doValue

Consolidated Annual Financial Report 2023

doValue

CONSOLIDATED ANNUAL FINANCIAL REPORT

This document has been prepared in PDF format in order to facilitate readers of the financial statements. This document is a supplementary variant of the official version compliant with the provisions of Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation - European Single Electronic Format) available on the Company's website and at the authorized storage mechanism "eMarket STORAGE".

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. 0265994023
www.dovalue.it

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Letter to Shareholders

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

the 2023 Financial Statement we present showcases doValue's resilience and adaptability in the face of a particularly challenging economic environment for the credit servicing sector. Your company has navigated these adversities while maintaining solid profitability and a balanced financial structure. This was achieved even with a contraction in the volume of non-performing loan transactions and less favorable recovery performance, direct effects of a climate marked by high interest rates and sustained inflation.

Since the beginning of 2023, doValue has maintained its market leadership in Italy, Greece, and Cyprus, while in Spain, it completed a complex restructuring process that allowed its Spanish subsidiary to return to profitability and lay the foundation for sustainable growth in the medium to long term.

The effectiveness of the business model and the diversification strategy (in terms of countries, products, and clients) have enabled the doValue Group to record Gross Revenues of €486 million and an EBITDA excluding non-recurring items of €178 million. In terms of new assets under management, in 2023 the Company secured approximately €9.7 billion in new Gross Book Value, a level that, although lower than the previous year, allowed doValue to maintain stable market shares despite aggressive stance from competitors.

Throughout 2023, we maintained a contained leverage ratio of 2.7 times, perfectly aligning with the objectives outlined in our Industrial Plan and corporate financial strategy. We observe with satisfaction that, between June and July, both Fitch and Standard & Poor's reaffirmed the BB rating. This recognition is particularly important in a period where financial sustainability plays a crucial role for investors. It positions us favorably in the business landscape, distinguishing us as one of the operators with the most contained level of indebtedness and among the highest credit ratings.

Our attention to all Stakeholders, as well as the adoption of ethical and professional standards in line with the best market practices, characterize our business model. In line with our principles, doValue has defined the Charter of Values and updated the Code of Ethics for the External Network following the high qualitative standards set in the Group's Ethical Code.

doValue's operational excellence is also confirmed by the Servicer Ratings assigned by the international agencies S&P and Fitch Ratings: as a Special Servicer, Fitch Ratings confirmed the rating "RSS1-/CSS1-" and Standard & Poor's "Strong", the highest Servicer Ratings among those assigned to Italian operators in the sector.

Over the year, in consideration of the role played by doValue in the sustainable development of the financial system, the Group has defined its mission: to contribute to maintaining the balance of the economic system, promoting financial inclusion. doValue, in fact, in managing credits favors the use of out-of-court solutions, which are quicker, more flexible, and less costly for all parties involved compared to judicial processes. These solutions, in addition to leaving more room for listening to the debtor customer and identifying their needs, also contribute to a quicker reintegration of the debtor customer into the financial circuit, ensuring a more empathetic, inclusive, and ultimately sustainable approach. The role of doValue will therefore be crucial in the management of UTPs and stage 2, to support the country's growth by facilitating the return to solvency of creditors falling into that category.

For years, the Group has embarked on a journey to integrate Sustainability into business processes following the direction defined by the 17 SDGs - Sustainable Development Goals. As in 2022, this year all the targets of the Sustainability Plan have been achieved.

The Group's sustainable growth path is also confirmed by the excellent ratings assigned by ESG Rating Agencies; in October 2023, Sustainalytics maintained the Company's ESG Risk Rating at "Low Risk". doValue's ESG Framework is also evaluated by MSCI ESG Ratings and Moody's, which have assigned a rating of "AAA" and "Robust" (both improved compared to the previous year).

In 2024, we will embark on a new strategic chapter, outlined by the 2024-2026 Industrial Plan, recently introduced by our CEO, appointed in August 2023. This plan proposes a growth trajectory that is both prudent and targeted, suitable for market evolutions. It will focus on two main axes: strengthening our core business in the non-performing loans sector and expanding into new market segments with more sustained demand levels.

I would also like to acknowledge the fundamental role of the credit servicing sector in supporting the stability of the European and Italian banking system. This activity has been indispensable for the efficient functioning of the monetary transmission system and for economic resilience in times of crisis. Although the banking system currently benefits from a favorable context, thanks to past derisking efforts and an advantageous interest rate environment, our company will maintain an important role in ensuring the solidity of the economic system.

Chairman of the Board of Directors

Giovanni Castellaneta

Sustainability for the Group doValue

doValue's Sustainability strategic guidelines are the result of a long path started in 2016 by the Group, in collaboration with its Stakeholders.
The focus on ESG issues is reflected in a strategy to promote financial inclusion and to contribute to the sustainable development of the economic system.

THE PATH TO SUSTAINABLE GROWTH	
2017	The publication of the First Consolidated Non-Financial Statement (NFS) marks the start of the process of sustainability and disclosure of non-financial information.
2018	Implemented the operational guidelines for the preparation of the Consolidated Non-Financial Statement in a dedicated Policy that sets out the governance of the document preparation process.
2019	The third NFS from regulatory compliance reporting takes on a strategic nature in monitoring non-financial risks and opportunities and integrates Altamira Asset Management S.A. with its subsidiaries in Portugal, Cyprus and Greece. Communication & Sustainability takes over the drafting of the document.
2020	In the fourth NFS the reporting framework is extended to include doValue Greece. An ongoing dialogue with the main ESG rating agencies - MSCI, Sustainalytics and Vigeo Eiris - has been launched, which has led to an improvement in the Sustainable positioning.
2021	The Group encourages active dialogue and listening with its stakeholders through a variety of channels - necessary elements for defining its business strategies and creating shared long-term value. Defined the Sustainability Plan and Policy.
2022	Defined the Purpose of the Group. Obtained the UNI ISO 37001:16 certification, the first international standard related to anti-corruption management systems. Defined the principles of the Charter of Values and updated the Code of Ethics of the External Network. Reached all the 2022 targets defined in the Sustainability Plan. Upgrade by Sustainalytics from “Medium Risk” to “Low Risk“.
2023	MSCI ESG Ratings has increased the ESG rating of doValue from the “AA” level to the “AAA” level. Improved Moody's Analytics rating from Limited to Robust. doValue was assessed by Sustainalytics to be at “Low risk” of experiencing material financial impacts from ESG factors. Defined a Group Diversity & Inclusion Policy.

At December 31, 2023 all the targets set in the 2021-23 Sustainability Plan were achieved, confirming the Group's commitment to contribute to the achievement of the 17 Sustainable Development Goals (SDGs) identified by the 2030 Agenda of the United Nations

Of the 17 macro-objectives described by the SDGs, the Group contributes to:
- SDG 4 – quality education;
- SDG 7 – affordable and clean energy;
- SDG 8 – decent work and economic growth;
- SDG 10 – riduce inequalites;
- SDG 12 – responsible consumption and production .

OUR CONTRIBUTION TO THE SDGs

At December 31, 2023 have been achieved the following target.

Objectives	2021 targets met	SDGs
OPERATING RESPONSIBLY		
Ensuring that business activities are conducted under applicable legislation and to the highest ethical and moral standards	Implementation of a group anti-corruption framework.	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA
Integrating ESG objectives into business strategy	Inclusion of Employee Engagement as an MBO variable for Managers with Strategic Responsibilities.	
ATTENTION TO PEOPLE		
Spreading a culture of inclusivity and non-discrimination	Creation of a Group Diversity & Inclusion Council and definition of a Group-wide D&I strategy.	4 ISTRUZIONE DI QUALITÀ
Promoting the professional and personal development of employees and collaborators	People Engagement Survey participation of employees and collaborators consistently above 70%.	10 RIDURRE LE DISUGUAGLIANZE
CARE FOR THE ENVIRONMENT		
Harmonise environmental impact management at Group level	Implement guidelines to define a reference framework for the local management of environmental issues.	7 ENERGIA PULITA E ACCESSIBILE 12 CONSUMO E PRODUZIONE RESPONSABILI

Objectives	2022 - 2023 targets	SDGs
OPERATING RESPONSIBLY		
	Achieving ISO 37001 certification by 2022 for doValue S.p.A. and retaining certification in subsequent years.	8
	75% of employees trained in Code of Ethics, anti-corruption.	
	All employees trained in cyber security.	
	75% of employees trained in privacy.	
	Group-wide implementation of a customer satisfaction model using the Net Promoter Score (NPS) methodology by 2022.	
ATTENTION TO PEOPLE		
	Promoting annual training plans covering both soft and hard skills in line with company and local needs.	4, 10
	Integration of the values of doValue within the performance evaluation model.	
	Launch specific programmes and activities to strengthen the culture of inclusion and value diversity.	
	Launch a group-wide D&I awareness and education campaign.	
	Global mapping of key figures and definition of a succession plan by 2022.	
	People Engagement Survey participation of employees and collaborators consistently above 70%.	
	Launch at least 1-2 activities and programmes annually to support employees' mental and physical health and launch local initiatives to support work-life balance.	
	Implement guidelines to define a group-wide framework for implementing activities to support local communities.	
CARE FOR THE ENVIRONMENT		
	Purchase of certified 100% renewable electricity, reducing related Scope 2 emissions (market-based method).	7, 12
	Implement solutions to increase the energy efficiency of Head Offices.	
	All paper purchased with sustainability characteristics (FSC, PEFC or EcoLabel certified).	

doValue will continue its Sustainability path with commitment and responsibility, according to the strategic lines of the 2024-26 Business Plan, to meet the expectations of stakeholders and to contribute to the development of a more sustainable economy.

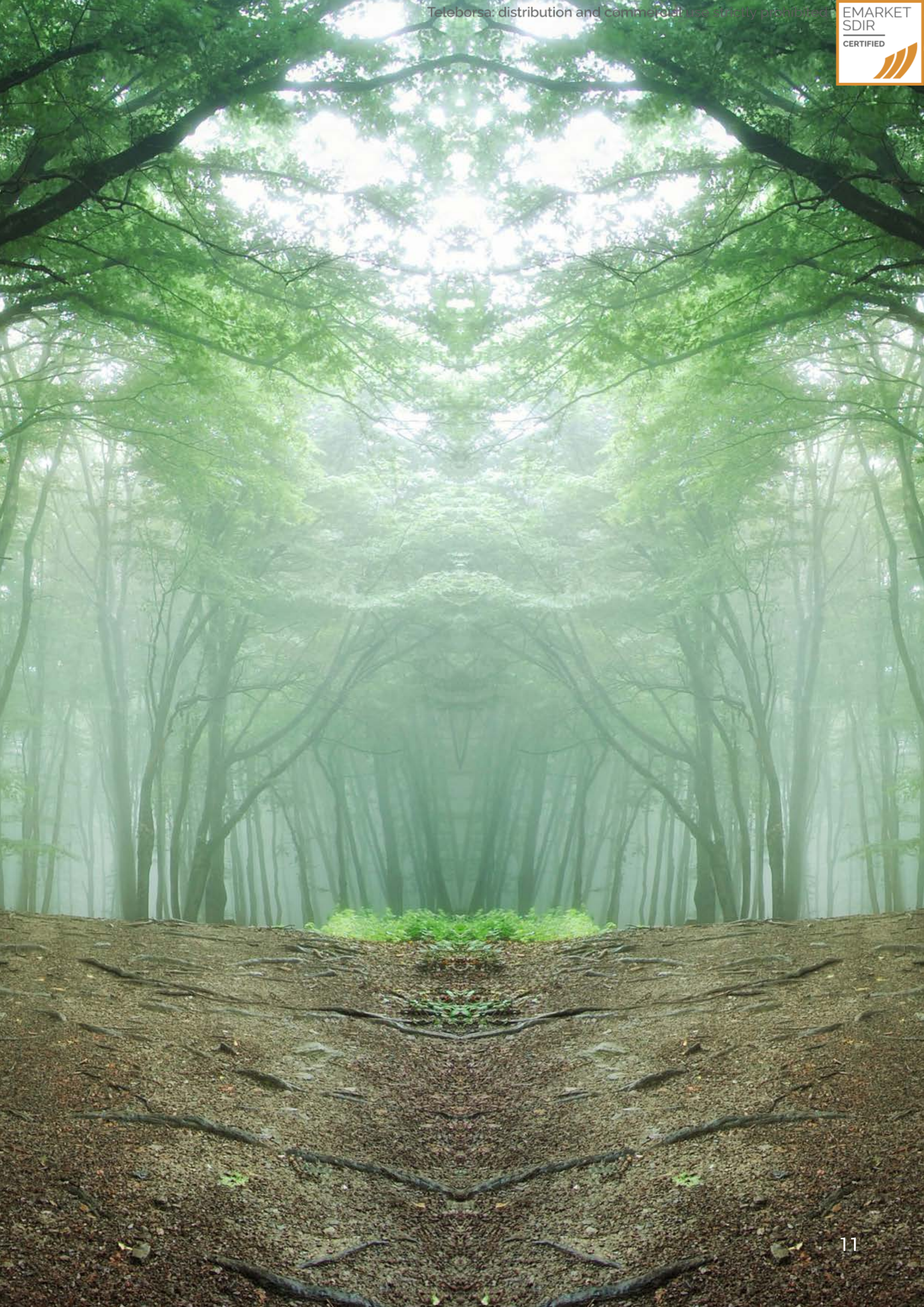
Rating ESG

The operational excellence and the commitment to sustainability are also demonstrated by the constant upgrades recognized by the main ESG Rating Agencies.
In line with the continuous improvement trajectory followed by the Company since the first rating assigned by Sustainalytics in October 2020, in October 2023 Sustainalytics confirmed the rating "Low Risk", evaluating doValue as a "low risk" company with regard to exposure to material financial impacts generated by ESG factors.
The recognition received by Sustainalytics confirms the strong and constant commitment of doValue to adopt high quality standards and act responsibly.
The doValue ESG Framework is also rated by MSCI ESG Ratings, which in February 2023 rated "AAA" compared to the "AA" rating of 2022, reflecting the Group's performance and growth level of doValue.
doValue is currently also rated by Moody's, which in July 2023 improved the Group's ESG rating from "Limited" to "Robust".

Governance Sostenibile

In order to integrate more and more Sustainability into the business, doValue has implemented a governance, recognized as best practice by ESG Rating Agencies, which involves the interaction of different bodies dedicated to the supervision and management of these issues:

- The constant involvement and commitment of the Board of Directors and the Risk Related Parties and Sustainability Committee are a clear indicator of how ESG issues play a central role in the Group's Governance;
- The Communication & Sustainability function develops the sustainability strategy in collaboration with the designated functions and identifies areas and improvement projects, thus contributing to the creation of long-term value;
- The Identity & Communication Committee aims to develop the Group's Brand Identity, Communication and Sustainability strategies.



Governing and control bodies

BOARD OF DIRECTORS

Chairman	GIOVANNI CASTELLANETA (2)
CEO	MANUELA FRANCHI
Directors	FRANCESCO COLASANTI (2) GIOVANNI BATTISTA DAGNINO (4) CRISTINA FINOCCHI MAHNE (3) NUNZIO GUGLIELMINO (1) GIUSEPPE RANIERI ROBERTA NERI (4) MARELLA IDI MARIA VILLA (2) ELENA LIESKOVSKA (2)

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) Chairman of the Appointments and Remuneration Committee
(2) Member of the Appointments and Remuneration Committee
(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 Committee, pursuant to Italian Legislative Decree 231/2001
(6) Member of Supervisory Committee, pursuant to Italian Legislative Decree 231/2001

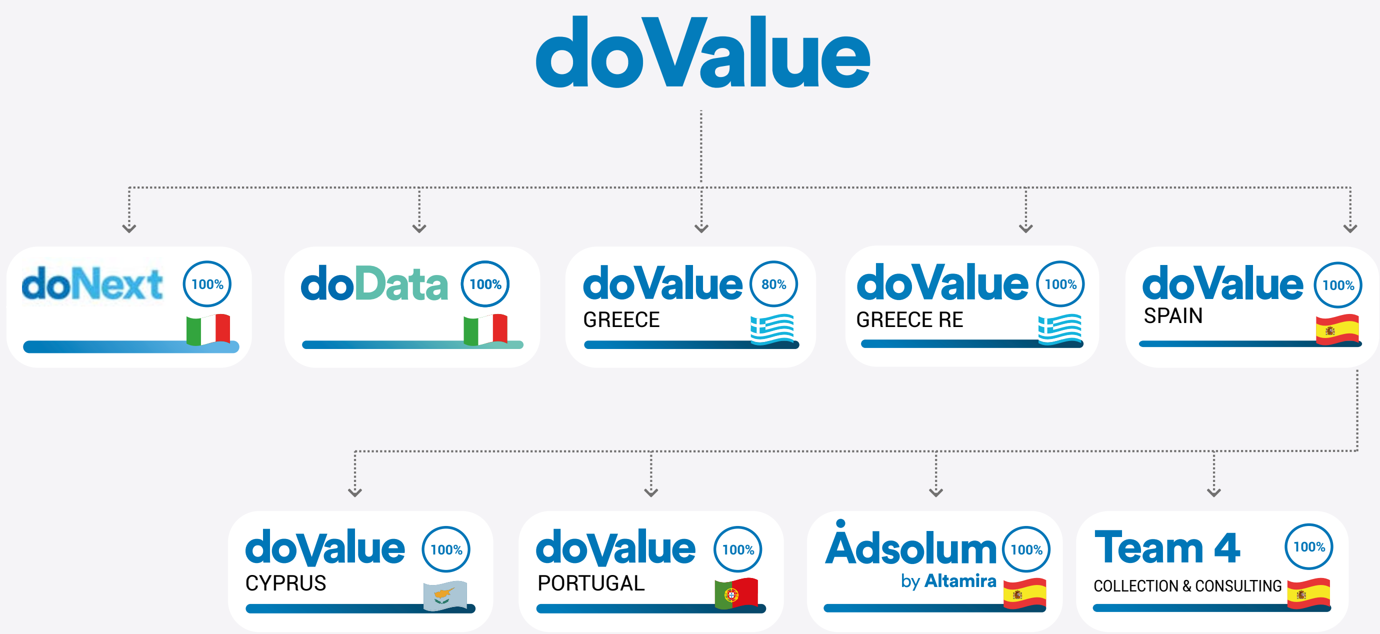
Group Structure

With more than 20 years of experience and approximately €116 billion of assets under management, the doValue Group is the main operator in Southern Europe in the management of credit portfolios and real estate assets deriving from non-performing loans.

The doValue Group offers to its customers, both banks and investors, services for the management of portfolios of non-performing loans (NPL), unlikely to pay (UTP), early arrears and performing loans. The doValue Group is also active in the management and development of real estate assets deriving from non-performing loans (real estate owned, REO).

In addition, the doValue Group offers a broad set of ancillary services (master legal services, due diligence services, data management services and master servicing activities).
The shares of the doValue Group have been listed on Euronext Milan since 2017. In addition, doValue has been admitted to the STAR segment of Euronext Milan in 2022.

The following chart shows the structure of the Group at December 31, 2023, and reflects the organic and external growth and diversification of doValue over 20 years of operations.



doValue: a story of growth and diversification

GBV		
€77 bn	2017	Listing on Borsa Italiana (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 renounce to its banking license and takes on the name doValue, completes the acquisition of Altamira (today doValue Spain) and becomes market leader in Southern Europe doValue announces the acquisition of Greek servicer FPS Loans and Credits Claim Management
€158 bn	2020	doValue completes the acquisition of FPS (today doValue Greece) and becomes market leader in Greece doValue has completed the issue of its first bond
€150 bn	2021	doValue signs an agreement for the investment in a stake of c.10% in Brazilian fintech company QueroQuitar doValue completes the issuance of its second bond doValue acquires an approximately 15% stake in Irish proptech company BidX1
€120 bn	2022	doValue admitted to the STAR segment of Euronext Milan Expiry of the contract with Sareb and off-boarding of its €21 bn portfolio
€116 bn	2023	doValue completes the acquisition of Team 4 in Spain to boost its SMEs business unit Successful onboarding of Sky Portfolio in Cyprus New CEO appointed Manuela Franchi doValue has been upgraded from MSCI ESG Research and Moody's Analytics. Respectively from “AA” to Leader “AAA” and from “Limited” to “Robust”

DIRECTOR'S REPORT **ON THE GROUP**

The summary results and financial indicators are based on accounting data and are used in management reporting to enable management to monitor performance.
They are also consistent with the most commonly used metrics in the relevant sector, ensuring the comparability of the figures presented.

The Group's business

€116bn
IN ASSET
UNDER MANAGEMENT

RATING
RSS1- / CSS1-
FITCH RATINGS
STRONG
STANDARD & POOR'S

The doValue Group provides services to banks and investors over the entire life-cycle of loans and real estate assets.

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; within the same activity, ancillary services may also be offered, the remuneration of which is linked to the type of service provided.

The Group provides services in the following categories:

NPL Servicing	The administration, management and recovery of loans utilising in court and out-of-court recovery processes for and on behalf of third parties for portfolios mainly consisting in non-performing loans. Within its NPL Servicing operations, doValue focuses on corporate bank loans of medium-large size and a high proportion of real estate collateral
Real Estate Servicing	The management of real estate assets on behalf of third parties, including: (1) 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; (2) Real estate development: analysis, implementation and marketing of real estate development projects involving assets owned by customers; and (3) Property management: supervision, management and maintenance of customers' real estate assets, with the aim of maximising profitability through sale or lease
UTP Servicing	Administration, management and restructuring of loans classified as unlikely-to-pay, on behalf of third parties, with the aim of returning them to performing status; this activity is primarily carried out by the doNext subsidiaries pursuant to Art. 106 of the Consolidated Banking Act (financial intermediary) and doValue Greece, pursuant to Greek Law 4354/2015 (NPL Servicer under the license and supervision of the Bank of Greece)

Early Arrears e 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
Ancillary services	These include: (1) Due Diligence: services for the collection and organisation of information in data room environments and advisory services for the analysis and assessment of loan portfolios for the preparation of business plans for Collection and Recovery activities; (2) Master Servicing and Structuring: administrative, accounting, cash management and reporting services in support of the securitisation of loans; structuring services for securitisation transactions as well as performing the role of authorised entity in securitisation transactions; and (3) Master Legal: management of legal proceedings at all levels in relation to loans, mainly non-performing, managed by doValue on behalf of third parties

doValue, in its capacity as Special Servicer, has received the following ratings 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. doNext, as a Master Servicer, received an MS2+ rating from Fitch Ratings in February 2022, which is an indicator of high performance in overall Servicing management capability.

In July 2020, doValue received the Corporate credit rating **BB with "Stable" outlook** from Standard & Poor's and Fitch. This rating has been confirmed by both agencies in relation to doValue's senior bonds issued with an original nominal value of €265.0 million and €300.0 million with maturity in 2025 and 2026, respectively.
The rating was confirmed in June 2023 by both Fitch and Standard & Poor's, both with "Stable" outlook.

Macroeconomic environment

European banks are currently enjoying the benefits of exceptionally high interest rates, which have led to a notable increase in net interest margins. Despite the ongoing deterioration in the macroeconomic environment and high interest rates putting pressures on households and SMEs, the cost of risk for European banks has surprisingly remained at historical lows. This scenario, coupled with a low NPE ratio resulting from an extensive de-risking process throughout Southern Europe carried out in the previous years, has created a challenging landscape for debt servicers and purchasers, marked by a shrinking pipeline for primary deals.

Despite these challenges, the economic forecast for Europe remains cautious, with modest GDP growth, a looming commercial real estate crisis, and a rise in bankruptcies, particularly among SMEs. The Bank of Italy anticipates a decline in credit quality over the next two years. In this context, the governor of the Bank of Italy has emphasized the crucial role of credit servicers in maintaining a robust banking and economic system. Meanwhile, large Spanish banks are managing €71 billion in non-performing loans (NPLs) on their balance sheets, a 2.3% year-over-year increase compared to 2022. Greece is experiencing strong positive GDP growth, yet banks are still in the midst of their de-risking processes.

In light of this situation, doValue estimates the pipeline of potential servicing mandates for next 18 months across Southern Europe at approximately €40 billion, including secondary transactions. However, any further delays in anticipated primary transactions could challenge a return to growth in 2024. To address this, the company has adopted a flexible cost structure and plans to make additional adjustments to safeguard profitability and cash generation.

More broadly, doValue's activities are supported by a substantial and contractual long-term GBV and are buoyed by external, favourable medium to long-term trends. These include the enforcement of strict regulations by banks for loan recognition (IFRS 9, Calendar Provisioning, Basel IV), which encourage a proactive approach to balance sheet management.

Group Highlights

The tables below show the main economic and financial data of the Group extracted from the related condensed Financial Statements, which are subsequently presented in the section of the Group Results at December 31, 2023.

(€/000)

Key data of the consolidated income statement	12/31/2023	12/31/2022	Change €	Change %
Gross Revenues	485,731	558,249	(72,518)	(13.0)%
Net Revenues	443,157	500,420	(57,263)	(11.4)%
Operating expenses	(267,812)	(301,712)	33,900	(11.2)%
EBITDA	175,345	198,708	(23,363)	(11.8)%
EBITDA margin	36.1%	35.6%	0.5%	1.4%
Non-recurring items included in EBITDA	(3,355)	(2,979)	(376)	12.6%
EBITDA excluding non-recurring items	178,700	201,687	(22,987)	(11.4)%
EBITDA margin excluding non-recurring items	37.2%	36.1%	1.0%	2.8%
EBT	28,250	62,829	(34,579)	(55.0)%
EBT margin	5.8%	11.3%	(5.4%)	(48.3)%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(17,830)	16,502	(34,332)	n.s.
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	1,835	50,563	(48,728)	(96.4)%

(€/000)

Key data of the consolidated balance sheet	12/31/2023	12/31/2022	Change €	Change %
Cash and liquid securities	112,376	134,264	(21,888)	(16.3%)
Intangible assets	473,784	526,888	(53,104)	(10.1%)
Financial assets	46,167	57,984	(11,817)	(20.4%)
Trade receivables	199,844	200,143	(299)	(0.1%)
Tax assets	99,483	118,226	(18,743)	(15.9%)
Financial liabilities	684,570	684,984	(414)	(0.1%)
Trade payables	85,383	70,381	15,002	21.3%
Tax Liabilities	65,096	67,797	(2,701)	(4.0%)
Other liabilities	57,056	75,754	(18,698)	(24.7%)
Provisions for risks and charges	26,356	37,655	(11,299)	(30.0%)
Group Shareholders' equity	**53,031**	**136,559**	**(83,528)**	**(61.2%)**

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

(€/000)

KPIs	12/31/2023	12/31/2022
Gross Book Value (EoP) - Group	116,355,196	120,478,346
Collections of the period - Group	4,947,493	5,494,503
LTM Collections / GBV EoP - Group - Stock	4.6%	4.1%
Gross Book Value (EoP) - Italy	68,241,322	72,031,038
Collections of the period - Italy	1,661,168	1,707,403
LTM Collections / GBV EoP - Italy - Stock	2.5%	2.5%
Gross Book Value (EoP) - Iberia	10,861,946	11,650,908
Collections of the period - Iberia	1,136,157	1,965,314
LTM Collections / GBV EoP - Iberia - Stock	11.0%	9.2%
Gross Book Value (EoP) - Hellenic Region	37,251,928	36,796,401
Collections of the period - Hellenic Region	2,150,168	1,821,787
LTM Collections / GBV EoP - Hellenic Region - Stock	7.0%	6.1%
Staff FTE / Total FTE Group	42.0%	45.0%
EBITDA	175,345	198,708
Non-recurring items (NRIs) included in EBITDA	(3,355)	(2,979)
EBITDA excluding non-recurring items	178,700	201,687
EBITDA margin	36.1%	35.6%
EBITDA margin excluding non-recurring items	37.2%	36.1%
Profit (loss) for the period attributable to the shareholders of the Parent Company	(17,830)	16,502
Non-recurring items included in Profit (loss) for the period attributable to the Shareholders of the Parent Company	(19,665)	(34,061)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	1,835	50,563
Earnings per share (Euro)	(0.23)	0.21
Earnings per share excluding non-recurring items (Euro)	0.02	0.64
Capex	21,361	30,833
EBITDA - Capex	153,984	167,875
Net Working Capital	114,461	129,762
Net Financial Position	(475,654)	(429,859)
Leverage (Net Debt / EBITDA excluding non-recurring items LTM)	2.7x	2.1x

LEGENDA

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.

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

EBITDA and Profit (loss) of the period attributable to the Shareholders of the Parent Company: 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 the Shareholders of the Parent Company excluding non-recurring items: are defined as EBITDA and Profit (loss) for the period attributable to core operations, excluding all items connected with extraordinary operations such as corporate restructuring, acquisitions or disposals of entities, start-up of new businesses or entry into new markets.

EBITDA Margin: obtained by dividing EBITDA by Gross Revenues.

EBITDA Margin excluding non-recurring items: obtained by dividing EBITDA excluding non-recurring items by Gross revenues.

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

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

Capex: investments in property, plant, equipment and intangibles.

EBITDA – Capex: calculated as EBITDA net of investments in property, plant and equipment and intangibles. 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 and bonds issued.

Leverage: this is the ratio between the Net Financial Position and EBITDA excluding non-recurring items for the last 12 months (possibly adjusted pro-forma 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 as at December 31, 2023

The operating results for the year are reported on the following pages, together with details on the performance of the portfolio under management.

At the end of this Directors' Report on the Group, a reconciliation schedule is provided between the condensed income statement reported below and the income statement provided in the consolidated Financial Statements section.

PERFORMANCE

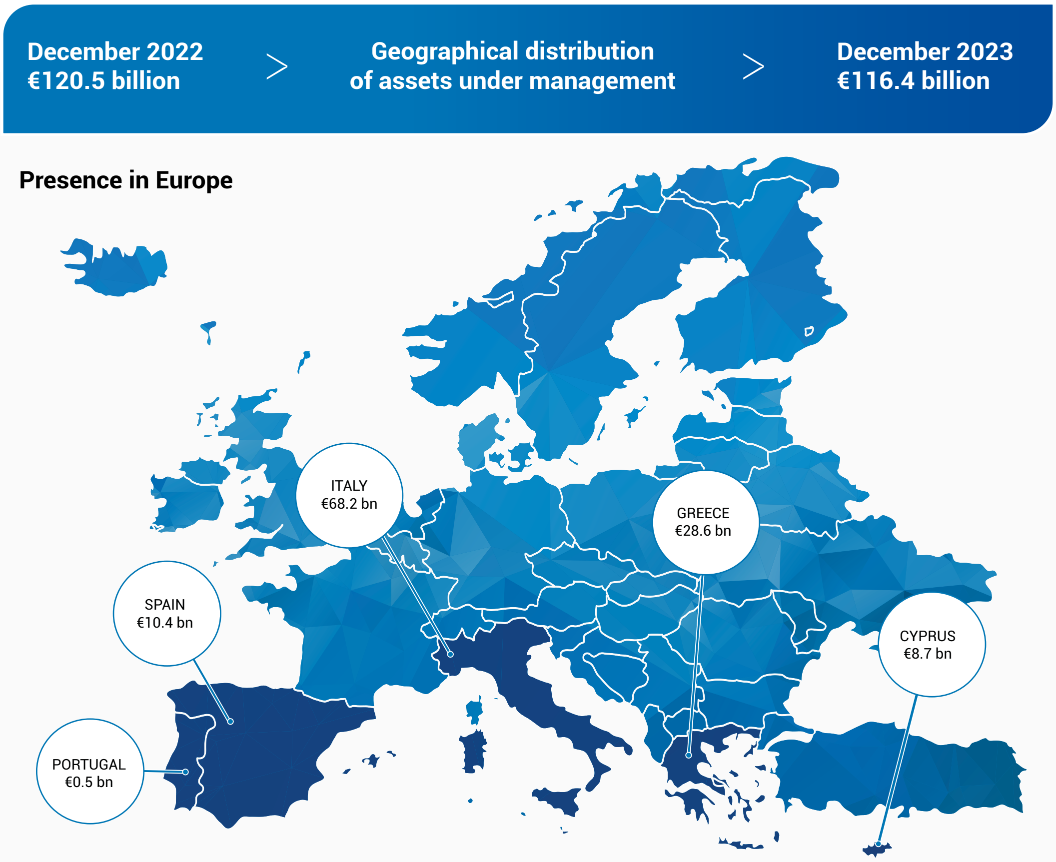
(€/000)

Condensed Income Statement	12/31/2023	12/31/2022	Change €	Change %
Servicing Revenues:	419,890	510,164	(90,274)	(17.7)%
o/w: NPE revenues	366,697	433,538	(66,841)	(15.4)%
o/w: REO revenues	53,193	76,626	(23,433)	(30.6)%
Co-investment revenues	1,290	1,507	(217)	(14.4)%
Ancillary and other revenues	64,551	46,578	17,973	38.6%
Gross revenues	**485,731**	**558,249**	**(72,518)**	**(13.0)%**
NPE Outsourcing fees	(14,365)	(20,913)	6,548	(31.3)%
REO Outsourcing fees	(9,684)	(22,631)	12,947	(57.2)%
Ancillary Outsourcing fees	(18,525)	(14,285)	(4,240)	29.7%
Net revenues	**443,157**	**500,420**	**(57,263)**	**(11.4)%**
Staff expenses	(196,312)	(212,395)	16,083	(7.6)%
Administrative expenses	(71,500)	(89,317)	17,817	(19.9)%
Total o.w. IT	(30,662)	(33,034)	2,372	(7.2)%
Total o.w. Real Estate	(5,084)	(5,586)	502	(9.0)%
Total o.w. SG&A	(35,754)	(50,697)	14,943	(29.5)%
Operating expenses	**(267,812)**	**(301,712)**	**33,900**	**(11.2)%**
EBITDA	**175,345**	**198,708**	**(23,363)**	**(11.8)%**
EBITDA margin	**36.1%**	**35.6%**	**0.5%**	**1.4%**
Non-recurring items included in EBITDA	(3,355)	(2,979)	(376)	12.6%
EBITDA excluding non-recurring items	**178,700**	**201,687**	**(22,987)**	**(11.4)%**
EBITDA margin excluding non-recurring items	**37.2%**	**36.1%**	**1.0%**	**2.8%**
Net write-downs on property, plant, equipment and intangibles	(91,920)	(71,021)	(20,899)	29.4%
Net provisions for risks and charges	(16,555)	(13,963)	(2,592)	18.6%
Net write-downs of loans	(906)	493	(1,399)	n.s.
EBIT	**65,964**	**114,217**	**(48,253)**	**(42.2)%**
Net income (loss) on financial assets and liabilities measured at fair value	(8,180)	(22,520)	14,340	(63.7)%
Net financial interest and commissions	(29,534)	(28,868)	(666)	2.3%
EBT	**28,250**	**62,829**	**(34,579)**	**(55.0)%**
Non-recurring items included in EBT	(19,674)	(35,901)	16,227	(45.2)%
EBT excluding non-recurring items	**47,924**	**98,730**	**(50,806)**	**(51.5)%**
Income tax for the period	(41,891)	(36,354)	(5,537)	15.2%
Profit (Loss) for the period	**(13,641)**	**26,475**	**(40,116)**	**n.s.**
Profit (loss) for the period attributable to Non-controlling interests	(4,189)	(9,973)	5,784	(58.0)%
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**(17,830)**	**16,502**	**(34,332)**	**n.s.**
Non-recurring items included in Profit (loss) for the period	(21,420)	(35,494)	14,074	(39.7)%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(1,755)	(1,433)	(322)	22.5%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**1,835**	**50,563**	**(48,728)**	**(96.4)%**
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	5,944	11,406	(5,462)	(47.9)%
Earnings per share (in Euro)	**(0.23)**	**0.21**	**(0.43)**	**n.s.**
Earnings per share excluding non-recurring items (Euro)	0.02	0.64	(0.62)	(96.4)%

Portfolio under management

At December 31, 2023, the Group's Managed Portfolio (GBV) in the five core markets in Italy, Spain, Portugal, Greece and Cyprus amounted to €116.4 billion, with a slight decrease of 3.4% comparing with the balance of €120.5 billion at December 31, 2022.
New flows amounted to approximately 9.7 billion, of which roughly 18% related to the Italian market, 22% to the Iberian region and 60% to the Hellenic one.

