E-MARKET SDIR CERTIFIED

doValue

CONSOLIDATED HALF-YEAR REPORT AS AT JUNE 30, 2021

E-MARKET SDIR CERTIFIED

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

Contents

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) (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

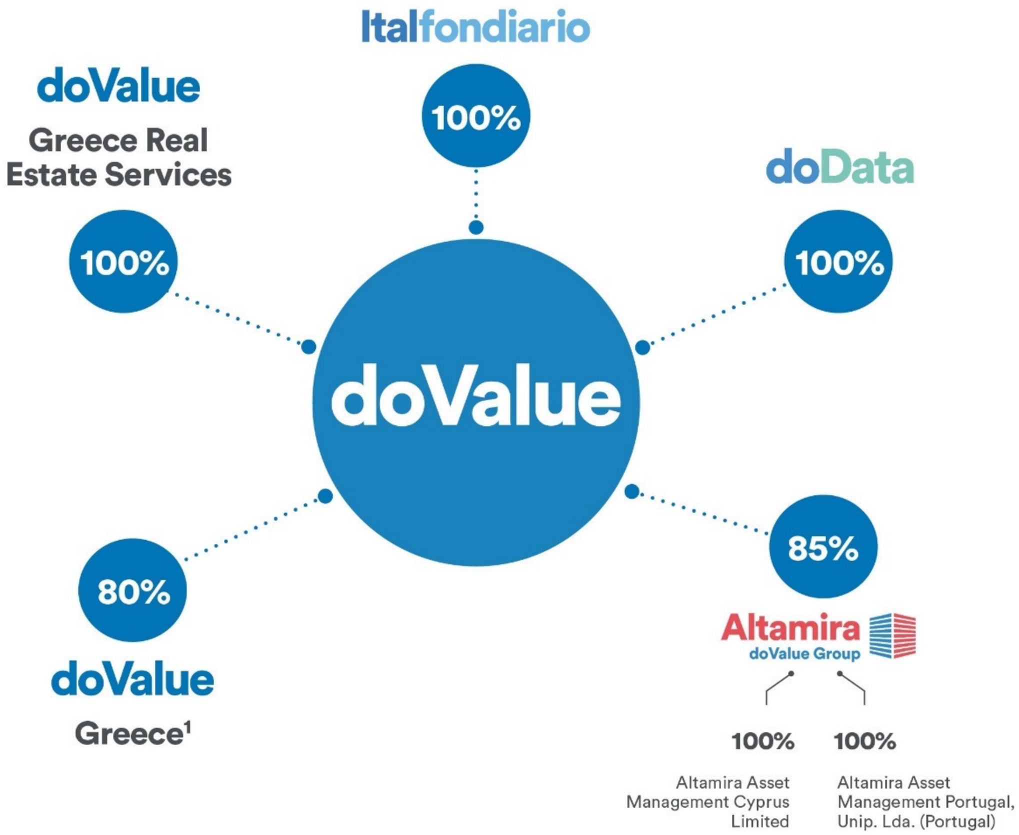
At the date of approval of this document

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

GROUP STRUCTURE

doValue is one of the main players in Southern Europe providing services to banks and investors for the management of loans and real estate assets (Servicing). Its assets under management amounted to about €160 billion as at the end of June 2021 (gross book value), up by about 1% with respect to the close of the previous year.

The structure of the Group as at June 30, 2021, as shown in the following diagram, reflects the organic and external growth and diversification of doValue over 21 years of operations.
The chart shows the companies of the Group taking into account the merger of doValue Hellas into doValue Greece, currently being finalized, given the approval of the project and the authorization received by the Bank of Greece in July 2021.



1. Merger by incorporation of doValue Hellas into doValue Greece approved by the respective boards of directors and authorized by Bank of Greece.

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

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

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

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

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

[1] Italian Consolidated Law on Public Security

€ 3 bn	2000	UniCredit acquires Mediovenezie Banca and Fortress joins Italfondiario
	2003	Mediovenezie Banca is appointed UGC Banca
	2004	Fortress acquires 100% of Italfondiario
€ 38 bn	2006	Italfondiario incorporates the company managing the non-performing loans of the Intesa SanPaolo Group
€ 58 bn	2008	UGC Banca merges with Capitalia Service to create UCCMB (Unicredit Credit Management Bank)
€ 85 bn	2015	Fortress acquires 100% of UCCMB from UniCredit
€ 81 bn	2016	doBank (previously Uccmb) acquires Italfondiario
€ 77 bn	2017	doBank is listed in the Milan Stock Exchange at 9€/share
€ 82bn	2018	doBank enters the Greek servicing market and announces the acquisition of Altamira Asset Management, active in Spain, Portugal and Cyprus
€ 131,5bn	2019	**June:** doBank gives up its banking license and takes on the name doValue, completes the acquisition of Altamira and becomes market leader in Southern Europe **December:** doValue announces the acquisition of Greek servicer FPS Loans and Credits Claim Management (completion by May 2020)
€ 158 bn	2020	**June:** doValue completes the acquisition of FPS (doValue Greece) and becomes market leader in Greece **August:** doValue has completed the issuance of a secured senior bond

DIRECTORS' INTERIM REPORT ON GROUP OPERATIONS

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.

The **Group**'s business

The doValue Group operations are focused on the provision of 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 €160 billion (gross book value) in assets under management and a track record spanning 21 years.
Its business model is independent, aimed at all Banks and Investors in the market, and asset light: it does not require direct investments in loan portfolios.

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

The Group provides services in the following categories:

- **NPL Servicing**: the administration, management and recovery of loans utilising in court and out-of-court recovery processes for and on behalf of third parties for portfolios mainly consisting in non-performing loans. within its NPL Servicing operations, doValue focuses on corporate bank loans of medium-large size and a high proportion of real estate collateral;
- **Real Estate Servicing**: the management of real estate assets on behalf of third parties, including:
    - Real estate collateral management: activities to develop or sell, either directly or through intermediaries, real estate assets owned by customers originally used to secure bank loans;
    - Real estate development: analysis, implementation and marketing of real estate development projects involving assets owned by customers;
    - Property management: management and maintenance of customers' real estate assets, with the aim of maximising profitability through sale or lease.
- **UTP Servicing**: administration, management and restructuring of loans classified as unlikely-to-pay, on behalf of third parties, with the aim of returning them to performing status; this activity is primarily carried out by the Italfondiario subsidiaries 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;
- **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 minority positions in securities issued by securitisation vehicles.

doValue and Italfondiario, in their capacity as Special Servicers, have received the following ratings: "RSS1-/CSS1-" by Fitch Ratings, and "Strong" by Standard & Poor's, which are the highest ratings assigned to Italian operators in the sector. They have been assigned to doValue and Italfondiario 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.

Group Highlights

The tables below show the main economic and financial data of the Group extracted from the related condensed statements, which are subsequently represented in the section of the Group Results as at June 30, 2021.

(€/000)

Key data of the consolidated income statement	6/30/2021	6/30/2020 RESTATED	Change €	Change %
Gross Revenues	254,196	165,326	88,870	54%
Net Revenues	222,113	143,161	78,952	55%
Operating expenses	(149,226)	(115,698)	(33,528)	29%
EBITDA	72,887	27,463	45,424	165%
EBITDA Margin	29%	17%	12%	73%
Non-recurring items included in EBITDA[1]	(3)	(8,200)	8,197	(100)%
EBITDA excluding non-recurring items	72,890	35,663	37,227	104%
EBITDA Margin excluding non-recurring items	29%	22%	7%	33%
EBT	14,115	(19,466)	33,581	n.s.
EBT Margin	6%	(12%)	17%	(147)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	8,547	(18,406)	26,953	(146)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	13,540	(8,093)	21,633	n.s.

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

(€/000)

Key data of the consolidated balance sheet	6/30/2021	12/31/2020 RESTATED	Change €	Change %
Cash and liquid securities	116,537	132,486	(15,949)	(12)%
Intangible assets	538,879	564,136	(25,257)	(4)%
Financial assets	49,152	70,859	(21,707)	(31)%
Trade receivables	193,273	175,155	18,118	10%
Tax assets	132,399	126,157	6,242	5%
Financial liabilities	579,826	619,117	(39,291)	(6)%
Trade payables	62,081	51,824	10,257	20%
Tax Liabilities	97,873	91,814	6,059	7%
Other liabilities	62,603	65,872	(3,269)	(5)%
Provisions for risks and charges	85,794	87,346	(1,552)	(2)%
Net Equity attributable to the Shareholders of the Parent Company	**143,349**	**161,303**	**(17,954)**	**(11)%**

The RESTATED data at June 30, 2020 and December 31, 2020 were restated basing on the final results related to the PPA of doValue Greece.

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

(€/000)

KPIs	6/30/2021	6/30/2020 RESTATED	12/31/2020 RESTATED
Gross Book Value (EoP) - Group[1)]	159,546,826	161,814,647	157,686,703
Gross Book Value (EoP) - Italy	77,939,487	77,511,909	78,435,631
Collections of the period - Italy	753,075	613,754	1,386,817
LTM Collections - Italy	1,526,138	1,623,313	1,386,817
LTM Collections - Italy - Stock	1,501,925	1,593,407	1,349,089
LTM Collections / GBV EoP - Italy - Overall	2.0%	2.1%	1.8%
LTM Collections / GBV EoP - Italy - Stock	2.0%	2.1%	1.9%
Staff FTE / Total FTE Group	40%	38%	43%
LTM Collections / Servicing FTE - Italy	2.28	2.30	2.02
EBITDA	72,887	27,463	116,649
Non-recurring items (NRIs) included in EBITDA	(3)	(8,200)	(10,869)
EBITDA excluding non-recurring items	72,890	35,663	127,518
EBITDA Margin	29%	17%	28%
EBITDA Margin excluding non-recurring items	29%	22%	30%
Profit (loss) for the period attributable to the shareholders of the Parent Company	8,547	(18,406)	(30,394)
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(4,993)	(10,313)	(47,550)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	13,540	(8,093)	12,044
Earnings per share (Euro)	0.11	(0.23)	(0.38)
Earnings per share excluding non-recurring items (Euro)	0.17	(0.10)	0.15
Capex	7,040	9,340	19,735
EBITDA - Capex	65,847	18,123	96,914
Net Working Capital	131,192	102,149	123,331
Net Financial Position	(387,794)	(396,683)	(410,556)
Leverage (Net Debt / EBITDA LTM PF)	2.4x	2.0x	2.6x

[1)] In order to enhance the comparability of Gross Book Value (GBV) as of 6/30/2020 the values for doValue Greece have been included at the reference date

The RESTATED data at June 30, 2020 and December 31, 2020 were restated basing on the final results related to the PPA of doValue Greece.

KEY

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

Collections for period Italy: 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.

Collections for last 12 months (LTM): collections in the twelve months prior to the reference date. The aggregate is used in interim periods to enable a like-for-like comparison with the annual figure.

Italy Stock Collections for last 12 months (LTM): these are the recoveries for the 12 months prior to the reference date of the managed Stock.

Italy LTM collections/GBV (Gross Book Value) EoP: the ratio between total gross LTM collections and the period-end GBV of the total portfolio under management. This indicator represents another metric to analyse collections for the period and LTM in absolute terms, calculated in relation to the effectiveness rate of collections, i.e. the yield of the portfolio under management in terms of annual collections and, consequently, commission income from management activities.

Italy 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.

Italy LTM collections/Servicing FTE: the ratio between total LTM collections and the number of employees who perform servicing activities. The indicator provides an indication of the collection efficiency rate, i.e. the yield of each individual employee specialised in servicing activities in terms of annual collections on the portfolio under management.

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

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

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

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

Earnings per share: calculated as the ratio between net profit for the period and the number of outstanding shares at the end of the period.
Earnings per share excluding non-recurring items: the calculation is the same as that for earnings per share, but the numerator is equal to net profit for the period excluding non-recurring items net of the associated tax effects.

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, it highlights changes in operating performance and provides an indication on the Group's ability to generate cash.

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

Net Financial Position: this is calculated as the sum of cash, cash equivalents and highly-liquid securities, net of amounts due to banks for loans and due to customers for the current accounts opened with the Group.

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

Group Results at June 30, 2021

PERFORMANCE

The table compares the management consolidated income statement as at June 30, 2021 with the same period of the previous year. It should be noted that the values as at June 30, 2021 include the full contribution relating to doValue Greece, whose closing was completed on June 5, 2020, while the comparative data include only one month's economic contribution.
(€/000)

Condensed Income Statement	6/30/2021	6/30/2020 RESTATED	Change €	Change %
Servicing Revenues:	232,396	147,652	84,744	57%
o/w: NPE revenues	193,427	120,468	72,959	61%
o/w: REO revenues	38,969	27,184	11,785	43%
Co-investment revenues	4,134	263	3,871	n.s.
Ancillary and other revenues	17,666	17,411	255	1%
Gross revenues	**254,196**	**165,326**	**88,870**	**54%**
NPEOutsourcing fees	(15,336)	(9,705)	(5,631)	58%
REO Outsourcing fees	(11,308)	(6,565)	(4,743)	72%
Ancillary Outsourcing fees	(5,439)	(5,895)	456	(8)%
Net revenues	**222,113**	**143,161**	**78,952**	**55%**
Staff expenses	(106,780)	(78,225)	(28,555)	37%
Administrative expenses	(42,446)	(37,473)	(4,973)	13%
Total "o.w. IT"	*(14,901)*	*(11,461)*	(3,440)	30%
Total "o.w. Real Estate"	*(3,282)*	*(2,397)*	(885)	37%
Total "o.w. SG&A"	*(24,263)*	*(23,615)*	(648)	3%
Operating expenses	**(149,226)**	**(115,698)**	**(33,528)**	**29%**
EBITDA	**72,887**	**27,463**	**45,424**	**165%**
EBITDA margin	**29%**	**17%**	**12%**	**73%**
Non-recurring items included in EBITDA[1)]	(3)	(8,200)	8,197	(100)%
EBITDA excluding non-recurring items	**72,890**	**35,663**	**37,227**	**104%**
EBITDA margin excluding non-recurring items	**29%**	**22%**	**7%**	**33%**
Net write-downs on property, plant, equipment and intangibles	(38,316)	(36,044)	(2,272)	6%
Net provisions for risks and charges	(6,746)	(3,929)	(2,817)	72%
Net write-downs of loans	386	53	333	n.s.
EBIT	**28,211**	**(12,457)**	**40,668**	**n.s.**
Net income (loss) on financial assets and liabilities measured at fair value	(543)	(418)	(125)	30%
Financial interest and commissions	(13,553)	(6,591)	(6,962)	106%
EBT	**14,115**	**(19,466)**	**33,581**	**n.s.**
Non-recurring items included in EBT[2)]	(6,275)	(12,365)	6,090	(49)%
EBT excluding non-recurring items	**20,390**	**(3,817)**	**24,207**	**n.s.**
Income tax for the period	(2,561)	(1,834)	(727)	40%
Profit (Loss) for the period	**11,554**	**(21,300)**	**32,854**	**n.s.**
Profit (loss) for the period attributable to Non-controlling interests	(3,007)	2,894	(5,901)	n.s.
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**8,547**	**(18,406)**	**26,953**	**(146)%**
Non-recurring items included in Profit (loss) for the period	(5,350)	(10,600)	5,250	(50)%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(357)	(287)	(70)	24%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**13,540**	**(8,093)**	**21,633**	**n.s.**
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	3,364	(2,607)	5,971	n.s.
Earnings per share (in Euro)	**0.11**	**(0.23)**	**0.34**	**(146)%**
Earnings per share excluding non-recurring items (Euro)	0.17	(0.10)	0.27	n.s.

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

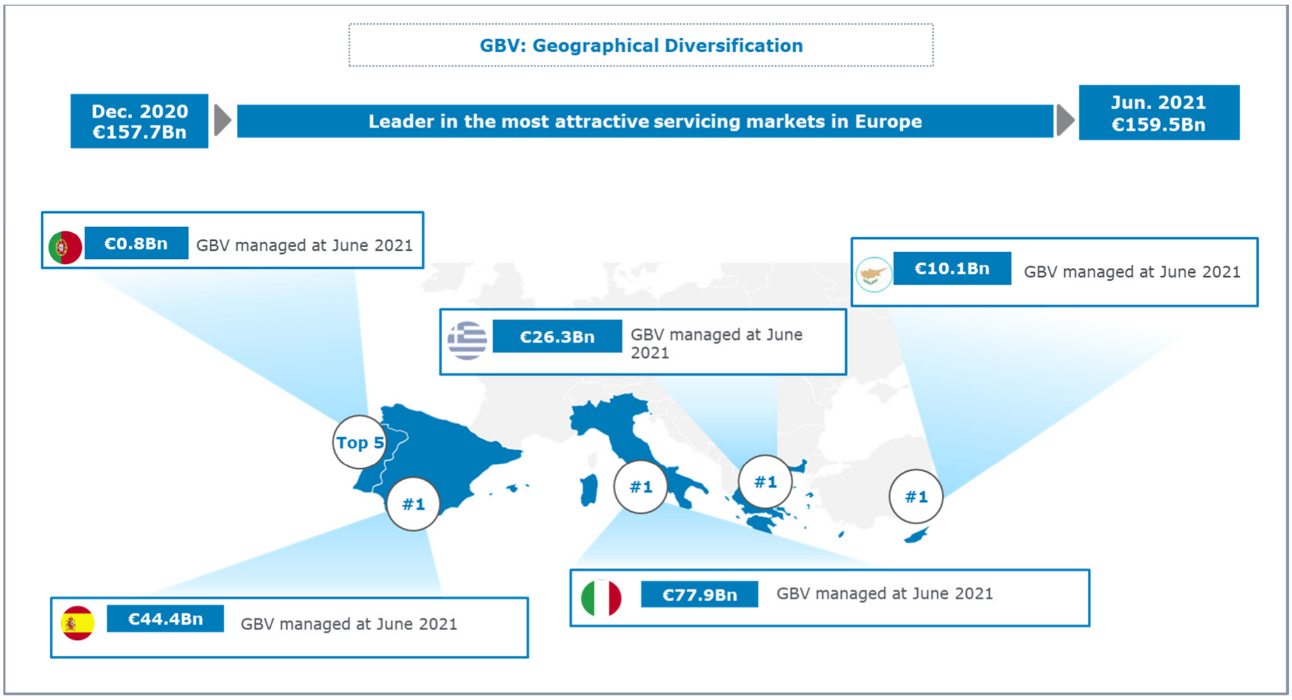
[2)] Non-recurring items included below EBITDA refer mainly to (i) termination incentive plans that have therefore been reclassified from personnel expenses, (ii) fair value delta of the Put-Option and Earn-out and (iii) income taxes

The RESTATED data at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

Portfolio under management

At the end of June 2021, the Group's Managed Assets (GBV) in the 5 reference markets of Italy, Spain, Portugal, Greece and Cyprus amounted to €159.5 billion, up by about 1% with respect to the end of 2020 (€157.7 billioni), based on the half-yearly trends in new mandates and the flows related to long-term contracts acquired in the first quarter. These data confirm, on the one hand, the effectiveness of the strategic decision taken in previous years through adequate geographic diversification and, on the other, the significant appeal of the Group on the various reference markets.

The following chart shows the geographical distribution of the GBV: in particular for each country the share managed as at June 30, 2021 is highlighted.

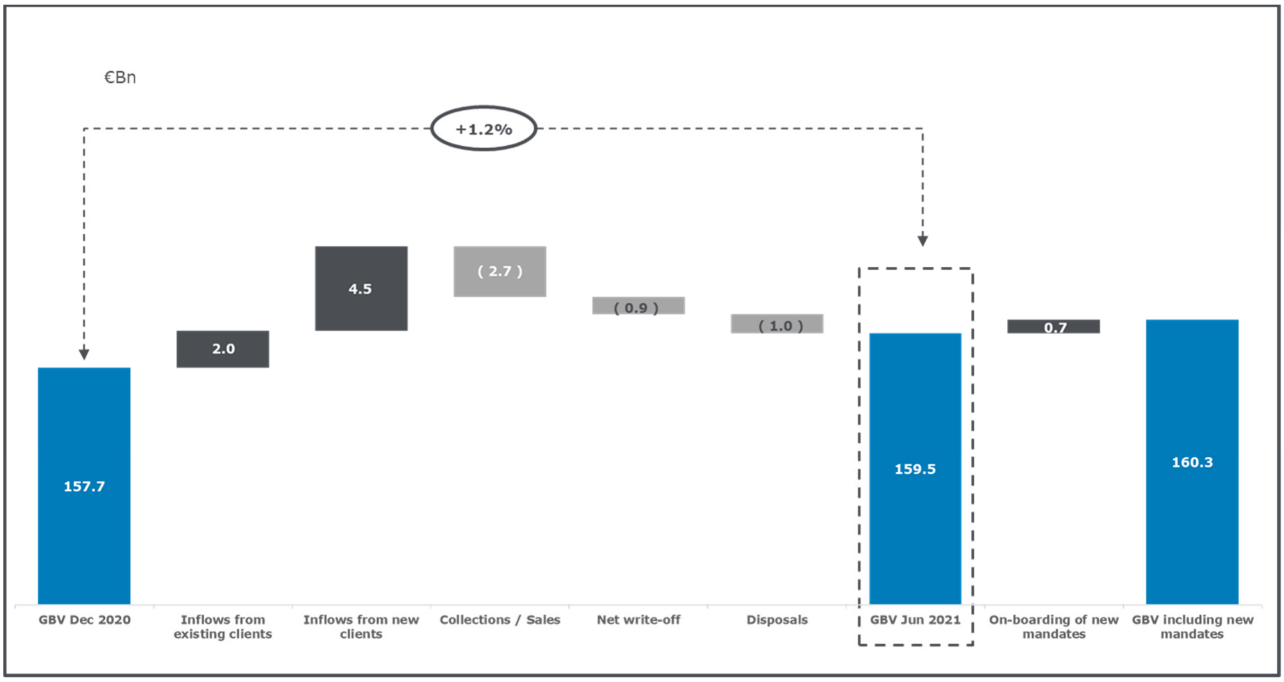


Developments in assets under management, which includes only onboarded portfolios, in the first six months of 2021, were characterised by the following changes relating to flows from new customers of roughly €4.5 billion, of which €2.8 billion for onboarding of contracts signed in 2020 and €1.7 billion deriving from contracts signed in 2021:

- new contracts totalling €1.1 billion, relating to a portfolio deriving from a contract signed with two leading Banks in Spain;
- new contracts totalling €0.8 billion, among which €0.6 billion for the management of two portfolios of NPL and UTP that has been assigned following a competitive process launched by a leading Italian credit servicer AMCO and €0.2 billion relating to the extension of the perimeter of the loans managed in Greece;
- the onboarding of the Icon portfolio relating to the agreement with Bain Capital Credit for roughly €2.6 billion, announced on July 2, 2020 which provides for the exclusive management of a portfolio of NPL loans.

In addition to the flows listed above, a further €2.0 billion comes from existing customers through onboarded flow contracts. It should also be noted that the target for the year was reached as of June of this year.

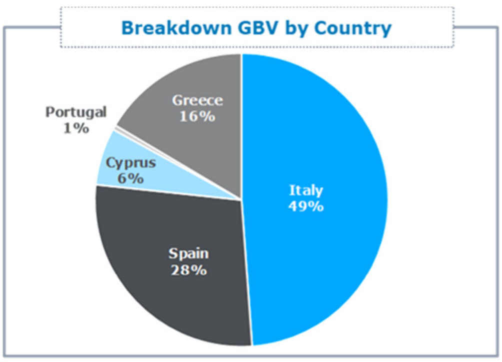
With reference to the decreases in the GBV, during the period were recorded transfers for €1.0 billion.

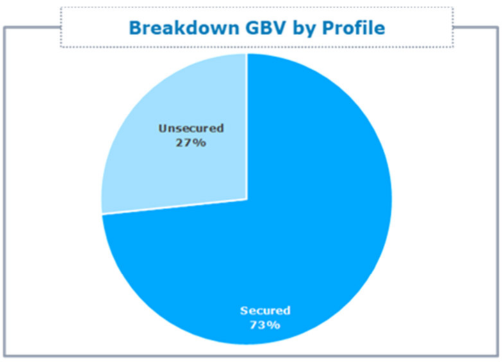


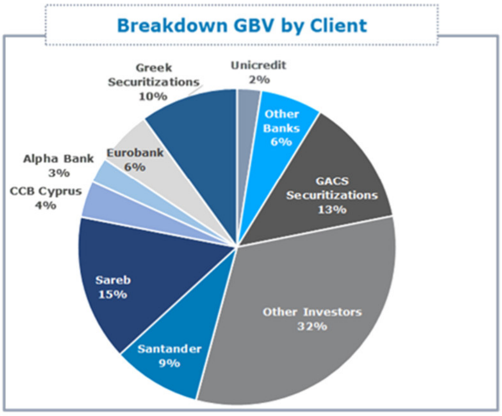
Assets under management is to be considered in further growth with respect to the picture already described due to new mandates acquired and currently in the on-boarding phase for a total amount of €4.1 billion. They are composed as follows:

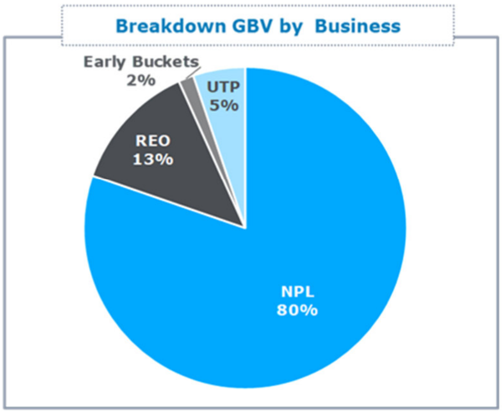
- €3.4 billion relating to a portfolio managed by leading Italian and Spanish banks;
- €0.6 billion relating to the Marina Portfolio, in Cyprus, for which the signing of a Memorandum of Understanding was announced with Bain Capital Credit;
- €0.1 billion relating to additional initiatives relating to the UTP business.

The following charts show the composition of the portfolio under management in terms of geographical diversification, type of asset/business and main customers:









Group collections during the period amounted to €2.7 billion, compared to €1.6 billion as at June 30, 2020. The increase is partly attributable to the better overall performances recorded in Italy and on the "Iberia" perimeter, as well as the full contribution of the contracts of doValue Greece (present in the first half of 2020 solely for the month of June).
The geographical breakdown of collections is as follows: €0.7 billion in "Italy", €1.3 billion in "Iberia" (Spain and Portugal) and €0.7 billion in "Greece & Cyprus". The trend in collections shows a further increase when compared with the last few quarters from October 2020, with weighted growth of roughly 3%. This trend is further proof of the strength of the assets managed by the Group, despite a difficult context such as the current one.

Performance

Following up on the measures already taken in 2020, the doValue Group has continued to monitor and manage the COVID-19 epidemic emergency by adopting the prevention measures in the succession of government Decrees issued over time, and those set forth by the respective health authorities, including therein the extension of modes of remote working. The primary objective of the Group is to take a proactive approach to the various problems identified in order to protect the health of its employees, at the same time guaranteeing full company operations. However, some restrictions contained in the various legal provisions issued from time to time, slowed the activities of important services needed for the performance of loan and real-estate asset servicing activities, mainly including the courts and support services for real estate transactions. These measures, together with the regulatory initiatives that extended the effects of loan moratoria in almost all countries in which the Group operates, influenced normal collection activities and the usual business access conditions.

