E-MARKET SDIR CERTIFIED

doValue

Consolidated Half-year Report

JUNE 30, 2022

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] CRISTINA FINOCCHI MAHNE [3]

BOARD OF STATUTORY AUDITORS

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

AUDIT FIRM	**EY S.p.A.**
Financial Reporting Officer	DAVIDE SOFFIETTI

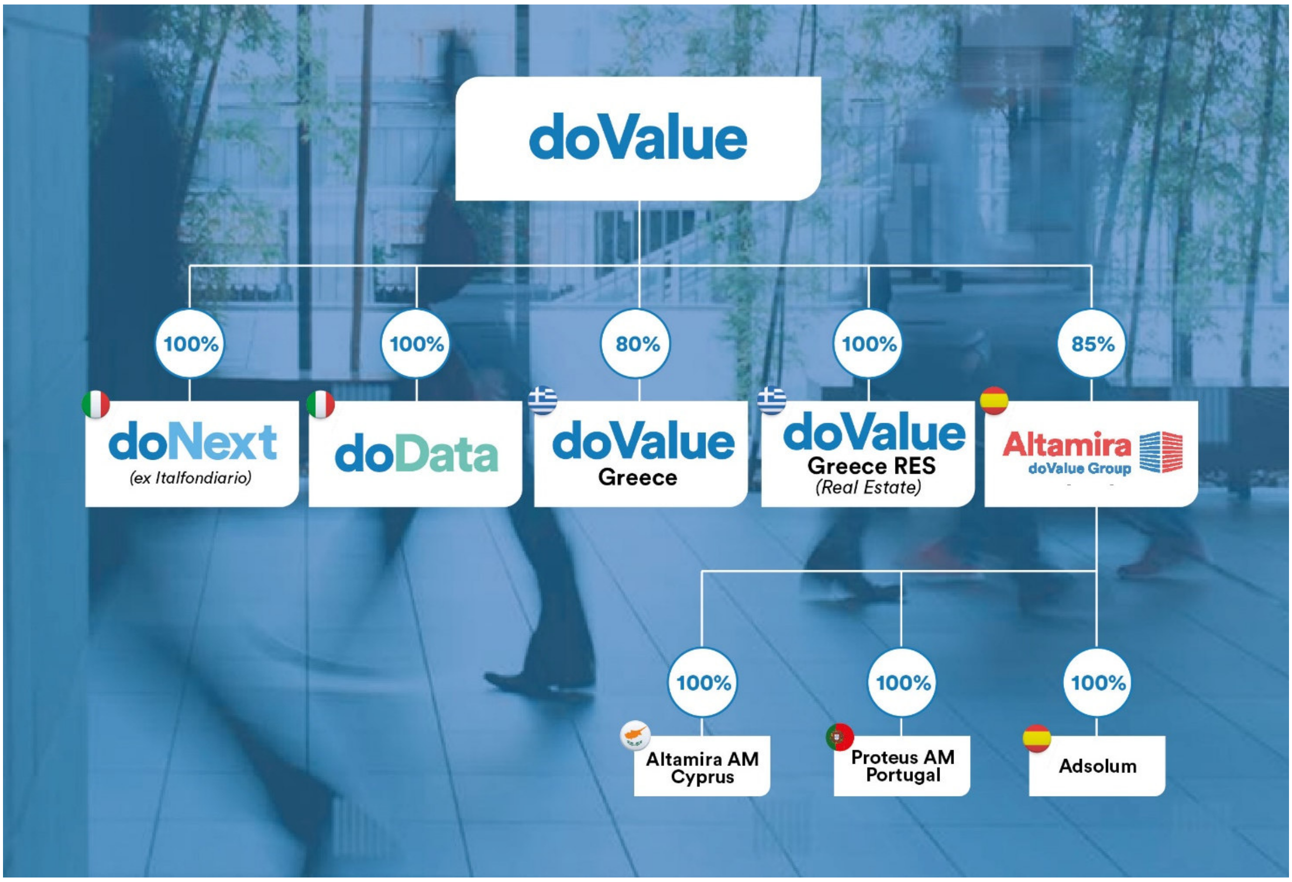
At the date of approval of this document

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

GROUP STRUCTURE

doValue is one of the main players in Southern Europe providing services to banks and investors for the management of loans and real estate assets (Servicing) with assets under management equal to about €150 billion as at June 2022 (Gross Book Value).

The structure of the Group at June 30, 2022, as shown in the following diagram, reflects the organic and external growth and diversification of doValue over more than 20 years of operations.



The Parent Company doValue S.p.A., a servicing company governed by Article 115 of the T.U.L.P.S.[1], and its subsidiaries carry out servicing activities for "Performing Loans" (PL), "Early Arrears", "Unlikely-To-Pay" (UTP), "Non-Performing Loans" (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 (now doNext), active since 2000 in partnership with leading specialized 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 securitizations 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.

In May 2022, doValue was granted admission to trading for its ordinary shares on the Euronext STAR Milan segment of the Euronext Milan market.

[1] Italian Consolidated Law on Public Security

doValue: a story of **growth and diversification**

GBV		
€ 77 bn	2017	Listing on the Italian Stock Exchange (now Euronext Milan)
€ 82 bn	2018	doBank enters the Greek servicing market and announces the acquisition of Altamira Asset Management, active in Spain, Portugal and Cyprus
€ 132 bn	2019	doBank gives up its banking license and takes on the name doValue, completes the acquisition of Altamira and becomes market leader in Southern Europe doValue announces the acquisition of Greek servicer FPS Loans and Credits Claim Manage
€ 158 bn	2020	doValue completes the acquisition of FPS (today doValue Greece) and becomes market leader in Greece doValue has completed the issue of a senior guaranteed bond loan
€ 150 bn	2021	doValue sign an agreement for the investment in a stake of c.10% in Brazilian fintech company QueroQuitar doValue completes the issuance of its second senior secured bond doValue acquires an approximately 15% stake in Irish proptech company BidX1
€ 150 bn	2022	doValue admitted to the STAR segment of Euronext Milan

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 provides services to Banks and Investors over the entire life-cycle of loans and real estate assets.
doValue is Southern Europe's leading servicer, with about €150 billion (Gross Book Value) in assets under management and a track record spanning over more than 20 years.
Its business model is 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 utilizing 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 maximizing profitability through sale or lease.
- **"UTP Servicing"**: administration, management and restructuring of loans classified as unlikely-to-pay, on behalf of third parties, with the aim of returning them to performing status; this activity is primarily carried out by the doNext subsidiaries pursuant to art. 106 T.U.B. (Italian Single Banking Act) (financial intermediary) and doValue Greece, pursuant to the Greek law 4354/2015 (NPL Servicer under the license and supervision of the Bank of Greece);
- **"Early Arrears and Performing Loans Servicing"**: the management of performing loans or loans past due by less than 90 days, not yet classified as non-performing, on behalf of third parties, with the aim of supporting creditors and ensuring the rapid return of the positions to performing status;
- **"Master Legal"**: management of judicial procedures of all types and degrees in relation to loans, mainly non-performing ones, managed by doValue for third parties;
- **Ancillary Data and Products**: the collection, processing and provision of commercial, real estate and legal information (through the subsidiary doData) on debtors as well as the provision of other services strictly linked to loan recovery activities, including:
  - "Due Diligence": services for the collection and organization 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 securitization of loans; structuring services for securitization transactions as well as performing the role of authorized entity in securitization 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 securitization vehicles.

doValue and doNext (formerly Italfondiario), in their capacity as Special Servicers, have received the following ratings which have been confirmed in February 2022: **"RSS1-/CSS1-"** by Fitch Ratings, and **"Strong"** by Standard & Poor's, which are the highest ratings assigned to Italian operators in the sector. They have been assigned to the two companies since 2008, before any other operator in this sector in Italy.
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 for doValue's €265.0 million and €300.0 million senior bonds maturing in 2025 and 2026.
In July 2022, Fitch confirmed the **BB** rating and improved the **outlook** to "**Positive**".

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 of June 30, 2022.

(€/000)

Key data of the consolidated income statement	6/30/2022	6/30/2021	Change €	Change %
Gross Revenues	271,182	254,196	16,986	7%
Net Revenues	237,884	222,113	15,771	7%
Operating expenses	(155,477)	(149,226)	(6,251)	4%
EBITDA	82,407	72,887	9,520	13%
EBITDA Margin	30%	29%	2%	6%
Non-recurring items included in EBITDA[1)]	(1,312)	(3)	(1,309)	n.s.
EBITDA excluding non-recurring items	83,719	72,890	10,829	15%
EBITDA Margin excluding non-recurring items	31%	29%	2%	8%
EBT	34,803	14,115	20,688	147%
EBT Margin	13%	6%	7%	131%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	22,291	8,547	13,744	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	23,276	13,540	9,736	72%

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

(€/000)

Key data of the consolidated balance sheet	6/30/2022	12/31/2021	Change €	Change %
Cash and liquid securities	121,080	166,668	(45,588)	(27)%
Intangible assets	536,030	545,225	(9,195)	(2)%
Financial assets	59,786	61,961	(2,175)	(4)%
Trade receivables	228,110	206,326	21,784	11%
Tax assets	158,273	152,996	5,277	3%
Financial liabilities	657,149	644,476	12,673	2%
Trade payables	57,966	73,710	(15,744)	(21)%
Tax Liabilities	112,915	113,060	(145)	(0)%
Other liabilities	97,437	104,888	(7,451)	(7)%
Provisions for risks and charges	39,490	44,235	(4,745)	(11)%
Group Shareholders' equity	**144,099**	**156,645**	**(12,546)**	**(8)%**

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

(€/000)

KPIs	6/30/2022	6/30/2021	12/31/2021
Gross Book Value (EoP) - Group	149,901,823	159,546,826	149,486,889
Collections of the period - Group	2,813,456	2,712,071	5,743,101
LTM Collections / GBV EoP - Group - Stock	4.2%	3.7%	4.3%
Gross Book Value (EoP) - Italy	74,939,866	77,939,487	75,965,150
Collections of the period - Italy	878,612	753,075	1,698,356
LTM Collections / GBV EoP - Italy - Stock	2.5%	2.0%	2.4%
Gross Book Value (EoP) - Iberia	37,218,395	45,189,610	41,523,359
Collections of the period - Iberia	1,184,382	1,280,106	2,726,453
LTM Collections / GBV EoP - Iberia - Stock	7.1%	5.1%	6.6%
Gross Book Value (EoP) - Hellenic Region	37,743,563	36,417,699	31,998,380
Collections of the period - Hellenic Region	750,462	678,891	1,318,292
LTM Collections / GBV EoP - Hellenic Region - Stock	5.0%	9.4%	6.0%
Staff FTE / Total FTE Group	43%	40%	44%
EBITDA	82,407	72,887	199,347
Non-recurring items (NRIs) included in EBITDA	(1,312)	(3)	(1,572)
EBITDA excluding non-recurring items	83,719	72,890	200,919
EBITDA Margin	30%	29%	35%
EBITDA Margin excluding non-recurring items	31%	29%	35%
Profit (loss) for the period attributable to the shareholders of the Parent Company	22,291	8,547	23,744
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(985)	(4,993)	(26,977)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	23,276	13,540	50,721
Earnings per share (Euro)	0.28	0.11	0.30
Earnings per share excluding non-recurring items (Euro)	0.29	0.17	0.64
Capex	9,659	7,040	29,640
EBITDA - Capex	72,748	65,847	169,707
Net Working Capital	170,144	131,192	132,616
Net Financial Position	(461,164)	(387,794)	(401,791)
Leverage (Net Debt / EBITDA LTM PF)	2.2x	2.4x	2.0x

KEY

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

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

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

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

EBITDA and Profit (Loss) for the period 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 and Profit (Loss) for the period attributable to Parent Company shareholders excluding non-recurring items: EBITDA and Profit (Loss) attributable to core operations, excluding all items connected with extraordinary operations such as corporate restructuring, acquisitions or disposals of companies, 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.

Capex: investments in tangible and intangible assets.

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

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

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

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

Group Results at June 30, 2022

The following pages show the financial results calculated on a management accounts basis, accompanied by additional information about the performance of the portfolio under management.
At the end of this Directors' Interim Report on Group Operations, we have included a reconciliation between the balance sheet prepared on a management accounts basis reported below and the table included in the consolidated financial statements.

PERFORMANCE

(€/000)

Condensed Income Statement	6/30/2022	6/30/2021	Change €	Change %
Servicing Revenues:	246,399	232,396	14,003	6%
o/w: NPE revenues	207,051	193,427	13,624	7%
o/w: REO revenues	39,348	38,969	379	1%
Co-investment revenues	754	4,134	(3,380)	(82)%
Ancillary and other revenues	24,029	17,666	6,363	36%
Gross revenues	**271,182**	**254,196**	**16,986**	**7%**
NPE Outsourcing fees	(11,841)	(15,336)	3,495	(23)%
REO Outsourcing fees	(14,657)	(11,308)	(3,349)	30%
Ancillary Outsourcing fees	(6,800)	(5,439)	(1,361)	25%
Net revenues	**237,884**	**222,113**	**15,771**	**7%**
Staff expenses	(107,046)	(106,780)	(266)	0%
Administrative expenses	(48,431)	(42,446)	(5,985)	14%
Total "o.w. IT"	*(17,405)*	*(14,901)*	(2,504)	17%
Total "o.w. Real Estate"	*(3,100)*	*(3,282)*	182	(6)%
Total "o.w. SG&A"	*(27,926)*	*(24,263)*	(3,663)	15%
Operating expenses	**(155,477)**	**(149,226)**	**(6,251)**	**4%**
EBITDA	**82,407**	**72,887**	**9,520**	**13%**
EBITDA margin	**30%**	**29%**	**2%**	**6%**
Non-recurring items included in EBITDA[1]	(1,312)	(3)	(1,309)	n.s.
EBITDA excluding non-recurring items	**83,719**	**72,890**	**10,829**	**15%**
EBITDA margin excluding non-recurring items	**31%**	**29%**	**2%**	**8%**
Net write-downs on property, plant, equipment and intangibles	(30,986)	(38,316)	7,330	(19)%
Net provisions for risks and charges	(2,302)	(6,746)	4,444	(66)%
Net write-downs of loans	241	386	(145)	(38)%
EBIT	**49,360**	**28,211**	**21,149**	**75%**
Net income (loss) on financial assets and liabilities measured at fair value	(500)	(543)	43	(8)%
Net financial interest and commissions	(14,057)	(13,553)	(504)	4%
EBT	**34,803**	**14,115**	**20,688**	**147%**
Non-recurring items included in EBT[2]	(1,839)	(6,275)	4,436	(71)%
EBT excluding non-recurring items	**36,642**	**20,390**	**16,252**	**80%**
Income tax for the period	(8,173)	(2,561)	(5,612)	n.s.
Profit (Loss) for the period	**26,630**	**11,554**	**15,076**	**130%**
Profit (loss) for the period attributable to Non-controlling interests	(4,339)	(3,007)	(1,332)	44%
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**22,291**	**8,547**	**13,744**	**n.s.**
Non-recurring items included in Profit (loss) for the period	(567)	(5,350)	4,783	(89)%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	418	(357)	775	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**23,276**	**13,540**	**9,736**	**72%**
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	3,921	3,364	557	17%
Earnings per share (in Euro)	**0.28**	**0.11**	**0.17**	**n.s.**
Earnings per share excluding non-recurring items (Euro)	0.29	0.17	0.12	73%

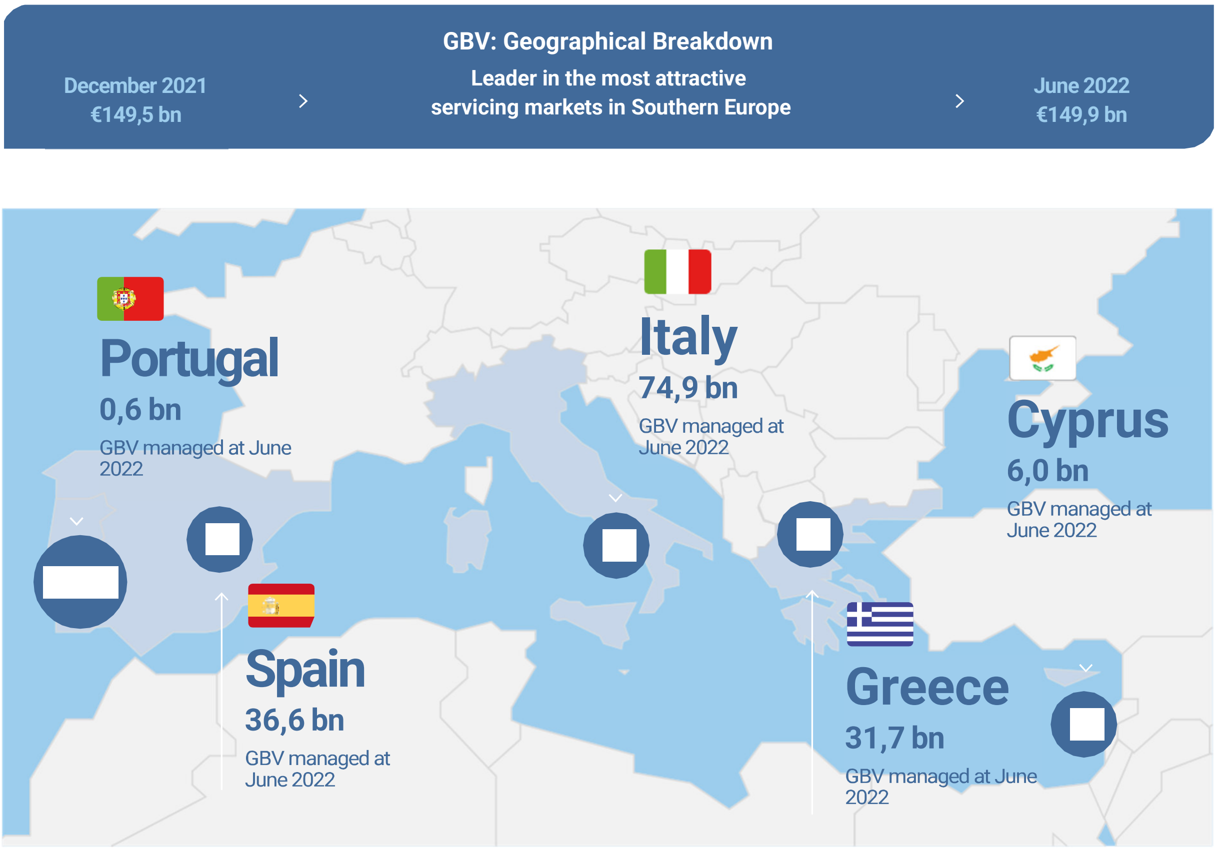
[1] Non-recurring items in Operating expenses include the costs of consultancies related to business developement projects

[2] Non-recurring items included below EBITDA refer mainly to (i) termination incentive plans, to (ii) charges for an ongoing arbitration, (iii) insurance reimbursements, with (iv) related tax effects

Portfolio under management

As at June 30, 2022, the Group's Managed Assets (GBV) in the five reference markets of Italy, Spain, Portugal, Greece and Cyprus amounted to €149.9 billion, compared to €149.5 billion at December 31, 2021, thanks to the contracts and the flows related to long-term contracts acquired during the first quarter of the year, net of the collections made in the same period. These data confirm, on the one hand, the effectiveness of the strategic decision taken in previous years through adequate geographic diversification and, on the other, the significant appeal of the Group on the various reference markets. The half-year closing for this indicator was also affected by a portfolio divestment process by some Italian and Spanish banks, which eroded the Group's endowment. From this perspective, it is even more appreciable to note a substantial continuity in values compared to the end of the previous year, even net of receipts. In relation to the Sareb portfolio, amounting to €21 billion as at June 30, 2022 (and included in the Group's total GBV as at the same date), it should be noted that the offboarding of the NPL portion (amounting to approximately €10 billion) was completed on July 1, 2022, and the remaining REO portion (amounting to approximately €11 billion) will be completed indicatively in October 2022, and in any case by the end of 2022.

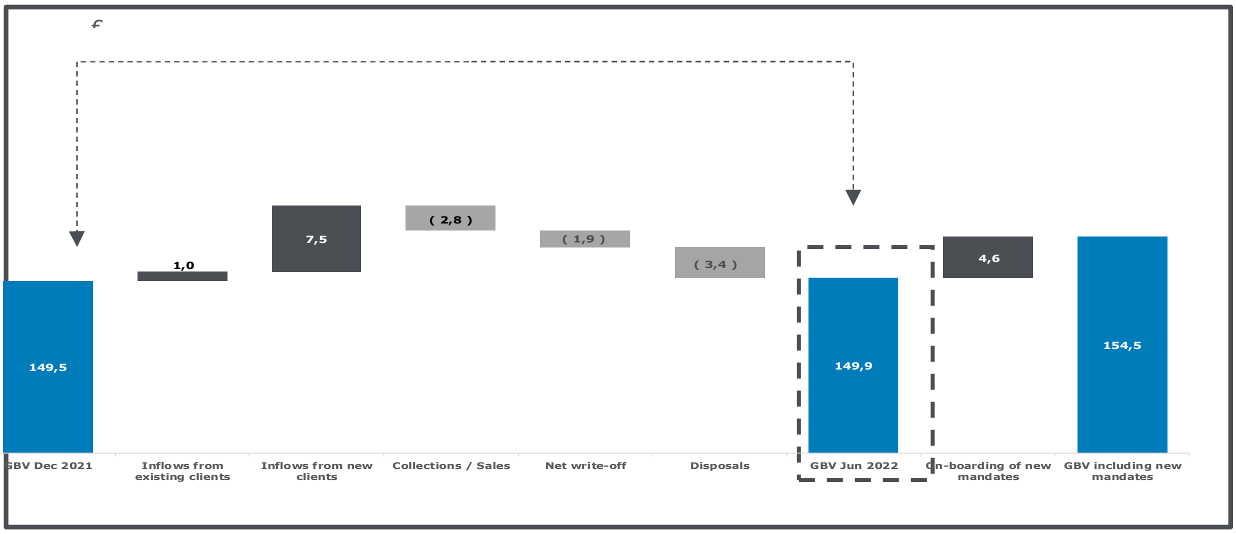
The following chart shows the geographical distribution of the GBV: in particular for each country the share managed as at June 30, 2022 is highlighted.



The evolution of the Managed Portfolio, which includes only on-boarded portfolios, in the first half of 2022 was characterized by contracts related to new customers totaling €7.5 billion, of which approximately €5.7 billion related to contracts signed in 2021 in the Hellenic Region, €0.5 billion in Greece related to mortgage loans disbursed to undertakings ("Neptune Project"), as well as a further €1.3 billion essentially related to a GACS securitization in Italy.