The following chart shows the geographical breakdown of the GBV: in particular for each country the share managed at December 31, 2023 is highlighted.

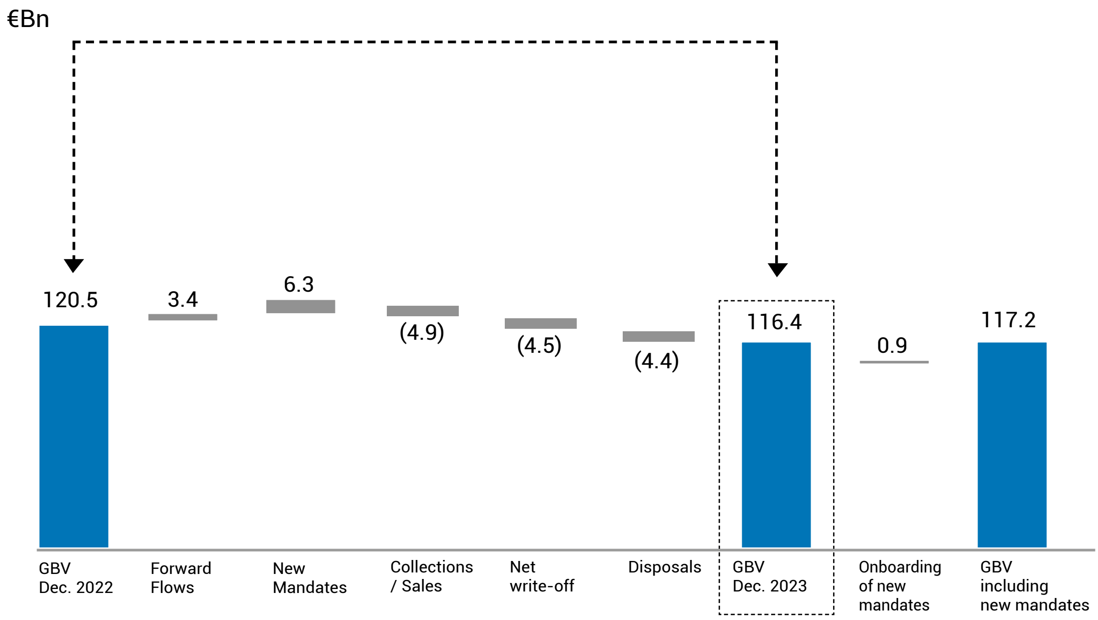


The evolution of the Managed Portfolio, which includes only onboarded portfolios, in 2023 was characterised by contracts related to new customers totalling €6.3 billion, of which approximately €4.5 billion in the Hellenic Region, roughly €0.8 billion in Iberia and about €1.0 billion in Italy.

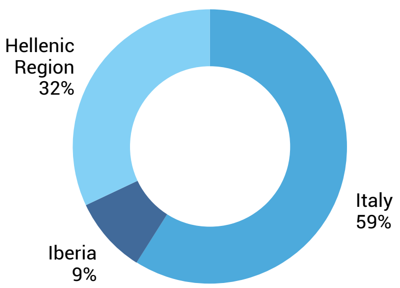
In addition to the flows listed above, a further €3.4 billion comes from existing customers which are onboarded through flow contracts.

With respect to the decrease in GBV, during the year, disposals and write-offs totalled €4.4 billion and €4.5 billion, respectively.

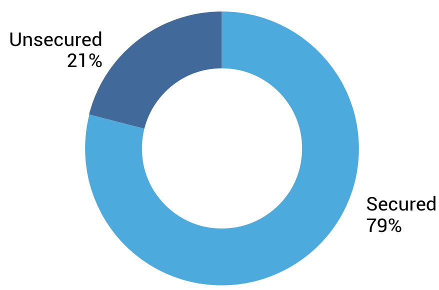
The Managed Portfolio is to be considered in further growth with respect to the picture described above, due to new mandates acquired and currently in the onboarding phase for a total of approximately €0.9 billion, related to portfolios of leading institutions in Italy and Greece.



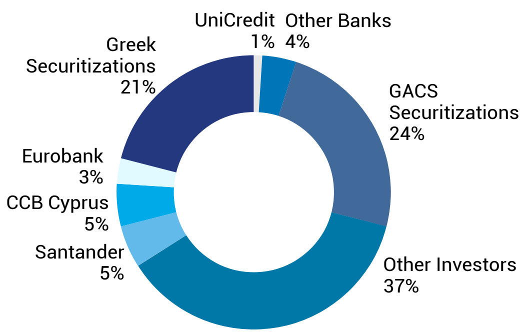
Breakdown GBV by Region



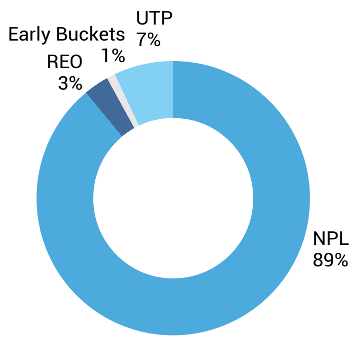
Breakdown GBV by Profile



Breakdown GBV by Client



Breakdown GBV by Business



Group collections for the year amounted to €4.9 billion, down by approximately 10% on the previous year (€5.5 billion). The decrease is essentially due to the exit of the Sareb portfolio in Spain. Excluding the effect of the exit of the Sareb portfolio, the figure of 2023 would compare with €4.7 billion in 2022, with a 5% improvement in performance.

The geographical breakdown of collections for 2023 is as follows: €1.7 billion in Italy, €1.1 billion in Iberia and €2.2 billion in the Hellenic Region.

Performance

In 2023, the European economy showed signs of recovery following the pandemic, supported by stimulus policies and public investments, such as those undertaken in Italy related to the National Recovery and Resilience Plan. However, challenges persist, including high inflation, financial market volatility, and uncertainty regarding the ECB's monetary policy. The transition to a green and digital economy remains a focal point, while trade and geopolitical tensions influence the economic landscape.

Within this complex framework, the Group recorded **gross revenues** of €485.7 million, a decrease of 13% compared to €558.2 million in 2022. The comparison with the previous year is particularly unfavourable, but it is noteworthy that the comparative figure still included the contribution from the Sareb portfolio (excluding this, the 2022 revenues would amount to €509.4 million, indicating a much smaller decline of about 4,6%).
It is worth noting the strong quarterly revenue performance, which amounted to €150.5 million compared to €132.7 million in the last quarter of 2022, reflecting a significant growth of 13.5%. This result reflects the effectiveness of the Group's strategies and its ability to adapt to market dynamics while maintaining a focus on customer relationships and innovation.
Geographically, compared to the previous fiscal year, there is a reduced contribution from Italy (lower NPL collections partially offset by improved performance in the UTP sector and ancillary businesses) and a decrease recorded in Iberia (mainly due to the exit of the Sareb portfolio), while there is substantial consistency in the contribution from the Hellenic Region.

Servicing revenues from **NPE and REO** assets, amounting to €419.9 million (€510.2 million in 2022), show a decrease of 18%. In terms of product, revenues from NPEs amounted to €366.7 million (€433.5 million in December 2022), reflecting a decrease of approximately 15%, while revenues from REOs amounted to €53.2 million, representing a 31% decrease compared to €76.6 million in the comparative period. These dynamics are influenced by the contribution in the comparative period from the Sareb portfolio, which was offboarded between July and October 2022.

Co-investment revenues include a contribution of €1.3 million (€1.5 million in 2022) from income derived from ABS securities of the two securitizations Romeo SPV and Mercuzio Securitisation, of which doValue holds 5%.

The contribution from **ancillary and other revenues** is more significant, amounting to €64.6 million, a significant increase compared to €46.6 million in 2022. These revenues primarily originate from data processing and supply services and other services closely related to the aforementioned servicing activities, such as due diligence, master and structuring services, legal services, as well as services offered in the Rental, Real Estate Development, and diversified activities in the Advisory and Portfolio Management domains.
These revenues represent 13% of the total gross revenues for the current period, compared to 8% in the comparative period.

(€/000)

	12/31/2023	12/31/2022	Change €	Change %
NPE revenues	366,697	433,538	(66,841)	(15.4)%
REO revenues	53,193	76,626	(23,433)	(30.6)%
Co-investment revenues	1,290	1,507	(217)	(14.4)%
Ancillary and other revenues	64,551	46,578	17,973	38.6%
Gross revenues	**485,731**	**558,249**	**(72,518)**	**(13.0)%**
NPE Outsourcing fees	(14,365)	(20,913)	6,548	(31.3)%
REO Outsourcing fees	(9,684)	(22,631)	12,947	(57.2)%
Ancillary Outsourcing fees	(18,525)	(14,285)	(4,240)	29.7%
Net revenues	**443,157**	**500,420**	**(57,263)**	**(11.4)%**

Net revenues, amounting to €443.2 million, show a decrease of 11% compared to €500.4 million in the previous fiscal year.

NPE outsourcing fees recorded a significant contraction of 31%, amounting to €14.4 million (€20.9 million in 2022), reflecting a decrease across all relevant scopes, resulting from lower collections made through the external network.
REO outsourcing fees decreased to €9.7 million (€22.6 million in 2022), primarily linked to the downturn in the Real Estate sector in Spain.
Ancillary outsourcing fees amounted to €18.5 million compared to €14.3 million in 2022, representing a 30% increase, which is less than proportional to the increase in related revenues, thus indicating an overall higher margin.

Operating expenses, totalling €267.8 million, demonstrate an overall decrease of 11% compared to the previous fiscal year (€301.7 million). This reflects the Group's careful cost containment policy in a turbulent market environment, enabling the Group to recover margins.

In more detail, **staff expenses**, accounting for 40% of gross revenues, amounted to €196.3 million, representing an 8% decrease compared to €212.4 million in the previous fiscal year. Throughout 2023, the resource optimization program outlined in the current three-year Industrial Plan continued.

Administrative expenses decreased by 20% compared to 2022, amounting to €71.5 million, against €89.3 million recorded in the previous fiscal year. The trend in these costs reduced their ratio to gross revenues to 15%, facilitated by a rationalization of external consultancy usage and the full benefits derived from the continued application of smart-working practices. These actions almost entirely mitigated the cost increases associated with inflationary pressures recorded during the fiscal year.

(€/000)

	12/31/2023	12/31/2022	Change €	Change %
Staff expenses	(196,312)	(212,395)	16,083	(7.6)%
Administrative expenses	(71,500)	(89,317)	17,817	(19.9)%
o.w. IT	*(30,662)*	*(33,034)*	*2,372*	*(7.2)%*
o.w. Real Estate	*(5,084)*	*(5,586)*	*502*	*(9.0)%*
o.w. SG&A	*(35,754)*	*(50,697)*	*14,943*	*(29.5)%*
Operating expenses	**(267,812)**	**(301,712)**	**33,900**	**(11.2)%**
EBITDA	**175,345**	**198,708**	**(23,363)**	**(11.8)%**
o.w: Non-recurring items included in EBITDA	*(3,355)*	*(2,979)*	*(376)*	*12.6%*
o.w: EBITDA excluding non-recurring items	***178,700***	***201,687***	***(22,987)***	***(11.4)%***

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

FTEs BY REGION	12/31/2023	12/31/2022	Change	Change %
Italy	949	986	(37)	(3.8)%
Iberia	569	677	(108)	(16.0)%
Hellenic Region	1,573	1,531	42	2.7%
Total	**3,091**	**3,194**	**(103)**	**(3.2)%**

As a result of the dynamics outlined above, **EBITDA** stands at €175.3 million compared to €198.7 million in 2022, representing a revenue share of 36.1% against 35.6% in December 2022, which was influenced by the contribution of the Sareb portfolio, absent in 2023.

It is noted that in the course of 2023, approximately €3.4 million in non-recurring items were recorded, relating to strategic and legal consulting costs concerning specific areas of Group development. Additionally, for the sole fiscal year 2023 and for reasons related to new operational and business choices, the contribution of Portugal has been included among the non-recurring items, thus being excluded from ordinary business analyses.
Since these costs are not connected to the Group's core business, it is believed that the organic capacity for generating operating profit is better expressed by adjusted EBITDA, excluding these charges. Therefore, **EBITDA excluding non-recurring items** amounts to €178.7 million, compared to €201.7 million recorded in December 2022, when such items not directly related to the course of business amounted to €3.0 million.

The Group's **EBIT** stands at €66.0 million, compared to €114.2 million in the comparative period. **EBT** amounts to €28.3 million compared to €62.8 million recorded on December 31, 2022. This item includes financial costs related to the two bond issuances, those related to Earn-outs recognized following acquisitions in Spain and Greece, the fair value delta related to minority co-investments in securitization vehicles where the Group is the Servicer, and other minor items related to accounting under the IFRS 16 accounting principle.

(€/000)

	12/31/2023	12/31/2022	Change €	Change %
EBITDA	**175,345**	**198,708**	**(23,363)**	**(11.8)%**
Net write-downs on property, plant, equipment and intangibles	(91,920)	(71,021)	(20,899)	29.4%
Net provisions for risks and charges	(16,555)	(13,963)	(2,592)	18.6%
Net write-downs of loans	(906)	493	(1,399)	n.s.
EBIT	**65,964**	**114,217**	**(48,253)**	**(42.2)%**
Net income (loss) on financial assets and liabilities measured at fair value	(8,180)	(22,520)	14,340	(63.7)%
Net financial interest and commissions	(29,534)	(28,868)	(666)	2.3%
EBT	**28,250**	**62,829**	**(34,579)**	**(55.0)%**

EBT includes additional non-recurring items totaling €19.7 million (€35.9 million in 2022), mainly attributable to costs for the incentive to exit, affecting all Regions (especially in Spain related to the exit of the Sareb portfolio), the economic values contributed by Portugal, and the cost for arbitration in Spain.

Net write-downs on property, plant and equipment and intangibles amount to €91.9 million (€71.0 million in 2022), including €26.1 million of impairments made within the Iberia Region, consistently with what has been already recognized in the Consolidated Interim Report as at September 30, 2023 "Restated", €31.6 million of amortizations of servicing contracts and the brand of the doValue Spain and doValue Greece perimeter.
The balance of the item also includes the portion of amortizations on right-of-use assets resulting from the accounting for lease contracts under the IFRS 16 standard for a total of €14.3 million. The remaining amortizations of €19.9 million mainly relate to software licenses for technological investments made by the Group during the year, aimed at improving the IT platform.

Net provisions for risks and charges amount to €16.6 million, compared to €14.0 million recorded in December 2022, and are mainly related to provisions for exit incentives, legal disputes, and prudential provisions on credits.

Net financial interest and commissions amount to €29.5 million, substantially unchanged from €28.9 million as of December 31, 2022. This item primarily reflects the cost related to the onerousness of the two bond issuances serving the acquisitions process carried out in Spain and Greece as part of the Group's internationalization strategy, as well as the interest related to the drawdown of a revolving line made during the year by the Greek subsidiary.

(€/000)

	12/31/2023	12/31/2022	Change €	Change %
EBT	**28,250**	**62,829**	**(34,579)**	**(55.0)%**
Income tax for the period	(41,891)	(36,354)	(5,537)	15.2%
Profit (Loss) for the period	**(13,641)**	**26,475**	**(40,116)**	**n.s.**
Profit (loss) for the period attributable to Non-controlling interests	(4,189)	(9,973)	5,784	(58.0)%
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**(17,830)**	**16,502**	**(34,332)**	**n.s.**
Non-recurring items included in Profit (loss) for the period	(21,420)	(35,494)	14,074	(39.7)%
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(1,755)	(1,433)	(322)	22.5%
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	**1,835**	**50,563**	**(48,728)**	**(96.4)%**
Earnings per share (in Euro)	**(0.23)**	**0.21**	**(0.43)**	**n.s.**
Earnings per share excluding non-recurring items (Euro)	***0.02***	***0.64***	***(0.62)***	***(96.4)%***

Income tax for the period amounts to €41.9 million compared to €36.4 million in December 2022, due to the income mix developed during the year and the effects of impairments on Italian and Iberian deferred taxes (€17.8 million).

The **profit for the period attributable to the Shareholders of the Parent Company excluding non-recurring items** amounts to €1.8 million, compared to €50.6 million as of December 31, 2022. Including non-recurring items, the **result for the period attributable to the Shareholders of the Parent Company** is negative at €17.8 million, compared to a positive value of €16.5 million at the end of 2022.

SEGMENT REPORTING

The international expansion of doValue into the broad Southern European market through the acquisition of doValue Spain, followed by doValue Greece, has led management to consider it appropriate to assess and analyze the business with a geographical segmentation approach.
This classification is tied to specific factors of the entities included in each category and to the type of market. The geographical regions thus identified were: Italy, Hellenic Region and Iberia (it is noted that, in order to exclude non-recurring items, this area for the year 2023 only consists of Spain.). It should be noted that the Italian segment includes €7.7 million linked to the cost of the resources allocated to the Group and to the cost relating to the employment relationship with the previous Chief Executive Officer.
Based on these criteria, the following table shows the revenues and EBITDA (excluding non-recurring items) for the year for each of these business segments.

Gross revenues recorded in 2023 amounted to €480.9 million (€558.2 million in December 2022) and EBITDA excluding non-recurring items amounted to €178.7 million (€201.7 million in December 2022). Italy contributed 34% to the Group's gross revenues, Hellenic Region 52% and Iberia 14%.
The **EBITDA margin excluding non-recurring items** in Italy was 20% (24% excluding charges of €7.7 million mentioned above), 57% in the Hellenic Region and a negative 3% in Iberia.

(€/000)

	Year 2023			
Condensed Income Statement (excluding non-recurring items)	**Italy**	**Hellenic Region**	**Iberia**	**Total**
Servicing revenues	120,040	235,013	60,091	415,144
o/w NPE Revenues	*120,040*	*207,189*	*38,284*	*365,513*
o/w REO Revenues	-	*27,824*	*21,807*	*49,631*
Co-investment revenues	1,290	-	-	1,290
Ancillary and other revenues	42,257	16,128	6,122	64,507
Gross Revenues	**163,587**	**251,141**	**66,213**	**480,941**
NPE Outsourcing fees	(6,675)	(4,609)	(2,950)	(14,234)
REO Outsourcing fees	-	(4,522)	(4,073)	(8,595)
Ancillary Outsourcing fees	(17,474)	-	(1,029)	(18,503)
Net revenues	**139,438**	**242,010**	**58,161**	**439,609**
Staff expenses	(80,042)	(75,065)	(37,032)	(192,139)
Administrative expenses	(27,361)	(22,545)	(18,864)	(68,770)
o/w IT	*(12,395)*	*(10,641)*	*(6,765)*	*(29,801)*
o/w Real Estate	*(1,320)*	*(2,606)*	*(1,104)*	*(5,030)*
o/w SG&A	*(13,646)*	*(9,298)*	*(10,995)*	*(33,939)*
Operating expenses	**(107,403)**	**(97,610)**	**(55,896)**	**(260,909)**
EBITDA excluding non-recurring items	**32,035**	**144,400**	**2,265**	**178,700**
EBITDA margin excluding non-recurring items	**19.6%**	**57.5%**	**3.4%**	**37.2%**
Contribution to EBITDA excluding non-recurring items	**17.9%**	**80.8%**	**1.3%**	**100.0%**

(€/000)

Condensed Income Statement (excluding non-recurring items)	Year 2023 vs 2022			
	Italy	Hellenic Region	Iberia	Total
Servicing revenues				
Year 2023	120,040	235,013	60,091	415,144
Year 2022	145,093	249,394	115,677	510,164
Change	*(25,053)*	*(14,381)*	*(55,586)*	*(95,020)*
Co-investment revenues, ancillary and other revenues				
Year 2023	43,547	16,128	6,122	65,797
Year 2022	37,417	3,854	6,814	48,085
Change	*6,130*	*12,274*	*(692)*	*17,712*
Outsourcing fees				
Year 2023	(24,149)	(9,131)	(8,052)	(41,332)
Year 2022	(20,489)	(8,247)	(29,093)	(57,829)
Change	*(3,660)*	*(884)*	*21,041*	*16,497*
Staff expenses				
Year 2023	(80,042)	(75,065)	(37,032)	(192,139)
Year 2022	(84,610)	(73,073)	(54,712)	(212,395)
Change	*4,568*	*(1,992)*	*17,680*	*20,256*
Administrative expenses				
Year 2023	(27,361)	(22,545)	(18,864)	(68,770)
Year 2022	(29,333)	(22,745)	(34,260)	(86,338)
Change	*1,972*	*200*	*15,396*	*17,568*
EBITDA excluding non-recurring items				
Year 2023	32,035	144,400	2,265	178,700
Year 2022	48,078	149,183	4,426	201,687
Change	*(16,043)*	*(4,783)*	*(2,161)*	*(22,987)*
EBITDA margin excluding non-recurring items				
Year 2023	19.6%	57.5%	3.4%	37.2%
Year 2022	26.3%	58.9%	3.6%	36.1%
Change	*(7)p.p.*	*(1)p.p.*	*(0)p.p.*	*1p.p.*

Group Financial Position

INTRODUCTION

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

(€/000)

Condensed Balance Sheet	12/31/2023	12/31/2022	Change €	Change %
Cash and liquid securities	112,376	134,264	(21,888)	(16.3)%
Financial assets	46,167	57,984	(11,817)	(20.4)%
Property, plant and equipment	48,678	59,191	(10,513)	(17.8)%
Intangible assets	473,784	526,888	(53,104)	(10.1)%
Tax assets	99,483	118,226	(18,743)	(15.9)%
Trade receivables	199,844	200,143	(299)	(0.1)%
Assets held for sale	16	13	3	23.1%
Other assets	51,216	29,889	21,327	71.4%
Total Assets	**1,031,564**	**1,126,598**	**(95,034)**	**(8.4)%**
Financial liabilities: due to banks/bondholders	588,030	564,123	23,907	4.2%
Other financial liabilities	96,540	120,861	(24,321)	(20.1)%
Trade payables	85,383	70,381	15,002	21.3%
Tax liabilities	65,096	67,797	(2,701)	(4.0)%
Employee termination benefits	8,412	9,107	(695)	(7.6)%
Provisions for risks and charges	26,356	37,655	(11,299)	(30.0)%
Other liabilities	57,056	75,754	(18,698)	(24.7)%
Total Liabilities	**926,873**	**945,678**	**(18,805)**	**(2.0)%**
Share capital	41,280	41,280	-	n.s.
Reserves	35,676	83,109	(47,433)	(57.1)%
Treasury shares	(6,095)	(4,332)	(1,763)	40.7%
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(17,830)	16,502	(34,332)	n.s.
Net Equity attributable to the Shareholders of the Parent Company	**53,031**	**136,559**	**(83,528)**	**(61.2)%**
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	**979,904**	**1,082,237**	**(102,333)**	**(9.5)%**
Net Equity attributable to Non-Controlling Interests	51,660	44,361	7,299	16.5%
Total Liabilities and Net Equity	**1,031,564**	**1,126,598**	**(95,034)**	**(8.4)%**

Cash and liquid securities are down by €21.9 million on the previous year end as a result of the financial trend of the period described in the note to the Net Financial Position.

Financial assets amounted to €46.2 million, a decrease of €11.8 million compared to December 31, 2022 (€58.0 million).

The item is broken down in the following table.

(€/000)

Financial assets	12/31/2023	12/31/2022	Change €	Change %
At fair value through profit or loss	**37,360**	**42,323**	**(4,963)**	**(11.7)%**
Debt securities	16,610	18,145	(1,535)	(8.5)%
CIUs	20,499	23,628	(3,129)	(13.2)%
Equity instruments	197	197	-	n.s.
Non-hedging derivatives	54	353	(299)	(84.7)%
At fair value through OCI	**8,165**	**10,171**	**(2,006)**	**(19.7)%**
Equity instruments	8,165	10,171	(2,006)	(19.7)%
At amortized cost	**642**	**5,490**	**(4,848)**	**(88.3)%**
L&R with banks other than current accounts and demand deposits	40	4,433	(4,393)	(99.1)%
L&R with customers	602	1,057	(455)	(43.0)%
Total	**46,167**	**57,984**	**(11,817)**	**(20.4)%**

Financial assets "at fair value through profit or loss" reduced by an overall €5.0 milioni. In detail, debt securities show a decrease of €1.5 million, almost entirely attributable to valuation effects. Also CIU units relating to the reserved closed-end alternative securities fund Italian Recovery Fund (formerly Atlante II), decreased by €3.1 million mainly due to the cancellation and distribution of some units for €2.2 million, together with negative valuation effects for €0.9 million. Finally, the category includes the fair value attributed to the non-hedging derivative on BidX1 and representative of the value of the residual call option, which highlights a valuation decrease of €0.3 million in the year.
Financial assets "at fair value through OCI", which include the non-controlling interests held in the Brazilian fintech company QueroQuitar S.A. (11.46%) and in the Irish proptech company BidX1 (17.7%), showed a reduction in valuation of €2.0 million attributable exclusively to the latter company.
Financial assets "at amortised cost" decreased by €4.8 million mainly attributable to the sale to third parties, completed in January 2023, of the limited recourse loan for a specific business activity, following the termination of the latter by mutual consent.

Property, plant and equipment amounted to €48.7 million, down by €10.5 million on December 31, 2022. The decrease is mainly due to the amortisation charge of the year (€17.3 million), partially offset by new purchases of €6.7 million relating largely to lease contracts on buildings and cars (€4.7 million).

Intangible assets went from €526.9 million to €473.8 million, down €53.1 million. The decrease is mainly attributable to the combined effect of reductions of €75.0 million (of which €48.9 million for amortisation and €26.1 million for write-downs) and increases of €21.7 million mainly related to software purchases (including the portion classified as assets under development and payments on account).

The write-downs of a total of €26.1 million of intangible assets mainly derive from the results of an impairment test, in which the prospective information has been determined in line with the 2024-2026 Group Industrial Plan approved by the Board of Directors on March 20, 2024.

The test, which compares the estimated values in use with the related book values net of depreciation for the year, highlighted the need to write down the "long-term servicing contracts" category for €13.4 million referred to the Santander contract of doValue Spain. Regarding the impairment of the CGU "Iberia" an impairment of €12.5 million was recognized as a result of the impairment test conducted on the balances as of September 30, 2023, based on the preliminary cash flows of the Industrial Plan of the Iberia region, approved by the Board of Directors on January 12, 2024, which had led to the reassessment of the goodwill value as of September 30, 2023. The subsequent test conducted on the adjusted carrying amount as of December 31, 2023, did not reveal any further impairment needs.

The following is a breakdown of intangible assets:

(€/000)

Intangible assets	12/31/2023	12/31/2022	Change €	Change %
Software	51,413	44,441	6,972	15.7%
Brands	20,671	24,581	(3,910)	(15.9)%
Assets under development and payments on account	7,953	10,791	(2,838)	(26.3)%
Goodwill	224,367	236,897	(12,530)	(5.3)%
Long-term servicing contracts	169,380	210,178	(40,798)	(19.4)%
Total	**473,784**	**526,888**	**(53,104)**	**(10.1)%**

In particular, the most significant portion of intangible assets is due to Group's two acquisitions, relating respectively to doValue Spain and its subsidiaries, carried out at the end of June 2019, and the business combination of doValue Greece completed in June 2020, as summarised below:

	12/31/2023		
Intangible assets	doValue Spain Business Combination	doValue Greece Business Combination	Total
Software and relative assets under development	13,274	27,326	40,600
Brands	20,603	-	20,603
Goodwill	111,534	112,391	223,925
Long-term servicing contracts	17,823	151,557	169,380
Total	**163,234**	**291,274**	**454,508**

Intangible assets	12/31/2022 doValue Spain Business Combination	doValue Greece Business Combination	Total
Software and relative assets under development	13,073	22,532	35,605
Brands	24,508	-	24,508
Goodwill	124,064	112,391	236,455
Long-term servicing contracts	35,404	174,776	210,180
Total	**197,049**	**309,699**	**506,748**

The **tax assets** listed below amounted to €99.5 million at December 31, 2023, compared to €118.2 million at December 31, 2022. The €18.7 million decrease is mainly due to releases of "Deferred tax assets", of which €12.6 million derive from the cancellation non-recoverable DTA for tax losses carried forward and temporary differences of the Iberian region and €5.2 million from the cancellation of DTA of the Parent Company doValue.

(€/000)

Tax assets	12/31/2023	12/31/2022	Change €	Change %
Current tax assets	**4,556**	**5,407**	**(851)**	**(15.7)%**
Paid in advance	-	1,006	(1,006)	(100.0)%
Tax credits	4,556	4,401	155	3.5%
Deferred tax assets	**78,351**	**101,758**	**(23,407)**	**(23.0)%**
Write-down on loans	40,239	49,391	(9,152)	(18.5)%
Tax losses carried forward in the future	18,230	19,300	(1,070)	(5.5)%
Property, plants and equipment / Intangible assets	12,021	18,241	(6,220)	(34.1)%
Other assets / liabilities	3,380	5,243	(1,863)	(35.5)%
Provisions	4,481	9,583	(5,102)	(53.2)%
Other tax receivables	**16,576**	**11,061**	**5,515**	**49.9%**
Total	**99,483**	**118,226**	**(18,743)**	**(15.9)%**

The breakdown of **tax liabilities** equal to €65.1 million, is also shown below, which shows a decrease of €2.7 million compared to the 2022 balance of €67.8 million. The change of the year is primarily related to the €8.4 million reduction in deferred tax liabilities, partly associated with the impairment of intangible assets in the Iberia region as described above (€3.4 million) and the remaining portion is attributed to the run-off of the values deriving from the Purchase Price Allocation (PPA) process of doValue Spain and doValue Greece.

(€/000)

Tax liabilities	12/31/2023	12/31/2022	Change €	Change %
Taxes for the period	10,536	10,478	58	0.6%
Deferred tax liabilities	42,623	51,003	(8,380)	(16.4)%
Other tax payables	11,937	6,316	5,621	89.0%
Total	**65,096**	**67,797**	**(2,701)**	**(4.0)%**

At December 31, 2023, **financial liabilities – due to banks/bondholders** went from €564.1 million to €588.0 million, up by €23.9 million.
This result is due to the temporary use of a 12-month revolving credit line of €25 million, and, on the other hand and to the reduction of €5.0 million thanks to two buy-back transactions of existing bonds which were concluded by repurchasing part of the debt on the market at a discount so as to reduce the total amount of liabilities by more than the required financial outlay, with the consequent recognition of an income equal to €0.5 million.

At December 31, 2023, the residual liability at amortised cost for the two bonds issued was as follows:

- 2020-2025 bond with a nominal value of €264.0 million, interest rate 5.0%: €265.1 million;
- 2021-2026 bond with a nominal value of €296.0 million, interest rate 3.4%: €297.4 million.

Other financial liabilities at December 31, 2023 are detailed below:

(€/000)

Other financial liabilities	12/31/2023	12/31/2022	Change €	Change %
Lease liabilities	41,499	49,938	(8,439)	(16.9)%
Earn-out	54,668	44,649	10,019	22.4%
Put option on non-controlling interests	-	21,894	(21,894)	(100.0)%
Other financial liabilities	373	4,380	(4,007)	(91.5)%
Total	**96,540**	**120,861**	**(24,321)**	**(20.1)%**

"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 doValue Spain operation in the amount of €22.2 million, which represents a portion of the acquisition price, integrated of the interest component and (ii) to the acquisition of doValue Greece for €32.5 million that is related to the achievement of some EBITDA targets within a ten-year time frame and the first payments of which will be due from 2024.
On October 24, 2023, the sale option of the remaining minority stake (equal to 15%) of doValue Spain was exercised through the transfer of these shares to the Parent Company; the liability "Put option on non-controlling interests", amounting to €21.9 million as of December 31, 2022, is therefore eliminated in the reporting period as it has been settled with the counterparty.
The component of "Other financial liabilities" which at December 31, 2022 was equal to €4.4 million, was eliminated at December 31, 2023 following the termination of the limited recourse loan for a specific business activity in January 2023, as a result of the sale of the related loan recognised under financial assets. As of December 31, 2023, this component exclusively comprises the deferred consideration (€373 thousand) resulting from the acquisition of the Spanish company Team 4 Collection and Consulting, which was settled with the selling counterparty in February 2024. For further details regarding the transaction, please refer to the Significant events occurred during the year.