Despite operating in a delicate scenario, both from a macroeconomic and health perspective, the doValue Group recorded gross revenues of €254.2 million in the first half of 2021, marking an increase of 54% compared to €165.3 million which was registered in the first half of 2020. It should be noted that the period under review includes the full contribution of all the Group's subsidiaries, while in the comparative period, the activities of the subsidiary doValue Greece, acquired in June, was only included in the Group's accounts for one month. A positive reversal of the trend was further confirmed, given that revenues accelerated sharply when compared to the results recorded until June of the previous year. In fact, starting from the third quarter of 2020, revenues accelerated considerably, proof of the high degree of resilience of the Group's business model and its elasticity in responding to the changing market conditions influenced by extraordinary and external variables.

In pro-forma aggregated terms, therefore including the effects of the acquisitions of Altamira Asset Management and doValue Greece from the start of each relevant period, gross revenues in the first half of 2020 would have been €223.5 million. Consequently, the current €254.2 million reported above would mark an increase, on a like-for-like basis, of €30.7 million, equating to a rise of 14%.

Revenues from Servicing of NPE and REO assets, amounting to €232.4 million (€147.7 million as at June 30, 2020), show an increase of 57%. As already pointed out, the current quarter previously benefitted from the full contribution of all foreign subsidiaries.

The positive trend in NPE base fees (up by about 49% compared with the same period of 2020), despite virtually no change in the average fees on the GBV of assets under management, is related to the greater weight of this revenue component, in absolute and average fees terms, in the markets of Southern Europe, where Altamira and doValue Greece operate, as compared with Italy, a factor that can further strengthen the future visibility of the Group's revenues, particularly with the current external environment characterised by greater uncertainty due to the effects of the COVID-19.

As regards the “Italy” segment, regarding NPLs, it should be noted that collections for the last 12 months as a ratio to end-of-period (EoP) gross book value (GBV), given by the indicator “LTM collections/GBV (EoP)”, came to 2.0%, an improvement compared to the percentage recorded in 2020 equal to 1.8% and essentially in line with the final 2.1% recorded in the same period of 2020 due to the temporary negative impact of COVID-19 on collection activities. Excluding new management contracts, the indicator “LTM collections stock/GBV stock (EoP)” stood at 2.0%, registering essentially the same rate of 2020 and of the first six months of the previous year.

Co-investment revenues amounted to €4.1 million (€263 thousand in June 2020), related primarily to the Relais securitisation whose mezzanine and junior notes had been acquired in the last few days of 2020 and resold in the first half of February 2021, recording a profit on disposal.
By contrast, the contribution of **ancillary and other revenues**, in the amount of €17.7 million (€17.4 million in June 2020), was more significant and can be attributed to the following:

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

These revenues account for approximately 7% of total gross revenues for the period under review, while in the first quarter of the previous year their incidence had been approximately equal to around 10%, thus confirming a stable source of revenues for the Group.

(€/000)

	6/30/2021	6/30/2020 RESTATED	Change €	Change %
NPE revenues	193,427	120,468	72,959	61%
REO revenues	38,969	27,184	11,785	43%
Co-investment revenues	4,134	263	3,871	n.s.
Ancillary and other revenues	17,666	17,411	255	1%
Gross revenues	**254,196**	**165,326**	**88,870**	**54%**
NPE Outsourcing fees	(15,336)	(9,705)	(5,631)	58%
REO Outsourcing fees	(11,308)	(6,565)	(4,743)	72%
Ancillary Outsourcing fees	(5,439)	(5,895)	456	(8)%
Net revenues	**222,113**	**143,161**	**78,952**	**55%**

Net revenues rose by around 55% to €222.1 million, compared to €143.2 million in the first half of the previous year. All components of this item, except the item relating to ancillary businesses which originated almost entirely from the domestic perimeter, recorded an increase when compared with the respective items of 2020, as a result of the consolidation of the subsidiary doValue Greece for the entire period under review. More specifically, the following should be noted:

- the increase in NPE outsourcing fees compared to the previous year, which rose by 58% (€15.3 million in June 2021 and €9.7 million in June 2020);
- the increase in REO servicing outsourcing fees, amounting to €11.3 million (€6.6 million in June 2020), related to the increase in assets under management following the acquisition of Altamira Asset Management, which is in line with business performance;
- ancillary outsourcing fees recorded a slight decrease, amounting to €5.4 million compared to €5.9 million in June 2020.

Operating expenses, amounting to €149.2 million, showed an overall 29% increase compared to the same period of the previous year, when they amounted to €115.7 million. This increase is related entirely to the larger volume of business carried out in the current period, registering a less than proportional increase than the rise in net revenues.

(€/000)

	6/30/2021	6/30/2020 RESTATED	Change €	Change %
Staff expenses	(106,780)	(78,225)	(28,555)	37%
Administrative expenses	(42,446)	(37,473)	(4,973)	13%
o.w. IT	*(14,901)*	*(11,461)*	*(3,440)*	30%
o.w. Real Estate	*(3,282)*	*(2,397)*	*(885)*	37%
o.w. SG&A	*(24,263)*	*(23,615)*	*(648)*	3%
Operating expenses	**(149,226)**	**(115,698)**	**(33,528)**	**29%**
EBITDA	**72,887**	**27,463**	**45,424**	**165%**
o.w: Non-recurring items included in EBITDA	*(3)*	*(8,200)*	*8,197*	(100)%
o.w: EBITDA excluding non-recurring items	*72,890*	*35,663*	*37,227*	104%

More specifically, of the €33.5 million increase, €28.5 million is attributable to staff expenses and €5.0 million to administrative expenses. As proof of the effectiveness of the cost-cutting strategy in place, it should be noted that the percentage weight of operating expenses on gross revenues dropped from around 70% in the first half of 2020 to 59% in June 2021.

Staff expenses rose by 37% compared to June 2020 and amounted to €106.8 million (€78.2 million in the same period of the previous year). The figure fully includes the costs relating to the subsidiary doValue Greece, which increases its absolute value; at the same time, the incidence of said item on gross revenues fell from 47% in June 2020 to the current 42%.

Administrative expenses rose by 13% over the first half of 2020, amounting to €42.4 million, compared to €37.5 million in the comparative period. Also in this case, the increase in these costs is less than proportional than the increase in gross revenues and the incidence on gross revenues fell from 23% in June 2020 to the current 17%.

In addition, in order to address the COVID-19 epidemic, the Group implemented an organic plan to further rationalise operating expenses, aimed at generating savings at Group level by capitalising on the synergies between its different areas.

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

These non-recurring items, the case of which was therefore already present in the first half of 2020 for €8.2 million, amount to €3 thousand as a net effect of the costs associated with the merger between doValue Greece and doValue Hellas partially offset by the insurance reimbursement of €726 thousand, relating to part of the tax debt generated by the assessment on some expenses reclassified by the Authority as non-deductible.

EBITDA excluding non-recurring items accelerated sharply, amounting to €72.9 million (€35.7 million in June 2020), with a margin of 29% on revenues, marking significant growth compared to 22% in the comparison period.

Including non-recurring charges, EBITDA comes to €72.9 million, therefore registering remarkable growth compared to the same figure recorded in 2020 (€27.5 million). This result, despite benefitting from the greater contribution of the already mentioned Greek subsidiary, is more noteworthy is we consider the difficulties of the current macroeconomic scenario.

Group **EBIT** came to €28.2 million, compared to a loss in 2020 (restated) of €12.5 million, also in the presence of a value related to higher amortisation/depreciation than the one recorded in June 2020, a clear sign of higher overall profit margins.

EBT totalled €14.1 million, compared with the partial negative figure of €19.5 million recorded in the same period of the previous year, including the financial expenses connected with the loan taken out for the Altamira acquisition and the interest payable related to the bond loan issued on August 4, 2020, replacing the original *bridge-to-bond* loan, for the acquisition of doValue Greece.

(€/000)

	6/30/2021	6/30/2020 RESTATED	Change €	Change %
EBITDA	**72,887**	**27,463**	**45,424**	**165%**
Net write-downs on property, plant, equipment and intangibles	(38,316)	(36,044)	(2,272)	6%
Net provisions for risks and charges	(6,746)	(3,929)	(2,817)	72%
Net write-downs of loans	386	53	333	n.s.
EBIT	**28,211**	**(12,457)**	**40,668**	**n.s.**
Net income (loss) on financial assets and liabilities measured at fair value	(543)	(418)	(125)	30%
Net financial interest and commissions	(13,553)	(6,591)	(6,962)	106%
EBT	**14,115**	**(19,466)**	**33,581**	**n.s.**

EBT includes non-recurring expenses in the amount of €6.3 million related to:

- €5.9 million in costs for early termination incentives;
- €0.4 million of the time value of the put option and earn-out (€0.3 million related to the Altamira transaction and €0.1 million of the time value of the earn-out connected with the doValue Greece transaction).

Net write-downs on property, plant and equipment and intangible assets amounted to €38.3 million, while the "restated" figure for June 2020 amounted to €36.0 million. This item mainly includes the amortisation relating to the Altamira and doValue Greece servicing agreements (for the latter, valued on the basis of the temporary calculation carried out at the time of the Purchase Price Allocation (PPA)), classified as intangible assets in the balance sheet given the unique characteristics of the servicing market, which, in the past, saw the leading operators investing in long-term asset management agreements.
The total balance also includes the amortisation of rights-of-use deriving from the accounting of lease agreements following the application of IFRS 16. The amount that influenced the first half of 2021 came to €5.0 million, In line with the impact in the same period of 2020. The remainder of amortisation primarily concerns software licenses connected with technology investments made by the Group during the period aimed at upgrading the IT platform.

Net allocations to provisions for risks and charges amounted to €6.7 million, compared to €3.9 million in June 2020. This is mainly attributable to provisions for early termination incentives in favour to employees primarily granted to employees in Italy who participated in the Company's plan, in line with the targets of the business plan, partially offset by releases of provisions of previous years deemed to no longer exist.

The **Net loss on financial assets and liabilities measured at fair value** came to a negative result of €0.5 million, essentially in line with the previous period when the item reported a loss of €0.4 million. This item is attributable to the negative change in the overall fair value of ABS securities in the portfolio and the accrual of the time value relating to financial liabilities for the earn-out and put-option already cited previously in non-recurring expenses.

Net financial interest and commissions amounted to €13.5 million, an increase compared to €6.6 million in June 2020 and reflect financial expenses tied to the acquisition of the subsidiary Altamira and higher expenses connected with the bond loan related to the acquisition of doValue Greece.

(€/000)

	6/30/2021	6/30/2020 RESTATED	Change €	Change %
EBT	**14,115**	**(19,466)**	**33,581**	**n.s.**
Income tax for the period	(2,561)	(1,834)	(727)	40%
Profit (Loss) for the period	**11,554**	**(21,300)**	**32,854**	**n.s.**
Profit (loss) attributable to Non-controlling interests	(3,007)	2,894	(5,901)	n.s.
Profit (loss) attributable to the shareholders of the Parent company	**8,547**	**(18,406)**	**26,953**	**(146)%**

Income taxes for the period amounted to €2.6 million, compared to €1.8 million in June 2020.
This item is affected by the change in the tax rate in Greece which went from 24% to 22%, causing positive reversals in the income statement, especially in relation to the assets recognized in the PPA.

Profit (Loss) for the period attributable to the Shareholders of the Parent Company, excluding non-recurring items, came to €13.5 million, compared to the negative €8.1 million of the previous period. Including non-recurring items, the **Profit (Loss) for the period attributable to the Shareholders of the Parent Company** was €8.5 million, compared to the negative €18.4 million of the same period of the previous year.

SEGMENT REPORTING

doValue's international expansion in the large market of Southern Europe, with the acquisition first of Altamira and later of doValue Greece, has led to the review of the procedures used by the Management to evaluate and analyse the business, moving from a segmentation by customers and business lines to a geographical one.
This classification is tied to specific factors of the entities included in each category and to the type of market. The geographical regions thus identified were: Italy, Greece & Cyprus and Iberia (Spain and Portugal).
Based on these criteria, the following table shows the revenues and EBITDA (excluding non-recurrent charges) for the period for each of these business segments.

The first semester of 2021 recorded gross revenues of €254.2 million (€165.3 million in June 2020) and EBITDA, excluding recurring expenses, of €72.9 million (€36.7 million in June 2020). The "Italy" segment contributed 22% to total Group EBITDA, excluding non-recurring items, as did the "Iberia" segment, while the "Greece & Cyprus" segment contributed 56%.
The EBITDA Margin, excluding non-recurring items, on the "Italy" and "Iberia" segments came to respectively 19% and 20%, lower than the "Greece & Cyprus" region, which posted a figure of 46%.

(€/000)

	First Half 2021			
Condensed Income Statement (excluding non-recurring items)	**Italy**	**Greece & Cyprus**	**Spain & Portugal**	**Total**
Servicing revenues	66,704	87,526	78,166	232,396
o/w NPE Revenues	*66,704*	*81,430*	*45,293*	*193,427*
o/w REO Revenues	-	*6,096*	*32,873*	*38,969*
Co-investment revenues	4,134	-	-	4,134
Ancillary and other revenues	12,870	1,841	2,955	17,666
Gross Revenues	**83,708**	**89,367**	**81,121**	**254,196**
NPE Outsourcing fees	(5,058)	(2,562)	(7,716)	(15,336)
REO Outsourcing fees	-	(871)	(10,437)	(11,308)
Ancillary Outsourcing fees	(4,308)	-	(1,131)	(5,439)
Net revenues	**74,342**	**85,934**	**61,837**	**222,113**
Staff expenses	(42,875)	(33,444)	(30,461)	(106,780)
Administrative expenses	(15,486)	(11,531)	(15,426)	(42,443)
o/w IT	*(6,887)*	*(3,295)*	*(4,653)*	*(14,835)*
o/w Real Estate	*(960)*	*(1,598)*	*(724)*	*(3,282)*
o/w SG&A	*(7,639)*	*(6,638)*	*(10,049)*	*(24,326)*
Operating expenses	**(58,361)**	**(44,975)**	**(45,887)**	**(149,223)**
EBITDA excluding non-recurring items	**15,981**	**40,959**	**15,950**	**72,890**
EBITDA Margin excluding non-recurring items	**19%**	**46%**	**20%**	**29%**
Contribution to EBITDA excluding non-recurring items	**22%**	**56%**	**22%**	**100%**

(€/000)

Condensed Income Statement (excluding non recurring items)	First Half 2021 vs 2020 Restated Italy	Greece & Cyprus	Spain & Portugal	Total
Servicing revenues				
First Half 2021	66,704	87,526	78,166	232,396
First Half 2020 Restated	58,705	26,923	62,024	147,652
Change	*7,999*	*60,603*	*16,142*	*84,744*
Co-investment revenues, ancillary and other revenues				
First Half 2021	17,004	1,841	2,955	21,800
First Half 2020 Restated	10,201	528	6,945	17,674
Change	*6,803*	*1,313*	*(3,990)*	*4,126*
Outsourcing fees				
First Half 2021	(9,366)	(3,433)	(19,284)	(32,083)
First Half 2020 Restated	(6,304)	(1,169)	(14,692)	(22,165)
Change	*(3,062)*	*(2,264)*	*(4,592)*	*(9,918)*
Staff expenses				
First Half 2021	(42,875)	(33,444)	(30,461)	(106,780)
First Half 2020 Restated	(40,145)	(10,898)	(26,319)	(77,362)
Change	*(2,730)*	*(22,546)*	*(4,142)*	*(29,418)*
Administrative expenses				
First Half 2021	(15,486)	(11,531)	(15,426)	(42,443)
First Half 2020 Restated	(10,851)	(5,488)	(13,797)	(30,136)
Change	*(4,635)*	*(6,043)*	*(1,629)*	*(12,307)*
EBITDA excluding non-recurring items				
First Half 2021	15,981	40,959	15,950	72,890
First Half 2020 Restated	11,606	9,897	14,160	35,663
Change	*4,375*	*31,062*	*1,790*	*37,227*
EBITDA Margin excluding non-recurring items				
First Half 2021	19%	46%	20%	29%
First Half 2020 Restated	17%	36%	21%	22%
Change	*2%*	*10%*	*(1%)*	*7%*

The RESTATED data at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

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Group Financial Position

INTRODUCTION

The balance sheet figures have been reclassified from a management perspective, in line with the representation of the reclassified income statement and the net financial position of the Group.
At the end of this Directors' Interim Report on Group Operations, in accordance with the same presentation approach for the income statement, we have included a reconciliation between the condensed balance sheet reported below and the table reported in the section containing the consolidated financial statements.

(€/000)

Condensed Balance Sheet	6/30/2021	12/31/2020 RESTATED	Change €	Change %
Cash and liquid securities	116,537	132,486	(15,949)	(12)%
Financial assets	49,152	70,859	(21,707)	(31)%
Property, plant and equipment	30,889	36,176	(5,287)	(15)%
Intangible assets	538,879	564,136	(25,257)	(4)%
Tax assets	132,399	126,157	6,242	5%
Trade receivables	193,273	175,155	18,118	10%
Assets held for sale	30	30	-	n.s.
Other assets	14,947	16,485	(1,538)	(9)%
Total Assets	**1,076,106**	**1,121,484**	**(45,378)**	**(4)%**
Financial liabilities: due to banks	504,331	543,042	(38,711)	(7)%
Other financial liabilities	75,495	76,075	(580)	(1)%
Trade payables	62,081	51,824	10,257	20%
Tax Liabilities	97,873	91,814	6,059	7%
Employee Termination Benefits	12,954	16,465	(3,511)	(21)%
Provisions for risks and charges	85,794	87,346	(1,552)	(2)%
Other liabilities	62,603	65,872	(3,269)	(5)%
Total Liabilities	**901,131**	**932,438**	**(31,307)**	**(3)%**
Share capital	41,280	41,280	-	n.s.
Reserves	93,597	150,533	(56,936)	(38)%
Treasury shares	(75)	(103)	28	(27)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	8,547	(30,407)	38,954	(128)%
Net Equity attributable to the Shareholders of the Parent Company	**143,349**	**161,303**	**(17,954)**	**(11)%**
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	**1,044,480**	**1,093,741**	**(49,261)**	**(5)%**
Net Equity attributable to Non-Ccontrolling Interests	31,626	27,743	3,883	14%
Total Liabilities and Net Equity	**1,076,106**	**1,121,484**	**(45,378)**	**(4)%**

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

The item **Cash and liquid securities** decreased by €15.9 million compared to the end of the previous year, mainly justified by the payment of dividends for € 18.9 million. It should be noted that the total amount approved for distribution was €20.8 million and that a residual amount of €1.9 million is still to be paid as of June 30, 2021.

Financial assets went from €70.9 million to €49.2 million, marking a decrease of €21.7 million.

The item is broken down in the following table.

(€/000)

Financial assets	6/30/2021	12/31/2020	Change €	Change %
At fair value through profit or loss	**42,120**	**63,644**	**(21,524)**	**(34)%**
Debt securities	15,552	36,741	(21,189)	(58)%
CIUs	26,371	26,857	(486)	(2)%
Equity instruments	197	46	151	n.s.
At fair value through OCI	**1,506**	**-**	**1,506**	**n.s.**
Equity instruments	1,506	-	1,506	n.s.
At amortized cost	**5,526**	**7,215**	**(1,689)**	**(23)%**
L&R with banks other than current accounts and demand deposits	76	75	1	1%
L&R with customers	5,450	7,140	(1,690)	(24)%
Total	**49,152**	**70,859**	**(21,707)**	**(31)%**

The main component of the decrease in financial assets in the period was debt securities, as a result of the transfer of mezzanine and junior notes related to the Relais securitisation.
Starting from this half-year, financial assets see the entry of the category "at fair value through OCI" which includes equities referring to the acquisition of an 11.46% stake in the Brazilian fintech company Quero Quitar S.A. which operates in the digital collections market.
As regards financial assets at amortised cost, L&R with customers recorded a decrease of €1.7 million, mainly deriving from the combined effect of the planned disposal, of a portfolio of non-performing loans (€5.8 million as at 31 December 2020) as well as the increase of €4.3 million attributable to the subsidiary Italfondiario and deriving from use of part of the financial resources originating from a limited recourse loan, relating to a loan allocated for a specific business activity and classified under other financial liabilities.

Property, plant and equipment went from €36.2 million to €30.9 million, marking a reduction of €5.3 million, due to depreciation in the period of €6.8 million and purchases in the semester amounting to €1.6 million, of which €0.8 million relating to new rights of use in application of IFRS 16 *Leases*.

Intangible assets went from an amount restated of €564.1 million to €538.9 million, therefore registering a decrease of €25.3 million mainly determined by €31.1 million in amortisation in the period, and €6.2 million by software increases.

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

(€/000)

Intangible assets	6/30/2021	12/31/2020 RESTATED	Change €	Change %
Software	21,192	20,259	933	5%
Brands	34,921	37,502	(2,581)	(7)%
Assets under development and payments on	3,613	2,807	806	29%
Goodwill	236,896	236,896	-	n.s.
Other intangible assets	242,257	266,672	(24,415)	(9)%
Total	**538,879**	**564,136**	**(25,257)**	**(4)%**

In particular, the more significant amount of intangible assets stems from the latest two acquisitions completed by the Group, relating respectively to Altamira Asset Management and its subsidiaries, carried out at the end of June 2019, and to the *business combination* of doValue Greece concluded in June 2020, and whose values as at June 30, 2021 derive from the final calculation performed at the time of the Purchase Price Allocation (PPA).

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

- €8.2 million for software;
- €34.8 million for the Altamira brand;
- €67.9 million relating to other intangible assets, which include the valuation of active long-term servicing contracts ("SLAs") with major banks and companies for €65.2 million and the backlog & database component for €2.7 million;
- €124.1 million relating to goodwill.

As regards the acquisition of doValue Greece, the fair value measurement of the acquired intangible assets amounts to a total of €215.2 million (€174.4 million as at June 30, 2021 net of the amortisation for the period), attributable to active servicing contracts, in addition to €112.4 million allocated to goodwill.

Tax assets as at June 30, 2021, are broken down as follows:

(€/000)

Tax assets	6/30/2021	12/31/2020 RESTATED	Change €	Change %
Current tax assets	**6,803**	**6,977**	**(174)**	**(2)%**
Paid in advance	703	8,085	(7,382)	(91)%
Tax credits	6,640	-	6,640	n.s.
Tax liabilities	(540)	(1,108)	568	(51)%
Deferred tax assets	**104,995**	**102,948**	**2,047**	**2%**
Write-down on loans	49,367	49,344	23	0%
Tax losses carried forward in the future	18,571	16,821	1,750	10%
Property, plants and equipment / Intangible assets	22,939	21,369	1,570	7%
Other assets / liabilities	622	42	580	n.s.
Provisions	13,496	15,372	(1,876)	(12)%
Other tax receivables	**20,601**	**16,232**	**4,369**	**27%**
Total	**132,399**	**126,157**	**6,242**	**5%**

Tax assets for current taxes are essentially in line with the balances as at December 31, 2020, while deferred tax assets recorded an increase of €2.0 million which includes the decrease of € 1.0 million resulting from the reduction of the tax rate in Greece from 24% to 22%.

By contrast, the breakdown of **tax liabilities** is reported below, which reported an increase compared to the 2020 balances, substantially due to current taxes related to the positive taxable income of the half and due to the reduction of the tax rate in Greece from 24% to 22%, with a positive impact on deferred tax liabilities of € 3.9 million:

(€/000)

Tax liabilities	6/30/2021	12/31/2020 RESTATED	Change €	Change %
Taxes for the period	14,468	6,538	7,930	121%
Deferred tax liabilities	59,167	63,731	(4,564)	(7)%
Other tax payables	24,238	21,545	2,693	13%
Total	**97,873**	**91,814**	**6,059**	**7%**

As at June 30, 2021 **financial liabilities - payables due to banks** went from €543.0 million to €504.3 million, due to the reimbursements made in the period. Loans include payables aimed at the acquisition of Altamira in 2019 and of doValue Greece in 2020. In particular, for the first acquisition, a Facility Loan was entered into, whose amortised cost at the end of June 2021 amounted to €244.3 million, while for the acquisition of doValue Greece, a guaranteed senior bond was subscribed, whose residual debt measured at amortised cost at the end of the first half of 2021 came to €260.0 million.
It should also be noted that, as reported in significant events after the close of the period, the Facility Loan was replaced by a secured senior bond issued on July 22, 2021, maturing in 2026, for principal amount of €300.0 million at an annual fixed rate of 3.375%.

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

(€/000)

Other financial liabilities	6/30/2021	12/31/2020 RESTATED	Change €	Change %
Lease liabilities	24,576	28,793	(4,217)	(15)%
Earn-out	22,924	22,807	117	1%
Put option on non-controlling interests	23,389	24,011	(622)	(3)%
Hedging derivatives	318	454	(136)	(30)%
Other financial liabilities	4,288	10	4,278	n.s.
Total	**75,495**	**76,075**	**(580)**	**(1)%**

Lease liabilities include the discounted value of future lease payments, in accordance with the provisions of IFRS 16.
The liability for the Earn-out refers (i) to the Altamira operation in the amount of €17.5 million, which represents a portion of the acquisition price and (ii) to the acquisition of doValue Greece for €5.4 million that is related to the achievement of some EBITDA targets within a ten-year time frame and the first payments of which will not be due before 2024.
The liability for "put option on non-controlling interests" regards the option for the purchase of residual non-controlling interests in Altamira, expiring in June 2021, extended until the end of July under the same terms. A subsequent agreement, signed on July 6, provides for an extension of a further 24 months, plus the definition of some calculation parameters and provides the right to exercise the option only until the end of the two-year period.

The other financial liabilities include, in this first half of 2021, the amount of €4.3 million for a limited recourse loan relating to the above-mentioned loan allocated for a specific business activity.

Provisions for risks and charges recorded an increase of €1.6 million compared to the balances at the end of 2020, due to the combined effect of the uses and releases pertaining to in-court and out-of-court disputes settled in the half for €0.6 million and new provisions, net of reversals of the period for variable compensation for employees of €1.3 million, which take account of the updates to the new Remuneration Policy for 2021 approved by the Shareholders' Meeting occurred on April 29, 2021.
The "Others" component includes a provision that emerged with the definition of the PPA connected to the acquisition of doValue Greece and determined following a more precise interpretation of some clauses of the Service Level Agreement signed between doValue Greece and Eurobank connected to a particular type of fee (so-called "Curing Fee") and in application of the provisions of the IFRS15 accounting standard in terms of variable fees.