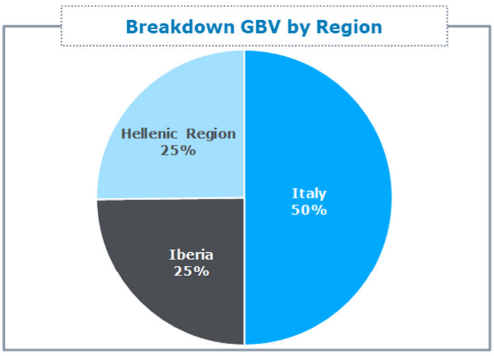
In addition to the flows listed above, a further €1.0 billion comes from existing customers on-boarded through flow contracts.

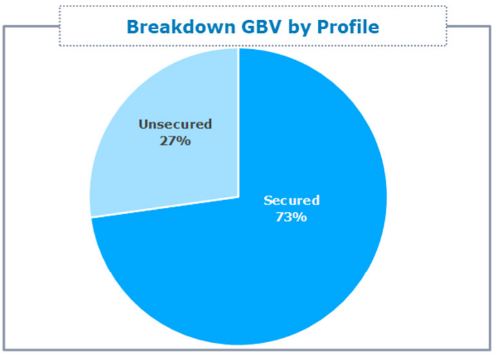
With regard to decreases in GBV, disposals totaling €3.4 billion and write-offs totaling €1.9 billion were recorded for the period.

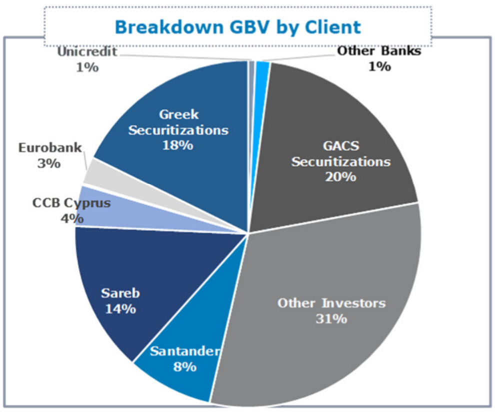


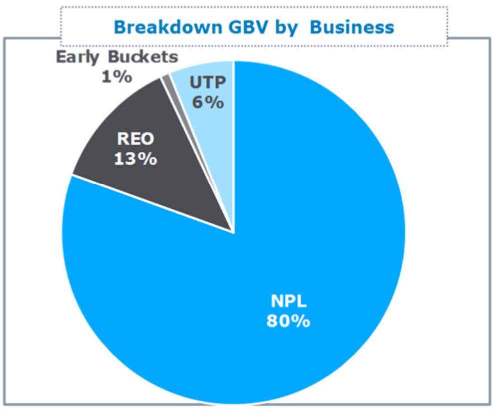
The portfolio under management is to be considered in further growth with respect to the picture already described due to new mandates acquired and currently in the onboarding phase for a total amount of approximately €4.6 billion. They are composed as follows:

- €4.0 billion relating to portfolios managed by leading Greek and Spanish banks and an investor in Greece;
- €0.6 billion relating to the Marina Portfolio in Cyprus, for which the signing of a Memorandum of Understanding was announced with Bain Capital Credit.









Group collections during the period under review amounted to €2.8 billion, an increase (+4% year-on-year) compared to June 30, 2021 (€2.7 billion). The geographical breakdown of collections is as follows: €0.9 billion in "Italy", €1.2 billion in "Iberia" and €0.7 billion in the Hellenic Region.

Performance

The first half of 2022 passed in an international context influenced above all by the repercussions of the international political crisis that erupted last February with the outbreak of hostilities in Ukraine and the continuing health emergency in all the countries in which the Group operates.
In this overall framework, the doValue Group recorded Gross Revenues of €271.2 million in the first half-year, an increase of 7% compared to the €254.2 million in the first six months of 2021. Geographically, there was a greater contribution from the Italian and Hellenic regions, which more than offset the decrease in the Iberian area.
NPE and REO **Servcing Revenues** amounted to €246.4 million (€232.4 million as at June 30, 2021), an increase of 6%. At the product segment level, revenues from NPE amounted to €207.1 million (€193.4 million in H1 2021), an increase of approximately 7%; while revenues from REO remained essentially unchanged at €39.3 million compared to €38.9 million in the same period of the previous year.

Co-investment revenues amounted to €0.8 million, compared to €4.1 million in June 2021. In 2021, these revenues related to gain on the Relais securitization whose mezzanine and junior notes had been purchased in the last few days of 2020 and resold in the first half of February 2021.

The contribution of **Ancillary and other revenues** is more significant and amounts to €24.0 million, up on €17.7 million in June 2021. It can be analyzed as follows:

- within Italy, it is mainly due 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;
- on the Iberia perimeter, especially from services offered in Rental, Real Estate Development and diversified Advisory and Portfolio management activities;
- within the Hellenic perimeter, it is mainly due to advisory and due diligence services.

These revenues accounted for 9% of total Gross Revenues for the period, whereas in the comparative period their share was around 7%.

(€/000)

	6/30/2022	6/30/2021	Change €	Change %
NPE revenues	207,051	193,427	13,624	7%
REO revenues	39,348	38,969	379	1%
Co-investment revenues	754	4,134	(3,380)	(82)%
Ancillary and other revenues	24,029	17,666	6,363	36%
Gross revenues	**271,182**	**254,196**	**16,986**	**7%**
NPE Outsourcing fees	(11,841)	(15,336)	3,495	(23)%
REO Outsourcing fees	(14,657)	(11,308)	(3,349)	30%
Ancillary Outsourcing fees	(6,800)	(5,439)	(1,361)	25%
Net revenues	**237,884**	**222,113**	**15,771**	**7%**

Net revenues rose by around 7% to €237.9 million, compared to €222.1 million in the first half of the previous year.

NPE Outsourcing fees recorded an overall decrease of 23% (€11.8m in 2022 and €15.3m in 2021), linked to an increased use of internal resources in recovery activities.
REO Outsourcing fees were up and amounted to €14.7 million (€11.3 million in 2021), mainly related to assets under management by the subsidiary Altamira Asset Management, consistent with business performance.
Ancillary Outsourcing fees amounted to €6.8 million, compared to €5.4 million in 2021.
Overall, total commission expenses as a percentage of revenue decreased slightly, amounting to 12.3% for 2022 and 12.6% for the comparative period, while in absolute terms they amounted to €33.3 million (€32.1 million as at June 2021).

Operating expenses amount to €155.5 million compared to €149.2 million in June 2021. The ratio to revenue stood at 57% compared to 59% in 2021, thus denoting an excellent recovery of efficiency compared to the first half of the previous year. The increase, in absolute value, is mainly related to the operating costs inherent to the reorganization projects in the Iberia region, which were lower than budgeted. On the other hand, personnel costs amounted to €107.0 million, thus basically stable compared to €106.8 million in 2021.

(€/000)

	6/30/2022	6/30/2021	Change €	Change %
Staff expenses	(107,046)	(106,780)	(266)	0%
Administrative expenses	(48,431)	(42,446)	(5,985)	14%
o.w. IT	*(17,405)*	*(14,901)*	*(2,504)*	17%
o.w. Real Estate	*(3,100)*	*(3,282)*	*182*	(6)%
o.w. SG&A	*(27,926)*	*(24,263)*	*(3,663)*	15%
Operating expenses	**(155,477)**	**(149,226)**	**(6,251)**	**4%**
EBITDA	**82,407**	**72,887**	**9,520**	**13%**
o.w: Non-recurring items included in EBITDA	*(1,312)*	*(3)*	*(1,309)*	n.s.
o.w: EBITDA excluding non-recurring items	*83,719*	*72,890*	*10,829*	15%

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

FTEs BY REGION	6/30/2022	6/30/2021	Change €	Change %
Italy	992	1,011	(19)	(2)%
Iberia	766	857	(91)	(11)%
Hellenic Region	1,477	1,398	79	6%
Total	**3,235**	**3,266**	**(31)**	**(1)%**

In line with the previous years, the operating expenses for the period include a number of **non-recurring items** ("NRIs"), which are shown as adjustments to EBITDA to facilitate comparison between periods and the identification of structural profitability for the Group.
These non-recurring items amounted to €1.3 million (amounting to €3 thousand in 2021) and mainly related to consulting fees for business developement projects.

EBITDA excluding non-recurring items amounted to €83.7 million (€72.9 million in June 2021) with a margin of 31% on revenue, up from 29% in the comparative period.

Including non-recurring expenses, EBITDA amounted to €82.4 million, up from €72.9 million in June 2021.

Group **EBIT** amounted to €49.4 million, which compares with €28.2 million in the comparative period.

EBT is equal to €34.8 million compared to €14.1 million in the corresponding period. This item includes the financial costs linked to the two bond issues, the fair value delta on the notes of the Cairo securitization, Romeo SPV securities and other minor items related to the application of IFRS 16.

(€/000)

	6/30/2022	6/30/2021	Change €	Change %
EBITDA	**82,407**	**72,887**	**9,520**	**13%**
Net write-downs on property, plant, equipment and intangibles	(30,986)	(38,316)	7,330	(19)%
Net provisions for risks and charges	(2,302)	(6,746)	4,444	(66)%
Net write-downs of loans	241	386	(145)	(38)%
EBIT	**49,360**	**28,211**	**21,149**	**75%**
Net income (loss) on financial assets and liabilities measured at fair value	(500)	(543)	43	(8)%
Net financial interest and commissions	(14,057)	(13,553)	(504)	4%
EBT	**34,803**	**14,115**	**20,688**	**147%**

In addition to non-recurring element included in EBITDA (€1.3 million), EBT includes further non-recurring expenses totalling €0.5 million, which refer to costs for the redundancy incentive that affected all regions, as well as items related to an ongoing arbitration for the Spanish tax claim and proceeds for insurance reimbursements.

Net write-downs on property, plant, equipment and intangibles amounted to €31.0 million, compared to €38.3 million in the previous year.
This item mainly includes the amortization of the Altamira and doValue Greece servicing contracts for a total of €16.3 million and which are classified in the balance sheet as intangible assets.

The total balance also includes the amortization of right-of-use assets deriving from the recognition of leases in accordance with IFRS 16 for a total of €5.7 million. The remainder of amortization primarily concerns software licenses connected with technology investments made by the Group during the period aimed at upgrading the IT platform.

Net provisions for risks and charges amounted to €2.3 million, compared to €6.7 million as of June 2021, and are mainly related to provisions for redundancy incentives, which - in line with the objectives of the Business Plan - are paid to employees who have joined the plan initiated by the Group, as well as to a prudential provision on an arbitration in progress in the Iberia region. The residual balance includes provisions for subordination fees linked to the performance of some contracts for €0.2 million.

Net financial interest and commissions amounted to €14.1 million, in line with €13.6 million in June 2021, and mainly reflected the cost related to the cost of the two bond issues to service the acquisition process carried out in Spain and Greece as implementation of the Group's internationalization strategy, as well as the cost related to the use of a revolving facility by the Spanish subsidiary.

(€/000)

	6/30/2022	6/30/2021	Change €	Change %
EBT	**34,803**	**14,115**	**20,688**	**147%**
Income tax for the period	(8,173)	(2,561)	(5,612)	n.s.
Profit (Loss) for the period	**26,630**	**11,554**	**15,076**	**130%**
Profit (loss) for the period attributable to Non-controlling	(4,339)	(3,007)	(1,332)	44%
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**22,291**	**8,547**	**13,744**	**n.s.**
Non-recurring items included in Profit (loss) attributable to the Shareholders of the Parent Company	(567)	(5,350)	4,783	(89)%
Non-recurring items included in Profit (loss) attributable to Non-controlling interests	418	(357)	775	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**23,276**	**13,540**	**9,736**	**72%**
Earnings per share (in Euro)	**0.28**	**0.11**	**0.17**	**n.s.**
Earnings per share excluding non-recurring items (Euro)	***0.29***	***0.17***	***0.12***	***0.73***

Income tax for the period amounted to €8.2 million compared to €2.6 million in June 2021, due to the higher value of the pre-tax result.

The **Profit for the period attributable to the Shareholders of the Parent Company excluding non-recurring items** amounts to €23.3 million, compared to €13.5 million in the corresponding period of the previous year. Including non-recurring items, the **Profit for the period attributable to the Shareholders of the Parent Company** is €22.3 million, compared to the €8.5 million in 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 analyze 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 are: Italy, Hellenic Region and Iberia.
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.

Gross revenue recorded in the first six months of 2022 amounted to €271.2 million (€254.2 million as at June 2021) and EBITDA excluding non-recurring items amounted to €83.7 million (€72.9 million as at June 2021). The Italy segment contributes 35% of the Group's gross revenue, the Hellenic Region segment 37%, and the Iberia segment 28%.
The EBITDA Margin, excluding non-recurring items, on the Italy and Iberia segments came to respectively 30% and 7%, lower than the Hellenic Region, which posted a figure of 49%.

(€/000)

	First Half 2022			
Condensed Income Statement (excluding non-recurring items)	**Italy**	**Hellenic Region**	**Iberia**	**Total**
Servicing revenues	76,200	98,284	71,915	246,399
o/w NPE Revenues	*76,200*	*91,743*	*39,108*	*207,051*
o/w REO Revenues	-	*6,541*	*32,807*	*39,348*
Co-investment revenues	754	-	-	754
Ancillary and other revenues	18,779	2,289	2,961	24,029
Gross Revenues	**95,733**	**100,573**	**74,876**	**271,182**
NPE Outsourcing fees	(3,934)	(2,272)	(5,635)	(11,841)
REO Outsourcing fees	-	(1,591)	(13,066)	(14,657)
Ancillary Outsourcing fees	(5,892)	-	(908)	(6,800)
Net revenues	**85,907**	**96,710**	**55,267**	**237,884**
Staff expenses	(41,998)	(35,579)	(29,469)	(107,046)
Administrative expenses	(15,005)	(11,600)	(20,514)	(47,119)
o/w IT	*(7,817)*	*(4,128)*	*(5,460)*	*(17,405)*
o/w Real Estate	*(835)*	*(1,562)*	*(703)*	*(3,100)*
o/w SG&A	*(6,353)*	*(5,910)*	*(14,351)*	*(26,614)*
Operating expenses	**(57,003)**	**(47,179)**	**(49,983)**	**(154,165)**
EBITDA excluding non-recurring items	**28,904**	**49,531**	**5,284**	**83,719**
EBITDA Margin excluding non-recurring items	**30%**	**49%**	**7%**	**31%**
Contribution to EBITDA excluding non-recurring items	**35%**	**59%**	**6%**	**100%**

(€/000)

Condensed Income Statement (excluding non-recurring items)	**Italy**	**Hellenic Region**	**Iberia**	**Total**
	First Half 2022 vs 2021			
Servicing revenues				
First Half 2022	76,200	98,284	71,915	246,399
First Half 2021	66,703	87,527	78,166	232,396
Change	*9,497*	*10,757*	*(6,251)*	*14,003*
Co-investment revenues, ancillary and other revenues				
First Half 2022	19,533	2,289	2,961	24,783
First Half 2021	17,005	829	3,966	21,800
Change	*2,528*	*1,460*	*(1,005)*	*2,983*
Outsourcing fees				
First Half 2022	(9,826)	(3,863)	(19,609)	(33,298)
First Half 2021	(9,366)	(3,433)	(19,284)	(32,083)
Change	*(460)*	*(430)*	*(325)*	*(1,215)*
Staff expenses				
First Half 2022	(41,998)	(35,579)	(29,469)	(107,046)
First Half 2021	(42,875)	(33,085)	(30,820)	(106,780)
Change	*877*	*(2,494)*	*1,351*	*(266)*
Administrative expenses				
First Half 2022	(15,005)	(11,600)	(20,514)	(47,119)
First Half 2021	(15,486)	(10,467)	(16,490)	(42,443)
Change	*481*	*(1,133)*	*(4,024)*	*(4,676)*
EBITDA excluding non-recurring items				
First Half 2022	28,904	49,531	5,284	83,719
First Half 2021	15,982	41,370	15,538	72,890
Change	*12,922*	*8,161*	*(10,254)*	*10,829*
EBITDA Margin excluding non-recurring items				
First Half 2022	30%	49%	7%	31%
First Half 2021	19%	47%	19%	29%
Change	*11%*	*2%*	*(12%)*	*2%*

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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 Interim Report on Group Operations, in accordance with the same presentation approach for the income statement, we have included a reconciliation between the balance sheet prepared on a management accounts basis reported below and the table included in consolidated financial statements.

(€/000)

Condensed Balance Sheet	6/30/2022	12/31/2021	Change €	Change %
Cash and liquid securities	121,080	166,668	(45,588)	(27)%
Financial assets	59,786	61,961	(2,175)	(4)%
Property, plant and equipment	35,468	34,204	1,264	4%
Intangible assets	536,030	545,225	(9,195)	(2)%
Tax assets	158,273	152,996	5,277	3%
Trade receivables	228,110	206,326	21,784	11%
Assets held for sale	10	30	(20)	(67)%
Other assets	14,098	17,226	(3,128)	(18)%
Total Assets	**1,152,855**	**1,184,636**	**(31,781)**	**(3)%**
Financial liabilities: due to banks/bondholders	582,244	568,459	13,785	2%
Other financial liabilities	74,905	76,017	(1,112)	(1)%
Trade payables	57,966	73,710	(15,744)	(21)%
Tax liabilities	112,915	113,060	(145)	(0)%
Employee termination benefits	8,710	10,264	(1,554)	(15)%
Provisions for risks and charges	39,490	44,235	(4,745)	(11)%
Other liabilities	97,437	104,888	(7,451)	(7)%
Total Liabilities	**973,667**	**990,633**	**(16,966)**	**(2)%**
Share capital	41,280	41,280	-	n.s.
Reserves	84,868	96,299	(11,431)	(12)%
Treasury shares	(4,340)	(4,678)	338	(7)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	22,291	23,744	(1,453)	(6)%
Net Equity attributable to the Shareholders of the Parent Company	**144,099**	**156,645**	**(12,546)**	**(8)%**
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	**1,117,766**	**1,147,278**	**(29,512)**	**(3)%**
Net Equity attributable to Non-Controlling Interests	35,089	37,358	(2,269)	(6)%
Total Liabilities and Net Equity	**1,152,855**	**1,184,636**	**(31,781)**	**(3)%**

The item **Cash and liquid securities** decreased by €45.6 million compared to the end of the previous year, mainly justified by the payment of dividends for €36.5 million. It should be noted that against the total amount resolved to be distributed (€39.5 million), €3.0 million in dividends remained to be paid out to recipients as at June 30, 2022.
For more details on the financial dynamics of the period, please also refer to the following section on Net Financial Position.

Financial assets showed a balance of €59.8 million, a decrease of €2.2 million compared to the value recorded as at December 31, 2021 and amounting to €62.0 million.

The item is broken down in the following table.

(€/000)

Financial assets	6/30/2022	12/31/2021	Change €	Change %
At fair value through profit or loss	**44,969**	**46,465**	**(1,496)**	**(3)%**
Debt securities	17,725	18,881	(1,156)	(6)%
CIUs	24,958	25,805	(847)	(3)%
Equity instruments	197	197	-	n.s.
Non-hedging derivatives	2,089	1,582	507	32%
At fair value through OCI	**9,373**	**9,989**	**(616)**	**(6)%**
Equity instruments	9,373	9,989	(616)	(6)%
At amortized cost	**5,444**	**5,507**	**(63)**	**(1)%**
L&R with banks other than current accounts and demand deposits	65	66	(1)	(2)%
L&R with customers	5,379	5,441	(62)	(1)%
Total	**59,786**	**61,961**	**(2,175)**	**(4)%**

The component of financial assets "At fair value through profit or loss" shows an overall decrease of €1.5 million due to a decrease in the Debt securities component mostly originating from valuation effects (€0.9 million) and a decrease in CIUs (€0.8 million) due to a partial repayment.
The category "At fair value through OCI", which includes investments of minority interests in the Brazilian fintech company QueroQuitar S.A. and in the Irish proptech company BidX1, shows a reduction of €0.6 million related to the update of the fair value compared to December 31, 2021.
The component of financial assets "At amortized cost" does not show any changes worthy of note; the item includes receivables from customers attributable to the company doNext and arising from the use of financial resources originated by a limited recourse loan, referring to a loan intended for a specific business and classified in other financial liabilities.

Property, plant and equipment increased from €34.2 million to €35.5 million, an increase of €1.3 million due to depreciation for the period of €7.2 million and purchases for the period of €8.5 million, of which €5.5 million related to new usage rights in application of IFRS 16.

Intangible assets decreased from €545.2 million to €536.0 million, a decrease of €9.2 million due to the combined effect of reductions of €23.9 million in amortization and depreciation for the period and increases of €8.6 million in respect of software purchases (including the portion classified as assets under construction and advances), as well as €6.1 million in respect of additional capitalized costs on the Frontier (SLA) portfolio.

The following is a breakdown of Intangible assets:

(€/000)

Intangible assets	6/30/2022	12/31/2021	Change €	Change %
Software	35,337	26,399	8,938	34%
Brands	26,787	28,506	(1,719)	(6)%
Assets under development and payments on account	6,335	12,571	(6,236)	(50)%
Goodwill	236,897	236,897	-	n.s.
Other intangible assets	230,674	240,852	(10,178)	(4)%
Total	**536,030**	**545,225**	**(9,195)**	**(2)%**

In particular, the most significant portion of intangible assets derives from the last two acquisitions made by the Group, respectively referring to Altamira Asset Management and its subsidiaries at the end of June 2019 and the business combination of doValue Greece concluded in June 2020.

In relation to the acquisition of Altamira, intangible assets are composed as follows:
- €10.2 million for software (including assets under development);
- €26.7 million for the Altamira brand;
- €38.8 million relating to other intangible assets, which include the valuation of active long-term servicing contracts with major banks and companies for approximately €38.3 million and the backlog & database component for €0.5 million;
- €124.1 million relating to goodwill.

With respect to the acquisition of doValue Greece, at June 30, 2022, intangible assets may be analyzed as follows:

- €191.8 million related to special and master servicing contracts for the management of impaired exposure portfolios, including €40.6 million related to the Frontier portfolio acquired in December 2021;
- €14.7 million relating to software (including assets under development);
- €112.4 million allocated to goodwill.