Provisions for risks and charges amounted to €26.4 million (€37.7 million at the end of 2022), with a reduction of €11.3 million attributable to the "Other" category for €7.4 million and mainly due to the release of the provision for "Curing fees" pursuant to IFRS 15 on variable fees, as well as, in relation to the "legal and tax disputes" category, to the release of €3.6 million of a risk provision by the subsidiary doValue Spain following disputes with the Tax Authority and with some clients which have been resolved positively.

(€/000)

Provisions for risks and charges	12/31/2023	12/31/2022	Change €	Change %
Legal and Tax disputes	15,827	19,867	(4,040)	(20.3)%
Staff expenses	722	535	187	35.0%
Other	9,807	17,253	(7,446)	(43.2)%
Total	**26,356**	**37,655**	**(11,299)**	**(30.0)%**

Other liabilities decreased from €75.8 million to €57.1 million, representing a decrease of €18.7 million, mainly due to the release of the provision related to the year of the accrual of deferred payment on early servicing commission payments for the year 2023 (€4.3 million), the reimbursement of €6.0 million attributable to the subsidiary doValue Spain for an advance related to portfolio management, the settlement of contractual liabilities related to the SLA Frontier (€5.8 million), as well as the payment of personnel debts for performance bonuses and incentive packages.

(€/000)

Other liabilities	12/31/2023	12/31/2022	Change €	Change %
Amounts due to personnel	28,186	31,495	(3,309)	(10.5)%
Debts related to servicing contracts	13,223	16,895	(3,672)	(21.7)%
Accrued expenses/deferred income and other debts	15,647	27,364	(11,717)	(42.8)%
Total	**57,056**	**75,754**	**(18,698)**	**(24.7)%**

Shareholders' equity attributable to Shareholders of the Parent Company amounted to €53.0 million, compared to €136.6 million at December 31, 2022.

NET WORKING CAPITAL

(€/000)

Net Working Capital	12/31/2023	12/31/2022
Trade receivables	199,844	200,143
Trade payables	(85,383)	(70,381)
Total	**114,461**	**129,762**

The period figure stands at €114.5 million, showing a significant improvement compared to €129.8 million at the end of 2022. This decrease is the result of the decline observed in Italy and Iberia, partially offset by an increase in the Hellenic Region. It is worth noting that almost all ongoing GACS transactions in Italy and some ongoing transactions in Greece anticipate payment dates in January and February 2024 for events occurring in the last quarter of 2023. The value, relative to the revenue of the last 12 months, therefore, stands at 24%, consistent with the 23% at end of 2022. This trend is particularly appreciable when placed within the current complex macroeconomic framework.

NET FINANCIAL POSITION

(€/000)

	Net Financial Position	12/31/2023	12/31/2022
A	Cash	112,376	134,264
B	**Liquidity (A)**	**112,376**	**134,264**
C	Current bank debts	(25,506)	(163)
D	Bonds issued - current	(9,663)	(9,740)
E	**Net current financial position (B)+(C)+(D)**	**77,207**	**124,361**
G	Bonds issued - non-current	(552,861)	(554,220)
H	**Net financial position (E)+(F)+(G)**	**(475,654)**	**(429,859)**

The **net financial position** at the end of 2023 amounts to €475.7 million compared to €429.9 million at the end of 2022.

The period dynamics were characterized by planned investments totalling approximately €21.4 million, primarily in Italy and the Hellenic Region, the aforementioned working capital dynamics, as well as the payment of taxes amounting to €27.6 million (largely attributable to the Hellenic Region) and financial charges related to the two bond issuances amounting to €23.3 million. It is noted that dividends of approximately €53.0 million were disbursed during the year (including €5.0 million to minority shareholders of the Greek subsidiary doValue Greece). Furthermore, the purchase of minority interests of doValue Spain for €21.5 million was completed through the exercise of the sale option finalized in the last quarter of the year, and a first tranche of share buy-back operations amounting to €2.1 million was carried out.

As a result of the aforementioned changes, the item "Cash" amounts to €112.4 million, compared to €134.3 million at the end of 2022.

In addition to the current cash levels, the Group has €112.5 million in credit lines, which therefore increase the available liquidity to approximately €225 million.

The **net current financial position** remains positive at €77.2 million (€124.4 million at the end of 2022), reflecting a balanced overall capital structure that anticipates bond repayments starting from the second half of 2025.

CONDENSED CASH FLOW

(€/000)

Condensed Cash flow	12/31/2023	12/31/2022
EBITDA	175,345	198,708
Capex	(21,361)	(30,833)
EBITDA-Capex	**153,984**	**167,875**
as % of EBITDA	88%	84%
Adjustment for accrual on share-based incentive system payments	(5,853)	5,557
Changes in Net Working Capital (NWC)	(10,673)	(15,137)
Changes in other assets/liabilities	(58,301)	(74,697)
Operating Cash Flow	**79,157**	**83,598**
Corporate Income Tax paid	(27,595)	(44,042)
Financial charges	(23,329)	(27,146)
Free Cash Flow	**28,233**	**12,410**
(Investments)/divestments in financial assets	2,599	3,664
Equity (investments)/divestments	(21,520)	-
Treasury shares buy-back	(2,115)	-
Dividends paid to minority shareholders	(5,000)	(5,002)
Dividends paid to Group shareholders	(47,992)	(39,140)
Net Cash Flow of the period	**(45,795)**	**(28,068)**
Net financial Position - Beginning of period	(429,859)	(401,791)
Net financial Position - End of period	(475,654)	(429,859)
Change in Net Financial Position	**(45,795)**	**(28,068)**

It should be noted that for the sole purpose of better representing the dynamics involving the net working capital, a reclassification was made of the movements related to the "Advance to Suppliers" and to the "Contractual Advance from ERB" from item "Changes in other assets/liabilities" to item "Changes in Net Working Capital (NWC)" for a total of €25.9 as at Dec-23 and €17.9m in Dec-22

The **Operating Cash Flow** for the year amounted to a positive €79.2 million (€83.6 million in December 2022) and is the result of the margin expressed during the period, with an EBITDA of €175.3 million and investments of €21.4 million due to the continuation of the Group's technology transformation program. The cash conversion ratio to EBITDA stands at 88%, higher than the 84% in December 2022, demonstrating the Group's high ability to convert its operational margin into cash even in the presence of the aforementioned investment levels and a lower level of absolute margin compared to the previous fiscal year.

The "changes in net working capital" is negative at €10.7 million (compared to a cash absorption of €15.1 million in December 2022). The change in the current year is linked to the deferred collection in the first months of 2024 of some services performed at the end of the year, particularly in the Greece and Italy areas. It is also noted that in the fourth quarter, the generated EBITDA amounts to €60.0 million with a negative change in working capital of only €0.4 million.

The "changes in other assets/liabilities", amounting to -€58.3 million, mainly consists of payments related to personnel exits and items related to periodic rents treated according to IFRS 16 methodology.

Taxes paid amount to €27.6 million and are essentially attributable to direct taxes paid in the Hellenic Region and in Italy (€44.0 million in December 2022).
Financial charges paid amount to €23.3 million (€27.1 million in December 2022), reflecting the average cost (at a fixed rate) recorded following the bond issuances supporting the Group's international growth process. These operations allowed the Group to replace credit lines with predetermined amortization plans for interest and principal portions, with bullet repayment instruments for the principal portion and semi-annual payment of coupons. This has allowed a better balance of sources with relative extension of maturities and a lower interest expense given the current interest rate curve.
The above dynamics result in a **Free Cash Flow** of €28.2 million compared to €12.4 million in 2022, primarily due to the lower level of EBITDA generated in 2023 as described in the section dedicated to the commentary on Performance.
The item "(Investments)/disinvestments in financial assets" is positive at €2.6 million and mainly includes receipts from the shares of the reserved alternative investment fund Italian Recovery Fund.

It is noted that during the year, payments of approximately €48.0 million in dividends were made, almost entirely composed of amounts resolved by the last Shareholders' Meeting, in addition to further payments of €5.0 million to minority shareholders of the Greek subsidiary doValue Greece and the payment for the purchase of minority interests of doValue Spain amounting to €21.5 million, and finally the first part of the share buy-back program totalling €2.1 million.

The **net cash flow for the period** is therefore negative at €45.8 million, compared to a negative value of €28.1 million in 2022. It is noted that, net of dividend payments, the generated cash flow would have been positive at €7.2 million.

Finally, the good financial performance of the fourth quarter of 2023 is emphasized, which, despite significant outflows for the put option (€21.5 million) and share buy-backs (€2.1 million), closed with a positive cash generation of €9.9 million and a positive Free Cash Flow of €33.6 million.

Significant events occurred during the year

RESIGNATION OF THE CHIEF EXECUTIVE OFFICER AND APPOINTMENT OF MANUELA FRANCHI AS NEW CEO

On March 17th, 2023 the Chief Executive Officer Andrea Mangoni announced his intention to resign from his role to take on new professional opportunities (effective resignation as of April 27, 2023).
The Board of Directors has activated the relevant internal procedures aimed at starting the succession process for the role of Chief Executive Officer. In line with the remuneration policy adopted by the Company, there were no indemnities nor benefits in relations to the cessation of the role of Chief Executive Officer.
On April 27th, 2023, the Board of Directors of doValue S.p.A. has co-opted Manuela Franchi as acting Chief Executive Officer of the Group, with the aim of ensuring full continuity and stability in the management of the Group. Manuela Franchi has been in the Top Management of doValue since 2016, overseeing the company's listing on the stock exchange. Over time, she has held various key roles within the group, including Head of M&A and IR, CFO, General Manager of corporate functions, COO of doNext, and board member of doValue Greece and doValue Spain.
Following an in-depth selection process of internal and external candidates activated by the doValue Board of Directors, on August 3, 2023 Manuela Franchi was finally confirmed by unanimous decision in her role as CEO for the Group.

SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting of doValue was held on April 27, 2023. In particular, the Shareholders' Meeting:

- approved the separate Financial Statements for the year 2022, the destination of the profit for the year 2022 and the distribution of the dividend;
- examined the second section of the Report on the remuneration policy and on the remuneration paid in the financial year 2022 or related thereto, pursuant to article 123-ter of the TUF and art. 84-Quater of Consob Regulation no. 11971/1999 (the "Issuers' Regulation"), expressing a favourable opinion;
- granted a new authorisation to purchase treasury shares;
- approved the amendments to the By-Laws.

DIVIDEND DISTRIBUTION

On March 23, 2023, the Board of Directors of DoValue resolved to propose to the shareholders the distribution of a dividend of €0.60 per share (for a total of approximately €47.5 million, considering the number of treasury shares held by the Company at the date). The dividend, which was subsequently approved by the Shareholders in their Meeting on April 27, 2023, was paid on May 10, 2023 (with ex-dividend date on May 8, 2023 and record date on May 9 2023).

ARBITRATION IN SPAIN

Regarding the events underlying the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain Servicing S.A. (hereinafter "doValue Spain"), on May 11, 2023, the International Court of Arbitration of the International Chamber of Commerce issued an arbitral award condemning Altamira Asset Management Holdings S.L. (hereinafter "AAMH") to refund approximately €28 million, plus statutory interest, in favor of the doValue Group and, likewise, to the payment by doValue S.p.A. (hereinafter "doValue") of the Earn-out, inclusive of passive interests. The amounts related to the Spanish tax claim were paid in 2021 by doValue Spain to the Spanish Tax Authority following an assessment conducted for events that occurred prior to doValue's acquisition in 2019. With respect to this award, AAMH initiated a legal action before the competent Spanish courts seeking partial annulment of the arbitral award regarding its obligation to pay the tax claim imposed under the arbitral award still pending to date. The judgment of the High Court of Justice in Madrid on the annulment action proposed by AAMH should be announced no later than the beginning of May 2024.

Regarding the enforcement action initiated by the Parent Company doValue and the subsidiary doValue Spain in July 2023 to enforce and collect the sums owed by AAMH, on December 21, 2023, the competent Court in Madrid issued an enforcement order condemning AAMH to pay the amounts set forth in the arbitral award, resulting in the seizure of all of AAMH's assets. Regarding this enforcement procedure, AAMH has filed an objection.

In light of the above, the Group has a contingent asset and expects to realize an amount at least equal to approximately €22 million. Such collection is deemed highly probable, also considering that in order to suspend the enforcement, AAMH would have to resort to escrowing the entire amount due in favor of the doValue Group pursuant to the arbitral award. This latter possibility is considered remote.

TAX AUDIT IN ITALY

Regarding the formal closure of the tax audit that the Parent Company has received by the Italian Tax Authority concerning the fiscal years 2015, 2016, and 2017, prior to the listing, at the end of April 2023, a tax assessment was received in connection with the 2016 finding and for which it filed a tax settlement proposal to activate adequate protection measures and demonstrate, supported by a pool of professionals, the reasons for the correctness of the own conduct. Following the inability to reach a settlement agreement, which was pursued to achieve an out-of-court agreement quickly and with minimal expenditure considering the correctness of its position, on December 16, 2023, the settlement procedure was formally closed, and a judicial appeal was filed.

Additionally, on December 19, 2023, a tax assessment for the 2017 fiscal year was also received.

Reference is also made to the section "Information on Risks and Risk Management policies-Operational Risks - Legal and Tax Risks" of the Illustrative Notes.

SETTLEMENT AGREEMENT DOVALUE SPAIN

On December 27, 2023, a settlement agreement was signed with a client of the subsidiary doValue Spain. Specifically, this agreement entails the final settlement of any past, present, or future liabilities arising from the contract, with the client making a payment to the Group. The subsidiary doValue Spain received this payment at the end of December 2023.

SHARE BUYBACK PROGRAM

On October 9, 2023, doValue S.p.A. announced the commencement, effective October 10, 2023, of a share buyback program (so-called "Buy-back") for a maximum limit of 2,000,000 shares, aimed at replenishing the treasury shares reserved for the existing Share-based Incentive Plan for the Group's management.
Taking into account the treasury shares already held and the purchases resulting from the buyback operation, as of December 31, 2023, the company holds 1,494,630 shares.
With an authorized duration of 18 months, the share repurchase program concluded on February 2, 2024. Please refer to the section "Significant events occurred after the end of the year" for further details.

COMMENCEMENT OF THE SALE PROCESS OF DOVALUE PORTUGAL

In November 2023, the Board of Directors of doValue Spain, as the sole shareholder of the subsidiary doValue Portugal Unipessoal Limitada, resolved to initiate the sale process. This decision was made in light of the negative economic and financial outlook of the company, despite the initiatives undertaken to mitigate its financial losses.

DOVALUE INTEGRATES TEAM 4 COLLECTION & CONSULTING S.L.U.

On December 29, 2023 doValue Spain signed the acquisition of full control of Team 4 Collection & Consulting S.L.U. (hereinafter also "Team4"), a subsidiary of the Arvato Group (Bertelsmann). This integration accelerates doValue Spain's strategy to expand its capabilities in the management of small unsecured tickets, a rapidly growing market segment in the region and in Europe, and is consistent with its strategy aimed at growing its business through increased diversification and a wider base of clients. The acquisition is neutral in terms of net leverage and net financial position of doValue. Team4 recorded €3.5 million of net revenue in 2022 with €2.5 billion of asset under management (GBV) and is expected to achieve €4.2 million of net revenues in 2023. Thanks to its technical and human infrastructure Team4 it is able to effectively serve a diverse range of top clients in the Spanish market, both in the financial sector and the consumer space. Team4 has developed a unique platform with capabilities to efficiently manage collection services, both amicable and judicial. Its proprietary software and robust IT infrastructure provide a strong foundation for managing and optimizing collection processes. The acquisition is expected to generate immediate synergies through the internalization of outsourcing services that currently doValue Spain sources from external companies for managing unsecured tickets. The integration will allow doValue to also expand its customer base toward non-banking clients which represent almost 25% of Team4's assets under management. Under the agreement Team4 will continue to serve Arvato Group and Arvato Group's multinational's customers operating in Spain.

OTHER RELEVANT ACTIVITIES

Since the beginning of 2023, doValue has been active on several fronts. A summary of all the main initiatives and key mandates is shown below.

- **Efesto Fund:** between December 2022 and January 2023, the Efesto Fund received commitments for UTP contributions totaling €1.1 billion, including significant commitments from two leading Italian banks. In particular, on January 18, doValue announced that the Efesto Fund received additional contributions of over €400 million from a leading Italian bank. Established in 2020, the Efesto Fund focuses on revitalizing SMEs, real estate assets, as well as consumer and leasing exposures. doNext serves as the servicer of the fund.

- **Project Frontier II:** doValue has completed in 2023 the securitisation process of a €1 billion portfolio originated by NBG under the Hellenic Asset Protection Scheme (HAPS). The portfolio of mostly secured nonperforming loans has been fully onboarded in February 2024.

- **Fino 1 GACS Securitization:** in January 2023, due to doValue's strong performance in managing the Fino 1 securitization, which was granted GACS guarantee by the Ministry of Economy and Finance, the senior notes of Class A of this securitization were repaid, as announced to the markets on February 1. The Fino 1 securitization - €5.4 billion GBV of credit portfolios from UniCredit - was completed in 2017 under the GACS program and saw investment from funds managed by Fortress Investment Group, King Street Capital Management, and UniCredit, while doValue assumed the roles of master and special servicer.

- **Project Souq:** on February 22, 2023, doValue announced the completion of the sale of a secondary portfolio worth €630 million GBV in Greece to Intrum. The portfolio was carved out from the securitization vehicles HAPS Cairo I and Cairo II, managed by doValue since their creation. The sale allows doValue to accelerate its collection activity in Greece (for which it received a collection fee in the first quarter of 2023) by acquiring the long-term servicing mandate on the sold portfolio.

- **MSCI ESG Research:** in March 2023, MSCI ESG Research has upgraded the Group's MSCI ESG rating from "AA" to "AAA". MSCI ESG Research measures a company's resilience to environmental, social and governance ("ESG") risks on a long-term horizon. The upgrade by MSCI ESG Research is a tangible example of doValue's commitment in adopting best practices in the interest of its stakeholders, in particular clients, capital providers (equity holders and bond holders), employees, and the broader social and environmental ecosystem in which the Company operates. The doValue group's ESG framework has been evaluated by MSCI ESG since 2018, showing a consistent improvement in the rating over the years.

- **Moody's Analytics rating** on July 25, 2023, Moody's Analytics upgraded the ESG rating to "Robust" from "Limited," with an overall score of 50 points. In its assessment of doValue, Moody's Analytics considered ESG themes such as climate change prevention, environmental protection, and discrimination prevention. The company's achievements in corporate governance and ethical business conduct were particularly appreciated.

- **Bond buy-back:** as part of an exercise to optimize its liabilities and make better use of available cash, doValue bonds were purchased and subsequently cancelled, for a nominal value of approximately €5.0 million.

- **Onboarding of the SKY portfolio in Cyprus:** on September 28, 2023, doValue announced the completion of the acquisition of the Sky portfolio, which includes the onboarding by doValue Cyprus of the Sky portfolio assigned by Cerberus Capital Management for an overall value of approximately €2.3 billion in Non-Performing Exposures originated by Alpha Bank Cyprus, of which €2.1 billion represent new assets under management.

- **Acquisition of new servicing contracts in Spain worth €689 million from major local banks and investors:** in 2023, doValue Spain acquired new servicing contracts from major Spanish banks such as Banco Sabadell, Caixabank, and other investors for a value of €689 million, of which €250 million were already taken over by September. The acquired portfolios include a mix of NPLs and REOs and also feature "early arrears" positions.

- **Confirmation of S&P rating "BB," outlook "Stable":** in late November 2023, S&P confirmed the issuer credit rating "BB" and outlook "Stable" for doValue. The rating will therefore apply to the senior secured bonds currently listed on the Luxembourg stock exchange totalling €560 million and maturing between 2025 and 2026. The outlook also reflects the market's expectation that doValue will maintain its net financial leverage ratio below a multiple of 3.0x and that the company will continue to generate a stable and adequate operating cash flow.

- **€500 million GBV servicing contract in Spain:** in December 2023, doValue Spain obtained a servicing contract from an investor for a total of €500 million in GBV of guaranteed NPLs in Spain. Of these, €170 million were already under management. Management of the portfolio is scheduled to commence in the first quarter of 2024.

- **New master and special servicing contracts worth €313 million related to multi-originator securitization from the Luzzatti consortium:** at the end of December 2023, doValue received a mandate from the Luzzatti consortium securitization vehicle for master and special servicing activities related to an NPL portfolio with a GBV of €313 million, originated by leading national financial intermediaries. 51% of the masses correspond to mortgages guaranteed by first-grade mortgages. doValue had assisted Luzzatti from the due diligence phase on the portfolio.

- **doValue Spain Put Option:** the put option on the 15% minority stake in doValue Spain was exercised by Santander. Following this exercise, doValue acquired the minority from Santander, now holding 100% of doValue Spain.

Significant events occurred after the end of the year

Below are listed the significant events occurred after the end of the year that the doValue Group considers non-adjusting events according to IAS 10.

ADSOLUM CLOSURE

The Board of Directors on January 12, 2024, resolved to initiate the closure process of Adsolum Real Estate S.L., the company resulting from the spin-off of the REO business branch of doValue Spain, effective from January 1, 2021. This process involves offboarding the remaining client, liquidating real estate options, and conducting collective layoffs of personnel.
Once the above process is completed, the company will be directly merged into doValue Spain, as the sole shareholder to date, through the transfer of all assets and liabilities.
The liquidation is a consequence of the challenging interest rate environment and regulatory prospects regarding rents in Spain, which include rent increase limits and eviction process restrictions that have prevented the company from meeting its business expectations.

EQUITY INJECTIONS FOR THE IBERIA REGION

Subsequent to December 31, 2023, equity injections were resolved for both subsidiaries in the Iberia region, namely for doValue Spain Servicing S.A. and doValue Portugal Unipessoal Limitada, as their respective equities fell below the limits established by law.

ARBITRATION IN SPAIN

On February 26, 2024, the competent Court in Madrid rejected the opposition filed by Altamira Asset Management Holdings S.L. (hereinafter "AAMH") against the enforcement procedure that sentenced it to pay the amount stipulated in the arbitral award, resulting in the seizure of all assets. AAMH had the option to appeal against the order dismissing the opposition within 20 working days. This appeal does not suspend the execution process unless AAMH provides security for the entire amount owed (tax debt, interest, and potential damages).
On January 16, 2024, doValue S.p.A. (hereinafter "doValue") deposited approximately €22 million with the competent Court, in execution of its own motion (i.e., the seizure of the Earn-out credit that AAMH holds against doValue pursuant to the arbitral award). Regarding these sums attributable to the Earn Out, the Court consented to their use to satisfy a portion of the credit that doValue Spain Servicing S.A. (hereinafter "doValue Spain") claims against AAMH. The Court is currently processing the case file. A decision on the request for release to doValue Spain of these funds deposited judicially within the framework of the enforcement procedure is expected by the end of March 2024 or during April 2024.
Considering the above, as already mentioned in the "Significant events occurred during the year", the Group has a potential asset and expects to realize an amount at least equal to approximately €22 million.
Such collection is deemed highly probable, also considering that in order to suspend the enforcement, AAMH would have to resort to escrowing the entire amount due in favor of the doValue Group pursuant to the arbitral award. This latter possibility is considered remote.

TAX AUDIT IN ITALY

With respect to the tax assessment regarding the finding for the 2017 fiscal year, the Parent Company filed a tax settlement proposal on February 16, 2024, to demonstrate the correctness of its actions based on a multitude of well-founded elements from a legal tax perspective.
Reference is also made to the section "Information on Risks and Risk Management policies - Operational Risks - Legal and Tax Risks" of the Illustrative Notes.

INDUSTRIAL PLAN 2024-2026

On March 20, 2024, the Board of Directors of doValue approved the Group's 2024-2026 Industrial Plan, which, among its various aspects, underlies the estimation processes supporting the carrying value of certain items recorded in the Consolidated Financial Statements as of December 31, 2023.
The new business plan aims for improved profitability and cash flows, also through diversification, innovation and efficiency.
The pillar of the new Industrial Plan lies in a customer-oriented approach, aiming to maintain the Group's leadership in Southern Europe, with significant business development in the Hellenic Region, Italy, and Spain. The objective is to become the best partner for our clients across the credit value chain, including integrating real estate services with credit management to enhance service revenues and expand value-added services.
The Industrial Plan includes, among other things, the maintenance of its significant market share in Southern Europe (15-20%), a greater revenue diversification aiming to generate 35-40% of revenues from non-NPL businesses, improved process efficiency, and maintaining a solid capital structure with a low leverage ratio within the 2.1-2.3x range.
The new Industrial Plan also takes into account the changed market context, assuming lower new business flows compared to the average of the last three years, which were already impacted by an unfavorable macroeconomic scenario.

DOVALUE HAS ENTERED INTO EXCLUSIVE DISCUSSIONS FOR A POTENTIAL COMBINATION WITH GARDANT

On March 21, 2024 doValue, Elliott Advisors (UK) Limited ("EAUK") and Tiber Investments S.à r.l. ("Tiber"), an affiliate of funds advised by EAUK, have entered into a nonbinding heads of terms identifying certain key terms for a potential combination with Gardant S.p.A ("Gardant") based on which negotiations will now proceed on an exclusive basis aimed at finalizing a binding agreement for the potential combination with Gardant.
The transaction potentially entails the acquisition of 100% of Gardant by doValue, also through a capital increase reserved for the seller, and would enable doValue to strengthen its equity position and increase its market share in Italy alongside strong strategic partners.Gardant boasts a comprehensive credit management offering across the entire value cycle of the loan management, focusing on Italy with ~€40 billion of assets under management (of which ~€20bn of Assets Under Special Servicing) and approximately €500 million of funds under management through its fully dedicated alternative asset management company, Gardant Investor SGR.
The transaction is subject to reaching satisfactory binding agreements between the parties as well as corporate and regulatory approvals.

OTHER RELEVANT ACTIVITIES

- **Conclusion of the share buyback program:** on February 2, 2024, the company completed the purchase program of 2,000,000 shares aimed at replenishing an adequate reserve to support management incentive and remuneration plans. The total expenditure amounted to €5,506,096. At the end of the program, the company held 2,827,230 shares, equivalent to 3.53% of the share capital. The conclusion of the program was publicly announced on February 5.

- **New mandate in Greece for €500 million:** a new servicing contract was signed with Attica Bank S.A. by doValue Greece. The agreement concerns the management of a portfolio of NPEs worth approximately €0.5 billion GBV, part of a securitized portfolio known as Project Omega, which was transferred back to Attica Bank in February 2024.

Outlook for operations

The Board of Directors approved on March 20, 2024, the new Industrial Plan for the period 2024-2026, which includes specific financial targets related to key variables for the three-year period (for further details, please refer to the "Significant events occurred after the end of the year" section).

In particular, to safeguard profitability, the Group has continued and will continue to invest significantly. The doTrasformation project by doValue, launched in 2022, has been extensively implemented, yielding €18 million in cost savings in 2023, and will be accompanied by further transformation initiatives launched in 2024. A key element of the additional transformation concerns initiatives to contain the expected increase in the cost base, and in this regard, doValue has planned a total net reduction in headcount of approximately 500 FTEs, with 650-700 exits and 150-200 new positions to strengthen capabilities in key areas.

2024 is therefore identified as a year of transformation and investment, aimed at laying the foundations for growth in the following years, 2025 and 2026; hence, the expected results for 2024 are to be considered in the context of executing the transformation program, with initiatives planned in all geographical areas of operation. It is anticipated that the full impact of cost optimization actions will not be noticeable in the first half of the year.

The commitment to diversifying revenue sources will continue, extending beyond the traditional NPL segment. This approach is part of the strategy to expand the asset portfolio and consolidate the doValue's market position.

Regarding the current market context, it is expected that:

- activities in Italy will continue in line with the trends observed in 2023, with revenues slightly contracting due to new business inflows not yet sufficient to offset the collection rate;
- activities in the Hellenic Region will be supported by an acceleration of collections, also driven by potential portfolio sales in the secondary market on behalf of clients, which should lead to a stable year-on-year margin;
- activities in Iberia will fully reflect the offboarding of the Sareb portfolio following the contract expiration, partially offset by cost reduction resulting from the reorganization of Spanish activities that has already affected the latter part of 2022 and 2023.

Main risks and uncertainties

The financial position of the doValue Group is adequately scaled to meet its needs, considering the activity carried out and the results achieved.

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.

The main risks and uncertainties, considering the Group's business, are essentially connected to the macroeconomic situation which could have consequences on the general trend of the economy and on the generation of non-performing exposures. Furthermore, there remain elements of uncertainty related to the persistence of a high-interest rate environment, which is having a negative impact on real estate transactions. The continuation of high-interest rates and heightened volatility in the capital markets could result in a significant increase in financial expenses for the Group, leading to a reduction in available cash flows for shareholders.

GOING CONCERN

In order to express an opinion on the going concern assumption used to prepare this Consolidated Annual Financial Report, the risks and uncertainties to which the Group is exposed were carefully assessed:

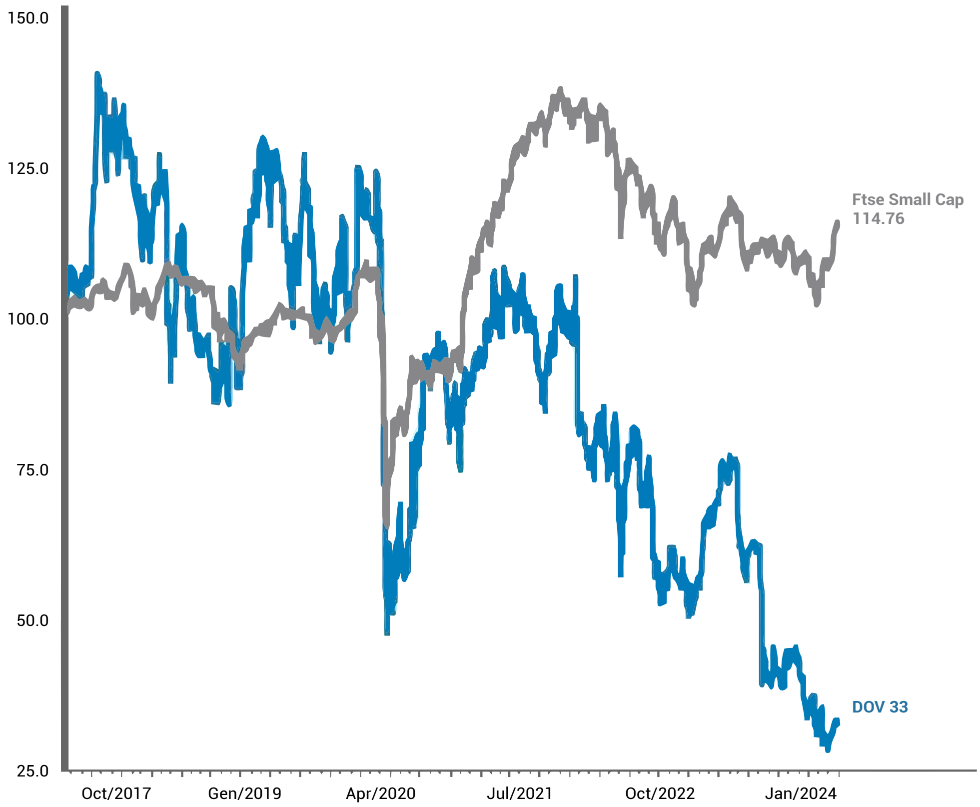
- in particular, consideration was given to forecasts regarding macroeconomic scenarios impacted by a combination of inflation, rising interest rates, and economic downturn, as exogenous values to be considered in trend terms among the assumptions of the 2024-2026 Group Industrial Plan, as well as in sensitivity analyses related to impairment tests of intangible assets as of December 31, 2023;
- in assessing the sustainability of asset values as of December 31, 2023, factors such as the Group's capital endowment, financial position, and cash flow generation capacity, as reflected in the new 2024-2026 Group Industrial Plan, were taken into account, as well as the characteristics of doValue's specific business model, which demonstrates flexibility to respond to different phases of the economic cycle;
- profitability, primarily dependent on managed assets, as well as the contribution of new portfolio management contracts recorded in the 2023 financial year and the resulting collections, were considered;
- finally, consideration was given to the judgment of rating agencies on the Group's quoted debt instruments and the level of prices recorded by such instruments in the secondary market.

With exclusive reference to the refinancing of existing bond loans, one maturing in August 2025 and the other in mid-2026, the Group has initiated appropriate activities for the repayment of the loan maturing in August 2025, evaluating the best available options (for further details, please refer to the "Information on Risks and risk management policies" section of the Illustrative Notes). However, the August 2025 maturity is more than 12 months from December 31, 2023; furthermore, it is noted, as already highlighted in the paragraph concerning the Net Financial Position, the Group's liquidity as of December 31, 2023 amounted to €112.4 million and credit lines to €112.5 million, in addition to the cash that will be generated by the maturity date of the aforementioned bond.

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.

doValue shares

The doValue shares have been listed on the Electronic Stock Market managed by Borsa Italiana (now Euronext Milan) since July 14, 2017. The following graph illustrates the performance of the stock from its listing until the end of 2023, relative to the Ftse Small Cap index of the Milan Stock Exchange.



