, is to be found in the increased ability to generate income from servicing activities compared to the previous year.

(€/000)	12/31/2021	12/31/2020 RESTATED	Change €	Change %
NPE revenues	446,097	318,442	127,655	40%
REO revenues	82,529	67,640	14,889	22%
Co-investment revenues	8,846	429	8,417	n,s
Ancillary and other revenues	34,579	34,024	555	2%
Gross revenues	572,051	420,535	151,516	36%
NPE Outsourcing fees	(29,998)	(22,147)	(7,851)	35%
REO Outsourcing fees	(24,217)	(17,407)	(6,810)	39%
Ancillary Outsourcing fees	(11,369)	(10,608)	(761)	7%
Net revenues	506,467	370,373	136,094	37%

Net revenues rose by around 37% to €506.5 million, compared to €370.4 million in the previous year.

NPE Outsourcing fees recorded an overall increase of 35% (€30.0 million in 2021 and €22.1 million in 2020), linked to the full contribution of the Greek subsidiary. The increase in these commissions is in any case less than proportional to the increase in the related revenues, thus recording a good level of overall efficiency.

REO Outsourcing fees, are up and amount to €24.2 million (€17.4 million in 2020), essentially related to the increase in assets under management of the subsidiary Altamira Asset Management, which is in line with business performance.

Ancillary Outsourcing fees recorded an increase of 7%, amounting to €11.4 million compared to €10.6 million in 2020.

Operating expenses, amounting to €307.1 million, showed an overall 21% increase compared to the previous year (€253.7 million). Also in this case the increase is entirely linked to the broader scope of consolidation due to the inclusion of doValue Greece as mentioned above. The percentage increase is therefore equal to 21% which compares with the increase of 37% in revenues from NPE and REO servicing.

(€/000)	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Staff expenses	(215,851)	(172,911)	(42,940)	25%
Administrative expenses	(91,269)	(80,813)	(10,456)	13%
o.w. IT	(30,183)	(26,440)	(3,743)	14%
o.w. Real Estate	(6,159)	(5,484)	(675)	12%
o.w. SG&A	(54,927)	(48,889)	(6,038)	12%
Operating expenses	(307,120)	(253,724)	(53,396)	21%
EBITDA	199,347	116,649	82,698	71%
o.w: Non-recurring items included in EBITDA	(1,572)	(10,869)	9,297	(86)%
o.w: EBITDA excluding non-recurring items	200,919	127,518	73,401	58%

More specifically, of the €53.4 million increase, €42.9 million is attributable to staff expenses and €10.5 million to administrative expenses. As proof of the effectiveness of the cost-cutting strategy in place, it should be noted that the percentage weight of operating expenses on gross revenues dropped from around 60% in 2020 to 54% in 2021.

In particular, **Staff expenses** are up by 25% compared to 2020 for the enlargement of the consolidation area and for the greater weight of the variable component of the remuneration for the period, which in 2020 was significantly affected by the impact of the Coronavirus. It should also be noted that during the previous year doValue made use of the support measures put in place by the various national governments to deal with the epidemiological emergency. During 2021, the resource efficiency program included in the recently approved Business Plan continued. It should be noted that the weight of personnel costs on total revenues goes from 41% in 2020 to approximately 38% in 2021.

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

Workforce by Region	12/31/2021	31/12/2020	Change	Change %
Italy	994	1.020	(26)	(3)%
Iberia	807	852	(45)	(5)%
Hellenic Region	1,296	1,342	(46)	(3)%
Total	3,097	3,214	(117)	(4)%

Administrative expenses increased by 13% compared to 2020, reaching €91.3 million against €80.8 million recorded in the previous year. In order to address the COVID-19 epidemic, the Group implemented an organic plan to further rationalise operating expenses, aimed at generating savings at Group level by capitalising on the synergies between its different areas it is composed of, whose efficiency will be further improved in the implementation period of the Business Plan. The rationalization of the various offices located throughout the national territory is also part of this plan.

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

These non-recurring items, which in the previous year amounted to €10.9 million, totalled €1.6 million and mainly concern costs related to:

- the preliminary project for the acquisition of a servicer in Cyprus for the related advisory and due diligence activities;
- the residual costs relating to the doValue Greece acquisition project;
- the costs of the merger of the subsidiary doValue Hellas with doValue Greece;
- net of the insurance reimbursement connected to the tax assessment referring to Altamira.

EBITDA excluding non-recurring items accelerated sharply, amounting to €200.9 million (€127.5 million in 2020), with a margin of 35% on revenues, marking growth compared to 30% in the comparison period.

Including non-recurring charges, EBITDA comes to €199.3 million, therefore registering remarkable growth compared to the same figure recorded in 2020 (€116.6 million). This result, despite benefiting from the greater contribution of the already mentioned Greek subsidiary, is more noteworthy if the current macroeconomic scenario is taken into account.

The Group's **EBIT** stands at €80.1 million against the restated result of 2020 of €26.2 million as a clear sign of a higher overall margin.

EBT is equal to €48.3 million against the substantial break-even result and equal to €-658 thousand recorded in the previous year. This item includes the financial costs linked to the two bond issues, the reversal of the costs previously recognised at the amortised cost linked to the loan taken out for the acquisition of Altamira and other minor items linked to accounting according to the IFRS-16 accounting standard.

(€/000)	12/31/2021	12/31/2020 RESTATED	Change €	Change %
EBITDA	199,347	116,649	82,698	71%
Net write-downs on property, plant, equipment and intangibles	(94,371)	(79,313)	(15,058)	19%
Net provisions for risks and charges	(25,547)	(11,272)	(14,275)	127%
Net write-downs of loans	545	162	383	n.s.
Net income (losses) from investments	83	(2)	85	n.s.
EBIT	80,057	26,224	53,833	n.s.
Net income (loss) on financial assets and liabilities measured at fair value	1,071	(3,466)	4,537	(131)%
Net financial interest and commissions	(32,839)	(23,416)	(9,423)	40%
EBT	48,289	(658)	48,947	n.s.

EBT includes non-recurring expenses in the amount of €33.3 million mainly related to:

- €10.2 million in costs for early termination incentives;
- €7.2 million relating to the effects on depreciation associated with the non-renewal of the Sareb contract;
- €6.1 million relating to a dispute with the customer Sareb;
- €4.6 million relating to the transfer to the income statement of the residual transaction costs associated with the revolving facility closed last July at the same time as the new bond issue;
- €3.3 million linked to the recognition of the net economic benefit to the counterpart, as part of the acquisition of the Greek subsidiary doValue Greece;
- €1.6 million of non-recurring costs included in operating expenses included in EBITDA, indicated above.

Net write-downs on property, plant, equipment and intangibles amounted to €94.4 million, up by approximately 19% compared to €79.3 million recorded in the previous year. The item mainly includes the amortisation of the Altamira and doValue Greece servicing contracts for a total of €70.1 million and which are classified in the balance sheet as intangible assets.

The total balance also includes the amortisation of rights of use deriving from the new accounting of lease agreements following the introduction of IFRS 16 as of January 1, 2019 for a total of €11.9 million. The remainder of amortisation primarily concerns software licenses connected with technology investments made by the Group during the period aimed at upgrading the IT platform.

Net provisions for risks and charges totalled €25.5 million, which is a significant increase from the previous year equal to approximately €14.3 million. This is mainly attributable to provisions for termination incentives that will be paid to employees (€10.2 million granted to employees in Italy and within Altamira and doValue Greece) participating in the Company's plan, in line with the targets of the Business Plan, partially offset by releases of provisions made in previous years assessed as no longer necessary, as well as prudential provisions relating to some ongoing minor disputes. Other provisions refer to a dispute with the customer Sareb for €6.1 million for the definition of the Net Economic Benefit to be recognized to the counterparty within the acquisition of the Greek subsidiary doValue Greece for €3.3 million and to the provision of subordination fees linked to the performance of some servicing contracts both in Italy and abroad for €0.8 million, in addition to other residual provisions for disputes and write-downs of trade receivables that are no longer due.

Net financial interest and commissions amounted to €32.8 million, an increase compared to €23.2 million in 2020 and mainly reflect the cost associated with the two bond issues for the acquisitions made in Spain and Greece as implementation of the Group's internationalization strategy, as well as the cost associated with the use of a revolving facility by the Spanish subsidiary.

(€/000)	12/31/2021	12/31/2020 RESTATED	Change €	Change %
EBT	48,289	(658)	48,947	n.s.
Income tax for the period	(15,116)	(33,132)	18,016	(54)%
Profit (Loss) for the period	33,173	(33,790)	66,963	n.s.
Profit (loss) for the period attributable to Non-controlling interests	(9,429)	3,383	(12,812)	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent company	23,744	(30,407)	54,151	n.s.

Income tax for the period amounted to €15.1 million, compared to €33.1 million in the previous year.

This item is influenced by the change in the tax rate in Greece which decreased by two percentage points, causing positive reversals in the income statement, especially in relation to the assets recognized in the PPA. The calculated tax-rate stands at 24.2% as an effect of the greater contribution of the foreign subsidiaries in the composition of the pre-tax result, if the amount of non-recurring and / or non-deductible components is excluded, and the effects of deferred tax assets are normalized. of Altamira SA, of the aforementioned rate change in Greece and that of the DTA fees.

Profit (loss) for the period attributable to the Shareholders of the Parent Company, excluding non-recurring items, came to €50.7 million, compared to the result of €12.0 million of the previous period. Including non-recurring items, the **Profit (loss) for the period attributable to the Shareholders of the Parent Company** was €23.7 million, compared to the negative -€30.4 million of the same period of the previous year.

SEGMENT REPORTING

doValue's international expansion in the large market of Southern Europe, with the acquisition first of Altamira and later of doValue Greece, has led to the review of the procedures used by the Management to evaluate and analyse the business, moving from a segmentation by customers and business lines to a geographical one.

This classification is tied to specific factors of the entities included in each category and to the type of market. The geographical regions thus identified were: Italy, Hellenic Region (Greece and Cyprus) and Iberia (Spain and Portugal).

Based on these criteria, the following table shows the revenues and EBITDA (excluding non-recurring charges) for the period for each of these business segments.

Gross revenues recorded in the 2021 financial year amounted to €572.1 million (€420.5 million in 2020) and an EBITDA excluding recurring charges of €200.9 million (€127.5 million in 2020).

The "Italy" segment contributed 20% to total Group EBITDA, excluding non-recurring items, the "Iberia" segment contributed 21%, while the "Hellenic Region" segment contributed 59%. The EBITDA Margin excluding non-recurring items on the Italy and Iberia segments is respectively 22% and 25%, therefore lower than the Hellenic Region which records a result equal to 54%.

(€/000)	Year 2021			
Condensed Income Statement (excluding non-recurring items)	Italy	Hellenic Region	Iberia	Total
Servicing revenues	146,674	217,135	164,817	528,626
<i>o/w NPE Revenues</i>	146,674	204,442	94,981	446,097
<i>o/w REO Revenues</i>	-	12,693	69,836	82,529
Co-investment revenues	8,846	-	-	8,846
Ancillary and other revenues	24,484	3,084	7,011	34,579
Gross Revenues	180,004	220,219	171,828	572,051
NPE Outsourcing fees	(9,949)	(6,147)	(13,902)	(29,998)
REO Outsourcing fees	-	(1,844)	(22,373)	(24,217)
Ancillary Outsourcing fees	(9,756)	-	(1,613)	(11,369)
Net revenues	160,299	212,228	133,940	506,467
Staff expenses	(87,858)	(69,201)	(58,792)	(215,851)
Administrative expenses	(32,506)	(24,311)	(32,880)	(89,697)
<i>o/w IT</i>	(14,130)	(7,029)	(9,024)	(30,183)
<i>o/w Real Estate</i>	(2,053)	(2,744)	(1,362)	(6,159)
<i>o/w SG&A</i>	(16,323)	(14,538)	(22,494)	(53,355)
Operating expenses	(120,364)	(93,512)	(91,672)	(305,548)
EBITDA excluding non-recurring items	39,935	118,716	42,268	200,919
EBITDA Margin excluding non-recurring items	22%	54%	25%	35%
Contribution to EBITDA excluding non-recurring items	20%	59%	21%	100%

(€/000)	Year 2021 vs 2020 Restated			
	Italy	Hellenic Region	Iberia	Total
Condensed Income Statement (excluding non-recurring items)				
Servicing revenues				
Year 2021	146,674	217,135	164,817	528,626
Year 2020 Restated	127,550	113,178	145,354	386,082
Change	19,124	103,957	19,463	142,544
Co-investment revenues, ancillary and other revenues				
Year 2021	33,330	3,084	7,011	43,425
Year 2020 Restated	19,515	1,614	13,324	34,453
Change	13,815	1,470	(6,313)	8,972
Outsourcing fees				
Year 2021	(19,705)	(7,991)	(37,888)	(65,584)
Year 2020 Restated	(13,188)	(4,153)	(32,821)	(50,162)
Change	(6,517)	(3,838)	(5,067)	(15,422)
Staff expenses				
Year 2021	(87,858)	(69,201)	(58,792)	(215,851)
Year 2020 Restated	(76,690)	(42,864)	(52,440)	(171,994)
Change	(11,168)	(26,337)	(6,352)	(43,857)
Administrative expenses				
Year 2021	(32,506)	(24,311)	(32,880)	(89,697)
Year 2020 Restated	(23,559)	(19,769)	(27,532)	(70,860)
Change	(8,947)	(4,542)	(5,348)	(18,837)
EBITDA excluding non-recurring items				
Year 2021	39,935	118,716	42,268	200,919
Year 2020 Restated	33,627	48,006	45,885	127,518
Change	6,308	70,710	(3,617)	73,401
EBITDA Margin excluding non-recurring items				
Year 2021	22%	54%	25%	35%
Year 2020 Restated	23%	42%	29%	30%
Change	(1%)	12%	(4%)	5%

The 2020 RESTATED data were restated basing on the final results related to the PPA of doValue Greece.

