doValue

Reports and Financial Statements

2021

E-MARKET
SDIR
CERTIFIED

doValue

Reports
and Financial
Statements

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

Content

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Governing and control bodies

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

Chairman	NICOLA LORITO (6)
Statutory Auditors	FRANCESCO MARIANO BONIFACIO (6) CHIARA MOLON (5)
Alternate Auditors	SONIA PERON MAURIZIO DE MAGISTRIS

AUDIT FIRM

EY S.p.A.

Financial Reporting Officer 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

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

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

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

0.1
The **Company's** business

€150 bn
IN ASSET UNDER MANAGEMENT

More than
20 years
TRACK RECORD

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

- **"NPL Servicing"**: the administration, management and recovery of loans utilising in court and out-of-court recovery processes for and on behalf of third parties for portfolios mainly consisting in non-performing loans. Within its NPL Servicing operations, doValue focuses on corporate bank loans of medium-large size and a high proportion of real estate collateral;
- **"Real Estate Servicing"**: the management of real estate assets on behalf of third parties, including:
  - Real estate collateral management: activities to develop or sell, either directly or through intermediaries, real estate assets owned by customers originally used to secure bank loans;
  - Real estate development: analysis, implementation and marketing of real estate development projects involving assets owned by customers;
  - Property management: 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 Italfondiario) pursuant to art. 106 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.

As a special servicer, doValue has 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. The Servicer Ratings assigned to doValue are the highest of those assigned to Italian operators in the sector and have been assigned to doValue 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 2021was 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, the related lockdown periods and the various economic and monetary stimulus measures put in place by the 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 the 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 moratoria 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 recovery activity 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 moratoria and various forms of government support put in place during the pandemic and which is set to increase during the 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. 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 Company's business. In general, recessive macroeconomic scenarios could lead to a decrease in the recoverability rate of the current assets under management by the Company, but at the same time 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 Company.

0.3
Main Highlights

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

(€/000)

Key data of the income statement	12/31/2021	12/31/2020	Change €	Change %
Gross revenues	168,746	141,576	27,170	19%
Net revenues	150,465	129,008	21,457	17%
Operating expenses	(114,570)	(99,301)	(15,269)	15%
EBITDA	35,895	29,707	6,188	21%
EBITDA Margin	21%	21%	0%	1%
Non-recurring items included in EBITDA[1]	(909)	(3,643)	2,734	(75)%
EBITDA excluding non-recurring items	36,804	33,350	3,454	10%
EBITDA Margin excluding non-recurring items	22%	24%	(2)%	(7)%
EBT	620	9,443	(8,823)	(93)%
EBT Margin	0%	7%	(6)%	(94)%
Profit (loss) for the period	(535)	7,831	(8,366)	(107)%
Profit (loss) for the period excluding non-recurring items	12,308	15,543	(3,235)	(21)%

[1] Non-recurring items in Operating expenses mainly include the costs connected with the insurance reimbursement linked to the Altamira tax dispute and other consultancy related to M&A projects.

(€/000)

Key data of the balance sheet	12/31/2021	12/31/2020	Change €	Change %
Cash and liquid securities	124,861	40,527	84,334	n.s.
Equity investments	351,879	354,398	(2,519)	(1)%
Property, plant and equipment	7,549	14,675	(7,126)	(49)%
Intangible assets	13,372	9,554	3,818	40%
Financial assets	227,295	311,507	(84,212)	(27)%
Trade receivables	73,282	63,367	9,915	16%
Tax assets	69,366	67,864	1,502	2%
Financial liabilities	589,042	584,325	4,717	1%
Trade payables	23,627	15,013	8,614	57%
Tax Liabilities	2,699	2,149	550	26%
Other liabilities	31,217	15,178	16,039	106%
Provisions for risks and charges	13,917	17,390	(3,473)	(20)%
Net Equity	**205,921**	**230,636**	**(24,715)**	**(11)%**

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

(€/000)

KPIs	12/31/2021	12/31/2020
Gross Book Value (EoP)	74,567,673	78,023,673
Collections of the period	1,662,096	1,379,881
LTM Collections / GBV EoP - Stock	2.38%	1.86%
Staff FTE / Totale FTE	28%	30%
EBITDA	35,895	29,707
Non-recurring items (NRIs) included in EBITDA	(909)	(3,643)
EBITDA excluding non-recurring items	36,804	33,350
EBITDA Margin	21%	21%
EBITDA Margin excluding non-recurring items	22%	24%
Profit (loss) for the period	(535)	7,831
Non-recurring items included in Profit (loss) for the period	(12,843)	(7,712)
Profit (loss) for the period excluding non-recurring items	12,308	15,543
Earnings per share (Euro)	-	0.1
Earnings per share excluding non-recurring items (Euro)	0.15	0.19
Capex	8,539	4,448
EBITDA - Capex	27,356	25,259
Net Working Capital	49,655	48,354
Net Financial Position	(264,026)	(255,215)

NOTES TO THE TABLE

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

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

LTM collections Stock/GBV (Gross Book Value) EoP Stock: the ratio between total gross LTM collections on the Stock portfolio under management at the start of the reference year and the end-period GBV of that portfolio. Compared with the previous indicator LTM collections/GBV, this metric represents the effectiveness rate of recoveries normalised for the entry of new portfolios during the reference year.

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

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

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

EBITDA 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-recurring 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 fixed capital (including property, plant and equipment and intangible and financial assets) ("Capex"). Together with other relative profitability indicators, this highlights changes in operating performance and provides an indication on the Company's ability to generate cash.

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

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

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0.4
Results at **December 31, 2021**

PERFORMANCE

The following table compares the operating income statement of doValue S.p.A. as at December 31, 2021 with that at December 31, 2020.

(€/000)

Key data of the income statement	12/31/2021	12/31/2020	Change €	Change %
Servicing Revenues:	140,720	124,194	16,526	13%
o/w: NPE revenues	140,720	124,194	16,526	13%
Co-investment revenues	8,846	429	8,417	n.s.
Ancillary and other revenues	19,180	16,953	2,227	13%
Gross revenues	**168,746**	**141,576**	**27,170**	**19%**
NPE Outsourcing fees	(9,949)	(7,928)	(2,021)	25%
Ancillary Outsourcing fees	(8,332)	(4,640)	(3,692)	80%
Net revenues	**150,465**	**129,008**	**21,457**	**17%**
Staff expenses	(87,012)	(72,889)	(14,123)	19%
Administrative expenses	(27,558)	(26,412)	(1,146)	4%
Total "o.w. IT"	*(11,467)*	*(11,503)*	36	0%
Total "o.w. Real Estate"	*(2,027)*	*(1,937)*	(90)	5%
Total "o.w. SG&A"	*(14,064)*	*(12,972)*	(1,092)	8%
Operating expenses	**(114,570)**	**(99,301)**	**(15,269)**	**15%**
EBITDA	**35,895**	**29,707**	**6,188**	**21%**
EBITDA Margin	**21%**	**21%**	**0%**	**1%**
Non-recurring items included in EBITDA[1]	(909)	(3,643)	2,734	(75)%
EBITDA excluding non-recurring items	**36,804**	**33,350**	**3,454**	**10%**
EBITDA margin excluding non-recurring items	**22%**	**24%**	**(2)%**	**(7)%**
Net write-downs on property, plant, equipment and intangibles	(11,311)	(10,852)	(459)	4%
Net provisions for risks and charges	(11,977)	(6,438)	(5,539)	86%
Net write-downs of loans	562	158	404	n.s.
Profit (loss) from equity investments	83	26	57	n.s.
EBIT	**13,252**	**12,601**	**651**	**5%**
Net income (loss) on financial assets and liabilities measured at fair value	1,335	(2,982)	4,317	(145)%
Financial interest and commissions	(13,967)	(176)	(13,791)	n.s.
EBT	**620**	**9,443**	**(8,823)**	**(93)%**
Non-recurring items included in EBT[2]	(14,604)	(10,150)	(4,454)	44%
EBT excluding non-recurring items	**15,224**	**19,593**	**(4,369)**	**(22)%**
Income tax for the period	(1,155)	(1,612)	457	(28)%
Profit (Loss) for the period	**(535)**	**7,831**	**(8,366)**	**(107)%**

Continue →

Key data of the income statement	12/31/2021	12/31/2020	Change €	Change %
Non-recurring items included in Profit (loss) for the period	(12,843)	(7,712)	(5,131)	67%
Profit (loss) for the period excluding non-recurring items	**12,308**	**15,543**	**(3,235)**	**(21)%**
Earnings per share (in Euro)	**-**	**0.10**	**(0.10)**	**(100)%**
Earnings per share excluding non-recurring items (Euro)	0.15	0.19	(0.04)	(21)%

[1] Non-recurring items in Operating expenses mainly include the costs connected with 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 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, and (v) relative income taxes.

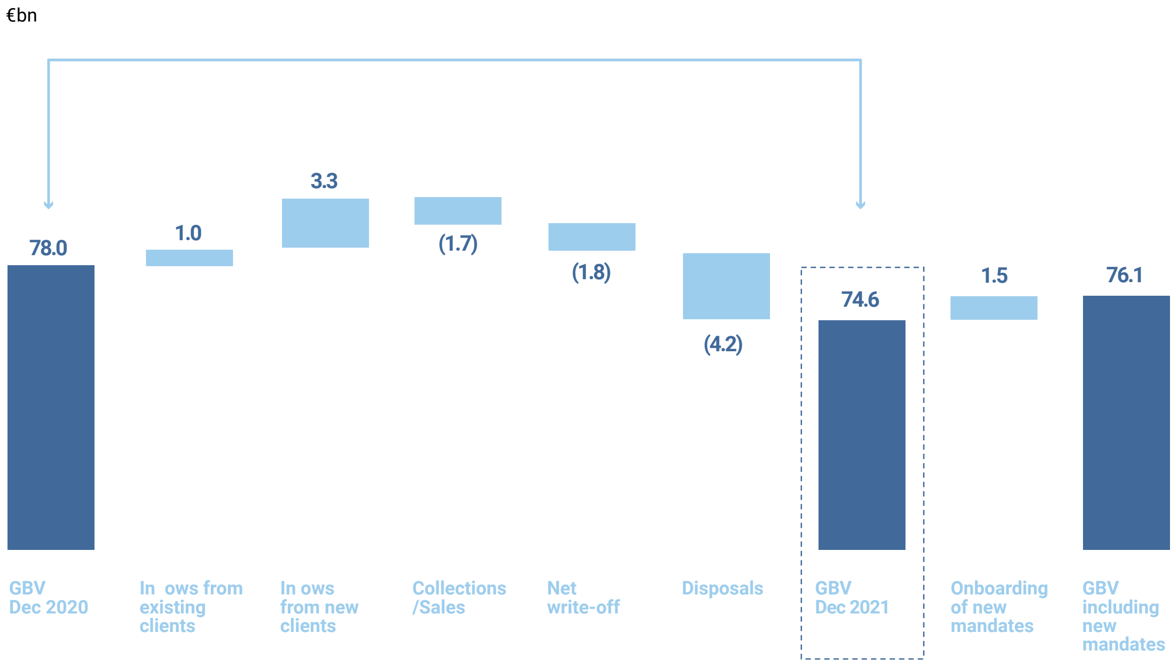
Portfolio under management

As at December 31, 2021, the Managed Assets (GBV) of doValue S.p.A. amounted to €74.6 billion, down by approximately 4% compared to the figure at the end of 2020 (€78.0 billion).

The main positive changes in 2021 are shown below:

- new mandates from existing clients for €1.0 billion, from flow contracts with UniCredit for around €0.9 billion and from Credit Agricole for around €0.1 billion;
- new contracts for a total amount of €3.3 billion, especially:
  - BCC NPLs 2021 for €1.3 billion
  - Olympia for €0.8 billion
  - Luzzatti for €0.8 billion
  - Hydra for €0.3 billion
  - Mercury for €0.1 billion

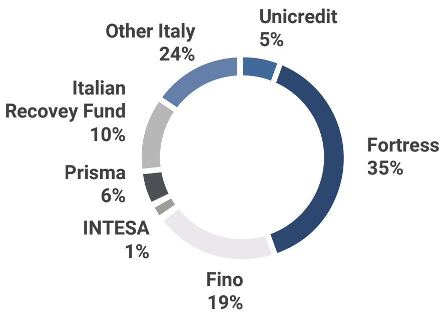
A reduction of GBV was recorded, during the period, due to transfers by a customer amounting to €4.2 billion.



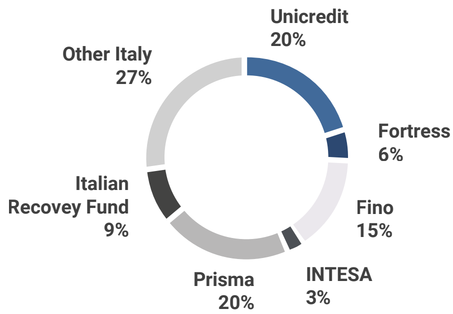
The Portfolio under Management is to be considered as a further increase compared to what has already been described due to the effect of new mandates for €1.5 billion relating to portfolios managed by leading Italian banks.

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

Gross Book Value by Client



Collection by Client



In 2021 the proceeds of doValue S.p.A. amounted to €1.7 billion (€1.4 billion in 2020), an increase of approximately 20%. This increase is linked to the normalization of post COVID-19 operations and the first effects linked to the improvement of productivity (do-Transformation project).

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, influenced normal collection activities and the usual business access conditions.

Despite operating in a complex scenario, both from a macroeconomic and health perspective, in 2021 doValue recorded gross revenues of €168.7 million, an increase of 19% compared to €141.6 million in 2020. This is the result of the improved macroeconomic structure resulting from the slowdown in the health crisis as well as of the improved efficiency of the recovery measures put in place.

NPE revenues of €140.7 million show an increase of 13% compared to 2020, due to restrictions caused by the pandemic emergency.

In the NPL area, it should be noted that the collections of the last 12 months in relation to the Gross Book Value at the end of the period, expressed by the indicator "LTM Collections/GBV (EoP)" - is 2.3%, a clear improvement compared to 1.8% in 2020; excluding the new mandates under management, also the "LTM Collections Stock/GBV Stock (EoP)" of 2.4% is higher than those of 2020 (1.9%) demonstrating the effective recovery of the company's resilience.

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 Securitization of which doValue holds the 5% as well as 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 the Greek securitization Mexico (€4.6 million) of which 95% subordinated notes were subscribed in the fourth quarter 2021 with simultaneous resale to a third investor for the 90%.

The contribution of **Ancillary and other revenues** is even more relevant and amounts to €19.2 million (€17.0 million in December 2020), mainly originating from income from data processing and provision services and other services connected with servicing activities, such as due diligence and legal services, was more significant.

These revenues represent 11% of the total gross revenues for the year and show an increase of 13% compared to the previous year.

(€/000)	12/31/2021	12/31/2020	Change €	Change %
NPE revenues	140,720	124,194	16,526	13%
Co-investment revenues	8,846	429	8,417	n.s.
Ancillary and other revenues	19,180	16,953	2,227	13%
Gross revenues	**168,746**	**141,576**	**27,170**	**19%**
NPE Outsourcing fees	(9,949)	(7,928)	(2,021)	25%
Ancillary Outsourcing fees	(8,332)	(4,640)	(3,692)	80%
Net revenues	**150,465**	**129,008**	**21,457**	**17%**

Net revenues amounted to €150.5 million, an increase of 17% from the €129.0 million of 2020.

The following items were of note during the period:
- the increase compared to the previous year in NPE commissions fees, which recorded an overall increase of 25%, while maintaining the margin on this business segment substantially unchanged compared to what was shown in 2020;
- the increase compared to the previous year in Ancillary outsourcing fees.

Operating expenses of €114.6 million, including €0.9 million of non-recurring items, showed an overall increase of 15% compared to the same period in 2020, when they stood at €99.3 million.

(€/000)	12/31/2021	12/31/2020	Change €	Change %
Staff expenses	(87,012)	(72,889)	(14,123)	19%
Administrative expenses	(27,558)	(26,412)	(1,146)	4%
o.w. IT	*(11,467)*	*(11,503)*	*36*	0%
o.w. Real Estate	*(2,027)*	*(1,937)*	*(90)*	5%
o.w. SG&A	*(14,064)*	*(12,972)*	*(1,092)*	8%
Operating expenses	**(114,570)**	**(99,301)**	**(15,269)**	**15%**
EBITDA	**35,895**	**29,707**	**6,188**	**21%**
o.w: Non-recurring items included in EBITDA	*(909)*	*(3,643)*	*2,734*	(75)%
o.w: EBITDA excluding non-recurring items	*36,804*	*33,350*	*3,454*	10%

More specifically, of the €15.3 million increase, €14.1 million is attributable to staff expenses and €1.2 million to administrative expenses.

In particular, Staff expenses are up by 19% compared to 2020, 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 took advantage of the support measures put in place by the Government to face the epidemiological emergency.

Administrative expenses increased by 4% compared to the same period in 2020. In order to address the COVID-19 epidemic, doValue implemented an organic plan to 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, 2021 operating expenses again include a number of **non-recurring items** (NRIs), which are shown as adjustments to EBITDA to facilitate comparison between periods and the interpretation of doValue's structural profitability.
These non-recurring items, which were therefore already present in 2020 for €3.6 million, amount to €0.9 million and mainly refer to items relating to the charges related to the insurance reimbursement linked to the Altamira tax dispute and other consultancy for M&A projects.

EBITDA excluding non-recurring items increased by 10% to €36.8 million (€33.3 in 2020), with a margin on revenues of 22% (24% in the comparative period), an increase in absolute value of €3.5 million.

Including non-recurring charges, EBITDA comes to €35.9 million, around 21% higher than the same figure recorded in 2020 (€29.7 million).

EBIT for the Company totalled €13.3 million, compared with €12.6 million in the same period of 2020. The limited increase essentially reflects the higher risk provisions for costs related to the redundancy incentive (€5.5 million) and €3.3 million related to the recognition of the net economic benefit to the counterpart, within the transaction acquisition of the Greek subsidiary doValue Greece. **EBT** is €0.6 million compared to €9.4 million in the same period of the previous year, in line with the higher financial charges associated with the bond issues aimed at financing the two acquisitions of the Spanish subsidiary Altamira and of the Greek subsidiary doValue Greece. It should be noted that in July 2021 a new bond was issued, the proceeds of which were used for the early repayment of the credit line opened in 2019 precisely with the aim of financing the acquisition of Altamira. This transaction, welcomed by the market, allowed the Company to extend its financial maturity profile as well as release liquidity to support its growth process.

(€/000)	12/31/2021	12/31/2020	Change €	Change %
EBITDA	**35,895**	**29,707**	**6,188**	**21%**
Net write-downs on property, plant, equipment and intangibles	(11,311)	(10,852)	(459)	4%
Net provisions for risks and charges	(11,977)	(6,438)	(5,539)	86%
Net write-downs of loans	562	158	404	n.s.
Net income (losses) from investments	83	26	57	n.s.
EBIT	**13,252**	**12,601**	**651**	**5%**
Net income (loss) on financial assets and liabilities measured at fair value	1,335	(2,982)	4,317	(145)%
Net financial interest and commissions	(13,967)	(176)	(13,791)	n.s.
EBT	**620**	**9,443**	**(8,823)**	**(93)%**

EBT includes non-recurring expenses in the amount of €14.7 million related to:
- €5.5 million in costs for redundancy incentives;
- €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;
- €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.

Net write-downs on property, plant and equipment and intangibles amounted to €11.3 million, with a significant increase compared with 2020 (+€0.5 million).
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. The amount affecting the 2020 financial year amounts to €6.1 million, substantially in line with that recorded in 2020 and equal to €6.3 million. The remainder of amortisation primarily concerns software licenses connected with technology investments made by the Company during the period aimed at upgrading the IT platform.

Net provisions for risks and charges totalled €12 million, which is a significant increase compared to the same period of the previous year (€5.5 million). This is mainly attributable to provisions for redundancy incentives to be paid to employees (€5.5 million) participating in the Company's plan - in line with the targets of the 2020-2022 business plan - to the above mentioned provision related to the recognition of the net economic benefit to the counterpart, in the context of the acquisition transaction of the Greek subsidiary doValue Greece (€3.3 million), partially offset by reversals of provisions set aside in previous years that are no longer necessary, in addition to the prudential provisions for some minor disputes in progress.

Net income (loss) on financial assets and liabilities measured at fair value recorded a positive result of €1.3 million and recorded an increase compared to the previous period of around €4.3 million, when the item was negative for €3.0 million. This change is attributable to the revaluation of the notes of the Cairo securitisations, the Romeo SPV securitisations and the units of the Italian Recovery Fund (formerly Atlante II) investment fund.

Interest and commissions deriving from financial assets, negative for €14.0 million, recorded an increase of €13.8 million compared to 2020 essentially as a result of the higher charges relating to the bond loans linked to the two foreign acquisitions.

(€/000)	12/31/2021	12/31/2020	Change €	Change %
EBT	**620**	**9,443**	**(8,823)**	**(93)%**
Income tax for the period	(1,155)	(1,612)	457	(28)%
Profit (Loss) for the period	**(535)**	**7,831**	**(8,366)**	**(107)%**
Non-recurring items included in Profit (loss)	(12,843)	(7,712)	(5,131)	67%
Profit (loss) for the period excluding non-recurring items	**12,308**	**15,543**	**(3,235)**	**(21)%**
Earnings per share (in Euro)	**-**	**0.10**	**(0.10)**	**(107)%**
Earnings per share excluding non-recurring items (Euro)	***0.15***	***0.19***	***(0.04)***	-

Income taxes for the period amounted to €1.2 million. Income taxes also include the accrued portion of the DTA charge of €1.6 million.

Profit (loss) for the period excluding non-recurring items amounted to €12.3 million, compared to €15.5 million in 2020. Including non-recurring items, the **Profit (Loss) for the period** was essentially a break-even, amounting to €-0.5 million compared to €7.8 million in the previous year.

SEGMENT REPORTING

For Segment Reporting, reference should be made to the representation in the Consolidated Financial Statements of the doValue Group as at December 31, 2021, as the Group uses the Region as a dimension of analysis; for these Corporate Financial Statements, the representation corresponds to that reported in the Consolidated Financial Statements for Italy.

E-MARKET SDIR CERTIFIED

0.5 Financial Position

INTRODUCTION

The balance sheet figures have been reclassified from a management perspective, which is more in line with the representation of the reclassified income statement and the net financial position of the Company.
At the end of this Directors' Report, in accordance with the same presentation approach for the income statement, we have included a reconciliation between the management balance sheet reported below and the schedule provided in the financial statement tables.

(€/000)

	12/31/2021	12/31/2020	Change €	Change %
Cash and liquid securities	124,861	40,527	84,334	n.s.
Financial assets	227,295	311,507	(84,212)	(27)%
Equity investments	351,879	354,398	(2,519)	(1)%
Property, plant and equipment	7,549	14,675	(7,126)	(49)%
Intangible assets	13,372	9,554	3,818	40%
Tax assets	69,366	67,864	1,502	2%
Trade receivables	73,282	63,367	9,915	16%
Assets held for sale	30	30	-	n.s.
Other assets	4,739	8,785	(4,046)	(46)%
Total Assets	**872,373**	**870,707**	**1,666**	**0%**
Financial liabilities: due to banks	560,892	543,042	17,850	3%
Other financial liabilities	28,150	41,283	(13,133)	(32)%
Trade payables	23,627	15,013	8,614	57%
Tax Liabilities	2,699	2,149	550	26%
Employee Termination Benefits	5,950	6,016	(66)	(1)%
Provision for risks and charges	13,917	17,390	(3,473)	(20)%
Other liabilities	31,217	15,178	16,039	106%
Total Liabilities	**666,452**	**640,071**	**26,381**	**4%**
Share capital	41,280	41,280	-	n.s.
Reserves	169,854	181,628	(11,774)	(6)%
Treasury shares	(4,678)	(103)	(4,494)	n.s.
Profit (loss) for the period	(535)	7,831	(8,366)	(107)%
Net Equity	**205,921**	**230,636**	**(24,715)**	**(11)%**
Total Liabilities and Net Equity	**872,373**	**870,707**	**1,666**	**0%**

Cash and liquid securities includes available liquidity in current accounts. Compared to December 31, 2020, there was an increase of €84.3 million compared to the end of the previous year, as a result of the financial dynamics of the period described below in the paragraph relating to the Net Financial Position.

Financial assets dropped from €311.5 million to €227.3 million, down by €84.2 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	**46,269**	**63,595**	**(17,326)**	**(27)%**
Debt securities	18,881	36,740	(17,859)	(49)%
CIUs	25,805	26,855	(1,050)	(4)%
Non-hedging derivatives	1,583	-	1,583	n.s.
At fair value through OCI	**9,989**	**-**	**9,989**	**n.s.**
Equity instruments	9,989	-	9,989	n.s.
At amortised cost	**171,037**	**247,912**	**(76,875)**	**(31)%**
L&R with customers	171,037	247,912	(76,875)	(31)%
Total	**227,295**	**311,507**	**(84,212)**	**(27)%**

The component of financial assets at fair value with impact on IS decreased by €17.3 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 Report on Operations.

Starting from the last half year, financial assets have seen the entry of the category **"at fair value with an impact on OCI"** which includes €1.5 million equities relating to the acquisition of 11.46% of the Brazilian fintech company QueroQuitar which operates in the field of digital collections and for €8.5 million for a 15.2% stake in BidX1, an Irish prop-tech company specialized in the promotion and execution of real estate transactions through online auction processes in real time. Connected to this latter investment, doValue subscribed some options, including an underperformance option and a call option which provide for the purchase of further stakes in the company BidX1 upon the occurrence of certain conditions and whose fair values are shown in the sub-item Non-hedging derivatives in the "at fair value through profit or loss " category.