Since its listing at the end of 2019, the doValue stock has outperformed the basket of comparable Italian stocks in terms of size, appreciating from the IPO value of €9 per share to €12 per share. This trend has been influenced by investor interest in the strategic positioning of the Group, a leader in a profitable and growing sector. Additionally, market appreciation of both the organic growth strategy outlined in the Business Plan presented in June 2018 and updated in November 2019, as well as the acquisitions of doValue Spain and doValue Greece, has contributed to this performance. During this period, shareholder remuneration was further increased with dividends of €0.394 and €0.460 per share for the financial years 2017 and 2018, respectively.

In the early months of 2020, due to the global spread of the Covid-19 pandemic, financial markets, including major stock indices and doValue shares, experienced high volatility and significant depreciation. In the second half of the year, thanks to the introduction of expansive monetary and fiscal policies in Europe and the United States, financial markets – and doValue accordingly – began to recover from pre-pandemic levels. This trend intensified in the last two months of 2020 with the announcement of the effectiveness of the first Covid-19 vaccines. Already in the first quarter of 2021, the stock had returned above IPO levels. From October 2021 onwards, however, the stock underperformed the basket of Italian Small Cap stocks, mainly due to uncertainties related to the potential renewal of the contract between doValue and the client Sareb in Spain (the Group's largest client in terms of Gross Book Value and Gross Revenues in 2021), expiring in June 2022. In particular, the uncertainty that characterized the last quarter of 2021 was related to expectations regarding the economic impacts of a potential contract renewal with Sareb in light of lower-than-expected profitability.

On January 25, 2022, doValue approved the 2022-2024 Industrial Plan, which envisaged the renewal of the Sareb contract, albeit with very limited profitability. On February 24, 2022, Sareb announced that it had engaged two servicers not part of the pool of the four historic servicers (of which doValue was also a part) for the new contract. The news weighed on the stock in the days immediately following. Nevertheless, during 2022, the doValue stock performed overall in line with the FTSE Italy Small Cap index. In general, the performance of global stock markets in 2022 was negative due to recessionary fears and increasing interest rates.

Overall, the performance of the stock in 2023, negative since February, was mainly affected by analysts' expectations regarding the credit management services sector, in a macroeconomic context where the formation of NPLs on financial intermediaries' balance sheets has slowed down – owing to the strengthening of capital solidity and risk management policies in the credit sector - undermining confidence in the current and future revenue and profitability growth of operators. In this context, the stock was also negatively affected by the negative developments of some of its competitors who suffered severe penalties due to a financial structure particularly skewed towards debt.

Additional downward pressure on the stock price came from rising interest rates, which suggested a more costly refinancing of maturing bonds, and rumors and statements about the possible reform of non-performing loans write-offs in the third quarter of 2023.

Specifically, the events that have most influenced a decline in the price were the publication of the 2022 financial results in February, dividend payment in May, the release of the September 2023 results in November of the same year, and the restated September 2023 results in accordance with IAS 34 in January 2024.

Modest increases in the stock price were recorded instead following the favorable outcome of the arbitration in Spain in May, the signing of the shareholder agreement between Fortress and Bain Capital in June, the progress of the doTransformation project in July, the onboarding of the "Sky" portfolio and new flows in Spain between September and October, the start of the share buyback program in October, the signing of a new servicing contract in Spain in December, the acquisition of Team4 at the end of December, as well as the servicing mandate related to the securitization of the "Luzzatti" portfolio.

The main statistics of the performance of the doValue stock are reported in the following table:

Summary data	Euro	Date
IPO price	9.00	07/14/2017
IPO price (adjusted for dividends paid)	6.99	07/14/2017
Minimum closing price	2.93	11/30/2023
Maximum closing price	14.27	10/18/2017
Last closing price of 2023	3.42	12/29/2023
Number of outstanding shares as at December 31, 2023	80,000,000	12/29/2023
of which treasury shares as at December 31, 2023	1,494,630	12/29/2023
Capitalisation as at December 31, 2023	274,000,000	12/29/2023
Capitalisation (excluding treasury shares) as at December 31, 2023	268,880,892	12/29/2023

Other information

MANAGEMENT AND COORDINATION

At December 31, 2023, 25.05% of the shares of the Parent Company doValue are owned by its largest shareholder, Avio S.a r.l, the reference shareholder, a company incorporated in Luxembourg, affiliated to the Fortress Group, which in turn was acquired by Softbank Group Corporation in December 2017.

A further 3.22% of doValue shares are held by other investors similarly connected with Softbank Group Corporation, with an overall stake held by the latter of 28.27%.

At December 31 2023, the residual 71.73% of the shares were placed on the market and 1.87% consisted of 1,494,630 treasury shares, measured at cost, for a total of €6.1 million held by the Parent Company.

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

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

TRANSACTIONS IN TREASURY SHARES

At December 31, 2023, doValue held 1,494,630 treasury shares, equal to 1.87% of the total share capital. Their book value is €6.1 million and they are presented in the Financial Statements 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 27, 2023 revoked the authorisation to purchase and sell treasury shares conferred by said meeting to doValue's Board of Directors by means of resolution of April 28, 2022.

At the same time, a new authorisation to purchase treasury shares in one or more transactions was conferred, according to the same terms and conditions pursuant to the previous Shareholders' meeting resolution, i.e. up to 8,000,000 ordinary shares of doValue S.p.A., equal to 10% of the total, for a period of 18 months from the Shareholders' meeting approval.

During the fiscal year, a total of 667,400 shares were purchased for a value of €2.1 million.

RESEARCH AND DEVELOPMENT

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

PEOPLE

The doValue Group's business is related to people, and the improvement and development of professional skills are strategic drivers to ensure sustainable innovation and growth. doValue continues to invest in its people through policies aimed at the improvement and development of human resources, with the aim of consolidating a climate of company satisfaction.
At December 31, 2023, the number of Group employees was 3,109, compared to 3,212 at the end of 2022.

RELATED-PARTY TRANSACTIONS

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

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

A. on the basis of the Policy in relation to transactions with related parties adopted by the Board of Directors of doValue S.p.A., in 2023, no significant transactions were carried out;
B. in 2023, no transactions with related parties were carried out, under different conditions from normal market conditions which have significantly influenced the balance sheet and financial position of the Group;
C. in 2023, there have been no changes or developments to individual transactions with related parties already described in the most recent financial report that have had a significant effect on the Group's balance sheet or results in the reference period.

ATYPICAL OR UNUSUAL OPERATIONS

Pursuant to Consob communication no. 6064293 of July 28, 2006, it should be noted that in 2023 the doValue Group did not carry out any atypical and/or unusual transactions, as defined by the same communication, according to which atypical and/or unusual transactions are those transactions that, due to their significance/relevance, the nature of the counterparties, the subject matter of the transaction, the way in which the transfer price is determined and the timing of the event (close to the end of the financial year) can give rise to doubts as to the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders.

NON-FINANCIAL STATEMENT

In compliance with the provisions of Article 5, paragraph 3, letter b, of Italian Legislative Decree 254/2016, the doValue Group has prepared the consolidated non-financial statement, which constitutes a separate report. The 2023 consolidated non-financial statement is available on the Group's website www.doValue.it under the "ESG" section.

CORPORATE GOVERNANCE

In accordance with the third paragraph of Article 123 bis of Italian Legislative Decree no. 58 of February 24, 1998 (Consolidated Finance Law or TUF), the Report on Corporate Governance is drawn up annually, which is approved by the Board of Directors and published together with the draft financial statements for the year ended December 31, 2023. This document is available in the "Governance" section on the company website www.doValue.it.
Together with this Report, the "Remuneration Report" drawn up pursuant to Article 123 ter of the Consolidated Finance Law is also made available.

DISCLOSURE ON THE OPT-OUT OPTION

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

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

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

(€/000)

	12/31/2023		12/31/2022	
	Shareholders' Equity	Profit (loss) of the period	Shareholders' Equity	Profit (loss) of the period
doValue's S.p.A. separate Financial Statements	**132,149**	**(2,936)**	**170,719**	**19,471**
- difference arising from the investments' carrying values and the relative subsidiaries' Equity	(53,772)	-	(51,224)	-
- Results of the subsidiaries, net of minority interest	-	1,561	-	43,386
Cancellation of dividends	-	(28,329)	-	(31,612)
Other consolidation adjustments	(7,516)	11,874	562	(14,743)
Consolidated Financial Statements attributable to the Shareholders of the Parent Company	**70,861**	**(17,830)**	**120,057**	**16,502**

Rome, March 21, 2024

The Board of Directors

RECONCILIATION OF THE CONDENSED AND THE STATUTORY INCOME STATEMENT

(€/000)

	12/31/2023	12/31/2022
NPE revenues	**366,697**	**433,538**
o.w. Revenue from contracts with customers	357,697	433,502
o.w. Other revenues	9,000	36
REO revenues	**53,193**	**76,626**
o.w. Revenue from contracts with customers	53,191	72,698
o.w. Other revenues	2	3,928
Co-investment revenues	**1,290**	**1,507**
o.w. Financial (expense)/income	1,290	1,507
Ancillary and other revenues	**64,551**	**46,578**
o.w. Financial (expense)/income	62	13
o.w. Revenue from contracts with customers	10,622	9,734
o.w. Other revenues	49,090	37,359
o.w. Costs for services rendered	-	(605)
o.w. Other operating (expense)/income	4,777	77
Gross revenues	**485,731**	**558,249**
NPE Outsourcing fees	**(14,365)**	**(20,913)**
o.w. Costs for services rendered	(14,225)	(20,869)
o.w. Administrative expenses	(140)	(44)
REO Outsourcing fees	**(9,684)**	**(22,631)**
o.w. Costs for services rendered	(9,684)	(22,631)
Ancillary Outsourcing fees	**(18,525)**	**(14,285)**
o.w. Costs for services rendered	(1,085)	(1,469)
o.w. Administrative expenses	(17,383)	(12,815)
o.w. Other operating (expense)/income	(57)	(1)
Net revenues	**443.157**	**500.420**
Staff expenses	**(196,312)**	**(212,395)**
o.w. Personnel expenses	(196,336)	(212,588)
o.w. Other revenues	24	193
Administrative expenses	**(71,500)**	**(89,317)**
o.w. Personnel expenses	**(1,907)**	**(5,192)**
o.w. Personnel expenses - o.w. SG&A	(1,907)	(5,192)
o.w. Administrative expenses	**(71,536)**	**(85,940)**
o.w. Administrative expenses - o.w. IT	(31,076)	(33,990)
o.w. Administrative expenses - o.w: Real Estate	(5,216)	(5,586)
o.w. Administrative expenses - o.w. SG&A	(35,244)	(46,364)
o.w. Other operating (expense)	**(20)**	**(37)**
o.w. Other operating (expense)/income - o.w. SG&A	(20)	(37)
o.w. Other revenues	**1,963**	**1,883**
o.w. Other revenues - o.w. IT	414	956
o.w. Other revenues - o.w: Real Estate	132	-
o.w. Other revenues - o.w. SG&A	1,417	927
o.w. Costs for services rendered	**-**	**(31)**
o.w. Costs for services rendered - o.w. SG&A	-	(31)
Total "o.w. IT"	*(30,662)*	*(33,034)*
Total "o.w. Real Estate"	*(5,084)*	*(5,586)*
Total "o.w. SG&A"	*(35,754)*	*(50,697)*
Operating expenses	**(267.812)**	**(301.712)**

Continue →

(€/000)

	12/31/2023	12/31/2022
EBITDA	**175,345**	**198,708**
EBITDA margin	**36.1%**	**35.6%**
Non-recurring items included in EBITDA	(3,355)	(2,979)
EBITDA excluding non-recurring items	**178,700**	**201,687**
EBITDA margin excluding non-recurring items	37.2%	36.1%
Net write-downs on property, plant, equipment and intangibles	**(91,920)**	**(71,021)**
o.w. Depreciation, amortisation and impairment	(92,246)	(71,535)
o.w. Other operating (expense)/income	326	514
Net Provisions for risks and charges	**(16,555)**	**(13,963)**
o.w. Personnel expenses	(14,854)	(13,368)
o.w. Provisions for risks and charges	(2,289)	(4,446)
o.w. Other operating (expense)/income	63	3,516
o.w. Depreciation, amortisation and impairment	525	336
o.w. Administrative expenses	-	(1)
Net Write-downs of loans	**(906)**	**493**
o.w. Depreciation, amortisation and impairment	(1,021)	46
o.w. Other revenues	115	447
EBIT	**65,964**	**114,217**
Net income (loss) on financial assets and liabilities measured at fair value	**(8,180)**	**(22,520)**
o.w. Financial (expense)/income	(8,180)	(22,520)
Financial interest and commissions	**(29,534)**	**(28,868)**
o.w. Financial (expense)/income	(30,302)	(28,757)
o.w. Costs for services rendered	-	(111)
o.w. Profit (loss) of equity investments	768	-
EBT	**28,250**	**62,829**
Non-recurring items included in EBT	(19,674)	(35,901)
EBT excluding non-recurring items	47,924	98,730
Income tax for the period	**(41,891)**	**(36,354)**
o.w. Administrative expenses	(1,600)	(1,612)
o.w. Income tax expense	(40,291)	(34,742)
Profit (Loss) for the period	**(13,641)**	**26,475**
Profit (loss) for the period attributable to Non-controlling interests	(4,189)	(9,973)
Profit (Loss) for the period attributable to the Shareholders of the Parent Company	**(17,830)**	**16,502**
Non-recurring items included in Profit (loss) for the period	(21,420)	(35,494)
O.w. Non-recurring items included in Profit (loss) for the period attributable to Non-controlling interest	(1,755)	(1,433)
Profit (loss) for the period attributable to the Shareholders of the Parent Company excluding non-recurring items	1,835	50,563
Profit (loss) for the period attributable to Non-controlling interests excluding non-recurring items	5,944	11,406
Earnings per share (in Euro)	**(0.23)**	**0.21**
Earnings per share excluding non-recurring items (Euro)	***0.02***	***0.64***

RECONCILIATION OF THE CONDENSED AND THE STATUTORY BALANCE SHEET

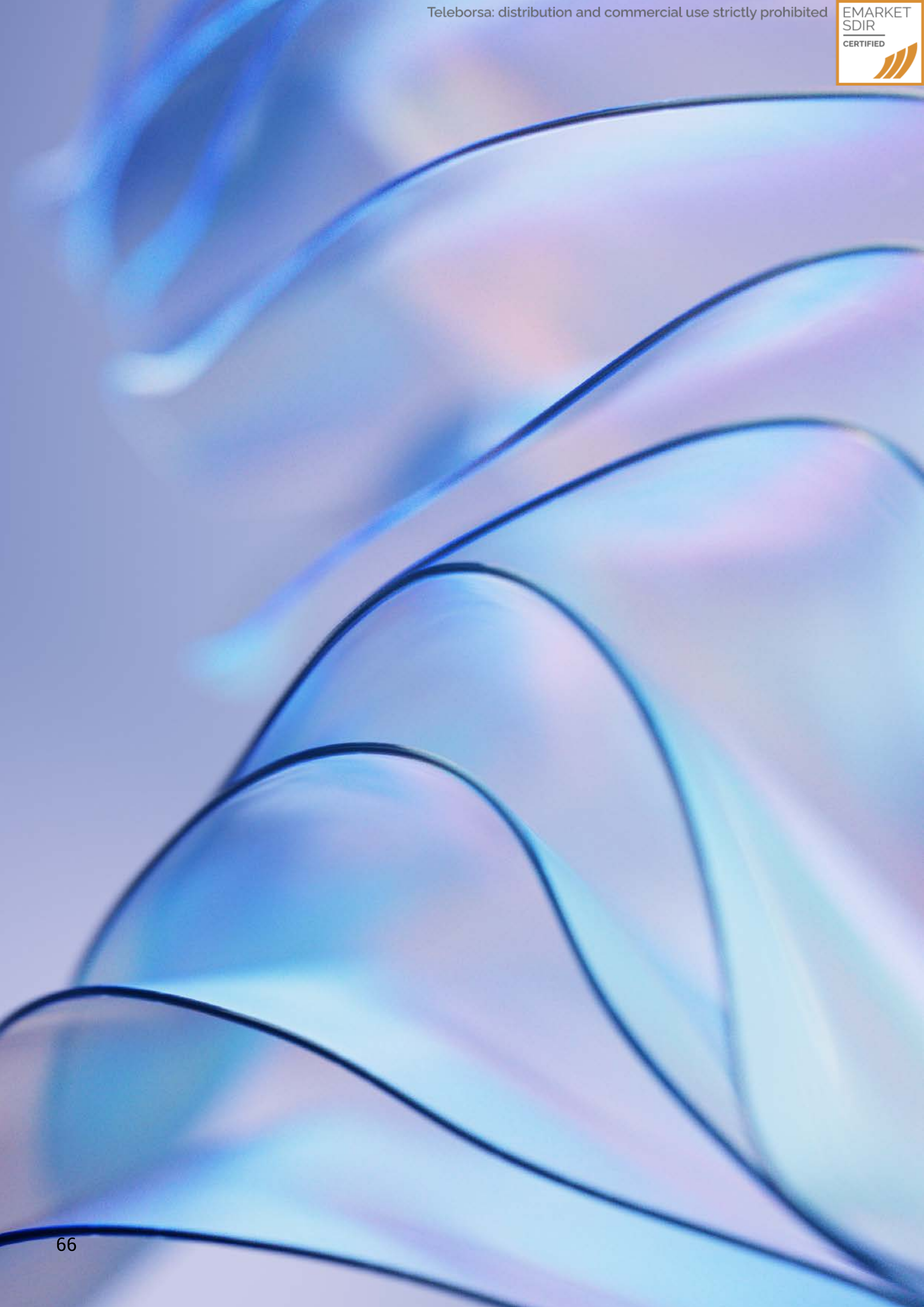
(€/000)

	12/31/2023	12/31/2022
Cash and liquid securities	**112,376**	**134,264**
Cash and cash equivalents	112,376	134,264
Financial assets	**46,167**	**57,984**
Non-current financial assets	46,167	53,604
Current financial assets	-	4,380
Property, plant and equipment	**48,678**	**59,191**
Property, plant and equipment	48,677	59,136
Inventories	1	55
Intangible assets	**473,784**	**526,888**
Intangible assets	473,784	526,888
Tax assets	**99,483**	**118,226**
Deferred tax assets	78,351	101,758
Other current assets	16,576	4,027
Tax assets	4,556	12,441
Trade receivables	**199,844**	**200,143**
Trade receivables	199,844	200,143
Assets held for sale	**16**	**13**
Assets held for sale	16	13
Other assets	**51,216**	**29,889**
Other current assets	47,500	27,813
Other non-current assets	3,716	2,076
Total Assets	**1,031,564**	**1,126,598**
Financial liabilities: due to banks/bondholders	**588,030**	**564,123**
Loans and other financing non-current	552,861	554,220
Loans and other financing current	35,169	9,903
Other financial liabilities	**96,540**	**120,861**
Loans and other financing current	-	4,380
Other non-current financial liabilities	50,301	54,158
Other current financial liabilities	46,239	62,323
Trade payables	**85,383**	**70,381**
Trade payables	85,383	70,381
Tax Liabilities	**65,096**	**67,797**
Tax payables	10,536	16,794
Deferred tax liabilities	42,623	51,003
Other current liabilities	11,937	-
Employee Termination Benefits	**8,412**	**9,107**
Employee benefits	8,412	9,107
Provision for risks and charges	**26,356**	**37,655**
Provisions for risks and charges	26,356	37,655
Other liabilities	**57,056**	**75,754**
Other current liabilities	47,969	66,553
Other non-current liabilities	9,087	9,201
Total Liabilities	**926,873**	**945,678**

Continue →

(€/000)

	12/31/2023	12/31/2022
Share capital	**41,280**	**41,280**
Share capital	41,280	41,280
Reserves	**35,676**	**83,109**
Valuation reserve	(2,830)	(906)
Other reserves	38,506	84,015
Treasury shares	**(6,095)**	**(4,332)**
Treasury shares	(6,095)	(4,332)
Profit (loss) for the period attributable to the Shareholders of the Parent Company	**(17,830)**	**16,502**
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(17,830)	16,502
Net Equity attributable to the Shareholders of the Parent Company	**53,031**	**136,559**
Total Liabilities and Net Equity attributable to the Shareholders of the Parent Company	**979,904**	**1,082,237**
Net Equity attributable to Non-Controlling Interests	**51,660**	**44,361**
Net Equity attributable to Non-controlling interests	51,660	44,361
Total Liabilities and Net Equity	**1,031,564**	**1,126,598**



CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

1 FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(€/000)

	NOTE	12/31/2023	12/31/2022
Non-current assets			
Intangible assets	1	473,784	526,888
Property, plant and equipment	2	48,677	59,136
Non-current financial assets	3	46,167	53,604
Deferred tax assets	4	78,351	101,758
Other non-current assets	5	3,716	2,076
Total non-current assets		**650,695**	**743,462**
Current assets			
Inventories	6	1	55
Current financial assets	3	-	4,380
Trade receivables	7	199,844	200,143
Tax assets	8	4,556	12,441
Other current assets	5	64,076	31,840
Cash and cash equivalents	9	112,376	134,264
Total current assets		**380,853**	**383,123**
Assets held for sale	**10**	**16**	**13**
Total assets		**1,031,564**	**1,126,598**
Shareholders' Equity			
Share capital		41,280	41,280
Valuation reserve		(2,830)	(906)
Other reserves		38,506	84,015
Treasury shares		(6,095)	(4,332)
Profit (loss) for the period attributable to the Shareholders of the Parent Company		(17,830)	16,502
Net Equity attributable to the Shareholders of the Parent Company		**53,031**	**136,559**
Net Equity attributable to Non-controlling interests		**51,660**	**44,361**
Total Net Equity	**11**	**104,691**	**180,920**
Non-current liabilities			
Loans and other financing	12	552,861	554,220
Other non-current financial liabilities	13	50,301	54,158
Employee benefits	14	8,412	9,107
Provisions for risks and charges	15	26,356	37,655
Deferred tax liabilities	4	42,623	51,003
Other non current liabilities	17	9,087	9,201
Total non-current liabilities		**689,640**	**715,344**
Current liabilities			
Loans and other financing	12	35,169	14,283
Other current financial liabilities	13	46,239	62,323
Trade payables	16	85,383	70,381
Tax liabilities	8	10,536	16,794
Other current liabilities	17	59,906	66,553
Total current liabilities		**237,233**	**230,334**
Total liabilities		**926,873**	**945,678**
Total Net Equity and liabilities		**1,031,564**	**1,126,598**

CONSOLIDATED INCOME STATEMENT

(€/000)

	NOTE	12/31/2023	12/31/2022
Revenue from contracts with customers	20	421,510	515,934
Other revenues	21	60,195	43,846
Total revenue		**481,705**	**559,780**
Costs for services rendered	22	(24,993)	(45,716)
Personnel expenses	23	(213,097)	(231,149)
Administrative expenses	24	(90,661)	(100,412)
Other operating (expense)/income	25	5,089	4,070
Depreciation, amortisation and impairment	26	(92,742)	(71,153)
Provisions for risks and charges	27	(2,289)	(4,446)
Total costs		**(418,693)**	**(448,806)**
Operating income		**63,012**	**110,974**
Financial (Expense)/Income	28	(37,130)	(49,757)
Profit (loss) from equity investments		768	-
Profit (Loss) before tax		**26,650**	**61,217**
Income tax expense	29	(40,291)	(34,742)
Net profit (loss) from continuing operations		**(13,641)**	**26,475**
Profit (Loss) for the period		**(13,641)**	**26,475**
o.w. Profit (loss) for the period attributable to the Shareholders of the Parent Company		(17,830)	16,502
o.w. Profit (loss) for the period attributable to Non-controlling interests		4,189	9,973
Earnings per share	30		
basic		(0.23)	0.21
diluted		(0.23)	0.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	NOTE	12/31/2023	12/31/2022
Profit (Loss) for the period		**(13,641)**	**26,475**
Other comprehensive income after tax not recyclable to profit or loss			
Equity instruments designated at fair value through comprehensive income	3	(2,006)	(1,341)
Defined benefit plans	14	113	436
Other comprehensive income after tax recyclable to profit or loss			
Total other comprehensive income after tax		**(1,893)**	**(905)**
Comprehensive income	11	**(15,534)**	**25,570**
o.w. Comprehensive income attributable to Shareholders of the Parent Company		(19,754)	15,597
o.w. Comprehensive income attributable to Non-controlling interests		4,220	9,973

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (Note 11)

AT 12/31/2023

(€/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
Initial balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**
Allocation of the previous year profit to reserves	-	-	19,471	145	-	(19,616)	-	-	-
Dividends and other payouts	-	-	(19,471)	(28,030)	-	(8,078)	(55,579)	(5,000)	(60,579)
Changes in reserves	-	-	-	(10,570)	-	11,192	622	7,757	8,379
Acquisition of treasury shares	-	-	-	-	(2,115)	-	(2,115)	-	(2,115)
Stock options	-	-	302	(7,034)	352	-	(6,380)	-	(6,380)
Changes in equity investments	-	-	-	(322)	-	-	(322)	322	-
Comprehensive income of the period	-	(1,924)	-	-	-	(17,830)	(19,754)	4,220	(15,534)
Final balance	**41,280**	**(2,830)**	**26,076**	**12,430**	**(6,095)**	**(17,830)**	**53,031**	**51,660**	**104,691**

AT 12/31/2022

(€/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
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	-	-	(346)	(1,400)	-	-	(1,746)	2,032	286
Stock options	-	-	787	4,479	346	-	5,612	-	5,612
Comprehensive income of the period	-	(905)	-	-	-	16,502	15,597	9,973	25,570
Final balance	**41,280**	**(906)**	**25,774**	**58,241**	**(4,332)**	**16,502**	**136,559**	**44,361**	**180,920**

CONSOLIDATED CASH FLOW STATEMENT - INDIRECT METHOD

(€/000)

	NOTE	12/31/2023	12/31/2022
Operating activities			
Profit (loss) for the period befor tax		**26,650**	**61,217**
Adjustments to reconcile the profit (loss) before tax with the net financial flows:		**126,519**	**131,554**
Capital gains/losses on financial assets/liabilities held for trading and on financial assets/liabilities measured at fair through profit or loss (+/-)	3	2,832	915
Depreciation, amortisation and impairment	26	92,742	71,153
Change in net provisions for risks and charges	15	2,289	4,446
Financial (Expense)/Income	28	35,277	49,483
Profit/loss on equity interests and investments		(768)	-
Costs for share-based payments	11	(5,853)	5,557
Change in working capital		**15,826**	**3,183**
Change in trade receivables	7	824	6,512
Change in trade payables	16	15,002	(3,329)
Change in financial assets and liabilities		**8,674**	**2,323**
Financial assets measured at fair value through other comprehensive income	3	-	(7)
Other assets mandatorily measured at fair value	3	2,293	1,849
Financial assets measured at amortised cost	3	6,381	481
Other changes:		**(106,161)**	**(135,975)**
Interests paid	28	(23,858)	(24,001)
Payment of income taxes	29	(26,002)	(42,477)
Other changes in other assets/other liabilities		(56,301)	(69,497)
Cash flows generated by operations		**71,508**	**62,302**
Investing activities			
Purchases of property, plant and equipment	2	(1,994)	(3,947)
Purchases of intangible assets	1	(19,367)	(27,110)
Net cash flows used in investing activities		**(21,361)**	**(31,057)**
Funding activities			
Issues/purchases of treasury shares	11	(2,115)	-
Dividends paid	11	(52,992)	(44,142)
Loans obtained	12	25,000	87,000
Repayment of loans	12	(4,480)	(94,566)
Payment of principal portion of lease liabilities	19	(15,928)	(11,941)
Sale/purchase of minority		(21,520)	-
Net cash flows used in funding activities		**(72,035)**	**(63,649)**
Net liquidity in the period		**(21,888)**	**(32,404)**
Reconciliation			
Cash and cash equivalents at the beginning of period	9	134,264	166,668
Net liquidity in the period		(21,888)	(32,404)
Cash and cash equivalents at the end of the period	9	**112,376**	**134,264**

ILLUSTRATIVE NOTES

2 ACCOUNTING POLICIES

General information

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

STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These Consolidated Financial Statements as at December 31, 2023 were prepared, in application of Italian Legislative Decree no. 38 of February 28, 2005, in accordance with the IAS/IFRS International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), endorsed by the European Commission, as established by EU Regulation no. 1606 of July 19, 2002, and currently in force, including the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

In terms of interpretation and support in the application, the following documents were used:
- the Conceptual Framework for Financial Reporting;
- Application Guidance, Basis for Conclusions, and any other documents prepared by the IASB or IFRIC to complete the issued accounting standards;
- the interpretative documents on the application of IAS/IFRS in Italy prepared by the Italian Accounting Body (OIC);
- ESMA (European Securities and Markets Authority) and Consob documents that refer to the application of specific provisions in the IFRS.

As required by IAS 8, the paragraph "New accounting standards" reports the new international accounting standards, or amendments to standards already in force, the application of which became mandatory from the 2023 financial year.

The consolidated Financial Statements are accompanied by the certification of the Financial Reporting Officer pursuant to Article 154-bis of Italian Legislative Decree 58/1998 and have undergone an audit by the audit firm EY S.p.A. in accordance with Italian Legislative Decree 39 of January 27, 2010.

BASIS OF PREPARATION

The Consolidated Financial Statements were prepared using the euro as the currency of account, in accordance with Article 5, paragraph 2, of Italian Legislative Decree 38/2005, and consist of:

- the **Consolidated Financial Statements**, which include the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Changes in Consolidated Shareholders' Equity and the Consolidated Statement of Cash flows (prepared using the "indirect method");
- the **Illustrative Notes**;

and is accompanied by the relevant comparative information as at December 31, 2022, and the **Directors' Report on the Group**.

In the Consolidated balance sheet, assets and liabilities are classified on a "current/non-current" basis with assets classified as held for sale and liabilities included in a disposal group classified as held for sale presented separately. Current assets, which include cash and cash equivalents, are those that are expected to be realised, sold or consumed in the Group's normal operating cycle; current liabilities are those that are expected to be settled in the Group's normal operating cycle.
The Consolidated income statement presents a classification of costs by nature, while a separate statement has been prepared for the statement of comprehensive income.
The Consolidated cash flow statement is prepared using the indirect method, with cash flows from operating, investing and financing activities presented separately.

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

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

The Consolidated Financial Statements were prepared on a going concern basis in accordance with the provisions of IAS 1, and in compliance with the principles of accrual accounting, the relevance and materiality of accounting information and the prevalence of economic substance over legal form and with a view to fostering consistency with future presentations. Assets and liabilities and costs and revenues are not offset against each other unless required or permitted by an International Accounting Standard. Comparative information for the previous year is shown for all figures in the comparative financial statements; changes to comparative figures are only made where they are considered to be material.
The criteria adopted in these Consolidated Financial Statements as at December 31, 2023, 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 as at December 31, 2022.

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

The Consolidated Financial Statements are also prepared in accordance with the Commission Delegated Regulation (EU) no. 2019/815 of December 17, 2018, (in short "ESEF Regulation").

SCOPE AND METHOD OF CONSOLIDATION

The preparation of the Consolidated Financial Statements as at December 31, 2023, drew on the accounts on the same date of the companies included in the scope of consolidation reported in the table presented at the end of this paragraph.

The accounts as at December 31, 2023, of the companies included in the scope of consolidation were reclassified and adjusted appropriately to take consolidation requirements into account and, where necessary, align them with the Group accounting policies.

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

The following section shows the consolidation principles adopted by the Group in preparing the Consolidated Financial Statements as at December 31, 2023.

As of December 31, 2023, there were no associated companies nor companies valued using the equity method.

Subsidiaries

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

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

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

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

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

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

The book value of equity investments in companies consolidated on a line-by-line basis held by the Parent Company is eliminated - with the incorporation of the assets and liabilities of the investees - against the corresponding portion of shareholders' equity attributable to the Group.
Assets and liabilities, off-balance-sheet transactions, income and charges, as well as profits and losses occurring between companies within the scope of consolidation are fully eliminated, in accordance with the consolidation methods adopted.
The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.
The difference between the amount received for the subsidiary and the book value of its net assets (including goodwill) at the same date is recognised in the income statement under "Profit (loss) from equity investments" for companies subject to line-by-line consolidation. The shareholding that may be retained must be recognised at fair value.
For companies included within the scope of consolidation for the first time, the fair value of the cost incurred to obtain control over the investee, including transactions costs, is measured as of the acquisition date.
If the disposal does not involve a loss of control, the difference between the amount received in the disposal of a portion of a subsidiary and the associated book value of the net assets is recognised with a balancing entry in Shareholders' equity.

Business combinations

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

IFRS 3 requires that an acquirer be identified for all business combinations. The latter is the entity that obtains control over another entity or group of assets. If it is not possible to identify a controlling entity on the basis of the definition of control described above, such as for example in the case of exchanges of equity interests, the acquirer shall be identified using circumstances such as: the entity whose fair value is significantly greater, the entity that transfers cash, or the entity that issues new equity interests.
The acquisition, and therefore, the initial consolidation of the acquiree, must be recognised on the date on which the acquirer effectively obtains control over the company or assets acquired. When the transaction takes place as a single transfer, the date of transfer normally coincides with the acquisition date. However, it is always necessary to verify the possible presence of agreements between the parties that may lead to the transfer of control before the date of the exchange.

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

Any contingent consideration to be paid is recognised by the acquirer at fair value at the acquisition date. The purchaser shall classify an obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability or as shareholders' equity, based on the definitions of an equity instrument and a financial liability in IAS 32. The purchaser shall classify as an asset a right to the return of previously transferred consideration when certain conditions are met. The change in the fair value of the contingent consideration classified as an asset or liability, as a financial instrument that is subject to IFRS 9 Financial Instruments, must be recognised in the income statement in accordance with IFRS 9. The contingent consideration that does not fall under the scope of IFRS 9 is measured at fair value at the reporting date and the fair value changes are booked to the income statement.