Tax assets detailed below showed a balance of €158.3 million as at June 30, 2022, €5.3 million higher than the balance as at December 31, 2021, mainly due to a higher VAT receivable included in "Other tax receivables", partially offset by reversals of deferred tax assets totaling €1.9 million:

(€/000)

Tax assets	6/30/2022	12/31/2021	Change €	Change %
Current tax assets	**5,942**	**6,392**	**(450)**	**(7)%**
Paid in advance	735	1,118	(383)	(34)%
Tax credits	6,250	6,311	(61)	(1)%
Tax liabilities	(1,043)	(1,037)	(6)	1%
Deferred tax assets	**110,795**	**112,640**	**(1,845)**	**(2)%**
Write-down on loans	49,365	49,370	(5)	(0)%
Tax losses carried forward in the future	20,294	17,598	2,696	15%
Property, plants and equipment / Intangible assets	22,179	25,135	(2,956)	(12)%
Other assets / liabilities	8,686	9,182	(496)	(5)%
Provisions	10,271	11,355	(1,084)	(10)%
Other tax receivables	**41,536**	**33,964**	**7,572**	**22%**
Total	**158,273**	**152,996**	**5,277**	**3%**

Tax liabilities, essentially unchanged compared to the previous year end, may be analyzed as follows.

(€/000)

Tax liabilities	6/30/2022	12/31/2021	Change €	Change %
Taxes for the period	31,026	26,553	4,473	17%
Deferred tax liabilities	50,736	54,350	(3,614)	(7)%
Other tax payables	31,153	32,157	(1,004)	(3)%
Total	**112,915**	**113,060**	**(145)**	**(0)%**

At June 30, 2022, **Financial liabilities: due to banks/bondholders** increased from €568.4 million to €582.2 million, an increase of €13.8 million, mainly due to the increase in the revolving facility of the Spanish subsidiary Altamira, which amounted to €20.1 million at the end of the half-year.
At June 30, 2022, the residual debt at amortized cost for the two bonds issued is as follows:
- 2020-2025 bond with a nominal value of €265.0 million, interest rate 5.0%: €262.3 million;
- 2021-2026 bond with a nominal value of €300.0 million, interest rate 3.4%: €299.8 million.

Other financial liabilities at the end of the first half of 2022 are detailed below:

(€/000)

Other financial liabilities	6/30/2022	12/31/2021	Change €	Change %
Lease liabilities	24,870	26,366	(1,496)	(6)%
Earn-out	23,161	23,043	118	1%
Put option on non-controlling interests	22,428	22,239	189	1%
Other financial liabilities	4,446	4,369	77	2%
Total	**74,905**	**76,017**	**(1,112)**	**(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 €5.7 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" relates to the option for the purchase of residual non-controlling interests in Altamira. The amount recognized at June 30, 2022 refers to the fair value of the option renegotiated and extended by an additional 24 months in July 2021, with the right to exercise only at the end of the two-year period, i.e., end of June 2023.
At June 30, 2022, "Other financial liabilities" include €4.4 million for a limited recourse loan relating to the above-mentioned loan allocated for a specific business.

Provisions for risks and charges decreased from a balance of €44.2 million at the end of 2021 to €39.5 million at June 30, 2022. The reduction of €4.7 million is attributable for €4.6 million to the "Other" component of the table below, which 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 certain clauses in the Service Level Agreement signed between doValue Greece and Eurobank connected to a particular type of fee ("Curing Fee") and pursuant to IFRS 15 in relation to variable fees.

(€/000)

Provisions for risks and charges	6/30/2022	12/31/2021	Change €	Change %
Legal and Tax disputes	18,943	17,659	1,284	7%
Staff expenses	512	730	(218)	(30)%
Other	20,035	25,846	(5,811)	(22)%
Total	**39,490**	**44,235**	**(4,745)**	**(11)%**

Other liabilities decreased from €104.9 million to €97.4 million, a decrease of €7.5 million, due to the combined effect of several components, as summarized in the table below. The item "Debts related to servicing contracts" increased by €9.4 million, with a payable related to the Frontier contract; the item "Amounts due to personnel" decreased by €9.2 million for the settlement of the 2021 incentive scheme; and the item "Acrrued expenses/deferred income and other debts" decreased by €7.7 million due to the release of the portion related to the period of the deferred income on the advance payment of servicing fees accrued in the first half of 2022.

(€/000)

Other liabilities	6/30/2022	12/31/2021	Change €	Change %
Amounts due to personnel	29,156	38,314	(9,158)	(24)%
Debts related to servicing contracts	40,516	31,068	9,448	30%
Accrued expenses/deferred income and other debts	27,765	35,506	(7,741)	(22)%
Total	**97,437**	**104,888**	**(7,451)**	**(7)%**

Net Equity attributable to Shareholders of the Parent Company amounted to €144.1 million, down from €156.6 million as at December 31, 2021, due to the distribution of the 2021 dividend partially offset by the positive impact of the profit for the period achieved by Group companies.

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NET WORKING CAPITAL

(€/000)

Net Working Capital	6/30/2022	6/30/2021	12/31/2021
Trade receivables	228,110	193,273	206,326
Trade payables	(57,966)	(62,081)	(73,710)
Total	**170,144**	**131,192**	**132,616**

The figure for the period amounted to €170.1 million, compared to €132.6 million in December 2021, a trend that is seasonally typical for the first half-year. The trend in net working capital is affected by a certain seasonality as well as by the fact that numerous contractual payment dates fall in the month of July, especially in the Italian and Greek perimeter. The value, parameterised to the revenues of the last 12 months, stood at 29%, an increase compared to what was recorded at the end of 2021 (23%) and slightly higher than the figure for June 2021 (26%) thus denoting only a seasonal trend, moreover in line with expectations.
In determining this indicator, account must also be taken of the macroeconomic context within which the activities were carried out, characterized by an unstable European financial framework, and subject to fluctuations linked to international events.

NET FINANCIAL POSITION

(€/000)

	Net Financial Position	6/30/2022	6/30/2021	12/31/2021
A	Cash	121,080	116,537	166,668
B	**Liquidity (A)**	**121,080**	**116,537**	**166,668**
C	Current bank debts	(20,096)	(80,840)	(7,607)
D	Bonds issued - current	(9,740)	(5,521)	(9,993)
E	**Net current financial position (B)+(C)+(D)**	**91,244**	**30,176**	**149,068**
F	Non-current bank debts	-	(163,496)	-
G	Bonds issued - non current	(552,408)	(254,474)	(550,859)
H	**Net financial position (E)+(F)+(G)**	**(461,164)**	**(387,794)**	**(401,791)**

The **Net financial position** at the end of June 2022 amounted to €461.2 million compared to €401.8 million at the end of 2021 (and €387.8 million in June 2021).
The half-yearly trend is essentially characterized by the launch of the scheduled investments of about €9.7 million, which essentially refer to all Group Countries, by the ordinary business development which entailed outflows linked to the above-mentioned working capital trend and by the payment of taxes for €6.0 million (mostly coming from the Hellenic Region and the domestic area) and financial charges for €12.7 million.
"Cash" stood at €121.1 million, compared to €166.7 million at the end of 2021, thus allowing the necessary elasticity that the Group needs to pursue its operating plans. In addition to this, at the end of June 2022, the Group had €110.5 million in available credit lines, bringing total liquidity (understood as cash plus available lines) to €231.6 million.
The **Net current financial position** is positive at €91.2 million (€149.1 million at the end of 2021 and €30.2 million at June 2021), reflecting a balanced overall capital structure, especially thanks to the second bond issue in July 2021.

CONDENSED CASH FLOW

(€/000)

Condensed Cash flow	6/30/2022	6/30/2021	12/31/2021
EBITDA	82,407	72,887	199,347
Capex	(9,659)	(7,040)	(29,640)
EBITDA-Capex	**72,748**	**65,847**	**169,707**
as % of EBITDA	88%	90%	85%
Adjustment for accrual on share-based incentive system	3,392	605	1,027
Changes in NWC (Net Working Capital)	(37,528)	(7,861)	(9,285)
Changes in other assets/liabilities	(44,605)	(21,772)	(21,340)
Operating Cash Flow	**(5,993)**	**36,819**	**140,109**
Corporate Income Tax paid	(5,971)	(2,409)	(12,827)
Financial charges	(12,716)	(13,021)	(31,220)
Free Cash Flow	**(24,680)**	**21,389**	**96,062**
(Investments)/divestments in financial assets	1,868	20,281	(26,489)
Tax claim payment	-	-	(32,981)
Treasury shares buy-back	-	-	(4,603)
Dividends paid to minority shareholders	-	-	(2,502)
Dividends paid to Group shareholders	(36,561)	(18,908)	(20,722)
Net Cash Flow of the period	**(59,373)**	**22,762**	**8,765**
Net financial Position - Beginning of period	(401,791)	(410,556)	(410,556)
Net financial Position - End of period	(461,164)	(387,794)	(401,791)
Change in Net Financial Position	**(59,373)**	**22,762**	**8,765**

Operating Cash Flow for the period was negative for €6.0 million (+€36.8 million at June 2021). This figure was positively impacted by the profit margins of the period, with EBITDA at €82.4 million and investments of €9.7 million, equal to roughly 1.5% of the Revenues of the last 12 months. The cash-conversion of the operating cash flow with respect to EBITDA is equal to 88%, confirming the Group's significant ability to convert its operating margins into cash, despite the above-mentioned investment levels.
The trend in net working capital, as already reported in the above paragraph, is affected by a certain seasonality as well as by some contractual payment dates falling in the month of July.
The item "Changes in other assets/liabilities" was affected by the reversal as a counter-entry to the revenues relating to the advance of fees that occurred last year in favor of the subsidiary doValue Greece, as well as the effects related to the accounting of the redundancy incentives.
Tax paid amounts to €6.0 million, while financial charges total €12.7 million (€13.0 million in the first semester of 2021), which were affected by the higher average cost recorded as a result of the bond issued to support the Group's international growth. Thanks to these transactions, the Group replaced the credit lines with a pre-established repayment plan, including interest and principal, with instruments with bullet repayment profiles for the principal and half-yearly repayment of coupons. This resulted in a greater balance of sources, extending deadlines.
Therefore, the above trends generate a negative **Free Cash Flow** of €24.7 million, compared to a positive amount of €21.4 million in June 2021.
The item "(Investments)/disinvestments in financial assets" amounting to €1.9 million mainly includes an income related to receipts of the units of the reserved alternative investment fund Italian Recovery Fund (€20.3 million as of June 2021 mainly referring to the realization gain related to the Relais securitization).
In the first half of the year, dividends of €39.5 million were approved, of which €36.5 million had been paid to the beneficiaries at June 30, 2022 (in the first half of 2021 this disbursement amounted to €18.9 million).

The **Net cash flow of the period** is therefore negative for €59.4 million, compared to a positive result of €22.8 million in June 2021.

Significant events during the period

ASSET UNDER MANAGEMENT AND NEW SERVICING AGREEMENTS

During the first half of 2022, the Group added approximately €8.5 billion to its Gross Book Value, comprising €7.5 billion of new mandates (substantially related to the Frontier Project in Greece, already awarded in 2021 and on-boarded in February 2022, and two GACS securitizations in Italy won and on-boarded in 2022) and €1.0 billion originated from existing flow contracts (deriving in particular from contracts with Santander, Eurobank and UniCredit).

In terms of new GBV won since the beginning of the year to date (partly not yet on-boarded), the Group has won about €5.8 billion of new servicing agreements (about €4.2 billion in the Hellenic Region, about €1.3 billion in Italy and €300 million in Iberia), which, together with €1.0 billion from flow contracts, account for about 50% of the total target of €13-14 billion for 2022.

PRESENTATION OF THE BUSINESS PLAN 2022-2024

On January 25, 2022, doValue's Board of Directors approved the Business Plan 2022-2024, which was unveiled to the market on January 26, 2022 during the company's Capital Markets Day. The 2022-2024 Business Plan confirms doValue's efficient business model as a leading independent and capital light operator in the credit servicing sector in Southern Europe. The vision for "doValue 2024" mainly revolves around the company's ability to lead the evolution of the credit servicing industry by investing in technology and through its ability to strengthen strategic and long-term partnerships with banks and investors in a broader target market.

SAREB CONTRACT

On February 24th, 2022, Sareb (the company owned by the Spanish Government and set up in 2012 with the purpose of managing and divest distressed assets that were transferred to it from four nationalized Spanish financial institutions) has communicated the decision of appointing two new servicers for the 2022-2025 contract and therefore not renewing the contract with doValue and the other 3 servicers currently managing the Sareb portfolio. The NPL portion of the Sareb portfolio (€10 billion) has been off-boarded on July 1st, 2022, and the REO portion of the Sareb portfolio (€11 billion) is expected to be off-boarded in October 2022, and in any case before the end of 2022.

Sareb is currently a relevant client of doValue's subsidiary Altamira in Spain, as such the decision by Sareb has triggered a reorganisation of Altamira aimed at operating at an adequate scale preserving the profitability of the business in Iberia. It is expected that, Altamira will be affected by a Non-Recurring Cost of maximum €15 million related to the reorganisation of the resources currently assigned to the management of the Sareb portfolio to be incurred in H2 2022.
doValue had already envisaged this potential scenario, as described in the Business Plan 2022-2024 presented by the Group on January 26th, 2022. Considering the highly competitive nature of the process that Sareb has conducted in the last few months (which was focussed on the level of commissions payable by Sareb to the servicers), the new contract would have not contributed in a material way to the Group profitability, and therefore the decision by Sareb will not have a material impact on the Business Plan 2022-2024 financial targets and on the overall strategic direction of the Group.
doValue's growth in Spain in 2023 and 2024, in particular, in terms of EBITDA, will be led by a higher extraction of value from the current GBV (excluding Sareb), new servicing agreements and new revenue streams. doValue reiterates its target for the Iberia region in terms of 2024 EBITDA (€35-40 million), as well as the broader 2022-2024 financial targets at Group levels presented on January 26th, 2022.

RUSSIAN-UKRAINIAN WAR

On February 24, 2022, Russia began a military invasion of Ukraine which led to a bitter conflict with the Ukrainian population and military armed forces. As a consequence, the Western countries, particularly the USA and the European Union, implemented various financial and economic sanctions against Russia. These sanctions, together with an increased geopolitical risk, have caused a considerable rise in volatility in the financial markets, which is still ongoing.

The doValue Group's direct exposure to Russia and Ukraine is negligible.

NEPTUNE PROJECT

In early April 2022, doValue, through its subsidiary doValue Greece, was awarded a new servicing mandate representing an additional Gross Book Value of approximately €500 million ("**Neptune Project**").

In 2020, an entity affiliated with funds managed by the Fortress Investment Group had acquired a portfolio from Alpha Bank for a Gross Book Value of approximately €1.1 billion by assigning a temporary servicing mandate to the Greek servicer CEPAL. With Project Neptune, doValue will assume the role of long-term servicer for the management of approximately 50% of the initial €1.1 billion portfolio. The onboarding of the portfolio was completed in April 2022. The portfolio comprises non-performing mortgage loans granted to corporates and Small and Medium Enterprises in Greece.

ORDINARY SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting of doValue (the **"Shareholders' meeting"**) was held on April 28, 2022.

Specifically, the Shareholders:

- approved the separate financial statements of doValue S.p.A. at December 31, 2021;
- approved the distribution of dividends of approximately €39.5 million (corresponding to a dividend per share of €0.50);
- approved the remuneration policy for 2021;
- approved proposed departure from the 2021 remuneration policy, concerning the allocation of the variable remuneration of the CEO for 2021;
- approved the 2022-2024 incentive plan;
- granted a new authorization to purchase treasury shares;
- appointed Cristina Finocchi Mahne as the company's director;
- approved the integration of the 2021 audit fees due to EY S.p.A..

GACS ICCREA SECURITIZATION

In May 2022, BCC Banca Iccrea completed a €650 million securitization of Non-performing Loans backed by GACS guarantees. Seventy-one banks participated in the operation, of which 68 belonged to the BCC Iccrea Group, joined by Banca Valsabbina, Banca di Credito Popolare and Cassa di Risparmio di Asti.
doValue assumed the role of master servicer and special servicer of the divested portfolio.

SKY PROJECT

doValue signed in May 2022, a memorandum of understanding ("MoU") with an affiliate of Cerberus Capital management ("Cerberus"), a global leader in alternative investments, for the exclusive management of a portfolio of Non-performing Loans originated in Cyprus with a Gross Book Value of approximately €2.2 billion ("Sky Project").

The MoU was executed by Altamira Asset Management Cyprus, a subsidiary of doValue.

The portfolio related to the Sky Project was originated by Alpha Bank Cyprus and consists of secured corporate, SME and retail loans disbursed to more than 7,000 borrowers. During the first part of 2021, Alpha Bank decided to divest this portfolio and, in February 2022, reached an agreement with Cerberus for the divestiture (closing is expected by the end of 2022, and conditional on regulatory approvals). doValue will assume the role of servicer of the portfolio from the closing until the run-off of the portfolio and will also assist in the interim management of the portfolio until the closing.

With Project Sky, doValue further diversifies its business by bringing Cerberus on board as a new customer.

ADMISSION TO THE STAR SEGMENT

In May 2022, doValue was admitted to trading of its ordinary shares on the Euronext STAR Milan segment of the Euronext Milan market by Borsa Italiana decision No. 8858 of May 25, 2022.

Already admitted to trading on the MTA of Borsa Italiana (now Euronext Milan) since July 14, 2017, doValue's ordinary shares began trading on June 3, 2022 on the Euronext STAR Milan segment of the

Euronext Milan market, which is dedicated to companies with excellent attributes in terms of transparency, communication, liquidity and corporate governance (already largely met by doValue).

As part of its admission to the Euronext STAR Milan segment, doValue engaged Mediobanca - Banca di Credito Finanziario S.p.A. as Specialist, in accordance with the Rules and Instructions of Borsa Italiana.

UNICREDIT GACS SECURITIZATION

In June 2022, UniCredit completed a €1.1 billion securitization of Non-performing Loans backed by GACS guarantees. About €500 million of the €1.1 billion, represents additional GBV for doValue as the remainder was already under management by the company.

doValue and doNext assumed the role of special servicer and master servicer respectively of the divested portfolio.

The portfolio onboarding has been completed during the second quarter of 2022.

LAUNCH OF SME BUSINESS UNIT IN SPAIN

In line with the 2022-2024 Business Plan presented to the market on 26 January 2022, the subsidiary Altamira Asset Management formally created in the first part of 2022 a business unit dedicated to the management of Non-performing Loans related to Small and Medium Enterprises (SMEs) in Spain and is investing significantly in its development.

The SME business unit employs about 40 professionals and currently manages about €3 billion Gross Book Value, a level that is expected to grow in the coming quarters. The current GBV under management is mainly composed of Non-performing Loans (NPLs), but the development plan of the SME business unit envisages expanding the business into the Unlikely to Pay (UTP) and Early Arrears categories.

The strengths of the SME business unit are its widespread presence throughout the territory (reflecting the dissemination of the SME segment), the fact that the unit is fully integrated with the doValue Group in terms of technology and IT systems, and the ability to leverage the Group-wide best practices already developed in Italy and Greece.

LAUNCH OF LEGAL SERVICES BUSINESS UNIT IN SPAIN

In line with Business Plan 2022-2024 presented to the market on January 26th, 2022, the subsidiary Altamira Asset Management has formally set up a new business unit in Spain dedicated to the offering of legal services to banks and institutional investor. The initiative is in line with the plan of further growing and diversifying the portfolio of products and solutions offered by Altamira Asset Management to its current and prospective clients in Spain.

The Legal Services business unit employs more than 70 highly skilled and specialised professionals covering the entire Spanish territory. The Legal Services business unit will offer both banks and institutional investor support across the entire bankruptcy proceeding processes (including the provision of assistance in the preparation of legal documents, assistance on legal due diligence, management of legal proceedings, management of auctions, management of extrajudicial processes, provision of advice on matters linked to bankruptcy law as well as assistance in further outsourcing of specialised legal advisory needs).

Significant events after the end of the period

IMPROVING THE ESG RATING ASSIGNED BY SUSTAINALYTICS

In July 2022, Sustainalytics (part of the Morningstar Group) increased the Group's ESG Risk Rating from "Medium Risk" to "Low Risk", in line with the continuous improvement trajectory followed by doValue since the first rating assigned by Sustainalytics in October 2020.

A little less than a year after the approval of its first Sustainability Plan, doValue continues on the path of integrating its sustainability strategies by strengthening its ESG Governance, Diversity & Inclusion, Privacy and Cybersecurity programs and its focus on people and the environment.

The recognition received from Sustainalytics in fact confirms doValue's strong and ongoing commitment to adopting high quality standards and acting responsibly to foster the creation of sustainable value in the medium to long term in the interest of all stakeholders.

DoValue's operational excellence and concrete commitment to sustainability is also demonstrated by the excellent ratings assigned to the company by MSCI ESG Ratings (AA rating) and Vigeo Eiris ("limited risk" rating) as well as the Servicer Ratings published by Fitch Ratings and Standard and Poor's where doValue has achieved and maintained excellent results over time.

CREDIT OUTLOOK IMPROVED TO POSITIVE BY FITCH

In July 2022, Fitch Ratings upgraded the company's outlook to "Positive" (from "Stable") and confirmed the Long-Term Issuer Default Rating (IDR) at "BB".

DoValue's €265m and €300m senior bonds maturing in 2025 and 2026 were also confirmed at 'BB'.

According to Fitch Ratings, the "Positive" outlook reflects the expectation of continued growth of doValue's business and further diversification across customers and geographies.

PROJECT FRONTIER II

On July 29th, 2022, doValue, through its subsidiary doValue Greece, has signed an agreement with National Bank of Greece ("NBG") in relation to the management of a Greek portfolio consisting of mostly secured non-performing loans (NPL) for a Gross Book Value of approximately €1.0 billion ("Project Frontier II"). The agreement is subject to the completion of the securitisation process of such portfolio by NBG under the Hellenic Asset Protection Scheme (HAPS) which is expected to be finalised in H2 2022. NBG awarded Project Frontier II to doValue on the basis of the trust and track record built during the Project Frontier I process. Project Frontier II is another important step for the Group in the execution of its Business Plan 2022-2024 and it is also another milestone for doValue in its objective of establishing itself as a leading independent servicer in Greece.

E-MARKET SDIR CERTIFIED

Outlook for Operations

With respect to the current geopolitical crisis caused by the war in Ukraine, the Group continues to carefully monitor the consequences already underway: increase in inflation, slow down in global growth and greater volatility in financial markets.
At the date of approval of this Half-Year Report, however, considering the high degree of uncertainty related to potential scenarios of evolution of this crisis, it is difficult and probably premature to estimate its actual short, medium and long-term impact on the Group's business. In general, recessionary macroeconomic scenarios could lead to a decrease in the recoverability rate of the current assets under management by the Group. However, at the same time, they could lead to new volumes of impaired loans by banks, the management of which, if outsourced, could result in an increase, in the medium term, of the assets managed by the Group.