Assets at amortized cost decreased by €76.9 million mainly due to the repayments made during the year of the loans granted to Altamira and doValue Greece and the disinvestment of the opportunistic and non-recurring investment made at the end of 2019 on a portfolio of non-performing loans (€5.8 million at December 31, 2020).

Equity investments amounted to €351.9 million and, as part of the doValue Group's reorganisation and internationalisation plan, were affected during the period by:

- a decrease of €1.0 million in the value of the equity investment in doValue Hellas following the repayment of part of the share capital, in view of the approval of the merger by incorporation of doValue Hellas into doValue Greece, which occurred on August 4, 2021, with economic effectiveness on the same date;
- a decrease of €1.5 million in the value of the equity investment in doValue Greece due to the recalculation in the PPA;
- a decrease of €0.4 million in the value of the equity investment in doValue Greece due to the sale of 283,776 shares to Eurobank aimed at restoring the latter's shareholding of 20% in doValue Greece after the merger with doValue Hellas;
- an increase of €0.4 million in the value of the equity investments in Altamira and doValue Greece, respectively in the amount of €0.2 million and €0.2 million, due to the share of remuneration in the form of allocation of parent company shares, allocated to certain categories of managers of these investee companies, as required by the remuneration policy.

The €7.1 million decrease in **Property, plant and equipment** was due primarily to the accrual of the share pertaining to amortisation.

Intangible assets grew by €3.8 million due essentially to the combined effect due to both the capitalisation of costs connected with IT and the accrual of a portion pertaining to amortisation.

The following is a breakdown of **Intangible assets:**

(€/000)

Intangible assets	12/31/2021	12/31/2020	Change €	Change %
Software	10,436	8,027	2,409	30%
Brands	60	53	7	13%
Assets under development and payments on account	2,876	1,474	1,402	95%
Total	**13,372**	**9,554**	**3,818**	**40%**

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

(€/000)

Tax assets	12/31/2021	12/31/2020	Change €	Change %
Current tax assets	**5,512**	**6,029**	**(517)**	**(9)%**
Paid in advance	583	6,609	(6,026)	(91)%
Tax credits	5,476	-	5,476	n.s.
Tax liabilities	(547)	(580)	33	(6)%
Deferred tax assets	**62,177**	**61,238**	**939**	**2%**
Write-down on loans	49,329	49,330	(1)	0%
Tax losses carried forward in the future	6,680	6,900	(220)	0%
Property, plants and equipment / Intangible assets	205	83	122	147%
Other assets / liabilities	1,986	43	1,943	n.s.
Provisions	3,977	4,882	(905)	(19)%
Other tax receivables	**1,677**	**597**	**1.080**	**n.s.**
Total	**69,366**	**67,864**	**1,502**	**2%**

The following is a breakdown of **Tax liabilities:**

(€/000)

Tax liabilities	12/31/2021	12/31/2020	Change €	Change %
Deferred tax liabilities	20	20	-	n.s.
Other tax payables	2,679	2,129	550	26%
Total	**2,699**	**2,149**	**550**	**26%**

As at December 31, 2021 **Financial liabilities - due to banks/bondholders** went from €543.0 million to €560.9 million, with an increase of €17.9 million, mainly linked to the structural change that the item underwent during the year: in fact, the residual balance of the Senior Facility Loan arising from 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 an amount in capital line of €300.0 million at an annual fixed rate of 3.375%.
As at December 31, 2021, the residual debt at amortized 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 the interest accruing on the bonds issued.
Other financial liabilities at the end of 2021 are detailed below:

(€/000)

Other financial liabilities	12/31/2021	12/31/2020	Change €	Change %
Lease liabilities	5,106	10,935	(5,829)	(53)%
Earn-out	23,044	29,894	(6,850)	(23)%
Hedging derivatives	-	454	(454)	(100)%
Total	**28,150**	**41,283**	**(13,133)**	**(32)%**

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 do-Value 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. All the liabilities indicated were discounted as at December 31, 2021.

Provisions for risks and charges decreased by €3.5 million compared with the balance at the end of 2020, of which €2.7 million related to the reclassification of personnel expenses under Other liabilities and the further €0.9 million due to the combined effect of new allocations, uses and releases in respect of litigation and out-of-court disputes during the period and for staff incentive provisions.

(€/000)

Provisions for risks and charges	12/31/2021	12/31/2020	Change €	Change %
Legal disputes	6,391	7,920	(1,529)	(19)%
Staff expenses	673	3,334	(2,661)	(80)%
Other	6,853	6,136	717	12%
Total	**13,917**	**17,390**	**(3,473)**	**(20)%**

The item **Other liabilities** as at December 31, 2021 amounted to €31.2 million with an increase of €16 million compared to December 31, 2020. This increase is mainly due to the combined effect of the following changes:

- increase of €8.6 million due to the recognition of the payable to Eurobank following the recalculation of the Net Economic Benefit envisaged by the Share Purchase Agreement by way of adjustment to the acquisition price of the subsidiary doValue Greece, of which €5.3 million within the scope of the final Purchase Price Allocation exercise and €3.3 million accrued after the closing of the same;
- increase of €1.3 million due to the accrual of the variable cash portion for Directors, and which derives from the new method of calculating the remuneration;
- increase of €2.8 million relating to redundancy incentives;
- increase of €8.3 million for variable compensation for employees allocated following the updating in the new Remuneration Policy for 2021, approved by the Shareholders' Meeting on April 29, 2021;
- decrease of €5.4 million for the sale of an opportunistic and non-recurring investment in a non-performing loans portfolio.

NET WORKING CAPITAL

(€/000)

Net working capital	12/31/2021	12/31/2020
Trade receivables	73,282	63,367
Trade payables	(23,627)	(15,013)
Total	**49,655**	**48,354**

The figure for the period of €49.7 million is up 3% compared to December 2020 (€48.3 million).
If compared to revenues, the incidence of working capital stands at 29% versus 34% in 2020. 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.

NET FINANCIAL POSITION

(€/000)

	Net Financial Position	12/31/2021	12/31/2020
A	Cash	124,861	40,527
B	**Liquidity**	**124,861**	**40,527**
C	Current bank debts	(41)	(80,998)
D	Bonds issued - current	(9,993)	(5,374)
E	Current debts	60,401	77,336
F	**Net current financial position (B)+(C)+(D)+(E)**	**175,228**	**31,491**
G	Non-current bank debts	-	(203,198)
H	Bonds issued - non current	(550,858)	(253,472)
I	Non Current debts	111,604	169,964
L	**Net financial position (G)+(H)+(I)+(L)**	**(264,026)**	**(255,215)**

The net financial position at the end of 2021 stood at €(264.0) million compared to €(255.2) million at the end of 2020.
The value in question is the result of the sale of the ABS securities attributable to the Relais securitisation which took place in February, the Greek securitisation 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) and operating cash flows. In July, the Company 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 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").
Available cash of €124.9 million provides the flexibility the Company needs to develop its operating plans. In addition, as at December 31, 2021, the Company has €50 million of fully available committed credit lines to support total liquidity.
The Net current financial position remains positive for €175.3 million (€31.5 million at the end of 2020) as evidence of a balanced overall capital structure, above all thanks to the aforementioned bond issue that will allow the Company to be able to take advantage of future investment opportunities, if available.

0.6
Significant events **during the period**

ASSETS UNDER MANAGEMENT AND MANDATES

2021 was characterised by record results with around €14.7 billion of new Gross Book Value recorded at consolidated level and around €5.3 billion in Italy. In particular, the approximately €5.3 billion consists of approximately €1.0 billion of new assets deriving from contracts flows (in particular deriving from UniCredit) and approximately €4.3 billion of new mandates (including €1.3 billion relating to a securitisation carried out by the Iccrea Group, €0.8 billion relating to the Olympia securitisation carried out by UniCredit, €0.8 billion relating to the securitisation carried out by Luzzatti, €0.6 billion relating to the securitisation carried out by Credit Agricole and €0.3 billion relating to new UTP mandates relating to the Efesto fund).

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 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 Annual Report on Remuneration and Incentives and the 2021 Incentive Plan 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 prop-tech 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 prop-tech (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

CONTRATTO SAREB

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.

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, even though in a reduced manner - 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 targets.

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

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 Company’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 doValue is adequately scaled to meet its needs.
The financial policy pursued is aimed at fostering the stability of the Company, which in view of its operations does not currently or prospectively intend to engage in speculative investment activity.
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 Company's business. As already represented in the previous paragraph to which reference is made, recessive macroeconomic scenarios could lead to both a decrease in the recoverability rate and an increase in the medium term of the assets under management by the Company.

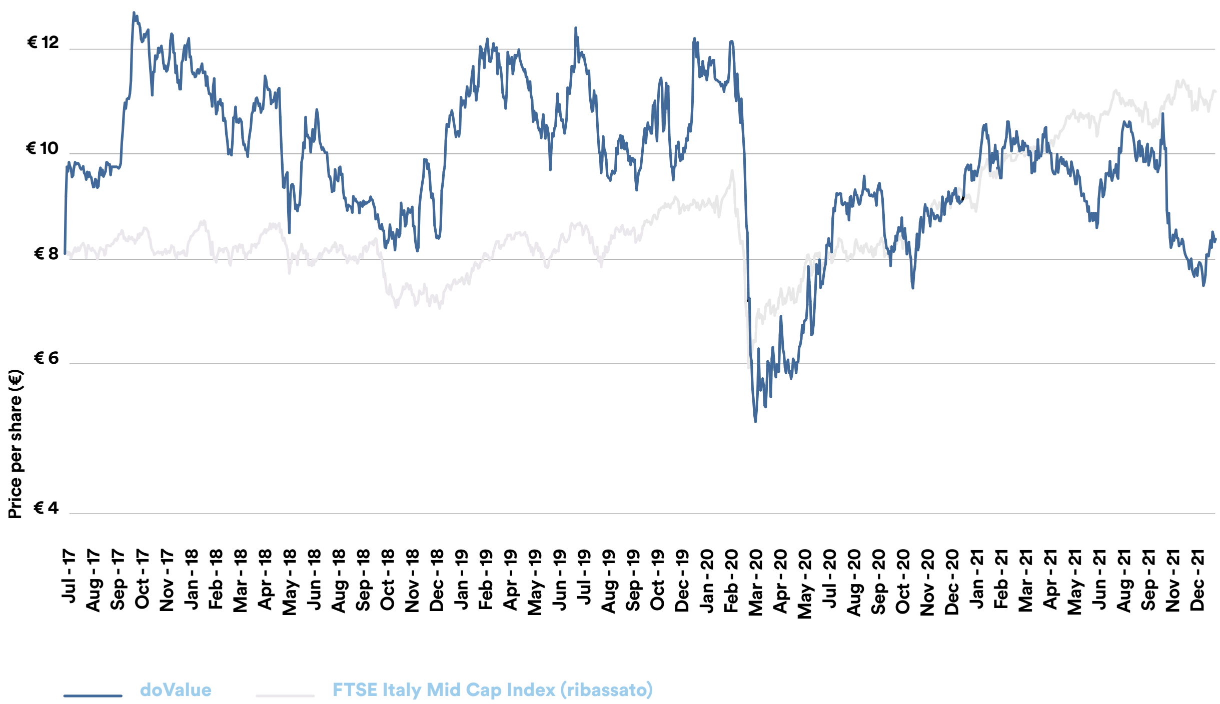
GOING CONCERN

In order to express an opinion on the going concern assumption on the basis of which these Financial Statements as at December 31, 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
Treasury shares	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, doValue promptly activated the Business Continuity & Crisis Management Committee in a crisis session in order to take the decisions consequent to the evolving 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 the first half of 2021, doValue 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 new “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 there are no intangible assets other than software, please refer to the Directors’ Report in doValue’s Consolidated Financial Statements for a discussion of information relating to the Group.

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 Company, 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 conditions 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 of the containment measures implemented by the national government have caused operational difficulties for the sector where doValue operates, which lasted throughout 2021 even if they gradually eased. However, despite the overall climate of uncertainty, positive signs have been recorded in the form of a recovery, albeit slow, 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 Company achieved the following results in the 2021 financial year (compared to the previous financial year):

- Collections, equal to around €1,662 million (€1,380 million as at December 31, 2020);
- Gross revenues, equal to €169 million (€142 million as at December 31, 2020);
- EBITDA, excluding non-recurring elements, equal to €37 million (€33 million as at December 31, 2020).

It should also be noted that, from the start of the pandemic, expenses relating to COVID-19 were incurred for an amount of approximately €0.6 million, including:

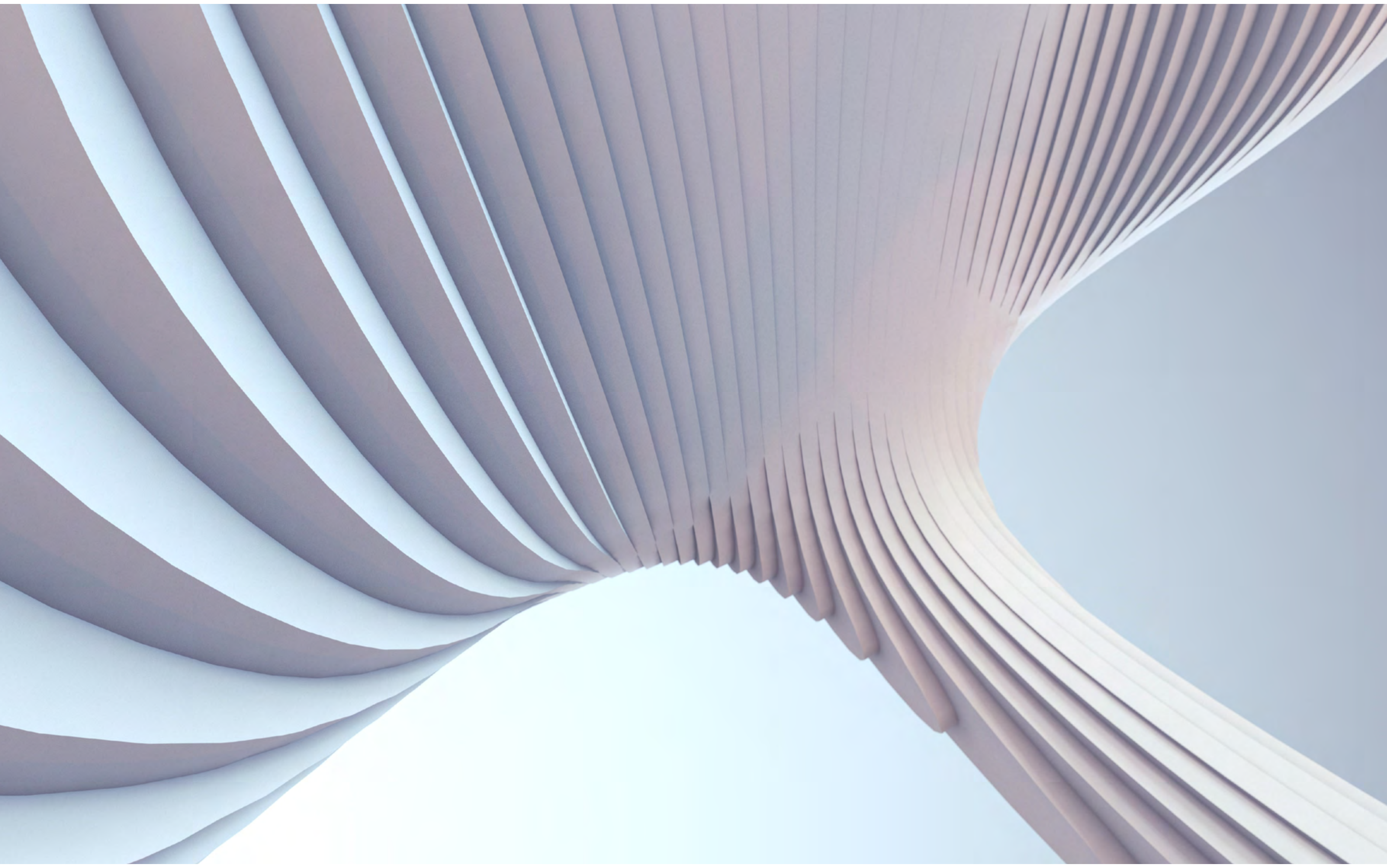
- costs for the purchase of personal protective equipment (such as masks, gloves and sanitisers);
- expenses to align the premises to the new rules on spacing;
- costs for the the development of smart-working.

As regards Managed Assets (GBV), despite the current context, in 2021 doValue entered into new servicing contracts with investors for a GBV equal to €3.3 billion, in addition to flows from long-term management contracts for around €1.0 billion, demonstrating the soundness of the current pipeline in the Italian Servicing market.

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 doValue were owned by its largest shareholder, Avio S.à 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 remaining 71.73% of the shares were placed on the market and 1.22% consisted of 972,339 treasury shares, valued at cost, for a total of €4.7 million, held by doValue.
The reference shareholder does not exercise any management or coordination over doValue pursuant to Articles 2497 et seq. of the Italian Civil Code, as it does not issue directives to doValue and, more generally, does not interfere in the management of the Company. Accordingly, the strategic and management policies of doValue and all of its activities in general are the product of the independent self-determination of the corporate bodies and do not involve external management by Avio.
doValue exercises its management and coordination 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 Company continued to invest in a number of technological innovation projects, which are expected to bring a competitive advantage in the future.

HUMAN RESOURCES

The 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 976 compared to 1.076 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 defined 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 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, as defined pursuant to Article 2427, paragraph 22-bis of the Italian Civil Code, at conditions different 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.

For further information on transactions with related parties please refer to the specific section in the Illustrative Notes.

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, in the section "Investor Relations/Financial Reports and Presentations".

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

DISCLOSURE ON THE OPT-OUT OPTION

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

Rome, March 17, 2022 The Board of Director

E-MARKET SDIR CERTIFIED

STATEMENT RECONCILING THE RECLASSIFIED INCOME STATEMENT AND THE STATUTORY INCOME STATEMENT

(€/000)	12/31/2021	12/31/2020
NPE revenues	**140,720**	**124,194**
o.w. Revenue from contracts with customers	140,720	124,194
Co-investment revenues	**8,846**	**429**
o.w. Financial (expense)/income	8,846	429
Ancillary and other revenues	**19,180**	**16,953**
o.w. Financial (expense)/income	3	3
o.w. Revenue from contracts with customers	1,895	1,461
o.w. Other revenue	17,276	15,529
o.w. Other operating (expense)/income	6	(40)
Gross revenues	**168,746**	**141,576**
NPE Outsourcing fees	**(9,949)**	**(7,928)**
o.w. Costs for services rendered	(10,120)	(7,928)
o.w. Other revenue	171	-
Ancillary Outsourcing fees	**(8,332)**	**(4,640)**
o.w. Administrative expenses	(8,332)	(4,559)
o.w. Other operating (expense)/income	-	(81)
Net revenues	**150,465**	**129,008**
Staff expenses	**(87,012)**	**(72,889)**
o.w. Personnel expenses	(87,219)	(72,903)
o.w. Other revenue	207	14
Administrative expenses	**(27,558)**	**(26,412)**
o.w. Personnel expenses	**(563)**	**(371)**
o.w. Personnel expenses - o.w. SG&A	(563)	(371)
o.w. Administrative expenses	**(36,012)**	**(27,496)**
o.w. Administrative expenses - o.w. IT	(15,131)	(11,556)
o.w. Administrative expenses - o.w: Real Estate	(2,027)	(1,935)
o.w. Administrative expenses - o.w. SG&A	(18,854)	(14,005)
o.w. Other operating (expense)	**707**	**(6)**
o.w. Other operating (expense)/income - o.w. Real Estate	-	(2)
o.w. Other operating (expense)/income of which: SG&A	707	(4)
o.w. Other revenue	**8,352**	**1,520**
o.w. Other revenue - o.w. IT	3,664	53
o.w. Other revenue - o.w. SG&A	4,688	1,467
o.w. Costs for services rendered	**(42)**	**(59)**
o.w. Costs for services rendered - o.w. SG&A	(42)	(59)
Total "o.w. IT"	*(11,467)*	*(11,503)*
Total "o.w. Real Estate"	*(2,027)*	*(1,937)*
Total "o.w. SG&A"	*(14,064)*	*(12,972)*
Operating expenses	**(114,570)**	**(99,301)**
EBITDA	**35,895**	**29,707**
EBITDA Margin	**21%**	**21%**
Non-recurring items included in EBITDA	(909)	(3,643)
EBITDA excluding non-recurring items	36,804	33,350
EBITDA Margin excluding non-recurring items	22%	24%
Net write-downs on property, plant, equipment and intangibles	**(11,311)**	**(10,852)**
o.w. Depreciation, amortisation and impairment	(11,476)	(10,852)
o.w. Other operating (expense)/income	165	-

Continue →

(€/000)	12/31/2021	12/31/2020
Net Provisions for risks and charges	**(11,977)**	**(6,438)**
o.w. Personnel expenses	(5,403)	(2,521)
o.w. Provisions for risks and charges	(2,656)	(2,632)
o.w. Other operating (expense)/income	(3,410)	215
o.w. Depreciation, amortisation and impairment	(508)	-
o.w. Administrative expenses	-	(1,500)
Net Write-downs of loans	**562**	**158**
o.w. Depreciation, amortisation and impairment	71	10
o.w. Other revenue	491	148
Profit (loss) from equity investments	**83**	**26**
o.w. Profit (loss) of equity investments	83	26
EBIT	**13,252**	**12,601**
Net income (loss) on financial assets and liabilities measured at fair value	**1,335**	**(2,982)**
o.w. Financial (expense)/income	1,335	(2,982)
Financial interest and commissions	**(13,967)**	**(176)**
o.w. Financial (expense)/income	(24,778)	(12,092)
o.w. Costs for services rendered	(521)	(192)
Dividends income similar revenue	11,332	12,108
EBT	**620**	**9,443**
Non-recurring items included in EBT	(14,604)	(10,150)
EBT excluding non-recurring items	15,224	19,593
Income tax for the period	**(1,155)**	**(1,612)**
o.w. Administrative expenses	(1,619)	(1,719)
o.w. Income tax expense	464	107
Profit (Loss) for the period	**(535)**	**7,831**

STATEMENT RECONCILING THE RECLASSIFIED BALANCE SHEET AND THE STATUTORY BALANCE SHEET

(€/000)	12/31/2021	12/31/2020
Cash and liquid securities	**124,861**	**40,527**
Cash and cash equivalents	124,861	40,527
Financial assets	**227,295**	**311,507**
Non-current financial assets	166,894	234,171
Current financial assets	60,401	77,336
Equity investments	**351,879**	**354,398**
Equity investments	351,879	354,398
Property, plant and equipment	**7,549**	**14,675**
Property, plant and equipment	7,494	14,620
Inventories	55	55
Intangible assets	**13,372**	**9,554**
Intangible assets	13,372	9,554
Tax assets	**69,366**	**67,864**
Deferred tax assets	62,177	61,238
Other current assets	1,529	181
Tax assets	5,660	6,445
Trade receivables	**73,282**	**63,367**
Trade receivables	73,282	63,367
Assets held for sale	**30**	**30**
Assets held for sale	30	30
Other assets	**4,739**	**8,785**
Other current assets	4,510	8,523
Other non-current assets	229	262
Total Assets	**872,373**	**870,707**
Financial liabilities: due to banks	**560,892**	**543,042**
Loans and other financing non-current	550,858	456,670
Loans and other financing current	10,034	86,372
Other financial liabilities	**28,150**	**41,283**
Other non-current financial liabilities	7,681	17,151
Other current financial liabilities	20,469	24,132
Trade payables	**23,627**	**15,013**
Trade payables	23,627	15,013
Tax Liabilities	**2,699**	**2,149**
Tax payables	2,679	2,129
Deferred tax liabilities	20	20
Employee Termination Benefits	**5,950**	**6,016**
Employee benefits	5,950	6,016
Provision for risks and charges	**13,917**	**17,390**
Provisions for risks and charges	13,917	17,390
Other liabilities	**31,217**	**15,178**
Other current liabilities	31,049	15,178
Other non-current liabilities	168	-
Total Liabilities	**666,452**	**640,071**

Segue →

(€/000)	12/31/2021	12/31/2020
Share capital	**41,280**	**41,280**
Share capital	41,280	41,280
Reserves	**169,854**	**181,628**
Valuation reserve	(178)	(382)
Other reserves	170,032	182,010
Treasury shares	**(4,678)**	**(103)**
Treasury shares	(4,678)	(103)
Profit (loss) for the period	**(535)**	**7,831**
Profit (loss) for the period	(535)	7,831
Net Equity	**205,921**	**230,636**
Total Liabilities and Net Equity	**872,373**	**870,707**

Company 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:	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").