(€/000)

Provisions for risks and charges	6/30/2021	12/31/2020 RESTATED	Change €	Change %
Legal and Tax disputes	48,365	48,998	(633)	(1)%
Staff expenses	7,437	6,112	1,325	22%
Other	29,992	32,236	(2,244)	(7)%
Total	**85,794**	**87,346**	**(1,552)**	**(2)%**

Other liabilities went from €65.9 million to €62.6 million, marking a decrease of €3.3 million in the period, due essentially to the combination of contrasting changes: on the one hand, an increase in payables relating to personnel for voluntary redundancy incentives, holidays accrued and thirteen months' pay to be paid and, on the other, a reduction in accrued expenses/deferred income for the release of the portion relating to the period of the deferred income recorded at the end of 2020 amounting to €31 million, in application of IFRS 15 and relating to the accounting of the prepayment of fixed servicing fees pertaining to 2021.

Shareholders' equity attributable to shareholders of the Parent Company amounted to €143.3 million.

NET WORKING CAPITAL

(€/000)

Net Working Capital	6/30/2021	6/30/2020	12/31/2020
Trade receivables	193,273	150,423	175,155
Trade payables	(62,081)	(48,274)	(51,824)
Total	**131,192**	**102,149**	**123,331**

The figure for the period amounted to €131.2 million, compared to €123.3 million in December 2020, marking a trend essentially in line with the previous year, in relation to revenues based on the last twelve months. In determining this indicator, account must also be taken of the macroeconomic context in which activities were carried out: in an unstable European framework and subject to numerous economic support measures, the Group managed this item in an optimal way, which has always been crucial for generating cash. These positive aspects are also the result of the strategic choice of geographic diversification of the business that has allowed the Group to take advantage of good cash flows from foreign areas.

NET FINANCIAL POSITION

(€/000)

	Net Financial Position	6/30/2021	6/30/2020	12/31/2020
A	Cash	116,537	193,027	132,486
B	**Liquidity (A)**	**116,537**	**193,027**	**132,486**
C	Current bank debts	(80,840)	(345,265)	(80,998)
D	Bonds issued - current	(5,521)	-	(5,374)
E	**Net current financial position (B)+(C)+(D)**	**30,176**	**(152,238)**	**46,114**
F	Non-current bank debts	(163,496)	(244,445)	(203,198)
G	Bonds issued - non current	(254,474)	-	(253,472)
H	**Net financial position (E)+(F)+(G)**	**(387,794)**	**(396,683)**	**(410,556)**

The net financial position at the end of June 2021 amounted to €387.8 million compared to €410.6 million at the end of 2020 (and €396.70 million in June 2020).

A clear improvement is evident with respect to the closing value at December 31, 2020, amounting to €22.8 million resulting from the sale of ABS securities attributable to the Relais securitisation completed in February, investments in the period, dividends paid (equal to €18.9 million, compared to the total of €20.8 million approved) and by the healthy operating cash flows.

Cash and cash equivalents stood at €116.5 million compared to €132.5 million at the end of 2020, thus allowing the necessary elasticity that the Group needs to develop its operating plans. In addition to this, at the end of July 2021, the Group had €75 million of available committed credit lines to support total liquidity. The current net financial position remained positive at €30.2 million (€46.1 million at the end of 2020), reflecting a balanced overall capital structure.

OPERATING CASH FLOW

(€/000)

Cash flow	6/30/2021	6/30/2020 RESTATED
EBITDA	72,887	27,463
Capex	(7,040)	(9,340)
EBITDA-Capex	**65,847**	**18,123**
as % of EBITDA	90%	66%
Adjustment for accrual on share-based incentive system payments	605	982
Changes in NWC (Net Working Capital)	(7,861)	30,629
Changes in other assets/liabilities	(21,772)	17,890
Operating Cash Flow	**36,819**	**67,624**
Tax paid (IRES/IRAP)	(2,409)	(5,120)
Financial charges	(13,021)	(5,666)
Free Cash Flow	**21,389**	**56,838**
(Investments)/divestments in financial assets	20,281	(8,324)
Equity (investments)/divestments	-	(206,857)
Dividend paid	(18,908)	(1,875)
Net Cash Flow of the period	**22,762**	**(160,218)**
Net financial Position - Beginning of period	(410,556)	(236,465)
Net financial Position - End of period	(387,794)	(396,683)
Change in Net Financial Position	**22,762**	**(160,218)**

The RESTATED data at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

The **Operating cash flow for the period amounted to €36.8 million** (€67.6 million in June 2020) and represents the positive result of the strategy involving the geographical diversification of the business and the recovery phase in progress in the first semester of 2021. The figure under review was positively impacted by the healthy profit margins recorded in the period, with Ebitda at €72.9 million and investments contained to roughly €7.0 million (equal to roughly 3% of gross revenues). The cash-conversion with respect to the Ebitda is equal to 90%, reflecting the high ability of the Group to convert its operating margins into cash.
Taxes paid equals to €2.4 million against €5.1 million in June 2020.
Financial charges paid amounted to €13.0 million (€5.7 million in June 2020) and were affected by the higher average debt recorded following the credit lines activated to support the Group's international growth process.
Therefore, the above trends determined a **Free Cash Flow for the period of €21.4 million** compared to €56.8 million in the first six months of 2020.
February saw the disinvestment of the mezzanine and junior notes of a securitisation relating to NPEs for €1.6 billion (the "Relais Project").
During the period €20.8 million of dividends were approved for distribution, of which €18.9 million had already been collected by the receivers at 30 June 2021, while in the first half of 2020, due to the Covid-19 pandemic in progress, it was decided to leave liquidity in the Group pending a better assessment of market dynamics.
The **Net cash flow for the period was therefore a positive €22.8 million**, a net improvement compared to June 2020 when there was a change in the negative net financial position of €160.2 million as a consequence of the investment in the investee doValue Greece.

Significant events during the period

START OF MANAGEMENT OF NEW CREDIT PORTFOLIOS AND NEW SERVICING AGREEMENTS

During the first half of 2021, the main transactions on the managed portfolio saw the acceptance and/or signature of approximately €5.2 billion of new mandates. In addition, note should be taken of the onboarding of the Icon portfolio in Greece, a contract announced in 2020.
The doValue's sales initiatives translated to a significant volume of new credit servicing agreements.
The most representative servicing mandates include:

- four new GACS NPL mandates in Italy for a total of €3.1 billion;
- a new mandate relating to NPL portfolios originated in Spain by two banks for €1.5 billion;
- a new mandate with AMCO for NPL and UTP portfolios relating to a portfolio of loans acquired from MPS for roughly €440 million.

In addition, note should be taken of roughly €2.0 billion of new flows of loans granted under management by existing customers on multi-year contracts signed in Spain, Italy, Greece and Cyprus.

DISCLOSURE ON THE TAX ASSESSMENT RELATED TO THE SUBSIDIARY ALTAMIRA ASSET MANAGEMENT

As already recorded under "Significant events after the end of the year" in the Directors' Report on Operations of the Group as at December 31, 2020, as part of a tax inspection conducted by the Spanish financial administration on Altamira Asset Management Holding ("AAMH"), legal entity used by the previous shareholders of AAM and not part of doValue Group, Altamira Asset Management ("AAM") for fiscal years 2014 and 2015, on the month of March 2021 AAM has been informed by Spanish officials of a different approach by the Spanish Tax Authorities in the calculation of the tax base compared to the one followed by the company at the time based on the existing legislation, mainly regarding the fiscal deductibility of expenses and financial charges incurred by AAM and AAMH following the acquisition of AAM by AAMH from Banco Santander.
As part of the aforementioned tax assessment procedure, some risk profiles came to light in the estimate of the previous tax liabilities of AAM.
In March 2021, the Spanish Tax Authorities, expressed their willingness to reach an agreement to fully settle pending tax disputes (also relating to the years 2016-2017-2018 for which said financial charges were deducted and that, in the event of agreement, shall be settled through the submission of supplementary tax returns and declarations of tax consolidation between AAMH and AAM), with no application of penalties, whose impact in economic-financial terms, was quantified at a total of roughly €34 million. AAM considered it to be in its interest to reach an agreement with the Authorities under said terms, and adjusted the provision allocated in respect of said tax audit, registering an impact of €29.2 million on the income statement, in application of IFRIC 23 "Uncertainty over income tax treatments", and IAS 8 "Accounting standards, changes in accounting estimates and errors".
In April 2021, the Spanish Tax Authorities formalised the proposed agreement with Altamira Asset Management Holding ("AAMH"), a vehicle attributable to the previous shareholders of the Altamira Group and not falling under the doValue Group, and the subsidiary Altamira Asset Management ("AAM"), accurately quantifying the sums due at an amount essentially in line with the estimates drawn up previously, confirming the specific provision allocated to be more than sufficient. At the end of April, the two companies signed said proposed agreement.
Note should be taken of the fact that the tax charges recorded on the basis of said agreement derive from the structure originally put in place in 2013 and 2014 for the acquisition of AAM by the previous shareholders (Apollo, CCPIB and Adia) and that, at the moment of the acquisition of AAM by AAMH, doValue covered the risk of contingent liabilities, including tax-related, by obtaining declarations and guarantees from the seller and supplementing them with specific insurance cover.
At the end of June, the insurance company made a reimbursement of €726 thousand, relating to part of the tax payable generated by the assessment concerning some expenses reclassified by the Authority as non-deductible, net of the portion of €4.1 million pertaining to the seller AAMH in the form of an acquisition price adjustment based on the clauses set forth in the Share Purchase Agreement.
It should be noted that, for the remaining part, the company activated the insurance cover taken out at the time of the acquisition, having received positive opinions regarding the right to reimbursement.
doValue believes it can fully or partly recover the amount, and presumably by the end of 2022. In this regard, pending discussions of the potential responsibilities of AAMH in relation to the tax assessment proceedings, doValue has suspended payment of the earn-out for the acquisition of AAM.

APPROVAL OF A PLAN FOR THE MERGER BY INCORPORATION OF DOVALUE HELLAS IN DOVALUE GREECE

The respective Boards of Directors - and the shareholders' meetings - approved the plan for the merger by incorporation of doValue Hellas Credit and Loan Servicing Société Anonyme in doValue Greece Loans and Credits Claim Management Société Anonyme. However, it is hereby noted that said merger plan was approved in July by the Bank of Greece.

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.

FITCH CORPORATE RATING UPDATE

On February 18, Fitch Rating confirmed the long-term rating (IDR) of BB with a stable outlook and the short-term rating at B. The rating of the guaranteed senior bond was confirmed at BB.

ASSIGNMENT OF ESG RATING

In April, MSCI ESG Rating improved the rating assigned to the doValue Group, bringing it from the previous rating of BBB to A. The A rating is a recognition of the growing attention paid by the Group to ESG issues.

ORDINARY SHAREHOLDERS' MEETING OF APRIL 29, 2021

The Ordinary Shareholders' Meeting of doValue S.p.A. was held on April 29, 2021 and 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, 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 QUERO QUITAR

On May 13, 2021 doValue subscribed an investment agreement for participating in a capital increase in the Brazilian fintech company Quero Quitar S.A. for €1.5 million. In respect of this investment, doValue acquired a stake of around 10% in Quero Quitar, 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. With registered office in San Paolo, Quero Quitar is one of the most promising fintech start-ups operating in the field of digital collection. With approximately 15 million debtors registered and more than 20 customers including leading Brazilian financial institutions, the platform developed by Quero Quitar allows debtors to manage the process of renegotiating their debts amicably, thanks to a fully digital, scalable and efficient process. In particular, the company does not use call centres or require human intervention, but attracts debtors to the platform through digital marketing tools (social network, internet advertising, e-mail, sms, etc.), allowing the debtor to intervene proactively with respect to the renegotiation offers proposed by Quero Quitar based on the mandate of its customers.

The investment falls under the M&A strategy of diversification in sectors with high growth profiles and different but complementary business models with respect to doValue's core business.

FRONTIER PROJECT - BINDING OFFER

On June 4 and 7, 2021, the Boards of Directors of doValue and of the subsidiary doValue Greece respectively resolved the presentation of a binding offer as part of the securitisation transaction launched by the National Bank of Greece for a portfolio of non-performing loans. In this regard, it should be noted that, in July, the consortium composed of doValue Greece, Bain and Fortress was selected by the National Bank of Greece as the preferred offer in relation to the Frontier Project after a short period of exclusive negotiations, which should end with the possible signing of the agreement in August 2021.

Significant events after the end of the period

LAUNCH OF THE TREASURY SHARE BUYBACK PLAN

On June 17, 2021, doValue's Board of Directors, in implementation of the authorisation conferred by the Shareholders' Meeting on April 29, 2021, and in observance of the relevant terms already communicated to the market, approved the launch of a treasury share buyback programme (the "Programme"). The Programme is solely in service of 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, also approved by the Shareholders' Meeting of April 29, 2021 and by previous Shareholders' Meetings.
The Programme will involve a maximum of 500,000 shares, equivalent to roughly 0.625% of doValue' share capital. Purchases of shares on the market, still ongoing, got under way on July 1, 2021 and at the date of approval of this Consolidated half-year report they are equal to 491,389 shares.

DISCLOSURE ON THE TAX ASSESSMENT RELATED TO THE SUBSIDIARY ALTAMIRA ASSET MANAGEMENT

On July 5, the tax claim of €32 million was paid by Altamira and Altamira Asset Management Holding S.I (given that in the assessment period, the companies belonged to said Group and were participating in the tax consolidation scheme) and supplementary tax returns were presented for the years 2016-2017-2018. Following said definition with the Spanish Tax Authorities, the seller Altamira Asset Management Holding S.I. paid the amount of €4.1 million to doValue in the form of an acquisition price adjustment.

ISSUE OF SECURED SENIOR BONDS

On July 22, 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. It should be noted that, in relation to said issue, Standard & Poor's and Fitch confirmed doValue's corporate rating at BB/Stable Outlook.

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, requires a cautious approach to the short-term performance.
Despite the operational continuity of doValue operations in all its markets and the trend of gradual improvement of the market conditions, the Group is carefully monitoring the reduced activity of the legal system and public services in general, 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.
Despite a context of limited visibility, the positive trend in collections recorded in the first half of 2021 represents a confirmation of the growth trend, already recorded in the second half of 2020, and signals the discontinuity of the traditional seasonality of Group collections, concentrated on the final quarter of the year and also provides a tangible sign of recovery.

The significant geographical, product and customer diversification and the flexibility of costs, in particular outsourcing costs and the employee incentive plan represent additional factors for the mitigation of the negative impacts of the COVID-19 pandemic, in view of a potential full recovery in 2021.

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 of the cycle itself, consistent with the Group's mission to support Banks, Investors, companies and individuals in all phases of credit management, fostering the sustainable development of the financial system.

Main risks and uncertainties

In consideration of the activities it performs and the results achieved, the financial position of the doValue Group is appropriately scaled to meet its needs.
The financial policy pursued is aimed at fostering the stability of the Group, which in view of its operations does not currently or prospectively intend to engage in speculative investment activity.
With regard to the main risks and uncertainties, the current financial markets' situation and the consequences of any economic and financial effects deriving from the spread of the Coronavirus still involve elements of uncertainty, even in the presence of more stable macroeconomic conditions than during 2020.

GOING CONCERN

In order to express an opinion on the going concern assumption on the basis of which this Consolidated Interim Report as at June 30, 2021 was 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”;
- with reference to the Business Plan used to verify the sustainability of balance sheet assets as at June 30, 2021, the Group has updated the plan's targets taking into account the results recorded in 2020 and in the first six months of 2021, estimating the future impacts of COVID-19, in the event of a gradual and progressive return to normal conditions starting from 2021;
- the assessment took into account the Group's solid capital base, financial position and confirmed ability to generate cash flow, 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 the first half of 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.

Impacts and effects of the COVID-19 epidemic

The international health emergency declared in January 2020 by the World Health Organisation (WHO) as a consequence of the spread of COVID-19, and still in progress, has caused a significant slowdown in activity, in some cases the interruption of economic and commercial activity in multiple sectors.
Market turbulence persists, which amplifies the level of uncertainty of the estimates of possible developments in terms of the economic impact of the spread of COVID-19 around the world, Europe and Italy. Short-term macroeconomic forecasts will therefore be subject to changes that are currently not precisely quantifiable, even if there is greater stability compared to 2020 in the reference market.
Starting from the end of February of last year, the doValue Group promptly activated the Business Continuity & Crisis Management Committee in crisis session in order to make decisions resulting from the development of the situation. The main measures taken over time and still in force were aimed at supporting its employees and collaborators, both in Italy and abroad, in the management of the COVID-19 emergency, first and foremost protecting their health and well-being, while allowing them to maintain contact with the organisation.

In particular, also in the first half of 2021, the Group guaranteed:

- the limitation of 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 systems of so-called “unified communication” 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 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”

With reference to the intangible assets present in the financial statements, it is firstly presented that the initial balance of intangible assets which identify the value of the long-term servicing contracts and the goodwill linked to the acquisition of Eurobank-FPS (now doValue Greece), concluded on June 5, 2020, were restated with respect to the balances as at June 30, 2020, when a provisional allocation of the Purchase Price Allocation (PPA) had still not been carried out pursuant to IFRS 3 and the entire difference deriving from the imbalance of the equity investment with the shareholders' equity at the date of the entry into consolidation was provisionally recognised in the item "Consolidation differences to be allocated", under non-current assets.
With reference to December 31, 2020, the provisional allocation of the PPA of doValue Greece was subsequently carried out and, also in this case, said provisional values were restated to take account of the changes in the evaluation of the PPA made final as at June 30, 2021, with 12 months having elapsed from the entry to consolidation.
Due to the effect of the definitive performance of the PPA, intangible assets were identified relating to Special and Master Servicing contracts, for the management of portfolios of impaired exposures and the subsequent goodwill. The relative values initially recognised in the financial statements were restated on the basis of the measurement of the estimated fair value of the net assets of doValue Greece, which takes account of the necessary information for evaluation purposes available at the date of acquisition and entry into consolidation, updated in light of the significant events and information not known or unavailable as at said date (for more details, please refer also to the section Retrospective Adjustments in the chapter "Business combinations").

Albeit taking into account the difficulty inherent in the formulation of even short or medium-term forecasts in this ongoing climate of great uncertainty and considering that both Altamira and doValue Greece hold medium/long-term management contracts for existing loans (stock) and future positions (new flows) with leading banks and major investment funds, the Group carried out an impairment test on the values of the intangible assets and on the goodwill as at June 30, 2021, as indicated by the international accounting standard IAS 36 “Impairment of assets”, and takes into account the instructions issued by ESMA on October 28, 2020 in the Public Statement “European common enforcement priorities for 2020 IFRS annual financial reports”.
For the purposes of impairment testing, the forward-looking information determined in accordance with the most recent scenario assumptions collected by the subsidiaries was considered, that takes account of the pandemic trend and the estimated effects it has had and will have in the future on the NPL servicing market in general and, more specifically, on Altamira Asset Management and doValue Greece. As part of the analysis, the current value in use attributable to the individual active servicing contracts were therefore consistently estimated, considering the respective expected cash flows over the entire useful life.

This analysis brought to light, only in the case of the subsidiary Altamira, two instances with minimal evidence of impairment, for a total of €309 thousand, as the differences between the value in use of the active servicing contracts and the associated book value, net of amortisation for the period, while no impairment came to light with reference to the impairment test on the subsidiary doValue Greece. The impairment losses were allocated to the relevant item of the consolidated income statement and the residual balances of the intangible fixed assets were adjusted accordingly.
As regards the comparison between the recoverable value and the total net book value of the CGUs as at June 30, 2021, for both acquisitions, the model highlighted a large amount of recoverable value, confirming the absence of impairment (for more details, please refer to the Illustrative Notes, paragraphs Accounting Policies and Note 1 Intangible assets).

Uncertainties and significant risks related to COVID-19

The current financial markets' situation and the consequences of any economic and financial effects deriving from the spread of COVID-19 inevitably involve elements of uncertainty, even in the presence of stable macroeconomic conditions.
However, in light of the information available to date, considering the organisational measures implemented to guarantee business continuity, the multiple cost containment initiatives put in place, and taking account of the type of business conducted by the Group, which is structurally flexible in the different phases of the economic cycle, it is believed that there is currently no risk of having to adjust the carrying amounts of the assets and liabilities reported in this Consolidated half-year report.

Impact of the COVID-19 epidemic on the Income Statement

The direct effects of the COVID-19 pandemic and the containment measures implemented by European governments caused operating difficulties for the sector in which the Group operates, which were also confirmed in first half of 2021, and which involve the persistence of limited visibility of the short-term performance. 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 trend in collections in the half, in fact, is in line with the scenarios envisaged by the Group and shows a positive and recovering trend, despite the presence of a seasonality which tends to see collections squeezed into the first part of the year. In the first half of 2021, the Group recorded the following results (with respect to the same period of 2020):

- Collections, amounting to approximately €2.7 billion (€1.8 billion in June 2020);
- Gross revenues amounting to €254.2 million (€165.3 million in June 2020);
- EBITDA, excluding non-recurring items, equal to €72.9 million (€35.7 million in June 2020).

It should also be noted that, from the start of the pandemic, expenses relating to COVID-19 were incurred for an approximate amount of €0.9 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 activation of remote work.

As regards Managed Assets (GBV), despite the current context, in the first half of 2021, the Group has entered new servicing contracts with investors for a GBV equal to €4.5 billion, in addition to the flows from long-term management contracts for €2.0 billion, proof of the strength of the current market pipeline of servicing in southern Europe.

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

As of the date of this Consolidated half-year report as at June 30, 2021, in consideration of the persistence of the market turbulence linked to the COVID-19 pandemic, which prevents the estimation of possible developments in its economic impact with any accuracy, it would be premature to conduct a review of the overall business plan.
However, in order to assess the sustainability of the assets under management as at June 30, 2021, while taking into account the difficulty inherent in making forecasts, even in the short or medium term, in this climate of uncertainty, the Company has prepared, in the first half of the year, a hypothesis of the future impact of the COVID-19 on the plan targets which have been updated taking into account the decline in revenue flows from the portfolios under management in 2020 and in the first half 2021, assuming a gradual and progressive return to normal conditions starting in 2021 until the return to a cash flow situation equal to the pre-COVID-19 period in the following years, together with the cost containment measures set out in the budget.

These assumptions are consistent with the doValue business model, which is able to adapt to the contraction or expansion phases of the economic cycle, reacting with the expansion of assets under management or collections.
To be noted is how the EBITDA and the shares performance, in terms of costs, have allowed the Group to protect and increase cash flows, with cash on hand amounting to around €116.5 million and unused credit lines equal to €85.5 million at end of the first quarter of 2021, of which €75 million in committed credit lines. Consequently, as at June 30, 2021, the doValue Group recorded a financial lever (ratio between net financial indebtedness of the Group and consolidated EBITDA) in the amount of 2.5x whose value does not exceed the parameters envisaged by the financial covenants.

Other information

MANAGEMENT AND COORDINATION

As at June 30, 2021, 25.05% of the shares of the Parent Company doValue were owned by its largest shareholder, Avio S.a r.l, the reference shareholder, a company incorporated in Luxembourg, affiliated to the Fortress Group, which in turn was acquired by Softbank Group Corporation in December 2017. A further 1.74% of doValue shares are held by other investors similarly connected with Softbank Group Corporation, which thereby holds an overall stake of 26.79%.
As at June 30, 2021, the residual 72.62% of the shares was placed on the market and the remaining 0.59% is represented by 472,339 treasury shares, measured at cost, for a total of €75 thousand held by the Parent Company.
The reference shareholder does not exercise any management or coordination powers over doValue pursuant to Article 2497 et seq. of the Civil Code, as it does not issue directives to doValue and, more generally, does not interfere in the management of the Group. Accordingly, the strategic and management policies of the doValue Group and all of its activities in general are the product of the independent self-determination of the corporate bodies and do not involve external management by Avio.
The Parent Company doValue exercises its management and coordination powers over its direct subsidiaries as provided for in the legislation referred to above.

TRANSACTIONS IN TREASURY SHARES

As at June 30, 2021, doValue held 472,339 treasury shares, equal to 0.59% of the total share capital. Their carrying amount is €75 thousand and they are presented in the financial statements as a direct reduction of shareholders' equity under “Treasury shares”. The item “Other reserves” includes the associated equity reserve in the same amount.
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 authorization, on June 17, 2021, the doValue Board of Directors approved the launch of a treasury share purchase program solely to service the remuneration and incentive plans in place, intended for the management of doValue and / or companies controlled by it pursuant to art. 2359 of the Italian Civil Code, which will have as its object a maximum number of shares equal to 500,000, equivalent to approximately 0.625% of the share capital of doValue.

RESEARCH AND DEVELOPMENT

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

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 art. 5 - "Public information on transactions with related parties" of the Consob Regulation cited above, it should be noted that:

A. on the basis of the Policy concerning transactions with related parties adopted by the Board of Directors of doValue S.p.A., in the first half of 2021, the participation in a possible transaction of greater importance was approved, whose negotiations are still in progress. 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. Subsequently, on July 21, 2021, the consortium was selected by the National Bank of Greece as the preferred offer in relation to the Frontier Project after a short period of exclusive negotiations. Considering Fortress' participation in the consortium, some agreements related to the Frontier Project, in the process of being negotiated, could be considered transactions with related parties, which will be disclosed upon their conclusion;

B. in the first half of 2021, no transactions with related parties were carried out, under different conditions from normal market conditions which have significantly influenced the balance sheet and financial position of the Group;

C. in the first half of 2021, there have been no changes or developments to individual transactions with related parties already described in the last financial report that have had a significant effect on the Group's balance sheet or results in the reference period.

