

SHAREHOLDERS' MEETING ROME - 26 APRIL 2024

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

in accordance with Article 125-ter of Italian Legislative Decree no. 58
dated 24 February 1998

ON ITEM 6. OF THE AGENDA

Appointment of the Independent Audit Firm of doValue S.p.A. for the
period 2025-2033 and determination of remuneration

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Report of the Directors of doValue S.p.A. on the proposed resolution under item 6 on the agenda of the ordinary shareholders' meeting:

The Board of Directors submits to the Shareholders' Meeting the reasoned proposal of the Board of Statutory Auditors of doValue S.p.A. in accordance with and pursuant to Italian legislative decree no. 39/2010 on the conferral of the audit assignment for the period 2025-2033 and determination of remuneration

Dear Shareholders,

with the approval of the financial statements as at December 31, 2024, the office of statutory auditors conferred to Ernst & Young S.p.A. by the Shareholders' Meeting on June 17, 2016 will expire.

In accordance with current legislation, defined by European Regulation no. 537/2014 (hereinafter the "Regulation") implemented in Italy by Legislative Decree no. 135/2016, this mandate is no longer renewable and a new statutory audit appointment must be made by the Shareholders' Meeting on the reasoned proposal of the Board of Statutory Auditors in its capacity as the Internal Control and Audit Committee, pursuant to Art. 19, paragraph 2, letter a) of Italian Legislative Decree no. 39/2010 (the "Committee"), following a special selection procedure in accordance with the criteria and methods set out in Art. 16 of the said Regulation.

The Board of Statutory Auditors of doValue S.p.A., has deemed it appropriate to bring forward the start of the selection procedure for the assignment of the statutory audit for the period 2025 - 2033, in consideration of the prohibition under Article 5 of said European Regulation which, in order to protect the independence of the auditor, requires the latter to abstain from providing certain types of services other than the statutory audit of the accounts already starting from the financial year immediately preceding the first year of the audit.

In light of the foregoing, it was deemed appropriate to envisage that the Shareholders' Meeting, called to approve the financial statements of doValue S.p.A. as at December 31, 2023, should also be called upon to resolve on the choice of doValue S.p.A.'s new independent auditor, as well as to approve the latter's remuneration and related adjustment criteria, based on the Board's reasoned proposal.

In compliance with the provisions of Art. 16 of the European Regulation, as it is an assignment of statutory audit of a Public Interest Entity ("PIE") as defined in Art. 16 of Italian Legislative Decree no. 39/2010 (the "Decree"), the proposal formulated and submitted by the Board of Statutory Auditors provides for two possible alternatives for the assignment and indicates the reasoned preference for one of the two.

The process of assessing the offers was guided by the Board of Statutory Auditors and supported by the Financial Reporting Officer (the "Reporting Officer") and by the function Group Administration & Internal Control for Financial Report, which the Board met 8 times in order to constantly monitor the progress of the whole process.

The selection procedure and invitation to tender were prepared in compliance with current regulations, specifically the criteria established by Article 16 of the European Regulation and considered the need to protect the continuity of the current policy of the Sole Auditor of the doValue Group (the "Group"), as well as ensure an orderly and consistent management of the appointment also by the Group companies. To this end, the invitation to tender was forwarded not only on behalf of doValue S.p.A. but also of the other entities belonging to the Group, both Italian and foreign, in consideration of the management and coordination duties of doValue S.p.A. ("the Parent company").

At the same time as awarding the audit mandate for the Parent company, the latter will also sign an Audit Framework Agreement with the designated auditor containing the economic conditions applicable to all Group companies, binding for the entire nine-year

period. Consequently, if a Group company decides to assign its mandate to the Auditor, or to a company in its network, it may do so under the terms set out in this Framework Agreement.

These quotations, to be considered binding for the offering Audit Firm, shall be transformed into specific proposals to be approved by the competent bodies of each company, based on the applicable legal regulations.

The tender process was officially launched on July 20, 2023, requiring six companies to submit their bids and supporting documentation no later than September 15, 2023.

Subject of the tender

The Request for Proposal was characterised by a high degree of granularity and included:

- the terms and conditions of the offer, with particular reference to legal and economic aspects;
- the list of information required with reference to the governance of the audit firm, the relative coordination mechanisms, independence and incompatibilities, the technical competence of the team, the market presence in terms of geographical coverage of the countries where the doValue Group operates and the economic offer;
- a description of the audit or voluntary services to be listed;
- the scope of the tender, including doValue S.p.A., its Italian and foreign subsidiaries.