E-MARKET SDIR CERTIFIED

1.0 Financial Statements

E-MARKET
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CERTIFIED

E-MARKET SDIR CERTIFIED

BALANCE SHEET

(€)	NOTE	12/31/2021	12/31/2020
Non-current assets			
Intangible assets	1	13,372,378	9,554,129
Property, plant and equipment	2	7,494,340	14,620,124
Equity investments	3	351,878,923	354,398,462
Non-current financial assets	4	166,893,772	234,171,354
Deferred tax assets	5	62,177,306	61,238,483
Other non-current assets	6	229,090	260,721
Total non-current assets		**602,045,809**	**674,243,273**
Current assets			
Inventories	7	54,701	54,701
Current financial assets	4	60,401,259	77,336,320
Trade receivables	8	73,282,192	63,367,399
Tax assets	9	5,660,237	6,444,909
Other current assets	6	6,039,080	8,703,371
Cash and cash equivalents	10	124,860,577	40,526,950
Total current assets		**270,298,046**	**196,433,650**
Assets held for sale	**11**	**30,000**	**30,000**
TOTAL ASSETS		**872,373,855**	**870,706,923**
Shareholders' Equity			
Share capital		41,280,000	41,280,000
Valuation reserve		(177,745)	(381,880)
Other reserves		170,032,045	182,009,750
Treasury shares		(4,678,108)	(103,192)
Profit (loss) for the period		(534,919)	7,830,689
Net Equity	**12**	**205,921,273**	**230,635,367**
Total Net Equity	**11**	**205,921,273**	**230,635,367**
Non-current liabilities			
Loans and other financing	13	550,859,046	456,669,736
Other non-current financial liabilities	14	7,680,799	18,245,334
Employee benefits	15	5,950,357	6,016,573
Provisions for risks and charges	16	13,916,831	17,389,817
Deferred tax liabilities	5	19,945	19,945
Other non current liabilities	18	167,520	-
Total non-current liabilities		**578,594,498**	**498,341,405**
Current liabilities			
Loans and other financing	13	10,033,670	86,371,529
Other current financial liabilities	14	20,469,115	23,037,487
Trade payables	17	23,626,729	15,013,290
Tax payables	9	2,679,315	2,129,011
Other current liabilities	18	31,049,255	15,178,834
Total current liabilities		**87,858,084**	**141,730,151**
Total liabilities		**666,452,582**	**640,071,556**
Total Net Equity and liabilities		**872,373,855**	**870,706,923**

INCOME STATEMENT

(€)	NOTE	12/31/2021	12/31/2020
Revenue from contracts with customers	21	142,614,729	125,654,898
Other revenue	22	26,496,423	17,210,701
Total revenue		**169,111,152**	**142,865,599**
Costs for services rendered	23	(10,683,246)	(8,179,492)
Personnel expenses	24	(93,184,557)	(75,794,846)
Administrative expenses	25	(45,962,844)	(35,274,403)
Other operating (expense)/income	26	(2,531,610)	87,960
Depreciation, amortisation and impairment	27	(11,913,592)	(10,841,843)
Provisions for risks and charges	28	(2,655,794)	(2,631,768)
Total costs		**(166,931,643)**	**(132,634,392)**
Operating income		**2,179,509**	**10,231,207**
Financial (Expense)/Income	29	(14,594,265)	(14,642,050)
Profit (loss) from equity investments	30	83,489	26,202
Dividends and ordinary similar income	31	11,332,371	12,108,468
Profit (Loss) before tax		**(998,896)**	**7,723,827**
Income tax expense	32	463,977	106,862
Net profit (loss) from continuing operations		**(534,919)**	**7,830,689**
Profit (Loss) for the period		**(534,919)**	**7,830,689**

STATEMENT OF COMPREHENSIVE INCOME

(€)	12/31/2021	12/31/2020
Profit (Loss) for the period	**(534,919)**	**7,830,689**
Other comprehensive income after tax not recyclable to profit or loss		
Defined benefit plans	(141,103)	(49,843)
Other comprehensive income after tax recyclable to profit or loss		
Cash flow hedges	345,238	(65,924)
Total other comprehensive income after tax	**204,135**	**(115,767)**
Comprehensive income	**(330,784)**	**7,714,922**

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

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

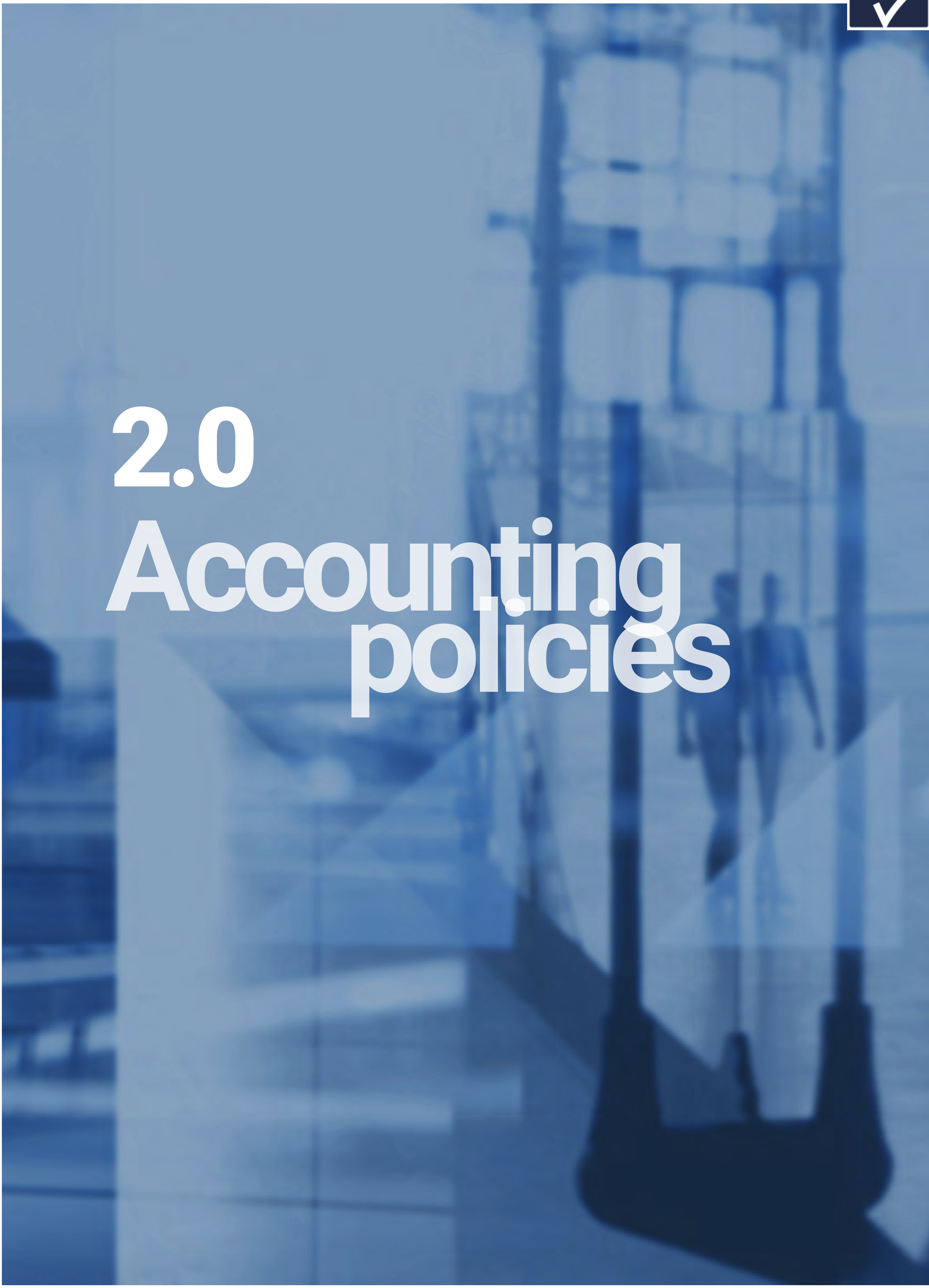
AS AT 12/31/2020

(€)	Share capital	Valuation reserve	Other reserves		Treasury shares	Net profit (loss) for the period	Total Net Equity
			Reserves from profit and/or withholding tax	Other			
Initial balance	**41,280,000**	**(248,640)**	**18,594,516**	**120,723,899**	**(184,383)**	**38,506,880**	**218,672,272**
Allocation of the previous year profit to reserves	-	-	38,506,880	-	-	(38,506,880)	**-**
Changes in reserves	-	(17,473)	-	1,167,614	-	-	**1,150,141**
Stock options	-	-	3,680,422	(663,581)	81,191	-	**3,098,032**
Comprehensive income of the period	-	(115,767)	-	-	-	7,830,689	**7,714,922**
Final balance	**41,280,000**	**(381,880)**	**60,781,818**	**121,227,932**	**(103,192)**	**7,830,689**	**230,635,367**

CASH FLOW STATEMENT - INDIRECT METHOD

(€)	12/31/2021	12/31/2020
Non-current assets		
Profit (loss) for the period before tax	**(998,896)**	**7,723,827**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**16,693,377**	**20,915,380**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair value through profit or loss (+/-)	(1,307,834)	1,997,233
Depreciation, amortisation and impairment	11,913,592	10,841,843
Change in net provisions for risks and charges	2,645,436	4,937,382
Financial (Expense)/Income	12,817,903	12,672,810
Profit/loss on equity interests and investments	(11,415,860)	(12,134,670)
Costs for share-based payments	2,040,140	2,600,782
Change in working capital	**(1,809,509)**	**19,169,573**
Change in trade receivables	(10,422,948)	29,113,598
Change in trade payables	8,613,439	(9,944,025)
Change in financial assets and liabilities	**14,611,192**	**(24,975,377)**
Financial assets measured at fair value through other comprehensive income	(9,989,328)	-
Other assets mandatorily measured at fair value	18,675,607	(32,084,311)
Financial assets measured at amortised cost	5,924,913	7,108,934
Other changes:	**2,394,478**	**(20,228,386)**
Interests paid	(18,194,667)	(9,315,816)
Interests received	15,613,674	4,364,754
Payment of income taxes	-	(7,325,712)
Other changes in other assets/other liabilities	4,975,471	(7,951,612)
Cash flows generated by operations	**30,890,642**	**2,605,017**
Investing activities		
Sales of equity investments	440,338	-
Dividends collected on equity investments	11,332,371	12,108,468
Sales of inventories	-	82,000
Sales of intangible assets	-	409,339
Purchases of property, plant and equipment	(209,370)	(3,150,321)
Purchases of intangible assets	(8,329,145)	(6,724,297)
Purchases of subsidiaries and business units	-	(126,680,797)
Net cash flows used in investing activities	**3,234,194**	**(123,955,608)**
Funding activities		
Issues/purchases of treasury shares	(4,603,298)	-
Distribution of dividends and other	(20,806,647)	-
Loans obtained	300,000,000	252,573,518
Loans disbursed	-	(113,500,000)
Repayment of loans	(290,500,000)	(83,066,898)
Collections of loans disbursed	71,022,508	37,014,872
Payment of principal portion of lease liabilities	(4,903,772)	(4,532,160)
Net cash flows used in funding activities	**50,208,791**	**88,489,332**
Net liquidity in the period	**84,333,627**	**(32,861,259)**
Reconciliation		
Cash and cash equivalents	40,526,950	73,388,209
Net liquidity in the period	84,333,627	(32,861,259)
Cash and cash equivalents at the end of the period	**124,860,577**	**40,526,950**

Illustrative Notes



2.0 Accounting policies

2.1 General information

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

The 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 as from the 2021 financial year.

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

BASIS OF PREPARATION

The Financial Statements were prepared using the euro as the currency of account, in accordance with Article 5, paragraph 2, of Italian Legislative Decree 38/2005, and consist of:
- the **Financial Statements**, which include the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity and the Statement of Cash flows (prepared using the “indirect method”);
- the **Illustrative Notes**;
- and are accompanied by the **Directors' Report**.

The amounts stated are expressed in euro unless otherwise specified.

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

The Financial Statements were prepared on a going concern basis in accordance with the provisions of IAS 1, and in compliance with the principles of accrual accounting, the relevance and materiality of accounting information and the prevalence of economic substance over legal form and with a view to fostering consistency with future presentations.

The criteria adopted in the Company's 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 Company's Financial Statements for the year ended December 31, 2020. No exceptions were made to the application of IAS/IFRS accounting standards.

SUBSEQUENT EVENTS

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

Please refer to the specific paragraph of the Directors' Report for a description of significant events occurred after the end of the year that doValue considers non-adjusting events pursuant to IAS 10.

OTHER MATTERS

Going concern

In preparing the 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 consideration the Company's equity, financial position as well as business outlook, despite the uncertainties linked to the persistence of the emergency situation; the eventual presence of climate events or conditions that could affect the continuity of the Company was also assessed, noting the absence of such cases.
Please also refer to the specific paragraph of the Directors' Report.

Risks and uncertainties associated with the use of estimates

The application of accounting policies sometimes involves the use of estimates and assumptions that affect the amounts recorded in the financial statements and the disclosures regarding contingent assets and liabilities. For the purposes of the assumptions underlying estimates, we consider all information available at the date of preparation of the financial statements and any assumptions considered reasonable in the light of past experience and current conditions in the financial markets.
More specifically, estimation processes were adopted to support the book value of certain items recognised in the financial statements as at December 31, 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 at 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 Company may operate. Accordingly, future results may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that currently cannot be foreseen or estimated to the book value of the assets and liabilities recognised in the financial statements. In addition, the economic effects deriving from the COVID-19 pandemic and the uncertainties of the future macroeconomic framework in which doValue will operate have required a careful analysis and weighting of the new economic context in the valuation models of the recoverable value of the Company's assets. These estimates and valuations are therefore difficult and inevitably involve elements of uncertainty, even in the presence of stable macroeconomic conditions.
The following sections discuss the key accounting policies for the purposes of providing a true and fair representation of the Company's financial position and performance, both with regard to the materiality of the values in the financial statements and the considerable judgement required in performing the assessments.

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

Sales revenues associated with servicing contracts for the recovery of receivables managed under mandate are recognised on an accruals basis based on the activities carried out by the Company, using IT procedures and complex accounting processes that take account of the different contractual terms of each mandate. Servicing agreements contain numerous clauses specifying the rights and duties of doValue in relations with the participating customers, which can generate income on the one hand and contingent liabilities on the other connected with the possibility of non-performance of contractual obligations.
The amount of the estimated variable consideration is included in the transaction price in total or only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment of the amount of the cumulative revenues recorded will not occur.
At end of the year, revenues accrued that have not yet been manifestly accepted by the customer are recognised. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice. At the date of preparation of these Financial Statements, the portion of servicing revenues without such manifest acceptance amounted to 45% of total amounts to be invoiced as at December 31, 2021 and it amounts to 17% of the aggregate item Total Revenues in the income statement.
In addition, any certain or contingent liabilities must be prudentially determined in order to assess compliance with the obligations set out in the servicing 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 Company has significant deferred tax assets mainly arising from temporary differences between the date on which certain business costs are recognised in the income statement and the date on which the same costs can be deducted. Deferred tax assets are written down to the extent that they are deemed unrecoverable given the outlook for performance and the resulting expected taxable income, taking due account of tax legislation, which allows those assets to be converted into tax credits under certain conditions, regardless of the Company’s ability to generate future profits. In the Assets Section on tax assets and tax liabilities in these Illustrative Notes, information is provided on the nature and checks carried out with regard to the recognition of deferred tax assets.

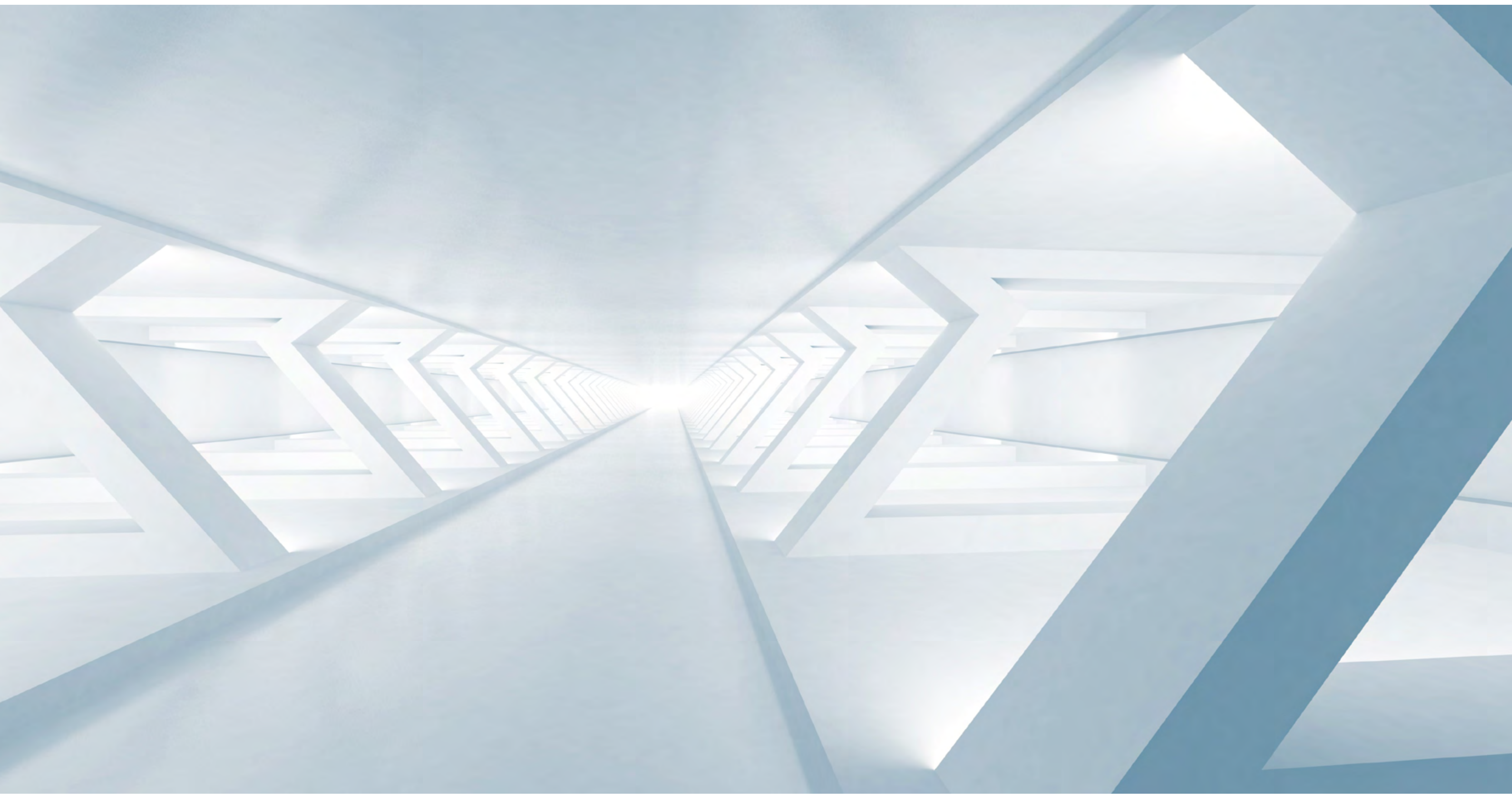
Estimation of provisions for risks and charges

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

Information about the Company's main risk positions related to legal disputes (revocatory action and pending lawsuits) and tax disputes, is provided in the Liabilities Section of the Illustrative Notes that deals with Provisions for risks and charges.

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

For the preparation of these Financial Statements, the Company has adopted for the first time certain accounting standards and amendments that are effective for financial years beginning on or after January 1, 2021, a list of which is provided below, noting that these changes have not materially affected the balance sheet or income statement amounts 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

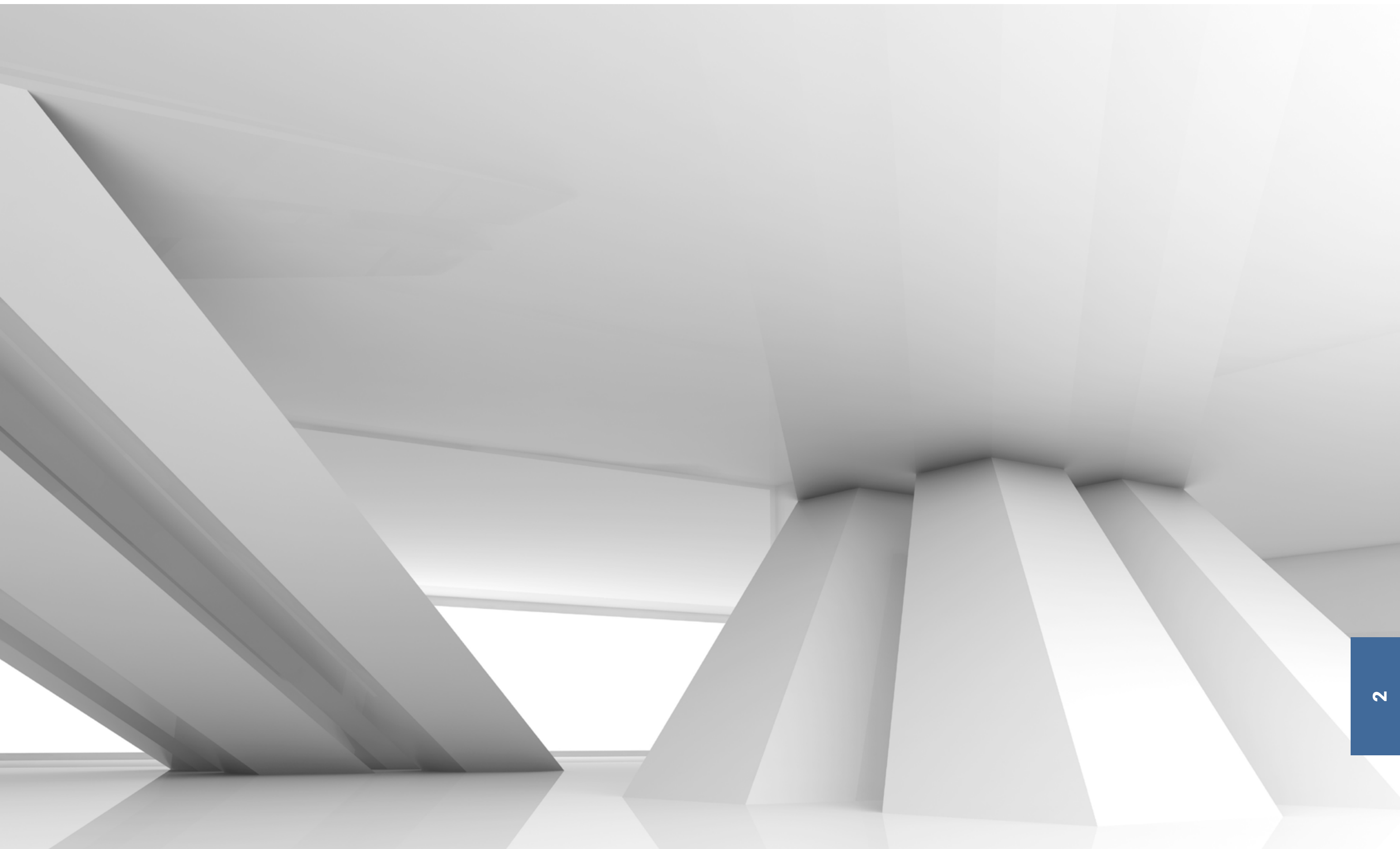
RECOGNITION CRITERIA

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 relate to software, trademarks and patents.
Intangible assets are recognised at the purchase cost, including any direct costs incurred to prepare the asset for use, net of accumulated amortisation and any impairment.
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.



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 write-downs are recognised under Depreciation, amortisation and impairment in the income statement.

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

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

DERECOGNITION CRITERIA

Property, plant and equipment is derecognised on disposal (i.e. on the date on which the acquirer obtains control of it) or when, for the same, no future economic benefits are expected from its use or disposal. Any difference between the disposal value and the book value is recognised in the income statement under "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 amortised over a period that does not exceed the term of the lease contract.

EQUITY INVESTMENTS

The criteria for initial recognition and subsequent measurement of equity investments are governed by IAS 27 - Separate Financial Statements, IAS 28 – Investments in Associates and Joint Ventures, and IFRS 11 – Joint Arrangements.
The remaining equity investments – other than subsidiaries, associates and joint ventures, and any reported under Assets held for sale and Liabilities associated with assets held for sale – are classified among financial assets depending on the category to which they belong.

In particular, they are distinguished in:

Subsidiaries

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

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

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

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

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

Joint Ventures

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

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

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

Associates

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

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

or

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

Note that only companies that are governed through voting rights can be classified as subject to significant influence.
Investments in associates are measured using the equity method.
In accordance with IAS 36, the carrying amount of associates is tested as a single asset, comparing this with the recoverable amount (defined as the higher of its value in use and its fair value less costs of disposal).

Equity investments in associates include any goodwill (less any impairment loss) paid to purchase them. Participation in the post-acquisition profit and loss of associates is recognised in the income statement under "Profit (Loss) from equity investments". Any dividends distributed reduce the carrying amount of the equity investment.
If an associate's share of losses equals or exceeds the carrying amount of the investee, no further losses are recognised unless specific obligations have been incurred in favour of the associate or payments have been made in favour of the same.

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

RECOGNITION CRITERIA

Investments in subsidiaries, associates and joint ventures are initially recognised at fair value at the time of acquisition, which substantially corresponds to the purchase cost.
The purchase cost of an equity investment is determined as the sum:

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

plus

- any cost directly attributable to the acquisition itself.

MEASUREMENT CRITERIA

If there is evidence that the value of an equity investment may have decreased, the recoverable amount of the investment is estimated. This recoverable amount is determined with reference to the value in use of equity investments. In the latter case, the value in use is determined by means of internal valuation models generally used in financial practice and based on the discounting of the expected cash flows deriving from the investment (Discounted Cash Flow method).
If it is not possible to collect sufficient information, the value in use is considered to be the value of the company's shareholders' equity.
If the recoverable amount is lower than the carrying amount, the difference is recognised in the income statement under "Profit (loss) from equity investments".
If the reasons for the impairment loss cease to apply due to an event occurring after the impairment was recognised, the impairment loss is reversed and charged to the income statement.

DERECOGNITION CRITERIA

Equity investments are derecognised when the contractual rights to the cash flows from the assets expire, when they are sold, transferring substantially all the risks and rewards connected with them, or when control of the equity investment is lost, having neither transferred nor retained substantially all the risks and benefits.
Profit and loss from the sale of equity investments are recorded in the income statement under "Profit (loss) from equity investments".

FINANCIAL ASSETS

Financial assets 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 assets or 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 and 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 Company does not apply the permitted option, at the time of initial recognition, to designate the instrument as measured at fair value through comprehensive income.