0.5

Group Financial Position

INTRODUCTION

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

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

(€/000)

Condensed Balance Sheet	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Cash and liquid securities	166,668	132,486	34,182	26%
Financial assets	61,961	70,859	(8,898)	(13)%
Property, plant and equipment	34,204	36,176	(1,972)	(5)%
Intangible assets	545,225	564,136	(18,911)	(3)%
Tax assets	152,996	126,157	26,839	21%
Trade receivables	206,326	175,155	31,171	18%
Assets held for sale	30	30	-	n.s.
Other assets	17,226	16,485	741	4%
Total Assets	1,184,636	1,121,484	63,152	6%
Financial liabilities: due to banks/bondholders	568,459	543,042	25,417	5%
Other financial liabilities	76,017	76,075	(58)	(0)%
Trade payables	73,710	51,824	21,886	42%
Tax liabilities	113,060	91,814	21,246	23%
Employee termination benefits	10,264	16,465	(6,201)	(38)%
Provisions for risks and charges	44,235	87,346	(43,111)	(49)%
Other liabilities	104,888	71,164	33,724	47%
Total Liabilities	990,633	937,730	52,903	6%
Share capital	41,280	41,280	-	n.s.
Reserves	96,299	145,241	(48,942)	(34)%
Treasury shares	(4,678)	(103)	(4,575)	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company	23,744	(30,407)	54,151	n.s.
Net Equity attributable to the Shareholders of the Parent Company	156,645	156,011	634	0%
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	1,147,278	1,093,741	53,537	5%
Net Equity attributable to Non-Controlling Interests	37,358	27,743	9,615	35%
Total Liabilities and Net Equity	1,184,636	1,121,484	63,152	6%

The RESTATED data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.

Cash and liquid securities recorded an increase of €34.2 million compared to the end of the previous year, as a result of the financial dynamics of the period described below in the paragraph relating to the Net Financial Position.

Financial assets went from €70.9 million to €62.0 million, an overall decrease of €8.9 million.

The item is broken down in the following table.

(€/000)

Financial assets	12/31/2021	12/31/2020	Change €	Change %
At fair value through profit or loss	46,465	63,644	(17,179)	(27)%
Debt securities	18,881	36,741	(17,860)	(49)%
CIUs	25,805	26,857	(1,052)	(4)%
Equity instruments	197	46	151	n,s,
Non-hedging derivatives	1,582	-	1,582	n,s,
At fair value through OCI	9,989	-	9,989	n,s,
Equity instruments	9,989	-	9,989	n,s,
At amortised cost	5,507	7,215	(1,708)	(24)%
L&R with banks other than current accounts and demand deposits	66	75	(9)	(12)%
L&R with customers	5,441	7,140	(1,699)	(24)%
Total	61,961	70,859	(8,898)	(13)%

The component of financial assets "at fair value through profit or loss" decreased by €17.2 million, mainly in the context of debt securities following the sale of the mezzanine and junior securities relating to the Relais securitization for €20.6 million, event partially offset by the subscription of new notes for €2.4 million relating to the Mexico transaction also described in the significant events of the period in the Directors' Report on the Group. Starting from the last half year, financial assets have seen the entry of the category "at fair value through OCI" which includes €1.5 million equities relating to the acquisition of 11.46% of the Brazilian fintech company QueroQuitar S.A. which operates in the field of digital collections and for €8.5 million, a 15.2% stake in BidX1, an Irish proptech company specialized in the promotion and execution of real estate transactions through online auction processes in real time. Non-hedging derivatives, with a positive fair value of €1.6 million, are the result of call options included in the purchase agreement for the stake in BidX1 described above.

As regards financial assets "at amortised cost", L&R with customers recorded a decrease of €1.7 million, mainly deriving from the combined effect of the planned disposal of a portfolio of non-performing loans (€5.8 million as at December 31, 2020) as well as the increase of €4.3 million attributable to the subsidiary doNext (formerly Italfondario) and deriving from use of part of the financial resources originating from a limited recourse loan, relating to a loan allocated for a specific business activity and classified under other financial liabilities.

Property, plant and equipment went from €36.2 million to €34.2 million, marking a reduction of €2.0 million, due to depreciation in the period of €14.7 million and purchases in the period amounting to €11.9 million, of which €9.2 million relating to new rights of use in application of IFRS 16 Leases.

Intangible assets went from a restated figure of €564.1 million to €545.2 million, thus recording a decrease of €18.9 million due to the combined effect of reductions of €79.8 million for amortisation and write-downs for the period and increases related to software for €25.3 million (which include assets under development and payments on account), and for €35.5 million relating to the new multi-year servicing contract (SLA) for the Frontier portfolio, described among the significant events for the period and included in the category of "other intangible assets".

The following is a breakdown of intangible assets:

(€/000)	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Intangible assets				
Software	26,399	20,259	6,140	30%
Brands	28,506	37,502	(8,996)	(24)%
Assets under development and payments on account	12,571	2,807	9,764	n.s.
Goodwill	236,897	236,897	-	n.s.
Other intangible assets	240,852	266,671	(25,819)	(10)%
Total	545,225	564,136	(18,911)	(3)%

In particular, the more significant amount of intangible assets stems from the latest two acquisitions completed by the Group, relating respectively to Altamira Asset Management and its subsidiaries, carried out at the end of June 2019, and to the business combination of doValue Greece concluded in June 2020, and whose values as at December 31, 2021 derive from the final calculation performed at the time of the Purchase Price Allocation (PPA).

In relation to the acquisition of Altamira, intangible assets are composed as follows:

- €10.0 million for software;
- €28.4 million relating to the 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.

As regards the acquisition of doValue Greece, as at December 31, 2021 the intangible assets are composed of:

- €160.2 million (net of write-downs and the amortisation charge for the year) relating to Special and Master Servicing contracts, for the management of non-performing exposure portfolios;
- €12.9 million relating to software (including assets under development);
- €112.4 million allocated to goodwill;

To these values is added the aforementioned new multi-year servicing contract (SLA) for the Frontier portfolio.

Tax assets as at December 31, 2021, are broken down as follows:

(€/000)				
Tax assets	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Current tax assets	6,392	6,977	(585)	(8)%
Paid in advance	1,118	8,085	(6,967)	(86)%
Tax credits	6,311	-	6,311	n,s,
Tax liabilities	(1,037)	(1,108)	71	(6)%
Deferred tax assets	112,640	102,950	9,690	9%
Write-down on loans	49,370	49,344	26	0%
Tax losses carried forward in the future	17,598	16,821	777	5%
Property, plants and equipment / Intangible assets	25,135	21,369	3,766	18%
Other assets / liabilities	9,182	556	8,626	n,s,
Provisions	11,355	14,860	(3,505)	(24)%
Other tax receivables	33,964	16,230	17,734	109%
Total	152,996	126,157	26,839	21%

Fiscal assets for current taxes are substantially in line with the balances as of December 31, 2020, while deferred tax assets increased by €9.7 million which includes the decrease of €1.0 million deriving from the reduction of tax rate in Greece of two percentage points. The other tax credits, essentially consisting of the VAT credit, also recorded an increase of €17.7 million mainly attributable to the perimeter of the Hellenic Region.

By contrast, the breakdown of **Tax liabilities** is shown below, which shows an increase compared to the 2020 balances essentially due to higher VAT payables, higher current taxes linked to the positive taxable income for the period and also due to the reduction of the tax rate in Greece by two percentage points, with a positive impact on deferred tax liabilities of €3.9 million:

(€/000)				
Tax liabilities	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Taxes for the period	26,553	6,538	20,015	n,s,
Deferred tax liabilities	54,350	63,731	(9,381)	(15)%
Other tax payables	32,157	21,545	10,612	49%
Total	113,060	91,814	21,246	23%

As at December 31, 2021, **Financial liabilities: due to banks/bondholders** went from €543.0 million to €568.5 million, with an increase of €25.4 million, mainly linked to the structural change that the item underwent during the year: in fact, the residual balance of the Senior Facility Loan that arose for the acquisition of Altamira in 2019 (€244.3 million in June 2021), was replaced with a new guaranteed senior bond loan issued on July 22, 2021 maturing in 2026, for a principal amount of €300.0 million at a fixed annual rate of 3.375%.

As at December 31, 2021, the residual debt at amortised cost for the two bonds issued, including accrued interests, is as follows:

- 2020-2025 bond of €265.0 million, interest rate of 5.0%: €261.1 million;
- 2021-2026 bond of €300.0 million, interest rate of 3.375%: €299.7 million.

This item also includes a residual revolving facility of the Spanish subsidiary.

Other financial liabilities at the end of 2021 are detailed below:

(€/000)

Other financial liabilities	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Lease liabilities	26,366	28,793	(2,427)	(8)%
Earn-out	23,043	22,807	236	1%
Put option on non-controlling interests	22,239	24,011	(1,772)	(7)%
Hedging derivatives	-	454	(454)	(100)%
Other financial liabilities	4,369	10	4,359	n.s,
Total	76,017	76,075	(58)	(0)%

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

The liability for the Earn-out refers (i) to the Altamira operation in the amount of €17.5 million, which represents a portion of the acquisition price and (ii) to the acquisition of doValue Greece for €5.6 million that is related to the achievement of some EBITDA targets within a ten-year time frame and the first payments of which will not be due before 2024. The liability for "put option on non-controlling interests" regards the option for the purchase of residual non-controlling interests in Altamira. The amount recognized as at December 31, 2021 refers to the fair value of the option renegotiated on July 6 with an extension of two years with respect to the previous put option expired in July 2021 and with the right to exercise it only at the end of the two-year period.

The "other financial liabilities" as at December 31, 2021, include the amount of €4.4 million for a limited recourse loan relating to the above-mentioned loan allocated for a specific business activity.

Provisions for risks and charges go from a balance at the end of 2020 of €87.3 million to €44.2 million at December 31, 2021. The reduction of €43.1 million is mainly attributable to the "Legal and tax disputes" component due to the closure of the Altamira Tax Claim which took place on July 5 with the payment of €33.0 million and with the simultaneous submission of supplementary returns for the years 2016-2017-2018 (in this regard see also the Significant events of the period).

The "Staff expenses" component also decreased by €5.4 million, mainly attributable to the use of the provisions set aside in the previous year and to the new internal process for determining 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 the Other liabilities.

The "Other" component, down by €6.4 million, includes a provision that emerged with the definition of the PPA connected to the acquisition of doValue Greece and determined following a more precise interpretation of some clauses set out in the Service Level Agreement signed between doValue Greece and Eurobank connected to a particular type of fee ("Curing Fee") and in application of the provisions of the IFRS15 accounting standard relating to variable fees.

(€/000)

Provisions for risks and charges	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Legal and Tax disputes	17,659	48,998	(31,339)	(64)%
Staff expenses	730	6,112	(5,382)	(88)%
Other	25,846	32,236	(6,390)	(20)%
Total	44,235	87,346	(43,111)	(49)%

Other liabilities go from the restated figure of €71.2 million to €104.9 million with an increase of €33.7 million due to the combined effect of various components, as summarized in the table below. There was an increase of €26.1 million in payables relating to personnel for variable remuneration (allocated to provisions for risks and charges in 2020), redundancy incentives, holidays accrued and thirteenth month pay to be paid, as well as the component of payables relating to servicing contracts which sees the recognition of a liability towards Eurobank linked to the "advance compensation fee", subject to certain performance conditions, received by the Group for the securitization of the Mexico portfolio. A reduction of €20.0 million was recognised in deferred income and other items, due mainly to the release for the portion relating to the period of the deferred income registered at the end of 2020 for €31 million, in application of IFRS 15 and relating to the accounting of the early payment of fixed servicing fees pertaining to 2021.

(€/000)

Other liabilities	12/31/2021	12/31/2020 RESTATED	Change €	Change %
Amounts due to personnel	38,314	12,225	26,089	n,s,
Debts related to servicing contracts	31,068	3,488	27,580	n,s,
Accrued expenses/deferred income and other debts	35,506	55,451	(19,945)	(36)%
Total	104,888	71,164	33,724	47%

Net Equity attributable to the Shareholders of the Parent Company stood at €156.6 million, substantially stable against €156.0 million as at December 31, 2020, against the positive economic impact of the economic result achieved by the companies of the Group which more than offset the reduction in reserves mainly due to the payment of dividends and the negative result achieved in the previous year.

NET WORKING CAPITAL

(€/000)

Net Working Capital	12/31/2021	12/31/2020
Trade receivables	206,326	175,155
Trade payables	(73,710)	(51,824)
Total	132,616	123,331

The figure for the period stands at €132.6 million compared to €123.3 million in December 2020 with a favourable trend in the last quarter of 2021, considering that in fact at the end of September this indicator stood at approximately €144.3 million. If compared to revenues, the incidence of working capital is 23% compared to 29% in 2020 and 37% in September 2021. In determining this indicator, account must also be taken of the macroeconomic context in which activities were carried out: in an unstable European framework but recovering and subject to numerous economic support measures, the Group managed this item, which is crucial for generating cash, in an optimal way. These positive aspects are also the result of the strategic choice of geographic diversification of the business that has allowed the Group to take advantage of good cash flows from foreign areas.

NET FINANCIAL POSITION

(€/000)

Net Financial Position	12/31/2021	12/31/2020
A Cash	166,668	132,486
B Liquidity (A)	166,668	132,486
C Current bank debts	(7,607)	(80,998)
D Bonds issued - current	(9,993)	(5,374)
E Net current financial position (B)+(C)+(D)	149,068	46,114
F Non-current bank debts	-	(203,198)
G Bonds issued - non current	(550,859)	(253,472)
H Net financial position (E)+(F)+(G)	(401,791)	(410,556)

The **Net Financial Position** at the end of December 2021 amounted to €401.8 million compared to €410.6 million at the end of 2020 (and €432.0 million in September 2021). The value in question is the result of the sale of the ABS securities attributable to the Relais securitization which took place in February, the Greek securitization Mexico whose subordinated notes were subscribed in the fourth quarter of 2021 for 95% with simultaneous resale to a third investor for 90%, investments for the period, dividends paid (equal to €20.7 million, compared to the total €20.8 million approved to the Company's shareholders as well as €2.5 million paid to minority shareholders of the subsidiary doValue Greece) and operational cash flows. Furthermore, the payment of the Tax Claim by the Spanish subsidiary Altamira for approximately €33.0 million took place during the period in question. In July, the Group successfully completed a bond issue of €300 million with the aim of extending the time profile of its maturities. This issue expires in 2026 and has a fixed rate equal to 3.375%. The senior loan agreement stipulated in 2019 for the acquisition of the Spanish group Altamira was, at the same time, closed in advance with the proceeds of the aforementioned transaction. Furthermore, during the month of July, the purchase of treasury shares to service the incentive plan was carried out for a total value of approximately €4.6 million. During 2021, two investments in high-tech companies were also carried out for a total of €11.5 million (for more details, see the section "Significant events during the period").