The services included in the scope of the tender are listed below:

- Statutory audit of the Group's consolidated financial statements, expression of an opinion on the consistency of the Directors' Report on Operations with the contents of the financial statements, expression of an opinion of compliance with the provisions of the European Commission Delegated Regulations (EU) n. 815/2019 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format);
- Statutory audit of the doValue S.p.A.'s and of the Italian and foreign subsidiaries' annual financial statements together with an opinion on the consistency of the Directors' Report on Operations with the contents of the financial statements (only for the Italian companies);
- Verification of proper bookkeeping for doValue S.p.A. and for the Italian subsidiaries;
- Audits connected to the signing of tax returns for doValue S.p.A., the Italian subsidiaries and for the ones located in Greece and Cyprus;
- Limited review of the consolidated half-year financial report;
- Limited assurance on the sustainability report in accordance with EU Decree 2022/2464 (corporate sustainability reporting directive, CSRD) and ESRS Standards;
- Other certifications, such as at the moment: verification of the translation into English of the separate and consolidated financial statements and of the condensed consolidated half-yearly financial statements;
- Limited review of the reporting packages prepared as at June 30, by the subsidiaries included in the scope of consolidation for the sole purpose of inclusion in the Parent company's consolidated half-year report, with issue of a specific report;
- Audit of the reporting packages prepared as at December 31, for foreign subsidiaries solely for inclusion in the consolidated financial statements of the Parent company, with issue of a specific report.

Procedure for selecting companies to be invited to tender

The selection procedure was defined and carried out in full compliance with Art. 16 of the European Regulation with the aim of guaranteeing a high quality of the statutory audit service, adequate to the size and structure of the Group.

In consideration of the contents of Article 16, paragraph 3, letter f) of the European Regulation, during the entire process measures were adopted aiming to ensure complete traceability of the selection procedure and compliance with the criteria announced to the bidding companies.

For this purpose the criteria to be followed to assess the bids were defined prior to launching the selection. The Board of Statutory Auditors was also supported by the function responsible for the matter, Group Procurement, for the structure of the request for proposal, the evaluation criteria of the proposals received, as well as the methods for assigning the relevant score.

In order to identify the audit firms to be invited to tender, it was determined that they should meet the following standards:

- they must have held audit appointments with PIEs in recent years;
- they must belong to an international network covering the geographic areas in which the Group is present, with a Primary Team based in Italy;
- they must have the legal form of a joint-stock company under Italian law.

Six companies were identified (BDO Italia S.p.A., KPMG S.p.A., Deloitte & Touche S.p.A., Mazars Italia S.p.A., PricewaterhouseCoopers S.p.A. and Ria Grant Thornton S.p.A.), which were deemed to comply with the above-mentioned standards; a formal invitation was consequently sent to these companies to participate in the tender for the assignment of the statutory audit mandate.

Three of the six companies invited produced the required documentation, while Ria Grant Thornton S.p.A. PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A. decided not to submit any offer mainly for independence reasons related to the advisory assignments currently in place with the Group.

Measurement criteria

In compliance with the contents of Article 16, paragraph 3, letter e) of the European Regulation, the assessment of the proposals put forward by the independent auditors was carried out based on the selection criteria defined in the tender documents. The request for proposal indicated that the comparative analysis of the bids received would have led to a technical-qualitative and economic assessment of the bids received.

For this purpose, preliminarily to examining the proposals, a "score" was defined such to identify significant differences between two assessments. In detail, the technical assessment of the information provided in the documents sent by the bidding companies consisted in examining the 35 information items requested ("item"), divided into the "Organization and Independence" and "Technicality and Professionalism" sections of the request for proposal for a maximum assignable score of 70 points.

The economic assessment consisted of the examination of 7 items for a maximum assignable score of 30 points.

The first technical-qualitative section is representative of the characteristics deemed essential and qualifying of the bidding company, and in particular:

- Organizational characteristics (11 items) includes, among others, information about the structure of the company and its network in the various countries where the Group is present, the related dimensions, past experience with customers comparable, ESG initiatives, IT tools, internal training and quality control policies, representation in international bodies and institutions, the penalties received from supervisory authorities of the sector;
- Independence (6 items) intends to assess the internal procedures relating to guaranteeing the absence of risks to the independence and causes of incompatibility of the auditor, to assess the post-2023 assignments on the Parent Company and on all Group companies assigned to the auditing firm or to its network in order to avoid such risks of independence and/or incompatibility as well as declarations of compliance with the relevant legal provisions also throughout the audit assignment.

The second section regards the quality of the formulated bid:

- Professionalism (8 items) looks at the workforce available to the bidding company in the countries and sectors concerned, and in detail at the composition of the teams specifically proposed for the office, identifying the key figures (partners, managers, specialists) and the related professional contacts;
- Technicality (10 items) examine the audit approach and plan, with details on identifying risks, materiality thresholds, technical support tools, managing the transition process to start the auditing as well as interaction with the control functions and structures of the doValue Group.