MEASUREMENT CRITERIA

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

MEASUREMENT CRITERIA

Following initial recognition, financial assets measured at fair value through comprehensive income are measured at fair value. The effects of the application of this measurement criterion are recognised in the Statement of Comprehensive Income and disclosed under Valuation reserves in shareholders' equity.
For the criteria used to determine fair value, please see the section "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 the cash flows, and only those flows, without material delay to other recipients.

IMPAIRMENT OF FINANCIAL ASSETS

Pursuant to IFRS 9, at each reporting date financial assets other than those measured at fair value through profit or loss undergo an assessment to determine whether there is evidence that the carrying amount of the assets cannot be fully recovered. An analogous analysis is conducted for commitments to disburse funds and for guarantees issued that fall within the scope of the impairment provisions of IFRS 9.
If evidence of impairment is found, the financial assets in question - consistently, where present, with all other assets pertaining to the same counterparty - are considered impaired and are classified in stage 3. These exposures require the recognition of write-downs equal to the expected losses over their residual life.

Financial assets for which there is no evidence of impairment (unimpaired financial instruments) shall be evaluated to determine whether there is evidence that the credit risk of the individual transaction has increased significantly since initial recognition. Following this assessment, the assets shall be classified (or, more properly, staged) as follows:
- where these indicators exist, the financial asset is classified in stage 2. Such valuation, consistent with the provisions of the international accounting standards and even in the absence of manifest impairment, requires for the recognition of write-downs equal to the expected losses over the residual life of the financial instrument;
- where these indicators are not present, the financial asset is classified in stage 1. Such valuation, consistent with the provisions of the international accounting standards and even in the absence of manifest impairment, requires the recognition of expected losses, for the specific financial instrument, over the following 12 months.

The Company's impairment process is applied to financial assets measured at amortised cost, which may include: loans, trade receivables, 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 Company 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 Company has opted for the "Simplified Approach" that essentially provides for the calculation of total lifetime expected losses for the financial asset. Given that the residual life of trade receivables is generally less than one year, the 12-month and lifetime expected losses are the same.

INVENTORIES

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

MEASUREMENT CRITERIA

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

TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Current items essentially include receivables generated by the provision of non-financial services, items awaiting settlement and items that are not attributable to other items in the balance sheet, including tax items other than those recognised in a separate item, and accrued income other than that which must be capitalised in the related financial assets, including that deriving from contracts with customers pursuant to IFRS 15, paragraphs 116 et seq.
For the impairment of trade receivables, in consideration of the provisions of IFRS 9 (paragraphs 5.5.15-16) and the lack of importance of the financial component of such receivables, the Company 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, the current IRES and IRAP taxation has been calculated by applying the tax rates established by the laws in force, adopting the 24% rate for IRES purposes.
Deferred tax assets and liabilities are recognised on the basis of the tax rates that, at the end of the reporting date, are expected to be applicable in the period in which the asset will be realised or the liability will be eliminated, in accordance with current tax legislation. They are periodically reviewed in order to take account of any regulatory changes.
Deferred tax assets are only recognised if their recovery through expected future taxable income is probable, measured on the basis of the Group's ability to produce taxable income in future financial years. Deferred tax liabilities are always recognised. A requirement for the recognition of deferred tax assets is that it is considered reasonably certain in view of corporate developments that taxable income will be generated against which the temporary deductible differences will be used. In accordance with the provisions of IAS 12, the probability that future taxable income will be sufficient to utilise the deferred tax assets is subject to periodic review. If that review suggests that future taxable income will be insufficient, the deferred tax assets are reduced in a corresponding amount.
Current and deferred taxes are recognised in the income statement under Income tax expense, with the exception of taxes, which refer to items that are credited or debited, in the same or another financial year, directly in shareholders' equity, whose changes in value are recognised directly in valuation reserves in the Statement of comprehensive income.

DERECOGNITION CRITERIA

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

ASSETS HELD FOR SALE

In accordance with IFRS 5, the Company classifies non-current assets and disposal groups as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through their continuing use. These non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less selling costs. Selling costs are the additional costs directly attributable to the sale, excluding finance charges and taxes.
The condition for classification as held for sale is considered satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its current condition. The actions required to complete the sale should indicate that it is unlikely that significant changes in the sale will occur or that the sale will be cancelled. Management must have committed to the sale, which is expected to be completed within one year of the classification date.
The depreciation of property, plant and equipment and amortisation of intangible assets ceases when they are classified as available for sale.
The individual assets (or groups of assets held for sale) are recognised respectively under Assets held for sale and Liabilities associated with assets held for sale.
Assets held for sale are excluded from the result of operating activities and are presented in the income statement in a single line as Net income (expense) of assets held for sale.

LOANS AND OTHER FINANCING AND OTHER FINANCIAL LIABILITIES

RECOGNITION AND CLASSIFICATION CRITERIA

The indicated items include financial liabilities valued at amortised cost, represented by amounts due to banks, amounts due to other lenders and securities issued, as well as financial instruments initially recognised at fair value with changes recognised in the income statement.
Liabilities recognised by the entity as a lessee in lease transactions are also included.
These financial liabilities are recognised at the settlement date and initially recognised at fair value, which normally corresponds to the consideration received, net of transaction costs directly attributable to the financial liability.

MEASUREMENT CRITERIA

After initial recognition, financial liabilities, except those recognised at fair value with changes recognised in the income statement, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.
Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in 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, under Italian Law no. 296 of December 27, 2006 (2007 Finance Act):

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

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

RECOGNITION AND MEASUREMENT CRITERIA

The value of a defined-benefit obligation is equal to the present value of the future payments, expected to be required to settle the obligation arising from the employee's service in the current and prior periods.
This present value is determined using the "Projected Unit Credit Method". This method uniformly distributes the cost of the benefit over the working life of the employee.
Employee benefits that qualify as other long-term benefits, such as those arising from seniority bonuses that are paid on achievement of a pre-determined length of service, are recorded on the basis of the valuation at the balance sheet date of the liability assumed, determined using the "Projected Unit Credit Method".
The TFR provision is recorded under liabilities in the corresponding item "Employee benefits", while other post-employment benefits and sundry long-term benefits are recorded under "Provisions for risks and charges".

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

REVENUE RECOGNITION

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

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

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

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

REVENUES FROM CONTRACTS WITH CUSTOMERS AND OTHER REVENUES

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

RECOGNITION CRITERIA

The model used for recognition of the servicing revenues is aligned with fulfilment of the performance obligation.
In many cases, this alignment is already provided for under the contract, therefore:

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

However, if the commission is received in advance in exchange for a service obligation that is provided over time, in various reporting periods, the overall amount of the commission will be put into the financial statements and will be recognised as revenues over the applicable period in which the service is supplied. In these cases, the commission will be recognised as revenues in the income statement in proportion to the time (i.e. on a pro rata basis).
Sales revenues associated with servicing contracts for the recovery of receivables managed under mandate are recognised on an accruals basis according to the activities carried out, using IT procedures and complex accounting processes that take account of the different contractual terms of each mandate. When preparing the annual or interim financial statements, therefore revenues accrued in the period that have not yet been manifestly accepted by the customer are recognised.
In the summaries for the period, revenues accrued in the period that have not yet been manifestly accepted by the customer are recognised. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice.

MEASUREMENT CRITERIA

The Standard requires the entity to take account of the terms of the contract and its standard commercial practices to establish the price of the transaction. The price of the transaction is the amount of consideration that the entity believes it has the right to in exchange for the transfer to the customer of the goods or services promised. The consideration promised in the contract with the customer can include fixed amounts, variable amounts or both.
In order to calculate the price of the transaction, the entity must consider the effect of all the following elements:
a) variable consideration;
b) limitation of the estimates of the variable consideration;
c) existence in the contract of a significant loan component;
d) non-monetary consideration; and
e) consideration to pay to the customer.

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

Within the scope of the main servicing contracts of the Company, the following types of commissions are considered variable:
- Performance, extra-performance and basis commission: linked to the assets managed and the reaching collection targets, respectively;
- Transfer compensation and staff compensation: linked to the occurrence of the portfolio transfer event and at the discretion of the customer.

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

In the case of receipt of advance payments from customers, there is a significant financing component in view of the time lag between the date on which the payment made by the customer is received and the transfer of the service, as well as the prevailing market rates. Therefore, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (e.g. the interest rate that returns the spot price of the equipment to the value paid in advance). This rate is commensurate with the rate that would have been used in a separate financial transaction between the Company and the customer on the date the contract was signed.
The Company applies the practical expedient for short-term advances received from customers. The amount of the promised consideration is not adjusted for material financial items if the period between the transfer of the promised goods or services and payment is less than or equal to one year.

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

DIVIDENDS

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

COSTS

Costs are recognised when they are incurred, on an 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.

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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 Company believes that the carrying amount is a reasonable approximation of the fair value.

At the date of preparation of the financial statements as at December 31, 202, there were 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 SECURITIES

Equities are assigned to Level 1 when an active market price considered liquid is available and to Level 3 when there are no prices or the prices have been suspended permanently. Such instruments are classified as Level 2 only if the volume of activity on the listing market is significantly reduced.

For equities measured at cost, an impairment loss is recognised if the cost exceeds the recoverable amount significantly and/or for a long time.

INVESTMENT FUNDS

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

INTEREST RATE SWAPS (IRSS)

The net discounted cash flow analysis technique is used to determine the fair value of IRSs, which Is classified as Level 2.

OTHER DERIVATIVE INSTRUMENTS

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

Description of assessment techniques

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

DISCOUNTED CASH FLOW

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

MARKET APPROACH

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

NAV

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

HIERARCHY OF FAIR VALUE

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

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

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

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

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

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

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

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

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 closed-end alternative 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 doValue 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.

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			12/31/2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	**-**	**-**	**46,269**	**-**	**-**	**63,595**
Units in collective investment undertakings	-	-	25,805	-	-	26,855
Debt securities	-	-	18,881	-	-	36,740
Non-hedging derivatives	-	-	1,583	-	-	
Financial assets measured at fair value through comprehensive income	**-**	**-**	**9,989**	**-**	**-**	**-**
Government securities	-	-	9,989	-	-	-
Total	**-**	**-**	**56,258**	**-**	**-**	**63,595**
Other financial liabilities	**-**	**-**	**23,044**	**-**	**454**	**29,894**
Earn-out	-	-	23,044	-	-	29,894
Hedging derivatives	-	-	-	-	454	-
Total	**-**	**-**	**23,044**	**-**	**454**	**29,894**

3.0 Information on the 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
Gross opening balances	**24,454**	**61**	**1,474**	**-**	**-**	**25,989**	**2,661**
Initial reduction in value	(16,427)	(8)	-	-	-	(16,435)	(2,222)
Net opening balances	**8,027**	**53**	**1,474**	**-**	**-**	**9,554**	**439**
Increases	**6,738**	**11**	**1,402**	**-**	**-**	**8,151**	**23,510**
Purchases	5,441	11	2,877	-	-	8,329	6,724
Business combination	-	-	-	-	-	-	17,629
Other changes	1,297	-	(1,475)	-	-	(178)	(843)
Decreases	**(4,329)**	**(4)**	**-**	**-**	**-**	**(4,333)**	**(14,395)**
Disposals	-	-	-	-	-	-	(182)
Business combination	-	-	-	-	-	-	(11,144)
Amortisation	(4,402)	(4)	-	-	-	(4,406)	(3,527)
Other changes	73	-	-	-	-	73	458
Gross closing balances	**31,192**	**72**	**2,876**	**-**	**-**	**34,140**	**25,989**
Final reduction in value	(20,756)	(12)	-	-	-	(20,768)	(16,435)
Net closing balances	**10,436**	**60**	**2,876**	**-**	**-**	**13,372**	**9,554**

Increases in the year are mainly due to new software developments, mainly related to business applications for the management of non-performing positions, as well as for the implementation of management and accounting applications.
The decreases in the year are essentially attributable to the amortisation charge for the period.

NOTE 2 – **PROPERTY, PLANT AND EQUIPMENT**

(€/000)	Buildings	Furniture	Electronic Systems	Other	Total 12/31/2021	Total 12/31/2020
Gross opening balances	**20,262**	**2,116**	**1,832**	**9,198**	**33,408**	**23,799**
Initial reduction in value	(10,282)	(1,729)	(1,459)	(5,318)	(18,788)	(8,245)
Net opening balances	**9,980**	**387**	**373**	**3,880**	**14,620**	**15,554**
Initial adjustments	-	-	-	-	-	-
Increases	**(835)**	**(80)**	**4,530**	**(4,540)**	**(925)**	**11,099**
Purchases	251	11	4	261	527	5,949
ow: Right of Use	*133*	-	-	*185*	*318*	*5,149*
Business combination	-	-	-	-	-	5,729
Capitalised expenditure on improvements	-	-	-	-	-	-
Writebacks	-	-	-	-	-	-
Other changes	(1,086)	(91)	4,526	(4,801)	(1,452)	(579)
Decreases	**(3,947)**	**(39)**	**(118)**	**(2,097)**	**(6,201)**	**(12,033)**
Disposals	-	-	-	-	-	(1,490)
Business combination	-	-	-	-	-	(4,251)
Amortisation	(4,471)	(130)	(141)	(2,329)	(7,071)	(7,324)
ow: Right of Use	*(4,141)*	-	-	*(2,001)*	*(6,142)*	*(6,276)*
Impairment	-	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-	-
Other changes	524	91	23	232	870	1,032
Gross closing balances	**19,427**	**2,036**	**6,362**	**4,658**	**32,483**	**33,408**
Final reduction in value	(14,229)	(1,768)	(1,577)	(7,415)	(24,989)	(18,788)
Net closing balances	**5,198**	**268**	**4,785**	**(2,757)**	**7,494**	**14,620**

During the year doValue recorded net decreases in assets of €0.7 million mainly deriving from the accrual of the relevant portion of the amortization.

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

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NOTE 3 – EQUITY INVESTMENTS

	Company name	Headquarters and Registered Office	Country	Type of Relationship (1)	Owner relationship		Voting rights % (2)
					Held by	Holding %	
1.	doValue S.p.A.	Verona	Italy	1	Holding		
2.	Italfondiario S.p.A.	Rome	Italy	1	doValue S.p.A.	100%	100%
3.	doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
4.	Altamira Asset Management S.A.	Madrid	Spain	1	doValue S.p.A.	85%	85%
5.	doValue Portugal, Unipessoal Limitada	Lisbon	Portugal	1	Altamira Asset Management S.A.	100%	100%
6.	Altamira Asset Management Cyprus Limited	Nicosia	Cyprus	1	Altamira Asset Management S.A.	100%	100%
7.	doValue Cyprus Limited	Nicosia	Cyprus	1	doValue S.p.A. + Altamira AM S.A.	94%+6%	94%+6%
8.	doValue Greece Loans and Credits Claim Management Société Anonyme	Moschato	Greece	1	doValue S.p.A.	80%	80%
9.	doValue Greece Real Estate Services single member Société Anonyme	Moschato	Greece	1	doValue S.p.A.	100%	100%
10.	Zarco STC, S.A.	Lisbon	Portugal	1	doValue Portugal, Unipessoal Limitada	100%	100%
11.	Adsolum Real Estate S.L.	Madrid	Spain	1	Altamira Asset Management S.A.	100%	100%

Notes to the table

(1) Type of relationship:
1 = majority of voting rights at ordinary shareholders' meeting
2 = dominant influence at ordinary shareholders' meeting
3 = agreements with other shareholders
4 = other types of control
5 = centralized management pursuant to Article 39, paragraph 1, of Legislative Decree 136/2015
6 = centralized management pursuant to Article 39, paragraph 2, of Legislative Decree 136/2015

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

Change

(€/000)

Description	Opening balance	Business combination	Other changes (Gross balances) (+/-)	Disposals	Share capitale decrease	Total
doNext S.p.A. (già Italfondiario S.p.A.)	3,671	-	-	-	-	3,671
doData S.r.l.	539	-	-	-	-	539
DoValue Hellas	1,233	(243)	-	-	(990)	-
DoValue Cyprus Limited	1	-	-	-	-	1
DoValue Greece	138,545	243	(1,350)	(357)	-	137,081
Altamira Asset Management S.a.	208,409	-	178	-	-	208,587
Dovalue Greece Real Estate Services	2,000	-	-	-	-	2,000
Closing Balances	**354,398**	**-**	**(1,172)**	**(357)**	**(990)**	**351,879**

The item exclusively includes investments in subsidiaries**.**
In the period there was a net decrease of €2.5 million due to the combined effect of the changes related to the following phenomena:

- decrease of €1.0 million in the value of the equity investment in doValue Hellas Credit and Loan Servicing following the repayment of part of the share capital, which consequently resulted in a reduction in the book value of the same from €1.2 million to €0.2 million, through deferred payment in cash. This share capital transaction was carried out in view of the approval of the merger by incorporation of doValue Hellas Credit and Loan Servicing into doValue Greece Loans and Credits Claim Management, which took place on August 4, 2021, with economic effectiveness on the same date;
- decrease of €0.4 million in the value of the equity investment in doValue Greece Loans and Credits Claim Management S.A. due to the sale of 283,776 shares to Eurobank aimed at restoring the shareholding of 20% of the latter in doValue Greece Loans and Credits Claim Management after the merger with doValue Hellas Credit and Loan Servicing;
- decrease of €1.5 million in the value of the equity investment in doValue Greece Loans and Credits Claim Management due to the recalculation of the Earn-out liability;
- increase of €0.4 million in the value of the equity investments in Altamira and doValue Greece Loans and Credits Claim Management, respectively in the amount of €0.2 million and €0.2 million, due to the share of remuneration in the form of the allocation of shares of the parent company, allocated to certain categories of managers of these investee companies, as required by the remuneration policy.

With regard in particular to the subsidiary Altamira Asset Management and doValue Greece relating to 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”, the Group has 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”.
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 and 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.
The total recoverable value of the CGUs as at December 31, 2021, is confirmed, for both acquisitions, broadly large both with respect to the aggregate net book value of the intangible assets including goodwill, and with respect to the book value of the respective investments in the doValue’s company financial statements.

NOTE 4 – FINANCIAL ASSETS

The following table reports financial assets other than cash and cash equivalents, held at December 31, 2021 and December 31, 2020.

(€/000)	12/31/2021	12/31/2020
Non-current financial assets	**166,894**	**234,171**
Financial assets measured at fair value through profit or loss	**44,753**	**63,595**
Units in collective investment undertakings	25,805	26,855
Debt securities	18,881	36,740
Non-hedging derivatives	67	-
Financial assets measured at amortised cost	**112,152**	**170,576**
Loans to customers	112,152	170,576
Financial assets measured at fair value through other comprehensive income	**9,989**	**-**
Equity securities	9,989	-
Current financial assets	**60,401**	**77,336**
Financial assets measured at fair value through profit or loss	**1,516**	**-**
Non-hedging derivatives	1,516	-
Financial assets measured at amortised cost	**58,885**	**77,336**
Loans to customers	58,885	77,336
Total	**227,295**	**311,507**

Non-current financial assets include the units in collective investment undertakings that regard the fair value of the amount paid in previous years for the remaining 27 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). Following the payments made in previous years, 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 a decrease of €17.9 million due to the combined effect of the sale for €20.6 million of ABS, mezzanine and junior securities, attributable to the Relais securitization and the new investment for €2.4 million relating to the residue at the end of the year of the original acquisition of ABS securities as part of the Mexico project more fully described in the Significant events in the period of the Report on Operations. As part of this project, doValue subscribed an amount equal to €45.0 million of mezzanine and junior notes equal to 95% of the notes issued by the vehicle. 90% of the total notes to be issued were at the same time sold to a third investor with the realization of a capital gain of €4.6 million. Consequently, at the end of the year, the 5% of the notes issued remain, both with reference to mezzanine and junior notes.

In addition to the already mentioned Mexico notes, the residual balance of debt securities is therefore represented, for €13.8 million, by the fair value of ABS securities of the Cairo securitisations, acquired as part of the acquisition of Eurobank-FPS (now doValue Greece), and, for €2.7 million, relating to the Romeo SPV and Mercuzio Securitisation securitisations. For the latter, the amount subscribed by doValue corresponds to 5% of the total notes issued by the two vehicles.

The decrease of €58.4 million in the item Loans to customers classified among non-current financial assets is attributable to the reduction in the non-current portion of intercompany loans granted to the subsidiaries doValue Greece (for €22.7 million) and Altamira (for €35.7 million) due to the reclassification in current items.
Equities classified at fair value through other comprehensive income include new investments for a total of €10.0 million made during the year consisting of €1.5 million, equal to 11.46% of QueroQuitar S.A. and €8.5 million, equal to 15.2%, of BidX1 Acquisitions Ltd. Some options linked to this latter investment have been subscribed by doValue, including an underperformance option and a call option which provide for the purchase of further shares in the company BidX1 Acquisitions Ltd upon the occurrence of certain conditions and whose fair values are shown in the sub-item Non-hedging derivatives, respectively, among Current financial assets and Non-current financial assets.
For more information, please refer to the Significant events in the period of the Report on Operations.

As regards Current financial assets, there was a decrease in the item Loans to customers attributable for €12.5 million to the intercompany loan granted to the subsidiary doValue Greece and for €5.4 million to the sale of the residual portion of the investment, of an opportunistic and non-recurring nature, on a portfolio of non-performing loans.

NOTE 5 – DEFERRED TAX ASSETS AND LIABILITIES

The items report deferred tax assets by deductible temporary difference in future financial years.

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

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

The 2019 Budget Act (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 the data at December 31, 2021 took into account the forecasts for the period 2022-24 stressed due to COVID, which showed a capacious tax base that is confirmed to be able to absorb the deferred tax assets recorded.
In the year ended December 31, 2021, there was an overall decrease in DTAs of €0.8 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 taxation has been calculated by applying the tax rates established by the laws in force, adopting the 24% rate for IRES purposes.

With regard to the calculation of the IRAP (regional business tax) rate, 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
Tax recyclable to profit or loss	**61,728**	**60,714**
Write-downs of loans	49,329	49,330
Tax losses carried forward	6,680	6,900
Provisions for risks and charges	3,485	4,319
Property, plant and equipment / intangible assets	205	83
Administrative expenses	43	39
Other assets / liabilities	1,986	43
Tax not recyclable to profit or loss	**449**	**524**
Defined benefit plans	449	415
Cash flow hedges	-	109
Total	**62,177**	**61,238**

Change

(€/000)	Income Statement	Recognised in equity	Total 12/31/2021	Total 12/31/2020
Opening balance	**60,714**	**524**	**61,238**	**60,605**
Initial adjustments	-	-	-	158
Increases	**3,722**	**-**	**3,722**	**2,844**
Deferred tax assets recognised during the year	3,401	-	3,401	2,677
- In respect of previous years	-	-	-	35
- Other	3,401	-	3,401	2,642
Other changes	321	-	321	-
Business combination	-	-	-	167
Decreases	**(2,708)**	**(75)**	**(2,783)**	**(2,369)**
Deferred tax assets derecognised during the year	(2,708)	-	(2,708)	(2,369)
- Reversals of temporary differences	(2,708)	-	(2,708)	(2,369)
Other changes	-	(75)	(75)	-
Total	**61,728**	**449**	**62,177**	**61,238**

Deferred tax liabilities Breakdown

(€/000)	12/31/2021	12/31/2020
Provisions recognised through Equity	20	20
Total	**20**	**20**

Change

(€/000)	Income Statement	Recognised in equity	Total 12/31/2021	Total 12/31/2020
Net opening balances	**-**	**20**	**20**	**20**
Initial adjustments	-	-	-	-
Increases	**-**	**-**	**-**	**-**
Deferred tax liabilities recognised during the year	-	-	-	-
- In respect of previous years	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	-	-	-	-
New taxes or increases in tax rates	-	-	-	-
Other changes	-		-	-
Business combination	-	-	-	-
Decreases	**-**	**-**	**-**	**-**
Deferred tax liabilities derecognised during the year	-	-	-	-
- Reversals of temporary differences	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	-	-	-	-
Reduction in tax rates	-	-	-	-
Other changes	-	-	-	-
Total	**-**	**20**	**20**	**20**

NOTE 6 – OTHER ASSETS

The following table provides a breakdown of other current and non-current assets as at December 31, 2021 and as at December 31, 2020.

(€/000)	12/31/2021	12/31/2020
Other non current assets	229	261
Other current assets	6,039	8,705
Accrued income / prepaid expenses	1,703	2,067
Items for employees	867	1,475
Receivables for advances	1,528	4,789
Tax receivables	1,529	181
Other items	412	193
Total	**6,268**	**8,966**

The items overall show a decrease of €2.7 million compared to December 31, 2020, essentially due to the combined effect deriving from:

- the decrease in "Items for employee" linked to the reduction of the receivable from INPS for the wage guarantee fund in support of employers and employees as a result of the COVID emergency (€0.7 million);
- the decrease in Receivables for advances following the collection of the receivable from Altamira Asset Management Holding, relating to the price adjustment defined in relation to the first tranche of disputes that emerged following the tax inspection conducted by the Spanish Tax Authorities on the latter and Altamira Asset Management (€4.1 million), partially offset by the recognition of the receivable from the subsidiary doValue Hellas for the reduction of its share capital of €1.0 million;
- the increase in Tax credits deriving mainly from the recognition of credits for withholding taxes on dividends and interest income for €0.8 million and the residual tax credit for innovation pursuant to Law 160/2019 for €0.5 million.

NOTE 7 – INVENTORIES

As at December 31, 2021, the item amounted to €55 thousand, unchanged with respect to the balance as December 31, 2020, It item refers to the Company's real estate portfolio, composed of the value of 2 buildings.

NOTE 8 – TRADE RECEIVABLES

(€/000)	12/31/2021	12/31/2020
Receivables	73,955	63,603
Receivables accruing (Invoices to be issued)	62,950	44,942
Receivables for invoices issued but not collected	11,005	18,661
Provisions	(673)	(236)
Provisions for expected losses on receivables	(673)	(236)
Total	**73,282**	**63,367**

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 Income Statement item "revenues from contracts with customers".