Cash and cash equivalents stood at €166.7 million compared to €132.5 million at the end of 2020, thus allowing the necessary elasticity that the Group needs to develop its operating plans. In addition to this, at the end of December 2021, the Group had €78 million of available credit lines to support total liquidity. The **Net current financial position** is positive for €149.1 million (€46.1 million at the end of 2020) reflecting a balanced overall capital structure above all thanks to the aforementioned bond issue that will allow the Group to be able to capture future investment opportunities, if any.

CONDENSED CASH FLOW

(€/000)

Condensed Cash flow	12/31/2021	12/31/2020 RESTATED
EBITDA	199,347	116,649
Capex	(29,640)	(19,735)
EBITDA-Capex	169,707	96,914
as % of EBITDA	85%	83%
Adjustment for accrual on share-based incentive system payments	1,027	3,098
Changes in NWC (Net Working Capital)	(9,285)	15,645
Changes in other assets/liabilities	(21,340)	4,253
Operating Cash Flow	140,109	119,910
Tax paid (IRES/IRAP)	(12,827)	(15,324)
Financial charges	(31,220)	(17,807)
Free Cash Flow	96,062	86,779
(Investments)/divestments in financial assets	(26,489)	(24,938)
Equity (investments)/divestments	-	(234,057)
Tax claim payment	(32,981)	-
Treasury shares buy-back	(4,603)	-
Dividends paid to minority shareholders	(2,502)	(1,875)
Dividends paid to Group shareholders	(20,722)	-
Net Cash Flow of the period	8,765	(174,091)
Net financial Position - Beginning of period	(410,556)	(236,465)
Net financial Position - End of period	(401,791)	(410,556)
Change in Net Financial Position	8,765	(174,091)

The RESTATED data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.

Operating Cash Flow amounted to €140.1 million (€119.9 million in 2020), the figure in question was positively influenced by the good margins expressed in the period, with EBITDA equal to €199.3 million despite the huge investments made equal to approximately €29.6 million (over 5% of Gross Revenues). The cash-conversion of the Operating Cash Flow with respect to EBITDA is equal to 70%, reflecting the Group's significant ability to convert its operating margins into cash even in the presence of the aforementioned investment levels. The trend in working capital is affected by the general macroeconomic trend but its value, parameterised to revenues, stands at 23%, a clear improvement compared to what was recorded at the end of 2020 (29%) and in September 2021 (37%). The change in "Other assets/liabilities" was affected by the reversal of the collection relating to fees which occurred last year for the subsidiary doValue Greece, partially offset by the collection of the indemnity on the sale of the Mexico portfolio.

Taxes paid amounted to €12.8 million against €15.3 million in the previous year.

Financial charges paid amounted to €31.2 million (€17.8 million in 2020) and were affected by the higher average cost recorded as a result of the bonds issued to support the Group's international growth process. These transactions allowed the Group to replace lines with a pre-established amortisation plan including interest and principal with instruments with bullet repayment profiles for the principal and half-yearly repayment of coupons. This allowed for a greater balance of sources with relative lengthening of deadlines. The above dynamics therefore determine a **Free Cash Flow** of €96.1 million against €86.8 million in 2020 with a trend in the fourth quarter of 2021 (equal to €78.4 million) much better than that shown in the same period of 2020 (equal to €42.9 million).

Investments in financial assets amounted to approximately €26.5 million and include investments in the two Greek securitisations, Mexico and Frontier, the investment in the share capital of the Brazilian fintech company QueroQuitar and in the share capital of the Irish company BidX1, partially offset by the disinvestment linked to the securitization relating to NOE for €1.6 billion (the "Relais Project"). Further investments were made in the capital of the Irish company BidX1.

In the period in question, €20.8 million of dividends were approved for distribution, of which €20.8 million were collected by the recipients as at December 31, 2021, while in 2020, due to the COVID-19 pandemic in progress, it was decided to leave liquidity in the Group pending a better assessment of market dynamics. To this amount are also added €2.5 million of dividends paid to the minority shareholders of the subsidiary doValue Greece. The financial performance for the period was also negatively affected by the payment of the Tax Claim by the Spanish subsidiary Altamira for a total of €33.0 million and by the start of the acquisition of treasury shares for approximately €4.6 million. As these items are non-recurring, they have been classified below Free cash Flow to better represent the Group's cash production.

Net cash flow for the period is therefore positive for €8.8 million, a clear improvement compared to what was recorded in 2020 when there was a change in the negative net financial position of €174.1 million by virtue of the investment in the subsidiary doValue Greece.

0.6

Significant events during the period

ASSETS UNDER MANAGEMENT AND MANDATES

2021 was characterised by record results with approximately €14.7 billion of new Gross Book Value awarded through a mix of new and existing customers. Around €3.3 billion of new Gross Book Value was received from existing customers through flow contracts (level well above the €2.0 billion target) and around €11.4 billion of new mandates were awarded by doValue (level well above the €7.0-9.0 billion target). The figures mentioned include the Frontier Project (€5.7 billion mandate in Greece, signed in October 2021 and purchased by doValue for €35 million).

At the end of 2021, the Managed Assets (Gross Book Value) was €149.5 billion, compared to €157.7 billion at the end of 2020. The Gross Book Value level at the end of 2021, pro-forma for the mandates already awarded but not yet onboarded as at December 31, 2021, was equal to €157.8 billion.

FRONTIER PROJECT

On October 15, 2021, doValue entered into (through its subsidiary doValue Greece) a new servicing mandate in relation to a major securitisation of €5.7 billion of non-performing loans in Greece carried out by the National Bank of Greece (Frontier Project). The Frontier Project is the first securitisation of non-performing loans by NBG, the largest Greek bank by total assets, under the Hellenic Asset Protection Scheme, and was successfully awarded after a competitive process where doValue participated in a consortium with companies affiliated with Bain Capital and Fortress. Funds and vehicles managed by Bain Capital and Fortress respectively bought 95% of the mezzanine and junior notes issued by a Special Purpose Vehicle, which acquired the Frontier Portfolio, while doValue Greece was hired as servicer. The price for the acquisition of the servicing mandate by doValue is approximately €35.5 million and was paid in the fourth quarter of 2021 at the closing of the transaction. Portfolio onboarding for the Frontier Project was completed on February 7, 2022.

MEXICO PROJECT

In the first half of 2021, Eurobank embarked on the securitisation process of the Mexico portfolio. The Mexico portfolio, equal to approximately €3.2 billion of Gross Book Value, was already under management of the doValue Group as it belonged to the perimeter deriving from the acquisition of FPS from Eurobank in 2020. With the aim of preserving the portfolio management mandate, during the third quarter of 2021, doValue sent Eurobank a binding offer (subsequently accepted by Eurobank) for the purchase of a 95% share of the mezzanine notes and junior portfolio, with the aim of reselling these notes on the market. In October 2021, doValue finalised the agreement with Waterwheel Capital Management, a specialised institutional investor, for the sale of a 90% share of the mezzanine and junior notes relating to the securitisation of the Mexico portfolio (the sale was completed in December 2021).

MERGER BY INCORPORATION OF DOVALUE HELLAS IN DOVALUE GREECE

The merger by incorporation of doValue Hellas Credit and Loan Servicing Société Anonyme into doValue Greece Loans and Credits Claim Management Société Anonyme was effective from August 4, 2021. This transaction will enable 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.

ORDINARY SHAREHOLDERS' MEETING OF APRIL 29, 2021

The Ordinary Shareholders' Meeting of doValue S.p.A. was held in ordinary session on April 29, 2021 and it approved all items on the agenda, including:

- the separate financial statements of doValue S.p.A. as at December 31, 2020, which closed with a net profit of €7.8 million. The consolidated financial statements of the Group as at December 31, 2020 were presented at the meeting, which closed with a net profit, excluding non-recurring expenses, of €20.8 million;
- the distribution of dividends relating to 2020 for €20.8 million, equal to €0.2616, before taxes, per each ordinary share, corresponding to 100% of the consolidated net profit excluding non-recurring expenses (100% payout);
- the Report on the 2021 Remuneration Policy based on financial instruments;
- the authorisation to purchase and sell treasury shares and to carry out any acts relating to them, based on prior revocation of the authorisation resolution passed by the Ordinary Shareholders' Meeting on May 26, 2020;
- the appointment of the Board of Directors and the Board of Statutory Auditors for the 2021-2023 three-year period.

INVESTMENT IN QUEROQUITAR AND BIDX1

On May 13, 2021 doValue subscribed an investment agreement for participating in a capital increase in the Brazilian fintech company QueroQuitar for a total amount of approximately €1.5 million. The acquisition was completed on May 20, 2021. In respect of this investment, doValue acquired a stake of around 10% in QueroQuitar, with which it will collaborate in the future to develop innovative recovery models and collection technology in the unsecured non-performing loans segment in Europe. Based in Sao Paulo, QueroQuitar is one of the most promising fintech start-ups operating in the field of digital collections with approximately 15 million registered debtors and over 20 clients among leading Brazilian financial institutions.

On November 4, 2021, the doValue's Board of Directors approved the subscription, by doValue, of a €10 million capital increase in BidX1 for a share of approximately 15%. The transaction was completed on November 9, 2021. BidX1 is a proptech company (jointly owned by founder Stephen McCarthy and Pollen Street Capital) specialising in the promotion and execution of real estate transactions through real-time online auction processes. Unlike traditional real estate marketplaces (e.g. Idealista, Immobiliare.it, etc), BidX1 deals with the entire property sale process including the supply of the contractual documentation, visits to the property and the finalisation of the purchase following the auction. Based in Ireland, where it was founded in 2011 as a traditional auction house, since 2017 BidX1 has developed a digital platform for the sale of real estate assets, moving towards a completely digital business model and successfully undertaking an ambitious internationalisation process: in a few years BidX1 has established a presence in the UK, Spain, Cyprus and South Africa markets with its own subsidiaries and personnel in the field. doValue's investment in BidX1 is part of the growth strategy by external lines through transactions that promote the development of an ecosystem of value-added services to support NPL and REO activities and business diversification towards sectors with high growth rates. It is the intention of doValue to support the growth of BidX1 as an independent operator serving the widest audience of operators in the sector.

Innovation has always been at the centre of doValue's priorities and has been achieved both internally and externally through JVs or acquisitions. The drive towards innovation will accelerate in the 2022-2024 Business Plan, with particular focus on data management, process structuring and leveraging the know-how of recently acquired companies in the fintech (QueroQuitar) and proptech (BidX1) sectors. Further innovation will concern the areas of artificial intelligence, credit information, legal services, business process outsourcing, early delinquencies and granular UTPs, areas that will also be developed through M&A. Overall, innovation will allow doValue to increase the size of its reference market, decrease the correlation between revenues and GBV performance, as well as accelerate the transition from a labour-intensive model to a more tech-intensive model.

TREASURY SHARE BUYBACK

In the third quarter of 2021, doValue launched and completed a share buy-back programme to service the remuneration and incentive plans. The purchases of shares on the market began on July 1, 2021 and ended on August 4, 2021. doValue purchased 500,000 treasury shares (equal to 0.625% of the share capital), for a total value of €4.6 million.

Following the completion of the programme, and considering the treasury shares already in the portfolio prior to it, doValue holds a total of 972,339 treasury shares, equal to 1.22% of the share capital.

ISSUE OF SECURED SENIOR BONDS

On July 22, 2021 doValue completed the issue of secured senior bonds for a total principal amount of €300 million, maturing in 2026, at a fixed rate of 3.375% per annum, with an issue price of 100.0%, reserved for some institutional investors. Income deriving from the issue of the bonds was used by doValue (i) to settle early and close the senior loan contract stipulated on March 22, 2019 (including interest accrued and the associated interest rate swaps); (ii) to pay commissions and expenses incurred in relation to the transaction, and (iii) to use the remaining part as liquidity to meet general company objectives. In the context of this issue, the rating of these bonds assigned by both Standard & Poor's and Fitch was equal to BB/Stable Outlook, thus confirming doValue's corporate credit rating.

TAX ASSESSMENT ON ALTAMIRA ASSET MANAGEMENT

As part of an inspection ("Tax Claim") concerning the financial years 2014 and 2015 conducted by the Spanish tax authority ("Authority") on Altamira Asset Management Holding ("AAMH"), a vehicle attributable to the previous shareholders of the Altamira group that is not part of the doValue Group, and Altamira Asset Management ("AAM"), AAM considered it to be in its own interest to reach an agreement with the Authority and, in July 2021, made a payment of €33 million, completely resolving the tax pending with the Authority. Following this payment, doValue received a first reimbursement from AAMH for €4.1 million as an adjustment to the AAM acquisition price and a second reimbursement from the insurance for €0.7 million. It should be noted that, after the notification received by the Authority, doValue activated the insurance cover taken out at the time of the acquisition, having received positive opinions regarding the right to reimbursement. Despite this, as mentioned on the occasion of the Capital Markets Day on January 26, 2022, doValue has taken a prudent position on the matter, and the possible reimbursement of the Tax Claim by the insurance company has not been included in the 2022-2024 Business Plan.