DISCLOSURE ON THE OPT-OUT OPTION

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

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

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

(€/000)

	6/30/2021		6/30/2020 RESTATED	
	Shareholders' Equity	Profit (loss) of the period	Shareholders' Equity	Profit (loss) of the period
doValue's S.p.A. separate financial statements	210,511	(2,243)	219,879	10,422
- difference arising from the investments' carrying values and the relative subsidiaries' Equity	(76,271)	-	(10,103)	-
- Results of the subsidiaries, net of minority interest	-	19,421	-	(13,921)
Cancellation of dividends	-	(8,706)	-	(12,108)
Other consolidation adjustments	562	75	14	(2,799)
Consolidated financial statements attributable to the Shareholders of the Parent Company	**134,802**	**8,547**	**209,790**	**(18,406)**

The RESTATED data at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

Rome, August 4, 2021

The Board of Directors

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT AND THE STATUTORY CONSOLIDATED INCOME STATEMENT

(€/000)	6/30/2021	6/30/2020 RESTATED
NPE revenues	**193,427**	**120,468**
o.w. Revenue from contracts with customers	193,729	118,429
o.w. Other revenues	(302)	2,039
REO revenues	**38,969**	**27,184**
o.w. Revenue from contracts with customers	33,032	22,357
o.w. Other revenues	5,937	4,827
Co-investment revenues	**4,134**	**263**
o.w. Financial (expense)/income	4,134	263
Ancillary and other revenues	**17,666**	**17,411**
o.w. Financial (expense)/income	6	8
o.w. Revenue from contracts with customers	4,073	3,455
o.w. Other revenues	13,702	13,974
o.w. Costs for services rendered	(111)	(120)
o.w. Other operating (expense)/income	(4)	94
Gross revenues	**254,196**	**165,326**
NPE Outsourcing fees	**(15,336)**	**(9,705)**
o.w. Costs for services rendered	(15,361)	(9,705)
o.w. Other revenues	25	-
REO Outsourcing fees	**(11,308)**	**(6,565)**
o.w. Costs for services rendered	(11,308)	(6,565)
Ancillary Outsourcing fees	**(5,439)**	**(5,895)**
o.w. Costs for services rendered	(1,133)	(3,341)
o.w. Administrative expenses	(4,306)	(2,472)
o.w. Other operating (expense)/income	-	(82)
Net revenues	**222,113**	**143,161**
Staff expenses	**(106,780)**	**(78,225)**
o.w. Personnel expenses	(106,980)	(78,225)
o.w. Other revenues	200	-
Administrative expenses	**(42,446)**	**(37,473)**
o.w. Personnel expenses	**(2,332)**	**(2,186)**
o.w. Personnel expenses - o.w. SG&A	(2,332)	(2,186)
o.w. Administrative expenses	**(41,400)**	**(35,674)**
o.w. Administrative expenses - o.w. IT	(14,885)	(11,461)
o.w. Administrative expenses - o.w: Real Estate	(3,280)	(2,395)
o.w. Administrative expenses - o.w. SG&A	(23,235)	(21,818)
o.w. Other operating (expense)	**718**	**(4)**
o.w. Other operating (expense)/income - o.w. Real Estate	(2)	(2)
o.w. Other operating (expense)/income - o.w. SG&A	720	(2)
o.w. Other revenues	**575**	**415**
o.w. Other revenues - o.w. IT	(16)	-
o.w. Other revenues - o.w. SG&A	591	415
o.w. Costs for services rendered	**(7)**	**(24)**
o.w. Costs for services rendered - o.w. SG&A	(7)	(24)
Total "o.w. IT"	*(14,901)*	*(11,461)*
Total "o.w. Real Estate"	*(3,282)*	*(2,397)*
Total "o.w. SG&A"	*(24,263)*	*(23,615)*
Operating expenses	**(149,226)**	**(115,698)**
EBITDA	**72,887**	**27,463**
EBITDA margin	**29%**	**17%**
Non-recurring items included in EBITDA	(3)	(8,200)
EBITDA excluding non-recurring items	72,890	35,663
EBITDA Margin excluding non-recurring items	29%	22%
Net write-downs on property, plant, equipment and intangibles	**(38,316)**	**(36,044)**
o.w. Depreciation, amortisation and impairment	(38,316)	(36,044)
Net Provisions for risks and charges	**(6,746)**	**(3,929)**
o.w. Personnel expenses	(6,244)	(3,643)
o.w. Provisions for risks and charges	57	485
o.w. Other operating (expense)/income	21	(67)
o.w. Depreciation, amortisation and impairment	(580)	(704)
Net Write-downs of loans	**386**	**53**
o.w. Financial (expense)/income	30	-
o.w. Depreciation, amortisation and impairment	35	3

o.w. Other revenues	321	50
EBIT	**28,211**	**(12,457)**
Net income (loss) on financial assets and liabilities measured at fair value	**(543)**	**(418)**
o.w. Financial (expense)/income	(543)	(418)
Financial interest and commissions	**(13,553)**	**(6,591)**
o.w. Financial (expense)/income	(13,359)	(6,495)
o.w. Costs for services rendered	(194)	(96)
EBT	**14,115**	**(19,466)**
Non-recurring items included in EBT	(6,275)	(12,365)
EBT excluding non-recurring items	20,390	(3,817)
Income tax for the period	**(2,561)**	**(1,834)**
o.w. Administrative expenses	(810)	(859)
o.w. Income tax expense	(1,751)	(975)
Profit (Loss) for the period	**11,554**	**(21,300)**
Profit (loss) for the period attributable to Non-controlling interests	(3,007)	2,894
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**8,547**	**(18,406)**
Non-recurring items included in Profit (loss) for the period	(5,350)	(10,600)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(357)	(287)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	13,540	(8,093)
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	3,364	(2,607)
Earnings per share (in Euro)	**0.11**	**(0.23)**
Earnings per share excluding non-recurring items (Euro)	***0.17***	***(0.10)***

The RESTATED data at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

RECONCILIATION OF THE RECLASSIFIED CONSOLIDATED BALANCE SHEET AND THE STATUTORY CONSOLIDATED BALANCE SHEET

(€/000)

	6/30/2021	12/31/2020 RESTATED
Cash and liquid securities	**116,537**	**132,486**
Cash and cash equivalents	116,537	132,486
Financial assets	**49,152**	**70,859**
Non-current financial assets	49,152	64,961
Current financial assets	-	5,898
Property, plant and equipment	**30,889**	**36,176**
Property, plant and equipment	30,834	36,121
Inventories	55	55
Intangible assets	**538,879**	**564,136**
Intangible assets	538,879	564,136
Tax assets	**132,399**	**126,157**
Deferred tax assets	104,999	102,950
Other current assets	563	1,333
Tax assets	26,837	21,874
Trade receivables	**193,273**	**175,155**
Trade receivables	193,273	175,155
Assets held for sale	**30**	**30**
Assets held for sale	30	30
Other assets	**14,947**	**16,485**
Other current assets	13,314	14,840
Other non-current assets	1,633	1,645
Total Assets	**1,076,106**	**1,121,484**
Financial liabilities: due to banks	**504,331**	**543,042**
Loans and other financing non-current	417,970	456,670
Loans and other financing current	86,361	86,372
Other financial liabilities	**75,495**	**76,075**
Loans and other financing non-current	4,284	6
Loans and other financing current	4	4
Other non-current financial liabilities	20,087	24,293
Other current financial liabilities	51,120	51,772
Trade payables	**62,081**	**51,824**
Trade payables	62,081	51,824
Tax Liabilities	**97,873**	**91,814**
Tax payables	38,706	28,083
Deferred tax liabilities	59,167	63,731
Employee Termination Benefits	**12,954**	**16,465**
Employee benefits	12,954	16,465
Provision for risks and charges	**85,794**	**87,346**
Provisions for risks and charges	85,794	87,346
Other liabilities	**62,603**	**65,872**
Other current liabilities	62,603	65,872
Total Liabilities	**901,131**	**932,438**
Share capital	**41,280**	**41,280**
Share capital	41,280	41,280
Reserves	**93,597**	**150,533**
Valuation reserve	(139)	(215)
Other reserves	93,736	150,748
Treasury shares	**(75)**	**(103)**
Treasury shares	(75)	(103)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**8,547**	**(30,407)**
Profit (loss) for the period attributable to the Shareholders of the Parent Company	8,547	(30,407)
Net Equity attributable to the Shareholders of the Parent Company	**143,349**	**161,303**
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	**1,044,480**	**1,093,741**
Net Equity attributable to Non-Controlling Interests	**31,626**	**27,743**
Net Equity attributable to Non-controlling interests	31,626	27,743
Total Liabilities and Net Equity	**1,076,106**	**1,121,484**

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

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

CONSOLIDATED BALANCE SHEET

(€/000)

	NOTE	6/30/2021	12/31/2020 RESTATED
Non-current assets			
Intangible assets	1	538,879	564,136
Property, plant and equipment	2	30,834	36.121
Non-current financial assets	3	49,152	64.961
Deferred tax assets	4	104,999	102.950
Other non current assets	5	1,633	1.646
Total non-current assets		**725,497**	**769.814**
Current assets			
Inventories	6	55	55
Current financial assets	3	-	5.898
Trade receivables	7	193,273	175.155
Tax assets	8	26,837	21.874
Other current assets	5	13,877	16.172
Cash and cash equivalents	9	116,537	132.486
Total current assets		**350,579**	**351.640**
Assets held for sale	**10**	**30**	**30**
Total assets		**1,076,106**	**1.121.484**
Shareholders' Equity			
Share capital		41,280	41.280
Valuation reserve		(139)	(215)
Other reserves		93,736	150.748
Treasury shares		(75)	(103)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		8,547	(30.407)
Net Equity attributable to the Shareholders of the Parent Company	**11**	**143,349**	**161.303**
Net Equity attributable to Non-controlling interests		**31,626**	**27.743**
Total Net Equity		**174,975**	**189.046**
Non-current liabilities			
Loans and other financing	12	422,254	456.676
Other non-current financial liabilities	13	20,087	24.293
Employee benefits	14	12,954	16.465
Provisions for risks and charges	15	85,794	87.346
Deferred tax liabilities	4	59,167	63.731
Total non-current liabilities		**600,256**	**648.511**
Current liabilities			
Loans and other financing	12	86,365	86.376
Other current financial liabilities	13	51,120	51.772
Trade payables	16	62,081	51.824
Tax payables	8	38,706	28.083
Other current liabilities	17	62,603	65.872
Total current liabilities		**300,875**	**283.927**
Total liabilities		**901,131**	**932.438**
Total Net Equity and liabilities		**1,076,106**	**1.121.484**

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

CONSOLIDATED INCOME STATEMENT

(€/000)

	NOTE	6/30/2021	6/30/2020 RESTATED
Revenue from contracts with customers	20	230,834	144,241
Other revenues	21	20,458	21,305
Total revenue		**251,292**	**165,546**
Costs for services rendered	22	(28,115)	(19,851)
Personnel expenses	23	(115,556)	(84,055)
Administrative expenses	24	(46,516)	(39,006)
Other operating (expense)/income	25	735	(59)
Depreciation, amortisation and impairment	26	(38,861)	(36,745)
Provisions for risks and charges	27	57	485
Total costs		**(228,256)**	**(179,231)**
Operating income		**23,036**	**(13,685)**
Financial (Expense)/Income	28	(9,731)	(6,640)
Profit (Loss) before tax		**13,305**	**(20,325)**
Income tax expense	29	(1,751)	(975)
Net profit (loss) from continuing operations		**11,554**	**(21,300)**
Profit (Loss) for the period		**11,554**	**(21,300)**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		8,547	(18,406)
o.w. Profit (loss) for the period attributable to Non-controlling interests		3,007	(2,894)
Earnings per share	30		
basic		0.11	(0.23)
diluted		0.11	(0.23)

The RESTATED data as at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)

	6/30/2021	6/30/2020 RESTATED
Profit (Loss) for the period	**11,554**	**(21,300)**
Other comprehensive income after tax not recyclable to profit or loss		
Defined benefit plans	(26)	13
Other comprehensive income after tax recyclable to profit or loss		
Cash flow hedges	104	(67)
Total other comprehensive income after tax	**78**	**(54)**
Comprehensive income	**11,632**	**(21,354)**
o.w. Comprehensive income attributable to Shareholders of the Parent Company	8,625	(18,460)
o.w. Comprehensive income attributable to Non-controlling interests	3,007	(2,894)

The RESTATED data as at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 6/30/2021

(€/000)

	Balance as at 12/31 previous	Changes in opening balance	Balance as at 1/1	Allocation of profit from previous year		Changes during the year							
							Equity transactions				Net equity attributable to Shareholders of the Parent Company at the period	Net equity attributable to Non-controlling interest at the period	Total Net Equity at the period
				Reserves	Dividends and other payouts	Changes in reserves	Issue of new shares	Stock options	Changes in equity investments	Comprehensive income at the period			
Share capital	41,280	-	41,280	-	-	-	-	-	-	-	41,280	26,933	68,213
Valuation reserves	(215)	-	(215)	-	-	(2)	-	-	-	78	(139)	(21)	(160)
Other reserves													
- Reserves from profit and/or withholding tax	61,082	-	61,082	8,095	-	-	-	2,494	-	-	71,671	5,448	77,119
- Other	84,949	-	84,949	(29,773)	(20,807)	(10,386)	-	(1,918)	-	-	22,065	(3,928)	18,137
Treasury shares	(103)	-	(103)	-	-	-	-	28	-	-	(75)	-	(75)
Net profit (loss) for the period	**(22,597)**	**-**	**(22,597)**	**21,678**	**-**	**919**	**-**	**-**	**-**	**8,547**	**8,547**	**3,194**	**11,741**
Net equity attributable to Shareholders of the Parent Company	**164,396**	**-**	**164,396**	**-**	**(20,807)**	**(9,469)**	**-**	**604**	**-**	**8,625**	**143,349**		**174,975**
Net equity attributable to Non-controlling interests	**41,264**	**-**	**41,264**	**-**	**-**	**(15,573)**	**-**	**-**	**2,929**	**3,007**		**31,626**	**31,626**
Total Net Equity	**205,660**	**-**	**205,660**	**-**	**(20,807)**	**(25,042)**	**-**	**604**	**2,929**	**11,632**	**143,349**	**31,626**	**174,975**

AT 12/31/2020

(€/000)

	Balance as at 12/31 previous	Changes in opening balance	Balance as at 1/1	Allocation of profit from previous year		Changes during the year						Net equity attributable to Shareholders of the Parent Company at the period	Net equity attributable to Non-controlling interest at the period	Total Net Equity at the period
						Changes in reserves	Equity transactions			Comprehensive income at the period				
				Reserves	Dividends and other payouts		Issue of new shares	Stock options	Changes in equity investments					
Share capital	41,280	-	41,280	-	-	-	-	-	-	-		41,280	26,933	68,213
Valuation reserves	(13)	-	(13)	-	-	(54)	-	-	-	(148)		(215)	(21)	(236)
Other reserves														
- Reserves from profit and/or withholding tax	18,606	-	18,606	38,793	-	3	-	3,680	-	-		61,082	-	61,082
- Other	127,292	-	127,292	(190)	-	(42,143)	-	(664)	-	-		84,295	11,676	95,971
Treasury shares	(184)	-	(184)	-	-	-	-	81	-	-		(103)	-	(103)
Net profit (loss) for the period	**38,318**	**-**	**38,318**	**(38,603)**	**-**	**285**	**-**	**-**	**-**	**(21,943)**		**(21,943)**	**2,676**	**(19,267)**
Net equity attributable to Shareholders of the Parent Company	**225,299**	**-**	**225,299**	**-**	**-**	**(41,909)**	**-**	**3,097**	**-**	**(22,091)**		**164,396**		**205,660**
Net equity attributable to Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**10,785**	**-**	**-**	**31,680**	**(1,201)**			**41,264**	**41,264**
Total Net Equity	**225,299**	**-**	**225,299**	**-**	**-**	**(31,124)**	**-**	**3,097**	**31,680**	**(23,292)**		**164,396**	**41,264**	**205,660**

AT 6/30/2020

(€/000)

	Balance as at 12/31 previous	Changes in opening balance	Balance as at 1/1	Allocation of profit from previous year		Changes during the year						Net equity attributable to Shareholders of the Parent Company at the period	Net equity attributable to Non-controlling interest at the period	Total Net Equity at the period
						Changes in reserves	Equity transactions			Comprehensive income at the period				
				Reserves	Dividends and other payouts		Issue of new shares	Stock options	Changes in equity investments					
Share capital	41,280	-	41,280	-	-	-	-	-	-	-		41,280	84	41,364
Valuation reserves	(13)	-	(13)	-	-	-	-	-	-	35		22	22	44
Other reserves														
- Reserves from profit and/or withholding tax	18,606	-	18,606	38,507	-	247	-	1,744	-	-		59,104	755	59,859
- Other	127,292	-	127,292	(186)	-	(16,814)	-	(762)	-	-		109,530	5	109,535
Treasury shares	(184)	-	(184)	-	-	-	-	38	-	-		(146)	-	(146)
Net profit (loss) for the period	**38,318**	**-**	**38,318**	**(38,318)**	**-**	**-**	**-**	**-**	**-**	**(16,409)**		**(16,409)**	**541**	**(15,868)**
Net equity attributable to Shareholders of the Parent Company	**225,299**	**-**	**225,299**	**3**	**-**	**(16,567)**	**-**	**1,020**	**-**	**(16,374)**		**193,381**		**194,788**
Net equity attributable to Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**2,933**	**-**	**-**	**869**	**(2,395)**			**1,407**	**1,407**
Total Net Equity	**225,299**	**-**	**225,299**	**3**	**-**	**(13,634)**	**-**	**1,020**	**869**	**(18,769)**		**193,381**	**1,407**	**194,788**

CONSOLIDATED CASH FLOW STATEMENT - INDIRECT METHOD -

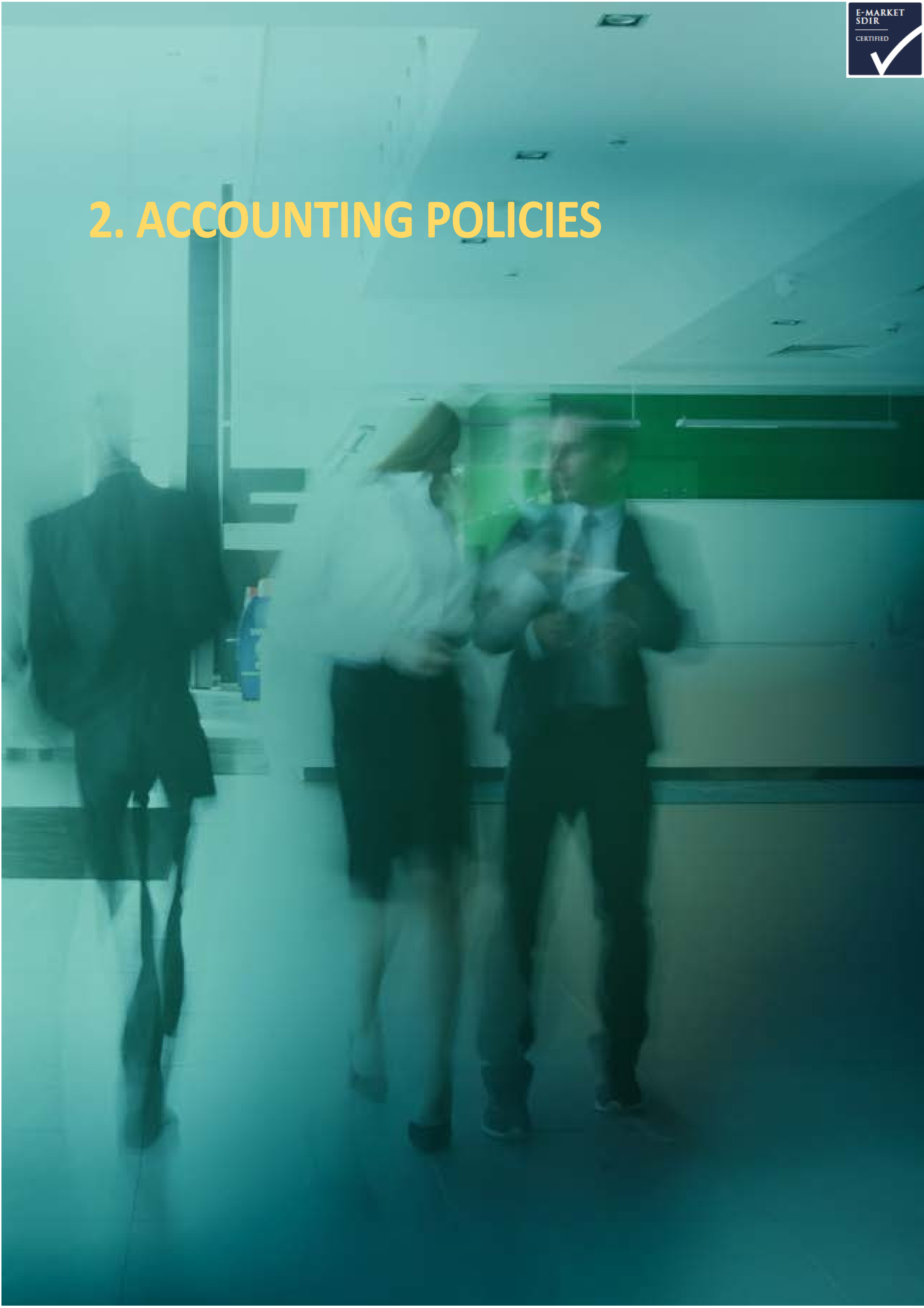
(€/000)

	6/30/2021	6/30/2020 RESTATED
Operating activities		
Profit (loss) for the period befor tax	**13,305**	**(20,325)**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**55,793**	**44,414**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	179	-
Depreciation, amortisation and impairment	38,861	36,744
Change in net provisions for risks and charges	6,480	(377)
Financial (Expense)/Income	9,668	7,027
Costs for share-based payments	605	1,020
Change in working capital	**(8,442)**	**35,347**
Change in trade receivables	(18,698)	39,806
Change in trade payables	10,256	(4,458)
Change in financial assets and liabilities	**30,020**	**(8,025)**
Financial assets measured at fair value through other comprehensive income	(1,506)	-
Other assets mandatorily measured at fair value	25,478	(13,123)
Financial assets measured at amortised cost	1,798	5,098
Financial liabilities measured at amortised cost	4,250	-
Other changes:	**(33,334)**	**11,101**
Interests paid	(10,358)	-
Other changes in other assets/other liabilities	(22,976)	11,101
Cash flows generated by operations	**57,342**	**62,513**
Investing activities		
Sales of inventories	-	82
Purchases of property, plant and equipment	(819)	(6,035)
Purchases of intangible assets	(6,186)	(4,096)
Purchases of subsidiaries and business units	-	(206,833)
Net cash flows used in investing activities	**(7,005)**	**(216,882)**
Funding activities		
Dividends paid	(18,908)	-
Loans obtained	-	265,000
Repayment of loans	(41,500)	(41,500)
Payment of principal portion of lease liabilities	(5,878)	(4,266)
Net cash flows used in funding activities	**(66,286)**	**219,234**
Net liquidity in the period	**(15,949)**	**64,865**
Reconciliation		
Cash and cash equivalents	132,486	128,162
Net liquidity in the period	(15,949)	64,865
Cash and cash equivalents at the end of the period	**116,537**	**193,027**

The RESTATED data as at June 30, 2020 were restated basing on the final results related to the PPA of doValue Greece.

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES



General **information**

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These condensed interim consolidated financial statements as at June 30, 2021 have been prepared in accordance with IAS 34 - Interim Financial Reporting. The quarterly condensed consolidated financial statements do not provide all the information required in the annual consolidated financial statements. For this reason, the quarterly condensed consolidated financial statements must be read together with the consolidated financial statements as at December 31, 2020.
The preparation criteria, the measurement and consolidation criteria and the accounting standards adopted to prepare these condensed interim consolidated financial statements are compliant with the accounting standards adopted in the preparation of the consolidated financial statements as at December 31, 2020, with the exception of the adoption of new or amended standards of the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee as shown in the paragraph "New accounting standards". The adoption of these amendments and interpretations did not have significant impacts on the Group's financial position or result.
The term “IFRS” also includes the revised international accounting standards (IFRS and IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC and SIC), adopted by the European Union.

The condensed interim consolidated financial statements are accompanied by the certification of the Financial Reporting Officer pursuant to Article 154-bis of Legislative Decree 58/1998 and have undergone a limited audit by the audit firm EY S.p.A.

BASIS OF PREPARATION

The condensed interim consolidated financial statements have been prepared using the euro as the currency of account, in accordance with Article 5, paragraph 2, of Legislative Decree 38/2005, and consist of:

- the **Consolidated financial statements**, which include the Consolidated balance sheet, the Consolidated income statement, the statement of Consolidated comprehensive income, the statement of changes in Consolidated Shareholders' Equity and the Consolidated Statement of Cash flows (prepared using the “indirect method”);
- the **Notes to the Financial Statements;**

and are accompanied by the **Directors' Interim report on Group operations**.

The amounts stated are expressed in thousands of euros unless otherwise specified.

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

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

The criteria adopted in these condensed interim consolidated financial statements as at June 30, 2021 for the recognition, classification, measurement and derecognition of assets and liabilities and the recognition of costs and revenues have not been updated from those adopted in the preparation of the Consolidated financial statements for the year ended December 31, 2020.

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

SCOPE AND METHOD OF CONSOLIDATION

The preparation of the condensed interim consolidated financial statements as at June 30, 2021 drew on the accounts as at June 30, 2021 of the companies included in the scope of consolidation reported in the table presented at the end of this Section.

The accounts as at June 30, 2021 of the companies included in the scope of consolidation were reclassified and adjusted appropriately to take consolidation requirements into account and, where necessary, align them with the Group accounting policies.

All of the companies in the scope of consolidation use the euro as their currency of account and, accordingly, no translations of foreign currency amounts have been necessary.

The following Section shows the consolidation principles adopted by the Group in preparing the condensed interim consolidated financial statements as at June 30, 2021.

Subsidiaries

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

In order to ascertain the existence of control, the following factors are considered:

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

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

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

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

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

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

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

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

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

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

Business combinations

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

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

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

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

Any contingent consideration to be paid is recognised by the acquirer at fair value at the acquisition date. The contingent consideration classified as equity is not remeasured and its subsequent payment is accounted for with a balancing entry in shareholders' equity. The change in the fair value of the contingent consideration classified as an asset or liability, as a financial instrument that is subject to IFRS 9 Financial Instruments, must be recognised in the income statement in accordance with IFRS 9. The contingent consideration that does not fall under the scope of IFRS 9 is measured at fair value at the reporting date and the fair value changes are booked to the income statement.

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

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

If control is acquired in stages, the acquirer shall measure its previously held equity interest in the acquiree at its acquisition date fair value and recognise through profit or loss any difference compared to the previous carrying amount.

The excess of the consideration transferred (represented by the fair value of the assets transferred, the liabilities incurred or the equity instruments issued by the acquirer), the amount of any non-controlling interests (determined as described above) and the fair value of interests previously held by the acquirer, over the fair value of the assets and liabilities acquired shall be recognised as goodwill.

Conversely, if the latter exceeds the sum of the consideration, non-controlling interests and fair value of previously held interests, the difference shall be recognised through profit or loss.

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

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

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

Associates

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

- holds, directly or indirectly, at least 20% of the share capital of another entity,
- or
- is able, including through shareholders' agreements, to exercise significant influence through:
  - representation on the governing body of the company;
  - participation in policy-making processes, including participation in decisions about dividends or other distributions;
  - material transactions between the entity and its investee;
  - interchange of managerial personnel;
  - provision of essential technical information.

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

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

Equity method

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

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

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

As at June 30, 2021, there were no companies measured using the equity method.

Investments in subsidiaries

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

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

Notes to the

(1) Type of relationship:
1 = majority of voting rights at ordinary shareholders' meeting

2 = dominant influence at ordinary shareholders' meeting

3 = agreements with other shareholders

4 = other types of control

5 = centralized management pursuant to Article 39, paragraph 1, of Legislative Decree 136/2015

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

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

Changes in the scope of consolidation

There were no changes to the scope of consolidation in the first half of 2021.

Significant valuations and assumptions for determining the scope of consolidation

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

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

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

This analysis led to the inclusion of the subsidiaries listed in the previous section within the scope of consolidation as at June 30, 2021.

SUBSEQUENT EVENTS

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

Please refer to the specific paragraph of the Directors' Interim Report on Group Operations for a description of the significant events occurred after the end of the period.

OTHER MATTERS

Going concern

In preparing the condensed interim consolidated financial statements as at June 30, 2021 the Directors consider the going concern assumption appropriate as, in their opinion, despite the persistence of the complex economic and health scenario following the evolution of the Covid-19 pandemic and its variants, as well as the Government and EU interventions and the measures adopted by the various countries to deal with the pandemic, no uncertainties have emerged related to events or circumstances that, considered individually or as a whole, could give rise to doubts regarding the business as a going concern. The assessment took into account the Group's capital base, financial position and the outlook for operations, despite the uncertainties linked to the persistence of the emergency situation. Please also refer to the specific paragraph of the Directors' Interim Report on Group Operations.