The item shows an increase compared to December 31, 2020 for €9.9 million, essentially due to the higher allocations made to invoices to be issued at the end of the period, partially offset by the decrease in invoices issued and not yet collected.

NOTE 9 – TAX ASSETS AND TAX LIABILITIES

The composition of tax assets and tax liabilities as at December 31, 2021 and December 31, 2020 is shown below.

Tax assets

(€/000)	12/31/2021	12/31/2020
Current tax assets	5,512	6,029
VAT asset	148	416
Total	**5,660**	**6,445**

The item Current taxes assets includes the amount of net receivables for direct current taxes, down compared to December 31, 2020 for € 1.0 million.

Tax liabilities

(€/000)	12/31/2021	12/31/2020
Withholding taxes and others	2,679	2,129
Total	**2,679**	**2,129**

The increase in the item Tax liabilities is mainly due to the increase in payables to the tax authorities for withholdings on employees to be paid, in the amount of €0.4 million.

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NOTE 10 - CASH AND CASH EQUIVALENTS

The balance of €124.9 million, representing an increase of €84.4 million compared with the balance of €40.5 million reported as at December 31, 2020, represents the liquidity available at the end of the year. For information on subsequent developments, reference should be made to the paragraph on Net Financial Position in the Director's Report.
For an analysis of changes in cash and cash equivalents, please refer to the Cash Flow Statement.

NOTE 11 – ASSETS HELD FOR SALE AND RELATED LIABILITIES

The table shows the values relating to the total equity investment in the shares of three special purpose vehicles (SPV), two of which were liquidated at the beginning of 2022 and the other soon to be sold to third parties.

(€/000)	12/31/2021	12/31/2020
Non-current assets:	**-**	**-**
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	30	30
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**30**	**30**
Current assets:	**-**	**-**
Inventories	-	-
Current financial assets	-	-
Trade receivables	-	-
Tax assets	-	-
Other current assets	-	-
Cash and cash equivalents	-	-
Total current assets	**-**	**-**
Total assets held for sale	**30**	**30**
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 12 – **SHAREHOLDERS' EQUITY**

(€/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

Other reserves break down as follows:

(€/000)	12/31/2021	12/31/2020
Riserve da utili e/o in sospensione d'imposta	**50,301**	**60,783**
Riserva legale	8,256	8,256
Riserva art. 7 L. 218/90	2,304	2,304
Riserva da aggregazioni aziendali	2	2
Riserva da FTA IAS art. 7 c7 D. Lgs. 38/2005	8,780	8,780
Riserva da FTA IAS IFRS 9	1,128	1,128
Riserva da utili a nuovo IAS art. 6 c2 D.Lgs. 38/2005	(9,145)	(9,145)
Riserva da utili a nuovo	25,531	38,507
Riserva statutaria acquisto azioni proprie	75	103
Riserva utili riportati a nuovo - Share Based Payments	13,370	10,848
Altre riserve	**119,731**	**121,227**
Riserva straordinaria	102,970	102,970
Riserva D.Lgs. n. 153/99	6,103	6,103
Riserva legale a fronte di utili distibuiti	44	44
Riserva art. 7 L. 218/90	4,179	4,179
Riserva da aggregazioni aziendali	1,746	1,746
Riserva connessa a Share Based Payments	4,689	6,185
Totale	**170,032**	**182,010**

Overall, the item shows a decrease of around €12 million due to the combination of the following main elements:

- decrease of €13.0 million related to the dividends that the Shareholders' Meeting on April 29, 2021 resolved to distribute using reserves generated in previous years in addition to €7.8 million of profit for the year 2020, for a total of €20.8 million of dividends distributed;
- net increase of €1.0 million in the **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the remuneration policy, which provides for the allocation of shares as remuneration to certain categories of managers.

The **Valuation reserves** as at December 31, 2021 amounted to €-178 thousand, (€-382 thousand as at December 31, 2020) and include the components of the valuation of the severance indemnity pursuant to IAS 19. The increase of €0.4 million is connected to the release to the income statement of the negative reserve relating to the fair value measurement of the derivative interest rate swap contract hedging the cash flows relating to the Facility Loan linked to the acquisition of Altamira and subsequent to the closure of the same.

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ORIGIN, UTILISABILITY AND DISTRIBUTABILITY OF SHAREHOLDERS' EQUITY ITEMS

(€)	Amount	Possibility of use (*)		Available portion	Summary of utilisation in last three financial years: To cover losses	Summary of utilisation in last three financial years: For other reasons	
Reserves from allocation of profits or tax-suspended reserves	**41,280,000**						
Reserves from allocation of profits or tax-suspended reserves	**170,032,045**			**146,533,407**		**(13,085,532)**	
Legal reserve	8,256,000	B		8,256,000		-	
Legal reserve for distributed earnings	43,862	A, B, C		43,862		-	
Reserve art. 7 Law 218/90	6,483,557	A, B, C	(1)	6,483,557		-	
Tax-suspended reserve from business combinations	1,748,727	A, B, C		1,748,727		-	
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780,082			-		-	
Reserve from FTA IAS IFRS 9	1,126,135			-		-	
Reserve from retained earnings IAS art. 6 par. 2 Lgs. Decree 38/2005	(9,145,318)			-		-	
Reserve from retained earnings	25,530,921	A, B, C		25,530,921		(12,975,959)	(2)
Reserve established in by laws for purchase of treasury shares	74,810			-		(109,573)	(3)
Reserve from retained earnings - Share Based Payments	13,371,073			-		-	
Extraordinary reserve	102,970,407	A, B, C		98,367,109		-	
Reserve, Lgs. Decree no. 153/99	6,103,231	A, B, C		6,103,231		-	
Share Based Payments Reserve	4,688,558			-		-	
Valuation reserves	**(177,745)**			**429,146**		**-**	
Monetary revaluation reserves Law 413/91	429,146	A, B, C	(1)	429,146		-	
Reserve for actuarial gains (losses) on defined benefits schemes	(606,891)			-		-	
Reserve for hedging expected cash flows	-			-		-	
Total	**211,134,300**			**146,962,553**		**(13,085,532)**	
Portion non-distributable	**-**			**8,256,000**		**-**	
Residual distributable portion	**-**			**138,706,553**		**-**	

Legenda:

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

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

(2) Reserve used for distribution to shareholders.

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

NOTE 13 – **LOANS AND OTHER FINANCING**

(€/000)	Interest Rate %	Due Date	12/31/2021	12/31/2020
Non-current loans and other financing			**550,858**	**456,670**
Bank loans		03/22/2024	-	203,198
Bonds	5%	08/04/2024	255,674	253,472
Bonds	3.375%	08/04/2024	295,184	-
Current loans and other financing			**10,034**	**86,372**
Bank loans		12/31/2025	41	80,998
Bonds	5%	12/31/2025	5,521	5,374
Bonds	3.375%	12/31/2025	4,472	-
Total			**560,892**	**543,042**

The balance of loans and other financing as at December 31, 2021 includes the residual debt values at the amortised cost of the following loans:

- €299.7 million for the guaranteed senior bond loan issued on July 22, 2021, at the annual rate of 3.375% for a capital line of €300 million and used (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 bond issue, and (iii) to use the remaining part as liquidity to meet general company objectives. The bonds expire on July 31, 2026, were reserved for qualified investors and are listed on the Euro MTF multilateral trading system of the Luxembourg Stock Exchange;
- €265.0 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.

NOTE 14 – OTHER FINANCIAL LIABILITIES

(€/000)	12/31/2021	12/31/2020
Other non-current financial liabilities	7,681	18,245
Lease liabilities	2,126	5,626
Earn-out	5,555	12,405
Hedging derivatives	-	214
Other current financial liabilities	20,469	23,037
Lease liabilities	2,980	5,309
Earn-out	17,489	17,489
Hedging derivatives	-	239
Total	**28,150**	**41,282**

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

The **Earn-out liability** recorded 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 decreased by €6.8 million compared to the original €12.6 million following the changes in the Purchase Price Allocation which became definitive as at June 30, 2021.

In July 2021, following the early closure of the Facility Loan, the Interest Rate Swap (IRS) contract, which the company had signed in 2019 to hedge the cash flows relating to the loan agreement, was closed.

Net financial indebtness

In accordance with the requirements of Consob Communication of July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 "Recommendations for the consistent implementation of the European Commission Regulation on prospectuses", the Company's net financial indebtedness as at December 31, 2021 breaks down as follows.

(€/000)

Note			12/31/2021	12/31/2019
10	A	Cash on hand	3	4
10	B	Cash at banks and short-term deposits	124,858	40,523
-	C	Trading securities	-	-
	D	**Liquidity (A)+(B)+(C)**	**124,861**	**40,527**
4	E	Current financial assets	60,401	77,336
13	F	Current bank debt	-	-
13	G	Current portion of non-current debt	(10,034)	(86,372)
14	H	Other current financial debt	(20,469)	(23,037)
	I	**Current financial indebtness (F)+(G)+(H)**	**(30,503)**	**(109,409)**
	J	**Net current financial indebtness (I)+(E)+(D)**	**154,759**	**8,454**
13	K	Bank loan, non-current	-	(203,198)
13	L	Bond Issued	(550,859)	(253,472)
14	M	Other non-current financial debt	(7,680)	(18,245)
4	N	Other non-current loans	111,605	169,964
	O	**Non-current financial indebtness (K)+(L)+(M)+(N)**	**(446,934)**	**(304,951)**
	P	**Net financial indebtness (J)+(O)**	**(292,175)**	**(296,497)**

Compared with the Net Financial Position of €264.0 million reported in the Director's Report, to which reference should also be made for information on subsequent developments, this table includes the items reported under letters H and M, for a total of €28.2 million. The following table reconciles the two different representations:

(€/000)

		12/31/2021	12/31/2020
A	**Net financial indebtness**	**(292,175)**	**(296,497)**
B	Other current financial debt	20,469	23,037
C	Other non-current loans	7,680	18,245
D	**Items excluded from the Net financial position**	**28,149**	**41,282**
E	Deposits from customers	-	-
F	**Items included in the Net financial position and excluded from the Net financial indebtness**	**-**	**-**
G	**Net financial position (A)+(D)+(F)**	**(264,026)**	**(255,215)**

3

NOTE 15 – **EMPLOYEE BENEFITS**

Within the Company, there are defined benefit plans, or plans for which the benefit is linked to the salary and seniority of the employee.
The defined benefit plans of the Company mainly include "Post-employment benefits" in accordance with applicable regulations, as well as other provisions of a contractual nature and plans called "Seniority bonuses".
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

The following table shows changes in the period for the provision for the TFR payment scheme as at December 31, 2021 and as at December 31, 2020.

(€/000)	12/31/2021	12/31/2020
Opening balance	**6,017**	**7,199**
Increases	**205**	**1,222**
Provisions for the year	30	67
Other changes	175	1,155
Decreases	**(272)**	**(2,404)**
Benefits paid	(264)	(1,492)
Other changes	(8)	(912)
Closing balance	**5,950**	**6,017**

NOTE 16 – PROVISIONS FOR RISKS AND CHARGES

(€/000)	Total Funds in exchange for "Provisions for risk and charges"				Funds in exchange for other items		
	Legal and tax disputes	Out-of-court disputes and other provisions	Provisions for other commitments and guarantees issued	Total Funds in exchange for "Provisions for risk and charges"	Potential liabilities for employee	Total 12/31/2021	Total 12/31/2020
Opening balance	**7,920**	**6,136**	**-**	**14,056**	**3,334**	**17,390**	**18,801**
Increases	**2,601**	**2,956**	**-**	**5,557**	**70**	**5,627**	**8,147**
Provisions for the year	2,608	2,810	-	5,418	67	5,485	7,451
Changes due to the passage of time and changes in the discount rate	(7)	4	-	(3)	3	-	(48)
Business combination	-	-	-	-	-	-	680
Other changes	-	142	-	142	-	142	64
Decreases	**(4,130)**	**(2,239)**	**-**	**(6,369)**	**(2,731)**	**(9,100)**	**(9,558)**
Reallocations of the year	(1,970)	(789)	-	(2,759)	(80)	(2,839)	(2,466)
Utilisation for payment	(2,018)	(1,450)	-	(3,468)	(2,651)	(6,119)	(7,053)
Other changes	(142)	-	-	(142)	-	(142)	(39)
Closing balance	**6,391**	**6,853**	**-**	**13,244**	**673**	**13,917**	**17,390**

The item **Legal and tax disputes** primarily reports provisions in respect of the risks of litigation brought against the Company concerning its core activities. It decreased by €1.5 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** mainly includes provisions for risks for which no litigation has currently been undertaken.
This provision shows a net increase of €0.7 million during the year, mainly as a result of provisions on estimated liabilities for risks arising from indemnification obligations under a specific Settlement Agreement and the use of the charge fund for consultancies.

The initial balance of the item **Potential liabilities for employees** mainly includes provisions allocated in the previous year, necessary to finance any bonuses not governed by already existing agreements or determinable quantification mechanisms and MBO bonuses. The decrease in the period equal to a total of €2.7 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 bonuses, already applicable to those accrued in 2021, which entails their recognition under Other current liabilities.

RISKS CONNECTED WITH OUTSTANDING LITIGATION

The Company operates in a legal and legislative context that exposes it to a vast range of possible litigation connected with the core business of servicing loan recovery under mandate, potential administrative irregularities and labour litigation.
The associated risks are assessed periodically in order to quantify a specific allocation to the "Provision for risks and charges" whenever an outlay is considered probable or possible on the basis of the information that becomes available, as provided for in the specific internal policies.

NOTE 17 – **TRADE PAYABLES**

(€/000)	12/31/2021	12/31/2020
Payables to suppliers for invoices to be received	20,122	12,703
Payables to suppliers for invoices to be paid	3,505	2,310
Total	**23,627**	**15,013**

The item, which includes payables to suppliers for invoices to be received and for those received but not yet paid, increased compared to December 31, 2020 by €8.6 million.

NOTE 18 - **OTHER LIABILITIES**

The following table provides a breakdown of **Other current and non-current liabilities** as at December 31, 2021 and as at December 31, 2020.

(€/000)	12/31/2021	12/31/2020
Other non-current liabilities	**168**	**-**
Deferral of government grants related to assets	168	-
Other current liabilities	**31,049**	**15,178**
Amounts to be paid to third parties	644	(14)
Amounts due to personnel	15,254	2,673
o.w. employees	*13,904*	*2,673*
o.w. members of Board of Directors and Auditors	*1,350*	-
Amounts due to pension and social security institutions	2,779	2,667
Items being processed	10,040	7,888
Deferral of government grants related to assets	121	-
Other accrued expenses / deferred income	275	54
Other items	1,936	1,910
Total	**31,217**	**15,178**

The item overall shows an increase of €16.0 million compared to December 31, 2020, essentially due to the combined effect deriving from:

- the increase of €8.6 million due to the recognition of the payable due to Eurobank following the recalculation of the Net Economic Benefit envisaged by the Share Purchase Agreement as an adjustment to the acquisition price of the subsidiary doValue Greece, of which €5.3 million as part of the final Purchase Price Allocation exercise and €3.3 million accrued after the closing of the same;
- the increase of €1.4 million due to the accrual of the variable cash portion for Directors, and which derives from the new method of calculating the remuneration;
- the increase of €2.8 million relating to redundancy incentives;

- the increase of €8.3 million against variable remuneration for employees recorded following the update of the new Remuneration Policy for 2021 approved by the Shareholders' Meeting on April 29, 2021 and the new internal process for determining the aforementioned premiums, already applicable to those accrued in 2021, which entails their recognition under Other current liabilities;
- from the decrease of €5.4 million due to the sale of the investment, of an opportunistic and non-recurring nature, made on a portfolio of non-performing loans.

NOTE 19 – **SHARE-BASED PAYMENTS**

The Report on the 2021 Remuneration policy (hereinafter "the Policy") and remuneration paid in 2020 related to doValue S.p.A., applicable to Directors, Key Management Personnel and Members of Supervisory Bodies was approved by the Shareholders' Meeting of doValue on April 29, 2021.
The Policy envisages remuneration systems in some cases based on the use of its own financial instruments.
In detail, they include the following types of remuneration:

- a portion of the fixed remuneration and the entire variable component resulting from the annual Management By Objectives (MBO) bonus System of the Chief Executive Officer is paid in shares;
- a part of the variable remuneration of Executives with Strategic Responsabilities (hereinafter "DIRS") deriving from the MBO system, 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 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.

doValue uses treasury shares for these remuneration plans.

The reference price for calculating the number of shares to be assigned as the equivalent value of the variable remuneration of the LTI plan is determined by using the average of the closing prices in the 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 Company applies ex-post correction mechanisms (malus and claw-back clauses) defined in accordance with the provisions of the reference national collective bargaining agreements, where applicable, or any individual agreements/mandates.
For more details on the mechanisms and terms of attribution of the shares, please refer to the information documentation published on the internet website of doValue www.dovalue.it ("Governance/Remuneration" section).

The amount recognised in profit or loss for the part pertaining to 2021 amounts to €2.0 million, with a corresponding amount reflected in a specific equity reserve, which also includes the portion of treasury shares held by foreign subsidiaries (€0.4 million) recorded under Equity Investments.

NOTE 20 – **LEASES**

The Company 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 Company may not sublet its leased assets to third parties. Most of the leases include renewal or cancellation options typical of property leases, while none envisage variable payments.
The following table reports the carrying amounts of right-of-use assets and changes in the period:

(€/000)	Buildings	Furniture	Electronic systems	Other tangible assets	Total 12/31/2021	Total 12/31/2020
Opening balance	**9,152**	**-**	**-**	**3,047**	**12,199**	**13,721**
Increases	**133**	**-**	**-**	**185**	**318**	**5,182**
Purchases	133	-	-	185	318	5,149
Other changes	-	-	-	-	-	33
Decreases	**(4,703)**	**-**	**-**	**(2,022)**	**(6,725)**	**(6,704)**
Amortisation	(4,141)	-	-	(2,001)	(6,142)	(6,276)
Other changes	(562)	-	-	(21)	(583)	(428)
Closing Balance	**4,582**	**-**	**-**	**1,210**	**5,792**	**12,199**

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:

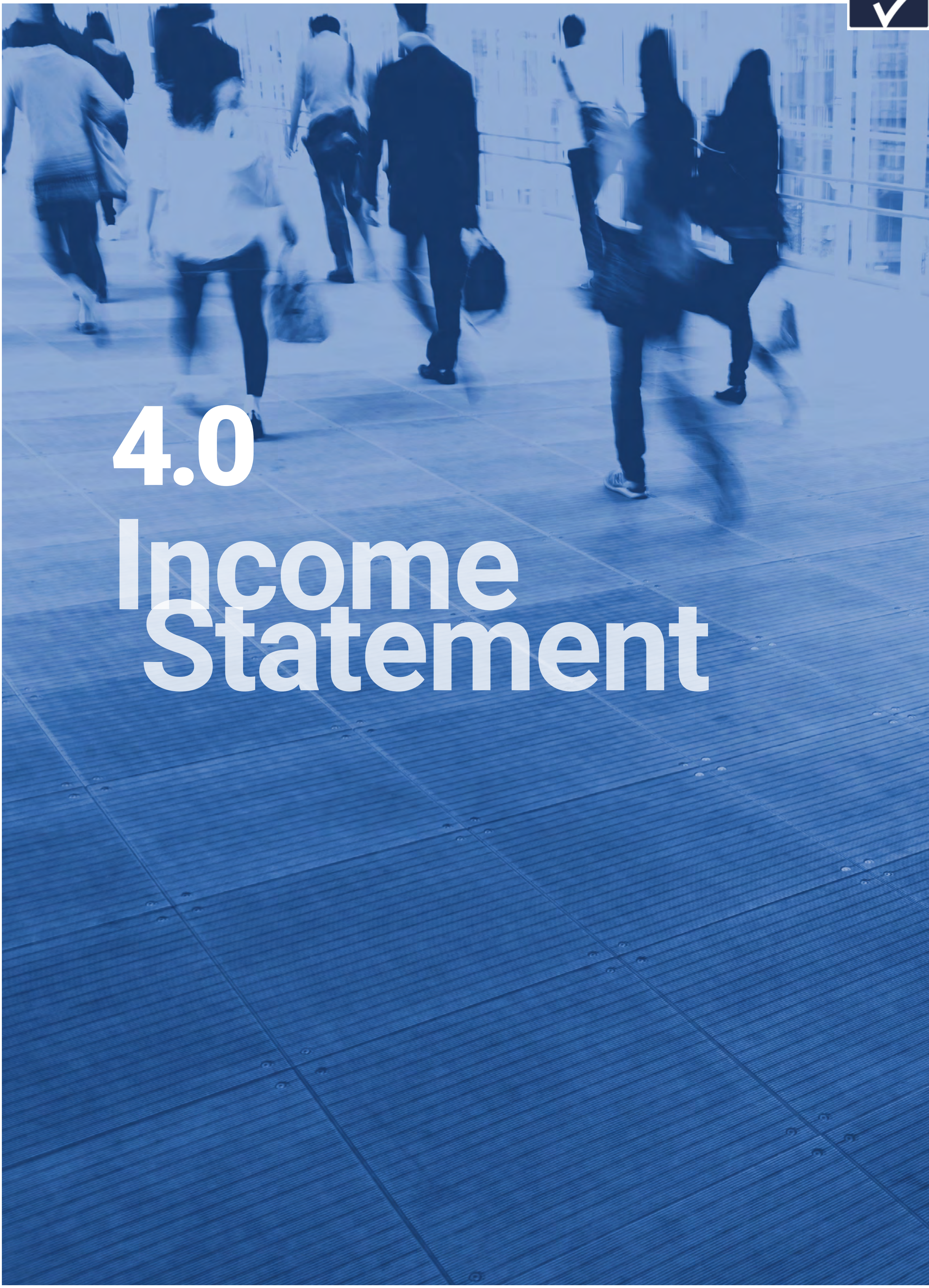
(€/000)	12/31/2021	12/31/2020
Opening balance	**10,935**	**13,813**
Increases	**540**	**3,167**
New liabilities	318	2,818
Financial expenses	218	316
Other changes	4	33
Decreases	**(6,369)**	**(6,045)**
Payments	(4,904)	(4,532)
Other changes	(1,465)	(1,513)
Closing balance	**5,106**	**10,935**
o.w.: Non-current lease liabilities	*2,126*	*5,626*
o.w.: Current lease liabilities	*2,980*	*5,309*

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

(€/000)	12/31/2021	12/31/2020
Amortisation of right-of-use assets	6,143	6,276
Financial expenses from lease liabilities	218	316
Total	**6,361**	**6,592**

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

(€/000)	12/31/2021	12/31/2020
Non-current assets and disposal groups held for sale	(11)	(3)
Share of valuation reserves of equity accounted investments	-	(249)
Total	**(11)**	**(252)**



4.0 Income Statement

NOTE 21 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)	12/31/2021	12/31/2020
Servicing services	38,295	36,004
Servicing for securitisations	104,320	89,651
Total	**142,615**	**125,655**

Overall, the item recorded an increase of 12% compared to the same period of 2020 mainly due to higher performance fees on recoveries in mandate for approximately €10.8 million, higher indemnity fees (€0.9 million) and disposals made (€4.8 million).

Performance obligations

SERVICING SERVICES UNDER MANDATE AND FOR SECURITISATION TRANSACTIONS

The servicing services include the administration, management and recovery of loans utilising in-court and out-of-court recovery processes on behalf and under the mandate of third parties for portfolios mainly consisting of non-performing loans.
These services normally include a performance obligation that is fulfilled over time as the customer simultaneously receives and uses the benefits of the recovery service and the service provided improves the credit that the customer controls.
For the recognition of revenues, the Company applies a valuation method based on the outputs represented by both the assets managed and the collections recognised on each position under mandate, so as to recognise revenues for an amount equal to that for which it has the right to invoice the customer.

NOTE 22 – OTHER REVENUES

(€/000)	12/31/2021	12/31/2020
Administrative Servicing / Corporate Services Provider	15,112	12,584
Recovery of expenses	8,860	1,645
Due diligence & Advisory	489	1,241
Other revenues	2,036	1,741
Total	**26,497**	**17,211**

The item **Other Revenues** shows an increase of 55% compared to the previous period, mainly due to the increase in revenues relating to Administrative servicing/Corporate Services Provider for €2.5 million and to Recovery of expenses for €7.2 million, partially offset by the decrease in Due diligence & Advisory revenues of €0.8 million.

NOTE 23 – COSTS FOR SERVICES RENDERED

(€/000)	12/31/2021	12/31/2020
Costs for management of agency contracts	(10,410)	(7,940)
Costs for services	(273)	(239)
Total	**(10,683)**	**(8,179)**

The item, which includes the fees of the network dedicated to recovery, shows an increase of 31% compared to the previous period mainly referring to commissions on managed cases.

NOTE 24 – PERSONNEL EXPENSES

(€/000)	12/31/2021	12/31/2020
Payroll employees	(84,148)	(71,033)
Members of Board of Directors and Board of Auditors	(4,968)	(4,462)
Other personnel	(4,069)	(300)
Total	**(93,185)**	**(75,795)**

AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	12/31/2021	12/31/2020
Payroll employees	**954**	**1,064**
a) Executives	43	38
b) Managers	396	435
c) Other employees	515	591
Other staff	**11**	**12**
Total	**965**	**1,076**

The item recorded an increase of 23% compared to the previous year. This trend is mainly justified by the fact that in 2020, due to the pandemic in progress, the company chose not to allocate the variable portion of salaries (MBO) which, net of the release of provisions, amounted to €9.1 million, which was instead restored in 2021, as well as the fact that in the previous year the company benefited from support measures for €2.5 million put in place by the national government to deal with the epidemiological emergency.