MSCI ESG RATINGS INCREASES THE VALUATION OF DOVALUE

In October 2021, MSCI ESG Ratings increased doValue's ESG rating from level "A" to level "AA". MSCI ESG Ratings measures a company's resilience to environmental, social and governance ("ESG") risks over the long term. The updating of the MSCI ESG Ratings is a tangible example of doValue's commitment to adopt best practices in the interest of its stakeholders, in particular customers, capital providers (shareholders and bondholders), employees, and the broader social and environmental ecosystem in which the Company operates. doValue's ESG framework has been rated by MSCI ESG Ratings since 2018, and the Company's rating has steadily improved from BBB in 2018, to A in 2020 and to AA today, placing doValue among the companies with the best ESG performance in the Diversified Financials sector at global level. Please note that the doValue ESG framework is currently also rated by Sustainalytics (with a "medium risk" rating) and Vigeo Eiris (with a "limited risk" rating).

0.7 Significant events **after the end** of the period

SAREB CONTRACT

On February 24, 2022, Sareb (the entity created by the Spanish government and Spanish banks in 2012 with the aim of managing and disposing of problematic assets that had been transferred from the four nationalised Spanish financial institutions) announced the outcome of the tender for the award of the management contract for its portfolio of impaired loans and real estate assets. In particular, doValue was not selected by Sareb for the new management contract (the current contract expires in June 2022).

The event had already been anticipated as a possibility by doValue, as described in the 2022-2024 Business Plan presented by the Group on January 26, 2022. Given the highly competitive nature of the process conducted by Sareb in recent months (which focused on the level of commissions payable by Sareb to servicers), the new contract would not have contributed positively to the Group's profitability, and therefore Sareb's decision does not have a material impact on the financial objectives of the 2022-2024 Business Plan and on the Group's overall strategic direction. In fact, it should be noted in this regard that the tender was exclusively based on the commission level requested without taking adequate consideration of the organisational structure of the Servicer and the levels of service expressed, so that this operation would have been inconsistent with the Group's overall business model.

Sareb's decision will entail a reorganisation of doValue's activities in Spain with the aim of operating at an adequate scale and preserving the profitability of the business in the Iberian peninsula. In addition, doValue's growth in Spain in 2023 and 2024, particularly in terms of EBITDA, will be driven by greater value extraction from the GBV under management (excluding Sareb), new servicing agreements and new revenue flows.

This event also entailed an adjustment of the results shown in the Consolidated Financial Statements as at December 31, 2021 with reference to the updating of the impact of amortisation and depreciation and the quantification of the fair value of intangible assets relating to the servicing contracts resulting from the acquisition of the subsidiary Altamira Asset Management. In particular, depreciation and amortisation were adjusted and the impairment test carried out again in accordance with IAS 36 to take into account the changed prospective scenario, with the consequent recognition of an increase in the cost component "net write-downs of property, plant and equipment and intangible assets", which negatively affects the net result for the year for a total of €4.6 million net of the tax effect and of the minority interests.

In consideration of the atypical nature of this event, which is in any case unrelated to the Group's business model, the overall value of this impact is classified from an operational point of view among the income statement NRIs (Non-Recurring Items).

Therefore, doValue reconfirms the targets for the Iberian peninsula in terms of EBITDA for 2024 (€35-40 million), and the broader financial targets of the Group presented on January 26, 2022.

RUSSIA-UKRAINE WAR

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

The direct exposure of the doValue Group to Russia and Ukraine is negligible.



0.8 Outlook for operations

The current economic situation related to the effects of COVID-19, which are not expected to translate to structural changes in the dynamics of the industry, still requires a cautious approach to the short-term performance.

Despite the operational continuity of doValue operations in all its markets and the gradual improvement trend of market conditions, the Group continues to carefully monitor the reduced activity of the legal system and public services in general - which, thanks to electronic means, have restarted remote activities, together with decisions on bank moratoriums and developments in the real estate sector, which can impact the time needed to manage positions and collections. However, it notes a gradual improvement in conditions, which are moving towards a stabilisation and normalisation phase that has allowed to achieve the 2021 budget forecasts.

The significant geographical, product and customer diversification and the flexibility of costs, in particular outsourcing costs and the employee incentive plan represent additional factors that have mitigated and could still mitigate further negative impacts of the COVID-19 pandemic, in view of a gradual and progressive return to normality during the current year, until return to a pre COVID-19 situation in subsequent years.

As regards the current geopolitical crisis deriving from the war affecting Ukraine, the Group carefully monitors the consequences already underway, in relation to the acceleration of inflation, the slowdown in global growth, as well as greater volatility of financial markets.

At the date of approval of these Financial Statements, however, given the high degree of uncertainty linked to potential evolutionary scenarios of this crisis, it is difficult and probably premature to estimate the actual short, medium and long-term impacts on the Group's business.

In general, recessive macroeconomic scenarios could lead to a decrease in the recoverability rate of the current assets under management by the Group but at the same time to the creation of new volumes of impaired loans by the banks, whose management, if outsourced, could generate an increase in the medium term of the assets managed by the Group.

Finally, it is believed that the doValue business model is able to respond to the various phases of the economic cycle with the expansion of assets under management or collections, respectively, during the contraction or expansion phase of the cycle itself, consistent with the Group's mission to support Banks, Investors, companies and individuals during all steps of credit management, fostering the sustainable development of the financial system.

With regard to the dividend distribution policy to shareholders, it is finally noted that the Group new 2022-2024 Business Plan, which envisages a strong cash generation for the next three years, supports growth forecasts guided by organic development in the time frame considered. These perspectives allow the Company to adopt a formulation that allows greater distributions and greater visibility on the same.

In particular, doValue plans to pay out a growing Dividend per Share, at a rate of at least 20% per year in the period 2021-2024.

0.9 Main risks and uncertainties

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

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

With regard to the main risks and uncertainties, the current financial markets' situation and the consequences of any economic and financial effects deriving from the spread of the Coronavirus still involve elements of uncertainty, even in the presence of more stable macroeconomic conditions than during 2020. It should also be noted that the current geopolitical crisis deriving from the war in Ukraine continues to have serious repercussions on the financial markets and on the global growth of the economy, already causing an acceleration in inflation and a slowdown in global growth, as well as an increase in the volatility of financial markets. At the date of approval of the Financial Statements, given the high degree of uncertainty linked to potential evolutionary scenarios of the current crisis, it is difficult and probably premature to estimate the actual short, medium and long-term impacts on the Group's business. As already represented in the previous paragraph to which reference is made, In general, recessive macroeconomic scenarios could lead to both a decrease in the recoverability rate and an increase in the medium-term assets under management by the Group.

GOING CONCERN

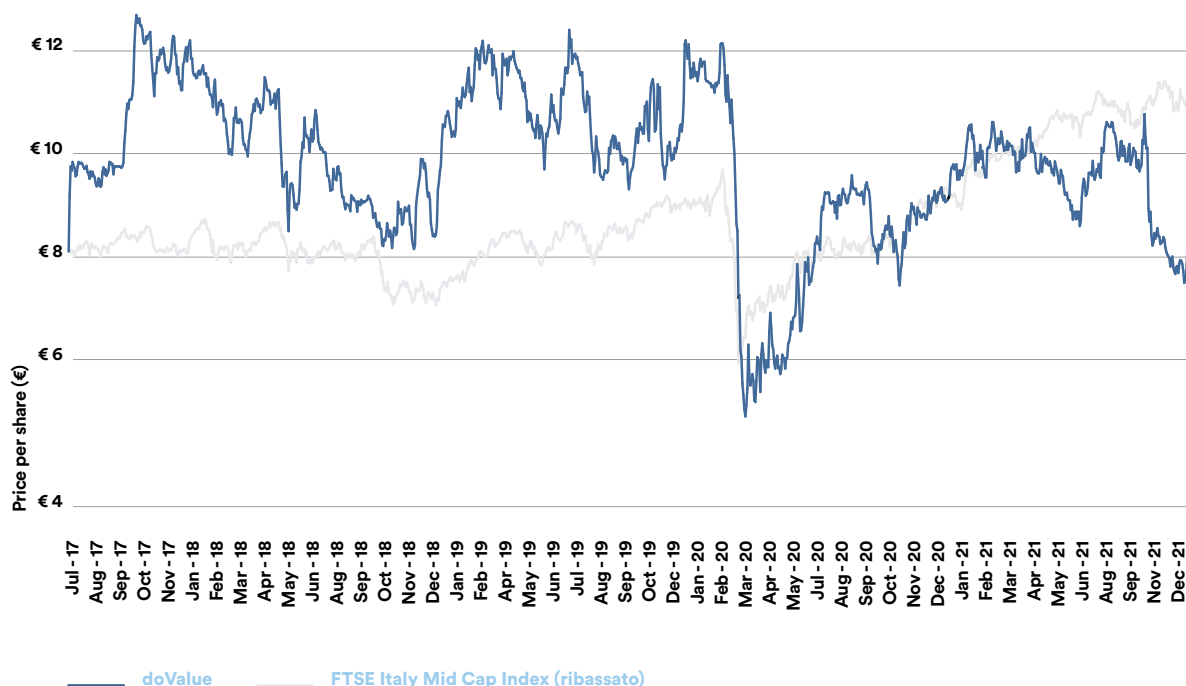
In order to express an opinion on the going concern assumption on the basis of which these Consolidated Financial Statements as at December 31, 2021 were prepared, the risks and uncertainties to which the Group is exposed were carefully assessed:

- in particular, account was taken of the forecasts regarding the macroeconomic and health scenarios characterised by the expansion of the COVID-19 pandemic and its variants, as well as government and EU measures and the related potential impact on the Group, as described in greater detail in the paragraph below "Impacts and effects of the COVID-19 epidemic";
- in the sustainability assessment of assets as at December 31, 2021, account was taken of the Group's solid capital base, financial position and confirmed ability to generate cash flow, as reflected in the Group's new 2022-2024 Business Plan, as well as the characteristics of doValue's specific business model, which is capable of responding flexibly to the various phases of the economic cycle;
- finally, account was taken of the constant contribution of new contracts for the management of new portfolios also recorded in 2021.

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

0.10 doValue shares

doValue shares were listed on the Italian screen-based stock exchange (MTA) managed by Borsa Italiana on July 14, 2017. The chart below shows the performance of the shares from its listing on the stock market up to the end of 2021, in relation to the Mid-Caps Index of the Stock Exchange in Milan, in which doValue is included.



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

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

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

Summary data	Euro	Date
IPO price	9.00	07/14/2017
Minimum closing price (adjusted for dividends paid)	4.79	03/23/2020
Maximum closing price (adjusted for dividends paid)	12.85	10/18/2017
Last closing price	8.39	12/30/2021
Number of outstanding shares	80,000,000	12/30/2021
<i>Treasury shares</i>	972,339	12/30/2021
Capitalisation	671,200,000	12/30/2021
Capitalisation (excluding treasury shares)	663,042,076	12/30/2021

0.11

Impacts and effects of the **COVID-19** epidemic

The recovery of the world economy from the pandemic crisis continued with a strong acceleration during 2021, albeit with geographically diversified modalities and intensities. The discriminating factors are the speed of vaccination campaigns, the efficiency of infection prevention mechanisms and, lastly, the intensity of fiscal support for recovery.

During 2021, various support measures for households and businesses in terms of debt moratoriums ceased and there was a gradual normalisation of the activity of the courts with a consequent acceleration of the collection activity by sector operators compared to that registered in 2020. It is also believed that the moratoriums and various forms of government support implemented during the pandemic, although mostly ceased, did not allow a realistic view of the real degree of credit deterioration, which is expected to increase during 2022.

Starting from the end of February 2020, the doValue Group promptly activated the Business Continuity & Crisis Management Committee in crisis session in order to make decisions resulting from the development of the situation. The main measures taken over time and still in force were aimed at supporting its employees and collaborators, both in Italy and abroad, in the management of the COVID-19 emergency, first and foremost protecting their health and well-being, while allowing them to maintain contact with the organisation.

In particular, also in 2021, the Group guaranteed:

- limitation on travel and preference for remote meetings;
- monitoring of the communication network and external access systems to ensure timely intervention in case of criticality;
- use of smart working, in all Italian branches and in the foreign offices of the subsidiaries;
- an increase in the service desk service, to ensure faster delivery and a more adequate telephone support and advice service;
- adoption of “unified communication” systems such as Microsoft Teams so as to facilitate meetings and video calls between users in smart working;
- provision of smart working-related online courses and seminars to support staff in managing operational change in the best possible way;
- provision of online training sessions on health & safety issues related to COVID-19;
- access to operating sites, both in Italy and abroad, under highly safe conditions, for the protection of people’s health and well-being.

In light of the above, in compliance with the guidelines issued by Consob on February 16, 2021 (Consob warning notice no. 1/21 - Object: COVID-19 - Economy support measures - Warning notice on the disclosure to be provided) and ESMA guidelines, the main financial information needed to understand the effects of the pandemic on the Company’s business is provided below.

Measurements pursuant to IAS 36 “Impairment of assets”

As regards the intangible assets in the financial statements, it should be noted, on a preliminary basis, that the opening balance of intangible assets, which include the value of multi-annual servicing contracts and goodwill connected to the acquisition of Eurobank-FPS (now doValue Greece), concluded on June 5, 2020, were restated with respect to the balance resulting as at December 31, 2020, when a provisional Purchase Price Allocation (PPA) measurement was made, pursuant to IFRS 3, to take into account the changes intervened in the PPA measurement rendered final as at June 30, 2021, after 12 months from its entry into the consolidation (for additional details, see also the Retrospective Adjustments section in the chapter “Business Combinations”).

Due to the effect of the definitive performance of the PPA, intangible assets were identified relating to Special and Master Servicing contracts, for the management of portfolios of impaired exposures and the subsequent goodwill. The related values initially recognised in the financial statements were restated on the basis of the estimate valuation of the fair value of the net assets of doValue Greece, which takes into account the useful information for valuation purposes available at the acquisition date and entry into consolidation, updated in the light of significant events and information not known or not available on such date.

The Group carried out the impairment test on intangible assets and goodwill as at December 31, 2021, as indicated by the international accounting standard IAS 36 "Impairment of assets", and taking into account the indications issued by ESMA on October 28, 2020 in the Public Statement "European common enforcement priorities for 2020 IFRS annual financial reports".