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

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

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

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

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

Business combinations do not include transactions to obtain control over one or more entities that do not constitute a business or to obtain transitory control or, finally, if the business combination is carried out for the purpose of reorganisation, therefore between two or more companies or activities that already belong to the doValue Group and that does not involve a change in the control structure regardless of the percentage of third-party rights before and after the transaction (so-called combinations of entities under common control). These transactions are considered as having no economic substance. Accordingly, in the absence of an IAS/IFRS that specifically applies to the transaction and in compliance with the assumptions of IAS 8, which requires that - in the absence of a specific standard - an entity shall use its 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.

Investments in subsidiaries

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

	Company name	Headquarters and Registered Office	Country	Type of Relationship (1)	Owner relationship		
					Held by	Holding %	Voting rights % (2)
1.	doValue S.p.A.	Verona	Italy		Holding		
2.	doNext S.p.A.	Rome	Italy	1	doValue S.p.A.	100%	100%
3.	doData S.r.l.	Rome	Italy	1	doValue S.p.A.	100%	100%
4.	doValue Spain Servicing S.A.	Madrid	Spain	1	doValue S.p.A.	100%	100%
5.	doValue Portugal, Unipessoal Limitada	Lisbon	Portugal	1	doValue Spain Servicing S.A.	100%	100%
6.	doValue Cyprus Limited (formerly Altamira Asset Management Cyprus Limited)	Nicosia	Cyprus	1	doValue Spain Servicing S.A.	100%	100%
7.	doValue Special Projects Cyprus Limited (formerly doValue Cyprus Limited)	Nicosia	Cyprus	1	doValue S.p.A. + doValue Spain Servicing 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	doValue Spain Servicing S.A.	100%	100%
12.	TEAM 4 Collection and Consulting S.L.U.	Madrid	Spain	1	doValue Spain Servicing S.A.	100%	100%

Notes to the table

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

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

Changes in the scope of consolidation

In the fiscal year 2023, the company Team 4 Collection and Consulting S.L.U. was included in the consolidation perimeter following its complete acquisition by the Spanish subsidiary doValue Spain Servicing S.A., which had changed its name from the previous Altamira Asset Management S.A. earlier in the year.

Furthermore, during the fourth quarter of 2023, the purchase of the minority interests equal to 15% of doValue Spain Servicing S.A. was finalized, following the receipt of notification for the exercise of the sale option on this residual stake.

Lastly, it is noted the change in denomination of the two Cypriot companies: from Altamira Asset Management Cyprus Limited to doValue Cyprus Limited and from doValue Cyprus Limited to doValue Special Projects Cyprus Limited.

Significant valuations and assumptions for determining the scope of consolidation

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

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

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

This analysis led to the inclusion of the subsidiaries listed in the previous section within the scope of consolidation as at December 31, 2023.

SUBSEQUENT EVENTS

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

Please refer to the Directors' Report on the Group for a description of the significant events occurred after the end of the year.

OTHER MATTERS

Macroeconomic context and Climate-related matters

The continuation of a situation of significant uncertainty associated with the macroeconomic framework, primarily induced by the persistent inflationary pressure and the consequent rise in market interest rates, compounded by the international awareness of climate risk and the related mitigation measures, with unpredictable impacts on the economic and productive system, has mandated careful analysis and continuous monitoring such indicators.

Specifically, the increase in inflation may have various effects on the distressed debt recovery market:

- value of distressed debts: if inflation rises, the real value of distressed debt decreases over time. Consequently, creditors may be willing to sell distressed debts at discounted prices, as the expected future value of money decreases.
- debtors' repayment capacity: inflation can also influence debtors' ability to repay their debts. If inflation is high, debtors may struggle to make payments due to increased costs of goods and services. This could lead to an increase in distressed debts in the debt recovery market.
- interest rates: if inflation rises, monetary authorities typically tend to increase interest rates to counteract price growth. This could affect returns on investments in the debt recovery market and determine the profitability of recovery activities.
- recovery strategies: inflation may affect the recovery strategies used by debt collection agencies. For example, if debtors are more likely to avoid payments due to rising living costs, agencies may be forced to intensify their recovery efforts to ensure debt recovery.

Interest rates also strongly influence the distressed debt recovery market:

- volume of distressed debts: interest rates can affect debtors' ability to repay their debts. When rates are low, debtors may be more inclined to repay their loans as debt costs are lower. Conversely, higher rates may increase financial pressure on debtors, leading to an increase in distressed debts.
- value of distressed debts: when rates are low, distressed debts may have lower value as it is cheaper for debtors to find alternatives to repay the debt. However, when rates are high, the value of distressed debts may increase as debtors may struggle to repay the debt and may be willing to sell their debts at discounted prices.
- recovery activities: when rates are low, debt collection agencies may be less aggressive in recovering debts as debtors may be more able to repay their debts. However, when rates are high and debtors are experiencing financial difficulties, debt collection agencies may intensify their recovery efforts.
- yield rates of investments in distressed debts: when rates are low, investors may seek better returns by investing in distressed debts, as other forms of investment may offer lower returns. Conversely, when rates are high, investors may prefer other safer and more profitable investment opportunities.

In general, both the aforementioned factors can influence the Group's reference markets from a forward-looking perspective, and this has been taken into account by incorporating their trends into the assumptions of the Industrial Plan 2024-2026. In particular, the assumed trends of interest rates and prospective inflation have been incorporated at various levels:

a) in the volume of collections in each individual country;
b) in the ability to carry out restructuring operations of positions under management;
c) considering the inflation levels on the prices of assets securing the debtor positions under management;
d) on increases in cost bases (such as utility prices);
e) by incorporating the increase in interest rates on hypothetical financial resource gathering operations both in the capital market and in the banking market.

In the closing process as of December 31, 2023, these factors influenced the following points to varying degrees:

a) impairment test: current market conditions, which discount a "risk-free" rate on average higher than in previous exercises, were taken into account in constructing the discount rate, WACC. Stress conditions were also applied to the yield curve up to a maximum of 200 basis points;
b) fair value evaluation of securities: future cash flows were discounted by updating the Euribor yield curve based on individual maturities;
c) as mentioned earlier, the inflation rate has already been incorporated as an event affecting debtors' ability to repay their debt and thus embedded in the collection levels underlying the Group's gross revenue calculation;
d) the inflation rate was used in the evaluation of liabilities and benefits expected from defined benefit plans within the Italy and Greece perimeter.

With regard to risks related to climate change, the Group's companies are deepening evaluations of potential impacts on the business with a goal of continuous monitoring.
The Group's Group Enterprise Risk Management function ensures integrated risk management, acting as a facilitator for the Group's growth and development by identifying and mitigating potential risks that may impact the Group.
Regarding operations, therefore, the Group assesses the possibility of climate risks affecting, for example, properties under management (REO business) and currently believes that this issue cannot significantly impact the Group as its business model does not involve ownership of assets but rather their function as collateral for managed debt.
Having said that, the Group will continue to monitor the evolution of climate change risks with an approach that takes into account applicable and emerging regulations, as well as its role as a service provider to the financial system.

Going concern

In preparing the Consolidated Financial Statements as at December 31, 2023, the Directors consider the going concern assumption appropriate as, in their opinion, despite the uncertainties linked to the macroeconomic environment, no uncertainties have emerged related to events or circumstances that, considered individually or as a whole, could give rise to doubts regarding the business as a going concern. The assessment took into account the Group's equity, financial position as well as the outlook of the operations; the possible presence of events or conditions linked to the climate, which may have an impact on the Group as a going concern was also assessed, also noting the absence of such cases.
Please also refer to the specific paragraph of the Directors' Report on the Group.

RISKS AND UNCERTAINTIES ASSOCIATED WITH THE USE OF ESTIMATES

The application of accounting policies sometimes involves the use of estimates and assumptions that affect the amounts recorded in the financial statements and the disclosures regarding contingent assets and liabilities. For the purposes of the assumptions underlying estimates, we consider all information available at the date of preparation of the financial statements and any assumptions considered reasonable in the light of past experience and current conditions in the financial markets.
More specifically, estimation processes were adopted to support the book value of certain items recognised in the Consolidated Financial Statements as at December 31, 2023, as required by accounting standards. These processes are essentially based on estimates of future recoverability of the values recognised and were conducted on a going concern basis. These processes supported the book values recognised as at December 31, 2023. Estimates and assumptions are reviewed regularly.
By their nature, the estimates and assumptions used, while reasonable, may not be confirmed in future scenarios in which the Group operates, and therefore the results that will materialize in the future may differ from the estimates made for the purpose of preparing the financial statements, with the consequent probable need to make adjustments that are currently neither predictable nor estimable with respect to the carrying value of assets and liabilities recognised in the financial statements.

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

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

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

The amount of the estimated variable consideration is included in the transaction price in total or only to the extent that it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment of the amount of the cumulative revenues recorded will not occur.
At end of the period, revenues accrued that have not yet been manifestly accepted by the customer are recognised. Depending on the terms of contract and the established practice, that acceptance may take the form of the issuance of an invoice or an explicit notice.
At the date of the preparation of these financial statements, the portion of servicing revenues without such manifest acceptance amounted to 25% of total amounts to be invoiced as at December 31, 2023, and 8% of the aggregate "Total Revenues" of the consolidated income statement.
In addition, any certain or contingent liabilities must be prudentially determined in order to assess compliance with the obligations set out in the servicing contracts, taking due account of natural differences in interpretation of contractual clauses in the context of actual recovery operations.

Determination of the fair value of financial assets

In the presence of financial instruments not listed on active markets or illiquid and complex instruments, it is necessary to adopt appropriate valuation processes that require the use of a certain degree of judgement concerning the choice of valuation models and the related input parameters, which may sometimes not be observable on the market.
A degree of subjectivity is present in the valuation on whether it is possible to observe or not certain parameters and the consequent classification in correspondence with the levels of the fair value hierarchy.
With particular reference to valuation methods and the unobservable inputs that may be used in fair value measurements, please see the specific Section "Information on fair value".

Estimation of the recoverability of deferred tax assets

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

Estimation of provisions for risks and charges

The complexity of the situations that underline the existing disputes, along with the difficulties in the interpretation of applicable law, makes it difficult to estimate the liabilities that may result when pending lawsuits are settled. The valuation difficulties concern what may be due and how much time will elapse before liabilities materialise and are particularly evident if the procedure launched is in the initial phase and/or its preliminary investigation is in progress.
Information about the Group's main risk is provided in the "Legal and Tax risks" paragraph of the "Information on Risks and risk management policies" section.

Estimation of impairment losses on intangible assets

On at least an annual basis, at each financial year-end, or during interim periods, when evidence of impairment losses exists, the carrying amount of intangible assets is compared to their recoverable amount.

More specifically, 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 Discounted Cash Flow (DCF), under which the value of a CGU is determined through the sum of its prospective cash flows, discounted using a specific rate. A similar procedure is used to estimate the recoverability of the values recognised for active long-term servicing contracts, which assess the business plans of the portfolios under management in order to check their consequent capacity to generate adequate cash flows.

However, note that the parameters and information used to check the recoverability of intangible assets, including goodwill (in particular the cash flow forecast for the various CGUs, as well as the discount rates used) are significantly influenced by macroeconomic conditions and market developments as well as the behaviour of counterparties, which could change unpredictably. Therefore, the Group assesses whether the general macroeconomic risks and the climate risks could have a significant impact (for further details, please refer to paragraph "Other Matters - Macroeconomic context and climate-related matters").

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

With reference to the intangible assets recognised, it should be noted that these assets are mainly measured on the basis of the definitive Purchase Price Allocation (PPA) of the two business combinations concluded in previous years, i.e., the acquisition of control of doValue Spain Servicing S.A., and its subsidiaries in June 2019 and that of doValue Greece concluded in June 2020. The intangible asset arising from the payment by doValue Greece of a consideration for the acquisition of the right to be appointed as Servicer of the "Frontier" contract was also measured.

Albeit taking into account the difficulty inherent in the formulation of even short- or medium-term forecasts in this climate of great ongoing uncertainty and considering that both doValue Spain and its subsidiaries and doValue Greece hold medium/long-term management contracts for existing loans (stock) and future positions (new flows) with leading banks and major investment funds, the Group carried out an impairment test in accordance with the international accounting standard IAS 36 "Impairment of assets".

The test was performed on the amounts of intangible assets with defined useful lives and goodwill, resulting, as at December 31, 2023, and the updating of amortisation pertaining to the period.
To this end, following the business combinations, the Cash Generating Units (CGUs) were identified in the two geographical segmentation areas pertaining to doValue Spain and its subsidiaries and to doValue Greece, namely Iberia (Spain and Portugal) and Greece and Cyprus and the allocation of intangible assets and goodwill to the two separate CGUs was determined.
For the purpose of carrying out the test, the forward-looking information determined in accordance with the Group Industrial Plan 2024-2026 approved by the Board of Directors on March 20, 2024, has been considered, incorporating the latest scenario hypotheses collected from subsidiaries, which take into account the trends of the main market and macroeconomic variables, estimating their effects from a forward-looking perspective.

As regards the methodological approach, it should be noted that, for the purposes of estimating the recoverable value of intangible assets acquired through business combinations, doValue adopts the valuation models used in the PPA for consistency.
Therefore, as regards impairment testing on the values of each single intangible assets with defined useful lives, the following were used:

- as regards the estimate of the recoverable amount of intangible assets related to Servicing contracts:
  - the Multi-Period Excess Earnings Method, according to which the economic benefits of intangible assets can be assessed over more than one year by identifying the operating margin generated by the use of this activity and deducting a periodic charge therefrom, corresponding to the remuneration for the use of supplementary assets that contribute to generate the revenues thereof (contributory asset charge or CAC);
  - the Discounted Cash Flow Method, which allows the economic benefits of an intangible asset to be estimated over a number of financial years by identifying the cash flows generated by the use of this asset and deducting, from these, a periodic charge (contributory asset charge or CAC) as defined in the previous point;
- as regards the estimate of the recoverable amount of the brand connected with the doValue Spain transaction: the Relief-from-royalty method, according to which the value of an intangible asset can be assessed through the addition of new flows related to royalties that the Company plans to obtain for a certain period of time against the licensing of the trademark.

The discount rate used in the impairment analyses carried out by doValue, expresses the cost of financing sources of the asset being assessed: the equity cost and the debt cost. In professional practice, the discount rate normally used is the WACC (weighted average cost of capital), determined using valuation techniques such as CAPM.

The formula for calculating the weighted average cost of capital (WACC) is set out below:

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

where

- K_d, debt cost;
- K_e, cost of equity;
- t_d, tax rate;
- $\frac{D}{D+E}$, weight of the debt component on the financial structure;
- $\frac{E}{D+E}$, weight of the equity component on the financial structure.

The cost of equity, calculated using the Capital Asset Pricing Model (CAPM), measures the cost of equity, K_e, for a certain security as an increase in the risk-free rate, based on the sensitivity of the return on the share, "β", to the expected yield of the stock market to which it belongs, net of the same risk-free rate (equity risk premium – ERP).
According to the above, the following formula can be written down:

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

where

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

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

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

where

- K_e, cost of equity;
- R_f, risk-free yield rate;
- β, beta coefficient (measure of "systematic risk");
- ERP, equity risk premium, $E(R_m)- R_f$.

For the purposes of the WACC calculation of the above-mentioned intangible assets, in view of the fact that the related business can only be attributed to a specific country, the following was carried out:

- estimate the risk-free yield rate, calculated as the annual yield of the 10-year United States Treasury, measured as at December 31, 2023;
- estimate of the Group average "unlevered" beta (net of the financial leverage effect) of a set of comparable companies, starting from data supplied by reference financial analysts and recalculate it, in the "levered" form;

- estimate the equity risk premium by comparing the stock market volatility of the specific country with that corresponding to the same period in the US stock market;
- use of values estimated to calculate the cost of equity, $K_e = R_f + \beta \cdot ERP$;
- charge a cost of debt (K_d) equal to the average of the two market rates of the senior secured bonds issued in August 2020 and July 2021, respectively (average of the last 12 months) weighted by their nominal amount.

The test conducted using the aforementioned models revealed impairment losses for €13.4 million from the comparison with the net book value of the assets (for the result of the test, please refer to the information provided in Note 1 “Intangible assets”, “Information on the Consolidated Balance Sheet” section).

As regards the impairment test on the goodwill, in order to make the comparison between the recoverable value and aggregate net book values of the two CGUs as at December 31, 2023, the following procedure was used.

The recoverable value of a cash generating unit is the higher of fair value less costs to sell and value in use.
The method adopted assumes that the recoverable value of a CGU is equal to the sum of:

- current value of the future profits generated over the selected time horizon;
- final value, or the value of the company at the end of the analytical flow forecast period.

The operating cash flow is based on the estimate of the “enterprise value”; the methodological estimate is based on operating flows generated by the core management of the CGUs, based on the operating income available for the remuneration of equity and third parties. Through the DCF method (known as Discounted Cash Flow) it is possible to determine the value of a CGU through the sum of prospective cash flows of the same, discounted through the special rate.
In this case, the rate used for discounting is also the WACC (weighted average cost of capital), determined making use of evaluation techniques, such as the CAPM.
For the purposes of the WACC calculation of goodwill, where the related business is only attributable to a specific Country, steps were taken to:

- estimate the risk-free yield rate, calculated as the annual yield of the 10-year United States Treasury, measured as at December 31, 2023;
- estimate of the Group average “unlevered” beta (net of the financial leverage effect) of a set of comparable companies, starting from data supplied by reference financial analysts and recalculate it, in the “levered” form;
- estimate the equity risk premium by comparing the stock market volatility of the specific country with that corresponding to the same period in the US stock market;
- use of values estimated to calculate the cost of equity, $K_e = R_f + \beta \cdot ERP$;
- charge a cost of debt (K_d) equal to the average of the two market rates of the senior secured bonds issued in August 2020 and July 2021, respectively (average of the last 12 months) weighted by their nominal amount.

Or, if the related business is attributable to more than one specific country:

- estimate the risk-free yield rate as the average of the risk-free yield rates of each reference country (see the first point of the above list) weighted by the contribution of each Country to the Group's revenues;
- estimate beta in levered form as the average of the betas of each reference Country (see the second point of the above list) weighted by the contribution of each Country to the Group's revenues;
- estimate the equity risk premium;
- use of values estimated to calculate the cost of equity, $K_e=R_f+\beta \cdot ERP$;
- charge a cost of debt (K_d) equal to the average of the two market rates of the senior secured bonds issued in August 2020 and July 2021, respectively (average of the last 12 months) weighted by their nominal amount.

The book value of the CGU, to be used for comparison with the recoverable value in impairment testing, includes the book value of the only (non-current) assets that are directly attributable or divided according to a reasonable and uniform criterion, to the individual CGU, taking into account, in addition to goodwill, all the intangible assets falling within the CGU's scope of valuation and deferred taxes. This book value is determined consistently with the criterion by which the recoverable value of the CGU is determined on the basis of the cash flows used in the prospective disclosure.

As regards the comparison between the recoverable value and the total net book value of the CGUs as at December 31, 2023 , the model confirmed the recoverable amount capacity and therefore the absence of impairment losses for the Greece-Cyprus CGU, while for the Iberia CGU (Spain – Portugal), an impairment of €12.5 million was recorded (for further details, please refer to the Illustrative Notes, Accounting Policies section and Information on the balance sheet - Note 1 Intangible assets).

Business combination

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

For information on the Group's business combinations, please refer to the specific "Business combinations" section.

NEW ACCOUNTING STANDARDS

The Group has adopted for the first time a number of accounting standards and amendments in preparing these Consolidated Financial Statements that took effect for financial years beginning as from January 1, 2023, with a list of them set out below, showing that they did not have any substantial effect on the balance sheet and income statement figures reported:

- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued on 23 May 2023);
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information (issued on 9 December 2021);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021);
- Amendments issued by the IASB on February 12, 2021:
  - Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;
  - Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;
- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020).

Regarding Amendment to IAS 1, in order to enhance disclosure on accounting policies and information on accounting principles deemed relevant for understanding financial data, an analysis has been conducted which has led to a revision of the section titled "Material accounting policy information," previously referred to as "Main items of the financial statements" until the Annual Financial Report as of December 31, 2022.

On October 25, 2023, ESMA (European Securities and Markets Authority) issued a Public Statement announcing the priorities that listed issuers should focus on in preparing their IFRS 2023 financial statements, with particular attention to matters related to climate and the macroeconomic environment.

The main accounting standards and interpretations that have been endorsed by the European Union but are not yet effective as at December 31, 2023 (as they will be effective from January 1, 2024) and for which the Group has not made use of the early application provisions, if any, are listed below:

- Amendments to IAS 1 Presentation of Financial Statements:
  - Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
  - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020);
  - Non-current Liabilities with Covenants (issued on 31 October 2022).
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

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 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023).

Material accounting policy information

INTANGIBLE ASSETS

Recognition criteria

Intangible assets are non-monetary assets with multi-year utility, are identifiable, lack physical substance, are controlled by the company and will probably generate future economic benefits.
Intangible assets mainly comprise goodwill, software, brands, patents and active long-term contracts mainly deriving from external business combinations.
Goodwill is equal to the difference between the payment incurred for a business combination and the fair value of the identifiable net assets acquired, as set out in more detail in "Business combinations" section.
Intangible assets other than goodwill are recognised at their purchase cost, including any direct costs incurred to prepare the asset for use, net of accumulated amortisation and any impairment loss. For cloud computing agreements covered by IAS 38, the purchase cost is to the present value of the payments due.
Any expenses incurred subsequent to the acquisition:

- are recognised as an increase in the initial cost if they increase the future economic benefits of the underlying assets (i.e. if they increase their value or productive capacity);
- are recognised entirely through profit or loss for the year in which they are incurred in other cases (i.e., when they do not increase the original value of the assets, but merely conserve the original functionality).

Measurement criteria

Intangible assets with definite useful life are amortised at constant rates over their useful life. Intangible assets with indefinite useful life are not amortised.
The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or in the manner in which the future economic benefits associated with the asset will be realised are recognised through changes in the period or method of amortisation, as appropriate, and are considered changes in accounting estimates. The amortisation of intangible assets with a definite useful life is recognised in the income statement under " Depreciation, amortisation and impairment".
If there is objective evidence that an individual asset may have incurred an impairment loss, the carrying amount of the asset is compared with its recoverable amount, which is equal to the higher of its fair value less costs to sell and its value in use, understood as the present value of expected future cash flows originated by the asset. Any value adjustments are recognised in the income statement under "Depreciation, amortisation and impairment".
For intangible assets with indefinite life, the carrying amount is compared with the recoverable amount on an annual basis even if no evidence of impairment is found. If the carrying amount is greater than the recoverable amount, a loss is recognised in the income statement under "Depreciation, amortisation and impairment" in an amount equal to the difference between the two values. The assessment of indefinite useful life is reviewed annually to determine whether this attribution continues to be sustainable, otherwise, the change from indefinite to definite useful life

is applied on a prospective basis.
If the value of a previously written-down intangible asset other than goodwill is written back, the new carrying amount shall not exceed the net carrying amount that it would have had if no impairment loss had been recognised on the asset in previous years.
After initial recognition, goodwill is not subject to amortisation, therefore it is measured at cost net of accumulated impairment losses determined by a periodic check of the adequacy of the book value.
More specifically, whenever there is evidence of impairment, and in any case at least once a year, goodwill is tested to ensure that it has incurred no impairment. To this end, the cash generating unit ("CGU") to which the goodwill is allocated is identified. The amount of any impairment is determined on the basis of the difference between the book value of the cash generating unit to which the goodwill is allocated and its recoverable value, if lower. This recoverable value is equal to the greater of the fair value of the cash generating unit, less costs to sell, and its associated value in use. The value in use is the present value of the future cash flows expected from the cash generating units to which the goodwill has been allocated. The resulting value adjustments are recognised in the income statement. Any subsequent write-backs may not be recognised.
The Group defined, in the "Impairment Test Manual pursuant to IAS 36", a series of indicators of loss or impairment, so-called triggering events, in the presence of which the impairment test of intangible assets with a definite useful life and the CGUs to which the goodwill was attributed, must also be carried out during the year.

Derecognition criteria

An intangible asset is derecognised on disposal (i.e. on the date on which the acquirer obtains control of it) or when no future economic benefits are expected from its use or disposal. Any difference between the disposal value and the book value is recognised in the income statement under under "Amortisation, depreciation and impairment".

PROPERTY, PLANT AND EQUIPMENT

Recognition and classification criteria

The item includes:
- land and buildings
- furniture and fixtures
- plant and machinery
- other machinery and equipment

and it breaks down into the following categories:
- assets used in the business;
- investment property.

Rights of use of property, plant and equipment acquired with leasing contracts are also recorded under this item, as lessees, regardless of their legal classification.

Assets used in the business have physical substance, are held for use in production or in the provision of goods and services or for administrative purposes and can be used for more than one financial period. Improvements to leasehold assets are improvements and incremental expenses for identifiable and separable items of property, plant and equipment. In this case, the assets are classified in specific sub-items (e.g. plant), depending on the nature of the asset in question. Normally, these investments are incurred in order to render properties leased from third parties suitable for their intended use.
Investment property refers to real estate investments pursuant to IAS 40, i.e. properties held (owned outright or held through a finance lease) in order to earn rentals and/or for capital appreciation.

Property, plant and equipment is initially recognised at cost, including all charges directly attributable to the "commissioning" of the asset (transaction costs, professional fees, direct costs to transport the asset to the assigned location, installation costs, dismantling costs).
Expenses incurred subsequently are added to the carrying amount of the asset or recognised as separate assets if it is probable that future economic benefits will be received in excess of those initially estimated and the cost can be reliably determined.
All other expenses incurred subsequently (e.g. ordinary maintenance) are recognised in the income statement for the period in which they are incurred, under the item:

- Administrative expenses, if pertaining to assets used in the business; or
- Depreciation, amortisation and impairment, if pertaining to investment property.

The initial measurement of the asset entailing the right-of-use includes the current value of the future payments due for leases, the payments due for the lease carried out on the date or prior to the date the contract began, the initial direct costs and any estimated costs for the dismantling, removal or restoration of the asset underlying the lease, less any bonuses received by the lessee for the lease.

Measurement criteria

Subsequent to initial recognition, property, plant and equipment is recognised at cost net of cumulative depreciation and impairment.
Assets with definite useful life are depreciated at constant rates over their useful life.
Assets with indefinite useful life are not depreciated.
The useful life of property, plant and equipment is reviewed at the end of each period, taking into account the conditions of use of the asset, the state of maintenance and expected obsolescence, as well as considering the impact of legislation on health, safety and environmental issues and, if these expectations differ from previous estimates, the depreciation charge for the current period and subsequent periods is adjusted.
If there is objective evidence that an individual asset may have incurred an impairment loss, the carrying amount of the asset is compared with its recoverable amount, which is equal to the higher

of an asset's fair value less costs to sell and its value in use, understood as the present value of expected future cash flows originated by the asset. Any value adjustments are recognised under "Amortisation, depreciation and impairment" in the consolidated income statement.
If the value of a previously written-down asset is written back, the new carrying amount cannot exceed the net carrying amount that it would have had if no impairment loss had been recognised on the asset in previous years.

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

Derecognition criteria

Property, plant and equipment is derecognised on disposal (i.e. on the date on which the acquirer obtains control of it) or when, for the same, no future economic benefits are expected from its use or disposal. Any difference between the disposal value and the book value is recognised in the income statement under under "Amortisation, depreciation and impairment".

FINANCIAL ASSETS

Financial assets measured at fair value through profit or loss

Recognition criteria

Financial assets are initially recognised at the settlement date for debt securities and equities, at the disbursement date for loans.
In particular, at the time of settlement date accounting, any change in the fair value of the asset to be received in the period between that date and the previous trading date is recognised in the same way as for the asset purchased.
Upon initial recognition, financial assets measured at fair value through profit or loss are recorded at fair value, which is represented, unless otherwise specified, by the consideration paid for the execution of the transaction, without considering transaction costs or income directly attributable to the instrument itself.

Classification criteria

Financial assets other than those classified under "Financial assets measured at fair value through comprehensive income" or "Financial assets measured at amortised cost" are classified in this category. The item includes:

- financial assets that are mandatorily measured at fair value, which are represented by financial assets that do not meet the requirements for measurement at amortised cost or at fair value through comprehensive income. These are financial assets whose contractual terms do not exclusively provide for repayments of capital and payments of interest on the amount of capital to be repaid (failed "SPPI test") or which are not held as part of a business model whose intent is to hold assets in order to collect contractual cash flows ("Hold to Collect" business model) or whose intent is achieved through the collection of contractual cash flows or through the sale of

the financial assets ("Hold to Collect and Sell" business model);
- financial assets designated at fair value, i.e., financial assets so designated on initial recognition and for which the conditions are met. In this case, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss on initial recognition if, and only if, doing so eliminates or significantly reduces a measurement inconsistency;
- financial assets held for trading, mainly represented by the positive value of derivative contracts held for trading purposes.

Accordingly, this item reports:
- debt securities and loans held as part of a "Hold to Collect" or "Hold to Collect and Sell" business model, but whose cash flows are not represented solely by payments of principal and interest (in other words, they do not pass the SPPI test);
- units of undertakings for collective investment (CIUs);
- equity instruments - which do not represent interests in a subsidiary, associate or joint arrangement - for which the Group does not apply the permitted option, at the time of initial recognition, to designate the instrument as measured at fair value through comprehensive income;
- non-hedging derivatives.

Measurement criteria

Following initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of the application of this measurement criterion are recognised in the income statement.
For the criteria used to determine fair value, please see the section "Information on fair value".

Derecognition criteria

Financial assets are only derecognised if the sale involves the transfer of substantially all the risks and benefits associated with the assets themselves. If a significant portion of the risks and benefits of the transferred financial assets has been retained, those assets continue to be recorded in the financial statements, even if ownership of the assets themselves has been effectively transferred.
If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are derecognised if no form of control over them has been retained. Otherwise, the retention, also partially, of such control requires the entity to continue to recognise the assets in an amount equal to the residual continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in their cash flows.
Finally, the transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only those flows, without material delay to other recipients.

Financial assets measured at fair value through comprehensive income

Recognition criteria

Financial assets are initially recognised at the settlement date as regards equities.
In particular, at the time of settlement date accounting, any change in the fair value of the asset to be received in the period between that date and the previous trading date is recognised in the same way as for the asset purchased.
Upon initial recognition, financial assets measured at fair value through comprehensive income are recorded at fair value, which is represented, unless otherwise specified, by the consideration paid for the execution of the transaction, without considering transaction costs or income directly attributable to the instrument itself.

Classification criteria

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

Measurement criteria

Following initial recognition, financial assets measured at fair value through comprehensive income are measured at fair value. The effects of the application of this measurement criterion are recognised in the Statement of Comprehensive Income and disclosed under Valuation reserves in shareholders' equity.
For the criteria used to determine fair value, please see the section "Information on fair value".

Derecognition criteria

Financial assets are only derecognised if the sale involves the transfer of substantially all the risks and benefits associated with the assets themselves. If a significant portion of the risks and benefits of the transferred financial assets has been retained, those assets continue to be recorded in the financial statements, even if ownership of the assets themselves has been effectively transferred.
If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are derecognised if no form of control over them has been retained. Otherwise, the retention, also partially, of such control requires the entity to continue to recognise the assets in an amount equal to the residual continuing involvement, measured by the exposure to changes in the value of the transferred assets and to changes in their cash flows.
Finally, the transferred financial assets are derecognised if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay only those flows, without material delay to other recipients.

Impairment of financial assets

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

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

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

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

The Group's impairment process is applied to financial assets measured at amortised cost, which may include: loans, trade receivables, debt securities and financial assets measured at fair value through comprehensive income including equities - not qualifying as control, connection and joint control - for which the Group applies the option envisaged, on initial recognition, for designation at fair value through comprehensive income.

For trade receivables, in consideration of the provisions of IFRS 9 (paragraphs 5.5.15-16) and the immateriality of the financing component of such receivables, the Group has opted for the "Simplified Approach" that essentially provides for the calculation of total lifetime expected losses for the financial asset. Given that the residual life of trade receivables is generally less than one year, the 12-month and lifetime expected losses are the same.

Trade receivables and Other current assets

Current items essentially include receivables generated by the provision of non-financial services, items awaiting settlement and items that are not attributable to other items in the balance sheet, including tax items other than those recognised in a separate item, and accrued income other than that which must be capitalised in the related financial assets, including that deriving from contracts with customers pursuant to IFRS 15, paragraphs 116 et seq.

For the impairment of trade receivables, in consideration of the provisions of IFRS 9 (paragraphs 5.5.15-16) and the lack of importance of the financial component of such receivables, the Group has opted for the "Simplified Approach" as described above.

Current and deferred taxes

Recognition criteria

Current tax assets and current tax liabilities are recognised in the balance sheet respectively, in Tax assets on the assets side and Tax liabilities on the liabilities side, while those deferred are recognised in Deferred tax assets and Deferred tax liabilities, respectively.

In application of the "balance sheet method", items for current and deferred taxes include:

- current tax assets, i.e. excess payment of tax liabilities on the basis of current tax laws governing corporate income;
- current tax liabilities, i.e. tax liabilities to be settled on the basis of current tax laws governing corporate income;
- deferred tax assets, i.e. amounts of income taxes recoverable in future periods as a consequence of:
  - temporary deductible differences (represented mainly by costs deductible in future periods on the basis of current tax laws governing corporate income);
  - unutilised tax losses carried forward;
  - unutilised tax credits carried forward;
  - except in cases where:
    - the deferred tax asset connected to the temporary deductible differences derives from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the result tax;
    - in the case of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that they will be reversed in the foreseeable future and that there will be sufficient taxable amounts that allow recovery of these temporary differences;
  - deferred tax liabilities, i.e. income tax liabilities to be settled in future periods as a consequence of temporary taxable differences (mainly represented by the deferral of taxation of revenues or the advance deduction of charges on the basis of current tax laws governing corporate income) except in cases when:

- deferred tax liabilities derive from the initial recognition of goodwill or of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not affect the balance sheet result or the tax result;
- the reversal of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures can be controlled, and it is probable that it will not occur in the foreseeable future.