Personnel expenses include charges related to early termination incentives that will be paid to employees (€4.9 million) who have adhered to the plan launched by the company, in line with the objectives of the 2020-2022 Business Plan.

Details of the cost of employee benefits included in this item are provided in Note 15 - Employee benefits.

NOTE 25 – **ADMINISTRATIVE EXPENSES**

(€/000)	12/31/2021	12/31/2020
External consultants	(11,645)	(7,591)
Information Technology	(15,131)	(11,556)
Administrative and logistical services	(9,630)	(5,636)
Rentals, building maintenance and security	(928)	(853)
Insurance	(2,016)	(1,706)
Indirect taxes and duties	(1,881)	(1,984)
Postal services, office supplies	(116)	(562)
Indirect personnel expenses	(420)	(422)
Debt collection	(3,056)	(3,785)
Utilities	(774)	(795)
Advertising and marketing	(159)	(110)
Other expenses	(207)	(274)
Total	**(45,963)**	**(35,274)**

The item shows an increase of 30% compared to the previous year to be ascribed mainly to the increase in external consultants for €4.1 million, mainly related to judicial activities, to IT expenses for €3.6 million, as well as the costs of administrative and logistic services for €4.0 million.

NOTE 26 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)	12/31/2021	12/31/2020
Recovery of expenses	725	-
Government grants	165	-
Reductions in assets	(3,409)	225
Other expenses	(29)	(137)
Other income	16	-
Total	**(2,532)**	**88**

The item records an increase of €2.6 million compared to 2020 essentially due to the recovery of expenses for €0.7 million relating to the insurance reimbursement connected to the tax assessment relating to Altamira, revenues from public grants for €0.2 million relating to the portion attributable to the tax credit for innovation pursuant to Law 160/2019 and the increase, for €3.3 million, in insolvencies related to the adjustment of the Net Economic Benefit for the acquisition of doValue Greece, which took place after the closing of the related PPA.

NOTE 27 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)	12/31/2021	12/31/2020
Intangible assets	**(4,406)**	**(3,527)**
Amortisation	(4,406)	(3,527)
Property, plant and equipment	**(7,070)**	**(7,324)**
Amortisation	(7,070)	(7,324)
Financial assets measured at amortised cost	**71**	**10**
Writedowns	(21)	-
Writebacks	92	10
Trade receivables	**(508)**	**(1)**
Writedowns	(508)	(1)
Total	**(11,913)**	**(10,842)**

The Item recorded an increase of 10% compared to the same period of the previous year. The Item balance was affected by the amortisation of assets deriving from the merger of the doSolutions company as well as those resulting from the capitalisation and consequent amortisation of several expenses incurred with the current IT outsourcer.
The item is also affected by the effects of IFRS 16 for amortisation of rights of use, which amounted to €6.1 million in 2021.

NOTE 28 – PROVISIONS FOR RISKS AND CHARGES

(€/000)	12/31/2021			12/31/2020		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and tax disputes	(2,601)	1,970	**(631)**	(1,612)	922	**(690)**
o.w. Employee disputes	*(303)*	*171*	***(132)***	*(340)*	*7*	***(333)***
Out-of-court disputes	(2,814)	789	**(2,025)**	(3,112)	1,170	**(1,942)**
o.w. Employee disputes	-	-	**-**	-	-	**-**
Provisions on other commitments and other guarantees issued	-	-	**-**	-	-	**-**
Total	**(5,415)**	**2,759**	**(2,656)**	**(4,724)**	**2,092**	**(2,632)**

The item consists of operational changes in provisions, with the exception of those for employee benefits (classified under personnel expenses), allocated to meet legal and contractual obligations that are presumed will require an outflow of economic resources in subsequent years.
As at December 31, 2021, the item shows a negative balance of €2.6 million, substantially in line with the figure for the previous year due to the combined effect of the prudential provisions relating to both legal disputes and operational risks and other charges and for the releases for provisions of previous years that are no longer considered necessary.

In particular, the 2021 provisions related to out-of-court disputes and other risk provisions substantially cover:
- risks associated with future charges for €1.3 million;
- risks resulting from the indemnity obligations deriving from a specific commercial settlement agreement signed in 2019 for €1.0 million;
- other operational risks relating to servicing contracts for €0.5 million.

As regards releases (€0,8 million) they mainly arise as a result of the release of previous residual provisions that faced possible risks that no longer exist in the absence of legal action.

NOTE 29 – **FINANCIAL (EXPENSE)/INCOME**

(€/000)	12/31/2021	12/31/2020
Financial income	**15,702**	**6,788**
Income from financial assets measured at fair value through P&L	8,846	429
Income from financial assets measured at amortised cost	6,856	6,359
Financial expense	**(31,604)**	**(19,433)**
Expense from financial liabilities measured at amortised cost	(30,908)	(17,809)
Expense from hedging derivates	(507)	(323)
Other financial expenses	(189)	(1,301)
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	**(14,594)**	**(14,642)**

Financial income, up €8.9 million compared to the previous period, essentially includes:
- the proceeds from the sale of the Relais (€4.0 million) and Mexico (€4.6 million) securitisations as well as the proceeds from the ABS securities of the two Romeo SPV and Mercuzio Securitisation securitizations (€0.2 million), down compared to the previous year due to the progressive repayment of the outstanding value;
- the revenues accrued on the loan granted to Altamira (€4.8 million) and on the loan originally granted to the subsidiary doValue Greece Holding for the purchase of FPS, now doValue Greece (€2.0 million).

Financial expenses, up by €12.2 million compared to the previous period, are mainly linked to the costs of the loan taken out at the end of June 2019 for the acquisition of Altamira (€11.0 million) including transaction costs released to the income statement due to the closure of the same, which also refer to the costs from hedging derivatives, the costs of the senior guaranteed bond loan issued in July 2021 which allowed the early repayment of the aforementioned loan (€4.9 million) and the costs of the senior guaranteed bond loan issued in August 2020 connected with the acquisition of FPS, now doValue Greece (€15.5 million).
Other financial expenses regard interest calculated in accordance with IFRS 16.
The category **Net change of other financial assets and liabilities** measured at fair value through profit or loss includes both the positive effect of securities from the Cairo and Romeo SPV securitisations, the fair value of which, in accordance with IFRS 9, resulted in a total positive valuation of €1.2 million, and the positive effect of €0.1 million from the valuation of UCITS units of the Italian Recovery Fund based on the NAV of the transaction as at December 31, 2021.

NOTE 30 - PROFIT (LOSS) FROM EQUITY INVESTMENTS

The item includes the profit deriving from the sale of 283,776 shares of the subsidiary doValue Greece to Eurobank aimed at restoring the shareholding of 20% of the latter in doValue Greece after the merger with doValue Hellas.

NOTE 31 - DIVIDENDS AND SIMILAR INCOME

This item, amounting to €11.3 million, includes dividends received from the investee doData for €1.3 million and from the investee doValue Greece for €10.0 million.

NOTE 32 – INCOME TAX EXPENSE

(€/000)	12/31/2021	12/31/2020
Current tax	(547)	(580)
Changes in prior year taxes	318	411
Changes in deferred taxes assets	693	276
Total	**464**	**107**

Income taxes for the period were positive and quantified on an accrual basis at €0.5 million, still down compared to the same period of the previous year, also in consideration of the particular ratio between the pre-tax result and the dividends accrued in the period, amounting to €11 million and falling under the participation exemption regime with taxability at 5%, as was the case in 2020.

Below is a reconciliation between the tax charge recorded in the financial statements as at 12/31/2021 and the theoretical tax charge, determined on the basis of the theoretical tax rates in force in Italy:

(€/000)	12/31/2021	12/31/2020
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(999)**	**7,724**
Theoretical tax rate	**24%**	**24%**
Theoretical computed taxes on income	**240**	**(1,854)**
- Non-taxable income - permanent differences	2,657	2,787
- Non-deductible expenses - permanent differences	(2,339)	(693)
- IRAP (regional business tax)	(410)	(580)
- Other differences	316	447
Income tax recognised in income statement	**464**	**107**

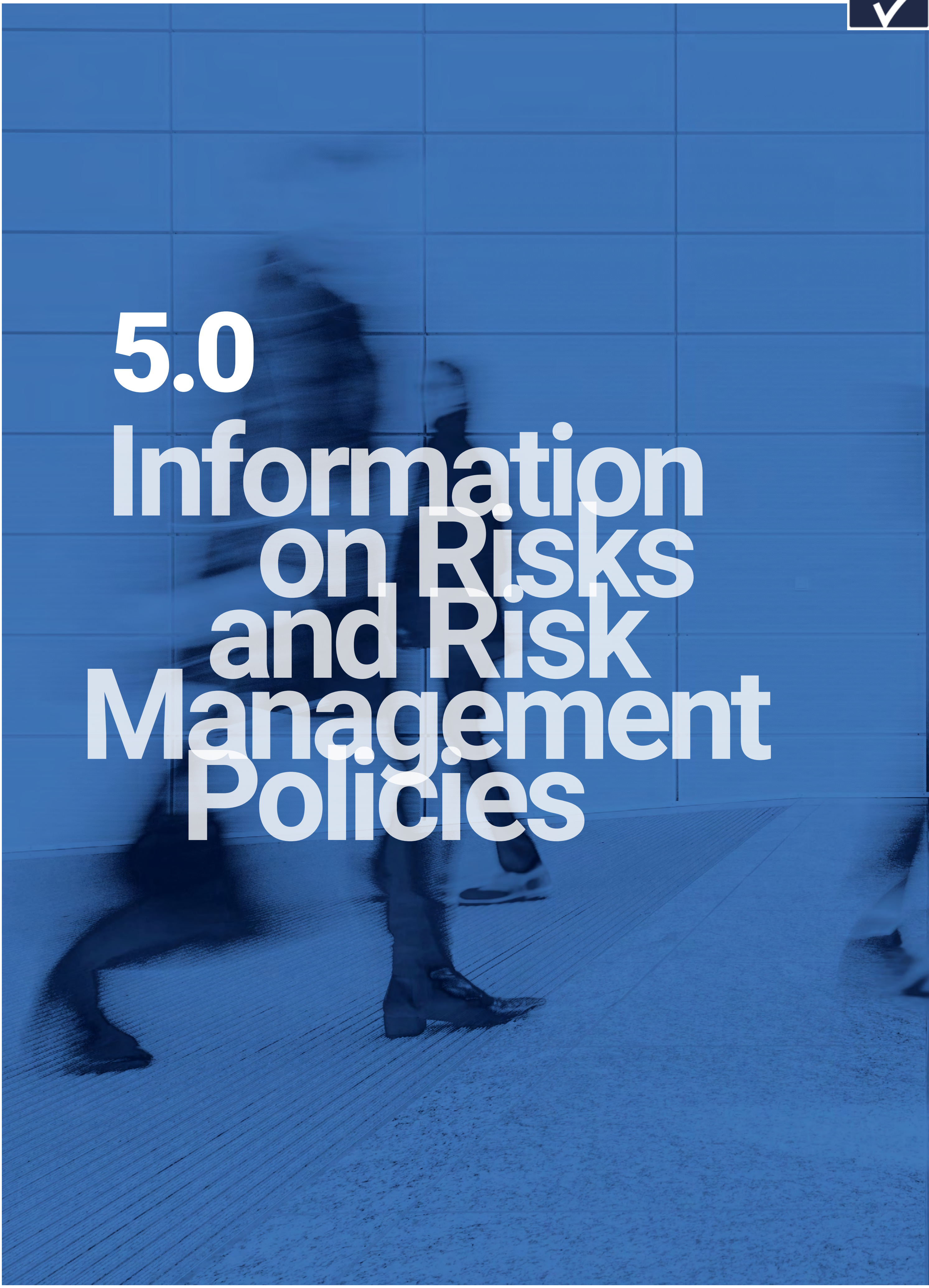
For this reconciliation, IRAP tax is not taken into consideration since it has a taxable basis that is different from the result before tax. Theoretical income taxes are therefore calculated by applying only the tax rate in effect ("IRES"), equal to 24.0%, on the result before tax of continuing operations.

NOTE 33 – **EARNINGS PER SHARE**

(€/000)	12/31/2021	12/31/2020
Profit (loss) for the period [A]	**(535)**	**7,831**
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]	-	0.1
diluted [A/C]	-	0.1

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

doValue, in line with the applicable regulations and the reference best practices, has adopted an Internal Control System, which consists of instruments, organisational structures, company rules and regulations targeted at allowing, through an adequate process of company risk identification, measurement, management and monitoring, a sound and correct company management consistent with the pre-established performance targets and protection of company assets as a whole.
The Company Internal Control System is based on control bodies and departments, information flows and mechanisms to involve the applicable parties and Company governance mechanisms. More specifically, the Company has structured its internal control organisational model by aiming to ensure integration and coordination between the actors within the Internal Control System, in compliance with the principles of integration, proportionality and cost-effectiveness, as well as ensuring reliability, accuracy, trustworthiness and timeliness of financial information.
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 doValue'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;
- third-level controls are aimed at assessing periodically the completeness, functionality, adequacy and reliability in terms of efficiency and effectiveness of the Internal Controls System as to the nature and intensity of the risks of company requirements, identifying, in addition, any violations 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 doValue 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;
- 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 regulations, including self-regulation. The new organisational model and the scope of competences of the functions that within the Group structure are responsible for overseeing said areas is directly influenced by the structure of the business processes implemented in the different contexts that comprise it, and by the nature and relevance of the risks associated therewith, as well as by the presence of specific regulatory requirements on risk management;
- first-level controls are aimed at ensuring the proper performance of operations and are carried out by the company functions responsible for business/operating activities, which, within the scope of their daily operations, are called upon to identify, measure, monitor and mitigate risks deriving from day-to-day company business, in compliance with the risk management process and the applicable internal procedures.

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 doValue.
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 a consolidated level aimed at ascertaining the compliance of the conduct of the Subsidiaries with the guidelines provided by doValue in the context 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 Code of Corporate Governance, which doValue decided to adopt to 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, Risk, Related-Party Transactions and Sustainability Committee

The guidelines of the Internal Control and Risk Management System are defined by the Board of Directors of doValue 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 doValue'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, doValue'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 doValue - 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 doValue'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 Function

In the context of the centralised organisational model adopted by the Group in Italy, the Internal Audit function set up at doValue performs the role of internal audit function on behalf of both doValue 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 doValue 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 doValue 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 Function

The organisational model adopted by the doValue Group provides for the presence of Anti-Money Laundering Functions at doValue 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 doValue, 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 doValue 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 Company 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 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 doValue are among the Corporate Functions 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

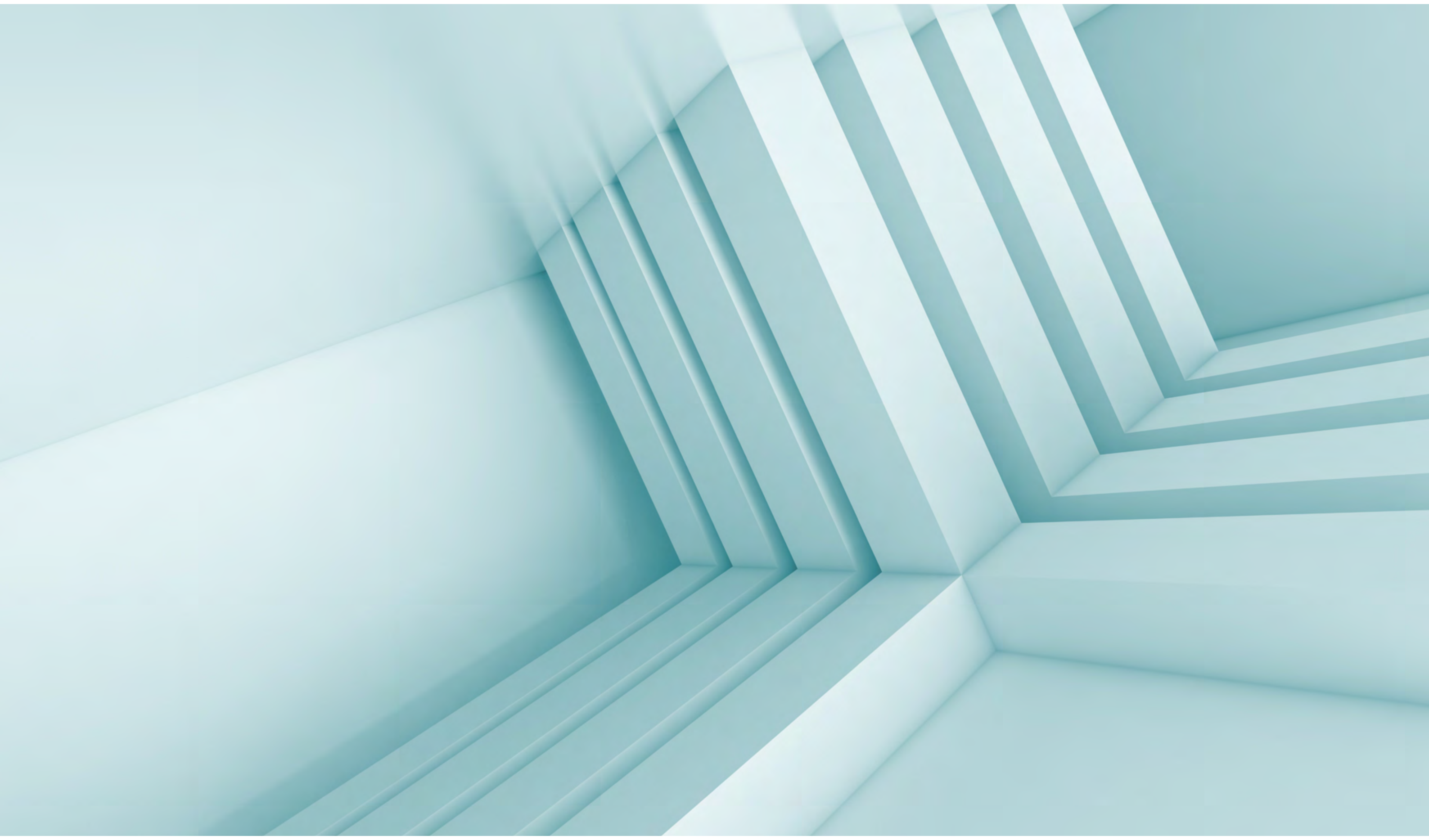
The Function is responsible for overseeing the management of significant risks to which the doValue's activities are exposed, with specific regard to operational risks. It defines the associated guidelines and identifies and monitors those risks, using suitable methodological approaches, procedures and 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 Company is exposed to credit risk deriving mainly from its operating activities, i.e. from trade receivables and, to a lesser extent, from its financing activities, deposits with leading banks and financial institutions and other financial instruments, as well as reduced non-performing positions owned.
Trade receivables, which are at very short term and are settled with payment of the related invoice, are essentially attributable to servicing contracts under which the Company accrues receivables in respect of their counterparties, who may default due to insolvency, economic events, liquidity shortages, operational deficiencies or other reasons.
In order to limit this risk, the Company monitors the positions of individual customers, analyses expected and actual cash flows in order to promptly undertake any recovery actions.



Pursuant to IFRS 9, at each reporting date, these receivables are subject to a valuation aimed at verifying whether there is evidence that the carrying amount of the assets themselves is not fully recoverable; for more details, please refer to the paragraph “Impairment of financial assets” in the “Main items of the financial statements” Section.
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 Company only uses interlocutors with a high credit standing.

LIQUIDITY RISK

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

The two main factors that determine the Company’s liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities and, on the other, the expiry and renewal characteristics of the debt or liquidity of financial investments and market conditions.

The Company has adopted a series of policies and processes to optimise the management of financial resources, thereby reducing liquidity risk.

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

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

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

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

(€/000)	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	12/31/2021	12/31/2020
Loans and other financing	**-**	**10,034**	**-**	**550,858**	**-**	**560,892**	**543,042**
Bank loans	-	41	-	-	-	41	284,196
Bonds	-	9,993	-	550,858	-	560,851	258,846
Other financial liabilities	**-**	**-**	**20,469**	**6,628**	**1,053**	**28,150**	**41,283**
Lease liabilities	-	-	2,980	2,117	9	5,106	10,935
Earn-out	-	-	17,489	4,511	1,044	23,044	29,894
Hedging derivatives	-	-	-	-	-	-	454
Trade payables	**901**	**2,604**	**20,122**	**-**	**-**	**23,627**	**15,013**
Other current liabilities	**3,346**	**3,076**	**24,627**	**168**	**-**	**31,217**	**15,178**
Total	**4,247**	**15,714**	**65,218**	**557,654**	**1,053**	**643,886**	**614,516**

MARKET RISK - INTEREST RATE RISK

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

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

In July 2021, the variable-rate debt was repaid early and replaced with a fixed-rate debt through the issue of a guaranteed senior bond loan for a total principal amount of € 300 million maturing in 2026 at a fixed rate of 3.375% per annum.

In order to neutralise the exposure to the risk of interest rate fluctuations, in the previous financial year the Company entered into Interest Rate Swaps (IRSs), whereby the Company agrees to exchange, at defined intervals, the difference in amount between the fixed rate and the variable rate calculated with reference to an agreed amount of notional principal. These swaps designated to hedge the underlying debt were terminated at the same time as the early repayment of the related loan in July 2021.

SECURITISATIONS

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

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

In both transactions, doValue plays the role of Servicer.

At the same time as the Eurobank FPS acquisition, in June 2020, mezzanine and junior notes were subscribed to the 3 Cairo securitisations (Cairo I, Cairo II and Cairo III), whose securities 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 doValue Group retained the roles of Master Servicer (carried out by doNext, formerly Italfondiario) and Special Servicer (carried out by doValue) in the transaction.

In December 2021, as part of the Mexico project more fully described in the Significant events during the period section of the Directors' Report, doValue purchased mezzanine and junior notes of the Mexico securitisation from Eurobank, equal to 95% of the total notes issued, concurrently selling to a third investor a share equal to 90% of the mezzanine and junior notes issued; the remaining portion of notes recognised in the financial statements therefore corresponds to 5% mezzanine and junior notes of the securitisation. The Group is Servicer of the portfolio through the subsidiary doValue Greece.

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) includes 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 Company'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, therefore, has the task to manage the relevant risks to which the Company's assets are exposed to, with particular reference to operating risks, through the definition of the relative guidelines as well as the identification and monitoring of such risks, using suitable methodological approaches, procedures and tools and providing appropriate reporting to the Corporate Bodies, consistently with the approach outlined 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, 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 managers of the organisational units involved.

5.3 Capital management

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

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

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

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

(€/000)	12/31/2021	12/31/2020
Prestiti e finanziamenti (Nota 13)	560,892	543,042
Altre passività finanziarie (Nota 14)	28,150	41,282
Debiti commerciali (Nota 17)	23,627	15,013
Altre passività (Nota 18)	31,217	15,178
Meno: disponibilità liquide e depositi a breve (Nota 10)	(124,861)	(40,527)
Debito netto (A)	**519,025**	**573,988**
Patrimonio Netto	205,921	230,636
Capitale e debito netto (B)	**724,946**	**804,624**
Gearing ratio (A/B)	**72%**	**71%**

The 2021 gearing ratio is substantially in line with that of 2020.

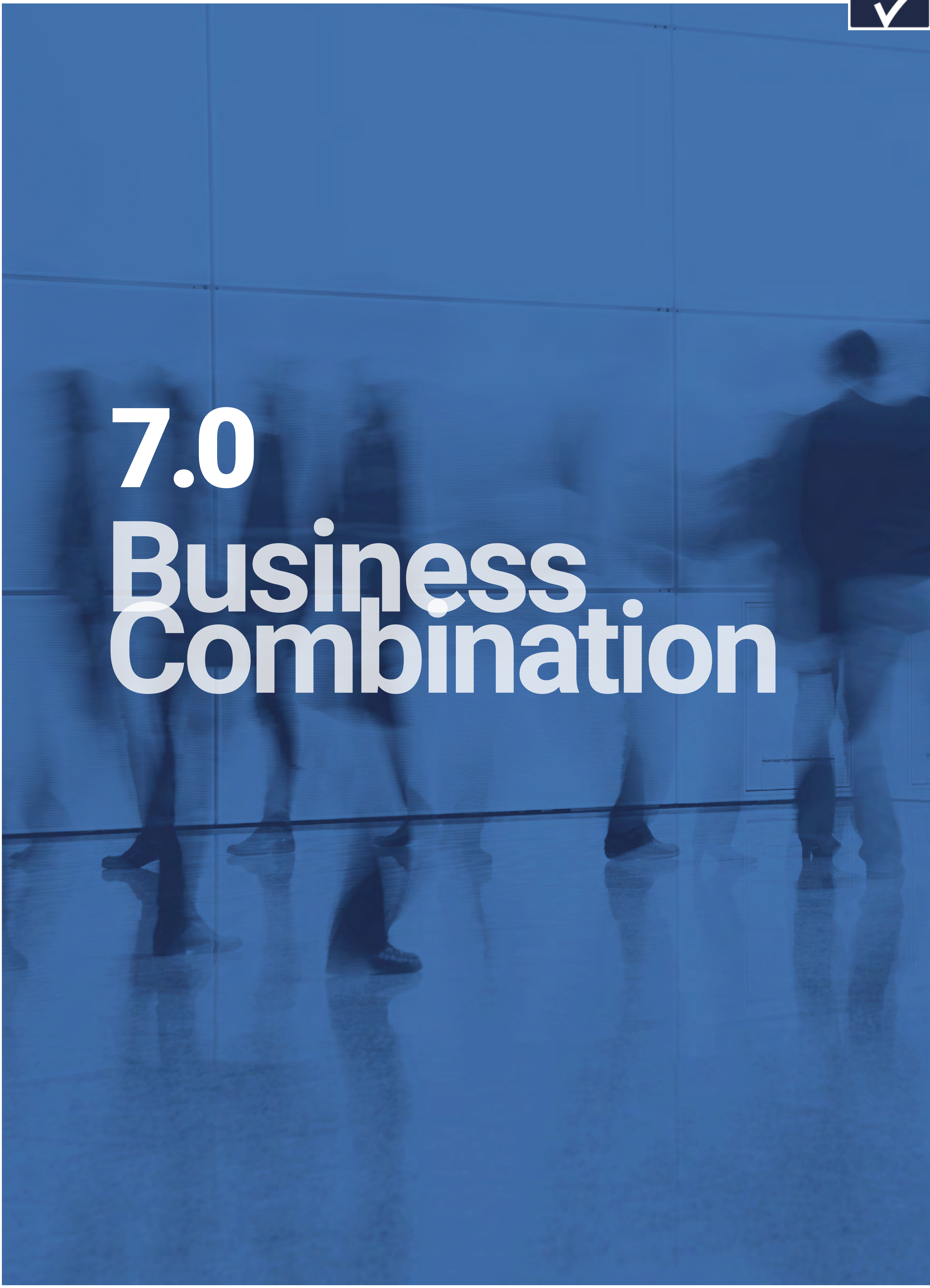
The table below reconciles the **Net debt** figure shown in the previous table with the **Net financial indebtedness** presented in Note 14 of the "Information on the balance sheet".