To this end, continuing with the approach taken to the test performed on the data as at December 31, 2020, 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 of 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 were therefore consistently estimated, considering the respective expected cash flows over the entire useful life.

This analysis brought to light some evidence of impairment such as the differences between the value in use of the active servicing contracts and the associated book value, net of amortisation for the period for a total of €3.5 million, of which €2.9 million with reference to Altamira contracts and €0.6 relative to two servicing contracts of doValue Greece.

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.

For further information with regard to this impairment test, reference is made to the Illustrative Notes, Accounting policies section, and Note 1 - Intangible assets.

Uncertainties and significant risks related to COVID-19

The current financial markets' situation and the consequences of any economic and financial effects deriving from the spread of COVID-19 inevitably involve elements of uncertainty, even in the presence of stable macroeconomic conditions.

However, in light of the information available to date, considering the organisational measures implemented to guarantee business continuity, the multiple cost containment initiatives put in place, and taking account of the type of business conducted by the Group, which is structurally flexible in the different phases of the economic cycle, it is believed that there is currently no risk of having to adjust the carrying amounts of the assets and liabilities reported in these Financial Statements.

It is also believed that there are no significant uncertainties relating to events or condi-

tions that, if relevant beyond the 12-month period after the reference date, could cast doubt on the ability of the Group to continue to operate as a going concern.

Impact of the COVID-19 epidemic on the Income Statement

The direct effects of the COVID-19 pandemic and the containment measures implemented by European governments caused operating difficulties for the sector in which the Group operates, which continued throughout 2021 even though they have been gradually easing. However, despite the overall climate of uncertainty, positive signs have been recorded in the form of a recovery in the judicial activities of the courts, which have registered growing volumes of transactions and an increase in out-of-court settlements, proof of the increasing liquidity available in the reference market. The Group achieved the following results in 2021 (compared to the previous year):

- Collections, amounting to approximately €5.7 billion (€4.3 billion in 2020);
- Gross revenues, amounting to €572.1 million (€420.5 million in 2020);
- EBITDA, excluding non-recurring items, equal to €200.9 million (€127.5 million in 2020).

It should also be noted that, from the start of the pandemic, expenses relating to COVID-19 were incurred for an approximate amount of €1.1 million, including:

- costs for the purchase of personal protective equipment (such as masks, gloves and sanitisers);
- expenses to align the premises to the new rules on spacing;
- costs related to the development of smart-working.

As regards Managed Assets (GBV), despite the current context, in 2021, the Group has entered new servicing contracts with investors for a GBV equal to €8.5 billion, in addition to the flows from long-term management contracts for €3.3 billion, proof of the strength of the current market pipeline of servicing in southern Europe.

Information on the impacts of COVID-19 on strategic planning and on the estimates and assumptions underlying the financial trajectories as well as on the economic performance, financial position and cash flows

The Board of Directors of the parent company doValue approved, on January 25, the Group's 2022-2024 Business Plan drawn up on the basis of the most recent scenario hypotheses collected by the subsidiaries, taking into account the trend of the pandemic and the estimate of the effects it has involved and will entail for the future in general for the NPL servicing market.

doValue's 2022-2024 Business Plan is based on a hypothesis in terms of new flows of impaired loans awarded by the Group in the next three years substantially in line with the recent history of the Group. These hypotheses could prove conservative if seen in a market context in which, with the post COVID normalisation of judicial activity and the end of moratoriums in all regions, we can expect an acceleration in the formation of new NPEs in the reference markets. The normalisation of the Group's activities is also evident in the results achieved during 2021. In particular, Collection activity in 2021 amounted to €5.7 billion (compared to €4.3 billion in 2020). This increase partly reflects the acquisition of doValue Greece completed in June 2020, but also the gradual post COVID recovery of court activities and the easing of the various restrictions implemented by the various governments to support companies and households to cope with the pandemic. The Group Collection Rate stands at 4.3%, up 120 bps compared to 2020 and higher than the pre COVID level of 4.2% achieved in 2019.

0.12 Other information

MANAGEMENT AND COORDINATION

As at December 31, 2021, 25.05% of the shares of the Parent Company doValue were owned by its largest shareholder, Avio S.a r.l, the reference shareholder, a company incorporated in Luxembourg, affiliated to the Fortress Group, which in turn was acquired by Softbank Group Corporation in December 2017. A further 3.22% of doValue shares are held by other investors similarly connected with Softbank Group Corporation, with an overall stake held by the latter of 28.27%.

As at December 31, 2021, the residual 71.99% of the shares was placed on the market and 1.22% is represented by 972,339 treasury shares, measured at cost, for a total of €4.7 million held by the Parent Company.

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

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

TRANSACTIONS IN TREASURY SHARES

As at December 31, 2021, doValue held 972,339 treasury shares, equal to 1.22% of the total share capital. Their book value is €4.7 million and they are shown in the financial statements as a direct reduction of shareholders' equity under Treasury shares in application of the provisions of Article 2357-ter of the Italian Civil Code.

The ordinary shareholders' meeting of April 29, 2021 revoked the authorisation to purchase and sell treasury shares conferred by said meeting to doValue's Board of Directors by means of resolution of May 26, 2020. At the same time, a new authorisation to purchase treasury shares in one or more transactions was conferred, according to the same terms and conditions pursuant to the previous shareholders' meeting resolution, i.e. up to 8,000,000 ordinary shares of doValue S.p.A., equal to 10% of the total, for a period of 18 months from the shareholders' meeting approval. As part of this authorisation, on June 17, 2021, the doValue Board of Directors approved the launch of a treasury share buyback programme solely to service the remuneration and incentive plans in place, intended for the management of doValue and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code. During the months of July and August 2021 doValue followed up on this buyback programme by purchasing 500,000 shares for a value of €4.6 million.

RESEARCH AND DEVELOPMENT

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

HUMAN RESOURCES

The business of the doValue Group is linked to people and the enhancement and development of professional skills are strategic drivers to ensure innovation and sustainable growth. In 2021, doValue continued to invest in its people through policies aimed at enhancing and developing human resources, with the aim of consolidating a climate of corporate satisfaction.

At the end of 2021, the Group's employees numbered 3,153 compared to 3,230 in 2020. For further details, please refer to what is indicated in the Non-Financial Statement.

RELATED-PARTY TRANSACTIONS

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

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

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

- a) on the basis of the Policy concerning transactions with related parties adopted by the Board of Directors of doValue S.p.A., in the first nine months of 2021, the participation in a possible transaction of greater importance was approved. More specifically, as part of the Frontier Project relating to a securitisation transaction launched by the National Bank of Greece for a portfolio of non-performing loans, the presentation of a binding offer by a consortium composed of doValue (through its subsidiary doValue Greece), Bain and Fortress was approved in June, the latter a party related to the Group. Subsequently, on July 21, 2021, the consortium was selected by the National Bank of Greece as the preferred bidder in relation to the Frontier Project and on October 15, 2021 the agreement on the main terms and conditions of the transaction was signed, there including the servicing contract for the management of the securitised portfolio, which has a GBV of approximately €5.7 billion (for more details, please refer to the Significant events during the period as well as the Information Document prepared pursuant to Consob Regulation 17221/2010 and published in the "Governance / Related Parties" section of the website www.doValue.it);
- b) in 2021, no transactions with related parties were carried out, under different conditions from normal market conditions, which have significantly influenced the balance sheet and financial position of the Group;
- c) during 2021 there have been no changes or developments to individual transactions with related parties already described in the last financial statements that have had a significant effect on the Group's balance sheet or results in the reference period.

NON-FINANCIAL STATEMENT

In compliance with the provisions of Article 5, paragraph 3, letter b, of Italian Legislative Decree 254/2016, the doValue Group has prepared the consolidated non-financial statement, which constitutes a separate report. The 2021 consolidated non-financial statement is available on the Group's website www.doValue.it under the "Sustainable value" section.

CORPORATE GOVERNANCE

In accordance with the third paragraph of Article 123 bis of Italian Legislative Decree no. 58 of February 24, 1998 (Consolidated Finance Law or TUF), the Report on Corporate Governance is drawn up annually, which is approved by the Board of Directors and published together with the draft financial statements for the year ended December 31, 2021. This document is available in the "Governance" section on the company website www.doValue.it. Together with this Report, the "Report on the Remuneration Policy" drawn up pursuant to Article 123 ter of the Consolidated Finance Law is also made available.

DISCLOSURE ON THE OPT-OUT OPTION

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



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

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

(€/000)	12/31/2021		12/31/2020 RESTATED	
	Shareholders' Equity	Profit (Loss) for the period	Shareholders' Equity	Profit (Loss) for the period
doValue's S.p.A. separate financial statements	206,456	(535)	222,805	7,831
- difference arising from the investments' carrying values and the relative subsidiaries' Equity	(74,118)	-	(36,765)	-
- Results of the subsidiaries, net of minority interest	-	58,001	-	(12,570)
Cancellation of dividends	-	(23,214)	-	(20,429)
Other consolidation adjustments	563	(10,508)	378	(5,239)
Consolidated financial statements attributable to the Shareholders of the Parent Company	132,901	23,744	186,418	(30,407)

The RESTATED data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.

Rome, March 17, 2022

The Board of Directors

RECONCILIATION OF THE CONDENSED AND THE STATUTORY INCOME STATEMENT

(€/000)	12/31/2021	12/31/2020 RESTATED
NPE revenues	446,097	318,442
o.w. Revenue from contracts with customers	446,606	316,337
o.w. Other revenues	(509)	2,105
REO revenues	82,529	67,640
o.w. Revenue from contracts with customers	70,835	56,682
o.w. Other revenues	11,694	10,958
Co-investment revenues	8,846	429
o.w. Financial (expense)/income	8,846	429
Ancillary and other revenues	34,579	34,024
o.w. Financial (expense)/income	13	15
o.w. Revenue from contracts with customers	6,924	6,573
o.w. Other revenues	27,873	27,864
o.w. Costs for services rendered	(244)	(388)
o.w. Other operating (expense)/income	13	(40)
Gross revenues	572,051	420,535
NPE Outsourcing fees	(29,998)	(22,147)
o.w. Costs for services rendered	(30,023)	(22,146)
o.w. Other revenues	25	(1)
REO Outsourcing fees	(24,217)	(17,407)
o.w. Costs for services rendered	(24,217)	(17,407)
Ancillary Outsourcing fees	(11,369)	(10,608)
o.w. Costs for services rendered	(1,612)	(5,349)
o.w. Administrative expenses	(9,757)	(5,177)
o.w. Other operating (expense)/income	-	(82)
Net revenues	506,467	370,373
Staff expenses	(215,851)	(172,911)
o.w. Personnel expenses	(216,058)	(172,925)
o.w. Other revenues	207	14
Administrative expenses	(91,269)	(80,813)
o.w. Personnel expenses	(5,026)	(3,899)
o.w. Personnel expenses - o.w. SG&A	(5,026)	(3,899)
o.w. Administrative expenses	(87,855)	(77,779)
o.w. Administrative expenses - o.w. IT	(29,995)	(26,493)
o.w. Administrative expenses - o.w. Real Estate	(6,159)	(5,482)
o.w. Administrative expenses - o.w. SG&A	(51,701)	(45,804)
o.w. Other operating (expense)	661	(6)
o.w. Other operating (expense)/income - o.w. Real Estate	-	(2)
o.w. Other operating (expense)/income - o.w. SG&A	661	(4)
o.w. Other revenues	993	930
o.w. Other revenues - o.w. IT	(188)	53
o.w. Other revenues - o.w. SG&A	1,181	877
o.w. Costs for services rendered	(42)	(59)
o.w. Costs for services rendered - o.w. SG&A	(42)	(59)
Total "o.w. IT"	(30,183)	(26,440)
Total "o.w. Real Estate"	(6,159)	(5,484)
Total "o.w. SG&A"	(54,927)	(48,889)
Operating expenses	(307,120)	(253,724)

Continue →

(€/000)	12/31/2021	12/31/2020 RESTATED
EBITDA	199,347	116,649
EBITDA margin	35%	28%
Non-recurring items included in EBITDA	(1,572)	(10,869)
EBITDA excluding non-recurring items	200,919	127,518
EBITDA Margin excluding non-recurring items	35%	30%
Net write-downs on property, plant, equipment and intangibles	(94,371)	(79,313)
o.w. Depreciation, amortisation and impairment	(94,536)	(79,313)
o.w. Other operating (expense)/income	165	-
Net Provisions for risks and charges	(25,547)	(11,272)
o.w. Personnel expenses	(10,497)	(6,596)
o.w. Provisions for risks and charges	(3,865)	(2,329)
o.w. Other operating (expense)/income	(9,435)	192
o.w. Depreciation, amortisation and impairment	(1,751)	(1,039)
o.w. Administrative expenses	1	(1,500)
Net Write-downs of loans	545	162
o.w. Financial (expense)/income	30	-
o.w. Depreciation, amortisation and impairment	24	14
o.w. Other revenues	491	148
Profit (loss) from equity investments	83	(2)
o.w. Profit (loss) of equity investments	83	(2)
EBIT	80,057	26,224
Net income (loss) on financial assets and liabilities measured at fair value	1,071	(3,466)
o.w. Financial (expense)/income	1,071	(3,466)
Financial interest and commissions	(32,839)	(23,416)
o.w. Financial (expense)/income	(32,297)	(23,186)
o.w. Costs for services rendered	(542)	(232)
o.w. Profit (loss) of equity investments	-	2
EBT	48,289	(658)
Non-recurring items included in EBT	(33,350)	(25,139)
EBT excluding non-recurring items	81,639	24,481
Income tax for the period	(15,116)	(33,132)
o.w. Administrative expenses	(1,620)	(1,719)
o.w. Income tax expense	(13,496)	(31,413)
Profit (Loss) for the period	33,173	(33,790)
Profit (loss) for the period attributable to Non-controlling interests	(9,429)	3,383
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	23,744	(30,407)
Non-recurring items included in Profit (loss) for the period	(29,481)	(47,550)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(2,504)	(5,110)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	50,721	12,033
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	11,933	1,727
Earnings per share (in Euro)	0.30	(0.38)
Earnings per share excluding non-recurring items (Euro)	0.64	0.15

The RESTATED data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.