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 Condensed interim consolidated financial statements as at June 30, 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 June 30, 2021. Estimates and assumptions are reviewed regularly.

In view of the presence of uncertainty in the macroeconomic and market environment, the assumptions made, even if reasonable, might not hold in future scenarios in which the Group may operate. Accordingly, future results may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that currently cannot be foreseen or estimated to the book value of the assets and liabilities recognised in the financial statements. In addition, the economic effects deriving from the Covid-19 pandemic and the uncertainties of the future macroeconomic framework in which the Group will operate have required a careful analysis and weighting of the new economic context in the valuation models of the recoverable value of the Group's assets. These estimates and valuations are therefore difficult and inevitably involve elements of uncertainty, even in the presence of stable macroeconomic conditions.

The following Sections discuss the key accounting policies for the purposes of providing a true and fair representation of the Group's financial position and performance, both with regard to the materiality of the values in the financial statements and the considerable judgement required in performing the assessments.

ESTIMATION OF ACCRUING SERVICING REVENUES AND THE EFFECTS OF THE APPLICATION OF SERVICING CONTRACTS

Sales revenues associated with servicing contracts for the recovery of receivables managed under mandate are recognised on an accruals basis based on the activities carried out by the Group, using IT procedures and complex accounting processes that take account of the different contractual terms of each mandate. Servicing agreements contain numerous clauses specifying the rights and duties of the Group in relations with the participating clients, which can generate income on the one hand and contingent liabilities on the other connected with the possibility of non-performance of contractual obligations.

The amount of the variable consideration estimated is included in the transaction price in whole or in part 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 will not occur of the cumulative revenues recorded.

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

At the date of preparation of this Consolidated half-year report, the portion of servicing revenues without this manifest acceptance amounts to 49% of the total invoices to be issued at June 30, 2021 and is equal to 21% of the aggregate Total Revenues of the consolidated income statement.

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

DETERMINATION OF THE FAIR VALUE OF FINANCIAL ASSETS

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

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

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

ESTIMATION OF THE RECOVERABILITY OF DEFERRED TAX ASSETS

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

ESTIMATION OF PROVISIONS FOR RISKS AND CHARGES

The complexity of the situations that underline the existing disputes, along with the difficulties in the interpretation of applicable law, makes it difficult to estimate the liabilities that may result when pending lawsuits are settled. The valuation difficulties concern what may be due and how much time will elapse before liabilities materialise and are particularly evident if the procedure launched is in the initial phase and/or its preliminary investigation is in progress.
Information about the Group's main risk positions related to legal disputes (revocatory action and pending lawsuits) and tax disputes, is provided in the Liabilities Section of the Notes to the Financial Statements that deals with Provisions for risks and charges.

ESTIMATION OF IMPAIRMENT LOSSES ON INTANGIBLE ASSETS

At least on an annual basis, upon preparing the financial statements, intangible assets are tested for impairment. This impairment test is usually conducted by determining the value in use or the fair value of the assets and verifying that the book value of the intangible asset is less than the greater of the respective value in use and the fair value less costs to sell.

Impairment testing for cash generating units (CGUs), to which almost all intangible assets with a definite life and goodwill have been attributed, is conducted with reference to value in use obtained through the application of the Dividend Discount Model (DDM), under which the value of a company is a function of the flow of dividends that it will be able to generate looking forward. In this case, the method used is the Excess Capital variant of the DDM, which assumes that the economic value of a company is equal to the sum of the current value of future cash flows (expected dividends) generated over the selected planning time horizon, and distributable to shareholders while maintaining an adequate level of capitalisation to ensure the expected future development of the business, and the perpetual capitalisation of the normalised dividend of the last year of the forecast, based on a pay-out ratio that is a function of profitability. A similar procedure is used to estimate the recoverability of the values recognised for active long-term servicing contracts, which assess the business plans of the portfolios under management in order to check their consequent capacity to generate adequate cash flows.

However, note that the parameters and information used to check the recoverability of intangible assets, including goodwill (in particular the cash flow forecast for the various CGUs, as well as the discount rates used) are significantly influenced by macroeconomic conditions and market developments as well as the behaviour of counterparties, which could change unpredictably.

If the recoverable value of the assets undergoing impairment testing is determined on the basis of the associated fair value, it should also be noted that the significant and persistent volatility shown by the markets and the intrinsic difficulties in forecasting contractual cash flows mean that we cannot rule out the possibility that the valuations based on parameters drawn from the same markets and on contractual cash flow forecasts may subsequently prove not to be fully representative of the fair value of the assets.

With reference to the intangible assets recognised, it should be noted that these assets are measured on the basis of the definitive Purchase Price Allocation (PPA) of the two business combinations concluded in the last two years; i.e., the acquisition of control of Altamira Asset Management S.A. (Altamira) and its subsidiaries in June 2019 and that of Eurobank FPS (now doValue Greece) concluded in June 2020.

Albeit taking into account the difficulty inherent in the formulation of even short or medium-term forecasts in this climate of great ongoing uncertainty and considering that both Altamira and doValue Greece hold medium/long-term management contracts for existing loans (stock) and future positions (new flows) with leading banks and major investment funds, the Group carried out an impairment test in accordance with the international accounting standard IAS 36 “Impairment of assets” and considering the instructions issued by ESMA on October 28, 2020 in the Public Statement “European common enforcement priorities for 2020 IFRS annual financial reports”.

The test was performed on the amounts of intangible assets and goodwill, resulting, as at June 30, 2021 in accordance with the allocation of the final PPA of Altamira and final PPA of doValue Greece and the updating of amortisation pertaining to the period.

To this end, the Cash Generating Units (CGUs) in the two geographical segmentation areas pertaining to Altamira Asset Management and its subsidiaries and of doValue Greece, namely Iberia (Spain and Portugal) and Greece and Cyprus, were identified on a preliminary basis and the allocation of intangible assets and goodwill to the two separate CGUs was determined.

For the purposes of impairment testing, the forward-looking information determined in accordance with the most recent scenario assumptions collected by the subsidiaries was considered, that takes account of the pandemic trend and the estimated effects it has had and will have on the NPL servicing market in general and on Altamira Asset Management in particular and on doValue Greece. As part of the aforementioned analysis, the value in use of active servicing contracts were therefore consistently estimated, considering the respective expected income flows over the entire useful life span. This analysis revealed only in the case of the subsidiary Altamira, two minimal evidences of impairment, for a total of €309 thousand, as differences between the value in use of these active servicing contracts and the associated carrying value less amortisation for the period, while no loss in value emerged with reference to the analys on the subsidiary doValue Greece. Impairment losses have been allocated to the relevant item of the consolidated income statement and the residual amounts of intangible assets have been adjusted accordingly.
As regards the comparison between the recoverable value and the total net book value of the CGUs as of June 30, 2021, the model showed for both acquisitions an abundant capacity of the recoverable value which confirms the absence of impairment losses (for more details, please refer to the Illustrative Notes, Accounting Policies and Information on the Balance Sheet - Note 1 Intangible assets).

With respect to the methodological approach regarding the performance of the impairment test, please refer to the Accounting Policies in the section "Other aspects - estimate of impairment losses of intangible assets" of the annual consolidated financial statements as at December 31, 2020. It should also be noted that, for the purposes of estimating the recoverable value of intangible assets acquired through business combinations, doValue adopted the valuation models used in the PPA for consistency.

BUSINESS COMBINATION

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

For information on the Group's business combinations, please refer to the specific Section “Business combinations”.

HEDGING DERIVATIVES

Since interest rate swaps are carried out for hedging purposes, they are measured at fair value, with an offsetting item 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 updated financial variables 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 underlying hedges 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.

New accounting standards

The Group has adopted, for the first time, a number of accounting standards and amendments in preparing these condensed interim consolidated financial statements that took effect for financial years beginning as from January 1, 2021, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments to IFRS 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).
- 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.

On February 16, 2021, Consob published a Warning notice (No 1/21): Covid-19 - economic support measures.

Lastly, the new accounting standards, amendments and interpretations issued by IASB, but still not endorsed by the European Union, are reported below:

- IFRS 17 Insurance Contracts, issued on May 18, 2017; including Amendments to IFRS 17, issued on June 25, 2020;
- 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 IFRS 16 Leases: Covid-19-Related Rent Concessions beyond June 30, 2021 (issued on March 31, 2021);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, issued on May 7, 2021.

Main items of the **financial statements**

As regards the criteria for the recognition, classification, measurement and derecognition of the main items of the financial statements, refer to the corresponding section of the Notes to the consolidated financial statements as at December 31, 2020.

Information on **fair value**

Paragraph 9 of IFRS 13 defines fair value as "the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in an arm's length transaction at the measurement date".

Measurement at fair value assumes that the sale of an asset or transfer of a liability takes place in a principal market, which can be defined as the market with the highest trading volumes and levels for the asset/liability being measured. In the absence of a principal market, the most advantageous market should be taken as the reference, i.e. the market that maximises the amount that would be received in the sale of an asset or minimises the amount that would be paid in the transfer of a liability, after taking into account transaction costs.

With the aim of maximising the consistency and comparability of fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy that divides the parameters used to measure fair value into three levels:

- Level 1: the fair value of the instrument is determined on the basis of listed prices observed on active markets;
- Level 2: the fair value of the instrument is determined on the basis of valuation models that use observable inputs onto active markets, such as:
    - prices listed on active markets for similar instruments;
    - observable parameters such as interest rates or yield curves, implied volatility, early payment risk, default rates and illiquidity factors;
    - parameters that are not observable but supported and confirmed by market data.
- Level 3: the fair value of the instrument is determined on the basis of valuation models that mainly use inputs that cannot be inferred from the market, which therefore involve the adoption of estimates and internal assumptions.

This classification aims to establish a hierarchy in terms of objectivity of the fair value according to the degree of discretion adopted, giving priority to the use of parameters observable on the market. The fair value hierarchy is also defined on the basis of the input data used in the fair value calculation models and not on the basis of the valuation models themselves.

FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

The information required by IFRS 13 with regard to accounting portfolios measured at fair value on a recurring basis is shown below. For financial assets not measured at fair value, the Group believes that the book value is a reasonable approximation of the fair value.

At the date of preparation of the condensed interim consolidated financial statements as at June 30, 2021, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

ASSET BACKED SECURITIES

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

EQUITY INVESTMENTS

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

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

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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 (IRS)

The net discounted cash flow analysis technique is used to determine the fair value of IRSs.

Description of assessment techniques

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

DISCOUNTED CASH FLOW

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

MARKET APPROACH

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

NAV

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

HIERARCHY OF FAIR VALUE

Financial instruments are assigned to a certain fair value level based on whether the inputs used for valuation are observable.
When fair value is measured directly using an observable quoted price in an active market, the instrument will be categorised within Level 1. When the fair value must be measured using a comparable approach or a pricing model, the instrument will be categorised 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 to Level 3) include changes in market conditions and improvements in valuation models and the relative weights of unobservable inputs used in fair value measurement.

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

The following table reports the breakdown of assets and liabilities measured at fair value by fair value hierarchy input level.
Level 3 of the category "Financial assets measured at fair value through profit or loss" mainly includes (i) the residual value of the notes issued by the securitisation vehicle companies Romeo SPV and Mercuzio Securitisation, equal to 5% of the total securities, (ii) the value of the notes attributable to the Cairo securitisation, whose mezzanine and junior notes were purchased on June 5, 2020 at the same time as the acquisition of the subsidiary doValue Greece and (iii) in the UCI units, the equivalent value of the amount paid for the subscription of the remaining 28 units of the Italian Recovery Fund alternative reserved investment fund (formerly Atlante II) net of redemptions.
Financial liabilities include, at Level 3, (i) the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of Altamira, (ii) the Earn-out represented by the fair value of the liability linked 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 ten-year period and (ii) the fair value of the liability linked to the option to purchase residual minority interests with maturity in future years.

The fair value of these financial liabilities was determined on the basis of the contracts for the acquisition of equity interests and the economic-financial parameters that can be drawn from the long-term plans of the acquired companies. Since these parameters are not observable on the market (either directly or indirectly), these liabilities are classified under Level 3.
Level 2 of "Other financial liabilities" includes the fair value of the derivative contract 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.

(€/000)

	6/30/2021			12/31/2020 RESTATED		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	-	-	**42,120**	-	-	**63,644**
Units in collective investment undertakings	-	-	26,371	-	-	26,857
Debt securities	-	-	15,552	-	-	36,741
Equity securities	-	-	197	-	-	46
Equity securities	-	-	1,506	-	-	-
Total	**-**	**-**	**42,120**	**-**	**-**	**63,644**
Other financial liabilities	-	**318**	**46,313**	-	**454**	**53,905**
Earn-out	-	-	22,924	-	-	22,807
Hedging derivatives	-	318	-	-	454	-
Put option on non-controlling interests	-	-	23,389	-	-	24,011
Total	**-**	**318**	**46,313**	**-**	**454**	**53,905**

3. INFORMATION ON THE CONSOLIDATED BALANCE SHEET

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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 6/30/2021	Total 12/31/2020 RESTATED
Gross opening balances	**128,783**	**46,869**	**2,807**	**192,991**	**440,005**	**811,455**	**499,614**
Initial reduction in value	(108,524)	(9,367)	-	-	(116,105)	(233,996)	(158,734)
Net opening balances	**20,259**	**37,503**	**2,807**	**192,991**	**323,901**	**577,461**	**340,880**
Initial adjustments	-	-	-	43,905	(40,554)	3,351	(28,274)
Increases	**5,365**	**9**	**806**	**-**	**-**	**6,180**	**344,027**
Purchases	3,501	9	2,676	-	-	6,186	12,871
Business combination (gross value)	-	-	-	-	-	-	331,217
Other changes	1,864	-	(1,870)	-	-	(6)	(61)
Decreases	**(4,432)**	**(2,590)**	**-**	**-**	**(41,089)**	**(48,111)**	**(92,497)**
Disposals	-	-	-	-	-	-	(182)
Business combination (reduction)	-	-	-	-	-	-	(20,112)
Amortisation	(4,432)	(2,590)	-	-	(24,105)	(31,127)	(49,265)
Impairment	-	-	-	-	(309)	(309)	-
Other changes	-	-	-	-	(16,675)	(16,675)	(22,938)
Gross closing balances	**134,148**	**46,878**	**3,613**	**236,896**	**399,142**	**820,677**	**815,185**
Final reduction in value	(112,956)	(11,957)	-	-	(156,885)	(281,798)	(251,049)
Net closing balances	**21,192**	**34,921**	**3,613**	**236,896**	**242,257**	**538,879**	**564,136**

The opening balance of intangible, mainly represented by the value of multi-annual servicing contracts and goodwill deriving from the latest two acquisitions completed by the Group, relating respectively to Altamira Asset Management and its subsidiaries, carried out at the end of June 2019, and to the business combination of Eurobank-FPS (now doValue Greece) which ended at the beginning of June 2020, was subject to restatement with respect to the final amounts resulting from the 2020 financial statements, following the changes in the valuation of PPA of the subsidiary doValue Greece pursuant to IFRS 3, made definitive as at June 30, 2021, 12 months after entering into consolidation. These changes are included in the lines "initial adjustements" and "Other changes" of the table above; for further details, please also refer to the Retrospective Adjustments section of the chapter "Business combinations".

In relation to the doValue Greece acquisition, the valuation of the Purchase Price Allocation (PPA) was made definitive in June 2021, 12 months after the entry to consolidation and, therefore, the book values as at June 30, 2020 and December 31, 2020 were restated with respect to the results published in the financial reports for the periods indicated. For further information, reference is also made to the Section "Retrospective adjustments" in chapter "Business combinations".
The definitive exercise of the Purchase Price Allocation (PPA) of doValue Greece led to the identification of intangible assets relating to Special and Master Servicing contracts, for the management of portfolios of impaired exposures, whose fair value amounted to €215.2 million (€174.4 million as at June 30, 2021 net of the amortisation for the period of €12.8 million). In addition, €112.4 million was allocated to goodwill.
In relation to the acquisition of Altamira Asset Management and its subsidiaries, whose PPA was finalised as at June 30, 2020, the balances as at June 30, 2021 relating to the assets allocated, net of amortisation and write-downs accrued in the period, are as follows:

- €8.2 million for software;
- €34.8 million for the Altamira brand;
- €67.9 million relating to other intangible assets, which include the valuation of active long-term servicing contracts with major banks and companies for approximately €65.2 million and the backlog & database component for €2.7 million;
- €124.1 million relating to goodwill.

The increases in the period refer mainly to new software developments, related mostly to the application for managing non-performing positions. The technological developments entering service during the period were classified under software (€1.9 million) and again regard implementations designed to improve applications dedicated to credit recovery and the business.

The decreases during the period are attributable to the amortisation charges. "Other intangible assets" include the values of long-term servicing contracts deriving from the evaluation of the Altamira and doValue Greece acquisition transactions, which are systematically amortised based on the direct margin curve for each contract over the course of its entire useful life, consistent with the best estimate of the cash flows from each individual contract. The amortisation charge for the period of each contract was calculated to an extent corresponding to the direct margin posted in the period.

Albeit taking into account the difficulty inherent in the formulation of even short or medium-term forecasts in this ongoing climate of great uncertainty and considering that both Altamira and doValue Greece hold medium/long-term management contracts for existing loans (stock) and future positions (new flows) with leading banks and major investment funds, the Group carried out an impairment test on the values of the intangible assets and on the goodwill as at June 30, 2021.
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 was considered, that takes account of the pandemic trend and the estimated effects it has had and will have on the NPL servicing market in general and on Altamira Asset Management in particular and on doValue Greece in addition to the budget data for 2021.
As part of the analysis, the current value in use attributable to the individual active servicing contracts were therefore consistently estimated, considering the respective expected cash flows over the entire useful life.
This analysis revealed only in the case of the subsidiary Altamira, two minimal evidences of impairment, for a total of €309 thousand, of which €162 thousand relating to the Iberia sector SLA and €147 thousand relating to the SLA active in the Cypriot company, such as differences between the value in use of the active servicing contracts and the relative book value net of the amortization for the period, while no loss in value emerges with reference to the analysis on the subsidiary doValue Greece. These write-downs were therefore included in the net book values as at June 30, 2021 in the table of changes shown above.

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

(€/000)

	Net present value	Net book value	Impairment
SLAs	80,854	46,821	(162)
Brand	39,239	34,845	-
Database	2,709	2,709	-
Software	7,069	7,069	-
Other Intangible - Spain & Portugal	**129,871**	**91,444**	**(162)**
SLAs	18,297	18,444	(147)
Software	1,092	1,092	-
Other Intangible - Greece & Ciprus	**19,389**	**19,536**	**(147)**
Total Other Intangibles	**149,260**	**110,980**	**(309)**

Similarly, the table summarising the impairment test performed on the definitive value attributed to the intangible assets of doValue Greece is shown below, which did not reveal the need of impairment for the values as at June 30, 2021.

(€/000)

	Net present value	Net book value	Impairment
SLAs - Greece	**233,824**	**174,446**	**-**
Total Other Intangibles	**233,824**	**174,446**	**-**

As regards the comparison between the recoverable value and the aggregate net book value of the two CGUs, as at June 30, 2021, in both cases the model highlighted a large amount of recoverable value to support goodwill, confirming the absence of impairment losses.
With regard to the methods used to carry out the test, please refer to the Section "Accounting Policies - Risks and uncertainties associated with the use of estimates" in the paragraph dedicated to Estimation of impairment losses on intangible assets.

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

(€/000)

	Buildings	Furniture	Electronic Systems	Other	Total 6/30/2021	Total 12/31/2020
Gross opening balances	**45,871**	**2,910**	**10,503**	**17,173**	**76,457**	**44,474**
Initial reduction in value	(20,263)	(2,400)	(8,325)	(9,348)	(40,336)	(20,707)
Net opening balances	**25,608**	**510**	**2,178**	**7,825**	**36,121**	**23,767**
Initial adjustments	-	-	-	-	-	1
Increases	**281**	**1**	**612**	**667**	**1,561**	**33,497**
Purchases	281	1	612	734	1,628	17,610
ow: Rights of Use	148	-	-	663	811	14,569
Business combination	-	-	-	-	-	16,404
Capitalised expenditure on improvements	-	-	-	-	-	61
Other changes	-	-	-	(67)	(67)	(578)
Decreases	**(4,486)**	**(78)**	**(515)**	**(1,769)**	**(6,848)**	**(21,144)**
Disposals	-	-	-	(12)	(12)	(1,490)
Business combination	-	-	-	-	-	(7,324)
Amortisation	(4,486)	(78)	(515)	(1,800)	(6,879)	(13,373)
ow: Rights of Use	(4,217)	-	-	(1,364)	(5,581)	(10,885)
Impairment	-	-	-	(30)	(30)	-
Other changes	-	-	-	73	73	1,043
Gross closing balances	**46,152**	**2,911**	**11,115**	**17,798**	**77,976**	**76,482**
Final reduction in value	(24,749)	(2,478)	(8,840)	(11,075)	(47,142)	(40,361)
Net closing balances	**21,403**	**433**	**2,275**	**6,723**	**30,834**	**36,121**

In the first half of 2021, the Group recorded increases in assets of €1.6 millionm, of which €0.8 million relating to new rights of use in application of IFRS 16 *Leases*.
These increases are more than offset by the amortisation charge for the period of €6.9 million.
Please see Note 19 for more details on changes in rights of use.

NOTE 3 – **FINANCIAL ASSETS**

The following table reports financial assets other than cash and cash equivalents held by the Group.

(€/000)

	6/30/2021	12/31/2020
Non-current financial assets	**49,152**	**64,961**
Financial assets measured at fair value through profit or loss	**42,120**	**63,644**
Units in collective investment undertakings	26,371	26,857
Debt securities	15,552	36,741
Equity securities	197	46
Financial assets measured at amortised cost	**5,526**	**1,317**
Loans to customers	5,450	1,242
Loans to banks	76	75
Financial assets measured at fair value through other comprehensive income	**1,506**	**-**
Equity securities	1,506	-
Current financial assets	**-**	**5,898**
Financial assets measured at amortised cost	**-**	**5,898**
Loans to customers	-	5,898
Total	**49,152**	**70,859**

Non-current financial assets include the units in collective investment undertakings that regard the amount paid in previous years for the subscription of the 28 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). Following the two payments made, as at June 30, 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 decreased as a result of the disposal of mezzanine and junior securities relating to the Relais securitisation, which were acquired in the last few days of 2020.
The residual balance of debt securities is therefore represented, for €12.3 million, by the ABS securities of the Cairo securitisations acquired as part of the acquisition of Eurobank-FPS (now doValue Greece) and, for €3.3 million, by the residual value of the ABS securities relating to the Romeo SPV securitisations and Mercuzio Securitisation. The amount subscribed by doValue corresponds to 5% of the total notes issued by the two vehicles Romeo SPV and Mercuzio Securitisation. The decrease in the amount compared with December 31, 2020 is mainly due to the reduction in the nominal outstanding amount recorded in the period due to the collection of the notes.
The above notes were measured using the Discounted Cash Flow methodology, as described in the section of Accounting Policies - Information on Fair value.
Equity investments classified at fair value through profit or loss are attributable to the minority shareholdings for which the Group has not exercised the option available under new IFRS 9 to measure these instruments at fair value through other comprehensive income without recycling to profit or loss.
Starting from this half, financial assets include the category "at fair value through other comprehensive income", which includes equity securities relating to the acquisition of a stake of 11.46% in the Brazilian fintech company Quero Quitar S.A. which operates in the field of digital collections. For more information, please refer to the significant events in the period of the Directors' Interim Report on Group Operations.

Among non-current financial assets at amortised cost, Loans to customers - current and non-current - recorded an overall increase of €4.2 million, attributable primarily to the subsidiary Italfondiario and deriving from use of part of the financial resources originating from a limited recourse loan, for a specific business activity and classified under other financial liabilities. For more details, please refer to the section of financial risks in the chapter on Information on risks and risks management policies.

Current financial assets were instead eliminated in the first half of 2021 as a result of the planned disposal of the portfolio of non-performing loans acquired in 2019 as part of opportunistic and non-recurring transactions.

NOTE 4 – **DEFERRED TAX ASSETS AND LIABILITIES**

The items report deferred tax assets by deductible temporary difference.
Deferred tax assets include amounts in respect of loan write-downs and deferred tax assets determined specifically on the basis of the stocks of the components to which they refer (litigation, provisions for employees).
In this regard, the Parent Company exercised the option to retain the possibility of converting deferred tax assets into tax credits pursuant to Article 11 of Legislative Decree 59 of May 3, 2016, ratified with Law 119 of June 30, 2016. This measure introduced the optional regime in order to eliminate issues that emerged at the Community level regarding the incompatibility of the DTA transformation legislation with the rules governing state aid, ensuring that the convertibility of qualifying DTAs into tax credits is only allowed following payment of a specific fee based on the amount of those DTAs.

With regard to the deferred tax assets referred to in Law 214/2011, as a result of the express provision of Article 56 of Decree Law 225 of 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 credit and financial institutions, of 12%, originally established for the tax period under way as at December 31, 2019 was postponed to tax periods under way as at December 31, 2022 and the three subsequent tax periods. The deferral is made on a straight-line basis.
As a result of this legislation, the amount of the deferred tax assets recognised in the financial statements will begin to change starting from 2023 instead of 2022, as provided for by the previous extension enacted with the 2019 Budget Act.

With regard to the provisions of IAS 12, deferred tax assets are subject to probability testing, taking account of forecast profits in future years and verifying that future taxable income will be available against which the deferred tax assets can be used.
The test, performed on figures as at June 30, 2021, took account of the 2021-2023 Business Plan pushed downward due to the Covid-19 pandemic, which showed a large tax base that confirms its ability to absorb the deferred tax assets recorded.
At June 30, 2021, a total of additional DTAs of €1.8 million were recognized in relation to the tax loss recorded by doValue, the subsidiaries Altamira Asset Management (Spain and Portugal) and Italfondiario as well as property, plant and machinery for €1.6 million.

This increase was partially offset by lower deferred tax assets relating to the provisions for risks and charges for €1.1 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.