As for the current economic situation related to the effects of COVID-19, which are not expected to translate into structural changes in the trends of the industry, still requires a cautious approach to the short-term performance.
Despite the operational continuity of doValue operations in all its markets and the gradual improvement of market conditions, the Group continues to carefully monitor the reduced activity of the legal system and public services in general which, thanks to electronic means, have resumed operations remotely, together with decisions on bank moratoria and developments in the real estate sector, which can affect the time needed to manage positions and collections.
The significant geographical, product and customer diversification and cost flexibility, in particular outsourcing costs and the employee incentive plan, represent further elements that have mitigated, and could still mitigate, any further negative impact of the COVID-19 pandemic, with a view to a gradual and progressive return to normality also during the current year, until a return to a pre-COVID-19 situation in subsequent years.

Finally, the doValue business model should be 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 phases of the cycle, in line with the Group's mission to support banks, investors, companies and individuals in all steps 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 COVID-19 still involve elements of uncertainty, including in the event of more stable macroeconomic conditions than in the past.
The current geopolitical crisis caused by the war in Ukraine continues to have serious repercussions on financial markets and global economic growth, causing an acceleration in inflation and a slowdown in global growth, as well as an increase in financial market volatility. As already described in the previous paragraph, at the date of approval of this Half-Year Report, given the high degree of uncertainty linked to potential evolutionary scenarios of the current crisis, it is difficult and probably premature to estimate the actual short, medium and long term impacts on the Group's activities as recessionary macroeconomic scenarios could lead to a decrease in both the recoverability rate and an increase in the medium term of the assets under management by the Group.

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, 2022 was prepared, the risks and uncertainties to which the Group is exposed were carefully assessed:

- in particular, the forecasts regarding the macroeconomic and public health scenarios characterized by the COVID-19 pandemic and its variants and the government and EU measures and the related potential impact on the Group, as described in greater detail in the paragraph "Impacts and effects of the COVID-19 epidemic" were considered;

- in the sustainability assessment of assets as at June 30, 2022, the Group’s solid capital base, financial position and confirmed ability to generate cash flows, as shown in the Group’s 2022-2024 Business Plan, and the characteristics of doValue’s specific business model, which is capable of responding flexibly to the various phases of the economic cycle, were considered;
- finally, assets under management and the contribution of new contracts for the management of portfolios recorded in the first two quarters of 2022 were considered.

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.

Other information

MANAGEMENT AND COORDINATION

As at June 30, 2022, 25.05% of the shares of the Parent Company doValue were owned by its largest shareholder, Avio S.a r.l, the reference shareholder, a company incorporated in Luxembourg, affiliated to the Fortress Group, which in turn was acquired by Softbank Group Corporation in December 2017. A further 3.22% of doValue shares are held by other investors similarly connected with Softbank Group Corporation, which thereby holds an overall stake of 28.27%.
As of June 30, 2022, the remaining 71.73% of the shares were placed on the market and 1.13% consisted of 902,120 treasury shares, valued at cost, for a total of €4.3 million 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

At June 30, 2022, doValue held 902,120 treasury shares, equal to 1.13% of the total share capital. Their book value is €4.3 million and they are recognized as a direct reduction of shareholders' equity under "Treasury shares" pursuant to Article 2357-ter of the Italian Civil Code.
The Ordinary Shareholders' Meeting of April 28, 2022, revoked the authorization to purchase and sell treasury shares conferred by said meeting to doValue's Board of Directors by means of resolution of April 29, 2021. At the same time, a new authorization to purchase treasury shares in one or more transactions was conferred, according to the same terms and conditions pursuant to the previous shareholders' meeting resolution, i.e., up to 8,000,000 ordinary shares of doValue S.p.A., equal to 10% of the total, for a period of 18 months from the shareholders' meeting approval.

RESEARCH AND DEVELOPMENT

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

HUMAN RESOURCES

The business of the doValue Group is linked to people and the enhancement and development of professional skills are strategic drivers to ensure innovation and sustainable growth. doValue continues to invest in its people through policies aimed at enhancing and developing human resources, with the aim of consolidating a climate of corporate satisfaction.
At the end of the first half of 2022, the number of Group employees was 3,255, compared to 3,153 at the end of 2021.

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 related party transaction policy adopted by the Board of Directors of doValue S.p.A., in the first two quarters of 2022, no transactions of greater importance were carried out;

B. in the first half of 2022, no transactions with related parties were carried out at other than market conditions, which have significantly affected the Group's financial position and financial performance;

C. in the first half of 2022, the intangible assets recognized in respect of Project Frontier increased by €6.1 million. This transaction meets the definition of transaction of greater importance as per point a) of the Directors' Report of the Group at December 31, 2021. This is due to a contract provision included in the agreement signed in 2021 and is subject to the fulfilment of certain conditions that, at June 30, 2022, are deemed highly probable.

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)

	6/30/2022		6/30/2021	
	Shareholders' Equity	**Profit (loss) of the period**	**Shareholders' Equity**	**Profit (loss) of the period**
doValue's S.p.A. separate financial statements	169,637	22,837	210,511	(2,243)
- difference arising from the investments' carrying values and the relative subsidiaries' Equity	(48,391)	-	(76,271)	-
- Results of the subsidiaries, net of minority interest	-	13,912	-	19,421
Cancellation of dividends	-	(24,138)	-	(8,706)
Other consolidation adjustments	562	9,680	562	75
Consolidated financial statements attributable to the Shareholders of the Parent Company	**121,808**	**22,291**	**134,802**	**8,547**

Rome, August 3, 2022

The Board of Directors

RECONCILIATION OF THE CONDENSED AND THE STATUTORY INCOME STATEMENT

(€/000)	6/30/2022	6/30/2021
NPE revenues	**207,051**	**193,427**
o.w. Revenue from contracts with customers	207,027	193,729
o.w. Other revenues	24	(302)
REO revenues	**39,348**	**38,969**
o.w. Revenue from contracts with customers	37,550	33,032
o.w. Other revenues	1,798	5,937
Co-investment revenues	**754**	**4,134**
o.w. Financial (expense)/income	754	4,134
Ancillary and other revenues	**24,029**	**17,666**
o.w. Financial (expense)/income	6	6
o.w. Revenue from contracts with customers	5,079	4,073
o.w. Other revenues	18,751	13,702
o.w. Costs for services rendered	-	(111)
o.w. Other operating (expense)/income	193	(4)
Gross revenues	**271,182**	**254,196**
NPE Outsourcing fees	**(11,841)**	**(15,336)**
o.w. Costs for services rendered	(11,823)	(15,361)
o.w. Administrative expenses	(18)	-
o.w. Other revenues	-	25
REO Outsourcing fees	**(14,657)**	**(11,308)**
o.w. Costs for services rendered	(14,657)	(11,308)
Ancillary Outsourcing fees	**(6,800)**	**(5,439)**
o.w. Costs for services rendered	(908)	(1,133)
o.w. Administrative expenses	(5,892)	(4,306)
Net revenues	**237,884**	**222,113**
Staff expenses	**(107,046)**	**(106,780)**
o.w. Personnel expenses	(107,053)	(106,980)
o.w. Other revenues	7	200
Administrative expenses	**(48,431)**	**(42,446)**
o.w. Personnel expenses	**(2,638)**	**(2,332)**
o.w. Personnel expenses - o.w. SG&A	(2,638)	(2,332)
o.w. Administrative expenses	**(46,127)**	**(41,400)**
o.w. Administrative expenses - o.w. IT	(17,438)	(14,885)
o.w. Administrative expenses - o.w: Real Estate	(3,100)	(3,280)
o.w. Administrative expenses - o.w. SG&A	(25,589)	(23,235)
o.w. Other operating (expense)	**(20)**	**718**
o.w. Other operating (expense)/income - o.w. Real Estate	-	(2)
o.w. Other operating (expense)/income - o.w. SG&A	(20)	720
o.w. Other revenues	**373**	**575**
o.w. Other revenues - o.w. IT	33	(16)
o.w. Other revenues - o.w. SG&A	340	591
o.w. Costs for services rendered	**(19)**	**(7)**
o.w. Costs for services rendered - o.w. SG&A	(19)	(7)
Total "o.w. IT"	*(17,405)*	*(14,901)*
Total "o.w. Real Estate"	*(3,100)*	*(3,282)*
Total "o.w. SG&A"	*(27,926)*	*(24,263)*
Operating expenses	**(155,477)**	**(149,226)**
EBITDA	**82,407**	**72,887**
EBITDA margin	**30%**	**29%**
Non-recurring items included in EBITDA	(1,312)	(3)
EBITDA excluding non-recurring items	83,719	72,890
EBITDA Margin excluding non-recurring items	31%	29%
Net write-downs on property, plant, equipment and intangibles	**(30,986)**	**(38,316)**
o.w. Depreciation, amortisation and impairment	(31,048)	(38,316)
o.w. Other operating (expense)/income	62	-
Net Provisions for risks and charges	**(2,302)**	**(6,746)**
o.w. Personnel expenses	(3,012)	(6,244)
o.w. Provisions for risks and charges	(2,792)	57
o.w. Other operating (expense)/income	3,716	21
o.w. Depreciation, amortisation and impairment	(214)	(580)

Net Write-downs of loans	**241**	**386**
o.w. Financial (expense)/income	-	30
o.w. Depreciation, amortisation and impairment	32	35
o.w. Other revenues	209	321
EBIT	**49,360**	**28,211**
Net income (loss) on financial assets and liabilities measured at fair value	**(500)**	**(543)**
o.w. Financial (expense)/income	(500)	(543)
Financial interest and commissions	**(14,057)**	**(13,553)**
o.w. Financial (expense)/income	(14,015)	(13,359)
o.w. Costs for services rendered	(42)	(194)
EBT	**34,803**	**14,115**
Non-recurring items included in EBT	(1,839)	(6,275)
EBT excluding non-recurring items	36,642	20,390
Income tax for the period	**(8,173)**	**(2,561)**
o.w. Administrative expenses	(806)	(810)
o.w. Income tax expense	(7,367)	(1,751)
Profit (Loss) for the period	**26,630**	**11,554**
Profit (loss) for the period attributable to Non-controlling interests	(4,339)	(3,007)
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**22,291**	**8,547**
Non-recurring items included in Profit (loss) for the period	(567)	(5,350)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	418	(357)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	23,276	13,540
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	3,921	3,364
Earnings per share (in Euro)	**0.28**	**0.11**
Earnings per share excluding non-recurring items (Euro)	***0.29***	***0.17***

RECONCILIATION OF THE CONDENSED AND THE STATUTORY BALANCE SHEET

(€/000)

	6/30/2022	12/31/2021
Cash and liquid securities	**121,080**	**166,668**
Cash and cash equivalents	121,080	166,668
Financial assets	**59,786**	**61,961**
Non-current financial assets	58,103	60,445
Current financial assets	1,683	1,516
Property, plant and equipment	**35,468**	**34,204**
Property, plant and equipment	35,413	34,149
Inventories	55	55
Intangible assets	**536,030**	**545,225**
Intangible assets	536,030	545,225
Tax assets	**158,273**	**152,996**
Deferred tax assets	110,795	112,640
Other current assets	2,585	1,894
Tax assets	44,893	38,462
Trade receivables	**228,110**	**206,326**
Trade receivables	228,110	206,326
Assets held for sale	**10**	**30**
Assets held for sale	10	30
Other assets	**14,098**	**17,226**
Other current assets	12,031	15,212
Other non-current assets	2,067	2,014
Total Assets	**1,152,855**	**1,184,636**
Financial liabilities: due to banks/bondholders	**582,244**	**568,459**
Loans and other financing non-current	552,408	550,859
Loans and other financing current	29,836	17,600
Other financial liabilities	**74,905**	**76,017**
Loans and other financing non-current	4,446	4,365
Loans and other financing current	-	4
Other non-current financial liabilities	21,459	46,048
Other current financial liabilities	49,000	25,600
Trade payables	**57,966**	**73,710**
Trade payables	57,966	73,710
Tax Liabilities	**112,915**	**113,060**
Tax payables	62,179	58,710
Deferred tax liabilities	50,736	54,350
Employee Termination Benefits	**8,710**	**10,264**
Employee benefits	8,710	10,264
Provision for risks and charges	**39,490**	**44,235**
Provisions for risks and charges	39,490	44,235
Other liabilities	**97,437**	**104,888**
Other current liabilities	72,204	75,052
Other non-current liabilities	25,233	29,836
Total Liabilities	**973,667**	**990,633**
Share capital	**41,280**	**41,280**
Share capital	41,280	41,280
Reserves	**84,868**	**96,299**
Valuation reserve	(107)	(1)
Other reserves	84,975	96,300
Treasury shares	**(4,340)**	**(4,678)**
Treasury shares	(4,340)	(4,678)
Profit (loss) for the period attributable to the Shareholders of the Parent	**22,291**	**23,744**
Profit (loss) for the period attributable to the Shareholders of the Parent Company	22,291	23,744
Net Equity attributable to the Shareholders of the Parent Company	**144,099**	**156,645**
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	**1,117,766**	**1,147,278**
Net Equity attributable to Non-Controlling Interests	**35,089**	**37,358**
Net Equity attributable to Non-controlling interests	35,089	37,358
Total Liabilities and Net Equity	**1,152,855**	**1,184,636**

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2022

1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(€/000)

	NOTE	6/30/2022	12/31/2021
Non-current assets			
Intangible assets	**1**	536,030	545,225
Property, plant and equipment	**2**	35,413	34,149
Non-current financial assets	**3**	58,103	60,445
Deferred tax assets	**4**	110,795	112,640
Other non-current assets	**5**	2,067	2,013
Total non-current assets		**742,408**	**754,472**
Current assets			
Inventories	**6**	55	55
Current financial assets	**3**	1,683	1,516
Trade receivables	**7**	228,110	206,326
Tax assets	**8**	44,893	38,462
Other current assets	**5**	14,616	17,107
Cash and cash equivalents	**9**	121,080	166,668
Total current assets		**410,437**	**430,134**
Assets held for sale	**10**	**10**	**30**
Total assets		**1,152,855**	**1,184,636**
Shareholders' Equity			
Share capital		41,280	41,280
Valuation reserve		(107)	(1)
Other reserves		84,975	96,300
Treasury shares		(4,340)	(4,678)
Profit (loss) for the period attributable to the Shareholders of the Parent		22,291	23,744
Net Equity attributable to the Shareholders of the Parent Company		**144,099**	**156,645**
Net Equity attributable to Non-controlling interests		**35,089**	**37,358**
Total Net Equity	**11**	**179,188**	**194,003**
Non-current liabilities			
Loans and other financing	**12**	556,854	555,224
Other non-current financial liabilities	**13**	21,459	46,048
Employee benefits	**14**	8,710	10,264
Provisions for risks and charges	**15**	39,490	44,235
Deferred tax liabilities	**4**	50,736	54,350
Other non current liabilities	**17**	25,233	29,836
Total non-current liabilities		**702,482**	**739,957**
Current liabilities			
Loans and other financing	**12**	29,836	17,604
Other current financial liabilities	**13**	49,000	25,600
Trade payables	**16**	57,966	73,710
Tax payables	**8**	62,179	58,710
Other current liabilities	**17**	72,204	75,052
Total current liabilities		**271,185**	**250,676**
Total liabilities		**973,667**	**990,633**
Total Net Equity and liabilities		**1,152,855**	**1,184,636**

E-MARKET SDIR CERTIFIED

CONSOLIDATED INCOME STATEMENT

(€/000)

	NOTE	6/30/2022	6/30/2021
Revenue from contracts with customers	**20**	249,656	230,834
Other revenues	**21**	21,162	20,458
Total revenue		**270,818**	**251,292**
Costs for services rendered	**22**	(27,448)	(28,115)
Personnel expenses	**23**	(112,704)	(115,556)
Administrative expenses	**24**	(52,843)	(46,516)
Other operating (expense)/income	**25**	3,951	735
Depreciation, amortisation and impairment	**26**	(31,230)	(38,861)
Provisions for risks and charges	**27**	(2,792)	57
Total costs		**(223,066)**	**(228,256)**
Operating income		**47,752**	**23,036**
Financial (Expense)/Income	**28**	(13,755)	(9,731)
Profit (Loss) before tax		**33,997**	**13,305**
Income tax expense	**29**	(7,367)	(1,751)
Net profit (loss) from continuing operations		**26,630**	**11,554**
Profit (Loss) for the period		**26,630**	**11,554**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		22,291	8,547
o.w. Profit (loss) for the period attributable to Non-controlling interests		4,339	3,007
Earnings per share	**30**		
basic		0.28	0.11
diluted		0.28	0.11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)

	6/30/2022	6/30/2021
Profit (Loss) for the period	**26,630**	**11,554**
Other comprehensive income after tax not recyclable to profit or loss		
Equity instruments designated at fair value through comprehensive income	(616)	-
Defined benefit plans	510	(26)
Other comprehensive income after tax recyclable to profit or loss		
Cash flow hedges	-	104
Total other comprehensive income after tax	**(106)**	**78**
Comprehensive income	**26,524**	**11,632**
o.w. Comprehensive income attributable to Shareholders of the Parent Company	22,185	8,625
o.w. Comprehensive income attributable to Non-controlling interests	4,339	3,007

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 6/30/2022

(€/000)

	Share capital	Valuation reserve	Other reserves: Reserves from profit and/or withholding tax	Other reserves: Other	Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
Balance at 12/31 previous year	**41,280**	**(1)**	**50,864**	**45,436**	**(4,678)**	**23,744**	**156,645**	**37,358**	**194,003**
Changes in opening balance	-	-	-	-	-	-	-	-	-
Initial balance	**41,280**	**(1)**	**50,864**	**45,436**	**(4,678)**	**23,744**	**156,645**	**37,358**	**194,003**
Allocation of the previous year profit to reserves	-	-	(535)	24,279	-	(23,744)	-	-	-
Dividends and other payouts	-	-	(24,996)	(14,553)	-	-	**(39,549)**	**(5,002)**	**(44,551)**
Changes in reserves	-	-	(76)	1,164	-	-	**1,088**	**(1,606)**	**(518)**
Stock options	-	-	765	2,627	338	-	**3,730**	-	**3,730**
Comprehensive income of the period	-	(106)	-	-	-	22,291	**22,185**	**4,339**	**26,524**
Final balance	**41,280**	**(107)**	**26,022**	**58,953**	**(4,340)**	**22,291**	**144,099**	**35,089**	**179,188**

AT 12/31/2021

(€/000)

	Share capital	Valuation reserve	Other reserves: Reserves from profit and/or withholding tax	Other reserves: Other	Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
Balance at 12/31 previous year	**41,280**	**(215)**	**61,082**	**84,295**	**(103)**	**(21,943)**	**164,396**	**41,264**	**205,660**
Changes in opening balance	-	-	-	-	-	-	-	-	-
Initial balance	**41,280**	**(215)**	**61,082**	**84,295**	**(103)**	**(21,943)**	**164,396**	**41,264**	**205,660**
Allocation of the previous year profit to reserves	-	-	263	(29,771)	-	29,508	-	-	-
Dividends and other payouts	-	-	(12,976)	-	-	(7,831)	**(20,807)**	**(2,502)**	**(23,309)**
Changes in reserves	-	30	(28)	(7,592)	-	266	**(7,324)**	**(10,833)**	**(18,157)**
Stock options	-	-	2,523	(1,496)	(4,575)	-	**(3,548)**	-	**(3,548)**
Comprehensive income of the period	-	184	-	-	-	23,744	**23,928**	**9,429**	**33,357**
Final balance	**41,280**	**(1)**	**50,864**	**45,436**	**(4,678)**	**23,744**	**156,645**	**37,358**	**194,003**

AT 6/30/2021

	Share capital	Valuation reserve	Other reserves: Reserves from profit and/or withholding tax	Other reserves: Other	Treasury shares	Net profit (loss) for the period	**Net equity attributable to Shareholders of the Parent Company**	**Net equity attributable to Non-controlling interests**	**Total Net Equity**
Balance at 12/31 previous year	**41,280**	**(215)**	**61,082**	**84,949**	**(103)**	**(22,597)**	**164,396**	**41,264**	**205,660**
Changes in opening balance	-	-	-	-	-	-	-	-	-
Initial balance	**41,280**	**(215)**	**61,082**	**84,949**	**(103)**	**(22,597)**	**164,396**	**41,264**	**205,660**
Allocation of the previous year profit to reserves	-	-	8,095	(29,773)	-	21,678	-	-	-
Dividends and other payouts	-	-	-	(20,807)	-	-	(20,807)	-	(20,807)
Changes in reserves	-	(2)	-	(10,386)	-	919	(9,469)	(15,573)	(25,042)
Stock options	-	-	2,494	(1,918)	28	-	604	-	604
Changes in equity investments	-	-	-	-	-	-	-	2,929	2,929
Comprehensive income of the period	-	78	-	-	-	8,547	8,625	3,007	11,632
Final balance	**41,280**	**(139)**	**71,671**	**22,065**	**(75)**	**8,547**	**143,349**	**31,627**	**174,976**

CONSOLIDATED CASH FLOW STATEMENT - INDIRECT METHOD -

(€/000)

	6/30/2022	6/30/2021
Operating activities		
Profit (loss) for the period befor tax	**33,997**	**13,305**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:	**50,820**	**55,793**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	383	179
Depreciation, amortisation and impairment	31,230	38,861
Change in net provisions for risks and charges	2,792	6,480
Financial (Expense)/Income	13,023	9,668
Costs for share-based payments	3,392	605
Change in working capital	**(37,719)**	**(8,442)**
Change in trade receivables	(21,976)	(18,698)
Change in trade payables	(15,743)	10,256
Change in financial assets and liabilities	**2,029**	**30,020**
Financial assets measured at fair value through other comprehensive income	-	(1,506)
Other assets mandatorily measured at fair value	1,868	25,478
Financial assets measured at amortised cost	161	1,798
Financial liabilities measured at amortised cost	-	4,250
Other changes:	**(53,985)**	**(33,334)**
Interests paid	(11,941)	(10,358)
Payment of income taxes	(4,175)	-
Other changes in other assets/other liabilities	(37,869)	(22,976)
Cash flows generated by operations	**(4,858)**	**57,342**
Investing activities		
Purchases of property, plant and equipment	(3,006)	(819)
Purchases of intangible assets	(8,835)	(6,186)
Net cash flows used in investing activities	**(11,841)**	**(7,005)**
Funding activities		
Dividends paid	(36,561)	(18,908)
Loans obtained	12,492	-
Repayment of loans	-	(41,500)
Payment of principal portion of lease liabilities	(4,820)	(5,878)
Net cash flows used in funding activities	**(28,889)**	**(66,286)**
Net liquidity in the period	**(45,588)**	**(15,949)**
Reconciliation		
Cash and cash equivalents at the beginning of period	166,668	132,486
Net liquidity in the period	(45,588)	(15,949)
Cash and cash equivalents at the end of the period	**121,080**	**116,537**

ILLUSTRATIVE NOTES

2. ACCOUNTING POLICIES

General information

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These condensed interim consolidated financial statements as at June 30, 2022 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, 2021.