In general, deferred tax assets and liabilities arise in the cases in which the deductibility or taxability of a cost or revenue is deferred with respect to their recognition for accounting purposes.
Current tax items include payments on account (current assets) and liabilities to settle (current liabilities) for income taxes for the period. Current tax liabilities and the associated receivables for payments on account still outstanding at the end of the year are recognised as a net amount in a single item.
Deferred tax assets and liabilities are recognised in the balance sheet in their full amount without offsetting.

Measurement criteria

Current tax assets and liabilities are recognised by applying current tax rates and are recognised as charges (income) using the same accrual criteria adopted for the costs and revenues, which generated them. In particular, the current IRES and IRAP taxation has been calculated by applying the tax rates established by the laws in force in each Country.
Deferred tax assets and liabilities are recognised on the basis of the tax rates that, at the end of the reporting date, are expected to be applicable in the period in which the asset will be realised or the liability will be eliminated, in accordance with current tax legislation. They are periodically reviewed in order to take account of any regulatory changes.
Deferred tax assets are only recognised if their recovery through expected future taxable income is probable, measured on the basis of the Group's ability to produce taxable income in future financial years. Deferred tax liabilities are always recognised. A requirement for the recognition of deferred tax assets is that it is considered reasonably certain in view of corporate developments that taxable income will be generated against which the temporary deductible differences will be used. In accordance with the provisions of IAS 12, the probability that future taxable income will be sufficient to utilise the deferred tax assets is subject to periodic review. If that review suggests that future taxable income will be insufficient, the deferred tax assets are reduced in a corresponding amount.
Current and deferred taxes are recognised in the income statement under Income tax expense, with the exception of taxes, which refer to items that are credited or debited, in the same or another financial year, directly in shareholders' equity, whose changes in value are recognised directly in valuation reserves in the Statement of comprehensive income.

Derecognition criteria

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

Loans and other financing and Other financial liabilities

Recognition and classification criteria

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

Measurement criteria

After initial recognition, financial liabilities, except those recognised at fair value with changes recognised in the income statement, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.
Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expense in the income statement.
Exception is made for short-term liabilities, for which the time factor is negligible, which continue to be carried at the amount received.

Derecognition criteria

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled. If an existing financial liability is replaced by another from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially modified, this exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognised in profit or loss.

Provisions for risks and charges

Recognition criteria

Provisions for risks and charges consist of liabilities recognised when:

- the company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no liability is recognised.

The item includes provisions for legal obligations or connected with an employment relationship or disputes, including tax disputes, arising from a past event, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits, assuming that a reliable estimate can be made of the amount.
The potential liabilities for employees are also accounted for.
Where the time element is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. The provision can be recognised in the income statement under the item "Provisions for risks and charges" and also includes the interest expense accrued on the provisions that have been discounted or, for certain specific types of provision, as an offsetting entry to other items in the Income Statement.

Measurement criteria

The amounts allocated to provisions are determined so that they represent the best estimate of the expense required to settle the obligation. The estimate is determined by considering the risks and uncertainties pertaining to the facts and circumstances involved.
Specifically, when the effect of deferring the charge in time is significant, the amount of the provision is determined as the present value of the best estimate of the cost assumed necessary to extinguish the obligation. In this case, the discount rate used reflects current market assessments.
Provisions are periodically reviewed and adjusted if necessary to reflect the current best estimate. When, following a review, it is found that the charge is unlikely to be incurred, the provision is reversed.

Derecognition criteria

A provision is used only against the charges for which it was initially recognised.
Provisions for the year, recognised under Provisions for risks and charges in the income statement, include increases in provisions due to the passage of time and are reported net of any reversals.

Employee benefits

Classification criteria

Employee benefits, in addition to short-term benefits such as wages and salaries, relate to:

- post-employment benefits;
- other long-term benefits.

Post-employment benefits are in turn divided between those based on defined-contribution plans and those based on defined-benefit plans, depending on the expected benefits:

- defined-contribution plans are post-employment benefit plans under which fixed contributions are made, with no legal or constructive obligation to pay further contributions if there are insufficient assets to meet all the benefits;
- defined-benefit plans are post-employment benefit plans other than defined-contribution plans.

In this context, in Italy under Italian Law No. 296 of December 27, 2006 (2007 Finance Act):

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

With regard to companies based in Greece, the remuneration policy is based on the requirements of Italian Law 2112/1920. In particular:

- in the case of ordinary retirement, the benefit is 40% of remuneration;
- in case of voluntary resignation, early retirement, death or in the event of disability, no compensation is payable.

Moreover, these companies do not envisage any post-retirement supplement for defined-benefit plans, other than those resulting from the above-mentioned regulations.

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

Recognition and measurement criteria

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

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

Revenues from contracts with customers and other revenues

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

Recognition criteria

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

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

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

Measurement criteria

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

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

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

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

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

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

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

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

Other information

Treasury shares

Changes in treasury shares in the portfolio are recognised directly in shareholders' equity, i.e. reducing the latter by the value of purchases and increasing it by the value of sales.
This means that in the case of a subsequent transfer the difference between the sales price of the treasury shares and the associated repurchase cost, net of any tax effects, is fully recognised in shareholders' equity.

Share-based payments

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

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

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

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

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

Information on fair value

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

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

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

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

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

Fair value levels 2 and 3: valuation techniques and inputs used

The information required by IFRS 13 with regard to accounting portfolios measured at fair value on a recurring basis is shown below. For financial assets not measured at fair value, the Group believes that the book value is a reasonable approximation of the fair value.
At the date of preparation of the Consolidated Financial Statements as at December 31, 2023, there are no assets or liabilities measured at fair value on a non-recurring basis.

Assets and liabilities measured at fair value on recurring basis

ASSET BACKED SECURITIES

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

EQUITY INVESTMENTS

Equities are assigned to Level 1 when an active market price considered liquid is available and to Level 3 when there are no prices or the prices have been suspended permanently. Such instruments are classified as Level 2 only if the volume of activity on the listing market is significantly reduced. For equities measured at cost, an impairment loss is recognised if the cost exceeds the recoverable amount significantly and/or for a long time.

INVESTMENT FUNDS

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

OTHER DERIVATIVE INSTRUMENTS

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

Description of assessment techniques

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

DISCOUNTED CASH FLOW

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

MARKET APPROACH

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

NAV

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

Hierarchy of fair value

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

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

In the choice between the different valuation techniques, the one that maximises the use of the observable inputs is used.
All transfers between the levels of the fair value hierarchy are made with reference to the end of the reporting period.
The main factors that would prompt a transfer between fair value levels (both between Level 1 and Level 2 and within Level 3) include changes in market conditions and improvements in valuation models and the relative weights of unobservable inputs used in fair value measurement.

Fair value hierarchy: asset and liabilities measured at fair value on a recurring basis - breakdown by fair value level

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

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

1. the value of the notes issued by the securitisation vehicle companies:
   - Romeo SPV and Mercuzio Securitisation, equal to 5% of the total securities;
   - Cairo, whose mezzanine notes were purchased on June 5, 2020 to coincide with the acquisition of the subsidiary doValue Greece;
   - Mexico, purchased in December 2021, remaining 5% of the total of subordinated securities issued by the vehicle;
   - doRes Securitisation S.r.l., whose untranched notes were issued as part of a new finance transaction and subscribed for 20% by doNext.
2. Units in collective investment undertakings (CIUs): the equivalent of the amount paid for the subscription of the remaining 23.3 units of the Italian Recovery Fund (formerly Atlante II), reserved real estate investment fund, net of redemptions;

3. the fair value of the call option on equity instruments of the investee BidX1, subscribed at the same time as the purchase of the minority interest, which amounted to 17.7% of the company's share capital as at December 31, 2023.

Level 3 of the category "Financial assets recognised at fair value through comprehensive income" includes the value of the equity instruments relating to the aforementioned minority interest in the company BidX1, and in the Brasilian fintech company QueroQuitar S.A. for a stake of 11.46%, for which the Group applies the option for the designation at fair value through comprehensive income. The fair value of these financial liabilities was determined on the basis of the contracts for the acquisition of equity interests and the economic-financial parameters that can be drawn from the long-term plans of the acquired companies. Since these parameters are not observable on the market (either directly or indirectly), these liabilities are classified under Level 3.

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

1. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of doValue Spain;
2. the Earn-out represented by the fair value of the liability relating to a portion of the acquisition price of doValue Greece, which is linked to the achievement of certain EBITDA targets over a 10-year period;
3. The deferred price of the newly acquired company Team 4 Collection and Consulting, which was paid during February 2024.

It is also noted that the fair value of the liability related to the put option for the purchase of remaining minority shares of the subsidiary doValue Spain shows a zero balance following the exercise of the sell option in the last quarter of 2023.
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)

	31/12/2023			31/12/2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss	**-**	**-**	**37,360**	**-**	**-**	**42,323**
Units in collective investment undertakings (CIUs)	-	-	20,499	-	-	23,628
Debt securities	-	-	16,610	-	-	18,145
Equities	-	-	197	-	-	197
Non-hedging derivatives	-	-	54	-	-	353
Financial assets measured at fair value through comprehensive income	**-**	**-**	**8,165**	**-**	**-**	**10,171**
Equities	-	-	8,165	-	-	10,171
Total	**-**	**-**	**45,525**	**-**	**-**	**52,494**
Other financial liabilities	**-**	**-**	**55,041**	**-**	**-**	**66,543**
Earn-out	-	-	54,668	-	-	44,649
Put option on non-controlling interests	-	-	-	-	-	21,894
Others	-	-	373			-
Total	**-**	**-**	**55,041**	**-**	**-**	**66,543**

3 INFORMATION ON THE CONSOLIDATED BALANCE SHEET

Assets

NOTE 1 – INTANGIBLE ASSETS

(€/000)	Software	Brands	Assets under development and payments on account	Goodwill	Other intangible assets	Total 12/31/2023	Total 12/31/2022
Gross opening balance	**175,010**	**46,885**	**10,791**	**236,897**	**436,418**	**906,001**	**872,403**
Initial reduction in value	(130,569)	(22,304)	-	-	(226,240)	(379,113)	(327,178)
Net opening balance	**44,441**	**24,581**	**10,791**	**236,897**	**210,178**	**526,888**	**545,225**
Changes in gross balance	23,494	(17,187)	(2,838)	-	(13,077)	(9,608)	33,598
Purchases	18,345	-	2,995	-	326	21,666	36,566
Disposals and dismissals	(1,267)	-	(165)	-	-	(1,432)	-
Business combination	565	-	-	-	-	565	-
Impairment	(48)	-	(130)	-	(13,403)	(13,581)	(1,344)
Other changes	5,899	(17,187)	(5,538)	-	-	(16,826)	(1,624)
Changes in reduction in value	(16,522)	13,277	-	(12,530)	(27,721)	(43,496)	(51,935)
Amortisation	(17,221)	(3,912)	-	-	(27,721)	(48,854)	(53,559)
Business combination	(454)	-	-	-	-	(454)	-
Impairment of goodwill	-	-	-	(12,530)	-	(12,530)	-
Other changes	1,153	17,189	-	-	-	18,342	-
Gross closing balance	**198,504**	**29,698**	**7,953**	**236,897**	**423,341**	**896,393**	**906,001**
Final reduction in value	(147,091)	(9,027)	-	(12,530)	(253,961)	(422,609)	(379,113)
Net closing balance	**51,413**	**20,671**	**7,953**	**224,367**	**169,380**	**473,784**	**526,888**

The **opening balances** are mainly represented by the value of multi-annual servicing contracts included in the item "other intangible assets" and by the goodwill deriving from the acquisitions completed by the Group: in June 2019, the acquisition of doValue Spain Servicing (hereinafter also "doValue Spain") and its subsidiaries, and in June 2020 the business combination of doValue Greece.

Thanks to the acquisition of doValue Greece, the following net values were recognised as at December 31, 2023:

- €27.3 million relating to software and related assets under development;
- €151.6 million related to multi-year servicing contracts ("SLAs"), of which €35.5 million related to the Frontier portfolio;
- €112.4 million relating to goodwill.

With regard to the acquisition of doValue Spain and its subsidiaries, the net values as at December 31, 2023, were as follows:

- €13.3 million relating to software and related assets under development;
- €20.6 million relating to the brand;
- €17.8 million relating to other intangible assets, which include the valuation of active long-term servicing contracts ("SLAs");
- €111.5 million relating to goodwill.

The **changes in gross balance** include “purchases”, which during the year were concentrated on the development of the IT platform, with an increase in the “software” and “assets under development and payments on account” categories totalling €21.3 million and the “impairment” related to Iberia region for a total of €13.6 million primarily following the execution of the impairment test, as detailed below.
Furthermore, there is an increase related to “business combinations” of €0.6 million attributable to the incorporation of the Spanish company Team4.
The “other changes”, which mainly affect the “software” and “assets under development and payments on account” categories, relate to the reclassification of assets between the two categories in connection with the entry into use of software.

The **changes in reduction in value** mainly include “impairment of goodwill” of €12.5 million following the results of the impairment test as described below, as well as the amortisation charges for the year of €48.9 million. “Other intangible assets” include the values of long-term servicing contracts deriving from the evaluation of the doValue Spain and doValue Greece acquisition transactions and the “Frontier” contract, which are systematically amortised based on the direct margin curve for each contract over the course of its entire useful life, consistent with the best estimate of the cash flows from each individual contract. The amortisation charge of each contract was calculated to an extent corresponding to the direct margin posted in the year.

For the purpose of preparing the impairment test on the values as at December 31, 2023, continuing with the approach taken to the test performed in the previous accounting periods, the Cash Generating Units (CGUs) in the two geographical segmentation areas pertaining to doValue Spain and its subsidiaries and to doValue Greece, namely “Iberia” (Spain and Portugal) and the “Hellenic Region” (Cyprus and Greece) were used, and the allocation of intangible assets and goodwill to the two separate CGUs was determined.
For the purpose of conducting the test, the forward-looking information included in the Group Industrial Plan 2024-2026 approved by the Board of Directors on March 20, 2024, has been considered.
As part of the analysis, the current value in use attributable to the individual active servicing contracts was therefore consistently estimated, considering the respective expected cash flows over the entire useful life.
With regards to the test performed on the other intangible assets, the analysis revealed evidence of impairment losses such as differences between the value in use of the servicing contracts and the related book value net of amortization for the year, for a total of €13.4 million relating to doValue Spain’s Santander contract.
Regarding the impairment of the Cash Generating Unit (CGU) “Iberia,” it is noted that an impairment charge of €12.5 million was recognized as a result of the impairment test conducted on balances as of September 30, 2023, based on the preliminary cash flows of the Industrial Plan for the Iberia region, approved by the Board of Directors on January 12, 2024. This led to a reassessment of the carrying amount of goodwill as of September 30, 2023, as already reported in the Consolidated Interim Report at September 30, 2023, “restated,” prepared in accordance with IAS 34, and approved on the same date. The carrying amount of goodwill, adjusted for the impairment charge recognized as of September 30, 2023, underwent a new impairment test as of December 31, 2023, which did not reveal any further need for impairment.

Regarding the impairment test of the CGU "Hellenic Region", the comparison between the recoverable amount and the carrying amount of the CGU as of December 31, 2023, has confirmed the adequacy of the recoverable amount, thus not indicating any impairment losses, both concerning the doValue Greece acquisition and the Cyprus component arising from the doValue Spain acquisition and its subsidiaries.

The discount rate (WACC - Weighted Average Cost of Capital) used in the impairment analysis carried out on goodwill and other intangible assets was 7.2% for the Spain and Portugal CGU and 8.2% for the Cyprus component of the Greece and Cyprus CGU and 7.8% for the single Greece component in relation to the testing of the PPA of doValue Greece and the "Frontier" contract.

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

(€/000)

	Net present value	Net book value	Impairment
Software	9,865	9,865	-
Brand	20,665	20,603	-
Other ingible assets - SLAs	8,387	21,790	(13,403)
Intangible Assets - Iberia	**38,917**	**52,258**	**(13,403)**
Software	2,513	2,513	-
Other intangible assets - SLAs	17,640	9,120	-
Intangible Assets - Hellenic Region	**20,153**	**11,633**	**-**
Total	**59,070**	**63,891**	**(13,403)**

Similarly, the table summarising the impairment test performed on the value attributed to the intangible assets of doValue Greece, including also the "Frontier" contract, is shown below.

(€/000)

	Net present value	Net book value	Impairment
Intangible Assets - SLAs - Hellenic Region	**344,350**	**151,557**	**-**
Total	**344,350**	**151,557**	**-**

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 u. develop. and payments on accounts	Other	Total 12/31/2023	Total 12/31/2022
Gross opening balance	**69,971**	**3,566**	**29,139**	**1,455**	**15,692**	**119,823**	**88,088**
Initial reduction in value	(33,408)	(3,086)	(13,428)	-	(10,765)	(60,687)	(53,939)
Net opening balance	**36,563**	**480**	**15,711**	**1,455**	**4,927**	**59,136**	**34,149**
Changes in gross balance	**2,327**	**935**	**(506)**	**(1,064)**	**1,130**	**2,822**	**31,735**
Purchases	3,289	418	943	307	1,762	6,719	41,973
o.w. Right of Use	*3,012*	*-*	*50*	*-*	*1,663*	*4,725*	*38,027*
Disposals and dismissals	(820)	(19)	-	-	(248)	(1,087)	-
Business combination	215	32	65	-	123	435	-
Other changes	(357)	504	(1,514)	(1,371)	(507)	(3,245)	(10,238)
Changes in reduction in value	**(7,180)**	**(708)**	**(3,613)**	**-**	**(1,780)**	**(13,281)**	**(6,748)**
Amortisation	(9,805)	(323)	(5,067)	-	(2,084)	(17,279)	(16,626)
o.w. Right of Use	*(8,750)*	*-*	*(4,207)*	*-*	*(1,366)*	*(14,323)*	*(13,061)*
Business combination	(191)	(17)	(20)	-	(94)	(322)	-
Other changes	2,816	(368)	1,474	-	398	4,320	9,878
Gross closing balance	**72,298**	**4,501**	**28,633**	**391**	**16,822**	**122,645**	**119,823**
Final reduction in value	(40,588)	(3,794)	(17,041)	-	(12,545)	(73,968)	(60,687)
Net closing balance	**31,710**	**707**	**11,592**	**391**	**4,277**	**48,677**	**59,136**

During 2023, the item recorded an overall decrease of €10.5 million, amounting to €48.7 million.

The **changes in gross balance** mainly include "purchases", which in the year totalled €6.7 million (of which €4.7 million in rights of use) and consisted of the renewal of rental contracts, enlargments and improvements for certain premises in Italy and Cyprus, as well as renewals and additional car rentals in the category "Other".
The "other changes" in gross balance should be read together with the same component included under changes in reduction in value and are largely related to the disposal of depreciated assets.
As indicated for intangible assets, it is also noted for the item in question the impact of Team4's entry into "business combination", with a gross contribution of €0.4 million.

The **changes in reduction in value** included depreciation of €17.3 million, of which €14.3 million related to rights of use.

Please see Note 19 for more details on changes in rights of use.

NOTE 3 – FINANCIAL ASSETS

(€/000)	12/31/2023	12/31/2022
Non-current financial assets	46,167	53,604
Financial assets measured at fair value through profit or loss	**37,360**	**42,323**
Units in collective investment undertakings (CIUs)	20,499	23,628
Debt securities	16,610	18,145
Equities	197	197
Non-hedging derivatives	54	353
Financial assets measured at amortised cost	**642**	**1,110**
Loans to customers	602	1,057
Loans to banks	40	53
Financial assets measured at fair value through other comprehensive income	**8,165**	**10,171**
Equities	8,165	10,171
Current financial assets	-	4,380
Financial assets measured at amortised cost	**-**	**4,380**
Loans to customers	-	4,380
Total	**46,167**	**57,984**

Non-current financial assets measured at fair value through profit or loss include CIUs units, debt securities, equities and non-hedging derivatives.
CIUs units relate to 23.3 units of the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II). During the year, partial reimbursements of quotas amounting to €2.2 million were recorded, along with valuation effects reducing €0.9 million, while additional shares to be subscribed of €1.1 million were recognised under commitments.
Debt securities reduced by €1.5 million, almost entirely referred to evaluation effects. The breakdown of debt securities is represented, for €12.3 million by the ABS securities of the Cairo securitisations acquired as part of the acquisition of doValue Greece, for €2.1 million by the value of the ABS securities relating to the Romeo SPV and Mercuzio Securitisation securitisations and, for €2.1 million by the co-investment in the Mexico securitisation notes and for €0.1 million by the fair value of new ABS securities subscribed by doNext and issued by the vehicle doRes Securitisation S.r.l. as part of a new finance operation.

Equities classified at fair value through profit or loss are attributable to the minority interests for which the Group has not exercised the envisaged option under IFRS 9 to measure these instruments at fair value through other comprehensive income without recycling to profit or loss.
Non-hedging derivatives include an option linked to the purchase of further equity interests in the company BidX1 mentioned below among the financial assets recognized at fair value through other comprehensive income.

The category of **non-current financial assets measured at amortised cost** only include the non-current part of €0.6 million mainly related to loans to customers, which is down comparing to the previous year. On the other hand, the **current** component is reduced to zero as a result of the transfer to third parties of the limited recourse loan for a specific business.

The category of **non-current financial assets measured at fair value through other comprehensive income** includes the value of equities relating to two companies for which the Group exercised the option available under IFRS 9 to measure these instruments at fair value through other comprehensive income without recycling to profit or loss:

- €1.5 million equal to 11.46% of the Brazilian fintech company QueroQuitar S.A. which operates in the field of digital collections;
- €6.7 million equal to 17.7% of BidX1, an Irish proptech company specialising in the promotion and execution of real estate transactions through online auction processes in real time.

The reduction of the item by €2.0 million compared to 31 December 2022 originates from the fair value evaluation process and refers exclusively to the investment in BidX1.

Focus on securitisations

Over the years, the Group originated securitisations or invested in them through the subscription of the related debt securities, also assuming the role of Servicer. A brief description of these transactions is provided below.

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

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

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

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

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

In the second half of 2021, in relation to the Mexico transaction, the Parent Company doValue subscribed an amount equal to €45.0 million of junior and mezzanine notes, equal to 95% of the notes issued by the vehicle and at the same time sold 90% of the total notes issued to a third investor; the remaining portion of notes recognised in the financial statements therefore corresponds to 5% class B (mezzanine) and 5% class C (junior). The Group is servicer of the portfolio through the subsidiary doValue Greece.

During the first quarter of 2023, the subsidiary doNext disbursed a loan which was transferred in the same period to the credit securitization company doRes Securitization S.r.l.. As part of this transaction, doNext subscribed 20% of the untranched notes issued by the SPV, corresponding to a nominal amount of €0.4 million, and assumed the roles of Master and Special Servicer.

NOTE 4 – DEFERRED TAX ASSETS AND LIABILITIES

The items report deferred tax assets by deductible temporary difference.
Deferred tax assets (hereinafter also referred to as “DTAs”) include amounts in respect of loan write-downs, tax losses carried forward and deferred tax assets determined specifically on the basis of the stocks of the components to which they refer (e.g. 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 Italian Legislative Decree 59 of May 3, 2016, ratified with Italian 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 Italian Law 214/2011, as a result of the express provision of Article 56 of Italian Decree Law 225 of 29/12/2010, the negative components corresponding to the deferred tax assets transformed into tax credits are not deductible, first offsetting on a priority basis decreases at the nearest maturity in an amount corresponding to a tax equal to the transformed DTAs.

The 2019 Budget Act (Italian Law 145/2018) modified the temporary mechanism provided for in Article 16, paragraphs 3-4 and 8-9 of Italian Decree Law 83/2015 concerning the deductibility for both IRES and IRAP purposes of the loan losses of banks, financial companies and insurance undertakings. The law essentially deferred to the current tax period as at December 31, 2026, for both IRES and IRAP purposes, the deductibility of 10% of write-downs and losses on loans to customers recognised for that purpose that were originally intended to be deducted for the current tax period as at December 31, 2018.
Article 1, paragraphs 712-715 of the 2020 Budget Act (Italian Law 160/2019) then provided for the deferral of the deduction of the negative IRES (corporate income tax) components. More specifically, the deductibility, for IRES and IRAP purposes, of the stock of write-downs and loan losses of credit and financial institutions, of 12%, originally established for the tax period under way as at December 31, 2019 was postponed to tax periods under way as at December 31, 2022 and the three subsequent tax periods. The deferral is made on a straight-line basis.
Article 42 of Italian Law Decree no. 17/2022 intervenes for the third time on the original deduction plan with a postponement technique substantially similar to that carried out by Italian Law no. 160/2019.

The 2024 Budget Act (Law No. 213/2023) has amended the original deduction plan for the fourth time. The previous deductible quota envisaged for 2024 is reduced from 18% to 17%, deferring 1% in equal installments for the tax periods ending on December 31, 2027, and December 31, 2028; furthermore, for the tax period ending on December 31, 2026, the deductible quota is reduced from 7.7% to 4.7%, deferring 3% in equal installments for the tax periods ending on December 31, 2027, and December 31, 2028.
Following the amendment, the recovery plan is now as follows: 5% for the tax period ending on December 31, 2016; 8% for the tax period ending on December 31, 2017; 12% for the tax period

ending on December 31, 2020; 12% for the tax period ending on December 31, 2021; 8.3% for the tax period ending on December 31, 2022; 18% for the tax period ending on December 31, 2023; 17% (-1%) for the tax periods ending on December 31, 2024; 11% for the tax period ending on December 31, 2025; 4.7% (-3%) for the tax period ending on December 31, 2026; 2% (+2%) for the tax period ending on December 31, 2027; 2% (+2%) for the tax period ending on December 31, 2028.

As a result of these law provisions, the amount of the deferred tax assets relating to the Parent Company begins to change starting from the current year, through reversals with economic impact. As a result of paying the fee for converting DTA into tax credit, the amount of impairments pertaining to the 2023 period that will contribute to the tax loss, will be transformed into tax credit starting from the date of submission of the tax return (IRES and IRAP), by September 30, 2024. A portion of the DTA stock consisting of impairments and credit losses recorded as of December 31, 2023, due to civil losses, will be converted into tax credit subsequent to the approval of the 2023 Financial Statements.

With regard to the provisions of IAS 12, the balance of deferred tax assets is 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 carried out on the data as at December 31, 2023, took therefore into account the 2024-2026 Idustrial Plan approved in the Board of Directors of March 20, 2024, and in general of estimates based on the most recent both endogenous and exogenous parameters.

As at December 31, 2023, additional DTAs totalling €11.1 million have been recognised mainly relating to tax losses that can be carried forward in the future, deriving from the reversal of the write-downs on loans of Law 214/2011. This increase was more than offset by lower deferred tax assets related to the cancellation of deferred tax assets for the year of €34.5 million mainly attributable to:

- "write-downs of non-recoverable items" for a total of €17.8 million following the execution of the sustainability test based on the Industrial Plan 2024-2026 of which €12.6 million attributable to the the Iberia region and €5.2 million for the DTAs recognized by the doValue Parent Company doValue; and
- change of DTAs referred to Law 214/2011 described above for €10.7 million.

The criteria used for the recognition of deferred tax assets can be summarised as follows:

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

Additionally, there are €43.0 million of unrecorded cumulated DTA (€10.9 million raised in the year), comprising €19.1 million related to tax losses concerning the Iberian Region and, to a lesser extent, to the Parent Company, €17.8 million for impaired DTAs resulting from the sustainability test as indicated above, and finally, €6.2 million of potential DTAs related to the doValue Parent Company stemming from the portion of interest expenses subject to the 30% deductibility limitation of the

Gross Taxable Operating Income, for which their recognition may be assessed in subsequent fiscal years.

Taxes were calculated by applying the tax rates established under current law in each country, using, only for doNext the additional IRES 3.5 basis-point tax envisaged for Italian credit and financial institutions (Italian Law no. 208 of December 28, 2015).
With regard to the calculation of the Italian IRAP (regional business tax) rate as at December 31, 2023, doValue meets the requirements for classification as a non-financial holding company. In accordance with that classification, doValue determines its tax base on the same basis as ordinary companies and takes account of the difference between the interest income and similar income and the interest expense and similar charges to the extent provided for under tax law, also applying the increased rate (of 5.57% unless otherwise provided by the individual regions) levied on credit and financial institutions.

Deferred tax assets

Breakdown

(€/000)	12/31/2023	12/31/2022
Provisions recognised through Income Statement	**78,032**	**101,408**
Write-downs of loans	40,239	49,391
Tax losses carried forward	18,230	19,300
Provisions for risks and charges	2,658	7,729
Property, plant and equipment / intangible assets	12,021	18,241
Administrative expenses	1,504	1,504
Other assets / liabilities	3,380	5,243
Provisions recognised through Equity	**319**	**350**
Defined benefit plans	319	350
Total	**78,351**	**101,758**

Change

(€/000)	Recognised through Income Statement	Recognised through Equity	Total 12/31/2023	Total 12/31/2022
Opening balance	**101,408**	**350**	**101,758**	**112,640**
Increases	**11,049**	**13**	**11,062**	**4,093**
Deferred tax assets recognised during the period	11,049	13	11,062	4,008
- In respect of previous periods	366	-	366	1,005
- Accruals	10,683	13	10,696	3,003
Other changes	-	-	-	85
Decreases	**(34,425)**	**(44)**	**(34,469)**	**(14,975)**
Deferred tax assets derecognised during the period	(34,297)	-	(34,297)	(14,836)
- Reversals of temporary differences	(16,531)	-	(16,531)	(12,927)
- Write-downs of non-recoverable items	(17,766)	-	(17,766)	(1,909)
Other changes	(128)	(44)	(172)	(139)
Closing balance	**78,032**	**319**	**78,351**	**101,758**

Deferred tax liabilities

Breakdown

(€/000)

	12/31/2023	12/31/2022
Provisions recognised through Income Statement	**42,602**	**50,982**
Other assets / liabilities	43,155	50,809
Others	(553)	173
Provisions recognised through Equity	**21**	**21**
Defined benefit plans	21	21
Total	**42,623**	**51,003**

Change

(€/000)

	Recognised through Income Statement	Recognised through Equity	Total 12/31/2023	Total 12/31/2022
Opening balance	**50,982**	**21**	**51,003**	**54,350**
Increases	**1,429**	**-**	**1,429**	**2,621**
Deferred tax liabilities recognised during the period	1,429	-	1,429	2,620
- Accruals	1,429	-	1,429	2,620
Other changes	-	-	-	1
Decreases	**(9,809)**	**-**	**(9,809)**	**(5,968)**
Deferred tax liabilities derecognised during the period	(9,809)	-	(9,809)	(5,968)
- Reversals of temporary differences	(4,900)	-	(4,900)	-
- Other	(4,909)	-	(4,909)	(5,968)
Closing balance	**42,602**	**21**	**42,623**	**51,003**

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, namely doValue Spain and doValue Greece, both determined on the basis of the definitive PPA.
It should be noted that following the impairment of intangible assets, please refer to Note 1 - Intangible assets, the balance at December 31, 2023 was characterized by the derecognition of deferred tax liabilities for €3.4 million recorded in the "Other" item.

NOTE 5 – OTHER ASSETS

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

(€/000)	12/31/2023	12/31/2022
Other non-current assets	3,716	2,076
Other current assets	64,076	31,840
Accrued income / prepaid expenses	2,268	2,152
Items for employees	696	823
Receivables for advances	43,130	21,966
Current receivables on taxes other than income tax	16,576	4,032
Other items	1,406	2,867
Total	**67,792**	**33,916**

Overall, the item increased by €33.9 million compared to December 31, 2022, mainly due to higher receivables for advances from customers within the Hellenic Region, particularly as a result of measures to increase legal recovery activities which already started during the last quarter of 2022.

Other non-current assets mainly consist of security deposits.

NOTE 6 – INVENTORIES

As of December 31, 2023, the item is substantially zeroed compared to the balance of December 31, 2022, which amounted to €55 thousand following the sale of the two properties held at the end of the previous fiscal year.

NOTE 7 – TRADE RECEIVABLES

(€/000)	12/31/2023	12/31/2022
Receivables	200,948	201,828
Receivables accruing (Invoices to be issued)	151,452	127,643
Receivables for invoices issued but not collected	49,496	74,185
Provisions	(1,104)	(1,685)
Provisions for expected losses on receivables	(1,104)	(1,685)
Total	**199,844**	**200,143**

Trade receivables arise in respect of invoices issued and accruing revenues mainly connected with servicing activities and real estate services under mandate and therefore mainly relating to the revenue item “revenues from contracts with customers”.

The item shows a substantial stability compared to the balance of December 31, 2022, resulting from the total offsetting of the increase in invoices to be issued with the decrease in invoices to be collected.

Provisions for expected future credit losses account for 0.6% of receivables (0.8% in 2022).

NOTE 8 – TAX ASSETS AND TAX LIABILITIES

As at December 31, 2023, tax assets amounted to €4.6 million and include tax credits originating from Italian and Spanish companies.
Tax liabilities amount to €10.5 million and represent the payable to the tax authorities for taxes net of liquidations made in the year.

NOTE 9 - CASH AND CASH EQUIVALENTS

The balance of €112.4 million, with a decrease of €21.9 million compared with the €134.3 million reported as at December 31, 2022, represents the liquidity available at the end of the year. For information on the next evolution, please refer to the paragraph on the Net Financial Position in the Directors' Report on the Group.
For an analysis of changes in cash and cash equivalents, please refer to the Consolidated Cash Flow Statement.