RECONCILIATION OF THE CONDENSED AND THE STATUTORY BALANCE SHEET

(€/000)	12/31/2021	12/31/2020 RESTATED
Cash and liquid securities	166,668	132,486
Cash and cash equivalents	166,668	132,486
Financial assets	61,961	70,859
Non-current financial assets	60,445	64,961
Current financial assets	1,516	5,898
Property, plant and equipment	34,204	36,176
Property, plant and equipment	34,149	36,121
Inventories	55	55
Intangible assets	545,225	564,136
Intangible assets	545,225	564,136
Tax assets	152,996	126,157
Deferred tax assets	112,640	102,950
Other current assets	1,894	1,333
Tax assets	38,462	21,874
Trade receivables	206,326	175,155
Trade receivables	206,326	175,155
Assets held for sale	30	30
Assets held for sale	30	30
Other assets	17,226	16,485
Other current assets	15,212	14,840
Other non-current assets	2,014	1,645
Total Assets	1,184,636	1,121,484
Financial liabilities: due to banks/bondholders	568,459	543,042
Loans and other financing non-current	550,859	456,670
Loans and other financing current	17,600	86,372
Other financial liabilities	76,017	76,075
Loans and other financing non-current	4,365	6
Loans and other financing current	4	4
Other non-current financial liabilities	46,048	24,293
Other current financial liabilities	25,600	51,772
Trade payables	73,710	51,824
Trade payables	73,710	51,824
Tax Liabilities	113,060	91,814
Tax payables	58,710	28,083
Deferred tax liabilities	54,350	63,731
Employee Termination Benefits	10,264	16,465
Employee benefits	10,264	16,465
Provision for risks and charges	44,235	87,346
Provisions for risks and charges	44,235	87,346
Other liabilities	104,888	71,164
Other current liabilities	75,052	71,164
Other non-current liabilities	29,836	-
Total Liabilities	990,633	937,730

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(€/000)	12/31/2021	12/31/2020 RESTATED
Share capital	41,280	41,280
Share capital	41,280	41,280
Reserves	96,299	145,241
Valuation reserve	(1)	(215)
Other reserves	96,300	145,456
Treasury shares	(4,678)	(103)
Treasury shares	(4,678)	(103)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	23,744	(30,407)
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
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	1,147,278	1,093,741
Net Equity attributable to Non-Controlling Interests	37,358	27,743
Net Equity attributable to Non-controlling interests	37,358	27,743
Total Liabilities and Net Equity	1,184,636	1,121,484

The RESTATED data as at December 31, 2020 were restated based on the final results related to the PPA of doValue Greece.

Consolidated Financial Statements at December 31, 2021

GENERAL DATA

Homepage of reporting entity:	www.dovalue.it
LEI code of reporting entity:	8156007AF7DB5FE05555
Name of reporting entity or other means of identification:	doValue S.p.A.
Domicile of entity:	Italy
Legal form of entity:	Joint-stock company
Country of incorporation:	Italy
Address of entity's registered office:	Viale dell'Agricoltura, 7 - 37135 Verona
Principal place of business:	Lungotevere Flaminio, 18 - 00196 Rome
Description of entity's operations and principal activities:	The activities of the doValue Group are concentrated on the supply of services for banks and investors through the entire life cycle of loans and Real Estate assets ("Servicing").
Name of ultimate parent of group:	doValue S.p.A.

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Consolidated Financial Statements



CONSOLIDATED BALANCE SHEET

(€/000)	NOTE	12/31/2021	12/31/2020 RESTATED
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

(€/000)	NOTE	12/31/2021	12/31/2020 RESTATED
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 PPA of doValue Greece.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	12/31/2021	12/31/2020 RESTATED
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 PPA of doValue Greece.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS AT 12/31/2021

(€/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	(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

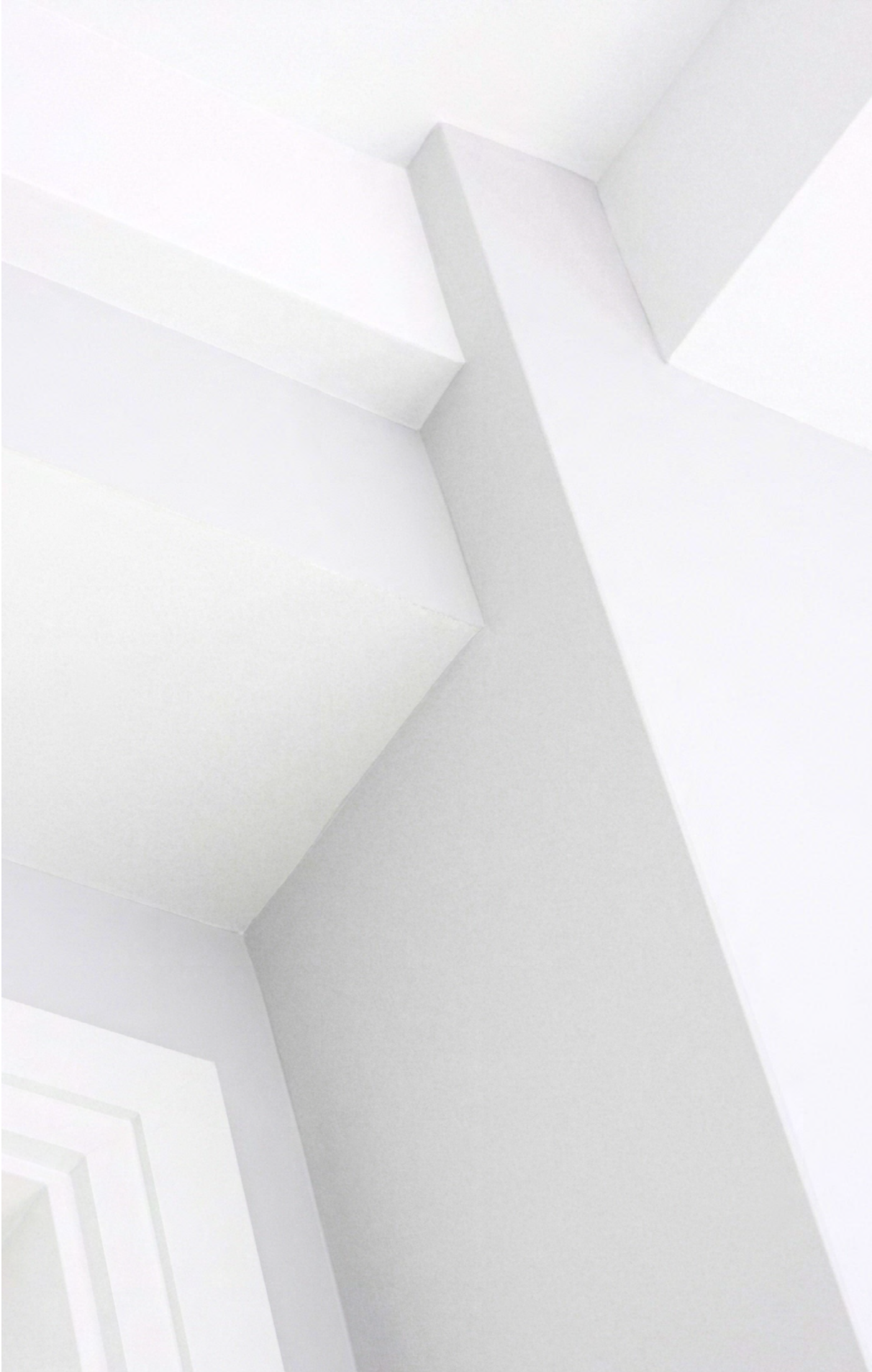
AT 12/31/2020

(€/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	(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

(€/000)	12/31/2021	12/31/2020 RESTATED
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 PPA of doValue Greece.



Illustrative Notes



2.0

Accounting policies



2.1 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 informa-

tion 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 Italfondario 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 Société Anonyme	Moschato	Greece	1	doValue S.p.A. + Altamira AM S.A.	94%+6%	94%+6%
8.	doValue Greece Real Estate Services single member Société Anonyme	Moschato	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:

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

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;
- $\frac{E}{D+E}$, weight of the equity component on the financial structure.

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, "β", to the expected yield of the stock market to which it belongs, net of the same risk-free rate (equity risk premium - ERP).

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

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

where

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

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

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

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, 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, $K_e = R_f + \beta * ERP$;
- 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 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 combinations” 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).

2.2

Main items of the financial statements

INTANGIBLE ASSETS

RECOGNITION CRITERIA

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

Intangible assets mainly comprise goodwill, software, brands, patents and active long-term contracts mainly deriving from external business combinations.

Goodwill is equal to the difference between the payment incurred for a business combination and the fair value of the identifiable net assets acquired, as set out in more detail in "Business combinations" section.

Intangible assets other than goodwill are recognised at their purchase cost, including any direct costs incurred to prepare the asset for use, net of accumulated amortisation and any impairment loss.

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

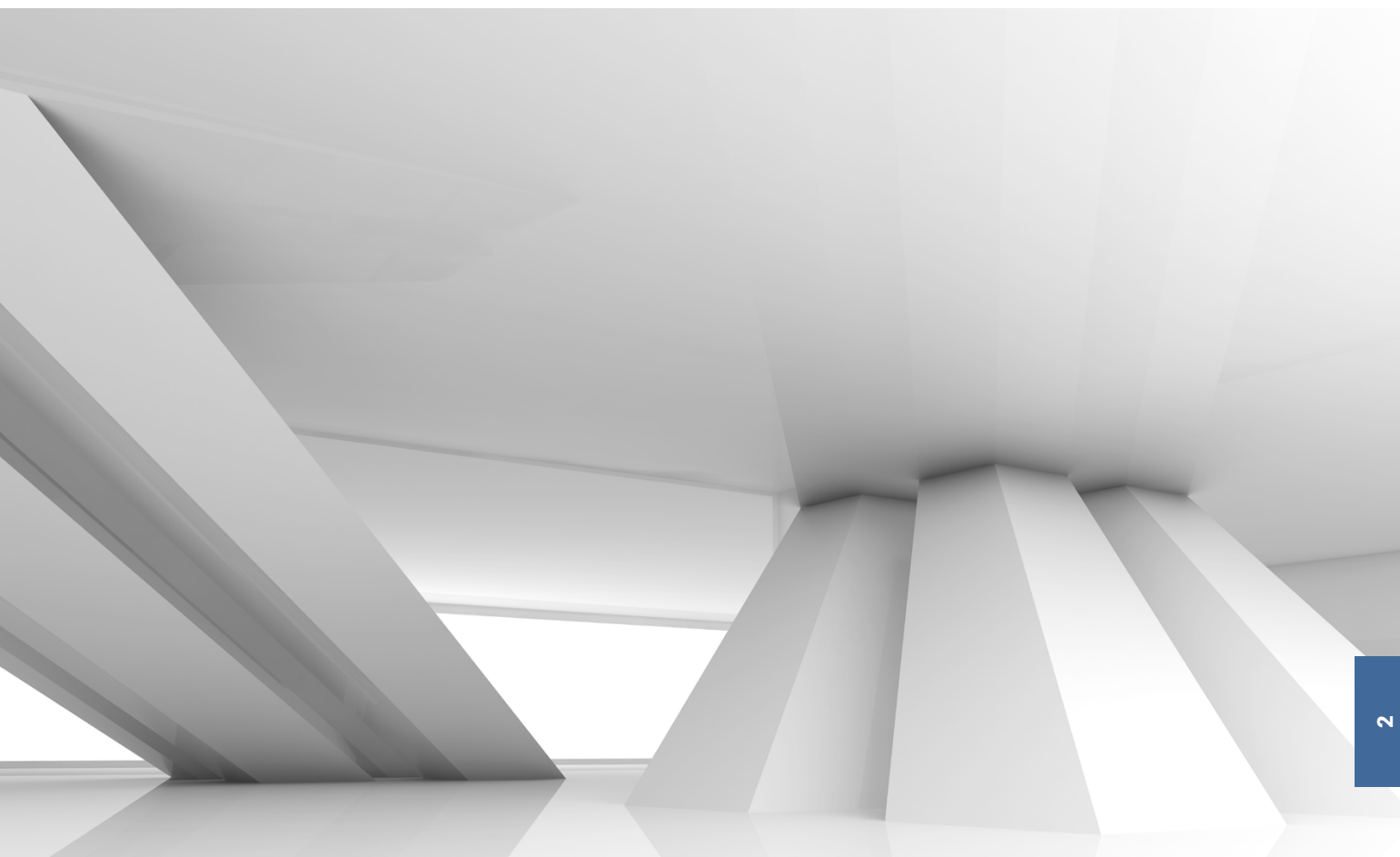
Intangible assets with definite useful life are depreciated at constant rates over their useful life. Intangible assets with indefinite useful life are not depreciated.

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 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 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 temporis over the term of the loan or receivable.

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

DERECOGNITION CRITERIA

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

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

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

IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

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

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

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

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

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

REVENUE RECOGNITION

Revenues represent the transfer of goods or services to customers and are recognised in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. They are recognised using the 5-step model (identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations; recognise the revenue when the entity satisfies the performance obligation). Revenues from contractual obligations with customers are recognised in the income statement when it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. This consideration must be allocated to the individual performance obligations contained in the contract and must be recognised as revenue in the income statement based on the timing of satisfaction of the performance obligation.

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

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

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

REVENUES FROM CONTRACTS WITH CUSTOMERS AND OTHER REVENUES

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

RECOGNITION CRITERIA

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

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

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

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

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

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

MEASUREMENT CRITERIA

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

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

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

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

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

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

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

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

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

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

DIVIDENDS

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

COSTS

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

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

GOVERNMENT GRANTS

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

OTHER INFORMATION

TREASURY SHARES

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

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

ACCRUALS AND DEFERRALS

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

SHARE-BASED PAYMENTS

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

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

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

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

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

RELEVANT IAS/IFRS DEFINITIONS

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

AMORTISED COST

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

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

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

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

2.3

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 IRSSs, 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





3.0 Information on the Consolidated Balance Sheet



3.1 Assets

NOTE 1 – INTANGIBLE ASSETS

Changes in the period are reported in the following table.