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, 2021, 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.

These Condensed Consolidated Half-Year Financial Statements are accompanied by the Attestation of the Manager in Charge pursuant to Article 154-bis of Legislative Decree 58/1998 and is subject to a limited audit by the auditing firm EY S.p.A..

BASIS OF PREPARATION

The condensed consolidated half-year financial statements are prepared using the euro as the accounting currency, in accordance with the provisions of Art. 5(2) of Legislative Decree No 38/2005, and consists of:

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

and are accompanied by the **Directors' Interim report on 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, 2022 for the recognition, classification, measurement and derecognition of assets and liabilities and the recognition of costs and revenues have not been updated from those adopted in the preparation of the Consolidated financial statements for the year ended December 31, 2021.

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

Going concern

In the preparation of the condensed interim consolidated financial statements as of June 30, 2022, the Directors consider the going concern assumption to be appropriate since, in their opinion, despite the presence of the Russia-Ukraine conflict and the continuation of the complex economic scenario following

the evolution of the COVID-19 pandemic and its variants, as well as the governmental and EU interventions and contrast measures adopted by the various countries in response to the two issues, no uncertainties have emerged related to events or circumstances that, considered individually or as a whole, could raise doubts as to the company's ability to continue as a going concern. The assessment took into account the Group's capital endowment, financial position as well as the foreseeable evolution of operations, despite the uncertainties related to the continuing emergency situation; the possible presence of events or conditions related to climate that could affect the Group's continuity was also assessed, noting, however, the absence of such events.
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 recognized in the Condensed interim consolidated financial statements as at June 30, 2022, as required by accounting standards. These processes are essentially based on estimates of future recoverability of the values recognized and were conducted on a going concern basis. These processes supported the book values recognized as at June 30, 2022. Estimates and assumptions are reviewed regularly.
In view of the presence of uncertainty in the macroeconomic and market environment, the assumptions made, even if reasonable, might not hold in future scenarios in which the Group may operate. Accordingly, future results may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that currently cannot be foreseen or estimated to the book value of the assets and liabilities recognized 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, also taking into account the consequences related to the Russia-Ukraine conflict, 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 recognized 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 estimated variable consideration is included in whole or in part only to the extent that it is highly probable that when the uncertainty associated with the consideration is subsequently resolved, there will be no significant downward adjustment to the amount of cumulative revenue recognized.
At end of the period, revenues accrued that have not yet been manifestly accepted by the customer are recognized. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice.
At the date of preparation of these financial statements, the share of servicing revenues without such manifest acceptance amounted to 33%of the total invoices to be issued as at June 30, 2022 and was 20% 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 recognized 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 materialize 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 capitalization to ensure the expected future development of the business, and the perpetual capitalization of the normalized 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 recognized 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 behavior 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 recognized, it should be noted that these assets are mainly measured on the basis of the definitive Purchase Price Allocation (PPA) of the two business combinations

concluded in the past few years; i.e., the acquisition of control of Altamira Asset Management S.A. (Altamira) and its subsidiaries in June 2019 and that of Eurobank FPS (now doValue Greece) concluded in June 2020. The Group, while taking into account the inherent difficulty in making even short- or medium-term forecasts in the current climate of significant uncertainty and considering that both Altamira and doValue Greece have existing (stock) and future (new flows) medium/long-term credit management contracts with primary banking counterparties and significant investment funds, carried out the impairment test in accordance with international accounting standard IAS 36 "Impairment of Assets" and taking into account the latest indications issued by ESMA and Consob regarding the Russia-Ukraine conflict.
The test was performed on the amounts of intangible assets and goodwill, resulting, as at June 30, 2022 in accordance with the allocation of the final PPA of Altamira and final PPA of doValue Greece and the updating of amortization 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 the Hellenic Region (Greece and Cyprus), were identified on a preliminary basis and the allocation of intangible assets and goodwill to the two separate CGUs was determined.
For the purposes of performing the test, the prospective information determined in accordance with the Group's 2022-2024 Business Plan approved by the Board of Directors on 25 January this year was taken into consideration, which includes the most recent scenario assumptions gathered by the subsidiaries, one considering the trend of the pandemic and the estimated effects that this has entailed and will entail in the future for the NPL servicing market in general. With regard to the subsidiary Altamira Asset Management in particular, the implications of the non-renewal of the servicing contract with the client Sareb were also taken into account. 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 some evidence of impairment, totaling €0.6 million, as differences between the value in use of active servicing contracts and their book value minus amortization for the period. 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 amount and the total net book value of the CGUs as at 30 June 2022, the model has confirmed for both acquisitions the recoverable amount that confirms the absence of impairment losses for the goodwill recorded (for further details, see also Note 1 Intangible Assets below).

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, 2021. 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 recognizing the assets and liabilities at their fair value. Any unallocated remainder is recognized as goodwill if positive; if negative, it is recognized 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".

SCOPE AND METHOD OF CONSOLIDATION

The preparation of the condensed interim consolidated financial statements as at June 30, 2022 drew on the accounts as at the same date 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, 2022 of the companies included in the scope of consolidation were reclassified and adjusted appropriately to take consolidation requirements into account and, where necessary, align them with the Group accounting policies.

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

The following Section shows the consolidation principles adopted by the Group in preparing the condensed interim consolidated financial statements as at June 30, 2022.

Subsidiaries

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

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

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

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

The Group reconsiders whether or not it has control over an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ends when the Group loses control.
The book value of equity investments in companies consolidated on a line-by-line basis held by the Parent Company is eliminated - with the incorporation of the assets and liabilities of the investees - against the corresponding portion of shareholders' equity attributable to the Group.
Assets and liabilities, off-balance-sheet transactions, income and charges, as well as profits and losses occurring between companies within the scope of consolidation are fully eliminated, in accordance with the consolidation methods adopted.
The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.
The difference between the amount received for the subsidiary and the book value of its net assets (including goodwill) at the same date is recognized 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 recognized 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 recognized 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 recognized 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 realized 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 recognized 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 recognized 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 recognize 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 recognized 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 recognized by the acquiree) and the identifiable liabilities assumed (including contingent liabilities) are recognized at their respective fair values on the acquisition date. In addition, for each business combination, any non-controlling interests in the acquiree can be recognized 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 recognize 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 recognized 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 recognized 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 recognized in profit or loss but rather are recognized 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 reorganization, therefore between two or more companies or activities that already belong to the doValue Group and that does not involve a change in the control structure regardless of the percentage of third-party rights before and after the transaction (so-called combinations of entities under common control). These transactions are considered as having no economic substance. Accordingly, in the absence of an IAS/IFRS that specifically applies to the transaction and in compliance with the assumptions of IAS 8, which requires that - in the absence of a specific standard - an entity shall use its judgement in applying an accounting policy that produces relevant, reliable and prudent information that reflects the economic substance of the transaction, such transactions are accounted for by retaining the values of the acquiree in the financial statements of the acquirer. Mergers are a form of business combination, representing the most complete form of such combinations, as they involve the legal and financial merging of the entities participating in the transaction.

Whether they involve the formation of a new legal entity (merger of equals) or the absorption of one entity by another existing entity, mergers are treated in accordance with the criteria discussed above. Specifically:
- if the transaction involves the transfer of control of an entity, it is treated as a business combination pursuant to IFRS 3;
- if the transaction does not involve the transfer of control, it is accounted for by retaining the accounting values of the merged company.

Associates

An associate is an entity over which an investor has significant influence but which is not controlled exclusively or jointly controlled. Significant influence is presumed when the investor:
- holds, directly or indirectly, at least 20% of the share capital of another entity,
  or
- is able, including through shareholders' agreements, to exercise significant influence through:
  - ➢ representation on the governing body of the company;
  - ➢ participation in 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 recognized 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 recognized 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 recognized, 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, 2022, there were no companies measured using the Equity method.

Investments in subsidiaries

Nella tabella seguente sono elencate le società incluse integralmente nell'area di consolidamento:

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

Notes to the

(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
6 = centralized management pursuant to Article 39, paragraph 2, of Legislative

(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 2022.

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, 2022.

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 Directors' Interim Report on Group Operations for a description of the significant events occurred after the end of the period.

OTHER MATTERS

Impacts of the COVID-19 epidemic and conflict in Ukraine

The recovery of the world economy from the pandemic crisis continued with a strong acceleration in the first half of 2022, albeit with geographically diversified modalities and intensities. The discriminating factors are the speed of vaccination campaigns, the efficiency of infection prevention mechanisms and, lastly, the intensity of fiscal support for recovery.
At present, various support measures for households and businesses in terms of debt moratoriums ceased and there was a gradual normalization of the activity of the courts with a consequent acceleration of the collection activity by sector operators compared to the recent past. It is also believed that the moratoriums and various forms of government support implemented during the pandemic, although mostly ceased, did not allow a realistic view of the actual degree of credit deterioration.
Since the beginning of the pandemic, the doValue Group has activated the Business Continuity & Crisis Management Committee in a crisis session in order to take decisions based on the development of the situation. The main measures taken over time and still in force were aimed at supporting its employees and collaborators, in all countries in which it operates, 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 organization.

That being said, in compliance with the indications issued by ESMA, contained in the public statements published in March, May, July and October 2020, and by Consob, referred to in Warning Notices No. 6/20 of April 9, 2020, No. 8/20 of July 16, 2020 and No. 1/21 of February 16, 2021, the Group has continued to closely monitor the evolution of the situation with respect to the main areas of interest and in the main countries in which it operates, in continuity with what has already been indicated in the Consolidated Financial Statements as of December 31, 2021, in order to assess, based on the specific business circumstances and the availability of reliable information, the relevance of the impacts of COVID-19 on the Group’s business activities, financial position and economic performance as at June 30, 2022.

In this regard, it should be noted that the data for the first half of 2022 are not significantly affected by the effects of the COVID-19 pandemic. In particular, with regard to non-financial assets and any adjustments to their value (IAS 36), there were no significant changes due to the COVID-19 pandemic worthy of further consideration with respect to December 31, 2021.

However, while in the first six months of 2022 the world economy is recovering from the pandemic, the Russian-Ukrainian military conflict, which started in February 2022, leads companies to face a new macroeconomic scenario of uncertainty.
Indeed, the Russian invasion of Ukraine poses a new threat to raw material supplies and prices and will further complicate the supply chain, also in view of the significant role Russia and Ukraine play in the international economic chessboard. Inflationary pressures, initially linked to the pandemic, will be exacerbated by the ongoing conflict and will burden costs across the board.

In relation to the aforementioned conflict between Russia and Ukraine, the Group is therefore aware of the potential criticalities connected to the ongoing emergency caused by the war, which has direct and indirect repercussions on the world economy and is contributing to fueling the context of general uncertainty already existing due to the effects of the COVID-19 pandemic, whose evolutions and effects are not currently predictable and quantifiable with a high degree of reliability.

In accordance with the indications issued by ESMA in its public statement of 13 May 2022 “Implications of Russia’s invasion of Ukraine on half-yearly financial reports” as well as Consob’s Warning Notice No. 3/22 of May 19, 2022, the Group has carried out an analysis of the direct and indirect impacts in relation to the aforementioned conflict, the result of which leads to the conclusion that, as of today, the impacts on the doValue Group may be limited.
Regarding direct impacts:

- the transaction flows on which the cash flows of Group companies are based are not made in the monetary currencies of the countries involved in the conflict;
- the Group does not operate with credit institutions subject to restrictions/sanctions issued by the European Union and the International Community;
- the group companies do not operate with customers and suppliers directly located in the countries involved in the conflict;
- there are no significant positions managed through the mandated portfolios that are impacted by the consequences of the conflict.

With regard to indirect impacts, mainly related to the deterioration of key general economic indicators, such as inflation, growth rate, and interest rate trends, the Group deemed it appropriate to subject intangible assets to impairment testing, pursuant to IAS 36.
This analysis brought to light some impairment indicators, such as the differences between the value in use of the active servicing contracts and their book value, net of the amortization for the period of €0.6 million, related to the Altamira contracts.

The situation regarding the Russia-Ukraine conflict will continue to be constantly monitored, and with it the potential effects on the 2022 annual financial statements.

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, 2022, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments issued on May 14, 2020 for:
    - IFRS 3 Business Combinations;
    - IAS 16 Property, Plant and Equipment;
    - IAS 37 Provisions, Contingent Liabilities and Contingent Assets;
    - Annual Improvements 2018-2020.

On May 13, 2022, ESMA published the Public Statement regarding the disclosure in half-yearly financial reports on the implications of Russia's invasion of Ukraine.
On the same topic, Consob published a Warning Notice (No. 3/22) on May 19, 2022: Conflict in Ukraine - Call for attention of supervised issuers on financial reporting and compliance with the EU's restrictive measures against Russia.

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

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on January 23, 2020 and July 15, 2020 respectively);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, issued on May 7, 2021;
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on December 9, 2021).

Main items of the financial statements

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, 2021.

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 maximizes the amount that would be received in the sale of an asset or minimizes the amount that would be paid in the transfer of a liability, after taking into account transaction costs.

With the aim of maximizing 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, 2022, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

ASSET BACKED SECURITIES

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

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 recognized if the cost exceeds the recoverable amount significantly and/or for a long time.

INVESTMENT FUNDS

Funds are classified as Level 1 if they are listed on an active market; if this does not occur, they are classified as Level 3 and are assessed through a credit adjustment of the Net asset value (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.

ALTRI STRUMENTI DERIVATI

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

Description of assessment techniques

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

DISCOUNTED CASH FLOW

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

MARKET APPROACH

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

NAV

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

HIERARCHY OF FAIR VALUE

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

When fair value is measured directly using an observable quoted price in an active market, the instrument will be categorized within Level 1. When the fair value must be measured using a comparable approach or a pricing model, the instrument will be categorized 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 maximizes 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.

E-MARKET SDIR CERTIFIED

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 recognized at fair value through profit or loss" mainly includes:

1. the value of the notes issued by the securitization vehicle companies:
   - Romeo Special Purpose Vehicle (SPV) and Mercuzio Securitization, amounting to 5% of the total securities;
   - Cairo, whose mezzanine notes were purchased on June 5, 2020 in conjunction with the acquisition of the subsidiary doValue Greece;
   - Mexico, purchased in December 2021 and remaining 5% of the total subordinated securities issued by the vehicle;
2. UCITS quotas: the equivalent of the amount paid for the subscription of the remaining 27 quotas of the reserved alternative investment fund Italian Recovery Fund (formerly Atlante II) net of redemptions;
3. the fair value of the call option on equity instruments of the investee company BIDX1, acquired along with the minority interest of 15.2% of the company's capital on November 9, 2021.

Level 3 of the category "Financial assets recognized at fair value with impact on comprehensive income" includes the value of equity instruments related to the aforementioned minority interest in the company BidX1, for which the Group applies, upon initial recognition, the option to designate at fair value with impact on comprehensive income.
The fair value of these financial assets 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 company. Since these parameters are not observable on the market (either directly or indirectly), these assets are classified under Level 3.

Level 3 of the "Other financial liabilities" category includes:

1. the Earn-out represented by the fair value of the liability related to a portion of the acquisition price of Altamira;
2. 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 horizon;
3. the fair value of the liability related to the option to purchase residual minority interests in the subsidiary Altamira Asset Management, which expires 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.

(€/000)

	6/30/2022			12/31/2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	**-**	**-**	**44,969**	**-**	**-**	**46,465**
Units in collective investment undertakings	-	-	24,958	-	-	25,805
Debt securities	-	-	17,725	-	-	18,881
Equity securities	-	-	197	-	-	197
Non-hedging derivatives	-	-	2,089	-	-	1,582
Financial assets measured at fair value through comprehensive income	**-**	**-**	**9,373**	**-**	**-**	**9,989**
Equity securities	-	-	9,373	-	-	9,989
Total	**-**	**-**	**54,342**	**-**	**-**	**56,454**
Other financial liabilities	**-**	**-**	**45,589**	**-**	**-**	**45,282**
Earn-out	-	-	23,161	-	-	23,043
Put option on non-controlling interests	-	-	22,428	-	-	22,239
Total	**-**	**-**	**45,589**	**-**	**-**	**45,282**

3. INFORMATION ON THE CONSOLIDATED BALANCE SHEET

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 6/30/2022	Total 12/31/2021
Gross opening balance	**144,714**	**46,881**	**12,571**	**236,897**	**431,340**	**872,403**	**811,834**
Initial reduction in value	(118,315)	(18,375)	-	-	(190,488)	(327,178)	(234,374)
Net opening balance	**26,399**	**28,506**	**12,571**	**236,897**	**240,852**	**545,225**	**577,460**
Initial adjustments	-	-	-	-	-	-	3,351
Increases	**14,843**	**4**	**(6,236)**	**-**	**6,080**	**14,691**	**60,828**
Purchases	3,935	4	4,672	-	6,080	14,691	61,010
Other changes	10,908	-	(10,908)	-	-	-	(182)
Decreases	**(5,905)**	**(1,723)**	**-**	**-**	**(16,258)**	**(23,886)**	**(96,414)**
Disposals	-	-	-	-	-	-	(86)
Amortisation	(5,905)	(1,723)	-	-	(15,668)	(23,296)	(76,288)
Impairment	-	-	-	-	(590)	(590)	(3,524)
Other changes	-	-	-	-	-	-	(16,516)
Gross closing balance	**159,557**	**46,885**	**6,335**	**236,897**	**436,830**	**886,504**	**872,403**
Final reduction in value	(124,220)	(20,098)	-	-	(206,156)	(350,474)	(327,178)
Net closing balance	**35,337**	**26,787**	**6,335**	**236,897**	**230,674**	**536,030**	**545,225**

The **opening balances** are mainly represented by the value of the multi-year servicing contracts included in the item "Other intangible assets" and goodwill arising from the acquisitions made by the Group: in June 2019, the acquisition of Altamira Asset Management and its subsidiaries and, in June 2020, the *business combination* of Eurobank FPS (now doValue Greece), whose PPA valuation was made final one year later, in June 2021.

Due to the acquisition of doValue Greece, the following net values were recorded as at June 30, 2022:

- €14.7 million for software and a software-related assets under developement;
- €191.8 million related to Special and Master servicing contracts for the management of impaired exposure portfolios, including €40.6 million related to the Frontier portfolio acquired in December 2021;
- €112.4 million relating to goodwill.

With respect to the acquisition of Altamira Asset Management and its subsidiaries, the net values as of June 30, 2022 are as follows:

- €10.2 million for software and a software-related assets under developement;
- €26.7 million for the Altamira brand;
- €38.8 million relating to other intangible assets, which include the valuation of active long-term servicing contracts with major banks and companies for approximately €38.3 million and the backlog & database component for €0.5 million;
- €124.1 million relating to goodwill.

Increases in the half-year period include the value recorded under "Other intangible assets" for additional costs incurred in obtaining the servicing contract for the Frontier portfolio in the amount of €6.1 million. Other significant increases (€8.6 million) were recorded in "Software" and "Assets under development and payments on account", which are exclusively related to IT developments.

The **decreases** during the period are attributable for €23.3 million to the amortization 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 amortized 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 amortization charge for the period of each contract was calculated to an extent corresponding to the direct margin posted in the period.

Other decreases with an economic impact totaling €0.6 million relate to **impairment losses**.
These originated from the outcome of the impairment test pursuant to IAS 36 performed on the values of intangible assets and goodwill as of 30 June 2022, consistent with the recommendations included in the ESMA Public Statement of 13 May 2022 "Implications of Russia's invasion of Ukraine on half-yearly financial reports" and the related Consob Warning Notice No. 3/22 of 19 May 2022.
To this end, in continuity with the exercise carried out on the data as at December 31, 2021, the Cash Generating Units (CGUs) identified in the two geographical segmentation zones pertaining to Altamira Asset Management and its subsidiaries and doValue Greece - namely the "Iberia" CGU (Spain and Portugal) and the "Hellenic Region" CGU (Greece and Cyprus) - were used and the allocation of intangible assets and goodwill was determined on them.
For the purposes of impairment testing, the forward-looking information determined in accordance with the most recent scenario assumptions collected by the subsidiaries and reflected in the business plan 2022-2024 approved on January 25, 2022 by the Board of Directors of doValue was considered. This considers the pandemic trend and the estimated effects it has had and will have in the future on the NPL servicing market in general.
With respect to the subsidiary Altamira Asset Management, the consequences of the non-renewal of a servicing contract by Sareb were also considered.
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.

With regard to goodwill, the comparison between the recoverable amount and the total net book value of the CGUs as at June 30, 2022, the model confirmed the recoverable amount for both acquisitions.

On the other hand, with regard to the test performed on the other intangible components of the item, the analysis revealed some evidence of impairment, such as differences between the value in use of the active servicing contracts and the related book value less amortization for the period, for a total of €0.6 million referring to the Sareb contract of Altamira, which terminated in June 2022.

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

(€/000)

	Net present value	Net book value	Impairment
Software	7,954	7,954	-
Brand	33,160	26,712	-
Other ingible assets - SLAs	29,880	24,283	(590)
Other ingible assets - Database	520	520	-
Intangible Assets - Iberia	**71,515**	**59,469**	**(590)**
Software	1,134	1,134	-
Other ingible assets - SLAs	33,723	14,643	-
Intangible Assets - Hellenic Region	**34,857**	**15,777**	**-**
Total	**106,371**	**75,246**	**(590)**

Similarly, the table below summarizes the impairment test performed on the final value attributed to the intangible assets of doValue Greece.