Deferred tax assets

Breakdown

(€/000)

	6/30/2021	12/31/2020 RESTATED
Tax recyclabe to profit or loss	**104,479**	**102,325**
Write-downs of loans	49,367	49,344
Tax losses carried forward	18,571	16,821
Provisions for risks and charges	11,165	12,309
Property, plant and equipment / intangible assets	22,943	21,369
Administrative expenses	1,811	1,926
Other assets / liabilities	622	556
Tax not recyclable to profit or loss	**520**	**625**
Defined benefit plans	444	516
Cash flow hedges	76	109
Total	**104,999**	**102,950**

Change

(€/000)

	Income Statement	Recognised in equity	Total 6/30/2021	Total 12/31/2020 RESTATED
Opening balance	**94,077**	**625**	**94,702**	**90,740**
Initial adjustments	8,248	-	8,248	157
Increases	**5,053**	**6**	**5,059**	**14,612**
Deferred tax assets recognised during the year	2,731	-	2,731	3,351
- In respect of previous years	-	-	-	35
- Other	2,731	-	2,731	3,316
New taxes or increases in tax rates	356	-	356	264
Other changes	1,966	6	1,972	551
Business combination	-	-	-	10,446
Decreases	**(2,898)**	**(112)**	**(3,010)**	**(2,559)**
Deferred tax assets derecognised during the year	(1,897)	-	(1,897)	(2,561)
- Reversals of temporary differences	(1,379)	-	(1,379)	(2,548)
- Other	(518)	-	(518)	(13)
Reduction in tax rates	(1,001)	(1)	(1,002)	-
Other changes	-	(111)	(111)	2
Total	**104,480**	**519**	**104,999**	**102,950**

The initial amount of deferred tax assets was restated with respect to the final amounts resulting from the 2020 financial statements, following the changes in the valuation of PPA of the subsidiary doValue Greece pursuant to IFRS 3, finalized as at June 30, 2021, after 12 months from entry into consolidation. These changes are included in the "Initial adjustments" line of the above table; for further details, please also refer to the Retrospective Adjustments section of the chapter "Business combinations".
It should also be noted that the first half was characterized by the reduction of the tax rate in Greece from 24% to 22% (€1 million).

Deferred tax liabilities

Breakdown

(€/000)

	6/30/2021	12/31/2020 RESTATED
Provisions recognised through P&L	59,147	63,711
Provisions recognised through Equity	20	20
Total	**59,167**	**63,731**

Change

(€/000)

	Income Statement	Recognised in equity	Total 6/30/2021	Total 12/31/2020 RESTATED
Net opening balances	**77,446**	**20**	**77,466**	**24,886**
Initial adjustments	(13,735)	-	(13,735)	(9,541)
Increases	**3,198**	**-**	**3,198**	**66,918**
Deferred tax liabilities recognised during the year	1,341	-	1,341	5,540
- In respect of previous years	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	1,341	-	1,341	5,540
New taxes or increases in tax rates	-	-	-	-
Other changes	1,857	-	1,857	-
Business combination	-	-	-	61,378
Decreases	**(7,762)**	**-**	**(7,762)**	**(18,532)**
Deferred tax liabilities derecognised during the year	(3,862)	-	(3,862)	(18,532)
- Reversals of temporary differences	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	(3,862)	-	(3,862)	(18,532)
Reduction in tax rates	(3,900)	-	(3,900)	-
Other changes	-	-	-	-
Total	**59,147**	**20**	**59,167**	**63,731**

Deferred tax liabilities derive mainly from business combinations and, in particular, from the exercise of the *Purchase Price Allocation* (PPA) as an overall tax effect of the fair value adjustments made to the values of the entry to consolidation of the companies acquired in the last two years, namely Altamira, based on the final PPA, and doValue Greece, according to the provisional PPA which will be defined in the first half of 2021.

The initial amount of deferred tax liabilities was restated with respect to the final amounts resulting from the 2020 financial statements, following the changes in the valuation of PPA of the subsidiary doValue Greece pursuant to IFRS 3, finalized at June 30, 2021, after 12 months from its entry in consolidation. These changes are included in the "Initial adjustments" line of the above table; for further details, please also refer to the Retrospective Adjustments section of the chapter "Business combinations ".

It should also be noted that the first half was characterized by the reduction of the tax rate in Greece from 24% to 22% (€3.9 million).

NOTE 5 – **OTHER ASSETS**

The following table provides a breakdown of other current and non-current assets.

(€/000)

	6/30/2021	12/31/2020
Other non current assets	**1,633**	**1,646**
Other current assets	**13,877**	**16,172**
Accrued income / prepaid expenses	3,285	2,126
Items for employees	1,374	2,171
Receivables for advances	7,345	9,154
Tax receivables	567	1,335
Other items	1,306	1,386
Total	**15,510**	**17,818**

The item overall shows a decrease of €2.3 million compared to December 31, 2020 essentially due to the combined effect deriving on the one hand from the reduction of the receivable for advances (€1.8 million), of the receivable from INPS for cash integration in support of employers and employees due to the Covid emergency (€0.8 million) and tax credits (€0.8 million) and on the other hand by higher prepaid expenses (€1.2 million).
Other non-current assets mainly include guarantee deposits.

NOTE 6 – **INVENTORIES**

As at June 30, 2021, the item amounted to €55 thousand, unchanged with respect to the balance as at December 31, 2020. It refers to the Group's real estate portfolio composed of the value of 2 buildings.

NOTE 7 – **TRADE RECEIVABLES**

(€/000)

	6/30/2021	12/31/2020
Receivables	**195,580**	**176,857**
Receivables accruing (Invoices to be issued)	108,756	96,712
Receivables for invoices issued but not collected	86,824	80,145
Provisions	**(2,307)**	**(1,702)**
Provisions for expected losses on receivables	(2,307)	(1,702)
Total	**193,273**	**175,155**

Trade receivables arise in respect of invoices issued and accruing revenues mainly connected with servicing activities and real estate services under mandate and therefore mainly relating to the revenue item "revenues from contracts with customers".
The item shows a net increase of €18.1 million compared to the balance as at December 31, 2020, attributable for €12.0 million to higher accruals for invoices to be issued and for €6.7 million to invoices issued but not yet collected, slightly offset by higher provisions for €0.6 million. The trend shown is substantially in line if compared to the revenues calculated for the last twelve months.

NOTE 8 – **TAX ASSETS AND TAX LIABILITIES**

The following table provides a breakdown of tax liabilities.

Tax assets

(€/000)

	6/30/2021	12/31/2020
Current tax assets	6,803	6,977
VAT asset	20,034	14,897
Total	**26,837**	**21,874**

Tax liabilities

(€/000)

	6/30/2021	12/31/2020
Current tax liabilities	14,468	6,538
VAT liability	20,270	17,574
Withholding taxes and others	3,968	3,971
Total	**38,706**	**28,083**

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NOTE 9 - **CASH AND CASH EQUIVALENTS**

The balance of €116.5 million, marking a decrease of €15.9 million compared with the balance of €132.5 million reported as at December 31, 2020, represents the liquidity available at the end of the semester. For information on the subsequent evolution, please refer to the paragraph on the Net Financial Position in the Directors' Interim Report on Group Operations.
For an analysis of changes in cash and cash equivalents, please refer to the Consolidated Cash Flow Statement.

NOTE 10 – **ASSETS HELD FOR SALE AND RELATED LIABILITIES**

The table shows the values relating to the total equity investment in the shares of three special purpose vehicles (SPV) which the Group intends to sell to third parties.

(€/000)

	6/30/2021	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	**-**	**-**

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Liabilities and Equity

NOTE 11 – SHAREHOLDERS' EQUITY

	6/30/2021	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)	**75**	**103**
Number of treasury shares	472,339	651,542

Other reserves break down as follows:

(€/000)

	6/30/2021	12/31/2020 RESTATED
Reserves from allocation of profits or tax-suspended reserves	**50,862**	**61,080**
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,140	1,140
Reserve from retained earnings	16,934	29,647
Reserve established in by laws for purchase of treasury shares	75	103
Reserve from retained earnings - Share Based Payments	13,371	10,848
Other reserves	**42,874**	**89,668**
Extraordinary reserve	102,970	102,970
Reserve, Lgs. Decree no. 153/99	6,103	6,103
Legal reserve for distributed earnings	44	44
Reserve art. 7 Law 218/90	4,179	4,179
Reserve from business combinations	1,746	1,746
Share Based Payments Reserve	4,267	6,185
Consolidation reserve	(61,566)	(16,041)
Negative reserve for put option on non-controlling interests	(14,869)	(15,518)
Total	**93,736**	**150,748**

Overall, the item shows a decrease of around €57.0 million due to the combination of the following main elements:

- €12.7 million decrease in the **reserve from retained earnings** mainly following the distribution of dividends approved by the Shareholders' Meeting on April 29, 2021 through the use of reserves generated in previous years in addition to €7.8 million of the Parent Company doValue's 2020 year profit, for a total of €20.8 million of dividends distributed (of which €18.9 million paid at June 30, 2021);
- €45.5 million increase in the **negative consolidation reserve** due to the result achieved in 2020 by the subsidiaries of €13.1 million and consolidation adjustments totalling €32.4 million;
- €649 thousand decrease in the negative reserve associated with the recognition of the financial liability for the **option to purchase non-controlling interests** pursuant to IAS 32 for the portion that exceeds the amount of assets pertaining to third parties with respect to the Altamira acquisition;
- €605 thousand net increase of the **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the post-IPO remuneration policy, which provides for the grant of shares as remuneration to certain categories of managers.

The **Valuation reserves** as at June 30, 2021 stood at -€139 thousand (-€215 thousand as at December 31, 2020) and include the measurement of the post-employment benefits in accordance with IAS 19 and the fair value measurement of the derivative contracts (interest rate swap) obtained to hedge the cash flows on the facility loan related to the acquisition of Altamira.

NOTE 12 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	6/30/2021	12/31/2020
Non-current loans and other financing			422,254	456,676
Bank loans	2,75%	2024	163,496	203,198
Due to other lenders			4,284	6
Bonds	5,0%	2025	254,474	253,472
Current loans and other financing			86,365	86,376
Bank loans	2,75%	2021	80,840	80,998
Due to other lenders			4	4
Bonds	5,0%	2021	5,521	5,374
Total			**508,619**	**543,052**

The balance of **loans and other financing** as at June 30, 2021 includes the residual debt values at amortised cost of the following loans:

- €244.3 million for the 5-year Facility Loan subscribed in 2019 for an initial nominal amount of €415.0 million for the acquisition of Altamira and for the refinancing of its pre-existing debt. The loan provides for repayment on a six-month basis and the variable rate is 2.75% as at June 30, 2021; this is based on the 6-month Euribor plus a spread linked to some financial covenants monitored on a quarterly basis. It should also be noted that, as reported in the Significant events after the end of the period in the Directors' Interim Report on Operations, this loan was replaced by a secured senior bond issued on July 22, 2021, maturing in 2026, for a principal amount of €300.0 million at an annual fixed rate of 3.375%;
- €260.0 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 will 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.

In order to mitigate the effects of variability in the interest rate, the exposure had been hedged with cash flow hedge instruments that were activated from the end of the second quarter of 2019.
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 at June 30, 2021, the item **Due to other lenders** includes an amount of €4.3 million relating to the limited recourse loan allocated for a specific business activity. For more details, please refer to the section of financial risks in the chapter on Information on risks and risk management policies.

NOTE 13 – OTHER FINANCIAL LIABILITIES

(€/000)

	6/30/2021	12/31/2020 RESTATED
Other non-current financial liabilities	20,087	24,293
Lease liabilities	14,537	18,761
Earn-out	5,435	5,318
Hedging derivatives	115	214
Other current financial liabilities	51,120	51,772
Lease liabilities	10,039	10,032
Earn-out	17,489	17,489
Put option on non-controlling interests	23,389	24,011
Hedging derivatives	203	240
Total	**71,207**	**76,065**

Lease liabilities, split into current and non-current components, represent the recognition of the current value of the remaining lease payments following the introduction of IFRS 16. Please see Note 19 for information on changes in lease liabilities during the period.
The **Earn-out** liability recorded under other current financial liabilities relates to part of the acquisition price of Altamira (€17.5 million), while that recorded under non-current liabilities, €5.4 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 at December 31, 2020 was subject to restatement with respect to the final amounts resulting from the 2020

financial statements, following the changes in the valuation of PPA pursuant to IFRS 3, finalized at June 30, 2021, after 12 months from entry into consolidation.
The **put option on non-controlling interests** represents the liability connected with the option to purchase the residual non-controlling interests of Altamira, with original expiry at the end of June 2021 extended until the end of July under the same conditions. With a subsequent agreement, signed on July 6, an extension of a further 24 months is provided, as well as the definition of some calculation parameters and the right to exercise the option only at the end of the two-year period.
The valuation of the option is updated with respect to Altamira's accounting position at the end of the first half of 2021 and includes the discounting effect.
The item **Hedging derivatives** relates to the valuation of interest rate swaps ("IRS") that the company agreed with leading banks with starting date on June 28, 2019 and expiry date of March 22, 2024.
These contracts cover the risk of interest rate fluctuations on loan contracts as described in Note 12 "Loans and other financing". The IRS in question are amortising, with a notional initial total value of €311 million and residual value of €186.8 million as at June 30, 2021.
The fair value of these derivatives is negative and totals €0.3 million. Since the hedging conditions of the derivatives were met for the underlying loans, they qualified for *hedge accounting*, with recognition of changes in fair value in the cash flow hedge reserve in equity. This value is entirely allocated to the equity reserve as the position always met the conditions for the adoption of hedge accounting.

Net financial indebtedness

In accordance with the requirements of Consob Communication of July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 "Recommendations for the consistent implementation of the EU Regulation on prospectuses", the Group's net financial indebtedness as at June 30, 2021 breaks down as follows.

(€/000)

Note			6/30/2021	12/31/2020 RESTATED
9	A	Cash on hand	3	5
9	B	Cash at banks and short-term deposits	116,534	132,481
	D	**Liquidity (A)+(B)**	**116,537**	**132,486**
3	E	Current financial assets	-	5,898
12	G	Current portion of non-current debt	(80,840)	(80,998)
12, 13	H	Other current financial debt	(51,124)	(51,776)
	I	**Current financial indebtness (F)+(G)+(H)**	**(131,964)**	**(132,774)**
	J	**Net current financial indebtness (I)+(E)+(D)**	**(15,427)**	**5,610**
12	K	Bank loan, non-current	(163,496)	(203,198)
-	L	Bond Issued	(259,995)	(258,846)
12, 13	M	Other non-current loans	(24,371)	(24,299)
	N	**Non-current financial indebtness (K)+(L)+(M)**	**(447,862)**	**(486,343)**
	O	**Net financial indebtness (J)+(N)**	**(463,289)**	**(480,733)**

Compared with the net financial position, equal to €387.8 million reported in the Directors' Interim Report on Group Operations, to which reference should also be made for further information, this table includes the items reported under letters E, H and M, for a total of €75.5 million.
The following table reconciles the two different representations:

(€/000)

		6/30/2021	12/31/2020 RESTATED
A	**Net financial indebtness**	**(463,289)**	**(480,733)**
	Other current financial debt	51,124	51,776
	Other non-current loans	24,371	24,299
	Current financial assets	-	(5,898)
B	**Items excluded from the Net financial position**	**75,495**	**70,177**
C	**Net financial position (A)+(B)**	**(387,794)**	**(410,556)**

NOTE 14 – **EMPLOYEE BENEFITS**

Within the Group, there are defined benefit plans, or plans for which the benefit is linked to the salary and seniority of the employee. The defined benefit plans of the Italian companies mainly include "Post-employment benefits" in accordance with applicable regulations, as well as other provisions of a contractual nature called "Seniority bonuses". For Greece, there is a defined benefit plan on a mandatory basis.
In accordance with IAS 19, the obligations of defined benefit plans are determined using the "Projected Unit Credit" method. This method envisages that the present value of the benefits accrued by each participant in the plan during the year is recognised as an operating cost, considering both future salary increases and the benefit allocation formula. The total benefit that the participant expects to acquire at the retirement date is divided into units, associated on the one hand with the seniority accrued at the valuation date and on the other with the expected future seniority until retirement.

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

(€/000)

	6/30/2021	12/31/2020 RESTATED
Opening balance	**16,341**	**8,544**
Initial adjustments	124	-
Increases	**204**	**10,956**
Provisions for the year	129	777
Other changes	75	10,179
Decreases	**(3,715)**	**(3,035)**
Benefits paid	(183)	(1,758)
Other changes	(3,532)	(1,277)
Closing balance	**12,954**	**16,465**

The initial amount was subject to restatement with respect to the final amounts resulting from the 2020 financial statements, following the changes in the PPA valuation of the subsidiary doValue Greece pursuant to IFRS 3, finalized at June 30, 2021, after 12 months from its entry in consolidation. These changes are included in the "Initial adjustments" line of the above table; for further details, please also refer to the Retrospective Adjustments section of the chapter "Business combinations".

NOTE 15 – **PROVISIONS FOR RISKS AND CHARGES**

(€/000)

	Funds against the item "Provisions for risk and charges" of the income statement			Funds against other items of the income statement				
	Legal and tax disputes	Out-of-court disputes and other provisions	Provisions for other commitments and guarantees issued	Potential liabilities for employee	Tax claims	Other	Total 6/30/2021	Total 12/31/2020 RESTATED
Opening balance	**8,853**	**6,159**	**3**	**6,112**	**33,984**	**-**	**55,110**	**25,669**
Initial adjustments	-	-	-	-	-	*32,236*	**32,236**	**4,636**
Increases	**1,172**	**1,004**	**-**	**6,536**	**366**	**-**	**9,078**	**73,964**
Provisions for the period	1,184	268	-	6,520	-	-	**7,972**	**37,454**
Changes due to the passage of time and changes in the discount rate	(12)	-	-	16	-	-	**4**	**(48)**
Business combination	-	-	-	-	-	-	**-**	**36,319**
Other changes	-	736	-	-	366	-	**1,102**	**239**
Decreases	**(2,528)**	**(483)**	**-**	**(5,210)**	**(161)**	**(2,247)**	**(10,630)**	**(16,923)**
Reallocations of the period	(1,154)	(339)	-	(3)	-	(2,247)	**(3,743)**	**(3,384)**
Utilisation for payment	(1,363)	(144)	-	(3,026)	-	-	**(4,534)**	**(13,255)**
Other changes	(11)	-	-	(2,181)	(161)	-	**(2,353)**	**(284)**
Closing balance	**7,497**	**6,680**	**3**	**7,438**	**34,189**	**29,989**	**85,794**	**87,346**

The initial amount was subject to restatement with respect to the final amounts resulting from the 2020 financial statements, following the changes in the PPA valuation of the subsidiary doValue Greece pursuant to IFRS 3, finalized as at June 30, 2021, 12 months after its entry in consolidation. These changes are included in the "Initial djustments" line of the above table; specifically, a provision was allocated under the item "Funds against other items of the income statement items - Other", which at June 30, 2021 was equal to a residual €30 million and refers to the provision estimated in the final PPA equal to an initial €34, 5 million determined following a more precise interpretation of some clauses provided for by the Service Level Agreement signed between doValue Greece and Eurobank connected to a particular type of fee (so-called "Curing Fee") and in application of the provisions of the IFRS15 accounting standard relating to variable fees. For further details, please also refer to the Retrospective Adjustments section of the chapter "Business combinations".

The item **Legal and tax disputes** recognised against the economic item “provisions for risks and charges” primarily includes funds in respect of the risks of litigation brought against the Group concerning its core activities. It decreased by €1.4 million owing to the greater impact of the settlement of a number of disputes compared with provisions for new disputes.
The item **Out-of-court disputes and other provisions** increased of €0.5 million, from €6.2 million at December 31, 2020, to €6.7 million, and mainly includes provisions for risks for which no litigation has currently been undertaken.
The item **Potential liabilities for employees** includes provisions to finance any bonuses not governed by already existing agreements or determinable quantification mechanisms and MBO bonuses. The increase in the item of €1.3 million is attributable to new provisions 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.
The provisions for **Tax claims**, as part of the provisions against other economic items, includes an amount of €34.2 million (€34 million as at December 31, 2020) relating to a tax dispute of the subsidiary Altamira on tax returns referring to years prior to the acquisition by doValue. For further details, please refer to the information provided below on tax disputes.

Risks connected with outstanding litigation

The Group operates in a legal and legislative context that exposes it to a vast range of possible litigation connected with the core business of servicing loan recovery under mandate, potential administrative irregularities and labour litigation.

The associated risks are assessed periodically in order to quantify a specific allocation to the "Provision for risks and charges" whenever an outlay is considered probable or possible on the basis of the information that becomes available, as provided for in the specific internal policies.

Risks connected with outstanding tax disputes

In the context of a tax inspection conducted by the Spanish Tax Authorities on the subsidiary Altamira Asset Management ("AAM") and on the previous parent company Altamira Asset Management Holding ("AAMH") for fiscal years 2014 and 2015, on March 24, 2021, AAM was informed by the Spanish Administration of a different approach by the Tax Authorities in the calculation of the tax base compared to the one followed by the company at the time based on the existing legislation, mainly regarding the fiscal deductibility of expenses and financial charges incurred by Altamira and AAMH following the acquisition of Altamira by AAMH from Banco Santander.

In March 2021, the Spanish Tax Authorities, expressed their willingness to reach an agreement to fully settle pending tax disputes (also relating to the years 2016-2017-2018 for which said financial charges were deducted and that, in the event of agreement, shall be settled through the submission of supplementary tax returns by July 5, 2021) with no application of penalties, whose impact in economic-financial terms, was quantified at a total of roughly €34 million. AAM considered it to be in its interest to reach an agreement with the Authorities under these terms, and adjusted the provision allocated in respect of said tax audit, registering an impact of €29.2 million on the income statement. It should be noted that, in 2019, the provision recorded originally amounted to €4.6 million (updated in 2020 to €4.8 million for the capitalisation of the relevant interest) and the prevalent part of this amount, €4.1 million, will be reimbursed by the seller of Altamira based on the clauses set out in the Share Purchase Agreement in the form of an acquisition price adjustment.

In April 2021, the Spanish Tax Authorities formalised the proposed agreement with AAMH and the subsidiary AAM, accurately quantifying the sums due at an amount essentially in line with the estimates drawn up previously, confirming the specific provision allocated to be more than enough. At the end of April, the two companies signed said proposed agreement.

Note should be taken of the fact that the tax charges recorded on the basis of said agreement derive from the structure originally put in place in 2013 and 2014 for the acquisition of AAM by the previous shareholders (Apollo, CCPIB and Adia) and that, at the moment of the acquisition of AAM by AAMH, doValue covered the risk of contingent liabilities, including tax-related, by obtaining declarations and guarantees from the seller and supplementing them with specific insurance cover.

At the end of June, the insurance company made a reimbursement of €726 thousand, relating to part of the tax payable generated by the assessment concerning some expenses reclassified by the Authority as non-deductible, net of the portion of €4.1 million in the form of an acquisition price adjustment, which was paid at the start of July by the seller AAMH based on the clauses set forth in the Share Purchase Agreement.

On July 5, the tax claim was paid by AAM and AAMH (given that in the assessment period, the companies belonged to the same group and were participating in the tax consolidation scheme) and supplementary tax returns were presented for the years 2016-2017-2018.

For further details, please refer to the Directors' Interim Report on Group Operations in the Section on Significant events during the period, as well as Significant events after the end of the period.

NOTE 16 – **TRADE PAYABLES**

(€/000)

	6/30/2021	12/31/2020
Payables to suppliers for invoices to be received	39,188	30,262
Payables to suppliers for invoices to be paid	22,893	21,562
Total	**62,081**	**51,824**

The figure for the first half of 2021 shows an increase of €10.3 million compared to that recorded at December 31, 2020 mainly attributable to payables for invoices to be received while payables for invoices to be paid are substantially in line, demonstrating continued attention to management of working capital.

NOTE 17 – **OTHER CURRENT LIABILITIES**

As at June 30, 2021, a reduction of €3.3 million was recorded in the item, due primarily to a combination of contrasting changes: on the one hand, an increase of €13.6 million in payables relating to personnel for voluntary redundancy incentives, holidays accrued and thirteen months' pay to be paid by the end of the year and, on the other, a reduction of €15.6 million in accrued expenses/deferred income for the release of the portion relating to the period of the deferred income recorded at the end of 2020 amounting to €31 million, in application of IFRS 15 and relating to the accounting of the prepayment of fixed servicing fees pertaining to 2021.

(€/000)

	6/30/2021	12/31/2020
Amounts to be paid to third parties	3,947	3,488
Amounts due to personnel	22,047	7,959
o.w. employees	*21,488*	*7,900*
o.w. members of Board of Directors and Auditors	*559*	*59*
Amounts due to pension and social security institutions	3,399	4,266
Items being processed	13,578	14,804
Other items	1,907	2,037
Accrued expenses / deferred income	17,725	33,318
Total	**62,603**	**65,872**

NOTE 18 – **SHARE-BASED PAYMENTS**

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

- a portion of the fixed remuneration and the entire variable component resulting from the annual Management By Objectives (MBO) bonus System of the Chief Executive Officer is paid in shares;
- a part of the variable remuneration of Executives with Strategic Responsabilities, specifically that deriving from the long-term incentive (LTI) plan, is paid in shares. The LTI plan provides for an annual grant ("rolling" plan) based entirely on the value of doValue's shares ("Performance shares") and based on the assignment with a 3-year vesting period (2021-2023). The plan grants beneficiaries the right to receive, on a rolling basis, free company shares if a given set of return conditions is respected at the end of the vesting period.

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

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

The Group uses treasury shares for these remuneration plans.

The reference price for calculating the number of shares to be assigned as the equivalent value of the variable remuneration of the LTI plan is determined by using the average of the closing prices in the 30 days prior to the day on which the Board of Directors approves each allotment cycle.
In order to reflect the levels of performance and risk actually taken on, and to take account of the individual contribution of the beneficiaries, the Group applies ex-post correction mechanisms (malus and claw-back clauses) defined in accordance with the provisions of the applicable national collective bargaining agreements, where applicable, or any individual agreements/mandates.
For more details on the mechanisms and terms of attribution of the shares, please refer to the information documentation published on the internet website of the Group www.dovalue.it ("Governance/Remuneration" section).

The amount recognised in the income statement for the part pertaining to the first half of 2021 amounts to €1.7 million, with a corresponding amount reflected in a specific equity reserve.