NOTE 10 – ASSETS HELD FOR SALE AND RELATED LIABILITIES

The table shows the values relating to the total equity investment in the shares of special purpose vehicles (SPV) which the Group intends to liquidate or sell to third parties.
During the year a new vehicle in Spain has been created, similar to the one acquired at the end of 2022, with the view to transferring control in the current year.
Therefore, the value as at December 31, 2023, corresponds to three SPVs, one based in Italy and two based in Spain.
Furthermore, it is noted that, as indicated in the paragraph "Significant Events occurred during the year" in the Directors' Report on the Group, in November 2023, the Board of Directors of doValue Spain, as the sole shareholder of its subsidiary doValue Portugal, resolved to initiate the sale process, considering the negative economic and financial outlook of the company, despite the initiatives undertaken up to that point to reduce its financial losses. As of December 31, 2023, the status of the activities related to this sale had just begun, and therefore, there were no grounds for the recognition of the related values under IFRS 5. However, as of the date of this document, it is reasonable to expect a high probability of the sale of doValue Portugal within the next 12 months.
doValue Portugal, along with its subsidiary Zarco, currently predominantly manage the servicing of a long-term contract, the intangible value of which is fully amortized. As of December 31, 2023, the combined contribution of the two companies belonging to the Iberian Region amounts to a total of €7.8 million in negative economic result, while the total assets amount to €4.3 million.

(€/000)

	12/31/2023	12/31/2022
Non-current assets:		
Intangible assets	-	-
Property, plant and equipment	-	-
Investments in associates and joint ventures	-	-
Non-current financial assets	16	13
Deferred tax assets	-	-
Other non-current assets	-	-
Total non-current assets	**16**	**13**
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	**16**	**13**
Non-current liabilities:		
Loans and other financing	-	-
Other non-current financial liabilities	-	-
Employee benefits	-	-
Provisions for risks and charges	-	-
Deferred tax liabilities	-	-
Other non-current liabilities	-	-
Total non-current liabilities	**-**	**-**
Current liabilities:		
Loans and other financing	-	-
Other current financial liabilities	-	-
Trade payables	-	-
Tax liabilities	-	-
Other current liabilities	-	-
Total current liabilities	**-**	**-**
Total liabilities associated with assets held for sale	**-**	**-**

Liabilities and Equity

NOTE 11 – NET EQUITY

(€/000)	12/31/2023	12/31/2022
Net Equity attributable to the Shareholders of the Parent Company	53,031	136,559
Share capital	41,280	41,280
Treasury shares	(6,095)	(4,332)
Valuation reserve	(2,830)	(906)
Other reserves	38,506	84,015
Profit (loss) for the period attributable to the Shareholders of the Parent Company	(17,830)	16,502
Net Equity attributable to Non-controlling interests	51,660	44,361
Total	**104,691**	**180,920**

As at December 31, 2023, the subscribed and paid-up **share capital** of the Parent Company amounted to €41.3 million divided into 80,000,000 ordinary shares with no par value.

The following table shows the shares outstanding at the reporting date.

(no. of shares)	12/31/2023	12/31/2022
Ordinary shares issued	80,000,000	80,000,000
Treasury shares	(1,494,630)	(900,434)
Total shares outstanding	**78,505,370**	**79,099,566**

Treasury shares, shown as a direct reduction of Shareholders' Equity, amounted to €6.1 million, with an increase of €1.8 million, compared to €4.3 million in the previous year.
Below are the details concerning the movement of treasury shares, which indicate an increase due to market acquisitions totalling 667,400 shares for a value of €2.1 million. Additionally, there is a decrease resulting from the exercise of 73,204 performance stock grants (with a value of €352 thousand), allocated by doValue to beneficiaries upon finalization of the incentive system, in accordance with the Remuneration Policy.

As at December 31, 2023, the number of treasury shares is 1.87% of the number of issued ordinary shares.

(no. of treasury shares)	12/31/2023	12/31/2022
Opening balance	900,434	972,339
Purchases	667,400	-
Transfers due to exercise of performance stock grants	(73,204)	(71,905)
Closing balance	**1,494,630**	**900,434**

The **valuation reserve** as at December 31, 2023, amounted to a negative value of €2.8 million, (-€0.9 thousand as at December 31, 2022) and included the combined effect of the valuation of the severance indemnity pursuant to IAS 19 and that arising from the valuation of the Bidx1 equity.

Other reserves break down as follows:

(€/000)	12/31/2023	12/31/2022
Reserves from allocation of profits or tax-suspended reserves	26,076	25,774
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)	(8,597)
Reserve from retained earnings - Share Based Payments	14,191	13,889
Other reserves	12,430	58,241
Extraordinary reserve	60,388	88,417
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	2,134	9,168
Consolidation reserve	(62,164)	(33,132)
Negative reserve for put option on non-controlling interests	-	(18,284)
Total	**38,506**	**84,015**

Overall, the item shows a decrease of €45.5 million due to the combination of the following main elements:

- €47.5 million decrease related to the dividends that the Shareholders' Meeting of April 27, 2023 resolved to distribute in full from the profit for 2022 equal to €19.5 million and €28.0 million the **extraordinary reserve**;
- €29.0 million increase in the negative consolidation reserve due to the 2022 results of subsidiaries (€3.0 million), to which was added the effect of acquiring minority interests (15%) in doValue Spain (€26.0 million, of which €8.1 million relates to third-party results as of September 30, 2023) following the exercise of the put option that took place on October 24, 2023. This exercise simultaneously resulted in the zeroing of the related negative reserve in accordance with IAS 32, which as of December 31, 2022, amounted to €18.3 million;
- €6.7 million net decrease 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 and as a consequence of the former CEO resignation (for further details, please refer to Note 18 – Share based payments).

Shareholders' equity attributable to Non-controlling interests amounted to €51.7 million, including the profit (loss) for the period attributable to non-controlling interests of €12.3 million, and refers to the 20% stake in doValue Greece held by Eurobank.

NOTE 12 – LOANS AND OTHER FINANCING

(€/000)

	Interest Rate %	Due Date	12/31/2023	12/31/2022
Non-current loans and other financing			552,861	554,220
Bond 2020	5%	8/4/2025	259,601	258,056
Bond 2021	3,375%	7/31/2026	293,260	296,164
Current loans and other financing			35,169	14,283
Bank loans	Euribor3m+1,8%	12 months	25,506	126
Bank overdrafts	Euribor3m+1,9%	on demand	-	37
Due to other lenders			-	4,380
Bond 2020	5%	2/1/2024	5,500	5,521
Bond 2021	3,375%	1/31/2024	4,163	4,219
Total			**588,030**	**568,503**

The balance of loans and other financing as at December 31, 2023, includes the residual debt values at amortised cost of the following **bonds** (current and non-current portions):

- €265.1 million for the guaranteed senior bond loan issued on August 4, 2020, maturing in 2025, at the annual rate of 5% for a principal of €264.0 million (€265.0 million at issue), reduced by €1.0 million in the year due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The liquidity deriving from this bond loan had been used to repay the bridge loan in the context of the acquisition of doValue Greece;
- €297.4 million for the guaranteed senior bond loan issued on July 22, 2021, maturing in 2026, at the annual fixed rate of 3.375%, for a principal amount of €296.0 million (€300.0 million at issue), reduced by €4.0 million in the year due to the partial repurchase ("bond buy-back) by the Parent Company of its own debt securities. The bond was used to repay the Facility Loan concluded to finance the purchase of the interest in doValue Spain and to refinance the pre-existing debt of the same investee.

The bonds were reserved for qualified investors and are listed on the Euro MTF multilateral trading system of the Luxembourg Stock Exchange.

The bond buyback transactions mentioned above for a total of €5.0 million were concluded by repurchasing part of its debt on the market below par, with the aim to reduce the total amount of liabilities by more than the required financial outlay. This therefore determined the recognition of a €0.5 million income.

The **bank loan** component includes €25.5 million relating almost completely to the use of a revolving credit line with a 12-month maturity aimed at temporary liquidity needs in the Hellenic Region.

The **due to other lenders** component at December 31, 2023 is nil following the termination in January 2023 of the limited recourse loan allocated for a specific business, as a consequence of the transfer of the related receivable recorded under financial assets.

NOTE 13 – OTHER FINANCIAL LIABILITIES

(€/000)	12/31/2023	12/31/2022
Other non-current financial liabilities	50,301	54,158
Lease liabilities	29,795	38,109
Earn-out	20,506	16,049
Other current financial liabilities	46,239	62,323
Lease liabilities	11,704	11,829
Earn-out	34,162	28,600
Put option on non-controlling interests	-	21,894
Others	373	-
Total	**96,540**	**116,481**

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 year.
The **Earn-out** liability recorded in the amount of €20.5 million under other non-current financial liabilities as well as €12.0 million under the current portion, relates to the debt arising from the acquisition of doValue Greece linked to the achievement of certain EBITDA targets over a ten-year period and any payments will not be due before 2024.
The remaining Earn-out portion recognised under current financial liabilities amounts to €22.2 million and is related to the portion of the acquisition price of doValue Spain which was supplemented by the component of interest expense for late payment of €4.0 million.

On October 24, 2023, the exercise of the put option for the remaining minority stake (equal to 15%) in doValue Spain was completed through the transfer of these shares to the Parent Company; therefore, the put option liability on minority interests, amounting to €21.9 million as of December 31, 2022, is zeroed in the reporting period as it was settled with the counterparty.
It is worth noting that the deadline for the put option had been extended to the end of September 2023 through the agreement signed on June 26, 2023, which also defined the exercise price of the option. The formalization and execution of the transfer of the minority stake in doValue Spain took effect on October 24, 2023 ("Transfer date").

Among **other** financial liabilities, the deferred consideration (€373 thousand) arising from the acquisition of the Spanish company Team 4 Collection and Consulting is recorded, which was settled with the selling counterparty in February 2024. For further details, please refer to Section 7 - Business Combinations.

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 December 31, 2023, breaks down as follows.

(€/000)

Note			12/31/2023	12/31/2022
9	A	Cash on hand	5	5
9	B	Cash at banks and short-term deposits	112,371	134,259
	D	**Liquidity (A)+(B)+(C)**	**112,376**	**134,264**
3	E	Current financial assets	-	4,380
12	F	Current bank debt	(25,506)	(37)
12	G	Current portion of non-current debt	-	(126)
12,13	H	Other current financial debt	(46,239)	(66,703)
	I	**Current financial indebtness (F)+(G)+(H)**	**(71,745)**	**(66,866)**
	J	**Net current financial indebtness (I)+(E)+(D)**	**40,631**	**71,778**
12	L	Bond Issued	(562,524)	(563,960)
12,13	M	Other non-current loans	(50,301)	(54,158)
	N	**Non-current financial indebtness (K)+(L)+(M)**	**(612,825)**	**(618,118)**
	O	**Net financial indebtness (J)+(N)**	**(572,194)**	**(546,340)**

Compared with the net financial position, equal to €475.7 million reported in the Directors' Report on the Group, to which reference should also be made for further information, this table includes the items reported under letters E, H and M, for a total of €96.5 million.
The following table reconciles the two different representations:

(€/000)

		12/31/2023	12/31/2022
A	**Net financial indebtness**	**(572,194)**	**(546,340)**
	Other current financial debt	46,239	66,703
	Other non-current loans	50,301	54,158
	Current financial assets	-	(4,380)
B	**Items excluded from the Net financial position**	**96,540**	**116,481**
C	**Net financial position (A)+(B)**	**(475,654)**	**(429,859)**

NOTE 14 – EMPLOYEE BENEFITS

Within the Group, there are defined-benefit plans, or plans for which the benefit is linked to the salary and seniority of the employee.

The defined-benefit plans of the Italian companies mainly include "post-employment benefits" in accordance with applicable regulations, as well as other provisions of a contractual nature. For Greece, there is a defined-benefit plan on a mandatory basis.

In accordance with IAS 19, the obligations of defined-benefit plans are determined using the "Projected Unit Credit" method. This method envisages that the present value of the benefits accrued by each participant in the plan during the year is recognised as an operating cost, considering both future salary increases and the benefit allocation formula. The total benefit that the participant expects to acquire at the retirement date is divided into units, associated on the one hand with the seniority accrued at the valuation date and on the other with the expected future seniority until retirement.

The following demographic assumptions were used in the valuation of the liabilities and benefits envisaged by the plans of the Italian scope:

Actuarial rate	1 year 3.67% - 5 years 2.96% - 15 years 3.34%
Salary increase rate	2.60%
Inflation rate	1 year 1.58% - 10 years 2.13% - 30 years 2.44%
Mortality	IPS55
Disability	INPS2000
Advanced termination benefit	1.50%
Average annual percentage of personnel leaving	3.78%
Minimum requirements for retirement	According to the latest legislative provisions

For companies based in Greece, the main demographic assumptions applied are as follows:

Actuarial rate	3.11% - 3.14%
Salary increase rate	3.50%
Inflation rate	2.60%

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

(€/000)

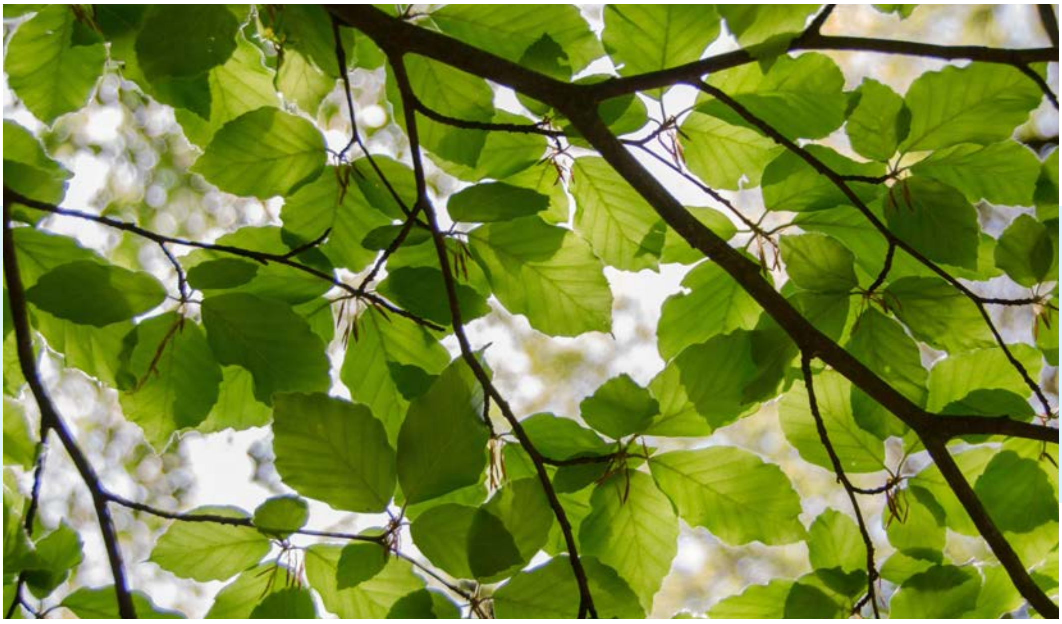
	12/31/2023	12/31/2022
Opening balance	**9,107**	**10,264**
Increases	**2,693**	**3,008**
Provisions for the period	2,636	3,000
Other changes	57	8
Decreases	**(3,388)**	**(4,165)**
Benefits paid	(3,188)	(3,577)
Other changes	(200)	(588)
Closing balance	**8,412**	**9,107**

Overall, this item decreased of approximately €0.7 million compared to December 31, 2022.

From a sensitivity analysis of the assumptions regarding the parameters used in the calculation, a:

- Change in the discount rate of 0.5%;
- Change in the salary increase rate of 0.5%;
- Change in mortality rate of 10%

would not have had a significant effect on the determination of the debt in a range between 0.02% and 4% of the balance at December 31, 2023.



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 disputes	Out-of-court disputes and other provisions	Total funds against the item "Provisions for risk and charges" of the income statement	Potential liabilities for employee	Other	Total funds against other items of the income statement	Total 12/31/2023	Total 12/31/2022
Opening balance	5,701	12,262	17,963	535	19,157	19,692	37,655	44,235
Increases	4,073	2,688	6,761	216	-	216	6,977	16,519
Provisions for the period	3,902	2,138	**6,040**	147	-	**147**	**6,187**	**15,829**
Changes due to the passage of time and changes in the discount rate	151	191	**342**	67	-	**67**	**409**	**106**
Other changes	20	359	**379**	2	-	**2**	**381**	**584**
Decreases	(2,759)	(6,291)	(9,050)	(29)	(9,197)	(9,226)	(18,276)	(23,099)
Reallocations of the period	(752)	(3,341)	**(4,093)**	-	(4,126)	**(4,126)**	**(8,219)**	**(12,286)**
Utilisation for payment	(1,648)	(1,619)	**(3,267)**	(29)	(5,071)	**(5,100)**	**(8,367)**	**(10,591)**
Other changes	(359)	(1,331)	**(1,690)**	-	-	**-**	**(1,690)**	**(222)**
Closing balance	**7,015**	**8,659**	**15,674**	**722**	**9,960**	**10,682**	**26,356**	**37,655**

The item **legal disputes** recognised against the economic item "provisions for risks and charges" primarily includes funds in respect of the risks of litigation brought against the Group concerning its core activities. It increased by €1.3 million owing to the lower impact of the settlement of a number of disputes compared with provisions for new disputes.

The item **out-of-court disputes and other provisions** decreased by €3.6 million, moving from €12.3 million as at December 31, 2022 to €8.7 million as at December 31, 2023, and mainly includes provisions for risks for which no litigation has currently been activated. In particular, we highlight the release of €1.8 million relating to a dispute with a Spanish customer which was successfully concluded.

The item **potential liabilities for employees** includes provisions to finance any bonuses not governed by already existing agreements or determinable quantification mechanisms.

The **other** component, which falls within the funds against other items of the income statement, is halved from €19.2 million to €10.0 million due to the combined effect of a release of €1.8 million following the settlement of the tax dispute in Spain, as well as the release to the income statement of shares related to the exercise of variable consideration associated with a particular type of fee (so-called "Curing Fee"), in accordance with the accounting principle IFRS 15, amounting to a total of €7.4 million.

NOTE 16 – TRADE PAYABLES

(€/000)

	12/31/2023	12/31/2022
Payables to suppliers for invoices to be received	48,245	48,799
Payables to suppliers for invoices to be paid	37,138	21,582
Total	**85,383**	**70,381**

As of December 31, 2023, the figure shows a 21% increase amounting to €15.0 million compared to the balance recorded on December 31, 2022, which can be attributed to both categories of payables to suppliers highlighted.

NOTE 17 – OTHER LIABILITIES

(€/000)

	12/31/2023	12/31/2022
Other non-current liabilities	**9,087**	**9,201**
Amounts to be paid to third parties	8,812	8,845
Deferral of government grants related to assets	275	356
Other current liabilities	**59,906**	**66,553**
Amounts to be paid to third parties	4,411	8,050
Amounts due to personnel	22,139	25,874
o.w. employees	*21,780*	*24,874*
o.w. members of Board of Directors and Auditors	*359*	*1,000*
Amounts due to pension and social security institutions	6,047	5,621
Current payables on taxes other than income tax	11,938	-
Items being processed	1,484	8,900
Deferral of government grants related to assets	426	352
Other accrued expenses / deferred income	13,313	16,088
Other items	148	1,668
Total	**68,993**	**75,754**

As December 31, 2023, this item amounted to €69.0 million compared to €75.8 million in 2022, with an overall decrease of €6.8 million.

With regard to **other non-current liabilities**, the main component “amounts to be paid to third parties” includes for €5.1 million to the liability towards Eurobank linked to the “advance compensation commission”, subject to certain performance conditions, received by the Group in connection with the securitisation of the Mexico portfolio. The item includes also €3.8 million for the liability related to the acquisition of software under medium-long-term contracts in Italy and Greece.

The item **other current liabilities** shows an overall decrease of €6.6 million, primarily originating from the category "amounts to be paid to third parties", thanks to the settlement of €5.8 million related to contractual liabilities linked to the Frontier SLA, in the categories of "amounts due to personnel", following the settlement of performance bonus and exit incentives, as well as in the category of "other accrued expenses / deferred income", reduced due to the gradual release of the portion of accrued liability regarding the advance payment of servicing fees for the Hellenic Region. Additionally, there is the reimbursement during the fiscal year of "items being processed" items amounting to €6.0 million attributable to the subsidiary doValue Spain for an advance related to the management of a portfolio.

NOTE 18 – SHARE-BASED PAYMENTS

The Shareholders' Meeting of doValue on April 27, 2023, approved the Report on the Remuneration policy 2023 and remuneration paid in 2022, keeping unchanged the 2022-2024 Remuneration policy (hereinafter "the Policy"), which was approved by the Shareholders' Meeting on April 28, 2022, applicable to Directors, Key Management Personnel and Members of Supervisory Bodies.
The Remuneration Policy is based on the 2022-2024 time horizon, in line with the Business Plan and thus able to ensure a high degree of consistency to the entire Governance system, to favour the coverage of key roles and also to guarantee an attractive remuneration offer to people who are key to the Group's long-term strategy.
With a view to a three-year policy, the main characteristics of the previous Remuneration Policy are confirmed, while introducing some elements:

- maintenance of the variable remuneration strategy for Key management personnel, broken down 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 to improve 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, to attract and retain individuals who are key to the long-term success of the Group, and to 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 in order to identify 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:

- a portion of the fixed remuneration and the entire variable component of the Chief Executive Officer is paid in shares;

- a part of the variable remuneration of Key management personnel, 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 objective of the 2022-2024 cycle is in line with the 2022-2024 Business Plan, while the objectives of 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 deferred over 3 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 Key management personnel 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.
Without prejudice to the right to compensation for any greater damage, after the payment of the variable compensation, doValue reserves the right, within 5 years from the date of assignment of the variable compensation, to ask the beneficiary to return the bonus ("clawback"), in specific cases of fraudulent behavior or gross negligence, violation of laws or of the Code of Ethics and company rules, or the attribution of a bonus on the basis of data which subsequently turns out to be manifestly incorrect or intentionally altered. The malus conditions are also applicable if one of the clawback clauses occurs during the performance period.

	Grant date	Performance period	Verification of target achievement	Payout
2021 Plan (GM of April 28, 2021)	17/02/2022	2021-2023	2024	2024
2022 Plan (GM of April 28, 2022)	09/11/2022	2022-2024	2025	2025
2023 Plan (GM of April 27, 2023)	13/07/2023	2023-2025	2026	2026

	Number of shares granted at the grant date	Fair value per share at the grant date	Number of shares potentially available for award	Number of beneficiaries
2021 Plan (GM of April 28, 2021)	194,371	€10.23	10,242	21
2022 Plan (GM of April 28, 2022)	297,953	€7.66	297,953	26
2023 Plan (GM of April 27, 2023)	357,108	€6.80	357,108	28

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

Effects of the voluntary resignation of the former Chief Executive Officer of the Group

The former Group CEO, having communicated his intention to voluntary resign as of April 28, 2023, one year in advance of the expiry of his mandate, basing on the current Remuneration Policy, the former Group CEO was not entitled to any form of remuneration, except for the fixed remuneration accrued up to the date. Considering this, any other entitlement to remuneration not yet paid or assigned and for which the vesting period is not completed has been cancelled.
Consistently with the Remuneration Policy and contract provisions, the upfront portion of the 2022 MBO awarded was paid after the Shareholders' Meeting of April 27, 2023 which approved the 2022 financial statements, while any deferred MBO regarding 2022 has been cancelled.

The amount recognised in the income statement for 2023 amounted to €5.9 million, with a corresponding amount reflected in a specific equity reserve.

NOTA 19 – LEASES

The Group entered into lease contracts in place for buildings, electronic equipment (hardware) and cars, which are classified as "other tangible assets" and are used for operations or assigned to employees.
The property leases generally have an original term ranging from a minimum of 4 to a maximum of 7 years, those referring to hardware 8 years, while the vehicle leases generally have an original term of 4 years.
The liabilities in respect of these lease contracts are secured by the lessors' ownership of the leased assets.
In general, the Group cannot sublet its leased assets to third parties. Most of the leases include renewal or cancellation options typical of property leases, while none envisage variable payments.

The following table reports the carrying amounts of right-of-use assets and changes in the year:

(€/000)	Buildings	Electronic system	Other tangible assets	Total 12/31/2023	Total 12/31/2022
Opening balance	**33,886**	**14,219**	**2,545**	**50,650**	**26,024**
Increases	4,201	50	1,695	5,946	27,907
Purchases	3,012	50	1,663	4,725	38,027
Other changes	1,189	-	32	1,221	(10,120)
Decreases	(9,279)	(4,207)	(1,548)	(15,034)	(3,281)
Amortisation	(8,750)	(4,207)	(1,366)	(14,323)	(13,061)
Other changes	(529)	-	(182)	(711)	9,780
Closing balance	**28,808**	**10,062**	**2,692**	**41,562**	**50,650**

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

(€/000)	12/31/2023	12/31/2022
Opening balance	**49,938**	**26,366**
Increases	7,788	35,908
New liabilities	3,361	34,936
Financial expenses	1,298	963
Other changes	3,129	9
Decreases	(16,227)	(12,336)
Payments	(15,928)	(11,941)
Other changes	(299)	(395)
Closing balance	**41,499**	**49,938**
o.w.: Non-current lease liabilities	29,795	38,109
o.w.: Current lease liabilities	11,704	11,829

The increases of €7.8 million mainly refer to the buildings category following the renewal of lease contracts for certain premises in Italy and Cyprus.

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

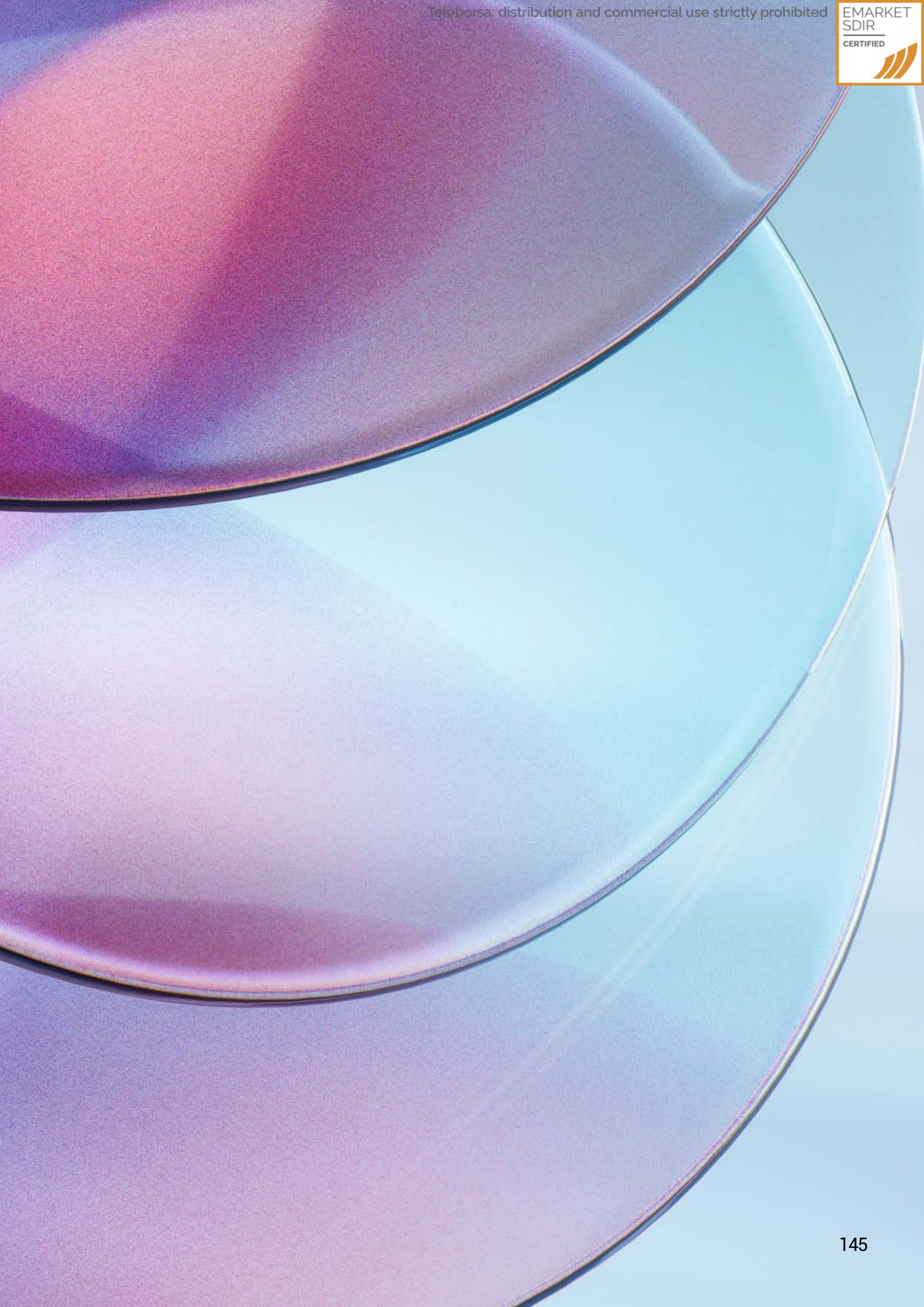
(€/000)

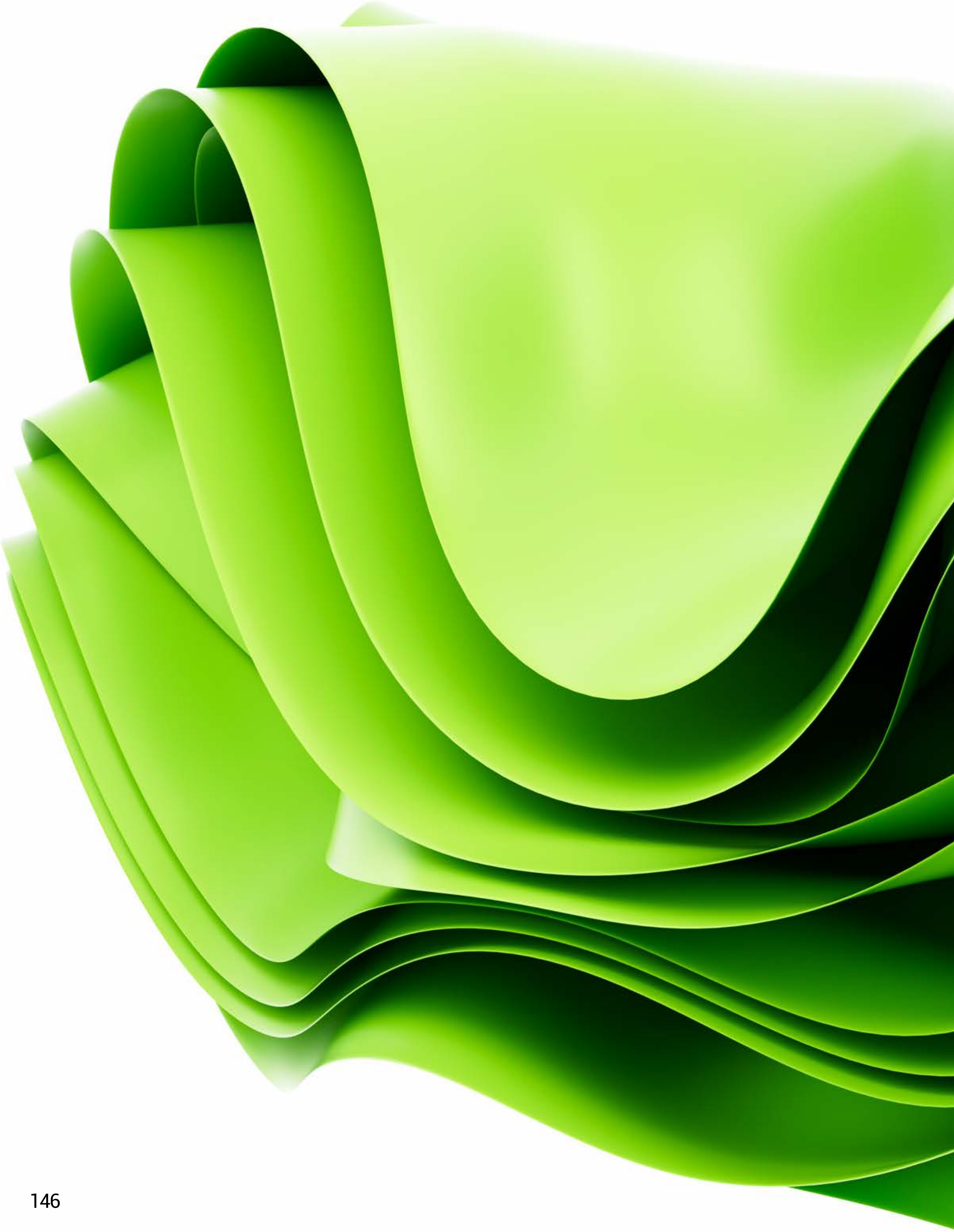
	12/31/2023	12/31/2022
Amortisation of right-of-use assets	(14,323)	(13,061)
Financial expenses from lease liabilities	(1,298)	(963)
Total	**(15,621)**	**(14,024)**

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

(€/000)

	12/31/2023	12/31/2022
Costs relating to short-term leases	(5)	(25)
Costs relating to lease of assets with a low unit value	-	-
Total	**(5)**	**(25)**





4 INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

(€/000)	12/31/2023	12/31/2022
Servicing services	189,768	243,448
Servicing for securitisations	194,408	201,616
REO services	37,334	70,870
Total	**421,510**	**515,934**

The item as a whole decreased by 18% compared to the previous year.
This result is due to lower revenues recorded in all components: **servicing services** (-22%), **REO services** (-47%), and **servicing for securitisation** (-4%).
This contraction, in line with the Group's expectations, is the result of the worsening macroeconomic conditions that are affecting the market to which must be added the effect of the offboarding of the Sareb portfolio in Spain which took place between July and October 2022. At a geographical level there was a negative difference between the two years in comparison in all regions.