For each bid, the documentary feedback given by the bidding company for each piece of evidence requested within each section was assessed, and the award was summarised by attributing a score for the specific item.

The economic assessment instead concerned the economic value of the bid of services in the tender, the expenses and any methods of adjusting the fees as well as the expected commitment in terms of number of hours for each assignment and professional figure.

Each of the identified drivers was analysed and evaluated, assigning a score basing on the range defined preliminarily before receiving the offers.

Assessment of the offers

The Board of Statutory Auditors, supported by Group Administration & Internal Control for Financial Report, then analysed the offers received from BDO Italia S.p.A. ("BDO"), KPMG S.p.A. ("KPMG") and Mazars Italia S.p.A ("Mazars") and discussed the related assessments. The documentation gathered and the analyses conducted have highlighted the high quality of the bids received and the professionalism of the audit teams presented.

With regards to the audit firm BDO, despite the quality of the documentation received, following both the technical and economic evaluation it achieved the lowest score of the three and was therefore excluded.

With regards to the remaining two offers, the table below shows the main economic components in terms of fees and quantification of the hours dedicated by the two selected firms:

doValue Group	KPMG		Mazars	
	Hours	Fees €	Hours	Fees €
doValue S.p.A.	3,550	190,000	2,530	197,000
doNext S.p.A.	428	24,000	342	27,500
doData S.r.l.	172	9,000	150	9,500
doValue Spain Servicing S.A.	820	81,000	925	62,000
doValue Portugal, Unipessoal Limitada	420	27,000	583	34,000
doValue Cyprus Limited	540	30,000	328	23,000
doValue Greece Loans and Credits Claim Management Société Anonyme	2,540	158,000	1,866	125,000
doValue Greece Real Estate Services single member Société Anonyme	350	22,000	308	18,000
Adsolum Real Estate S.L.	180	17,000	194	14,000
Zarco STC, S.A.	200	12,000	150	9,000
Total	9,200	570,000	7,376	519,000

The table below also shows the details of the hours and fees divided by individual service, both for the doValue Group and, subsequently, for doValue S.p.A. alone:

doValue Group Service	KPMG		Mazars	
	Hours	Fees €	Hours	Fees €
Audit of the separate financial statements, included: - assessment of consistency of the Directors' Report on Operations with respect to the contents of the financial statements; - verification of the ESEF compliance; - verification of the regular bookkeeping	5.506	354.500	3.496	232.350
Audit of the consolidated financial statements	230	10.000	400	32.100
Limited review of the separate and consolidated half-year financial report	350	20.000	800	64.300
Limited review of the reporting packages prepared as at June 30, for the purpose of inclusion in the Parent company's consolidated half-year report	580	35.000	711	51.000
Audit of the reporting packages prepared as at December 30, for the purpose of inclusion in the Parent company's consolidated financial statements	426	28.000	604	40.200
Signing the tax returns	928	61.500	955	65.950
Limited assurance of the sustainability report (CSRD and ESRS)	1.100	60.000	350	28.500
Verification of the translation into English of the separate and consolidated financial statements and of the condensed consolidated half-yearly financial statements	80	1.000	60	4.600
Total	9.200	570.000	7.376	519.000
of which doValue S.p.A.	3.550	190.000	2.530	197.000
of which subsidiaries	5.650	380.000	4.846	322.000

doValue S.p.A. Service	KPMG		Mazars	
	Hours	Fees €	Hours	Fees €
Audit of the separate financial statements, included: - assessment of consistency of the Directors' Report on Operations with respect to the contents of the financial statements; - verification of the ESEF compliance; - verification of the regular bookkeeping	1.730	95.500	800	58.000
Audit of the consolidated financial statements	230	10.000	400	32.100
Limited review of the separate and consolidated half-year financial report	350	20.000	800	64.300
Signing the tax returns	60	3.500	120	9.500
Limited assurance of the sustainability report (CSRD and ESRS)	1.100	60.000	350	28.500
Verification of the translation into English of the separate and consolidated financial statements and of the condensed consolidated half-yearly financial statements	80	1.000	60	4.600
Total	3.550	190.000	2.530	197.000

With regard to further aspects of the economic component of the two offers, it should be noted that:

- the expenses incurred for carrying out the work, such as secretarial expenses, out-of-pocket expenses and other expenses, were quantified by Mazars as equal to 5% of the total fees and by KPMG as equal to what is actually incurred, with a cap of 8% of the total fees;
- the annual adjustment of fees has been envisaged, in both offers, on the basis of the change in the ISTAT index;
- both offers have foreseen that there will be no adjustments to the fee except in the event of "exceptional circumstances" such as to entail a significant increase in audit activities and times such as, for example, changes in the structure and size of doValue and/or the Group, changes in regulations, accounting and/or auditing standards, the performance of complex operations. In this regard KPMG has identified an allowance of 8% of the fees, while no allowance has been identified by Mazars.