(€/000)	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total 12/31/2021	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 adjustments” and “Other changes” of the table above; for further details, please refer to the Section “Retrospective adjustments” in the chapter “Business combinations”.

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:

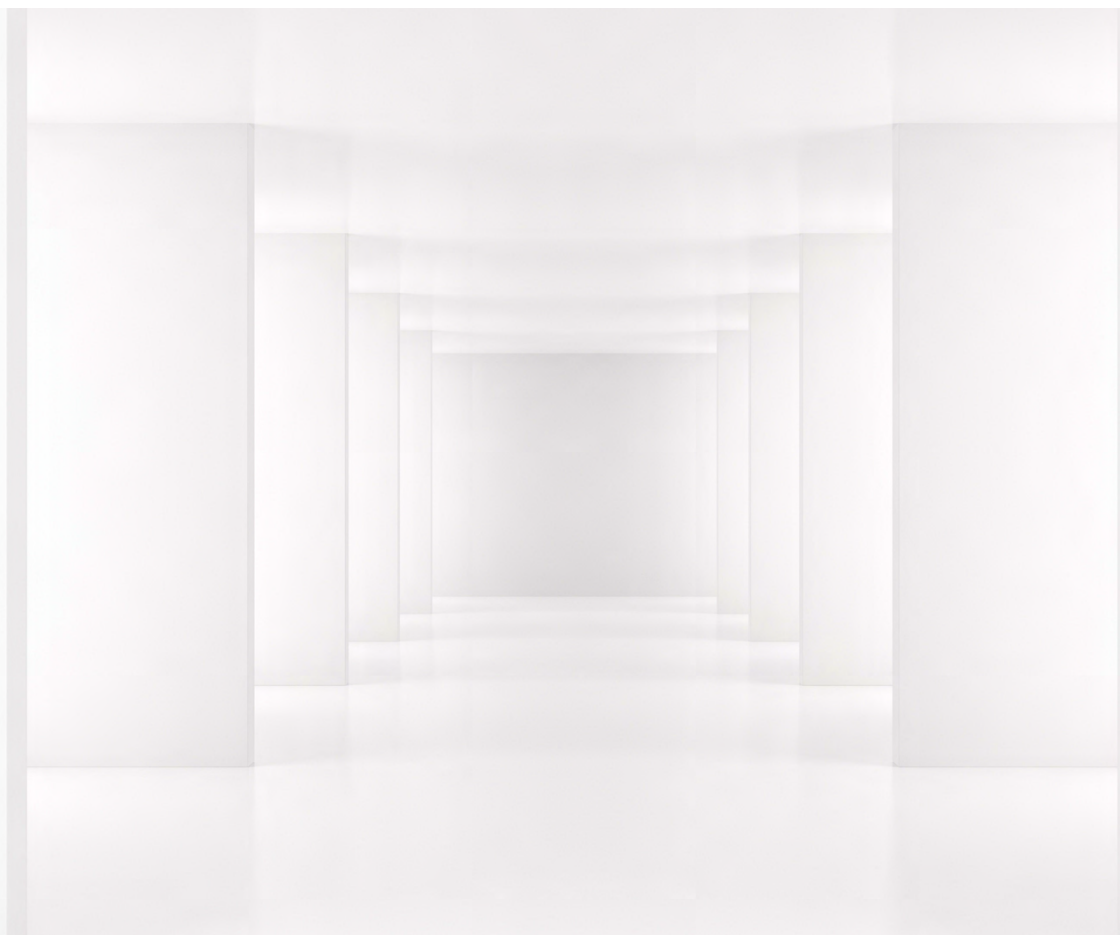
(€/000)	Net present value	Net book value	Impairment
Software	8,755	8,755	-
Brand	33,737	28,431	-
Other ingible assets - SLAs	38,188	28,926	(2,905)
Other ingible assets - Database	1,041	1,041	-
Intangible Assets - Iberia	81,721	67,153	(2,905)
Software	1,145	1,145	-
Other ingible assets - SLAs	33,881	18,051	-
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
<i>ow: Rights of Use</i>	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)
<i>ow: Rights of Use</i>	(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 Italfondario) 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 Italfondinario) 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
Total	112,640	102,950

Change

(€/000)	Income Statement	Recognised in Equity	Total 12/31/2021	Total 12/31/2020 RESTATED
Opening balance	94,077	625	94,702	90,740
Initial adjustments	8,248	-	8,248	157
Adjusted opening balance	102,325	625	102,950	90,897
Increases	13,686	7	13,693	14,612
Deferred tax assets recognized during the year	11,534	6	11,540	3,351
- In respect of previous years	-	-	-	35
- Other	11,534	6	11,540	3,316
New taxes or increases in tax rates	-	-	-	264
Other changes	2,152	1	2,153	551
Business combination	-	-	-	10,446
Decreases	(3,859)	(144)	(4,003)	(2,559)
Deferred tax assets derecognised during the year	(2,857)	-	(2,857)	(2,561)
- Reversals of temporary differences	(2,766)	-	(2,766)	(2,548)
- Other	(91)	-	(91)	(13)
Reduction in tax rates	(1,001)	(1)	(1,002)	-
Other changes	(1)	(143)	(144)	2
Total	112,152	488	112,640	102,950

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 combinations 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	54,330	63,711
Provisions recognised through Equity	20	20
Total	54,350	63,731

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

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 combinations".

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	31/12/2020
Receivables	209,123	176,857
Receivables accruing (Invoices to be issued)	139,201	96,712
Receivables for invoices issued but not collected	69,922	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 a net 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	30	10
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	30	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	30	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	-	-

3.2

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)			12/31/2021	12/31/2020 RESTATED
Note				
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 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	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 combinations".

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

	Funds against the item "Provisions for risk and charges" of the income statement				Funds against other items of the income statement				Total 12/31/2021	Total 12/31/2020 RESTATED
	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		
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 combinations 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
<i>o.w. employees</i>	31,126	7,900
<i>o.w. members of Board of Directors and Auditors</i>	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), redundancy 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 Responsibilities, 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 (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.

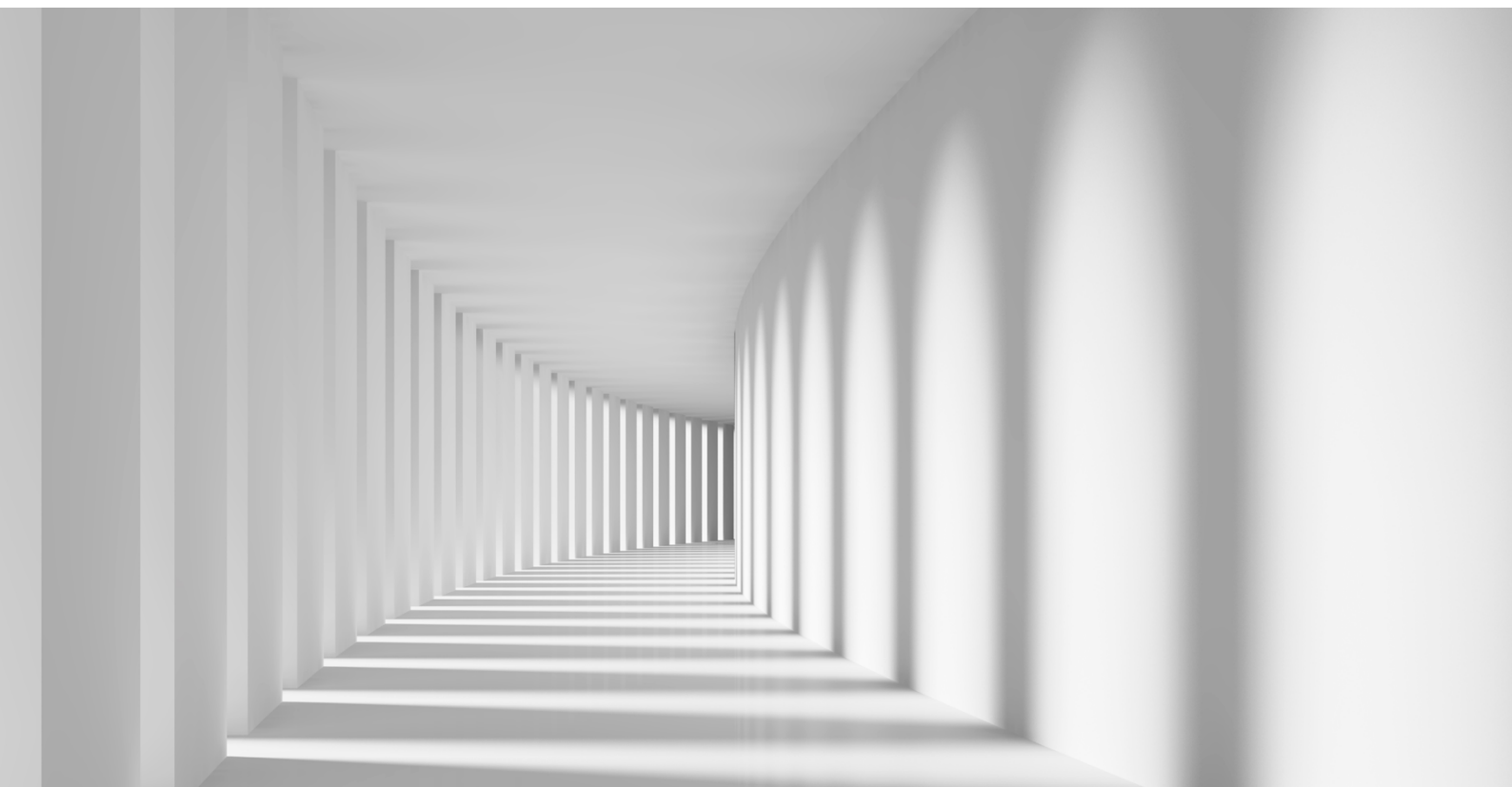
For more details on the mechanisms and terms of attribution of the shares, please refer to the information documentation published on the internet website of the doValue Group www.dovalue.it (“Governance/Remuneration” section).

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 in the period:

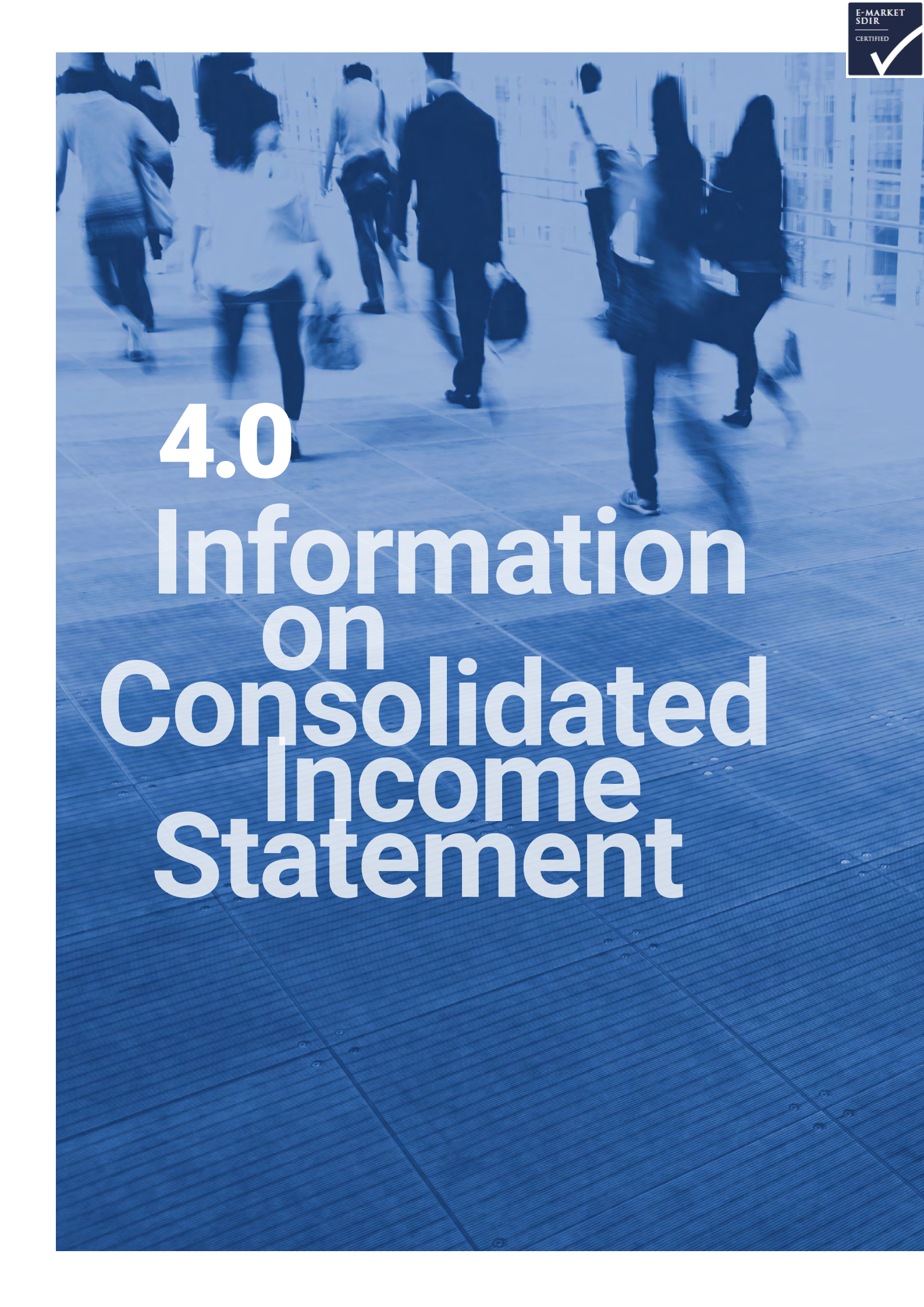
(€/000)	12/31/2021	31/12/2020
Opening balance	28,793	18,028
Initial adjustments	-	-
Adjusted opening balance	28,793	18,028
Increases	7,833	20,113
New liabilities	1,369	11,142
Financial expenses	674	580
Other changes	5,790	8,391
Decreases	(10,260)	(9,348)
Payments	(8,639)	(7,819)
Other changes	(1,621)	(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)



4.0 Information on 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)
<i>o.w. Employee disputes</i>	(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 derivatives	(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 Italfondario.