(€/000)	12/31/2021	12/31/2020
Net financial indebtedness (Note 14)	**292,175**	**296,497**
Trade payables (Note 17)	23,627	15,013
Other liabilities (Note 18)	31,217	15,178
Current financial assets (Note 4)	60,401	77,336
Other non-current loans (Note 4)	111,605	169,964
Net debt (A)	**519,025**	**573,988**

6.0 Segment reporting

For Segment Reporting, reference should be made to the representation in the Consolidated Financial Statements of the doValue Group as at December 31, 2021, as the Group uses the Region as a dimension of analysis; for these Corporate Financial Statements, the representation corresponds to that reported in the Consolidated Financial Statements for Italy.

7.0 Business Combination



7.1 Business combinations completed **in the period**

For this section, please refer to the doValue Group's Consolidated Financial Statements for the year ended December 31, 2021.

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 doValue 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.

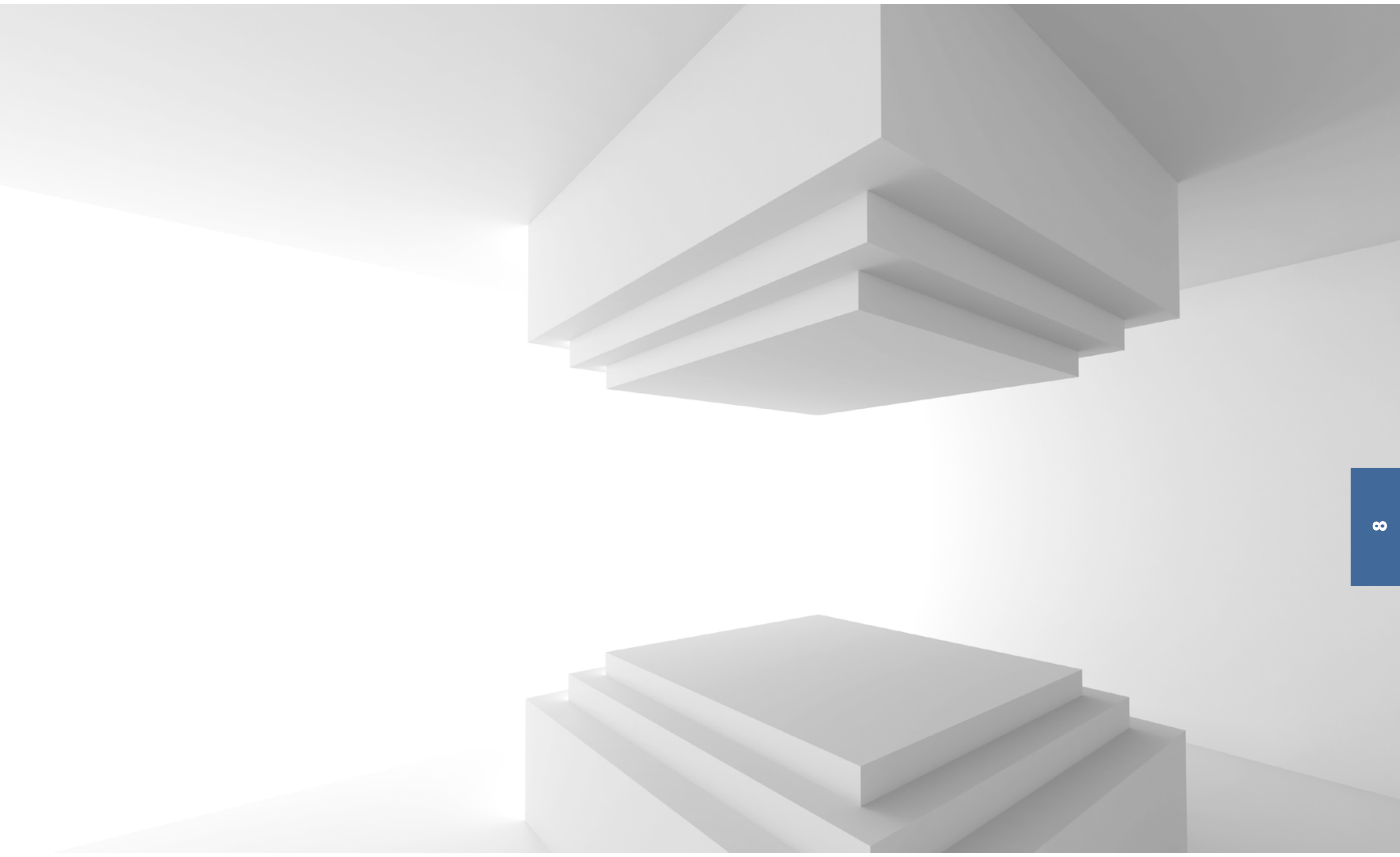
In compliance with Consob Resolution no. 17221 of March 12, 2010, doValue has adopted the “Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group”, published on the corporate website of doValue (www.doValue.it), 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, as well as the other key management personnel identified in the "Relevant Personnel" area.

(€/000)

Remuneration breakdown	12/31/2021
Short term benefits	5,094
Post-employment benefits	97
Share-based payments	4,174
Total	**9,365**



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	Consolidated subsidiaries	Associates	Joint ventures	Key management personnel	Other related parties	Total
Property, plant and equipment	-	-	-	-	-	90	90
Non-current financial assets	-	111,605	-	-	-	2,755	114,360
Current financial assets	-	58,885	-	-	-	-	58,885
Trade receivables	-	5,915	-	-	-	10,144	16,059
Other current assets	-	992	-	-	-		992
Total assets	**-**	**177,397**	**-**	**-**	**-**	**12,989**	**190,386**
Trade payables	-	4,476	-	-	-	58	4,534
Other current financial liabilities	-	-	-	-	-	117	117
Other current liabilities	-	322	-	-	-	-	322
Total liabilities	**-**	**4,798**	**-**	**-**	**-**	**175**	**4,973**

(€/000)

Costs/Revenues	Parent Company	Consolidated subsidiaries	Associates	Joint ventures	Key management personnel	Other related parties	Total
Revenue from contracts with customers	-	-	-	-	-	35,255	35,255
Other revenue	-	11,077				2,193	13,270
Administrative expenses	-	(2,946)	-	-	-	(303)	(3,249)
Staff expenses	-	(3,027)	-	-	-	215	(2,812)
Financial (Expense)/ Income	-	6,851	-	-	-	482	7,333
Depreciation, amortisation and impairment	-	-	-	-	-	(1,082)	(1,082)
Dividends	-	11,332	-	-	-	-	11,332
Total	**-**	**23,287**	**-**	**-**	**-**	**36,760**	**60,047**

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 **Consolidated subsidiaries** relate to:

- doData: costs for land registry services and other services of €2.3 million, as well as net revenues from seconded personnel of €0.3 million were incurred. In addition, dividends of €1.3 million were collected;
- doNext: net revenues of seconded personnel accrued for €0.6 million;
- Altamira: net costs of seconded personnel accrued for €3 million. In addition, there is a loan granted by the Company for a residual €90.9 million at the end of the year which generated financial income of €4.8 million;
- doValue Greece: net costs of seconded personnel accrued for €0.7 million and dividends of €10 million were collected. In addition, there is a loan granted by the Company for a residual €79.6 million at the end of the year which generated financial income of €2 million.

With the aforementioned subsidiaries there are relationships for the supply of services for corporate activities and for the control functions carried out by doValue, on the basis of which revenues of €3.4 million and reimbursement of general expenses of €4.8 million were accrued.
The trade receivables and payables shown in the above table essentially refer to the aforementioned service relationships.

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

- Securitisation SPV: the Company performs activities as an “authorised entity” in the context of credit securitisation transactions and structuring services for securitisation transactions, regulated by Law 130/1999. Some of the vehicles underlying these transactions, in particular those linked to Softbank, fall within the scope of related parties and for 2021 the amount of revenues from contracts with customers in this category amounted to €35.1 million, while other revenues amounted to €1.2 million with corresponding trade receivables of €9 million as at December 31, 2021; for the Romeo SPV and Mercuzio Securitisation vehicles, for which doValue owns ABS notes, there were also €2.8 million in financial assets and €508 thousand in financial income;
- Torre SGR S.p.A.: the company rents doValue 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 million and financial expense of €26 thousand. During the year, administrative costs connected with those buildings amounted to €303 thousand. The balancing entries are recorded under property, plant and equipment (€90 thousand), under other financial liabilities (€1.3 million), and under trade payables (€57 thousand);
- FIG LLC: doValue carries out due diligence services for the company and during 2021 accrued revenues of €557 thousand and trade receivables of €648 thousand at the end of the year;
- ReoCo: doValue manages property assets for certain ReoCo (real estate owned companies), with revenue from contracts with customers and other revenue during the year of €424 thousand and trade receivables of €416 thousand.

Annexes

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

(€)

Type of services	doValue S.p.A.	
	Service Provider	Fee for the year in Euros (excluding VAT and expenses)
Auditing	EY S.p.A.	**216.000**
Audit related services	EY S.p.A.	**9.000**
Other services	EY S.p.A.	**120.000**
of which Non-Financial Statement		30.000
Total		**345.000**

PUBLIC DISTRIBUTIONS 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. 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.

doValue'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)	101,642
Tax credit for technological innovation (L. 160/2019)	202,058
Total	**366,580**

Proposed allocation of Net Profit for the year

Proposed allocation of net profit for the year

Dear Shareholders,

the draft financial statements for the year ended on December 31, 2021 were approved by the Board of Directors on 17 March.

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

The individual financial statements as at December 31, 2021, closed with a loss for the period of €534,919.

The consolidated financial statements, also approved by the Board of Directors at the meeting held on March 17, closed with a Profit for the period of €23,743,973.

With reference to the allocation of the negative result for the period, it is proposed to reduce the Retained earnings reserve by the same amount, however, taking into account the high level of company capitalization and the growth prospects included in the 2022-2024 Business Plan, it is intended to proceed with the distribution of a dividend of €0.50 per share which, compared to the number of ordinary shares as at December 31, 2021 - excluding treasury shares corresponding to 1.22% of the share capital - is quantified as a total of €39,513,830.50.

For the purpose of this distribution, the residual Retained earnings reserve for €24,996,002 and the Extraordinary Reserve classified among the Other reserves for €14,517,828.50 will be used entirely, taking into account that no distribution will be made to the treasury shares held by doValue at the record date.

The dividend will be payable on May 4, 2022 (with ex-dividend day on May 2, 2022 and record date on May 3, 2022).

Rome, March 17, 2022 — The Board of Directors

Certifications and Reports to the Financial Statements

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

1. The undersigned

- Mr. Andrea Mangoni, in his capacity as Chief Executive Officer (CEO);
- Mrs. Elena Gottardo, in her capacity as the Financial Reporting Officer with preparing the financial reports of doValue S.pA., 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 financial statements, during the period 2021

2. We also certify that:

   2.1. the 2021 Annual 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	**Elena Gottardo**
Chief Executive Officer	Financial Reporting Officer

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doValue S.p.A.

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

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EY S.p.A.
Via Isonzo, 11
37126 Verona

Tel: +39 045 8312511
Fax: +39 045 8312550
ey.com

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 Financial Statements

Opinion

We have audited the financial statements of doValue S.p.A. (also the "Company"), 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 financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 Financial Statements* section of our report.
We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We identified the following key audit matters:

Key audit matters	Audit response
Estimate of the accrued portion of revenues relating to servicing contracts and related contractual obligations	
The Company operates as a servicing entity for banks and financial institutions for the management and recovery of loans, mainly non-performing. Revenues from these activities are recognized on an accrual basis, through the use of management information and reporting systems and procedures and the use of complex processes for the recognition of such activities, which are carried out in accordance with the specific clauses set forth in the customers' contracts. These revenues, presented in line item "Revenues from contracts with customers" of the income statement, are attributable to servicing for securitization transactions for approximately 73% and to credit service management and recovery services for the residual portion. The aforementioned contracts also provide for detailed rights and obligations of the Company toward counterparties, which can generate potential liabilities deriving from any failure to fulfill the contractual obligations. 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 45% of total invoices to be issued and to 17% of "Total revenue" of the consolidated income statement. For these reasons, the estimate of revenues from servicing contracts and the related contractual obligations were considered by us to be a key audit matter.	Our audit procedures in response to the key audit matter, included, inter alia: • an understanding of the process to recognize revenues from servicing contracts with customers and contractual costs and related key controls; • conducting compliance tests on the processes for calculating revenues and related billing; • verification of the appropriateness of the methodology and reasonableness of the valuation assumptions used, as well as performing compliance procedures on the related accounting estimate of the accrued amounts; • carrying out validity procedures concerning the correct application of the estimation methodology and related assumptions in recognizing fixed and variable revenue components; • comparison of the estimates of the prior year with the actual data and the analysis of the deviations to support the reliability of the estimation process. Finally, we examined the adequacy of the information provided in the notes to the financial statements.

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

Valuation of equity investments

Equity investments in subsidiaries at December 31, 2021 amount to € 351,9 million and represent 40.3% of total assets.
The Company assesses the presence of impairment indicators for each investment at least annually, and, should they occur, they are subject to impairment testing.
The processes and methods for assessing and determining the recoverable amount of each equity investment are based on complex assumptions which, by their nature involve resorting to the use of management's judgment, in particular, forecasting future profitability. In this context, for the purpose of estimating future cash flows, Company's management used the data contained in the Business Plan 2022-2024 and the forecasted data of the servicing contracts for each subsidiary, recently reviewed to reflect the current uncertainty over macroeconomic framework due to the Covid-19 pandemic.
Considering the required judgement and the complexity of the assumptions used in estimating the recoverable amount of the equity investments, we deemed this matter to be a key audit matter.
As part of the accounting policies reported in the notes to the financial statements, the accounting and valuation criteria for equity investments are described, as well as the risks and uncertainties associated with the use of the estimates underlying the valuation process.

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

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

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

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

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38, 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, 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 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 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 Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the 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 financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation. In our opinion, the financial statements of doValue S.p.A. have been prepared in the XHTML format in compliance with the provisions of the Delegated Regulation.

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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 and of the Report on Corporate Governance and Ownership Structure at December 31, 2021, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the financial statements of the Company 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 and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of the Company 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 the 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.

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

Dear Shareholders,

in this report, drafted in accordance with Art. 153 of Italian Legislative Decree 58/1998 and Article 2429, paragraph 2 of the Italian Civil Code, the Board of Statutory Auditors of doValue S.p.A. (hereinafter also the "Company" or the "Parent Company") illustrates the supervisory activities it has performed in 2021 financial year and their results, in accordance with the requirements of CONSOB Communication no. DEM/1025564 of 6 April 2001 as amended.

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

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

During the year ended 31 December 2021, the Board of Statutory Auditors carried out its official tasks in compliance with the Italian Civil Code, Legislative Decrees no. 58/1998 ("Consolidated Law on Finance") and no. 39/2010 as amended, and the provisions issued by the Authorities carrying out supervisory and control activities. The Board of Statutory Auditors also complied with the principles of conduct of the Board of Statutory Auditors recommended by the National Council of Chartered Accountants, as well as with the indications contained in the Corporate Governance Code for listed companies.

During the financial year, the Board of Statutory Auditors:

- held 26 board meetings at which all members in office participated;
- attended, usually collegially, at 18 meetings held by the Board of Directors;
- attended, in the presence of the Chairman of the Board of Statutory Auditors and/or the other Statutory Auditors, 10 meetings held by the Risk and Operations with Related Parties Committee, which, as from 15 July 2021, took the name of Risk and Operations with Related Parties Committee (hereinafter also "Risk Committee");
- attended, in the presence of the Chairman of the Board of Statutory Auditors and/or the other auditors, a meeting held by the Independent Directors of doValue on 04/06/2021;
- attended, with the presence of the Chairman of the Board of Statutory Auditors and/or other auditors, 3 meetings held by the Remuneration Committee;
- attended, with the presence of the Chairman of the Board of Statutory Auditors and/or other auditors, 5 meetings held by the Appointments Committee;
- attended, in the presence of the Chairman of the Board of Statutory Auditors and/or the other auditors, 3 meetings held by the Appointments and Remuneration Committee which, as of 15

July 2021, absorbed the functions of the previous Remuneration Committee and Appointments Committee;

- maintained a constant information channel and held regular meetings with the Audit Firm, for the purpose of promptly exchanging relevant information and data for carrying out their respective duties;
- maintained a constant information channel and held regular meetings with the Company Control Departments;
- participated in the periodic exchange of information with the Board of Statutory Auditors of the Italian subsidiary doNext Spa, formerly Italfondiario Spa, facilitated by the presence of two auditors from the Parent Company on the Supervisory Board of the aforementioned company.

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

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

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

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

1. Considerations on the most significant economic, financial and capital operations performed by the Company and on their conformity with the Law and the Deed of Incorporation

Based upon the information received, also through participation in meetings of the Board of Directors, the Board of Statutory Auditors has monitored the most significant economic, financial and capital operations resolved upon and implemented by the Bank and by the Group in 2021. At the outcome of the analyses conducted, the Board of Statutory Auditors can reasonably state that the operations resolved upon and implemented are compliant with the Law and the Articles of Association and with the principles of correct administration, they are not manifestly imprudent, risky, in potential conflict of interests, in contrast with the resolutions made by the Shareholders' Meeting or likely to compromise the integrity of the company assets and assisted, where necessary, by structured analysis and assessment processes also with the support of third party experts.

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

<u>Start of management of new credit portfolios</u>

Over the course of the year, the main transactions in the managed portfolio saw the taking on and/or signing of around €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 and €11.4 billion of new mandates were secured by doValue, including new clients - banks and investors - in all major markets, including, in Italy, a new contract for the management of a multi-originator UTP portfolio and a new agreement for the management, including real estate, of non-*performing assets* from leasing contracts.
In addition to this, the following contracts, related to securitisation transactions, are significant:

- Project Mexico: securitisation finalised in December 2021, with a portfolio of impaired loans, with a GBV of €4.3 bn. As part of the operation, doValue subscribed to €45.0 million of bonds (subsequently partially redeployed with a residual amount of €2.4 million at year-end);
- Frontier Project: securitisation of impaired loans with a GBV of approximately €5.7 billion by the National Bank of Greece ("NBG") under the Hellenic Asset Protection Scheme.

<u>Bond Issue</u>

On 23 July 2021, the Company completed the issuance of its second *senior* secured bond, 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 100.00%, reserved for institutional investors (the "Bonds"). The Bonds have been admitted to listing on the Euro multilateral trading facility (MTF) organised and managed by the Luxembourg Stock Exchange.

The proceeds from the issuance were used to prepay and close the senior loan agreement entered into on 22 March 2019 (including accrued interest and related interest rate swaps), to pay fees and expenses incurred in connection with the transaction, and to use the remainder as cash for general business purposes.

Tax assessment on Altamira Asset Management

The following significant transactions are also reported:

- Merger by incorporation of doValue Hellas Credit and Loan Servicing S.A., in doValue Greece Loans and Credits Claim Management Société Anonyme;
- Investment of €10.0 million, equal to 15.2% of BidX1, an Irish prop-tech company specialising in the promotion and implementation of real estate transactions through real-time online auction processes;
- Investment of €1.5 million or 11.46% in the Brazilian fintech company QueroQuitar S.A., which operates in the field of digital collections.

Furthermore, during the year, the investee Altamira Asset Management settled a dispute with the Spanish tax authorities concerning the 2014 and 2015 tax years by paying €33 million. The directors provided more details of the transaction in their Report on Operations.

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

The Board of Statutory Auditors has not identified or received information from the Audit Firm, the Head of Internal Audit, the Head of the Control Management department, the top management of the Company, the Boards of Statutory Auditors of the subsidiaries under Italian laws, about any atypical and/or unusual transactions, even intergroup or with related parties.

3. Intergroup or related party transactions

Transactions with related parties are governed by the "Policy for the management of transactions with related parties and transactions in conflict of interest of the doValue Group" ("OPC Policy"), prepared pursuant to Consob Regulation No. 17221/2010 and approved by the Board of Directors, in its most updated version, on 17 June 2021, following the incorporation of the amendments made to Regulation 17221/2010 by Consob Resolution No. 21624 of 10 December 2020.

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

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

For its part, the Board of Statutory Auditors has not identified violations of the provisions of Law and the articles of association or transactions implemented by the Directors which are manifestly imprudent or risky, in contrast with the resolutions made by the Shareholders' Meeting or in any case likely to compromise the integrity of the company assets.

Insofar as the Board of Statutory Auditors is aware, those transactions were concluded in the Company's interest and do not require any observations on their congruity, as they fall within the Company's ordinary operations.

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

The Audit Firm EY S.p.A. ("EY") issued the following Reports today:

- the auditing report in accordance with Art. 14 of Italian Legislative Decree 39/2010 and Art. 10 of Regulation EU no. 537/2014, certifying that the financial statements of doValue S.p.A. and the Consolidated Financial Statements of the doValue Group are compliant with *International Financial Reporting Standards* (IFRS), as well as the measures issued in implementation of Art. 9 of Italian Legislative Decree 38/2005 and Art. 43 of Italian Legislative Decree 136/2015, are drafted with clarity, and represent truthfully and correctly the capital and financial situation, economic result and cash flows of the Company and of the Group;
- the additional report, in accordance with Article 11 of Regulation EU no. 537/2014, issued to the Board of Statutory Auditors in the capacity of Internal Control and Accounts Audit Committee, which illustrates the results of the statutory accounts audit carried out and includes the declaration on independence indicated in Article 6, paragraph 2 letter a) of the cited Regulation.

The Audit Firm has also certified that the Report on Operations and the information of the Corporate Governance and Ownership Report indicated in Art. 123-bis, paragraph 4 of the Consolidated Finance Law, are coherent with the financial statements and the Consolidated Financial Statements of the Group and are drafted in conformity with the Law.

With reference to the Report on Operations, EY has confirmed, as regards the presence of any significant errors, that is has nothing to declare.

The audit reports, which do not contain any requests for information or qualifications, indicate the "key issues" that emerged during the course of the audit in accordance with International Standards on Auditing (ISA Italia) 701, which have already been reported to the Board during the periodic meetings and which are represented by the estimation of accruing servicing revenues and related contractual obligations by the appraisal of equity investments.
With regard to the audit report on the Consolidated Financial Statements, EY also mentioned, among the "key issues", the impairment test of the goodwill and of the other intangible assets regarding servicing contracts.

With reference to the application of the provisions of the Delegated Regulation (UE) 2019/815 issued by the European Commission on regulatory technical standards relating to the specification of the single electronic communication format (ESEF – European Single Electronic Format), EY expressed the opinion that the separate and consolidated financial statements have been prepared in XHTML format and the consolidated financial statements have also been marked, in all significant aspects, in compliance with the provisions of the aforementioned Delegated Regulation.

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

In accordance with the provisions of Legislative Decree 254/2016 implementing Directive 2014/95/EU, on 17 March, the Company's Board of Directors approved the Consolidated Non-Financial Statement for the financial year 2021. The Audit Firm issued its report today, noting that no evidence has emerged to suggest that the aforementioned Declaration has not been prepared, in all significant aspects, in accordance with the requirements of Articles 3 and 4 of the Decree and the GRI *Standards,* with reference to the selection of GRI *Standards*. The Board of Statutory Auditors oversaw the process of preparing the Declaration, in line with existing regulatory provisions.

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

During 2021 and up to the date of this Report, the Board of Statutory Auditors has not received any complaints pursuant to Article 2408 of the Italian Civil Code.

6. Indication of any submission of petitions, any initiatives undertaken and the respective outcomes

In 2021 and up to the date of this Report, no complaints have been received to be reported to the Shareholders' Meeting.

7. Indication of any granting of further assignments to the Audit Firm and to entities linked to the company instructed to perform the audit and respective costs

The Board of Statutory Auditors notes that, in an annex to the Financial Statements and the Consolidated Financial Statements as at 31 December 2021, the Directors have provided analytical information regarding the remuneration attributed to the Audit Firm and the entities belonging to the Audit Firm's network, as shown in the table below:

FEES PAID TO THE INDEPENDENT AUDITORS: INFORMATION PURSUANT TO 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

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

Pursuant to Article 19 of Legislative Decree 39/2010, in 2021 the Board of Statutory Auditors verified and monitored the independence of the Audit Firm EY. In that regard, the Board of Statutory Auditors notes that no critical aspect emerged and confirms that it has received the declaration of confirmation of its independence from the doValue Group.

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

In 2021, the Board of Statutory Auditors has issued its opinion - where mandatory - in compliance with provisions of Law, the Articles of Association and the Supervisory Regulations.