(€/000)

	Net present value	Net book value	Impairment
Intangible Assets – Hellenic Region	**354,788**	**191,845**	**-**
Total	**354,788**	**191,845**	**-**

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

NOTE 2 – PROPERTY, PLANT AND EQUIPMENT

(€/000)

	Buildings	Furniture	Electronic Systems	Assets under development and payments on account	Other	Total 6/30/2022	Total 12/31/2021
Gross opening balance	**54,889**	**3,187**	**11,794**	**-**	**18,218**	**88,088**	**76,482**
Initial reduction in value	(29,216)	(2,479)	(9,496)	-	(12,748)	(53,939)	(40,361)
Net opening balance	**25,673**	**708**	**2,298**	**-**	**5,470**	**34,149**	**36,121**
Increases	**(2,173)**	**86**	**3,342**	**2,266**	**(2,569)**	**952**	**11,865**
Purchases	969	77	4,081	2,266	1,071	8,464	13,367
ow: Rights of Use	*562*	-	*3,947*	-	*949*	*5,458*	*9,173*
Other changes (+/- on gross value)	(3,142)	9	(739)	-	(3,640)	(7,512)	(1,505)
Decreases	**(845)**	**(112)**	**(720)**	**-**	**1,989**	**312**	**(13,837)**
Disposals	-	-	-	-	-	-	(228)
Amortisation	(4,101)	(109)	(944)	-	(2,008)	(7,162)	(14,724)
ow: Rights of Use	*(3,732)*	-	*(414)*	-	*(1,547)*	*(5,693)*	*(11,878)*
Impairment	-	-	-	-	-	-	(30)
Other changes (+/- on reductions in value)	3,256	(3)	224	-	3,997	7,474	1,148
Gross closing balance	**52,716**	**3,273**	**15,136**	**2,266**	**15,649**	**89,040**	**88,088**
Final reduction in value	(30,061)	(2,591)	(10,216)	-	(10,759)	(53,627)	(53,939)
Net closing balance	**22,655**	**682**	**4,920**	**2,266**	**4,890**	**35,413**	**34,149**

During the first half of 2022, this item increased by a total of €1.3 million, from €34.1 million to €35.4 million.

The **increases** for the period, totaling €1.0 million, consisted of new purchases of €8.5 million, mostly for the new technology infrastructure, with an impact on the category of electronic equipment and fixed assets under development and payments on account.
"Other changes (+/- on gross value)" referring to increases should be read together with the related component included under decreases "Other changes (+/- on reductions in value)". For the "Buildings" category, these two components represent the write-off of the right-of-use and the related accumulated depreciation of one of the two buildings at the Rome headquarters, which was made possible by logistical efficiency and organization of work through the use of smart-working.

The **decreases** for the period also include depreciation and amortization of €7.2 million, of which €5.7 million related to usage rights.

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)

	6/30/2022	12/31/2021
Non-current financial assets	**58,103**	**60,445**
Financial assets measured at fair value through profit or loss	**43,286**	**44,949**
Units in collective investment undertakings	24,958	25,805
Debt securities	17,725	18,881
Equity securities	197	197
Non-hedging derivatives	406	66
Financial assets measured at amortised cost	**5,444**	**5,507**
Loans to customers	5,379	5,441
Loans to banks	65	66
Financial assets measured at fair value through other comprehensive income	**9,373**	**9,989**
Equity securities	9,373	9,989
Current financial assets	**1,683**	**1,516**
Financial assets measured at fair value through profit or loss	**1,683**	**1,516**
Non-hedging derivatives	1,683	1,516
Total	**59,786**	**61,961**

Non-current financial assets measured at fair value through profit or loss include UCITS units, debt securities, equity securities and non-hedging derivatives.
The UICTS units relate to 27 units of the reserved closed-end alternative investment fund Italian Recovery Fund (formerly Atlante II). During the period, a partial repayment of €0.8 million was recorded, while a portion of further shares to be subscribed amounting to €1.2 million was entered under commitments. The fair value of these UCITS units is determined through a credit adjustment of the NAV based on the specific characteristics communicated by the Fund.
Debt securities recorded a decrease of €1.2 million, of which €0.9 million of valuation origin related to the application of the Discounted Cash Flow method, as described in the section on Accounting Policies - Fair Value Disclosures.
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 laid down by the new IFRS 9 to measure these instruments at fair value through other comprehensive income without recycling to profit or loss.
Non-hedging derivatives include an option related to the purchase of additional shares in BidX1 mentioned below among the financial assets recognized at fair value with impact on comprehensive income.

The category of **non-current financial assets measured at amortized cost** includes loans and advances to customers, the value of which is in line with that of 2021. This item is mainly attributable to the subsidiary doNext and derives from the use of financial resources originating from a limited recourse loan, destined for a specific business and classified in other financial liabilities. For more details, please refer to the section of financial risks in the chapter on Information on risks and risks management policies.

The category of **non-current financial assets measured at fair value through other comprehensive income** includes the value of equity securities related to two companies:
- €1.5 million or 11.46% of the Brazilian fintech company QueroQuitar S.A., which operates in the field of digital collections;
- €7.9 million or 15.2% of BidX1, an Irish proptech company specializing in the promotion and execution of real estate transactions through real-time online auction processes.
For these non-controlling interests, the Group has exercised the option provided by IFRS 9, which allows these instruments to be measured at fair value with an impact on comprehensive income without recycling to the income statement.

Current financial assets include the valuation of a non-hedging derivative in the category **at fair value through protif or loss**. The derivative, which has been recognized since 2021, is the result of a call option included in the contract for the acquisition of the shareholding in Bidx1 and, as at June 30, 2022, recorded a positive fair value of €1.7 million.

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 recognized 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.
Article 42 of Decree-Law No. 17/2022 intervenes for the third time on the original deduction plan with a postponement technique substantially similar to that carried out by Law No. 160/2019.
This law provides as follows: the portion that should have been deducted in the financial year 2022 is deferred to the tax period in progress on December 31, 2023 and the three following years. It should be noted, in this regard, that the postponement only affects the 12% deduction originally provided for in Decree-Law 83/2015, but not the 3% deduction provided for in Article 1, paragraph 712 of Law No. 160/2019, which instead remains deductible according to the ordinary timeframe. Moreover, to partially mitigate the effects of such postponement, Paragraph 1-bis of Article 42 amends Paragraph 1056 of Law No. 145/2018, establishing that 53% of the 10% share pertaining to 2019 and postponed for IRES and IRAP purposes to 2026 is brought forward to December 31, 2022; for the remaining part (47%), the deductibility of the share itself remains fixed to 2026.
The recovery plan for pre-2015 corrections is now as follows as a result of Decree-Law No. 17/2022: 5% in the tax period ending December 31, 2016; 8% in the tax period ending December 31, 2017; 12% in the tax period ending December 31, 2020; 12% in the tax period ending December 31, 2021; 8.3% (3% +5.3%) in the tax period ending December 31, 2022; 18% (12% +3% +3%) for the tax period ending December 31, 2023; 18% (12% +3% +3%) for the tax period ending December 31, 2024; 11% (5% +3%+3%) for the tax period ending December 31, 2025; 7.7% for the tax period ending December 31, 2026. At the time of conversion, the original provision of Decree-Law No. 17/2022 (which provided for the deferral of the portion subject to reversal in 2021) was amended in two respects: i) on the one hand, the deferral to the 2022 portion was provided for instead of the 2021 portion; ii) on the other hand, the deduction of the 2019 portion deferred to 2026 was partially brought forward to 2022.

As a result of these legal provisions, the amount of deferred tax assets relating to the Parent Company will begin to move as of 2023, instead of 2022.

With regard to the provisions of IAS 12, deferred tax assets are subject to sustainability testing, taking account of forecast profits in future years and verifying that future taxable income will be available against which the deferred tax assets can be used.

The test performed on the data as at June 30, 2022 took into account the 2022-2024 Business Plan, which showed a tax base that is confirmed to be able to absorb the recognized deferred tax assets. As at June 30, 2022, additional DTAs totaling €1.9 million were recognized, mostly related to provisions for risks and

other assets/liabilities. This increase was more than offset by lower deferred tax assets related to the cancelation of deferred tax assets for the period in the amount of €3.6 million.
The criteria used for the recognition of deferred tax assets can be summarized as follows:

- deferred tax assets correspond to the amounts of income tax that can be recovered in future years regarding temporary differences;
- the prerequisite for the recognition of deferred tax assets is that it is considered reasonably certain in view of corporate developments that taxable income will be generated against which the deductible temporary differences will be used.

IRES and IRAP taxation was calculated by applying the tax rates established by the legal provisions in force in each country, with application, only to doNext, of the IRES surcharge of 3.5 percent provided for Italian credit and financial institutions (Law 208 of December 28, 2015).
On the other hand, as far as the determination of the Italian IRAP rate is concerned, as of June 30, 2022, doValue maintains the requirements of a non-financial holding company. As a result of this classification, doValue determines the taxable base in the same way as ordinary companies, in addition to taking into account the difference between interest income and similar income and interest expense and similar charges to the extent provided for by tax law, and also applying the increased rate (equal to 5.57% unless otherwise provided for by the individual competent regions) as applied to credit and financial institutions.

Deferred tax assets

Breakdown

(€/000)

	6/30/2022	12/31/2021
Provisions recognised through Income Statement	**110,470**	**112,152**
Write-downs of loans	49,365	49,370
Tax losses carried forward	20,294	17,598
Provisions for risks and charges	8,334	9,474
Property, plant and equipment / intangible assets	22,179	25,135
Administrative expenses	1,612	1,393
Other assets / liabilities	8,686	9,182
Provisions recognised through Equity	**325**	**488**
Defined benefit plans	325	488
Total	**110,795**	**112,640**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 6/30/2022	Total 12/31/2021
Opening balance	**112,152**	**488**	**112,640**	**94,702**
Initial adjustments	-	-	-	8,248
Adjusted opening balance	**112,152**	**488**	**112,640**	**102,950**
Increases	**4,615**	**(1)**	**4,614**	**13,693**
Deferred tax assets recognised during the year	1,859	-	1,859	11,540
- In respect of previous years	135	-	135	-
- Other	1,724	-	1,724	11,540
Other changes	2,756	(1)	2,755	2,153
Decreases	**(6,297)**	**(162)**	**(6,459)**	**(4,003)**
Deferred tax assets derecognised during the year	(3,625)	-	(3,625)	(2,857)
- Reversals of temporary differences	(1,764)	-	(1,764)	(2,766)
- Other	(1,861)	-	(1,861)	(91)
Reduction in tax rates	-	-	-	(1,002)
Other changes	(2,672)	(162)	(2,834)	(144)
Total	**110,470**	**325**	**110,795**	**112,640**

Deferred tax liabilities

Breakdown

(€/000)

	6/30/2022	12/31/2021
Provisions recognised through Income Statement	**50,716**	**54,330**
Other assets / liabilities	50,633	54,234
Others	83	96
Provisions recognised through Equity	**20**	**20**
Defined benefit plans	20	20
Total	**50,736**	**54,350**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 6/30/2022	Total 12/31/2021
Opening balance	**54,330**	**20**	**54,350**	**77,466**
Initial adjustments	-	-	-	(13,735)
Adjusted opening balance	**54,330**	**20**	**54,350**	**63,731**
Increases	**169**	**-**	**169**	**99**
Deferred tax liabilities recognised during the year	169	-	169	(1,720)
- In respect of previous years	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	169	-	169	(1,720)
Other changes	-	-	-	1,819
Decreases	**(3,783)**	**-**	**(3,783)**	**(9,480)**
Deferred tax liabilities derecognised during the year	(3,783)	-	(3,783)	(5,579)
- Reversals of temporary differences	-	-	-	-
- Due to changes in accounting policies	-	-	-	-
- Other	(3,783)	-	(3,783)	(5,579)
Reduction in tax rates	-	-	-	(3,900)
Other changes	-	-	-	(1)
Total	**50,716**	**20**	**50,736**	**54,350**

Deferred tax liabilities derive mainly from business combinations and, in particular, from the exercise of the *Purchase Price Allocation* (PPA) as an overall tax effect of the fair value adjustments made to the values of the entry to consolidation of the companies acquired 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.

NOTE 5 – OTHER ASSETS

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

(€/000)

	6/30/2022	12/31/2021
Other non-current assets	**2,067**	**2,013**
Other current assets	**14,616**	**17,107**
Accrued income / prepaid expenses	3,803	1,852
Items for employees	1,117	1,274
Receivables for advances	6,347	10,797
Tax receivables	2,589	1,898
Other items	760	1,286
Total	**16,683**	**19,120**

Overall, this item decreased by €2.4 million compared to December 31, 2021, mainly due to the combined effect of a reduction in receivables for expense advances on portfolios under management and an increase in prepaid expenses.
Other non-current assets mainly include guarantee deposits.

NOTE 6 – INVENTORIES

As at June 30, 2022, the item amounted to €55 thousand, unchanged with respect to the balance as at December 31, 2021. It refers to the Group's real estate portfolio composed of the value of two buildings.

NOTE 7 – TRADE RECEIVABLES

(€/000)

	6/30/2022	12/31/2021
Receivables	**230,237**	**209,123**
Receivables accruing (Invoices to be issued)	165,393	139,201
Receivables for invoices issued but not collected	64,844	69,922
Provisions	**(2,127)**	**(2,797)**
Provisions for expected losses on receivables	(2,127)	(2,797)
Total	**228,110**	**206,326**

Trade receivables arise in respect of invoices issued and accruing revenues mainly connected with servicing activities and real estate services under mandate and therefore mainly relating to the revenue item "revenues from contracts with customers".
This item shows a net increase of €21.8 million compared to the balance at December 31, 2021, mainly due to the combined effect of lower receivables for invoices issued to be collected, and higher allocations made to invoices to be issued at the end of the period.
Provisions for expected future losses on loans are around 1% of loans

NOTE 8 – TAX ASSETS AND TAX LIABILITIES

The following table provides a breakdown of tax liabilities.

Tax assets

(€/000)

	6/30/2022	12/31/2021
Current tax assets	5,942	6,392
VAT asset	38,951	32,070
Total	**44,893**	**38,462**

Tax liabilities

(€/000)

	6/30/2022	12/31/2021
Current tax liabilities	31,026	26,553
VAT liability	26,831	26,291
Withholding taxes and others	4,322	5,866
Total	**62,179**	**58,710**

NOTE 9 - CASH AND CASH EQUIVALENTS

The balance of €121.1 million, marking a decrease of €45.6 million compared with the balance of €166.7 million reported as at December 31, 2021, 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 is liquidating or intends to sell to third parties.
The liquidation of two of the total three SPVs in question was finalized during the semester.

(€/000)

	6/30/2022	12/31/2021
Non-current assets:		
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	10	30
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**10**	**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	**10**	**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	**-**	**-**

Liabilities and Equity

NOTE 11 – NET EQUITY

(€/000)

	6/30/2022	12/31/2021
Net Equity attributable to the Shareholders of the Parent Company	**144,099**	**156,645**
Share capital	41,280	41,280
Valuation reserve	(107)	(1)
Other reserves	84,975	96,300
Treasury shares	(4,340)	(4,678)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	22,291	23,744
Net Equity attributable to Non-controlling interests	**35,089**	**37,358**
Total	**179,188**	**194,003**

Below is the breakdown of the Share Capital:

(€/000)

	6/30/2022	12/31/2021
Share Capital (euro thousand)	**41,280**	**41,280**
Number of ordinary shares	80,000,000	80,000,000
Nominal value of ordinary shares	0.52	0.52
Treasury Shares (euro thousand)	**4,340**	**4,678**
Number of treasury shares	902,120	972,339

The **valuation reserve** as at June 30, 2022 amounted to a negative value of -€107 thousand, (-€1 thousand as at December 31, 2021) and included the combined effect of the valuation of the Staff Severance Reserve in accordance with IAS 19 and that deriving from the valuation delta of the Bidx1 equity security.

Other reserves break down as follows:

(€/000)

	6/30/2022	12/31/2021
Reserves from allocation of profits or tax-suspended reserves	**26,022**	**50,864**
Legal reserve	8,256	8,256
Reserve art. 7 Law 218/90	2,304	2,304
Tax-suspended reserve from business combinations	2	2
Reserve from FTA IAS art. 7 par. 7 Lgs. Decree 38/2005	8,780	8,780
Reserve from FTA IAS IFRS 9	1,140	1,140
Reserve from retained earnings	(8,597)	16,935
Reserve established in by laws for purchase of treasury shares	-	75
Reserve from retained earnings - Share Based Payments	14,137	13,372
Other reserves	**58,953**	**45,436**
Extraordinary reserve	88,154	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	7,316	4,689
Consolidation reserve	(33,411)	(57,698)
Negative reserve for put option on non-controlling interests	(15,178)	(16,597)
Total	**84,975**	**96,300**

Overall, the item shows a decrease of around €11.3 million due to the combination of the following main elements:

- approximately €25.5 million decrease in the **retained earnings reserve** mainly as a result of the distribution of dividends resolved by the Shareholders' Meeting on 28 April 2022 through the utilization of reserves generated in previous years for an overall total of €39.5 million in dividends distributed (of which 36.5 million paid at June 30, 2022);
- €14.8 million decrease in the **extraordinary reserve**, again as a result of the above-mentioned dividend distribution;
- €24.3 million increase in the **negative consolidation reserve** mainly due to the 2021 results of the subsidiaries;
- €1.4 million increase in the negative reserve related to the recognition of the financial liability for the **option to purchase non-controlling interests** pursuant to IAS 32, which increased from -€16.6 million to -€15.3 million due to the portion exceeding the amount of equity attributable to non-controlling interests related to the Altamira acquisition;
- €3.4 million net increase of the **Share Based Payments** reserves accounted for pursuant to IFRS 2 in implementation of the post-IPO remuneration policy, which provides for the grant of shares as remuneration to certain categories of managers.

Treasury shares, directly deducted from shareholders' equity, amounted to €4.3 million, a decrease of €338 thousand compared to December 31, 2021 as a result of the allocations made when the 2021 incentive scheme was finalized, in accordance with the 2021 Remuneration Policy.

Net equity attributable to Non-controlling interests amounted to €35.1 million, including the result for the period attributable to non-controlling interests of €2.7 million, and refers to the 20% stake in doValue Greece held by Eurobank. The portion of shareholders' equity attributable to the minority interests of Altamira (€7.2 million) is absorbed by the recognition of the liability for the "Put option on minority interests", which also includes the related portion of the negative result for the period attributable to minority interests amounting to -€1.5 million and representing the option to purchase the remaining minority interest in Altamira with expiry extended to the end of June 2023.

NOTE 12 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	6/30/2022	12/31/2021
Non-current loans and other financing			**556,854**	**555,224**
Due to other lenders	3%-5%	12/31/2024	4,446	4,365
Bond 2020	5%	8/04/2025	256,784	255,675
Bond 2021	3,375%	7/31/2026	295,624	295,184
Current loans and other financing			**29,836**	**17,604**
Bank loans		on demand	43	41
Bank overdrafts	Euribor3m+1,9%	on demand	20,053	7,566
Due to other lenders		on demand	-	4
Bond 2020	5%	08/01/2022	5,521	5,521
Bond 2021	3,375%	08/01/2022	4,219	4,472
Total			**586,690**	**572,828**

The balance of **loans and other financing** at June 30, 2022 includes the residual debt values at amortized cost of the following loans (current and non-current portion):

- €262.3 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, have been reserved for qualified investors and are listed on the Euro MTF multilateral trading system of the Luxembourg Stock Exchange.
- €299.8 million for the senior secured bond issued on 22 July 2021 maturing in 2026, for a principal amount of €300.0 million at a fixed annual interest rate of 3.375%, which was used to repay the Facility Loan concluded to finance the acquisition of the equity investment in Altamira and to refinance the pre-existing debt of the same investee;

Pursuant to IFRS 9, the valuation of debt is based on the amortized cost criterion and therefore takes into account the charges connected with the signing of the loan as well as the accrued interest.

Non-current loans and other financing includes **due to other lenders** in the amount of €4.4 million related to a limited recourse loan for a specific business. For more details, please refer to the section of financial risks in the chapter on Information on risks and risk management policies.

Finally, the item **current loans and other financing** includes **bank overdrafts** related to a residual revolving facility of the Spanish subsidiary Altamira Asset Management.

NOTE 13 – OTHER FINANCIAL LIABILITIES

(€/000)

	6/30/2022	12/31/2021
Other non-current financial liabilities	**21,459**	**46,048**
Lease liabilities	15,787	18,255
Earn-out	5,672	5,554
Put option on non-controlling interests	-	22,239
Other current financial liabilities	**49,000**	**25,600**
Lease liabilities	9,083	8,111
Earn-out	17,489	17,489
Put option on non-controlling interests	22,428	-
Total	**70,459**	**71,648**

Lease liabilities, split into current and non-current components, represent the recognition of the current value of the remaining lease payments following the introduction of IFRS 16. Please see Note 19 for information on changes in lease liabilities during the period.
The **Earn-out** liability recorded under other current financial liabilities relates to part of the acquisition price of Altamira (€17.5 million), while that recorded under non-current liabilities, €5.7 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 **put option on non-controlling interests**, under current liabilities, represents the liability associated with the option to purchase the remaining minority interest in Altamira, which is scheduled to expire at the end of June 2023.
The valuation of the option includes the discount effect and takes into account Altamira's forecast results.

Net financial indebtness

In accordance with the requirements of Consob Communication of July 28, 2006 and in compliance with the CESR Recommendation of February 10, 2005 "Recommendations for the consistent implementation of the EU Regulation on prospectuses", the Group's net financial indebtedness as at June 30, 2022 breaks down as follows.

(€/000)

Note			6/30/2022	12/31/2021
9	A	Cash on hand	-	3
9	B	Cash at banks and short-term deposits	121,080	166,665
	D	**Liquidity (A)+(B)+(C)**	**121,080**	**166,668**
3	E	Current financial assets	1,683	1,516
12	F	Current bank debt	(20,053)	(7,566)
12	G	Current portion of non-current debt	(43)	(41)
12, 13	H	Other current financial debt	(49,000)	(25,604)
	I	**Current financial indebtness (F)+(G)+(H)**	**(69,096)**	**(33,211)**
	J	**Net current financial indebtness (I)+(E)+(D)**	**53,667**	**134,973**
12	L	Bond Issued	(562,148)	(560,852)
12, 13	M	Other non-current loans	(25,905)	(50,413)
	N	**Non-current financial indebtness (K)+(L)+(M)**	**(588,053)**	**(611,265)**
	O	**Net financial indebtness (J)+(N)**	**(534,386)**	**(476,292)**

Compared with the net financial position, equal to €461.2 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 €73.2 million.
The following table reconciles the two different representations:

(€/000)

		6/30/2022	12/31/2021
A	**Net financial indebtness**	**(534,386)**	**(476,292)**
	Other current financial debt	49,000	25,604
	Other non-current loans	25,905	50,413
	Current financial assets	(1,683)	(1,516)
B	**Items excluded from the Net financial position**	**73,222**	**74,501**
C	**Net financial position (A)+(B)**	**(461,164)**	**(401,791)**

NOTE 14 – EMPLOYEE BENEFITS

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

	6/30/2022	12/31/2021
Opening balance	**10,264**	**16,341**
Initial adjustments	-	124
Adjusted opening balance	**10,264**	**16,465**
Increases	**221**	**728**
Provisions for the year	227	525
Other changes	(6)	203
Decreases	**(1,775)**	**(6,929)**
Benefits paid	(1,105)	(842)
Other changes	(670)	(6,087)
Closing balance	**8,710**	**10,264**

Overall, the item shows a decrease of about €1.5 million compared to 31 December 2021; this decrease is mainly due to the sharp increase in discount rates that occurred between that date and 30 June 2022, in consideration of the events that influenced the financial markets during the half-year.