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:

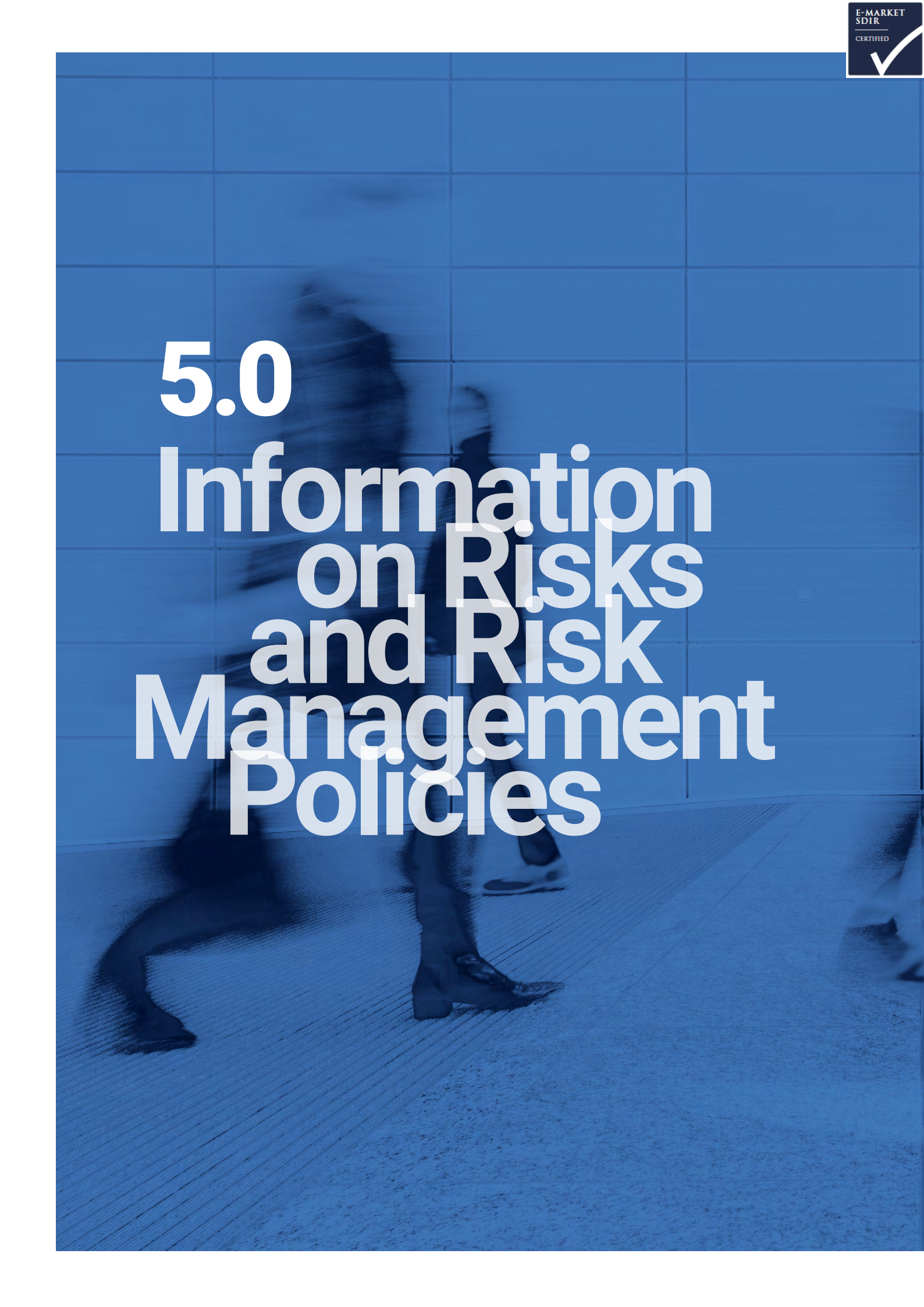
(€/000)	12/31/2021	12/31/2020 RESTATED
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	46,669	(2,377)
Theoretical tax rate	24%	24%
Theoretical computed taxes on income	(11,201)	570
- Different tax rates from the theoretical	2,452	1,216
- Non-taxable income - permanent differences	(3,690)	(1,869)
- 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]	23,744	(30,407)
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
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.



5.0 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, doValue 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.

5.1

Financial risks

CREDIT RISK

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

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

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

In order to limit this risk, the Group monitors the positions of individual customers, analyses expected and actual cash flows in order to promptly undertake any recovery actions. Pursuant to IFRS 9, at each reporting date, these receivables are subject to an assessment aimed at verifying whether there is evidence that the carrying amount of the assets cannot be fully recovered.

As at December 31, 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, in 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 Mercurio Securitisation S.r.l. (“Mercurio”) 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 Italfondriario) 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 Italfondario of €4.3 million, is aimed at allowing the disbursement of new pre-deductible finance pursuant to Article 182-quater 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

5.2 Operational risks

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

This includes, 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 Italfondiatario), 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.

5.3 Capital management

For the purposes of the management of the Groups capital, it was defined that this includes the share premium reserve and all other reserves attributable to the shareholders of the Parent Company. The main objective of capital management is to maximise value for shareholders, safeguard business continuity, as well as support the development of the Group. The Group therefore intends to maintain an adequate level of capitalisation, which at the same time makes it possible to achieve a satisfactory economic return for shareholders and to guarantee efficient access to external sources of financing.

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

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

(€/000)	12/31/2021	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 indebtedness (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

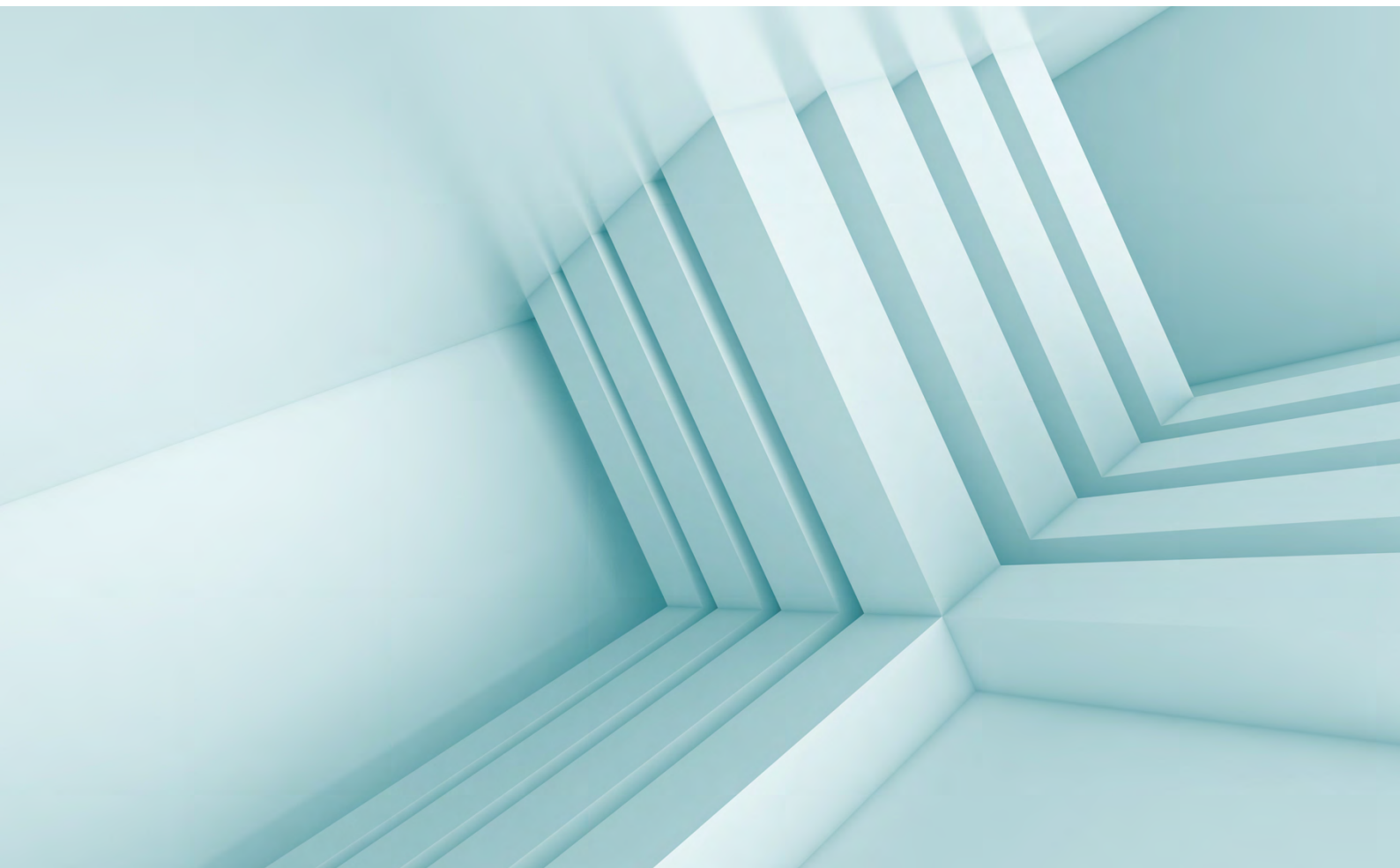
6.0 Segment reporting



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 Italfondriario);
- **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.



7.0 Business Combination



7.1 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 Société Anonyme in doValue Greece Loans and Credits Claim Management Société 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.

7.2

Business combinations completed **after the end of the period**

The doValue Group did not carry out any business combinations after December 31, 2021.

7.3

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	
Intangible assets	215,384
of which Other Intangible Assets	215,188
servicing contracts (SLAs)	215,188
of which Software	196
Property, plant and equipment	9,080
Non-current financial assets	175
Deferred tax assets	12,892
Other non current assets	315
Total non-current assets	237,846
Current assets	
Trade receivables	13,441
Tax assets	5,039
Other current assets	523
Cash and cash equivalents	3,518
Total current assets	22,521
Total assets	260,367
Non-current liabilities	
Other non-current financial liabilities	7,182
Employee benefits	6,122
Provisions for risks and charges	35,083
Deferred tax liabilities	53,579
Total non-current liabilities	101,966
Current liabilities	
Other current financial liabilities	1,209
Trade payables	5,887
Tax payables	3,672
Other current liabilities	11,384
Total current liabilities	22,152
Total liabilities	124,118
Total net identifiable assets at fair value	136,249
Non-controlling interests measured at fair value	(27,250)
Goodwill arising from acquisition	112,391
Acquisition price	221,390
Earn-out	(5,182)
Acquisition price paid	216,208

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 on 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)

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.

8.0

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.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 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 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 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

Certifications and Reports

Certification of the Financial Reporting Officer

doValue

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

1. The undersigned
 - Mr. Andrea Mangoni, in his capacity as Chief Executive Officer (CEO);
 - Mrs. Elena Gottardo, in her capacity as the Financial Reporting Officer with preparing the financial reports of doValue S.p.A., of also in compliance with Art.154-bis, (paragraphs 3 and 4) of Italian Legislative Decree No.58 of 24 February 1998, do hereby certify:
 - adequacy in relation to the characteristics of the company and
 - the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements, during the period 2021.
2. We also certify that:
 - 2.1. the 2021 Consolidated Financial Statements:
 - a) have been prepared in compliance with the applicable international accounting standards recognized in the European Community pursuant to regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) corresponds to the results of the books and accounting records;
 - c) is suitable for providing a true and correct representation of the equity, economic and financial situation of the issuer and of all the companies included in the consolidation;
 - 2.2. the management report includes a reliable analysis of the management trend and result, as well as the situation of the issuer and the group of companies included in the consolidation, together with the description of the main risks and uncertainties to which they are exposed.

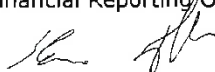
Rome, March 17, 2022

Andrea Mangoni

Chief Executive Officer

**Elena Gottardo**

Financial Reporting Officer







doValue S.p.A.

Consolidated financial statements at December 31, 2021

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



Building a better
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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 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.

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We identified the following key audit matters:

Key audit matters	Audit response
<p>Estimate of the accrued portion of revenues relating to servicing contracts and related contractual obligations</p> <p>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.</p> <p>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 fulfill the contractual obligations.</p> <p>At the date of closing of the financial year, a portion of these revenues is determined by the Directors with a complex process to estimate the accrued servicing fees for the period, considering the articulated contractual arrangements, the dynamics of the recoveries actually made, as well as any contractual indemnities to be recognized in relation to particular events or specific circumstances. At the date of closing of the financial year, the portion of servicing revenue without an expressed acceptance of the counterparty amounts to 34% of total invoices to be issued and to 8% of "Total revenue" of the consolidated income statement.</p> <p>For these reasons, the estimate of revenues from servicing contracts and the related</p>	<p>Our audit procedures in response to the key audit matter, included, inter alia:</p> <ul style="list-style-type: none"> • an understanding of the process to recognize revenues from servicing contracts with customers and contractual costs and related key controls; • conducting compliance tests on the processes for calculating revenues and related billing; • verification of the appropriateness of the methodology and reasonableness of the valuation assumptions used, as well as performing compliance procedures on the related accounting estimate of the accrued amounts; • carrying out validity procedures concerning the correct application of the estimation methodology and related assumptions in recognizing fixed and variable revenue components; • comparison of the estimates of the prior year with the actual data and the analysis of the deviations to support the reliability of the estimation process. <p>Finally, we examined the adequacy of the information provided in the notes to the consolidated financial statements.</p>



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.

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 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

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

- 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.



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.

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 ("*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, 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 17, 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. 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 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.

doValue