The results of the qualitative and quantitative assessment and the final ranking of the two offers, grouped by macro-category, approved by the Board of Statutory Auditors during the meeting held on December 1, 2023, are shown below.

Macro-categories	Maximum score	KPMG	Mazars
A. Organization and independence	28.00	27.00	21.00
A.1 Organization	18.00	18.00	15.00
A.2 Independence	10.00	9.00	6.00
B. Technical expertise and mix of professional figures	42.00	35.75	26.00
B.1 Mix of professional figures	23.00	19.75	13.00
B.2 Technical expertise	19.00	16.00	13.00
Economics	30.00	17.66	10.32
Total	100.00	80.41	57.32

For the sake of completeness, below is the ranking relating to all three offering companies where both macro-categories of evaluation parameters were then weighted for relevance using a "base 100" scale which sets out the final score assigned.

Audit firm	Price (P) of economic offers	Quality (Q) score "weighted" by the evaluation grid	Rating of Price (P)	Rating of Quality (Q)	Total rating (P+Q)	Ranking (P+Q)
KPMG	17,66	62,75	30,00	70,00	100,00	1
Mazars	10,32	47,00	17,53	52,43	69,96	2
BDO	13,66	41,00	23,20	45,74	68,94	3

Given the significant gap in the score achieved by KPMG compared to BDO and Mazars, the Board of Statutory Auditors did not deem it necessary to meet their representatives separately.

Thus said, the Board of Statutory Auditors, in relation to the assignment of the engagement for the statutory audit of the accounts of doValue S.p.A. for the nine-year period 2025 – 2033, on the basis of the selection procedure, the offers received, the evaluations carried out and the results of the same, considering that Article 16 of European Regulation no. 537/2014 provides that the reasoned proposal to the Shareholders' Meeting must contain at least two possible alternatives for the assignment and requires the expression of a duly justified preference for one of them, hereby

SUBMITS

to the Shareholders' Meeting of doValue S.p.A., pursuant to Art. 16, paragraph 2, of European Regulation no. 537/2014 as well as Art. 13 and 17 of Italian Legislative Decree no. 39/2010, the two proposals concerning the mandate for the statutory audit of the accounts of doValue S.p.A. for the nine-year period 2025-2033, formulated by Mazars Italia S.p.A. and KPMG S.p.A., whose economic components have been summarised above,

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a unanimous preference for the company KPMG S.p.A., since it scored higher both from a technical-qualitative and economic point of view. The main elements of the offer considered qualifying and such as to motivate the preference expressed in favour of this tenderer were as follows:

- the audit approach is carefully and in detail explained and characterised by materiality thresholds;
- the planned use of in-depth substantive checks based on the risk assessment carried out;
- the detail of the gap analysis and the audit approach in the ESG context;
- the expectation of a larger number of hours with a high-level professional mix;
- the skills and professional experience of the teams proposed.

In compliance with Article 16, paragraph 2 of EU Regulation 537/2014, the Board of Statutory Auditors declares that this recommendation has not been influenced by third parties and that none of the type clauses referred to in paragraph 6 of the aforementioned Article 16 of the Regulation have been applied.

doValue

Dear Shareholders,

You are therefore invited to approve the proposal concerning the assignment to KPMG S.p.A. of the tasks relating to the provision of "statutory audit services", as defined above, in favour of doValue S.p.A. for the financial years 2025-2033 according to the contents, terms including the criteria for the adjustment of the fees, and methods proposed by the Board of Statutory Auditors, for an annual fee (net of ISTAT increases, out-of-pocket expenses, VAT and supervisory fee) equal to €190,000, as follows:

- €95,500 for the financial statements corresponding to 1,730 hours of work (fees and hours include activities relating to the verification of the regular bookkeeping, assessment of consistency of the Directors' Report on Operations with respect to the contents of the financial statements and the verification of the ESEF compliance);
- €10,000 for the consolidated financial statements corresponding to 230 hours of work;
- €20,000 for the consolidated half-year financial report corresponding to 350 hours of work;
- €3,500 for signing of the tax returns corresponding to 60 hours of work;
- €60,000 for the limited assurance on the sustainability report corresponding to 1,100 hours of work;
- €1,000 for the verification of the translation into English of the separate and consolidated financial statements and of the condensed consolidated half-yearly financial statements corresponding to 80 hours of work.

Rome, 21 December 2023
For the Board of Statutory Auditors,
the Chairman Nicola Lorito