NOTE 15 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	Funds against the item "Provisions for risk and charges" of the income statement				Funds against other items of the income statement					
	Legal and tax disputes	Out-of-court disputes and other provisions	Provisions for other commitments and guarantees issued	Total funds against the item "Provisions for risk and charges" of the income statement	Potential liabilities for employee	Tax claims	Other	Total funds against other items of the income statement	Total 6/30/2022	Total 12/31/2021
Opening balance	**7,464**	**8,291**	**3**	**15,758**	**730**	**1,901**	**25,846**	**28,477**	**44,235**	**55,110**
Initial adjustments	-	-	-	-	-	-	-	-	**-**	**32,236**
Adjusted opening balance	**7,464**	**8,291**	**3**	**15,758**	**730**	**1,901**	**25,846**	**28,477**	**44,235**	**87,346**
Increases	**1,451**	**3,235**	**-**	**4,686**	**25**	**4**	**3,497**	**3,526**	**8,212**	**20,841**
Provisions for the period	1,439	2,469	-	3,908	22	-	3,497	3,519	**7,427**	**19,509**
Changes due to the passage of time and changes in the discount rate	(3)	3	-	-	3	-	-	3	**3**	**-**
Other changes	15	763	-	778	-	4	-	4	**782**	**1,332**
Decreases	**(2,826)**	**(579)**	**-**	**(3,406)**	**(243)**	**-**	**(9,308)**	**(9,550)**	**(12,957)**	**(63,952)**
Reallocations of the period	(963)	(154)	-	(1,117)	(8)	-	(4,074)	(4,082)	**(5,199)**	**(21,706)**
Utilisation for payment	(1,620)	(410)	-	(2,031)	-	-	(5,234)	(5,233)	**(7,265)**	**(39,676)**
Other changes	(243)	(15)	-	(258)	(235)	-	-	(235)	**(493)**	**(2,570)**
Closing balance	**6,089**	**10,947**	**3**	**17,038**	**512**	**1,905**	**20,035**	**22,453**	**39,490**	**44,235**

The item **legal and tax disputes** recognized against the economic item "provisions for risks and charges" primarily includes funds in respect of the risks of litigation brought against the Group concerning its core activities. It decreased by €1.4 million owing to the greater impact of the settlement of a number of disputes compared with provisions for new disputes.
The item **out-of-court disputes and other provisions** increased by €2.7 million, from €8.3 million at December 31, 2021 to €10.9 million at June 30, 2022, and mainly includes provisions for risks for which no litigation has currently been undertaken.
The change in the item **other** shows the allocation and release to the profit and loss account of the respective portions pertaining to the year of the variable fees connected to a particular type of fee ("Curing Fee") and in application of the provisions of IFRS15.

Risks connected with outstanding litigations

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

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NOTE 16 – TRADE PAYABLES

(€/000)

	6/30/2022	12/31/2021
Payables to suppliers for invoices to be received	46,001	49,274
Payables to suppliers for invoices to be paid	11,965	24,436
Total	**57,966**	**73,710**

The 2022 figure shows a decrease of €15.7 million compared to the figure as at December 31, 2021, mainly attributable to payables for invoices to be settled (-51%), while payables for invoices to be received show a less significant decrease (-7%).

NOTE 17 – OTHER LIABILITIES

(€/000)

	6/30/2022	12/31/2021
Other non-current liabilities	**25,233**	**29,836**
Amounts to be paid to third parties	25,094	29,668
Deferral of government grants related to assets	139	168
Other current liabilities	**72,204**	**75,052**
Amounts to be paid to third parties	15,422	1,398
Amounts due to personnel	24,480	32,484
o.w. employees	*23,972*	*31,126*
o.w. members of Board of Directors and Auditors	*508*	*1,358*
Amounts due to pension and social security institutions	4,676	5,830
Items being processed	17,238	19,412
Deferral of government grants related to assets	86	121
Other accrued expenses / deferred income	8,735	13,932
Other items	1,567	1,875
Total	**97,437**	**104,888**

As at June 30, 2022, the item amounted to €97.4 million compared to €104.9 million in 2021, with an overall decrease of €7.5 million.

With regard to **other non-current liabilities**, the main component "Amounts to be paid to third parties" includes liabilities to customers related to indemnities received by the Group for portfolio sales and subject to certain performance conditions.

The item **other current liabilities** shows an overall decrease of €2.8 million, resulting from the aggregation of the changes in the following main components.
"Amounts to be paid to third parties" increased by €14.0 million and at the end of the half-year period included €8.1 million relating to dividends to be paid and €5.8 million referring to contractual liabilities related to the Frontier SLA.
"Amounts due to personnel" decreased by €8.0 million, mainly related to the payment of MBO bonuses for the 2021 incentive scheme.
"Other accrued expenses/deferred income" decreased by €5.2 million mainly due to the release of the period portion of the deferred income recorded at the end of 2020 in the amount of €31 million, in application of IFRS15 and referring to the accounting of the prepayment of fixed servicing fees accruing in the year 2021.

NOTE 18 – SHARE-BASED PAYMENTS

The Shareholders' Meeting of doValue on 28 April 2022 approved the Report on the Remuneration Policy 2022-2024 (hereinafter "the Policy") and the remuneration paid in 2021 by doValue S.p.A. applicable to Directors, Executives with Strategic Responsibilities and Members of the Control Bodies.
The new Remuneration Policy is based on the time horizon of 2022-2024, in line with the Industrial Plan and thus able to ensure a high degree of consistency to the entire governance system, to favor the filling

of key roles and also to guarantee an attractive remuneration offer for people who are key to the Group's long-term strategy.
With the perspective of a three-year policy, the main features of the Remuneration Policy in 2021 were confirmed, while introducing some elements:

- maintenance of the variable remuneration strategy for Executives with Strategic Responsibilities, as follows:
- a short term Management By Objectives (MBO) incentive plan to encourage annual performance, both financial and non-financial, with a focus on skills and conduct, aimed at improving alignment with doValue values across the Group;
- a long-term incentive plan (LTI) to promote the alignment of participants with the long-term interests of the Stakeholders, attract and retain individuals who are key to the long-term success of the Group, and promote the "One-Group culture";
- an increased focus on ESG metrics as a key element in strengthening doValue's sustainability plan;
- a review of the Peer Group for the purpose of identifying the relative "Total Shareholders Return" (TSR), to take into account the new structure of the doValue Group.

The Policy envisages remuneration systems in some cases based on the use of its own financial instruments. In detail, they include the following types of remuneration:

- part of the fixed remuneration and the entire variable remuneration of the CEO is paid in shares;
- a part of the variable remuneration of Executives with Strategic Responsibilities, specifically that deriving from the long-term incentive (LTI) plan, is paid in shares. The LTI plan provides for an annual grant ("rolling" plan) based entirely on the value of doValue's shares ("Performance shares") and based on the assignment with a 3-year vesting period. The target for the 2022-2024 cycle is aligned with the 2022-2024 Business Plan, while targets for the 2023-2025 and 2024-2026 cycles will be set at the beginning of 2023 and 2024. The plan grants beneficiaries the right to receive, on a rolling basis, free company shares if a given set of return conditions is respected at the end of the vesting period.

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

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

The Group uses treasury shares for these remuneration plans.

The reference price for calculating the number of shares to be assigned as the equivalent value of the variable remuneration of the LTI plan is determined by using the average of the closing prices in the 3 months prior to the day on which the Board of Directors approves each allotment cycle.
In order to reflect the levels of performance and risk actually taken on, and to take account of the individual contribution of the beneficiaries, the Group applies ex-post correction mechanisms (malus and claw-back clauses) defined in accordance with the provisions of the applicable national collective bargaining agreements, where applicable, or any individual agreements/mandates.
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 recognized in the income statement for the first half of 2022 amounts to €3.4 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 cancelation options typical of property leases, while none envisage variable payments.
The following table reports the carrying amounts of right-of-use assets and changes in the period:

(€/000)

	Buildings	Electronic system	Other tangible assets	Total 6/30/2022	Total 12/31/2021
Opening balance	**22,925**	**-**	**3,099**	**26,024**	**29,330**
Initial adjustments	-	-	-	-	-
Adjusted opening	**22,925**	**-**	**3,099**	**26,024**	**29,330**
Increases	**(2,722)**	**3,947**	**(3,180)**	**(1,955)**	**9,281**
Purchases	562	3,947	949	5,458	9,173
Other changes	(3,284)	-	(4,129)	(7,413)	108
Decreases	**(448)**	**(414)**	**2,562**	**1,700**	**(12,857)**
Amortisation	(3,732)	(414)	(1,547)	(5,693)	(11,878)
Other changes	3,284	-	4,109	7,393	(708)
Closing balance	**19,755**	**3,533**	**2,481**	**25,769**	**26,024**

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

(€/000)

	6/30/2022	12/31/2021
Opening balance	**26,366**	**28,793**
Initial adjustments		-
Adjusted opening balance	**26,366**	**28,793**
Increases	**3,490**	**7,833**
New liabilities	3,192	1,369
Financial expenses	298	674
Other changes	-	5,790
Decreases	**(4,986)**	**(10,260)**
Payments	(4,821)	(8,639)
Other changes	(165)	(1,621)
Closing balance	**24,870**	**26,366**
o.w.: Non-current lease liabilities	15,787	18,255
o.w.: Current lease liabilities	9,083	8,111

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

(€/000)

	6/30/2022	6/30/2021
Amortisation of right-of-use assets	(5,693)	(5,581)
Financial expenses from lease liabilities	(298)	(328)
Total	**(5,991)**	**(5,909)**

4. INFORMATION ON CONSOLIDATED INCOME STATEMENT

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)

	6/30/2022	6/30/2021
Servicing services	120,146	131,273
Servicing for securitisations	92,760	66,635
REO services	36,750	32,926
Total	**249,656**	**230,834**

Overall, this item increased by 8% compared to the first half of 2021.
This positive result resulted from higher revenues recorded in the components of **servicing for securitizations** (+39%) and **REO services** (+12%), while revenues from **servicing services** decreased by 8% during the period.

Performance obligations

Servicing services and for securitization
The servicing services include the administration, management and recovery of loans utilizing in-court and out-of-court recovery processes on behalf and under the mandate of third parties 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 recognize 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 certain clauses in the Service Level Agreement signed between doValue Greece and Eurobank related to a particular type of fee (the so-called "Curing Fee") and in application of the provisions of IFRS15 on variable fees, aligned the related revenue recognition method, with a balancing entry to a specific provision for risks and charges against possible penalties on restructured stock and flow portfolios.

REO services
This involves the management of real estate assets on behalf of and under the mandate of third parties, including the management of real estate guarantees as well as the development and management of the properties subject to mandate.
As with the servicing services mentioned above, there is an obligation to perform over time because the customer receives and simultaneously uses the benefits of the property management and/or sale service.
For revenue recognition, the Group applies a valuation method based on the outputs of property management activities and sales on each managed position, so as to recognize 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 2022	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	20,825	60,160	44,705	(5,544)	**120,146**
Servicing for securitisations	60,332	32,428	-	-	**92,760**
REO services	-	5,818	34,546	(3,614)	**36,750**
Total revenue	**81,157**	**98,406**	**79,251**	**(9,158)**	**249,656**

First Half 2021	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	21,967	63,586	51,800	(6,080)	**131,273**
Servicing for securitisations	48,640	17,995	-	-	**66,635**
REO services	-	6,096	32,048	(5,218)	**32,926**
Total revenue	**70,607**	**87,677**	**83,848**	**(11,298)**	**230,834**

NOTE 21 – OTHER REVENUES

(€/000)

	6/30/2022	6/30/2021
Administrative Servicing / Corporate Services Provider	9,742	4,541
Information services	2,435	2,594
Recovery of expenses	377	934
Due diligence & Advisory	1,342	1,955
Ancillary REO services	5,383	8,863
Other revenues	1,883	1,571
Total	**21,162**	**20,458**

The item shows an increase of 3% compared to the same period of the previous year, largely due to the effect of increased **administrative servicing / Corporate Services Provider** activities mainly carried out by the parent company doValue and including the new "Master Legal" business line. These higher revenues were partially offset by lower revenues recorded in **ancillary REO services**, mainly as a result of a contract renegotiation with less favorable volumes and terms compared to the pre-existing situation.

NOTE 22 – COSTS FOR SERVICES RENDERED

(€/000)

	6/30/2022	6/30/2021
Costs for management of agency contracts	(14,525)	(17,585)
Brokerage fees	(12,500)	(10,081)
Costs for services	(423)	(449)
Total	**(27,448)**	**(28,115)**

This item, which includes the skills of the network dedicated to recovery, was substantially in line with the first half of 2021, showing a slight decrease of 2%.

NOTE 23 – PERSONNEL EXPENSES

(€/000)

	6/30/2022	6/30/2021
Payroll employees	(106,810)	(111,496)
Members of Board of Directors and Board of Statutory Auditors	(4,338)	(3,134)
Other personnel	(1,556)	(926)
Total	**(112,704)**	**(115,556)**

Average number of employees by category

	6/30/2022	6/30/2021
Payroll employees	**3,090**	**3,206**
a) Executives	137	147
b) Managers	949	1,054
c) Other employees	2,004	2,005
Other staff	**164**	**87**
Total	**3,254**	**3,293**

Overall, this item decreased by 2%, consistent with the downward trend in the average number of employees (-1%).
Personnel expenses include charges related to redundancy incentives (a total of €2.9 million in Italy, in the Altamira and doValue Greece perimeter), which are paid to employees who have joined the plans initiated by the Group, in line with the objectives of the 2022-2024 Business Plan.
With regard to the breakdown of the cost for employee benefits included in this item, please refer to Note 14 - Employee benefits.

NOTE 24 – ADMINISTRATIVE EXPENSES

(€/000)

	6/30/2022	6/30/2021
External consultants	(19,456)	(15,356)
Information Technology	(18,349)	(15,984)
Administrative and logistical services	(4,864)	(5,132)
Rentals, building maintenance and security	(1,801)	(1,951)
Insurance	(1,133)	(1,149)
Indirect taxes and duties	(1,138)	(1,218)
Postal services, office supplies	(461)	(799)
Indirect personnel expenses	(1,634)	(1,073)
Debt collection	(183)	(274)
Utilities	(1,053)	(867)
Advertising and marketing	(2,320)	(1,877)
Other expenses	(451)	(836)
Total	**(52,843)**	**(46,516)**

This item shows an increase of 14% compared to the same period of the previous year, which is mainly related to IT services related to capitalized developments and external consultancy, also related to due diligence activities for potential future business combinations.

NOTE 25 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)

	6/30/2022	6/30/2021
Recovery of expenses	-	726
Government grants	62	-
Reductions in assets	73	21
Other expenses	(424)	-
Other income	4,240	(12)
Total	**3,951**	**735**

In the first half of 2022, this item amounted to €3.9 million, compared to €0.7 million in the first half of 2021.
The increase was mainly attributable to an insurance claim related to a dispute with a customer for which the disbursement had occurred in 2021.

NOTE 26 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	6/30/2022	6/30/2021
Intangible assets	**(23,886)**	**(31,436)**
Amortisation	(23,296)	(31,127)
Impairment	(590)	(309)
Property, plant and equipment	**(7,162)**	**(6,909)**
Amortisation	(7,162)	(6,879)
Impairment	-	(30)
Financial assets measured at amortised cost	**10**	**64**
Writedowns	(22)	(71)
Writebacks	32	135
Trade receivables	**(192)**	**(580)**
Writedowns	(280)	(580)
Writebacks	88	-
Total	**(31,230)**	**(38,861)**

This item decreased by 20% compared to the first half of 2021, due to lower amortization recorded in intangible assets, as a result of the normal run-off of the long-term servicing contracts recorded.

NOTE 27 – PROVISIONS FOR RISKS AND CHARGES

(€/000)

	6/30/2022			6/30/2021		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal and tax disputes	(1,436)	963	**(473)**	(1,172)	1,154	**(18)**
o.w. Employee disputes	-	*49*	***49***	(244)	134	***(110)***
Out-of-court disputes	(2,473)	154	**(2,319)**	(267)	342	**75**
o.w. Employee disputes	-	-	**-**	-	3	**3**
Total	**(3,909)**	**1,117**	**(2,792)**	**(1,439)**	**1,496**	**57**

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, 2022, the item showed a negative balance of €2.8 million (€57 thousand as at June 30, 2021), due to the combined effect of releases for provisions from previous years that are no longer deemed to exist and prudential provisions relating to both litigation and operating risks and other charges.

NOTE 28 – FINANCIAL (EXPENSE)/INCOME

(€/000)

	6/30/2022	6/30/2021
Financial income	**872**	**4,334**
Income from financial assets measured at fair value through P&L	754	4,134
Income from financial assets measured at amortised cost	89	42
Other financial income	29	158
Financial expense	**(14,244)**	**(13,886)**
Expense from financial liabilities measured at amortised cost	(13,361)	(13,020)
Expense from hedging derivates	-	(131)
Other financial expenses	(883)	(735)
Net change of other financial assets and liabilities measured at fair value through P&L	**(383)**	**(179)**
Debt securities	(889)	(179)
Non-hedging derivatives	506	-
Total	**(13,755)**	**(9,731)**

Financial income from financial assets measured at fair value through profit or loss amounted to €0.8 million and derived from the income from the Romeo and Mercuzio ABS securities; the comparison with the previous period shows the impact only in 2021 of the €4.0 million gains realized on the sale of the Relais securitization securities.
Financial expense (€14.2 million) includes interest expenses accrued on the outstanding 2020 and 2021 bonds.
The component "other financial expenses" essentially includes the portion of interest calculated in accordance with IFRS 16.
The **net change of other financial assets and liabilities measured at fair value through profit or loss** is attributable to the fair value delta related to the notes of the Cairo, Romeo SPV and Mexico securitizations.

NOTA 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 doNext.
In addition to IRES, in Italy, IRAP (regional business tax) must be added. As at December 31, 2021, in order to determine the IRAP rate of the Parent Company doValue, maintenance of the requirements of non-financial equity holding was verified, with the subsequent application of the rate envisaged for banks and the extension of the tax base also to financial charges and income; the nominal rate for banks and financial institutions is 4.65% (to which each Region can independently apply an increase of 0.92%, up to a theoretical rate of 5.57% plus a further 0.15% for the regions with a health deficit).

(€/000)

	6/30/2022	6/30/2021
Current tax	(9,335)	(8,330)
Changes in prior year taxes	120	(42)
Reduction of current taxes for the year	-	9
Changes in deferred taxes assets	(1,766)	190
Changes in deferred taxes liabilities	3,614	6,422
Total	**(7,367)**	**(1,751)**

Income taxes for the period amounted to €7.4 million, up from €1.8 million in the first half of 2021, as a result of a higher tax base.

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

(€/000)

	6/30/2022	6/30/2021
Defined benefit plans	(163)	7
Cash flow hedges	-	(33)
Total	**(163)**	**(26)**

NOTE 30 – EARNINGS PER SHARE

(€/000)

	6/30/2022	6/30/2021
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]	**22,291**	**8,547**
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
basic [B]	79,067,948	79,431,063
diluted [C]	79,067,948	79,431,063
Earnings (loss) per share (in euro)		
basic [A/B]	0.28	0.11
diluted [A/C]	0.28	0.11

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, organizational 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. In particular, the Group has structured its organizational model of internal controls by pursuing the need to ensure integration and coordination between the actors of the Internal Control System, in compliance with the principles of integration, proportionality and cost-effectiveness, as well as to ensure the reliability, accuracy, trustworthiness and timeliness of financial reporting.
Over the past two years, the revision of the internal control system has been aimed at accompanying the organizational evolution and international growth of the Group. In particular, a review of the organizational structure was fully implemented in 2021, which led to the overall reorganization of activities in homogeneous geographical areas (i.e. regions) and the establishment of Group functions responsible for guaranteeing the transversal coordination of activities in certain areas (e.g. definition and implementation of business development strategies, management of corporate processes, etc.) and their constant alignment with the Group's strategic objectives.
In this context, the main impacts on the Group's internal control system concerned the establishment of the following Group Functions:

- Control Office Group, reporting hierarchically to the Parent Company's Board of Directors, responsible for coordinating at Group level, for the areas within its competence, the control activities aimed at guaranteeing a constant and independent assessment of the overall internal control and risk management system, reporting periodically to the Corporate Bodies, as well as ensuring the adoption of homogeneous methodological approaches and operating models by the Group's Internal Audit and Anti-Money Laundering functions in compliance with the requirements of independence and autonomy provided for by local regulations;
- Internal Audit Group, reporting hierarchically to the Chief Group Control Officer, responsible for defining a common methodology for the execution of internal audit activities, common tools for the performance of controls, common reporting to the Bodies and Management of the various components of the Group, and for ensuring their adoption by the various local Internal Audit functions that functionally report to it;
- AML Group, reporting hierarchically to the Chief Group Control Officer, responsible for issuing Group guidelines and policies on money laundering risk prevention, developing a common methodological approach to money laundering risk management and common reporting to the Bodies and Management of the various Group components, supervising their adoption by the various AML functions established locally that report functionally to it;
- Compliance & Global DPO, reporting hierarchically to the Group General Counsel, responsible for developing a uniform compliance framework at Group level in order to ensure compliance with perimeter regulations (e.g. Market Abuse, Related Parties, Consob Regulations, Anti-Corruption, Privacy) through the definition of common guidelines and policies, regulatory monitoring and implementation of the actions necessary to ensure compliance with applicable regulations as well as the introduction of appropriate intragroup information flows;
- Group Administration & Internal Control for Financial Report, reporting hierarchically to the Group Finance Function, within which the Internal Control for Financial Report structure is responsible for supporting the Manager in charge pursuant to Law 262/2005 in discharging his/her responsibilities with respect to the issuer and all the Group companies included in the consolidation;
- Enterprise Risk Management, located within the Group Organization & Enterprise Risk Management function reporting hierarchically to the General Manager Corporate Functions, responsible for ensuring integrated risk management, acting as a facilitator of the Group's growth and development by identifying and mitigating potential risks that may impact the Group.