The opinions expressed and the comments made in compliance with supervisory provisions or requests include:

- comments on the planning of and reporting on the functions in charge in accordance with CONSOB Resolution 17297 dated 28 April 2010;
- comments on the planning and reporting of the activities of the Manager in charge of preparing the company's financial reports;

- favourable opinion on the appointment of the Manager in charge of preparing the corporate accounting documents, confirming the previous holder of the assignment in accordance with Art. 154-bis of the Consolidated Finance Law;
- favourable opinion pursuant to Article 2386 of the Italian Civil Code regarding the co-option of Director Cristina Finocchi Mahne to replace Director Patrizia Michela Giangualano at the meeting of the Board of Directors on 4 August 2021.

9. Comments on respect of the principles of correct administration

The Board of Statutory Auditors has overseen respect of the principles of correct administration by attending at meetings of the Board of Directors and the Board's Committees, meetings with the Heads of the Control Departments, the Chief Executive Officer, as well as the other supervisory activities cited above.

From the supervisory activity and the information obtained, the Board of Statutory Auditors can reasonably state that the activity of the aforementioned Committees and Bodies was based upon compliance with the principles of a fair administration, with an awareness of the risks and effects of the carried-out transactions. As regards risks in particular, reference should be made to the disclosure provided by the Directors in the Management Report on Operations and in the Notes to the Financial Statements, in the paragraph "Information on risks and the related hedging policies".

As regards the decision-making processes of the Board of Directors, the Board of Statutory Auditors has overseen their compliance with the Law and the Articles of Association and has verified that the management decisions were compliant with applicable regulations, adopted in the Company's interest, adequately supported by information, analysis and verification processes, also obtaining, where necessary, advisory activity of committees and external professionals.

As part of its sustainability strategy, the Company published its first "Sustainability Plan 2021- 2023", which defines the principles that guide the Group towards achieving ESG objectives. The Sustainability Plan focuses on three areas of commitment, in line with the business strategy and the SDGs - Sustainable Development Goals - of the United Nations 2030 Agenda:

• operate responsibly;

• attention to people;

• attention to the environment.

The Sustainability plan's commitment areas have been included in the Group's 2022-2024 Business Plan, with the aim of pursuing continuous business improvement and at the same time contributing to the achievement of social, environmental and governance development goals.

Each commitment area has specific targets that contribute to the achievement of the UN SDGs . 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:

• develop business activities conducted in accordance with current legislation and the highest ethical and moral standards;

• consolidate information security management systems and ensure maximum respect for privacy;

• spreading a culture of inclusiveness;

• promote the satisfaction, health and well-being of employees and collaborators;

• promoting and supporting the communities in the territories

In order to integrate sustainability more and more into the business, the Company has implemented a Governance system that provides for the interaction of different bodies dedicated to the supervision and management of these issues:

- The Communication & Sustainability function, which is responsible for identifying, in collaboration with the relevant functions, risks related to sustainability issues, as well as identifying areas and projects for improvement, thus contributing to the creation of long-term value.
- The Board of Directors, which examines and approves: (a) the contents of the Group's Consolidated Non-Financial Statement pursuant to Legislative Decree no. 254/2016; (b) the guidelines of the Sustainability Plan and the Company's policies on human rights, business ethics and integrity, diversity and inclusion, as well as the policies for integrating environmental, social and governance issues into the business model and the initiatives undertaken by the Company to address climate change issues and related reporting; (c) initiatives and activities aimed at creating shared value for all stakeholders and spreading a culture of sustainability in all countries where the Group operates; (d) profit and non-profit strategy, as well as sustainable finance initiatives.
- The Risk and Operations with Related Parties Committee, which plays a proactive and advisory role to the Board of Directors on processes and activities that contribute to sustainable development along the value chain, aimed at the pursuit of sustainable success.
- The Identity & Communication Committee which aims to develop Brand Identity, Communication and Sustainability strategies.

10. Comments on the adequacy of the organisational structure

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

During 2021, the process of revising the Group's organisational structure initiated in the 2020 financial year was completed in order to support the Group's international development. The Group Functions responsible for the transversal coordination of activities were progressively expanded during the period, identifying the respective local functions of reference for each geographical area, defining their mission, areas of competence, related decision-making processes and the consequent thresholds of competence.

On 30 July 2021, the Parent Company's Board of Directors approved the Group Management and Coordination Regulations, aimed at regulating the Group's governance procedures, intragroup relations and the principles and rules relating to the management and coordination activities carried out by the Parent Company in respect of its Subsidiaries. On this basis, a more general process of revision of internal regulations has been launched with the consequent alignment of the flow of information and the body of contracts governing *intercompany* relations.

Also in 2021, review activities of the internal control system continued, as discussed below, all aimed at accompanying the organisational development and the international growth of the Group and in particular to strengthen the coordination of control activities in the areas concerned, at Group level, while ensuring the effectiveness of the tools available to the Corporate Bodies in order to fulfil their supervisory tasks of the overall internal controls and risk management system.

The Board of Statutory Auditors acknowledged the positive opinion on the suitability of the organisational structure of the Company and the Group delivered by the Risk and Operations with Related Parties Committee on 15 March 2022 and by the Board of Directors on 17 March 2022.

On the basis of the auditing activities carried out, the Board of Statutory Auditors considers that there are no critical issues of particular relevance to be raised in relation to the Company's organisational structure. No particular deficiencies or situations to be reported here have been ascertained in relation to the actual functioning of the Bodies, company functions, systems and procedures. The Board of Statutory Auditors also reports on the continuation of the activities aimed at aligning the body of internal regulations with the new organisational and corporate structure, as well as with the evolution of reference regulations.

The Board of Statutory Auditors has verified the correct application of the criteria and assessment procedures adopted by the Board of Directors to assess the independence of its members. The Board also verified the existence of the independence requirements in accordance with the provisions of Article 148, paragraph 3 of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code.

In compliance with the "Rules of Conduct of the Board of Statutory Auditors of listed companies" issued by the Italian Board of Chartered Accountants, in 2021 the Board of Statutory Auditors carried out a self-assessment process by drawing up, completing and discussing a questionnaire concerning the analysis of the subjective profiles of its members (quantitative and qualitative composition) as well as the functioning of the body as a whole (meetings, activities carried out by the Chairman, information flows, control and supervisory role and tasks). At the end of the process, the Board of Statutory Auditors drew up the Self-Assessment Report, which was submitted to the Board of Directors at its meeting of 25 January 2022, as also highlighted in the Corporate Governance Report, from which no critical issues emerged either with regard to individual members or with regard to the composition and functioning of the Board.

With regard to the Board of Directors' Self-Assessment Process, the Board of Statutory Auditors took note of the Board of Directors' choice which, based on the SME classification assigned to doValue S.p.A., decided not to carry out the Self-Assessment for the financial year 2021, in line with Recommendation 22 of the Corporate Governance Code.
The Board of Statutory Auditors examined the Remuneration Report approved by the Board of Directors in its meeting of 28 March 2022 at the proposal of the Remuneration Committee and verified its compliance with legal and regulatory requirements, clarity and completeness of information with regard to the remuneration policy adopted by the Company.

11. Comments on the adequacy of the internal control system, particularly on the activity performed by those in charge of the internal control, highlighting any corrective actions undertaken and/or those still to be taken

As indicated in the Corporate Governance and Ownership Report, the Internal Controls System of the doValue Group is based upon control bodies and functions, information flows and methods of involvement between the entities involved and Group governance mechanisms.

The aforementioned review of the organisational structure, started in 2020 and implemented during 2021, has also entailed some changes to the Group's control system which, considering international expansion, pursue the objective of strengthening the coordination of audit activities at Group level. In line with the operating model introduced, the main impacts on the Group's internal control system concerned the establishment, effective 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, for the areas of its competence, control activities aimed at ensuring a constant and independent evaluation of the overall system of internal controls and risk management, giving periodic information to the Corporate Bodies, as well as ensuring the adoption of homogeneous methodological approaches and operating models by the Group's Internal Audit and Anti-money Laundering Functions in compliance with the requirements of independence and autonomy established by local regulations;
- Group Internal Audit, reporting hierarchically to the Chief Group Control Officer. It is responsible for defining a shared methodology for carrying out internal audit activities, identifying common tools for performing controls, structuring a common reporting system for the bodies and the management of the various Group components and ensuring its adoption by the various local Internal Audit Functions that functionally report to it;
- Group AML, reporting hierarchically to the Chief Group Control Officer. It is 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 *management* of the different Group components, supervising its adoption by the various Anti-money Laundering Functions established at the local level that functionally report to it;
- Compliance & Global DPO, reporting hierarchically to the Group General Counsel. It is responsible for developing a uniform compliance framework at Group level with the aim of ensuring compliance with regulations within the relative scope (e.g., Market Abuse, Related Parties, Consob Regulations, Anti-corruption, Privacy) 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. The Global DPO defines the Group's *data protection* organisational model and a common DPO control *framework* and its main function is to coordinate the data protection activities, receive information flows from the local DPOs and, consequently, *report* to the doValue Board of Directors. Limited to any processing carried out at corporate level, the Global DPO also carries out control tasks of the data processing activities, as a point of contact with the Authority and the interested parties involved in the processing activities as well as for information and consultancy.

That said, the Internal Control System continues to be structured as follows:

- the primary responsibility for completeness, adequacy, functionality and reliability rests with the governing bodies, and in particular with the Board of Directors, the CEO, who also holds the role of Director in charge of supervising the functionality of the internal control and risk management system, pursuant to the Corporate Governance Code, and the Board of Statutory Auditors;
- the third level controls are entrusted to the Internal Audit Functions which, as part of the renewed Internal Controls and Risk Management System, have been set up at the Parent Company and the main subsidiaries (i.e. Altamira Asset Management and doValue Greece). They are also responsible for the direct management of internal audit activities, aimed at

periodically assessing the completeness, functionality, adequacy and reliability in terms of efficiency and effectiveness of the Internal Control System in relation to the nature and intensity of the risks of business needs, without prejudice to the powers and responsibilities of the respective Corporate Bodies.

- the second level controls seek to ensure the correct implementation of the risk management process, to verify compliance with the limits assigned to the various operating functions, to control the consistency of the operations of the individual operational areas with the risk-return objectives assigned as well as guarantee the compliance of company operations with applicable rules, including corporate governance regulations; In the new organisational model, the structure of the Group Functions responsible for overseeing said areas is directly influenced by the structure of the business processes implemented in the different geographical contexts that comprise it, and by the nature and relevance of the risks associated therewith, as well as by the presence of specific regulatory requirements on risk governance.
- first-level controls are aimed at ensuring the proper performance of operations and are carried out by the company functions responsible for business/operating activities, which, within the scope of their daily operations, are called upon to identify, measure, monitor and mitigate risks deriving from day-to-day company business, in compliance with the risk management process and the applicable internal procedures.

The adoption of a system of internal controls and risk management is also consistent with the provisions of the Corporate Governance Code to which the Parent Company has decided to adhere, in the knowledge that one of the crucial aspects of the governance of a listed company is precisely the system of internal controls.

On the basis of the information acquired and the examination of the 2022 Business Plans approved by the Board of Directors, the Board of Statutory Auditors acknowledges the implementation of an integrated architecture of the internal audit system during 2021, in line with the new connotation of international Group, which includes all *legal entities*. In particular, the 2022 Audit Plan, drawn up in accordance with the guidelines of the 2021 - 2023 three-year plan, reflects the results of a *risk assessment* activity on the entire Audit Universe of the doValue group, developed on the basis of a mapping of the processes in its various components and which saw the close involvement of the Internal Audit function of the Parent Company and those established at the foreign subsidiaries and the application of a common risk assessment methodology. Similarly, the 2022 Activity Plans in the areas of anti-money laundering and DPO take into account, in an organic manner, all the activities performed by the respective control functions as they apply to the entire group, according to a logic of priority of the identified risks mitigation.

In the period of reference, the Board of Statutory Auditors has overseen the system of internal controls by way of regular meetings with the Control functions and by analysing the information flows originating from the same and it has taken steps to request further investigations or to stimulate interventions, particularly with reference to the issue of absorbing the *findings* identified by the Control Functions.

As highlighted in the introduction, the Board of Statutory Auditors has also been assigned the functions of Supervisory Board pursuant to Legislative Decree 231/2001. In the course of 2021, the Company continued with the activities included in the "231 Project" launched at the end of 2019, concerning the updating of the Organizational Models in light of the new regulatory context and the changed organisational structure of the Group, as well as the analysis of the risk of transferring the 231 liability from foreign subsidiaries to the Parent Company. The Body therefore monitored the implementation of the Action Plan resulting from the analysis presented to the Board of Directors of doValue in December 2020 regarding the risk profiles of extending liability to the Parent Company for offences potentially committed by foreign Subsidiaries. As at 31.12.2021, the project related to the implementation of the actions resulting from the analysis of the risk of 231 liability rising from foreign subsidiaries to the Parent Company was completed.

During 2021, the Company enabled the digital reporting channel implemented at Group level in line with the latest legislative changes governing the *whistleblowing* phenomenon also in the private sector (Law 179/2017), as well as with the Procedure on the use and management of the "Whistleblowing" violation reporting system approved by the Board of Directors in November 2020.

At the same time, the Board of Statutory Auditors was kept up to date on the progress of anti-corruption projects, the main objective of which is to develop the Group's anti-corruption system in relation to the geographical scope and the Group's corporate and organisational model, as well as to bring it into line with the ISO 37001:2016 standard. This project has been completed, ensuring that the Company can begin the certification process, which will be reasonably completed during 2022.

During 2021, the Board of Statutory Auditors also took note of the continuation of the process of adapting and strengthening the management framework at Group level in the field of *data protection*, characterised by the commencement, during the second half of 2021, of a project mainly aimed at introducing a *risk assessment* process, as well as the consolidation of the procedural corpus through the optimisation and streamlining of some existing processes to ensure their greater compliance with the mandatory *privacy* regulations, and finally *privacy monitoring* activities. The GDPR *action plan* monitoring *report* and the progress of the DPO Plan were periodically shared with the Board.

The Board of Statutory Auditors examined the Head of Internal Audit's Report for the year 2021, who, on the basis of the assessment of the results of the audit assignments and also taking into account the evolutionary context that has further affected the Group, assessed the internal control system as generally adequate to mitigate the risks to which the Group is exposed by virtue of its business model and geographical location, although there are areas for improvement.

On the whole, from the analyses carried out and the information acquired as part of the supervisory activity, the Board of Statutory Auditors acknowledges that in the definition and application of the internal control and risk management system, also considering the current development context, no elements have emerged for not deeming this system to be overall adequate, effective and efficiently operational.

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

The Board of Statutory Auditors has overseen the adequacy of the administrative-accounting system and its reliability to provide a correct representation of the management facts, as well as for the duties attributed to the same on the process of financial reporting, by way of: (i) periodic meetings with the Chief Executive Officer, the Manager in charge of preparing the corporate accounting documents, Management of the Administration, Finance & Control structure; (ii) acquiring information from *management*; (iii) periodic meetings for the purposes of information exchange with the Audit Firm; (iv) analysing the results of the activities performed by the Audit Firm.

In accordance with the IFRS 3 "Business Combinations" accounting standard, in the financial statements the Company has provided detailed information on the *business combinations* carried out in 2021. In particular, during the year there were no external business combinations, but there was an internal merger between two companies included in the scope of consolidation (incorporation of doValue Hellas into doValue Greece) and a business unit spin-off (spin-off of the Real Estate division of Altamira Asset Management into Adsolum Real Estate).

Furthermore, with particular regard to the prior acquisition of FPS (now doValue Greece), the Company carried out the final *purchase price allocation* ("PPA") valuation exercise in June 2021, one year after the execution of the business combination transaction. It was therefore necessary to apply retrospective amendments, which were reflected in the "restatement adjustments" to the Group's balance sheet and income statement on 31 December 2020.

With regard to the *intangible assets* present in the financial statements, mainly attributable to intangible assets and *goodwill* arising from the acquisitions of Altamira and doValue Greece, the Group conducted the *impairment test* on the basis of the prospective information determined in accordance with the most recent forecasts made by the subsidiaries and reflected in the 2022-2024 business plan approved on 25 January 2022 by the Board of Directors, which take into account the trend of the pandemic and the estimated effects that it has had and will have in the future on the NPL servicing market in general. With regard to the subsidiary Altamira Asset Management in particular, account was also taken of the implications of the non-renewal of the contract with SAREB (an entity created by the Spanish government and banks with the aim of managing and disposing of problem assets transferred from the four nationalised Spanish financial institutions), which occurred after the end of the period, resulting in an adjustment to the initial results of the consolidated financial statements, with reference to the updated impact of amortisation and the quantification of the *fair value* of intangible assets relating to *servicing* contracts.

The calculations made revealed some evidence of impairment, such as differences between the value in use of the active servicing contracts and the related book value less amortisation for the period, totalling €3.5 million, of which €2.9 million related to Altamira contracts and €0.6 million to doValue Greece contracts.

With regard to *goodwill*, the comparison between the recoverable amount and the total net book value of the CGUs on 31 December 2021, confirmed for both acquisitions the recoverable amount, which confirms the absence of impairment of the item "Goodwill". This recoverable amount is also broadly in line with the carrying amount of the respective investments in the separate financial statements of the Parent Company.

The Board of Statutory Auditors has monitored the PPA process and the *impairment tests*, as well as the related methodological framework, through periodic meetings with the company's *management* and with the Independent Auditors, which did not identified any anomalies or critical issues.

The main companies of the Group are subject to audit for the purposes of the consolidated financial statements (of a different scope depending on the individual specificity of each company) by the Auditing Firms belonging to the EY network, with the exception of doNext S.p.A., which in 2019 appointed BDO Italia S.p.A. to audit the financial statements for each of the nine years ending from 31 December 2019 to 31 December 2027, as the previous legal audit appointment of EY had expired.

The Board of Statutory Auditors acknowledges that, in the Report on Operations and in the Notes to the Financial Statements, the Company has described in detail the measures adopted to contain the spread of the Covid-19 epidemic in the workplace and has provided an analysis of the impact of the event on the Group's economic and financial results, as well as on strategic planning, estimates and *assumptions* underlying the financial trajectories, financial position and cash flows.

Lastly, in the Report on Operations and in the Notes to the Financial Statements, the Company reported on the potential general macroeconomic impact of the war between Russia and Ukraine, noting that the Group's direct exposure to Russia and Ukraine is negligible.

With reference to the requirements of Law 262/2005, the Board of Statutory Auditors reports on the consolidation of the scope of coverage of the internal control system within the framework of financial reporting. In particular, in consideration of the Group's international expansion, during 2021 the Parent Company's Board of Directors approved the updating of the reference regulatory body, with particular regard to the Manual on Group Accounting Rules and Principles, the Regulation of the Control Function of the Manager Responsible for Financial Reporting and the related Methodology, the Procedure for the preparation of the Annual and Interim Consolidated Financial Statements.

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

- head of Activities at the Subsidiary for the Manager in Charge of Financial Reporting (RACDP), if appointed, normally identified, if any, in the Chief Financial Officer (CFO) of the represented entity, who performs at local level, for the represented entity and any other specifically selected direct and indirect subsidiaries, the coordination and attestation activities required of the Manager in Charge of Financial Reporting;
- management 262 (Italy), which carries out the controls required for 262 activities in Italy and for consolidation;
- management 262 (local), if appointed, who carries out the controls required for 262 activities, based on their competence scope.

The Board of Statutory Auditors has acknowledged the certifications issued by the Chief Executive Officer and the Financial Reporting Officer as regards the financial statements and the consolidated financial statements on 31 December 2021 in compliance with Art. 81-ter of the Issuers' Regulation, approved by CONSOB with Resolution 11971/1999 as amended. The Board of Statutory Auditors also reviewed the annual report of the Financial Reporting Officer on the certification campaign pursuant to Law 262/05 of the consolidated and individual financial statements as of 31 December 2021, approved by the Board of Directors on 17 March 2022, from which no critical issues have emerged such as to make the accounting and financial information unreliable.

Following the outcome of the 262 audit activity, a corrective action plan was defined, the regular execution of which will be monitored by the Board of Statutory Auditors, together with the verification of the progressive reinforcement of the audit *framework*, with particular regard to doValue Greece, following the internal reorganisation of the administrative and accounting activities, previously delegated to an external provider, which took place in the fourth quarter of 2021 and the consequent redesign of the procedures aimed at defining adequate controls for *financial reporting* risks.

13. Comments on the adequacy of the provisions imparted to the Subsidiary Companies in accordance with Art. 114 of the Consolidated Finance Law

The Board of Statutory Auditors has monitored the adequacy of the instructions given by the Company to its subsidiaries pursuant to Art. 114, paragraph 2 of the Consolidated Law on Finance, ensuring, on the basis of the information provided by the Company, that they were able to provide the information required to comply with the disclosure obligations laid down by law, without exception.

In this context, the Board of Statutory Auditors acknowledges that, at the conclusion of an in-depth revision process undertaken during 2021, on 25 January 2022 the Company's Board of Directors approved an update of (i) the Group Policy for the internal management and external communication of Inside Information and the keeping of Registers, as well as (ii) the Procedure "Implementing Measures of the doValue Group Policy for the internal management and external communication of Inside Information and the keeping of Registers" and its appendix "Mapping". This update was necessary in view of the new organisational model and consequent centralisation of the management of Important/Privileged information in the Group Functions.

14. Comments on significant aspects emerging during meetings held with the auditors in accordance with Art. 150, paragraph 3 of the Consolidated Finance Law

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

As already stated in this Report, the Board has met the Audit Firm periodically, activating a profitable exchange of information in conformity with the provisions of Art. 150 of the Consolidated Finance Law. During the meeting held in December, the Board of Statutory Auditors discussed with EY the audit plan for the Annual Report and Consolidated Financial Statements 2021, the methodological framework, the audit approach used for the various significant areas, and the application of the accounting standards. The Board informed the Audit Firm of its activity and reported on the significant facts of which it was aware.

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

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

Following the listing, which took place in July 2017, the Company adhered to the Corporate Governance Code, and the Board of Statutory Auditors monitored the procedures for the effective application of the related corporate governance rules, also considering the new version of the Corporate Governance Code in force from 2021.

The Board of Statutory Auditors has taken note of the information provided in the Annual Report on Corporate Governance and Ownership Structures, prepared in accordance with the instructions to the Regulation of Markets organised by Borsa Italiana and to the Consolidated Law on Finance, and approved by the Board of Directors on 28 March 2022.

In particular, the Board noted that:

- on 25 February 2021, the Board of Directors approved the "Policy on the subject and composition of the Corporate Bodies of the doValue Group", which provides for adequate diversification of skills, experience, age, gender, geographical origin and international projection. Consequently, the membership of the Board of Directors appointed on 29 April 2021 is in line with the provisions of Law no. 160/2019;

- on 16 December 2021, the Board of Directors adopted the "Engagement Policy" aimed at formalising the activity carried out on an ongoing and ordinary basis by the Company with the market. The policy sets out the general principles, the management methods and the main contents of the dialogue between the Company and the Market in order to favour the creation of sustainable value in the medium-long term, the definition of the strategy that inspires the Company's work, the activities aimed at guaranteeing the high standards of governance that the Company is committed to pursuing.

Finally, the Board of Directors, in its meeting of 16 December 2021, assessed the recommendations received from the *Corporate Governance* Committee with the notice of 3 December 2021, and considered that doValue is already in *compliance* with the Committee's wishes in relation to most of the recommendations and, in relation to the recommendation on the issue of sustainability, has already initiated the most appropriate actions to achieve a substantial alignment process.

16. Conclusive assessment in relation to the supervisory activity performed as well as on any omission, censurable facts or irregularities identified

Dear Shareholders,

In reference to the contents of this Report, following the activity performed and the information obtained, no censurable facts, irregularities or omissions have emerged that must be mentioned in this Report. Based upon the information acquired through its supervisory activity, the Board of Statutory Auditors has not become aware of transactions implemented that were not based upon respect of the principles of correct administration or resolved or implemented not in conformity with the Law or the Articles of Association, in contrast with the resolutions made by the Shareholders' Meeting, manifestly imprudent or risky, or likely to compromise the integrity of the company assets.

Through its supervisory activity, the Board of Statutory Auditors has ascertained respect of the rules of Law on the preparation and structure of the financial statements and consolidated financial statements of the Group and the respective Directors' Reports, including the consolidated declaration of non-financial nature. Both the financial statements and the consolidated financial statements were prepared in the perspective of business continuity and without making recourse to derogations in applying the accounting standards and assessment criteria.

The Audit Firm, in its reports issued pursuant to Art. 14 of Legislative Decree no. 39 of 27 January 2010, has expressed a positive opinion on the separate financial statements and consolidated financial statement of the Group, without findings, objections and/or references to disclosure, both on the financial statements and on the consolidated financial statement and, insofar as it is responsible, has expressed, in relation to the Report on Operations, a positive opinion on the coherence of the same with the financial statements and the conformity to the rules of Law.

The certifications issued by the Financial Reporting Officer and the CEO, as required by Art. 154-bis of the Consolidated Finance Law, are attached to the separate and consolidated financial statements, without any remarks or identified problems and/or anomalies.

Taking all of the above into account, based on the activities carried out during the year, the Board of Statutory Auditors does not believe there are any grounds for exercising its right to submit proposals to the Shareholders' Meeting pursuant to Article 153, paragraph 2, of Legislative Decree no. 58/1998 regarding the approval of the Financial Statements as at 31 December 2021 and matters within its competence, not finding any reasons to prevent the approval of the Financial Statements as at 31 December 2021, including the proposal for the distribution of dividends formulated by the Board of Directors.

Rome, April 6, 2022

The Board of Statutory Auditors

Mr Nicola Lorito

Ms Chiara Molon

Mr Francesco Mariano Bonifacio

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