NOTE 19 – **LEASES**

The Group leases properties and vehicles that are used in operations or assigned to employees. The property leases generally have an original term of 6 years, while the vehicle leases generally have an original term of 4 years. The liabilities in respect of these lease contracts are secured by the lessors' ownership of the leased assets. In general, the Group cannot sublet its leased assets to third parties. Most of the leases include renewal or cancellation options typical of property leases, while none envisage variable payments.
The following table reports the carrying amounts of right-of-use assets and changes in the period:

(€/000)

	Buildings	Furniture	Electronic system	Other tangible assets	Total 6/30/2021	Total 12/31/2020
Opening balance	**24,238**	**-**	**-**	**5,092**	**29,330**	**17,840**
Increases	**148**	**-**	**-**	**663**	**811**	**22,803**
Purchases	148	-	-	663	811	14,569
Other changes	-	-	-	-	-	8,234
Decreases	**(4,217)**	**-**	**-**	**(1,398)**	**(5,615)**	**(11,313)**
Amortisation	(4,217)	-	-	(1,364)	(5,581)	(10,885)
Other changes	-	-	-	(34)	(34)	(428)
Closing balance	**20,169**	**-**	**-**	**4,357**	**24,526**	**29,330**

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

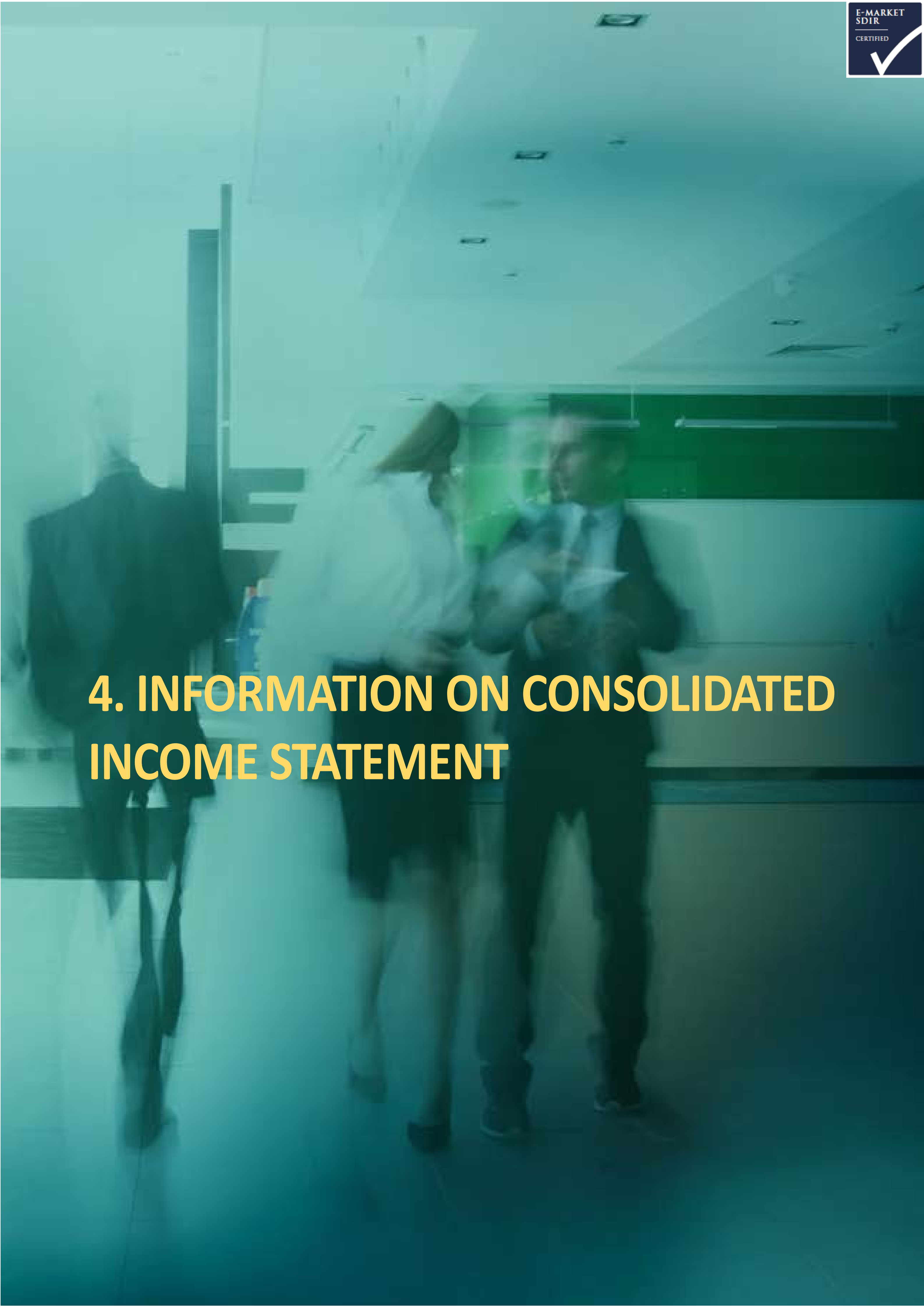
(€/000)

	6/30/2021	12/31/2020
Opening balance	**28,793**	**18,028**
Increases	**1,710**	**20,113**
New liabilities	1,382	11,142
Financial expenses	328	580
Other changes	-	8,391
Decreases	**(5,927)**	**(9,348)**
Payments	(5,878)	(7,819)
Other changes	(49)	(1,529)
Closing balance	**24,576**	**28,793**
o.w.: Non-current lease liabilities	14,537	18,761
o.w.: Current lease liabilities	10,039	10,032

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

(€/000)

	6/30/2021	6/30/2020
Amortisation of right-of-use assets	(5,581)	(5,023)
Financial expenses from lease liabilities	(328)	(188)
Total	**(5,909)**	**(5,211)**



4. INFORMATION ON CONSOLIDATED INCOME STATEMENT

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)

	6/30/2021	6/30/2020 RESTATED
Servicing services	131,273	76,926
Servicing for securitisations	66,635	44,980
REO services	32,926	22,335
Total	**230,834**	**144,241**

On the whole, the item recorded an increase of 60% over the restated first half 2020, thanks to the contribution of doValue Greece, acquired in June 2020, while on a like-for-like basis, the increase registered in the item is 23%.
In particular, the contribution of doValue Greece in the first half of 2021 with respect to the item **Servicing services**, amounted to €49.0 million and the item recorded an overall increase of 71% compared to the same period in 2020, while with reference to the item **Servicing services for securitisation**, its contribution equals to €16.5 million.
REO services derive almost exclusively from Altamira Group companies, and recorded an increase of 47% in turnover resulting from a higher volume of assets managed.

Performance obligations

Servicing services under mandate and for securitisation transactions
The servicing services include the administration, management and recovery of loans utilising in-court and out-of-court recovery processes on behalf and under the mandate of third parties for portfolios mainly consisting of non-performing loans.
These services normally include a performance obligation that is fulfilled over time: in fact, the customer simultaneously receives and uses the benefits of the recovery service and the service provided improves the credit that the customer controls.
For the recognition of revenues, the Group applies a valuation method based on the outputs represented by both the assets managed and the collections on each position under mandate, so as to recognise revenues for an amount equal to that for which it has the right to invoice the customer.
The Group, following a more precise interpretation of some clauses provided by the Service Level Agreement signed between the subsidiary doValue Greece and Eurobank connected to a particular type of fee (so-called "Curing Fee") and in application of the provisions of the IFRS 15 accounting standard in relation to the variable fees, it has aligned the relative revenue recognition method, which sees as a counterpart the accounting of a specific provision for risks and charges against possible penalties on the restructured stock and flow portfolios.

Real estate services under mandate
This involves the management of real estate assets on behalf of and under the mandate of third parties, including the management of real estate guarantees as well as the development and management of the properties subject to mandate.
As with the servicing services mentioned above, there is an obligation to perform over time because the customer receives and simultaneously uses the benefits of the property management and/or sale service.
For revenue recognition, the Group applies a valuation method based on the outputs of property management activities and sales on each managed position, so as to recognise revenues for an amount equal to that for which it has the right to invoice the customer.

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

(€/000)

First Half 2021	Italy	Greece & Cyprus	Spain & Portugal	Group
Servicing services	21,967	63,586	51,800	**131,273**
Servicing for securitisations	48,640	17,995	-	**66,635**
REO services	-	6,096	32,048	**32,926**
Total revenue	**70,607**	**87,677**	**83,848**	**230,834**

First Half 2020 RESTATED	Italy	Greece & Cyprus	Spain & Portugal	Group
Servicing services	18,240	21,516	43,049	**76,926**
Servicing for securitisations	42,626	2,354	-	**44,980**
REO services	-	3,194	23,106	**22,335**
Total revenue	**60,866**	**27,064**	**66,155**	**144,241**

NOTE 21 – OTHER REVENUES

(€/000)

	6/30/2021	6/30/2020
Administrative Servicing / Corporate Services Provider	4,541	2,184
Information services	2,594	2,983
Recovery of expenses	934	473
Due diligence & Advisory	1,955	5,513
Ancillary REO services	8,863	8,470
Other revenues	1,571	1,682
Total	**20,458**	**21,305**

The item **Other Revenues** recorded a decrease of 4% compared to the same period of the previous year, largely due to the effect of less due diligence & advisory activities, partially offset by higher income on administrative/CSP services carried out by the Parent Company doValue, the recovery of expenses and ancillary real estate services.

NOTE 22 – COSTS FOR SERVICES RENDERED

(€/000)

	6/30/2021	6/30/2020
Costs for management of agency contracts	(17,585)	(13,348)
Brokerage fees	(10,081)	(6,112)
Costs for services	(449)	(391)
Total	**(28,115)**	**(19,851)**

The item, which includes the fees of the network dedicated to recovery, recorded an increase of 42% compared to the first half of the previous year, due to the enlargement of the consolidation perimeter to doValue Greece (+32% on a like-for-like basis), and the increased use of the network by the Altamira companies following the increase in managed assets.

NOTE 23 – PERSONNEL EXPENSES

(€/000)

	6/30/2021	6/30/2020
Payroll employees	(111,496)	(82,136)
Members of Board of Directors and Board of Statutory Auditors	(3,134)	(1,902)
Other personnel	(926)	(17)
Total	**(115,556)**	**(84,055)**

Average number of employees by category

	6/30/2021	6/30/2020
Payroll employees	**3,206**	**2,514**
a) Executives	147	125
b) Managers	1,054	874
c) Other employees	2,005	1,515
Other staff	**87**	**26**
Total	**3,293**	**2,540**

The item recorded an increase of 37% while, on a like-for-like basis, i.e. excluding doValue Greece, the increase was 14%. This trend is explained by the fact that, in 2020, as a result of the ongoing pandemic, the Group had chosen not to accrue the variable portion of remuneration (MBO), which instead was done in the first half of 2021.
In terms of the workforce, doValue Greece contributes 1.043 units in the semester, while, on a like-for-like basis, the average number of employees decreased by 5% due to the transfer to Dock Joined in Tech (subsidiary of IBM) of the business unit of doSolutions for the management of the Group's IT and Back Office systems.
Personnel expenses include charges related to early retirement incentives that will be disbursed to employees (€5.6 million paid to employees in Italy, within the scope of Altamira and doValue Greece) who signed up to the plan launched by the company, in line with the objectives of the 2020-2022 Business Plan.

With regard to the breakdown of the cost for employee benefits included in this item, please refer to Note 14 - Employee benefits.

NOTE 24 – ADMINISTRATIVE EXPENSES

(€/000)

	6/30/2021	6/30/2020
External consultants	(15,356)	(14,818)
Information Technology	(15,984)	(13,695)
Administrative and logistical services	(5,132)	(1,542)
Rentals, building maintenance and security	(1,951)	(1,727)
Insurance	(1,149)	(866)
Indirect taxes and duties	(1,218)	(1,302)
Postal services, office supplies	(799)	(1,250)
Indirect personnel expenses	(1,073)	(737)
Debt collection	(274)	(397)
Utilities	(867)	(697)
Advertising and marketing	(1,877)	(1,344)
Other expenses	(836)	(631)
Total	**(46,516)**	**(39,006)**

The item recorded an increase of 19% compared to the same period of the previous year, while excluding doValue Greece, there is a 5% increase linked to IT services connected to the capitalized developments, as well as to a greater impact of administrative and logistic services for effect of the outsourcing to Dock Joined in Tech, an IBM group's subsidiary.

NOTE 25 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)

	6/30/2021	6/30/2020
Recovery of expenses	726	-
Reductions in assets	21	(57)
Other expenses	(12)	(2)
Total	**735**	**(59)**

NOTE 26 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	6/30/2021	6/30/2020 RESTATED
Intangible assets	**(31,436)**	**(29,900)**
Amortisation	(31,127)	(29,900)
Impairment	(309)	-
Property, plant and equipment	**(6,909)**	**(6,116)**
Amortisation	(6,879)	(6,116)
Impairment	(30)	-
Financial assets measured at amortised cost	**64**	**3**
Writedowns	(71)	3
Writebacks	135	-
Trade receivables	**(580)**	**(732)**
Writedowns	(580)	(732)
Total	**(38,861)**	**(36,745)**

The item recorded an increase of 6% with respect to the “restated” figure for the first half of 2020, which includes the economic effects of the values of intangible assets determined at the time of the final Purchase Price Allocation (PPA) of doValue Greece.
The figures for the first six months of 2021 include the amortisation charge of each servicing contract, recognised under “Other intangible assets”, and deriving from both the valuation of the acquisition of Altamira and the valuation, now definitive, of the acquisition of doValue Greece.
The item is also affected by the effects of IFRS 16 for amortisation of rights of use, which amounted to €5.6 million in the first half of 2021.

NOTE 27 – **PROVISIONS FOR RISKS AND CHARGES**

(€/000)

	6/30/2021			6/30/2020		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and tax disputes	(1,172)	1,154	**(18)**	(525)	408	**(117)**
o.w. Employee disputes	*(244)*	*134*	***(110)***	*(69)*	*1*	***(68)***
Out-of-court disputes	(267)	*342*	**75**	(280)	882	**602**
o.w. Employee disputes	-	*3*	**3**	-	-	**-**
Total	**(1,439)**	**1,496**	**57**	**(805)**	**1,290**	**485**

The item consists of operational changes in provisions, with the exception of those for employee benefits (classified under personnel expenses), and of those for tax claims (classified under income tax expense) allocated to meet legal and contractual obligations that are presumed will require an outflow of economic resources in subsequent years.
As at June 30, 2021, the item shows a positive balance of €57 thousand, due to the combined effect of the releases for provisions of previous years that are no longer considered existing and prudential provisions relating to both legal disputes and operational risks and other charges.
The reallocations (€1.5 million) mainly arise as a result of the release of previous provisions that faced possible risks that no longer exist in the absence of legal actions.

NOTE 28 – **FINANCIAL (EXPENSE)/INCOME**

(€/000)

	6/30/2021	6/30/2020
Financial income	**4,334**	**284**
Income from financial assets measured at fair value through P&L	4,134	263
Income from financial assets measured at amortised cost	42	21
Other financial income	158	-
Financial expense	**(13,886)**	**(7,027)**
Expense from financial liabilities measured at amortised cost	(13,020)	(6,143)
Expense from hedging derivates	(131)	(170)
Other financial expenses	(735)	(714)
Net change of other financial assets and liabilities measured at fair value through P&L	**(179)**	**103**
Debt securities	(179)	103
Total	**(9,731)**	**(6,640)**

Financial income from financial assets measured at fair value through profit and loss includes primarily the profit of €4.0 million realised from the transfer of the securities of the Relais securitisation; the remaining part is represented by income from the Romeo and Mercuzio ABS securities, down compared to the first half of 2020, following the gradual reimbursement of the outstanding amount.
Financial expense (€13.9 million) includes charges related to the loan taken out at the end of June 2019 for the acquisition of Altamira (€5.4 million), to which are also referred the charges deriving from the Interest Rate Swaps (IRSs) hedging derivatives; in addition, the first half of 2021 was also impacted by the expenses deriving from the bond loan issued on August 4, 2020 to finance the acquisition of doValue Greece, an item therefore absent in the first half of the same year (7.7 million).
Other financial expenses include the portion of interest calculated in accordance with IFRS 16, as well as the time value effects linked to registration of the put option on Altamira.
The **net change of other financial assets and liabilities measured at fair value through P&L** is attributable to the write-down of the notes of the Cairo securitisations, partially offset by the positive fair value delta on the Romeo ABS securities.

NOTE 29 – INCOME TAX EXPENSE

Every country in which the doValue Group operates has an independent tax system in which the determination of the tax base, the level of the tax rates, the nature, the type and the timing of the formal obligations differ from one another.
Currently, for the year in progress, as regards tax rates and with reference to the countries in which the Group operates, the income tax of the companies is established at a nominal rate of 25% in Spain, 21% in Portugal (to which a "Municipal Surtax" of 1.5% is added and an additional "State surtax" of 3%, 5% or 9% depending on the disposable income bracket), 22% in Greece and 12.5% in Cyprus.
In Italy, the standard income tax rate (IRES) is 24%, to which a surcharge of 3.5% is added, applicable exclusively to banks and financial institutions (Law no. 208 of December 28, 2015), which applies to the subsidiary Italfondiario.
In addition to IRES, in Italy, IRAP (regional business tax) must be added. As at June 30, 2021, in order to determine the IRAP rate of the Parent Company doValue, maintenance of the requirements of non-financial equity holding was verified, with the subsequent application of the rate envisaged for banks and the extension of the tax base also to financial charges and income; the nominal rate for banks and financial institutions is 4.65% (to which each Region can independently apply an increase of 0.92%, up to a theoretical rate of 5.57% plus a further 0.15% for the regions with a health deficit).

(€/000)

	6/30/2021	6/30/2020 RESTATED
Current tax	(8,330)	(1,868)
Changes in prior year taxes	(42)	392
Reduction of current taxes for the year	9	-
Changes in deferred taxes assets	190	939
Changes in deferred taxes liabilities	6,422	(438)
Total	**(1,751)**	**(975)**

Income taxes for the period amounted to €1.8 million on an accrual basis, marking an increase of €0.8 million compared to the same period of the previous year "restated", primarily due to the contribution of doValue Greece.

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

(€/000)

	6/30/2021	6/30/2020
Defined benefit plans	7	-
Cash flow hedges	(33)	21
Total	**(26)**	**21**

NOTE 30 – EARNINGS PER SHARE

(€/000)

	6/30/2021	6/30/2020 RESTATED
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]	**8,547**	**(18,406)**
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
basic [B]	79,431,063	78,854,103
diluted [C]	79,431,063	78,854,103
Earnings (loss) per share (in euro)		
basic [A/B]	0.11	(0.23)
diluted [A/C]	0.11	(0.23)

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. INFORMATION ON RISKS AND RISK MANAGEMENT POLICIES

INTRODUCTION

The doValue Group, in line with the regulations that apply to it and applicable best practices, has an Internal Control System that is composed of instruments, organisational structures, company rules and regulations targeted at allowing, through an adequate process of company risk identification, measurement, management and monitoring, sound, correct company management consistent with the pre-established performance targets and protection of company assets as a whole.
The Group Internal Control System is based on control bodies and departments, information flows and mechanisms to involve the applicable parties and Group governance mechanisms. More specifically, the Group has structured its internal control organisational model by aiming to ensure integration and coordination between the actors within the internal control system, in compliance with the principles of integration, proportionality and cost-effectiveness.
The Internal Control System of the doValue Group envisages the centralisation at the Parent Company of the second-level Corporate Control Functions (i.e., Financial Reporting Officer, Anti-money Laundering) and the third-level Corporate Control Function (i.e., Internal Audit). The Internal Control System of the doValue Group also envisages the presence of Corporate Functions with control tasks, which consist of all the Structures/ Functions involved in the management of the internal control system, overseeing specific regulatory/risk areas, such as Operational Risk Management and Compliance & DPO of the Parent Company. This choice was made because of the need to implement, in addition to robust strategic coordination, an equally incisive coordination of the Group's Internal Control System. 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 separated from other organisational units; they have the authority, economic and physical resources, as well as the necessary skills to perform their tasks. They report hierarchically to the Bodies with strategic supervision and management functions of the Parent Company doValue S.p.A. - specifically, the second-level Corporate Control Functions report to the Chief Executive Officer, while the third-level Corporate Control Functions report to the Board of Directors - and functionally to the Bodies with strategic supervisory functions of the Group Companies, as well as coordinating their activities with the Control Bodies of the same.
It is envisaged that the Corporate Control Functions include in their respective activity plans, each for its own mission, audits and/or consultancy activities at consolidated level aimed at ascertaining the compliance of the behaviour of the Subsidiaries in relation to the guidelines given by the Parent Company within the scope of management and coordination as well as the specific regulations applicable to them.
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. To that end, the Chief Executive Officer in particular also performs the functions of Director in charge of supervising the operation of the internal control and risk management system in accordance with the Corporate Governance Code. 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.
The structure of the Group’s Internal Control System is divided into three levels:

- third-level controls, entrusted to the Internal Audit Function, within the Internal Control Department, 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;
- second-level controls headed by the Anti-money-laundering Department (within the Internal Control Department) and the Financial Reporting Officer, 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 provisions of the law (including self-regulation) and Internal Regulations. In addition to the adequacy of the internal control system on financial reporting within the Group and the administrative and accounting procedures for the preparation of the financial statements and the consolidated financial statements, as well as any other financial communication;
- 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 an internal control and risk management system is also consistent with the provisions of the Borsa Italiana Corporate Governance Code, which the Parent Company doValue decided to adopt 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 and Supervisory Body

The Board of Directors ensures the effective implementation of the Internal Control System model, by assessing and approving the actions necessary to implement or modify it. For the identification of these actions, the Board of Directors avails itself of the support of the Supervisory Body.
The Board of Directors, having heard the opinion of the Supervisory Body, amends the model of the Internal Control System if significant violations of the provisions contained therein have been identified that highlight the inadequacy, even partial, to guarantee effective prevention. of the offences pursuant to Legislative Decree 231/2001 and updates, in whole or in part, the contents of the model if changes occur in the organisation, in the business or in the reference regulatory context.
The effective and concrete implementation of the Internal Control System is also guaranteed by the Supervisory Body, in exercising the powers of initiative and control conferred on it over the activities carried out by the individual Corporate Functions, as well as by the corporate bodies and by the heads of the various Corporate Functions, which propose changes to the procedures under their responsibility to the competent Functions, when these changes appear necessary for the effective implementation of the system. The relevant procedures and amendments must be promptly communicated to the Supervisory Body.
However, the Supervisory Body has the right to make any changes deemed necessary to the protocols by providing information to the Board of Directors and proposing changes to the information flows from/to the Supervisory Body.

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. In accordance with the governance model adopted by the Group, the Parent Company's Board of Statutory Auditors also performs the functions of the Supervisory Board pursuant to Legislative Decree 231/2001.

Internal Control Department

The Internal Control Department ensures the uniform coordination of risk governance - in accordance with the lines of strategic development being pursued - and conducts – on an ongoing basis – an overall and forward-looking assessment of the adequacy of the controls implemented in corporate processes and systems.
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, Audit and Anti-Money Laundering 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

The Group Internal Audit Function reports directly to the Board of Directors of the Parent Company, has the mission to ensure the uniform coordination of risk governance - in accordance with the lines of strategic development being pursued by the Parent Company - and conducts – on an ongoing basis – an overall assessment of the adequacy of the controls implemented in corporate processes and systems. The Group Internal Audit Function is responsible for:

- ensuring constant and independent supervisory action on the due performance of the operations and the processes of the Parent Company and the Subsidiaries, with the objective of preventing or detecting the arising of anomalous and risky conduct or situations;
- assessing the Internal Control System, its functionality and its suitability to ensure the effectiveness and efficiency of business processes, safeguarding the value of assets and protecting against losses, reliability and integrity of the accounting and management information, compliance of transactions with both the policies established by the corporate governance bodies and with internal and external regulations;
- 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;
- directly supporting the Supervisory Body in carrying out its supervisory tasks on the functioning and observance of the Internal Control System.

Anti-Money Laundering

The Anti-Money Laundering Function (AML) 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 Legislative Decree 231/2001. The Anti-Money Laundering Function directly supports the control activities of the Supervisory Body, 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 Body any critical issues found in the course of its second-level audit activities, with particular reference to those potentially related to risk profiles of the commission of significant offences, as well as monitoring that the competent functions complete the mitigation actions identified in relation to these critical issues.

Financial Reporting Officer

The Financial Reporting Officer is responsible, as provided for in external legislation, for defining and implementing an appropriate internal control system for the financial reporting of the Group and for establishing adequate administrative and accounting procedures for the preparation of the annual financial statements and the consolidated financial statements, as well as any other communication of a financial nature.
The Financial Reporting Officer periodically communicates to the competent Corporate Bodies of the Group companies the activities carried out, highlighting any points of attention and the actions taken to overcome them.
As part of his annual report, the Financial Reporting Officer communicates the scope of the companies and sensitive processes subject to testing, specifying any quantitative and qualitative assessments that have led to a change in the same with respect to the precise application of the methodological rules.
It also communicates the results of the assessments of reliability and adequacy of the internal control system on accounting and financial reporting, functional to the certifications required by the regulations.
The Financial Reporting Officer also certifies, together with the Chief Executive Officer, the adequacy and effective application of these administrative and accounting procedures for the financial statements of the Parent Company, the consolidated financial statements and the interim consolidated financial statements for the period to which they refer, as well as the reliability of the data they contain and their compliance with applicable accounting standards.
Finally, this Function verifies and certifies, with a specific declaration, that the information in the Company's communications to the market concerning the financial statements, including interim reports, is consistent with the Company's accounting documents, books and registers.

Other corporate functions with control duties

The Operational Risk Management and the Compliance & DPO functions of the Parent Company are among the Corporate Functions of the Parent Company involved in the management of the internal control system, monitoring specific regulatory/risk areas.

Compliance &DPO

Compliance & DPO is obliged to see to the recognition, monitoring and control of the risk of non-compliance with the rules under its remit (for example, protection of personal data, anti-corruption), providing advice and support to the operating and business structures as well as preparing the necessary periodic disclosure for the Corporate Bodies.

Operational Risk Management

The Function is responsible for overseeing the management of significant risks to which the Parent Company's activities are exposed, with specific regard to operational risks. It defines the associated guidelines and identifies and monitors those risks, using suitable methodological approaches, procedures and tools and providing appropriate reporting to the Corporate Bodies.

Financial **risks**

CREDIT RISK

Credit risk is the risk that a counterparty will not fulfil its obligations linked to a financial instrument or a commercial contract, therefore leading to a financial loss. This risk mainly derives from economic and financial factors, or from the possibility of a default situation of a counterparty.
The Group is exposed to credit risk deriving mainly from its operating activities, i.e. from trade receivables and, to a lesser extent, from its financing activities, deposits with leading banks and financial institutions and other financial instruments, as well as reduced non-performing positions owned.
Trade receivables, which are at very short term and are settled with payment of the related invoice, are essentially attributable to servicing contracts under which the Group companies accrue receivables in respect of their counterparties, who may default due to insolvency, economic events, liquidity shortages, operational deficiencies or other reasons.
In order to limit this risk, the Group monitors the positions of individual customers, analyses expected and actual cash flows in order to promptly undertake any recovery actions.
Pursuant to IFRS 9, at each reporting date, these receivables are subject to an assessment aimed at verifying whether there is evidence that the carrying amount of the assets cannot be fully recovered.
As at June 30, 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 Law 130/1999.
For a quantitative analysis, please see the note on trade receivables.
With regard to individual non-performing positions, which concern a marginal number of positions acquired over time, the procedures and tools supporting the activity of the workout units always enable position managers to prepare accurate forecasts of the amounts and timing of expected recoveries on the individual relationships in accordance with the state of progress in the recovery management process. These analytical evaluations take account of all the elements objectively connected with the counterparty and are in any case conducted by the position managers in compliance with the principle of sound and prudent management.

As regards the credit risk relating to relations with banks and financial institutions, the Group only uses interlocutors with a high credit standing.

LIQUIDITY RISK

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

(€/000)

	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	6/30/2021	12/31/2020 RESTATED
Loans and other financing	-	5,525	80,840	422,254	-	508,619	543,052
Bank loans	-	-	80,840	163,496	-	244,336	284,196
Due to other lenders	-	4	-	4,284	-	4,288	11
Bonds	-	5,521	-	254,474	-	259,995	258,846
Other financial liabilities	22	23,996	23,693	22,324	1,172	71,207	76,065
Lease liabilities	22	607	6,001	17,793	152	24,575	28,793
Earn-out	-	-	17,489	4,416	1,020	22,925	22,807
Put option on non-controlling interests	-	23,389	-	-	-	23,389	24,011
Hedging derivatives	-	-	203	115	-	318	454
Trade payables	3,142	37,225	21,714	-	-	62,081	51,824
Other current liabilities	5,966	17,276	11,812	27,549	-	62,603	65,872
Total	**9,130**	**84,022**	**138,059**	**472,127**	**1,172**	**704,510**	**736,813**

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 changes 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 price risk on equity securities. The financial instruments affected by market risk include loans and financing, deposits, debt and equity instruments and financial derivative instruments.