Net of the above organizational changes, the doValue Group's Internal Control System is structured as follows:

- primary responsibility for the completeness, adequacy, functionality and reliability of the system is attributed to the governing bodies, and, in particular, to the Board of Directors, which is responsible for the strategic planning, management, evaluation and monitoring of the overall Internal Control System, supported in this by the Risk, Related Party Transactions and Sustainability Committee. In this context, the Chief Executive Officer, by virtue of specific powers granted by the Board of Directors, oversees the functionality of the internal control and risk management system, pursuant to Borsa Italiana's 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;

- third-level controls are aimed at assessing periodically the completeness, functionality, adequacy and reliability in terms of efficiency and effectiveness of the Internal Controls System as to the nature and intensity of the risks of company requirements, identifying, in addition, any violations of the organizational measures adopted by the Group. Within the framework of the Internal Control and Risk Management System outlined, the Internal Audit Functions established at the Parent Company and the main subsidiaries (i.e. Altamira Asset Management, doValue Greece and Altamira Cyprus) are entrusted with the direct management of internal audit activities, with a view to third-level control and in accordance with the principles and methodological standards defined at Group level, without prejudice to the competences and responsibilities of the respective Corporate Bodies;

- second-level controls seek to ensure the correct implementation of the risk management process, to verify compliance with the limits assigned to the various operating functions, to control the consistency of the operations of the individual operational areas with the risk-return objectives assigned as well as guarantee the compliance of company operations with applicable provisions of regulations (including self-regulation). The organizational structure and the scopes of competence of the functions within the Group that are in charge of overseeing the aforesaid areas are directly influenced by the structure of the business processes implemented in the various components that make up the Group, by the nature and relevance of the risks associated with them, as well as by the presence of specific regulatory requirements on risk governance. first-level controls are aimed at ensuring the proper performance of operations and are carried out by the company functions responsible for business/operating activities, which, within the scope of their daily operations, are called upon to identify, measure, monitor and mitigate risks deriving from day-to-day company business, in compliance with the risk management process and the applicable internal procedures.

In this context, the Group Corporate Control Functions (Internal Audit Function, Anti-Money Laundering Function and Financial Reporting Officer) are independent from an organizational point of view and clearly separated from other organizational units; they have the authority, economic and physical resources, as well as the necessary skills to perform their tasks, and report hierarchically to the Board of Directors or the Chief Executive Officer of the parent company doValue S.p.A.
It is envisaged that the Corporate Control Functions include in their respective activity plans, each for its own mission, audits and/or consultancy activities at consolidated level aimed at ascertaining the compliance of the behavior of the Subsidiaries in relation to the guidelines given by the Parent Company within the scope of management and coordination as well as the specific regulations applicable to them.

The adoption of an internal control and risk management system is also consistent with the provisions of the Borsa Italiana Corporate Governance Code, which the Parent Company doValue decided to adopt 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, Risks, Related Party Transactions and Sustainability Committee

The guidelines of the Internal Control and Risk Management System are defined by the Board of Directors of the Parent Company in accordance with the strategic guidelines and risk propensity established by it. In doing so, the Board ensures that the main risks are correctly identified and measured, as well as adequately monitored in view of their evolution and interaction.
The Board of Directors evaluates and makes decisions on the internal control system and risk management with the support of the Risk, Related Party Transactions and Sustainability Committee.
Within the scope of its competences, the Board of Directors approves the establishment of the corporate control functions, their tasks and responsibilities, the methods of coordination and cooperation, the information flows between them and between them and the corporate bodies, appointing and revoking their heads, having consulted the Board of Statutory Auditors, on the proposal of the Risk, Related Party Transactions and Sustainability Committee.

Board of Statutory Auditors

The Board of Statutory Auditors monitors the comprehensiveness, appropriateness and functionality of the Internal Control System and the risk management and control processes, ensuring the adequacy of the corporate functions involved, the correct performance of their duties and the appropriate coordination of activities, promoting corrective actions for any shortcomings or irregularities found.
For the same purpose, the Board of Statutory Auditors, availing itself of the company's control functions, carries out checks to ensure the regularity and legitimacy of management, participating, inter alia, in the work of the Board of Directors.
The Board of Statutory Auditors of the Parent Company operates in close relation with the corresponding bodies of the companies controlled by it and is also responsible for informing the Supervisory Authorities without delay of all acts or facts of which it becomes aware in the course of its activities which may constitute an irregularity in the management of the Group.
In accordance with the governance model adopted by the Group, the Parent Company's Board of Statutory Auditors also performs the functions of the Supervisory Board pursuant to 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 pursued by the Parent Company and conducts, on an ongoing basis, an overall and forward-looking assessment of the adequacy of the controls implemented in corporate processes and systems across the doValue Group's scope in Italy.
The Head of the Internal Control Department is appointed by the Board of Directors of the Parent Company, to which he/she reports both hierarchically and functionally in order to ensure his/her full independence.
In order to ensure the centralized 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 organizational, administrative and accounting structure;
- the risk of money laundering and terrorist financing.

Internal Audit

In the context of the centralized organizational model adopted by the Group in Italy, the Internal Audit function established at the Parent Company performs the role of internal audit function on behalf of both the Parent Company and the Italian subsidiaries, ensuring a constant, independent and objective assessment of the overall internal control system, so that its purpose is guaranteed and the improvement of the organization's effectiveness and efficiency is pursued. The Group Internal Audit Function is responsible for:

- ensuring, in a third-level control perspective, 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 completeness, adequacy, functionality and reliability of the organizational structure and other components of the internal control system, the risk management process and other business processes;
- assessing the effectiveness of the procedural and control framework put in place to safeguard the accuracy, reliability, and timeliness of financial reporting, including the verification activities carried out by the Manager in Charge, their outcomes and the methodology used by him/her;
- carrying out checks of the corporate processes' compliance with the external applicable reference legislation of legislative or regulatory derivation (e.g. *market abuse*, *privacy*, usury, complaints, health and safety in the workplace, etc.) relating to the various non-supervised companies of the Group;
- supporting corporate governance and ensuring prompt and systematic disclosure on the state of the system of controls and the results of the activities carried out;
- directly supporting the Supervisory Body in carrying out its supervisory tasks on the functioning and observance of the Internal Control System.

In the context of the overall doValue Group, Internal Audit Functions are also established at the main foreign subsidiaries (i.e. Altamira Asset Management, doValue Greece, and Altamira Cyprus). Their unitary coordination, including the Parent Company itself, is ensured through functional reporting lines to the Group Internal Audit Function, which is responsible for overseeing the timely application of the common methodological principles adopted as of 2021.

Anti-Money Laundering

The organizational model adopted by the doValue Group provides for the presence of Anti-Money Laundering Functions at the parent company and at the other subsidiaries subject to the sector regulations issued by the respective national supervisory authorities. In this context, therefore, the Group AML Function located at the parent company, with the support of the doValue Anti-Money Laundering Function, is responsible for defining common standards for money laundering risk management at the level of the entire Group, as well as supervising and monitoring the consistent adoption of these standards by its various components.
These functions, in coordination with the Anti-Money Laundering Functions located in the subsidiaries, identify the organizational solutions suitable for ensuring compliance with the applicable provisions in relation to the various areas of operations, and are vigilant so that risk management takes account of all the evaluation and measurement elements in the possession of the individual companies. They also ensure that procedures at Italian subsidiaries and Group companies based in non-EU countries are aligned with Group standards and allow information to be shared internally.
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.
To this end, the doValue Group has provided for the Manager in charge to be supported by a team of human resources dedicated to carrying out the activity, in order to cover all the entities of the group. The workgroup is composed as follows:

- Head of Activities at the Subsidiary for the Manager in Charge (RACDP), if appointed by a resolution of the Board of Directors of the individual entity, normally identified, if any, in the figure of the Chief Financial Officer (CFO) of the represented entity, who performs locally, for the represented entity and any other specifically selected direct and indirect subsidiaries, the coordination and attestation activities envisaged for the Manager in Charge;
- Management 262 (Italy), which carries out the checks required for 262 activities in Italy and for consolidation;
- Management 262 (Territorial), where appointed, which is responsible for carrying out the controls foreseen for activities 262, according to its scope of competence.

Enterprise Risk Management

The Function is responsible for ensuring a risk-informed approach to provide information to Management and the Board of Directors to support decision-making, based not only on expected performance but also on the underlying risk profile. To do this, ERM ensures integrated Group-wide monitoring of different risk categories (such as: Operational risks Strategic and financial risks Reputational risks Legal risks), according to the second-level control model.

The Function also defines a Group-wide framework for the identification, assessment, measurement and monitoring of risks, linking strategies, policies, processes and operational mechanisms of the Risk Management process, also through the receipt of information flows from the Risk Management Functions/contact persons pertaining to the various corporate and organizational entities of the doValue Group.

The main responsibilities of this Function include:

- supporting the determination of the acceptable level of risk (Risk Appetite) and its risk tolerance with respect to predefined strategic objectives, analyzing deviations;
- ensuring at Group level the monitoring, analysis and reporting of the evolution of risks, of the related mitigation actions, of the overall risk profile, and of the compliance with the Risk Appetite and Risk Tolerance thresholds;
- defining and carrying out the Group risk assessment in order to ensure the identification of the Group's risk profile;
- supporting the evaluation of strategic options (e.g. investments, new markets, new products/services, new partnerships, etc.), in order to allow the selection of initiatives that, on the basis of the expected risk-return profile, are most consistent with the company's risk appetite;
- in alignment with Group Finance, supporting the tracking of risk provisions in the Balance Sheet at Group level.

Compliance & Global DPO

Compliance & Global DPO is responsible for correctly monitoring the Group's non-compliance risk as well as for coordinating the local compliance units located in the Group's various legal entities, with regard to the regulations in the areas within its competence (e.g., personal data protection, anti-corruption), providing advice and support to the operational and business structures, as well as preparing the necessary periodic reports 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, 2022, 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 optimize the management of financial resources, thereby reducing liquidity risk.
The Parent Company doValue identifies and monitors liquidity risk on a current and forward-looking basis. In particular, the prospective assessment takes account of probable developments in the cash flows connected with the Group’s business.
One of the main instruments for mitigating liquidity risk is the holding of reserves of liquid assets and revolving credit lines. The liquidity buffer represents the amount of liquid assets held by the Group and readily usable under stress conditions and deemed appropriate in relation to the risk tolerance threshold specified.
In order to ensure efficient liquidity management, starting from the second quarter of the current financial year, treasury activities are largely centralized at the Holding level, providing for liquidity requirements primarily with cash flows generated by ordinary operations and ensuring appropriate management of any surpluses.
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	6/30/2022	12/31/2021
Loans and other financing	**(1)**	**29,837**	**-**	**556,854**	**-**	**586,690**	**572,828**
Bank loans	-	20,097	-	-	-	20,097	7,607
Due to other lenders	(1)	-	-	4,446	-	4,445	4,369
Bonds	-	9,740	-	552,408	-	562,148	560,852
Other financial liabilities	**53**	**848**	**48,132**	**18,374**	**3,052**	**70,459**	**71,648**
Lease liabilities	53	848	8,215	13,770	1,984	24,870	26,366
Earn-out	-	-	17,489	4,604	1,068	23,161	23,043
Put option on non-controlling interests	-	-	22,428	-	-	22,428	22,239
Trade payables	**3,697**	**27,553**	**26,721**	**(5)**	**-**	**57,966**	**73,710**
Other current liabilities	**7,522**	**11,504**	**26,583**	**51,828**	**-**	**97,437**	**104,888**
Total	**11,271**	**69,742**	**101,436**	**627,051**	**3,052**	**812,552**	**823,074**

MARKET RISK - INTEREST RATE RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will change due to 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.
Thanks to the 2020 and 2021 fixed rate bond issues, the structure of the Group's current long-term debt is no longer affected by interest rate risk.

SECURITISATIONS

This section shows securitization transactions originated by the Group, those in which the Group invests by underwriting the related debt securities, and transactions in which the Group acts as servicer.

On September 30, 2016, the assignment of the non-performing portfolio of the Parent Company doValue to the securitization vehicle Romeo SPV S.r.l. ("Romeo") was finalized. Romeo was established pursuant to Law 130/1999. Subsequently, during the second quarter of 2017, the portion of the unsecured portfolio was transferred to the vehicle Mercuzio Securitization S.r.l. ("Mercuzio") and at the same time the issue of ABS securities by both SPVs was completed with a single tranching of 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 three Cairo securitizations (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 securitization, which concerns lease receivables sold by UniCredit. However, these notes were sold in February 2021, while the Group maintained the roles of Master Servicer (performed by doNext) and Special Servicer (performed by doValue).
In the second half of 2021, with regard to the Mexico transaction, the Parent Company doValue subscribed €45.0 million of junior and mezzanine notes, corresponding to 95% of the notes issued by the vehicle, and simultaneously sold 90% of the total notes issued to a third investor; the remaining portion of notes recognized in the balance sheet therefore corresponds to 5% class B (mezzanine) and 5% class C (junior). The Group is servicer of the portfolio through its subsidiary doValue Greece.

ASSETS ALLOCATED FOR A SPECIFIC BUSINESS ACTIVITY

"Vitruvian" asset allocated for a specific business activity

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

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

a. disbursement of a medium/long-term loan of €1.7 million, with repayment in quarterly instalments 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 doNext relating to the business activity in the form of interest on the new financing.

Pursuant to and in accordance with Article 2447-decies of the Italian Civil Code, a copy of the special purpose loan agreement was published in the Register of Companies.
For the initial structuring of the transaction doNext has already collected a fee of €40 thousand.
As at June 30, 2022 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, 2022 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 recognized in the item "financial (expenses)/income".

(€/000)

	6/30/2022
Non-current assets	
Non-current financial assets	4,310
Total non-current assets	**4,310**
Current assets	
Other current assets	2
Cash and cash equivalents	156
Total current assets	**158**
Total assets	**4,468**
Non-current liabilities	
Loans and other financing	4,446
Total non-current liabilities	**4,446**
Current liabilities	
Other current liabilities	22
Total current liabilities	**22**
Total liabilities	**4,468**
Total Net Equity and liabilities	**4,468**

Operational risks

Operational risk is the risk of incurring losses due to the inadequacy or the failure of procedures, human resources and internal systems, or to external events.
This includes, among other things, losses from fraud, human error, the interruption of operations, system unavailability, contractual breaches and natural disasters. Operational risks (including the IT component) include legal risk, while strategic and reputational risks are not included.
doValue adopts a set of controls, principles and rules to manage operational risk.
In the organizational sphere, within the Operations Country Italy Department, the position of Contact Person for Risk Management activities for Country Italy has been established, which guarantees, also through the collaboration and being able to count on the operational support of the Group function - Enterprise Risk Management, constant monitoring and proactive management of risks attributable to business and support processes and their potential impact in terms of provisions and operating 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, check (before approval (and monitoring of operational risk reports from workout units and other company structures;
- the analysis of provisions for risks and charges movements;
- the definition and implementation of operational risk indicators in the most important areas for company business activities.

With regard to the latter process, the indicators are a forward-looking component that promptly reflects improvements or deteriorations in the risk profile as a result of changes in operating segments, in human resources, technological and organizational 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 organizational 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 doNext 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 (although it has not yet started operating as a payment institution).

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 maximize 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 capitalization, 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)

	6/30/2022	12/31/2021
Loans and other financing (Note 12)	586,690	572,828
Other financial liabilities (Note 13)	70,459	71,648
Trade payables (Note 16)	57,966	73,710
Other liabilities (Note 17)	97,437	104,888
Less: cash and cash equivalents	(121,080)	(166,668)
Net debt (A)	**691,472**	**656,406**
Equity	144,099	156,645
Equity and net debt (B)	**835,571**	**813,051**
Gearing ratio (A/B)	**83%**	**81%**

The gearing ratio in the first half of 2022 is substantially stable compared to that of 2021.
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)

	6/30/2022	12/31/2021
Net financial indebtness (Note 13)	**534,386**	**476,292**
Trade payables (Note 16)	57,966	73,710
Other liabilities (Note 17)	97,437	104,888
Current financial assets (Note 3)	1,683	1,516
Net debt (A)	**691,472**	**656,406**

6. SEGMENT REPORTING

In accordance with IFRS 8, segment reporting was prepared as a breakdown of revenues by region, intended as the location in which services are provided.
For management purposes, the Group is organized into business units based on the geographical areas in the southern European zone in which it operates following the latest corporate acquisitions in Europe (Altamira at the end of June 2019 and doValue Greece - formerly Eurobank FPS - in June 2020), which are illustrated below:

- **Italy**: includes the companies operating in Italy, namely the parent company doValue, doData, and doNext;
- **Hellenic Region**: includes doValue Greece, doValue Greece RES, based in Greece, and Altamira Asset Management's investee companies based in Cyprus;
- **Iberia**: includes the companies based in Spain and Portugal, namely Altamira Asset Management with its subsidiary Adsolum and doValue Portugal with its subsidiary Zarco, respectively.

(€/000)

First Half 2022	Italy	Hellenic Region	Iberia	Infrasector	Group
Revenue from contracts with customers	81,158	98,406	79,250	(9,158)	249,656
Other revenues	15,910	2,167	7,800	(4,715)	21,162
Total revenue	**97,068**	**100,573**	**87,050**	**(13,873)**	**270,818**
Costs for services rendered	(4,012)	(3,862)	(19,609)	35	(27,448)
Personnel expenses	(46,096)	(35,391)	(31,388)	171	(112,704)
Administrative expenses	(24,462)	(12,086)	(18,148)	1,854	(52,842)
Other operating (expense)/income	329	15	3,607	-	3,951
Depreciation, amortisation and impairment	(6,523)	(13,877)	(29,692)	18,863	(31,229)
Provisions for risks and charges	(2,456)	(106)	(229)	-	(2,791)
Total costs	**(83,220)**	**(65,307)**	**(95,459)**	**20,923**	**(223,063)**
Operating income	**13,848**	**35,266**	**(8,409)**	**7,050**	**47,755**
Financial (expense)/income	(10,683)	(931)	(3,105)	963	(13,756)
Dividends and ordinary similar income	20,010	-	3,000	(23,010)	-
Profit (loss) before tax	**23,175**	**34,335**	**(8,514)**	**(14,997)**	**33,999**
Income tax expense	(1,563)	(8,043)	570	1,669	(7,367)
Net Profit (loss) from continuing operations	**21,612**	**26,292**	**(7,944)**	**(13,328)**	**26,632**
Net profit (loss) for the period	**21,612**	**26,292**	**(7,944)**	**(13,328)**	**26,632**
Total assets	**(871,142)**	**(495,950)**	**(222,734)**	**436,971**	**(1,152,855)**
Total liabilities	**667,648**	**298,062**	**208,628**	**(200,671)**	**973,667**

Intra-sector revenues are eliminated at the consolidated level and are reflected in the column "Infrasector".

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-organizations are not included 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 2022.

Business combinations completed after the end of the period

The doValue Group did not carry out any business combinations after June 30, 2022.

Retrospective adjustments

As at June 30, 2022, there are no retrospective adjustments related to previous business combinations.

8. RELATED-PARTY TRANSACTIONS

INTRODUCTION

The provisions of IAS 24 apply for the purposes of disclosures on related parties.

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 centers.
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.

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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 2022 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, 2022, 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
Non-current financial assets	-	-	-	-	-	2,497	2,497
Trade receivables	-	-	-	-	-	9,915	9,915
Total assets	**-**	**-**	**-**	**-**	**-**	**12,412**	**12,412**
Trade payables	-	-	-	-	-	28	28
Total liabilities	**-**	**-**	**-**	**-**	**-**	**28**	**28**

(€/000)

Costs/Revenues	Parent Company	Unconsolidated Subsidiaries	Associates	Joint Ventures	Key management personnel	Other related parties	Total
Revenue from contracts with customers	-	-	-	-	-	18,581	18,581
Other revenues	-	-	-	-	-	2,104	2,104
Administrative expenses	-	-	-	-	-	(67)	(67)
Personnel expenses	-	-	-	-	-	75	75
Financial (Expense)/Income	-	-	-	-	-	783	783
Depreciation, amortisation and impairment	-	-	-	-	-	(90)	(90)
Total	**-**	**-**	**-**	**-**	**-**	**21,386**	**21,386**

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:

- Securitization SPVs: the Group carries out "Master Servicing and Structuring" activities: i.e., administrative, accounting, cash management and reporting services in support of the securitization of loans; structuring services for securitization transactions under Law 130/1999 as well as performing the role of authorized entity in securitization transactions. Some of these vehicles, in particular those linked to Softbank, fall within the scope of related parties and for the first half of 2022 the amount of revenues from contracts with customers for this category of customers amounts to €18.4 million, while sundry revenues are equal to €1 million with corresponding trade receivables of €8.3 million as at June 30, 2022; for the vehicles Romeo SPV and Mercuzio Securitization, for which the Group holds ABS notes, €2.4 million of financial assets and €783 thousand of financial income are also recorded;
- Torre SGR S.p.A.: the company has rented the Group one of the main offices in Rome, which has been dismissed during the first quarter of 2022. This contract has been accounted for in accordance with IFRS 16 with amortization of €90 thousand; during the period, also an amount of €66 has been recordet for administrative costs related to those buildings
- FIG LLC: doValue carries out due diligence services for the company and in the first semester of 2022 accrued revenues of €181 thousand and trade receivables of €543 thousand at the end of the period;
- ReoCo: doValue manages property assets for certain ReoCo (real estate owned companies), with revenue from contracts with customers and other revenue during the period of €873 thousand and trade receivables of €860 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);
    - Mr. Davide Soffietti, as the Financial Reporting Officer with preparing the financial reports of doValue S.p.A.;

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

- the adequacy in relation to the Legal Entity's features and
- the actual application of the administrative and accounting procedures employed to draw up the 2022 Consolidated Half-Yearly Financial Statements.

2. The adequacy of administrative and accounting procedures employed to draw up the 2022 Consolidated Half-Yearly Financial Statements has been evaluated by applying a model developed by doValue S.p.A., in accordance with "Internal Control - Integrated Framework (CoSO)" and with the "Control Objective" for IT and Related Technologies (Cobit)", which represent reference standards for the internal control system and for financial reporting, generally accepted internationally.

3. The undersigned also certify that:

3.1 the 2022 Consolidated 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 consolidated 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 3, 2022

Andrea Mangoni

Chief Executive Officer

Davide Soffietti

Financial Reporting Officer

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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, 2022, 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, 2022 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.

Rome, August 3, 2022

EY S.p.A.

Signed by: Wassim Abou Said, Auditor

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.