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

In order to neutralise the exposure to the risk of changes in interest rates, the Group made use of the subscription of Interest Rate Swaps (IRSs), where the Group agrees to exchange, at defined intervals, the difference in the amount between the fixed rate and the floating rate calculated by reference to an agreed amount of notional principal. These swaps are designated to hedge the underlying debt.

The fair value delta of the derivative instruments at June 30, 2021 amounting to +€104 thousand, was recognised directly under the other components of the statement of comprehensive income. The interest rate subject to hedging is 6M Euribor and the details of the financial instruments being hedged are set out under Note 12 "Loans and other financing" while the details of the hedging instruments are set out under Note 13 "Other financial liabilities".

SECURITISATIONS

On September 30, 2016, the assignment of the non-performing portfolio of the Parent Company doValue to the securitisation vehicle Romeo SPV S.r.l. ("Romeo") was finalised. Romeo was established pursuant to 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.

As originator, doValue has subscribed a nominal value of notes equal to 5% of the total securities issued in order to comply with the provisions of the retention rule referred to in Regulation (EU) 575/2013 (the CRR).

In both transactions, doValue plays the role of Servicer and Administrative Services Provider.

At the same time as the acquisition of Eurobank FPS (now doValue Greece), in June 2020 mezzanine notes of the 3 Cairo securitisations (Cairo I, Cairo II and Cairo III) were subscribed, the securities of which are backed by state guarantees ("Asset Protection Scheme"). The originator of this transaction is Eurobank, which sold €7.4 billion of performing and non-performing loans.

In December 2020, mezzanine and junior ABS securities were also subscribed for the Relais securitisation, which concerns lease receivables sold by UniCredit. However, these notes were sold in February 2021, while the Group maintained the roles of Master Servicer (performed by Italfondiario) and Special Servicer (performed by doValue).

ASSETS ALLOCATED FOR A SPECIFIC BUSINESS ACTIVITY

"Vitruvian" asset allocated for a specific business activity

On March 16, 2021, the subsidiary Italfondiario S.p.A. collected funds deriving from a special purpose loan payable, taken out with Vitruvian Investments SA and regulated by Articles 2447-bis, paragraph 1, letter B and 2447–decies of the Italian Civil Code.

In consideration of the typical limited recourse arrangement of this loan, it emerged that the credit risk assumed by Italfondiario is essentially nil.

In particular, the specific business activity forming the object of the special purpose loan provided by Vitruvian to Italfondiario of €4.3 million, is aimed at allowing the disbursement of new pre-deductible finance pursuant to Article 182-quater of Royal Decree 267 of March 16, 1942 by Italfondiario in the restructuring procedure launched in accordance with Article 182-bis of Royal Decree 267 of March 16, 1942 by the borrower, and in particular:

a. disbursement of a medium/long-term loan of €1.7 million, with repayment in quarterly instalments from December 2021 and by December 2024;
b. opening of a credit line of up to a total of €2.5 million, expiring on December 31, 2023.

Interest income accrues at a fixed rate of 500 bps (5%) on the medium/long-term credit line, while interest income accrues at a fixed rate of 300 bps (3%) on the credit line for the advance payment of invoices.
By contrast, interest accrues on the special purpose loan for an amount corresponding to the amount collected by Italfondiario relating to the business activity in the form of interest on the new financing.

Pursuant to and in accordance with Article 2447-decies of the Italian Civil Code, a copy of the special purpose loan agreement was published in the Register of Companies.
For the initial structuring of the transaction Italfondiario SpA has already collected a fee of €40 thousand.
As at June 30, 2021, the medium/long-term loan of €1.7 million was disbursed, while the credit line was totally used.

Details of the items in the balance sheet as at June 30, 2021 relating to this special purpose loan are shown below, whose amount in the income statement is equal to zero due to the full of offsetting of the interest income and interest expense both recognised in the item "financial (expenses)/income".

(€/000)

	6/30/2021
Non-current assets	
Non-current financial assets	4,284
Total non-current assets	**4,284**
Current assets	
Total assets	**4,284**
Non-current liabilities	
Loans and other financing	4,284
Total non-current liabilities	**4,284**
Total liabilities	**4,284**
Total Net Equity and liabilities	**4,284**

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 Operations Department of the Parent Company contains the Operational Risk Management structure with the aim of contributing to the realisation of the overall mission of that department, guaranteeing constant monitoring and proactive management of risks relating to the business processes and support and their possible impact in terms of provisions and operational losses.
The Function is therefore responsible for overseeing the management of significant risks to which the Parent Company's activities are exposed, with specific regard to operational risks. It defines the associated guidelines and identifies and monitors those risks, using suitable methodological approaches, procedures and tools and providing appropriate reporting to the Corporate Bodies, consistent with the approach set out in the broader doValue Control System.
The governance structure for operational risks envisages not only the direct involvement of senior management but also an Operational Risks Committee, which is responsible for doValue, proposing measures to address the risks detected, examining operational risk reports, recommending control procedures and limits on operational risks and monitoring risk mitigation actions.
In order to manage operational risks, doValue has implemented a structured set of processes, functions and resources dedicated to:

- the collection, registration 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 range.
Finally, the Parent Company has set up a reporting system with different reporting dates and levels of detail that ensures timely reporting on operational risks to the Corporate Bodies and the heads of the organisational functions involved.
Similarly, a risk management framework compliant with Circular no. 288 of April 3, 2015 of the Bank of Italy that provides for the management of operational risk identification processes, not unlike those of the Parent Company, has also been implemented at the Italfondiario subsidiary, which is entered the register of financial intermediaries pursuant to Article 106 of the Consolidated Banking Act, and the register of payment institutions pursuant to Article 114 - septies of the Consolidated Banking Act.

Capital management

For the purposes of the management of the Groups capital, it was defined that this includes the share premium reserve and all other reserves attributable to the shareholders of the Parent Company. The main objective of capital management is to maximise value for shareholders, safeguard business continuity, as well as support the development of the Group.
The Group therefore intends to maintain an adequate level of capitalisation, which at the same time makes it possible to achieve a satisfactory economic return for shareholders and to guarantee efficient access to external sources of financing.
The Group constantly monitors the evolution of the level of indebtedness to be compared to shareholders 'equity and taking into account the generation of cash from the businesses in which it operates.
There are currently no financial covenants linked to a gearing ratio, i.e. the ratio between the net debt and the total capital plus the net debt, illustrated below.

(€/000)

	6/30/2021	12/31/2020 RESTATED
Loans and other financing (Note 12)	508,619	543,052
Other financial liabilities (Note 13)	71,207	76,065
Trade payables (Note 16)	62,081	51,824
Other liabilities (Note 17)	62,603	65,872
Less: cash and cash equivalents	(116,537)	(132,486)
Net debt (A)	**587,973**	**604,327**
Equity	143,349	161,303
Equity and net debt (B)	**731,322**	**765,630**
Gearing ratio (A/B)	**80%**	**79%**

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

The gearing ratio in the first half of 2021 is substantially stable compared to that of 2020.
The table below reconciles the **Net debt** figure shown in the previous table with the **Net financial indebtedness** presented in Note 13 of the "Information on the consolidated balance sheet".

(€/000)

	6/30/2021	12/31/2020 RESTATED
Net financial indebtness (Note 13)	**463,289**	**480,733**
Trade payables (Note 16)	62,081	51,824
Other liabilities (Note 17)	62,603	65,872
Current financial assets (Note 3)	-	5,898
Net debt (A)	**587,973**	**604,327**

6. SEGMENT REPORTING

INTRODUCTION

In accordance with IFRS 8, segment reporting was prepared as a breakdown of revenues by region, intended as the location in which services are provided.
Following the last acquisitions of companies within Europe (Altamira at the end of June 2019 and doValue Greece - previously Eurobank FPS – at June 5, 2020), the southern European business area was broken down by geographical areas.

(€/000)

First Half 2021	Italy	Greece & Cyprus	Spain & Portugal	Infrasector	Group
Revenue from contracts with customers	70,607	87,677	83,848	(11,298)	230,834
Other revenues	11,388	771	10,681	(2,382)	20,458
Total revenue	**81,995**	**88,448**	**94,529**	**(13,680)**	**251,292**
Costs for services rendered	(5,338)	(3,490)	(19,287)	-	(28,115)
Personnel expenses	(48,722)	(33,262)	(33,887)	315	(115,556)
Administrative expenses	(21,731)	(11,663)	(14,800)	1,678	(46,516)
Other operating (expense)/income	740	-	(9)	4	735
Depreciation, amortisation and impairment	(5,773)	(15,988)	(30,361)	13,261	(38,861)
Provisions for risks and charges	54	-	3	-	57
Total costs	**(80,770)**	**(64,403)**	**(98,341)**	**15,258**	**(228,256)**
Operating income	**1,225**	**24,045**	**(3,812)**	**1,578**	**23,036**
Financial (expense)/income	(5,379)	(1,198)	(4,193)	1,039	(9,731)
Dividends and ordinary similar income	-	-	7,382	(7,382)	-
Profit (loss) before tax	**(4,154)**	**22,847**	**(623)**	**(4,765)**	**13,305**
Income tax expense	880	(42)	(11)	(2,578)	(1,751)
Net Profit (loss) from continuing operations	**(3,274)**	**22,805**	**(634)**	**(7,343)**	**11,554**
Net profit (loss) for the period	**(3,274)**	**22,805**	**(634)**	**(7,343)**	**11,554**
Total assets	**(824,259)**	**(442,287)**	**(307,952)**	**498,392**	**(1,076,106)**
Total liabilities	**603,516**	**254,860**	**287,155**	**(244,400)**	**901,131**

7. BUSINESS COMBINATIONS

Business combinations completed **in the period**

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

Therefore, business combinations involving company enterprises or business branches already controlled directly or indirectly by doValue as part of the Group's internal re-organisations are also reported here. These transactions, which do not have economic substance, are accounted for in the financial statements of the seller and the buyer on a predecessor value basis.

No external or internal business combinations were recorded in the first half of 2021.

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

The doValue Group did not carry out any business combinations after June 30, 2021.

Retrospective **adjustments**

In the first half of 2021, retrospective adjustments were made to business combinations carried out in previous years.
In particular, the retrospective adjustments concerned the values relating to the acquisition completed on June 5, 2020 of 80% of the share capital of Eurobank Financial Planning Services (FPS), now doValue Greece, whose fair value was made definitive one year on from the business combination.
These retrospective adjustments are reflected in the "restatement" adjustments to the balance sheet as at December 31, 2020 and the income statement as at June 30, 2020, whose reconciliation with that published in the 2020 Consolidated Financial Statements and the Consolidated half-year Report as at June 30, 2020 is set out below.

(€/000)

	6/30/2020	RESTATEMENT ADJs	6/30/2020 RESTATED
Revenue from contracts with customers	143,691	550	144,241
Other revenue	21,305	-	21,305
Total revenue	**164,996**	**550**	**165,546**
Costs for services rendered	(19,851)	-	(19,851)
Personnel expenses	(84,055)	-	(84,055)
Administrative expenses	(39,006)	-	(39,006)
Other operating (expense)/income	(59)	-	(59)
Depreciation, amortisation and impairment	(32,911)	(3,834)	(36,745)
Provisions for risks and charges	485	-	485
Total costs	**(175,397)**	**(3,834)**	**(179,231)**
Operating income	**(10,401)**	**(3,284)**	**(13,685)**
Financial (Expense)/Income	(6,640)	-	(6,640)
Profit (Loss) before tax	**(17,041)**	**(3,284)**	**(20,325)**
Income tax expense	(1,763)	788	(975)
Net profit (loss) from continuing operations	**(18,804)**	**(2,496)**	**(21,300)**
Profit (Loss) for the period	**(18,804)**	**(2,496)**	**(21,300)**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company	(16,409)	(1,997)	(18,406)
o.w. Profit (loss) for the period attributable to Non-controlling interests	(2,395)	(499)	(2,894)

(€/000)

	12/31/2020	RESTATEMENT ADJs	12/31/2020 RESTATED
Non-current assets			
Intangible assets	577,460	(13,324)	564,136
Property, plant and equipment	36,121	-	36,121
Non-current financial assets	64,961	-	64,961
Deferred tax assets	94,702	8,248	102,950
Other non current assets	1,646	-	1,646
Total non-current assets	**774,890**	**(5,076)**	**769,814**
Current assets			
Inventories	55	-	55
Current financial assets	5,898	-	5,898
Trade receivables	175,155	-	175,155
Tax assets	21,874	-	21,874
Other current assets	16,172	-	16,172
Cash and cash equivalents	132,486	-	132,486
Total current assets	**351,640**	**-**	**351,640**
Assets held for sale	**30**	**-**	**30**
Total assets	**1,126,560**	**(5,076)**	**1,121,484**
Shareholders' Equity			
Share capital	41,280	-	41,280
Valuation reserve	(215)	-	(215)
Other reserves	145,377	5,371	150,748
Treasury shares	(103)	-	(103)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(21,943)	(8,464)	(30,407)
Net Equity attributable to the Shareholders of the Parent Company	**164,396**	**(3,093)**	**161,303**
Net Equity attributable to Non-controlling interests	**41,264**	**(13,521)**	**27,743**
Total Net Equity	**205,660**	**(16,614)**	**189,046**
Non-current liabilities			
Loans and other financing	456,676	-	456,676
Other non-current financial liabilities	31,380	(7,087)	24,293
Employee benefits	16,341	124	16,465
Provisions for risks and charges	55,110	32,236	87,346
Deferred tax liabilities	77,466	(13,735)	63,731
Total non-current liabilities	**636,973**	**11,538**	**648,511**
Current liabilities			
Loans and other financing	86,376	-	86,376
Other current financial liabilities	51,772	-	51,772
Trade payables	51,824	-	51,824
Tax payables	28,083	-	28,083
Other current liabilities	65,872	-	65,872
Total current liabilities	**283,927**	**-**	**283,927**
Total liabilities	**920,900**	**11,538**	**932,438**
Total Net Equity and liabilities	**1,126,560**	**(5,076)**	**1,121,484**

Eurobank FPS (now doValue Greece)

On June 5, 2020, the Group purchased 80% of the share capital with voting rights of Eurobank Financial Planning Services (FPS), now doValue Greece. This acquisition occurred through a company - doValue Greece Holding - wholly owned by doValue S.p.A.; it was subsequently merged in the investee in December 2020, through a reverse merger transaction.

After one year from the acquisition date, the final fair value of net assets of doValue Greece at the acquisition date, determined in June 2021, is set out as below.

(€/000)

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

The process of gathering and analysing information useful for valuation purposes was completed in June 2021, one year after the transaction and within the deadlines envisaged by international accounting standards.

The table below summarizes the results of the definitive Purchase Price Allocation (PPA) exercise according to the partial goodwill approach:

(€/000)

Partial Goodwill - Purchase Price Allocation	
Purchase Price (80%)	221,390
(-) Equity (80%)	(425)
Excess of Purchase Price	**220,965**
Fair value of identified intangible assets	215,188
(-) DTL	(51,645)
(-) Fair value adjustments on liabilities	(36,612)
DTA	8,787
Net fair value of identified intangible assets	**135,717**
Goodwill after PPA	**112,391**
Non-controlling interests	**27,143**

With the definitive Purchase Price Allocation (PPA) exercise the following were identified:

- intangible assets relating to Special and Master Servicing contracts, for the management of portfolios of impaired exposures;
- a potential liability existing at the Closing Date related to the repayment from doValue Greece to Eurobank of a specific fee ("Curing Fee") potentially due on the existing stock on loans acquired at the Closing Date, as provided for in the Eurobank Service Level Agreement (SLA). Therefore a provision was recognized in order to account for possible future outflows related to such repayment;
- workforce, considered part of goodwill pursuant to IFRS 3R. This value was calculated in order to identify the contribution relative to the Special and Master Servicing contracts.

The other intangible assets, recognized in the Company's financial statements at the reporting date, refer to computer software licenses, to which a fair value was not attributed as they were acquired and not generated internally.

The definitive fair value of the intangible assets linked to the servicing contracts amounts to €215.2 million and is attributable to 7 contracts.

The determination of the definitive fair value of the contracts is the result of the valuation performed using the "Multi-Period Excess Earnings Method" (MEEM), which discounts the value of the net cash flows specifically attributable to these active contracts. The discount rate, corresponding to the Weighted Average Cost of Capital "WACC", which expresses the expected return on the financial resources used in the Company (by way of risk capital and debt) on the basis of the financial structure adopted as a reference, it is 10.6% where the cost of debt is 2.55% and the cost of equity is 8.04%.

The table below compares the provisional values presented as at December 31, 2020 and the final values updated as at June 30, 2021 and reported in the previous table.

(€/000)

	Fair value of acquisition exposed at December 31, 2020	New valuation	Fair value of acquisition exposed at June 30, 2021
Non-current assets			
Intangible assets	255,937	(40,553)	215,384
of which Other Intangible Assets	255,937	(40,553)	215,384
> servicing contracts (SLAs)	255,937	(40,553)	215,384
Property, plant and equipment	9,080	0	9,080
Non-current financial assets	210	(35)	175
Deferred tax assets	2,199	10,693	12,892
Other non current assets	315	0	315
Total non-current assets	**267,741**	**(29,895)**	**237,846**
Current assets			
Trade receivables	14,520	(1,079)	13,441
Tax assets	5,039	(0)	5,039
Other current assets	537	(14)	523
Cash and cash equivalents	3,518	(0)	3,518
Total current assets	**23,614**	**(1,093)**	**22,521**
Total assets	**291,355**	**(30,988)**	**260,367**
Non-current liabilities			
Other non-current financial liabilities	8,391	(1,209)	7,182
Employee benefits	9,927	(3,805)	6,122
Provisions for risks and charges	555	34,528	35,083
Deferred tax liabilities	61,378	(7,799)	53,579
Total non-current liabilities	**80,251**	**21,715**	**101,966**
Current liabilities			
Loans and other financing	-	1,209	1,209
Trade payables	5,561	326	5,887
Tax payables	4,053	(381)	3,672
Other current liabilities	8,445	2,939	11,384
Total current liabilities	**18,059**	**4,093**	**22,152**
Total liabilities	**98,310**	**25,808**	**124,118**
Total net identifiable assets at fair value	**193,045**	**(56,796)**	**136,249**
Non-controlling interests measured at fair value	**(38,609)**	**11,359**	**(27,250)**
Goodwill arising from acquisition	**68,486**	**43,905**	**112,391**
Acquisition price	**222,922**	**(1,532)**	**221,390**
Earn-out	(12,006)	6,824	(5,182)
Acquisition price paid	**210,916**	**5,292**	**216,208**

In summary, the definitive PPA exercise entailed, with respect to the situation disclosed with reference to December, 31 2020 and reflected in the consolidated financial statements for this date:

- a decrease of around €40.6 million in the value of definite-life intangible assets and an increase of goodwill of around €43.9 million, substantially depending on a more accurate estimate of the cost components related to the management of the servicing portfolio;
- a decrease of around €9.7 million in deferred tax liabilities related to servicing contracts (also in this case mainly linked to a more accurate estimate of the cost components that affect the forecast results being observed) and a decrease of €11.4 million in minority interests;
- the recognition of a provision of around €34.5 million, and related deferred tax assets equal to €8.3 million, following a more accurate understanding of some clauses of the SLA signed between doValue Greece and Eurobank related to the "Curing Fee" and in accordance with the IFRS 15 accounting standard as regards the variable fees.

Transaction costs of €5.2 million were charged to the consolidated income statement as at December 31, 2020 under “Administrative expenses”.

The following table shows final cash flows for the acquisition.

(€/000)

Breakdown of acquisition cash flows	
Net liquidity acquired with the subsidiary	3,518
Price paid	(210,916)
Price adjustment	(5,291)
Total acquisition cash flows	**(212,689)**

The price adjustment of €5.3 million that increases the doValue Greece purchase price was determined following the Share Purchase Agreement which states that any Net Economic Benefit must be paid by one party to the other on the basis of the calculation provided for by the agreement itself. This adjustment, in the definitive PPA, was calculated according to the best estimate to date of the Net Economic Benefit and could undergo slight adjustments until the closing date, scheduled for September 2021. Any subsequent adjustments will be attributed to consolidated income statement in the second half of 2021.

The payment of a deferred price (Earn-out) is also envisaged, linked to the achievement of certain EBITDA targets over a time horizon of ten years. Any Earn-Out payments will not be due before 2024 and will be related to the achievement of a performance higher than the current business plan expectations.
The Earn-out portion, which amounted to €5,4 million as at June 30, 2021 (of which €0,2 million of financial expenses) is recognised at fair value under other financial liabilities, as described in Note 13; it should be noted that this value was also revised at the time of definition of the PPA on the basis of the best estimates of the expected results for the observation periods.

8. 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 part and the entity preparing the financial statements.

Pursuant to IAS 24, significant related parties for the doValue Group include:

- the Parent Company;
- associates, joint ventures and their subsidiaries;
- key management personnel;
- close family members of key management personnel and companies controlled, including jointly, by key management personnel or their close family.

In compliance with Consob Resolution no. 17221 of March 12, 2010, doValue has adopted the "Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group", published on the corporate website of doValue (www.doValue.it), which defines the principles and rules for managing the risk associated with situations of possible conflict of interest engendered by the proximity of certain parties to decision-making centres.
To manage transactions with related parties, doValue has established a Risks and Operations with Related Parties Committee - composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from the non-executive members of the Board of Directors, and with the majority meeting independence requirements - charged with the task of issuing reasoned opinions to the Board of Directors regarding transactions with related parties in the cases governed by the procedure.

RELATED-PARTY TRANSACTIONS

During the period, low-value transactions with related parties of an ordinary nature and lesser importance were carried out, mainly attributable to contracts for the provision of services.
All transactions with related parties carried out in the first half of 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 June 30, 2021, and the items of the income statement, with separate indication for the various types of related parties pursuant to IAS 24.

(€/000)

Financial Transactions	Parent Company	Unconsolidated subsidiaries	Associates	Joint ventures	Key management personnel	Other related parties	Total
Property, plant and equipment	-	-	-	-	-	631	631
Non-current financial assets	-	-	-	-	-	3,258	3,258
Trade receivables	-	-	-	-	-	5,392	5,392
Total assets	**-**	**-**	**-**	**-**	**-**	**9,281**	**9,281**
Trade payables	-	-	-	-	-	(2)	(2)
Other current financial liabilities	-	-	-	-	-	711	711
Total liabilities	**-**	**-**	**-**	**-**	**-**	**709**	**709**

(€/000)

Costs/Revenues	Parent Company	Unconsolidated Subsidiaries	Associates	Joint Ventures	Key management personnel	Other related parties	Total
Revenue from contracts with customers	-	-	-	-	-	4,903	4,903
Other revenues	-	-	-	-	-	2,030	2,030
Administrative expenses	-	-	-	-	-	(111)	(111)
Financial (Expense)/Income	-	-	-	-	-	461	461
Depreciation, amortisation and impairment	-	-	-	-	-	(541)	(541)
Total	**-**	**-**	**-**	**-**	**-**	**6,742**	**6,742**

With 25.05% of the shares, the ultimate **parent company** is Avio S.a r.l., a company incorporated under Luxembourg law that is affiliated with the Fortress Group, which in turn was acquired by Softbank Group Corporation in December 2017.
Avio S.a r.l. does not exercise any management or coordination powers over doValue pursuant to Article 2497 et seq. of the Italian Civil Code.

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

- Securitisation SPVs: the Group carries out Master Servicing and Structuring activities: i.e. administrative, accounting, cash management and reporting services in support of the securitisation of loans; structuring services for securitisation transactions under Law 130/1999 as well as performing the role of authorised entity in securitisation transactions. Some of these vehicles, in particular those linked to Softbank, fall within the scope of related parties and for the first half of 2021 the amount of revenues from contracts with customers for this category of customers amounts to €4.9 million, while sundry revenues are equal to €1.1 million with corresponding trade receivables of €3.4 million as at June 30, 2021; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €3.3 million of financial assets and €474 thousand of financial income are also recorded;
- Torre SGR S.p.A.: the company rents the Group certain properties for one of the main offices in Rome. This contract is accounted for in accordance with IFRS 16, with amortisation/depreciation of €541 thousand and financial expense of €13 thousand. During the period, administrative costs were also recorded, related to those building, for €111 thousand. The balancing entries are recorded under property, plant and equipment (€631 thousand), under other financial liabilities (€711 thousand);
- FIG LLC: doValue carries out due diligence services for the company and in the first semester of 2021 accrued revenues of €468 thousand and trade receivables of €1.2 million at the end of the period;
- ReoCo: doValue manages property assets for certain ReoCo (real estate owned companies), with revenue from contracts with customers and other revenue during the period of €434 thousand and trade receivables of €638 thousand.

CERTIFICATIONS AND REPORTS

Consolidated Half-Yearly 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, as the Financial Reporting Officer with preparing the financial reports of doValue S.p.A.;

of also in compliance with Art.154-bis, (paragraphs 3 and 4) of Italian Legislative Decree No.58 of 24 February 1998, do hereby certify:

- the adequacy in relation to the Legal Entity's features and
- the actual application of the administrative and accounting procedures employed to draw up the to draw up the 2021 Consolidated Half-Yearly Financial Statements.

2. The adequacy of administrative and accounting procedures employed to draw up the 2021 Consolidated Half-Yearly Financial Statements has been evaluated by applying a model developed by doValue SpA, in accordance with "Internal Control - Integrated Framework (CoSO)" and with the "Control Objective" for IT and Related Technologies (Cobit) ", which represent reference standards for the internal control system and for financial reporting, generally accepted internationally.

3. The undersigned also certify that:

3.1 the 2021 Consolidated Half-Yearly Financial Statements:

a) were prepared in compliance with applicable international accounting standards recognised by the European Community pursuant to European Parliament and Council Regulation No.1606/2002 of 19 July 2002;

b) correspond to the results of the accounting books and records;

c) are suitable to provide a fair and correct representation of the economic and financial situation of the issuer and of the group of companies included in the scope of consolidation;

3.2 the interim management report contains at least references to the important events that occurred in the first six months of the year and their impact on the condensed half-yearly financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. For issuers of listed shares with Italy as the home Member State, the interim management report also contains information on significant transactions with related parties.

Roma, August 04, 2021

Andrea Mangoni

Chief Executive Officer

Elena Gottardo

Financial Reporting Officer

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Building a better working world

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

To the Shareholders of
doValue S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the balance sheet as of June 30, 2021, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and cash flows for the period then ended and the related explanatory notes, of doValue S.p.A. and its subsidiaries (the "doValue Group"). The Directors of doValue S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of doValue Group as of June 30, 2021 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Verona, August 4, 2021

EY S.p.A.

Signed by: Marco Bozzola, Auditor

This report has been translated into the English language solely for the convenience of international readers.