Performance obligations

Servicing services under mandate and for securitisation transactions

The servicing services include the administration, management and recovery of loans utilising in-court and out-of-court recovery processes on behalf and under the mandate of third parties for portfolios mainly consisting of non-performing loans.
These services normally include a performance obligation that is fulfilled over time: in fact, the customer simultaneously receives and uses the benefits of the recovery service and the service provided improves the credit that the customer controls.
For the recognition of revenues, the Group applies a valuation method based on the outputs represented by both the assets managed and the collections on each position under mandate, so as to recognise revenues for an amount equal to that for which it has the right to invoice the customer.
The Group, following a more precise interpretation of some clauses provided for in the Service Level Agreement signed between doValue Greece and Eurobank connected to a particular type of fee ("Curing Fee") and in application of the provisions of the IFRS15 accounting standard relating to variable fees, has aligned the relative method of recording revenues, which sees as a counterpart the establishment of a specific provision for risks and charges against possible penalties on stock and flow restructured portfolios.

Real estate services under mandate

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

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

(€/000)

Year 2023	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	26,178	124,122	51,351	(11,883)	**189,768**
Servicing for securitisations	103,176	91,232	-	-	**194,408**
REO services	-	10,691	31,603	(4,960)	**37,334**
Total revenue	**129,354**	**226,045**	**82,954**	**(16,843)**	**421,510**

(€/000)

Year 2022	Italy	Hellenic Region	Iberia	Infrasector	Group
Servicing services	32,735	152,067	68,670	(10,024)	**243,448**
Servicing for securitisations	122,092	79,524	-	-	**201,616**
REO services	-	17,803	59,124	(6,057)	**70,870**
Total revenue	**154,827**	**249,394**	**127,794**	**(16,081)**	**515,934**

NOTE 21 – OTHER REVENUES

(€/000)

	12/31/2023	12/31/2022
Administrative Servicing/Corporate Services Provider	21,491	18,274
Information services	7,282	4,647
Recovery of expenses	2,072	2,088
Due diligence & Advisory	2,390	3,146
Ancillary REO services	647	11,611
Other revenues	26,313	4,080
Total	**60,195**	**43,846**

The item records a positive variation of 37% compared to 2022 and originates from the **other revenues** component, which includes proceeds from ancillary services provided to SPV clients in the Hellenic Region, as well as increased revenue from **administrative Servicing/Corporate Services Provider** services primarily provided by the Parent Company doValue and from **information services**. These increased revenues were primarily offset by lower revenues related to **ancillary REO services**, which in the comparative period mainly included revenues from the Sareb portfolio, terminated in the latter part of 2022.

NOTE 22 – COSTS FOR SERVICES RENDERED

(€/000)	12/31/2023	12/31/2022
Costs related to Assets Under Management	(14,731)	(25,014)
Brokerage fees	(9,832)	(19,211)
Costs for services	(430)	(1,491)
Total	**(24,993)**	**(45,716)**

The item, which includes the fees of the recovery network, was almost halved compared to the previous year (-45%) following the decrease in the portfolios managed in Iberia and in Italy which also generated the reduction in revenues as reported above.
The remuneration mechanism of the external network, directly related to revenues, combined with the flexibility of the collaboration agreements, allows the Group to reduce these direct costs to protect its margins in cyclical phases of business slowdown.

NOTE 23 – PERSONNEL EXPENSES

(€/000)	12/31/2023	12/31/2022
Payroll employees	(208,208)	(219,639)
Members of Board of Directors and Board of Statutory Auditors	3,541	(6,995)
Other personnel	(8,430)	(4,515)
Total	**(213,097)**	**(231,149)**

Average number of employees by category

	12/31/2023	12/31/2022
Payroll employees	**2,880**	**3,048**
a) Executives	107	129
b) Managers	920	942
c) Other employees	1,853	1,977
Other staff	**306**	**180**
Total	**3,186**	**3,228**

The item shows an overall reduction of 8% compared to December 31, 2022: in detail, there is a reduction of 5% in the "payroll employees", while the "members of the Board of Directors and Statutory Auditors" component shows a positive amount due to the effect the release of provisions for deferred variable compensation in favor of the former Chief Executive Officer, who resigned on April 27, 2023. The residual component "other employees", which mainly includes temporary agency work, instead recorded a significant increase, mainly in Spain and Greece.

In line with the objectives of the 2022-2024 Industrial Plan, personnel expenses include charges related to early retirement incentives totaling €14,1 million, of which €6.8 million only in Iberia following the restructuring program already started in 2022.
Regarding the breakdown of the cost for employee benefits included in this item, please refer to Note 14 – Employee benefits.

NOTE 24 – ADMINISTRATIVE EXPENSES

(€/000)

	12/31/2023	12/31/2022
External consultants	(23,828)	(32,779)
Information Technology	(31,944)	(38,569)
Administrative and logistical services	(12,844)	(8,724)
Building maintenance and security	(2,584)	(2,571)
Insurance	(2,165)	(1,971)
Indirect taxes and duties	(2,147)	(2,275)
Postal services, office supplies	(467)	(963)
Indirect personnel expenses	(2,005)	(3,206)
Debt collection	(5,242)	(356)
Utilities	(2,479)	(2,603)
Advertising and marketing	(4,257)	(4,897)
Other expenses	(699)	(1,498)
Total	**(90,661)**	**(100,412)**

The item as a whole showed a reduction of 10% compared to the previous year. Such trend is primarily driven by lower costs for external consulting, IT services related to technological developments, and indirect personnel expenses, which are offset by higher costs for administrative and logistical services and for credit recovery.

NOTE 25 – OTHER OPERATING (EXPENSE)/INCOME

(€/000)

	12/31/2023	12/31/2022
Government grants	647	514
Reductions in assets	(379)	(33)
Other expenses	(139)	(704)
Other income	4,960	4,293
Total	**5,089**	**4,070**

The item, amounting to €5.1 million compared to €4.1 million in 2022, incudes primarily the effect of an income related to a settlement agreement with a client in Spain, as well as proceeds recorded within the national perimeter, related to assets under management. In 2022, the item was primarily characterized by proceeds related to an insurance indemnity of €4.1 million.

NOTE 26 – DEPRECIATION, AMORTISATION AND IMPAIRMENT

(€/000)

	12/31/2023	12/31/2022
Intangible assets	**(74,965)**	**(54,903)**
Amortisation	(48,854)	(53,559)
Impairment	(26,111)	(1,344)
o.w. Impairment on goodwill	*(12,530)*	-
Property, plant and equipment	**(17,279)**	**(16,626)**
Amortisation	(17,279)	(16,626)
Financial assets measured at amortised cost	**(235)**	**47**
Write-downs	(252)	-
Write-backs	17	47
Trade receivables	**525**	**329**
Write-downs	(37)	(680)
Write-backs	562	1,009
Other assets	**(788)**	**-**
Write-downs	(1,050)	-
Write-backs	262	-
Total	**(92,742)**	**(71,153)**

The item shows a 30% increase compared to the previous year.
Specifically, the **intangible assets** component includes impairment losses amounting to €26.1 million compared to €1.3 million in the previous year, in addition to the portion of amortizations reflecting the amortization curves on long-term contracts based on their respective business plans. The impairment losses recorded in the year mainly result from the outcomes of the impairment test. Evidence of impairment of servicing contracts has emerged in the aforementioned analysis, totalling €13.4 million related to the Santander contract of doValue Spain and €12.5 million related to the CGU "Iberia." For further details, please refer to Note 1 - Intangible Assets.

The **property, plant, and equipment** category includes the effects of IFRS 16 for lease right-of-use asset amortizations, which amount to €14.3 million for 2023 compared to €13.1 million as of December 31, 2022.
The component related to **other assets** includes impairment adjustments of €1.1 million related to the estimation of recoverable value of advances paid for businesses being disposed of in the Iberian Region.

NOTE 27 – PROVISIONS FOR RISKS AND CHARGES

(€/000)	12/31/2023			12/31/2022		
	Provisions	Reallocations	Total	Provisions	Reallocations	Total
Legal disputes	(4,053)	752	**(3,301)**	(2,662)	2,344	**(318)**
o.w. Employee disputes	*(274)*	*48*	***(226)***	*(27)*	*160*	***133***
Out-of-court disputes and other risk provisions	(2,329)	3,341	**1,012**	(6,071)	1,940	**(4,131)**
Provisions on other commitments and other guarantees issued	-	-	**-**	-	3	**3**
Total	**(6,382)**	**4,093**	**(2,289)**	**(8,733)**	**4,287**	**(4,446)**

The item, whose net balance reflects a decrease of €2.2 million compared to 2022, consists of operational changes in provisions for legal disputes, out-of-court settlements, and other risk provisions, set aside to fulfil legal and contractual obligations that are anticipated to require the use of economic resources in subsequent fiscal years.

As at December 31, 2023, the item showed a negative balance of €2.3 million (-€4.4 million as at December 31, 2022), due to the combined effect of the releases for provisions of previous years that are no longer needed and prudential provisions relating to both legal disputes and operational risks and other charges.

In particular, the 2023 provisions for out-of-court disputes and other risk provisions mainly refer to:
- risks related to ongoing arbitrations and out-of court disputes amounting to €0.5 million;
- operational risks of €0.4 million;
- sundry risks mainly related to disputes with customers of servicing contracts of €0.4 million;
- subordination fees linked to the performance of some servicing contracts for €0.8 million.

The reallocations (€3.3 million) mainly arise as a result of the release of previous provisions that faced possible risks that no longer exist in the absence of legal actions, including that deriving from a settlement agreement with a customer in Spain.

NOTE 28 – FINANCIAL (EXPENSE)/INCOME

(€/000)

	12/31/2023	12/31/2022
Financial income	**4,616**	**1,955**
Income from financial assets measured at fair value through P&L	1,290	1,507
Income from financial assets measured at amortised cost	1,767	420
Income from financial liabilities measured at amortised cost	454	-
Other financial income	1,105	28
Financial expense	**(38,914)**	**(29,192)**
Expense from financial liabilities measured at amortised cost	(26,853)	(27,146)
Other financial expenses	(12,061)	(2,046)
Net change of other financial assets and liabilities measured at fair value through P&L	**(2,832)**	**(22,520)**
Financial assets - o.w.: debt securities	(1,642)	(550)
Financial assets - o.w.: units in collective investment undertakings	(891)	(652)
Financial assets - o.w.: non-hedging derivatives	(299)	287
Financial liabilities	-	(21,605)
Total	**(37,130)**	**(49,757)**

Financial income amounted to €4.6 million and was mainly due to income from the ABS securities (€1.3 million), from interest income on term deposits (€1.8 million), from income (€0.5 million) realized from the partial repurchase by the Parent Company of its own debt securities, at a lower market value than the issue value (for further details, see Note 12) and lastly, in the category of "other financial income", the release of a provision for impairment (€1.1 million) set aside for a credit collected during the fiscal year and owed to the Revenue Agency for interest on tax credits from previous years.

Financial expense (€26.9 million) includes interest expense accrued on outstanding 2020 and 2021 bonds, while the component of "other financial expenses" mainly includes mainly the portion of interest calculated in accordance with IFRS 16 (€1.3 million), €5.3 million for the time value accrued on the Earn-out of the doValue Greece acquisition, as well as €3.3 million million in interest expense for late payment related to the arbitration with Altamira Asset Management Holdings S.L. and connected to the Earn-out for the acquisition of doValue Spain.

The **net change of other financial assets and liabilities measured at fair value through P&L** for a total amount of €2.8 million, is attributable to the fair value delta relating to the notes in the portfolio.

NOTE 29 – INCOME TAX EXPENSE

Every country in which the doValue Group operates has an independent tax system in which the determination of the tax base, the level of the tax rates, the nature, the type and the timing of the formal obligations differ from one another.
Currently, as regards tax rates for 2023 and with reference to the countries in which the Group operates, the income tax of the companies is established at a nominal rate of 25% in Spain, 21% in Portugal (to which a "Municipal Surtax" of 1.5% is added and an additional "State surtax" of 3%, 5% or 9% depending on the disposable income bracket), 22% in Greece and 12.5% in Cyprus.
In Italy, the standard corporate income tax rate (IRES) is 24%, to which a surcharge of 3.5% is added, applicable exclusively to banks and financial institutions (Italian 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, 2023, 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 extension of the tax base also to financial charges and income and the application of the rate envisaged for banks of 5.57% unless otherwise provided by the individual regions.

(€/000)

	12/31/2023	12/31/2022
Current tax	(25,175)	(25,975)
Adjustment to current tax of prior years	(1,999)	(1,287)
(Expense)/income related to tax disputes	1,751	-
Changes to deferred tax assets	(23,248)	(10,827)
Changes to deferred tax liabilities	8,380	3,347
Total	**(40,291)**	**(34,742)**

Income tax for the year amounted to €40.3 million on an accrual basis, up from €34.7 million as at December 31, 2022, mainly due to a negative impact of changes in deferred tax assets partially offset by deferred tax liabilities.

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

(€/000)

	12/31/2023	12/31/2022
Defined benefit plans	(31)	(137)
Total	**(31)**	**(137)**

The reconciliation between the tax charge recognised in the consolidated financial statements and the theoretical tax charge, determined on the basis of the theoretical rates in force in Italy, is also shown below:

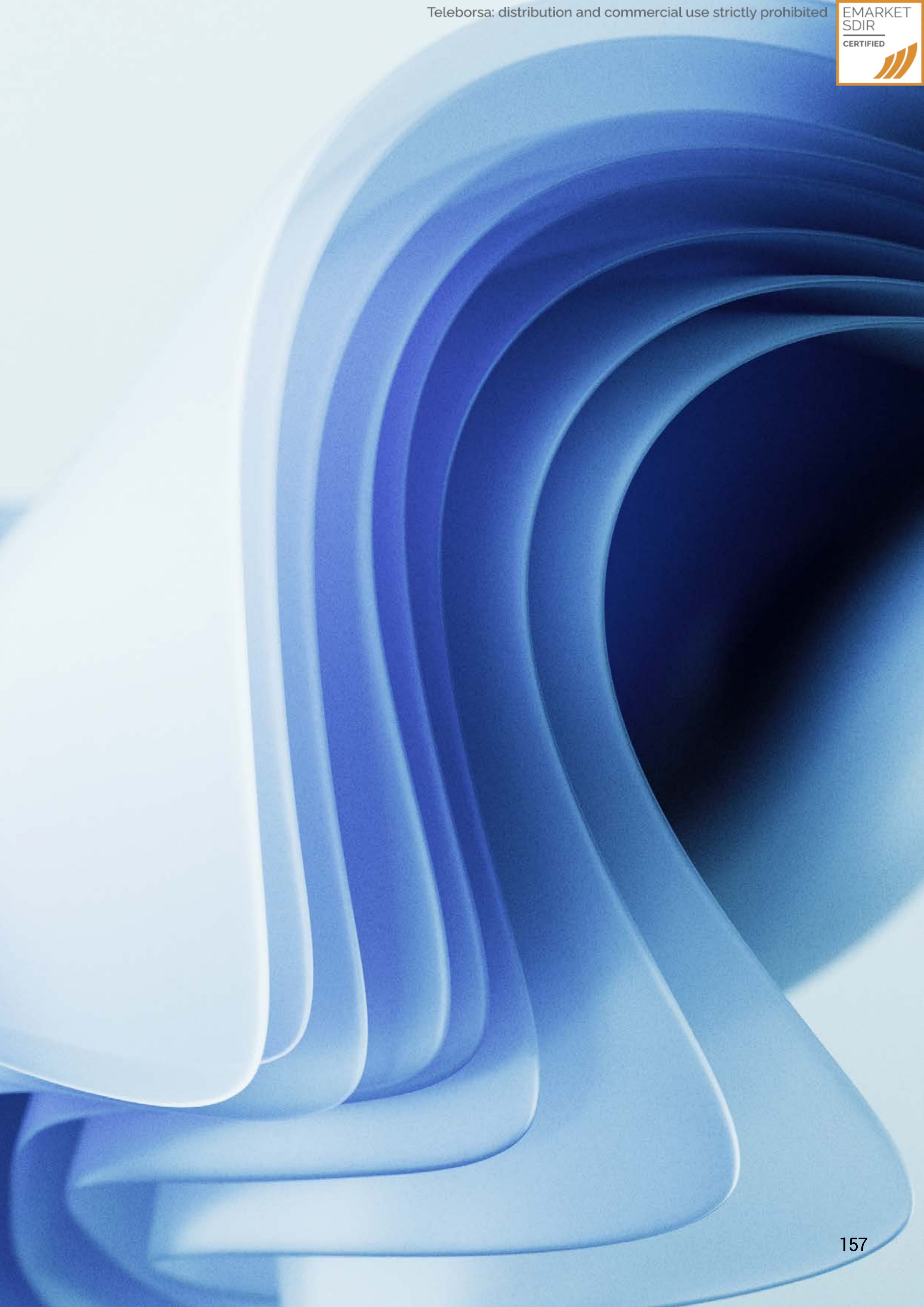
(€/000)	12/31/2023	12/31/2022
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**26,650**	**61,217**
Theoretical tax rate	**24%**	**24%**
Theoretical computed taxes on income	**(6,396)**	**(14,692)**
- Different tax rates from the theoretical	3,553	4,195
- Non-taxable income - permanent differences	1,475	910
- Non-deductible expenses - permanent differences	(11,295)	(12,341)
- IRAP (regional business tax)	(461)	(1,026)
- Prior years and changes in tax rates	13	(1,562)
- Valuation adjustments and non-recognition of deferred tax assets/liabilities	(28,695)	(10,473)
- Other differences	1,515	247
Income tax recognised in income statement	**(40,291)**	**(34,742)**

The reconciliation between theoretical and actual tax expense highlights how taxes recorded in the fiscal year are primarily affected by the component "valuation adjustments and non-recognition of deferred tax assets/liabilities" which includes €17.8 million in impairment of DTA due to subsequent unrecoverability, in addition to €10.9 million of unrecorded DTA of the year (see also Note 4 for further details).

NOTE 30 – EARNINGS PER SHARE

(€/000)	12/31/2023	12/31/2022
Profit (loss) for the period attributable to the Shareholders of the Parent Company [A]	**(17,830)**	**16,502**
Weighted average number of shares outstanding for the purposes of calculation of profit (loss) per share		
basic [B]	79,033,812	79,091,053
diluted [C]	79,033,812	79,091,053
Earnings (loss) per share (in euro)		
basic [A/B]	(0.23)	0.21
diluted [A/C]	(0.23)	0.21

The basic earnings per share are calculated by comparing the economic result attributable to holders of ordinary equity instruments of the Parent Company doValue to the weighted average number of shares outstanding, net of treasury shares.
Diluted earnings per share are equal to the basic earnings as there are no other categories of shares other than ordinary shares and there are no instruments convertible into shares.



5 INFORMATION ON RISKS AND RISK MANAGEMENT POLICIES

INTRODUCTION

The doValue Group, in line with the regulations that apply to it and applicable best practices, has an Internal Control System that is composed of instruments, organisational structures, company rules and regulations targeted at allowing, through an adequate process of company risk identification, measurement, management and monitoring, a sound, correct company management consistent with the pre-established performance targets and protection of company assets as a whole.
The Group Internal Control System is based on control bodies and departments, information flows and mechanisms to involve the applicable parties and Group governance mechanisms. More specifically, the Group has structured its internal control organisational model by aiming to ensure integration and coordination between the actors within the Internal Control System, in compliance with the principles of integration, proportionality and cost-effectiveness, as well as ensuring reliability, accuracy, trustworthiness and timeliness of financial information.

Financial risks

CREDIT RISK

Credit risk is the risk that a counterparty will not fulfil its obligations linked to a financial instrument or a commercial contract, therefore leading to a financial loss. This risk mainly derives from economic and financial factors, or from the possibility of a default situation of a counterparty.
The Group is exposed to credit risk deriving mainly from its operating activities, i.e. from trade receivables and, to a lesser extent, from its financing activities, deposits with leading banks and financial institutions and other financial instruments, as well as reduced non-performing positions owned.
Trade receivables, which are at very short term and are settled with payment of the related invoice, are essentially attributable to servicing contracts under which the Group companies accrue receivables in respect of their counterparties, who may default due to insolvency, economic events, liquidity shortages, operational deficiencies or other reasons.
In order to limit this risk, the Group monitors the positions of individual customers, analyses expected and actual cash flows in order to promptly undertake any recovery actions.
Pursuant to IFRS 9, at each reporting date, these receivables are subject to an assessment aimed at verifying whether there is evidence that the carrying amount of the assets cannot be fully recovered.
As at December 31, 2023, the main trade counterparties were represented by banks and important Investors with high credit standing and Vehicle Companies established pursuant to the provisions of Italian Law 130/1999.
For a quantitative analysis, please see the Note on trade receivables.
With regard to individual non-performing positions, which concern a marginal number of positions acquired over time, the procedures and tools supporting the activity of the workout units always enable position managers to prepare accurate forecasts of the amounts and timing of expected recoveries on the individual relationships in accordance with the state of progress in the recovery management process. These analytical evaluations take account of all the elements objectively connected with the counterparty and are in any case conducted by the position managers in compliance with the principle of sound and prudent management.

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

LIQUIDITY RISK

The liquidity risk is manifested as the inability to raise, an economically sustainable manner, the financial resources necessary for the Group's operations.
The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities and, on the other, the expiry and renewal characteristics of the debt or liquidity of financial investments and market conditions.
The Group has adopted a series of policies and processes to optimise the management of financial resources, thereby reducing liquidity risk.
The Parent Company doValue identifies and monitors liquidity risk on a current and forward-looking basis. In particular, the prospective assessment takes account of probable developments in the cash flows connected with the Group's business.
One of the main instruments for mitigating liquidity risk is the holding of reserves of liquid assets and revolving credit lines. The liquidity buffer represents the amount of liquid assets held by the Group and readily usable under stress conditions and deemed appropriate in relation to the risk tolerance threshold specified.
In order to ensure efficient liquidity management, treasury activities are largely centralised at the Holding level, with liquidity needs being met primarily from cash flows generated by the ordinary course of business and any surpluses being managed appropriately.
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.

Regarding the outstanding bond loans, one maturing in August 2025 and the other in mid-2026, the Group has initiated appropriate activities for the repayment of the bond maturing in August 2025, assessing the best available options, including the issuance of a new five-year bond or the utilization of cash alongside a medium to long-term bank financing. The maturity in 2026 will be addressed, as per usual, with one year in advance in the second quarter of 2025.

(€/000)

	On demand	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	12/31/2023	12/31/2022
Loans and other financing	**-**	**9,768**	**25,402**	**552,860**	**-**	**588,030**	**568,503**
Bank loans	-	105	25,402	-	-	25,507	126
Bank overdraft	-	-	-	-	-	-	37
Due to other lenders	-	-	-	-	-	-	4,380
Bonds	-	9,663	-	552,860	-	562,523	563,960
Other financial liabilities	**-**	**2,410**	**43,830**	**37,200**	**13,100**	**96,540**	**116,481**
Lease liabilities	-	2,037	9,668	26,878	2,916	41,499	49,938
Earn-out	-	-	34,162	10,322	10,184	54,668	44,649
Put option on non-controlling interests	-	-	-	-	-	-	21,894
Others	-	373	-	-	-	373	-
Trade payables	**14,430**	**53,595**	**17,358**	**-**	**-**	**85,383**	**70,381**
Other current liabilities	**8,039**	**35,217**	**16,650**	**8,439**	**648**	**68,993**	**75,754**
Total	**22,469**	**100,990**	**103,240**	**598,499**	**13,748**	**838,946**	**831,119**

MARKET RISK - INTEREST RATE RISK

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

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

The Group's financial structure has benefited from relatively low interest rates over the past 4-5 years, thanks to the fixed-rate bond issuances in 2020 and 2021, minimizing exposure to interest rate fluctuations. However, given the upcoming maturity of the 2025 bond loan, which will be refinanced during 2024, the Group's financial structure will be impacted in the short term by the prevailing interest rate conditions under which the instruments refinancing the 2025 and 2026 maturities will be issued.

ASSETS ALLOCATED FOR A SPECIFIC BUSINESS ACTIVITY

"Vitruvian" asset allocated for a specific business activity

On January 9, 2023, the contract to assign the loans was finalised with the investor investor Vitruvian Investments SA and therefore, as at December 31, 2023, there are no longer values representing the assets in question, which originated in 2021 against the collection by the subsidiary doNext of funds deriving from a passive loan contract allocated for a specific business activity and governed by articles 2447 - bis, paragraph 1 lett. B and 2447 - decies of the Italian civil code.

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 the following risks identified as part of the Group's activity and business:

- transactional and process risks that include:
  - the risks related to day-to-day operations borne by asset managers (e.g. timeliness of file allocation, requirements, mortgage guarantees);
  - the handling of complaints from debtors and/or other third parties;
  - the calculation of potential losses related to specific events ("risk events");
- the risk of conduct, with a special reference to whistle-blowing events and violations of the corporate code of ethics;
- external fraud;
- IT risk, to be understood as the unavailability of software applications in use, vulnerabilities in software applications and security incidents in the computer network;
- the concentration and performance risk of third-party suppliers used by the various Group companies, with a special reference to outsourcing services.

The objective of monitoring these risks is to mitigate their potential impact and/or probability from a cost/benefit perspective in line with the defined Risk Appetite.

The doValue Group adopts a set of controls, principles and rules to manage operational risk. In terms of organisation, the Enterprise Risk Management Function (hereinafter "ERM") was established in July 2022, whose mission is to ensure integrated risk management throughout the Group, acting as a facilitator of business growth and development by identifying, measuring and managing potential risks that may affect the Group.

ERM's main organisational responsibilities are:

- ensuring a Risk-Informed approach, i.e. providing information to doValue's Management and Board of Directors in order to support the decision-making process, based not only on expected performance but also on the underlying risk profile;
- guaranteeing integrated monitoring of potentially applicable risk categories at Group level, in line with the model of second-level controls;
- defining a common framework within the Group for identifying, assessing, measuring and monitoring risks, linking strategies, policies, processes and operating mechanisms and receiving information flows from local "Risk Management" functions and other functions where necessary;
- ensuring Group-wide monitoring, analysis and reporting on the evolution of risks, their mitigation actions, the overall risk profile and compliance with identified risk tolerance thresholds;
- supporting the monitoring of provisions for risks and charges in the Consolidated Financial Statements in cooperation with Group Finance.

In order to monitor and manage the Group's risks, a system of information flows has been implemented between the Group functions and local Risk Management on the different types of operational risk, which are summarised in a "Tableau de Bord" (TdB) to provide an overview of the risks monitored at Group level.

This TdB, which is shared quarterly with the Chief Executive Officer and the Committees and interimly with the doValue Board of Directors, includes in particular a set of Key Risk Indicators (KRIs), prepared monthly and/or quarterly, considering local peculiarities and existing regulations.

LEGAL AND TAX RISKS

Risks connected with litigations

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

The associated risks are assessed periodically in order to quantify a specific allocation to the "Provision for risks and charges" on the basis of the information that becomes available.

Risks connected with tax disputes

Regarding the events following the agreement reached with the Tax Authority in 2021 by the subsidiary doValue Spain Servicing S.A. (hereinafter "doValue Spain"), on May 11, 2023, the International Court of Arbitration of the International Chamber of Commerce issued the arbitral award condemning Altamira Asset Management Holdings S.L. (hereinafter "AAMH") to repay approximately €28 million, plus legal interest, in favor of the doValue Group. Similarly, doValue S.p.A. (hereinafter "doValue") is required to make the Earn-out payment, inclusive of passive interests. The amounts related to the Spanish tax claim were paid in 2021 by doValue Spain to the Spanish Tax Authority in the context of the inspection launched in connection to facts and events occurred prior to the acquisition performed by doValue which took place in 2019. In response to this arbitral award, AAMH has initiated legal action, before the competent Spanish courts, seeking the partial annulment of the arbitral award concerning its obligation to pay the tax claim imposed under the arbitral award still pending to date. The judgment of the High Court of Justice of Madrid on the annulment action brought by AAMH should be announced no later than the beginning of May 2024. Regarding the enforcement action initiated by the Parent Company doValue and its subsidiary doValue Spain in July 2023 to enforce and collect the sums due from AAMH, on December 21, 2023, the competent Court in Madrid issued an enforcement order, condemning AAMH to pay the amount specified in the arbitral award, leading to the seizure of all assets owned by AAMH. Regarding such executive procedure, AAMH has filed an opposition. On February 26, 2024, the competent Court in Madrid rejected the opposition filed by AAMH against the enforcement procedure that sentenced it to pay the amount stipulated in the arbitral award, resulting in the seizure of all assets. AAMH had the option to appeal against the order dismissing the opposition within 20 working days. This appeal does not suspend the execution process unless AAMH provides security for the entire amount owed (tax debt, interest, and potential damages).

On January 16, 2024, doValue deposited approximately €22 million with the competent Court, in execution of its own motion (i.e., the seizure of the Earn-out credit that AAMH holds against doValue pursuant to the arbitral award). Regarding these sums, attributable to the aforementioned Earn Out, the Court has consented to their use to satisfy a portion of the credit that doValue Spain holds against AAMH. The Court is currently processing the case file. A decision on the request for release to doValue Spain of these funds deposited judicially within the framework of the enforcement procedure is expected by the end of March 2024 or during April 2024. In light of the above, the Group holds a contingent asset and expects to realize an amount of at least approximately €22 million. Such collection is deemed highly probable, also considering that in order to suspend the enforcement, AAMH would have to resort to escrowing the entire amount due in favor of the doValue Group pursuant to the arbitral award. This latter possibility is considered remote.

Additionally, concerning the formal closure of the tax audit that the Parent Company has received by the Italian Tax Authority concerning the fiscal years 2015, 2016 and 2017, prior to the listing, at the end of April 2023, a tax assessment was received in connection with the 2016 finding and for which it filed a tax settlement proposal to activate the adequate protection measures and demonstrate, supported by a pool of professionals, the reasons for the correctness of the own conduct. Following the inability to reach a settlement agreement, which was pursued to achieve an out-of-court agreement quickly and with minimal expenditure considering the correctness of its position, on December 16, 2023, the settlement procedure was formally closed, and a judicial appeal was filed.
On December 19, 2023, the Group also received a tax assessment for the 2017 fiscal year; the Parent Company filed a tax settlement proposal on February 16, 2024, to demonstrate the correctness of its actions based on a multitude of well-founded elements from a legal tax perspective.

Considering the above for both assessments, the Parent Company deems the risk of liability possible and has also deemed it appropriate to release the provision that has been recorded in the financial statements starting from the Consolidated Half-Year Report at June 30, 2023, net of legal expenses.

Capital management

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

(€/000)	12/31/2023	12/31/2022
Loans and other financing (Note 12)	588,030	568,503
Other financial liabilities (Note 13)	96,540	116,481
Trade payables (Note 16)	85,383	70,381
Other liabilities (Note 17)	68,992	75,754
Less: cash and cash equivalents (Note 9)	(112,376)	(134,264)
Net debt (A)	**726,569**	**696,855**
Equity	53,031	136,559
Equity and net debt (B)	**779,600**	**833,414**
Gearing ratio (A/B)	**93%**	**84%**

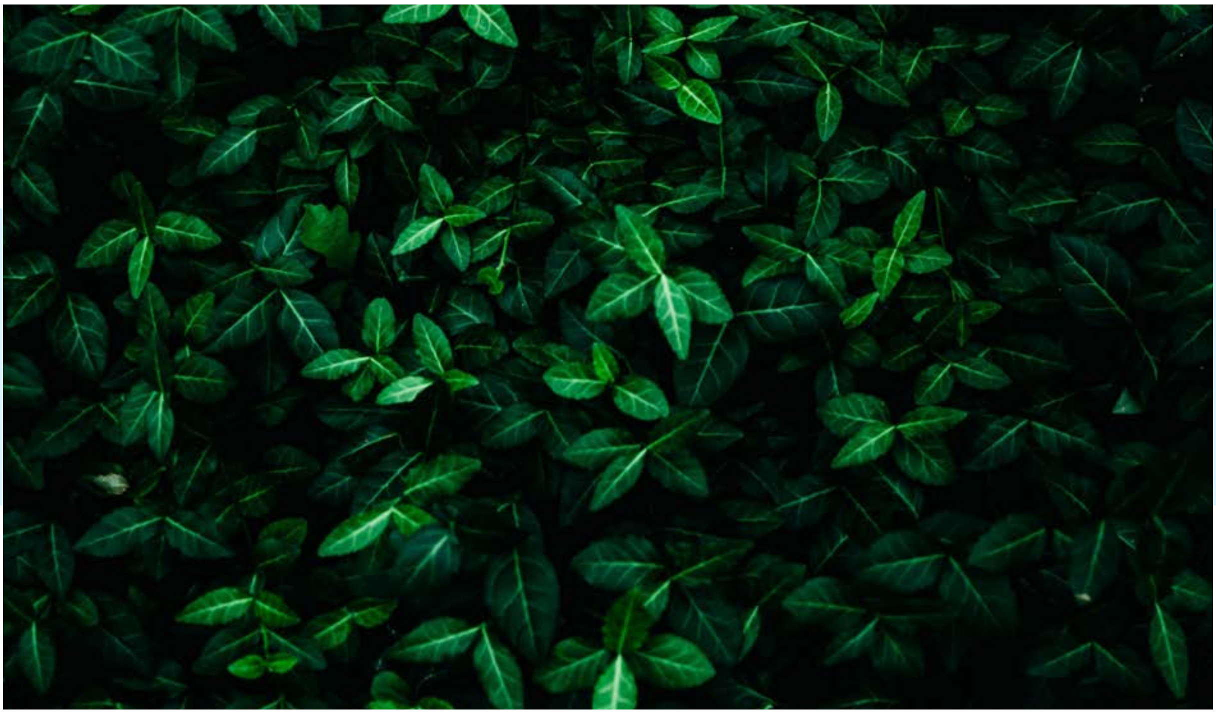
The table below reconciles the **net debt** figure shown in the previous table with the **net financial** indebtedness presented in Note 13 of the "Information on the consolidated balance sheet" section.

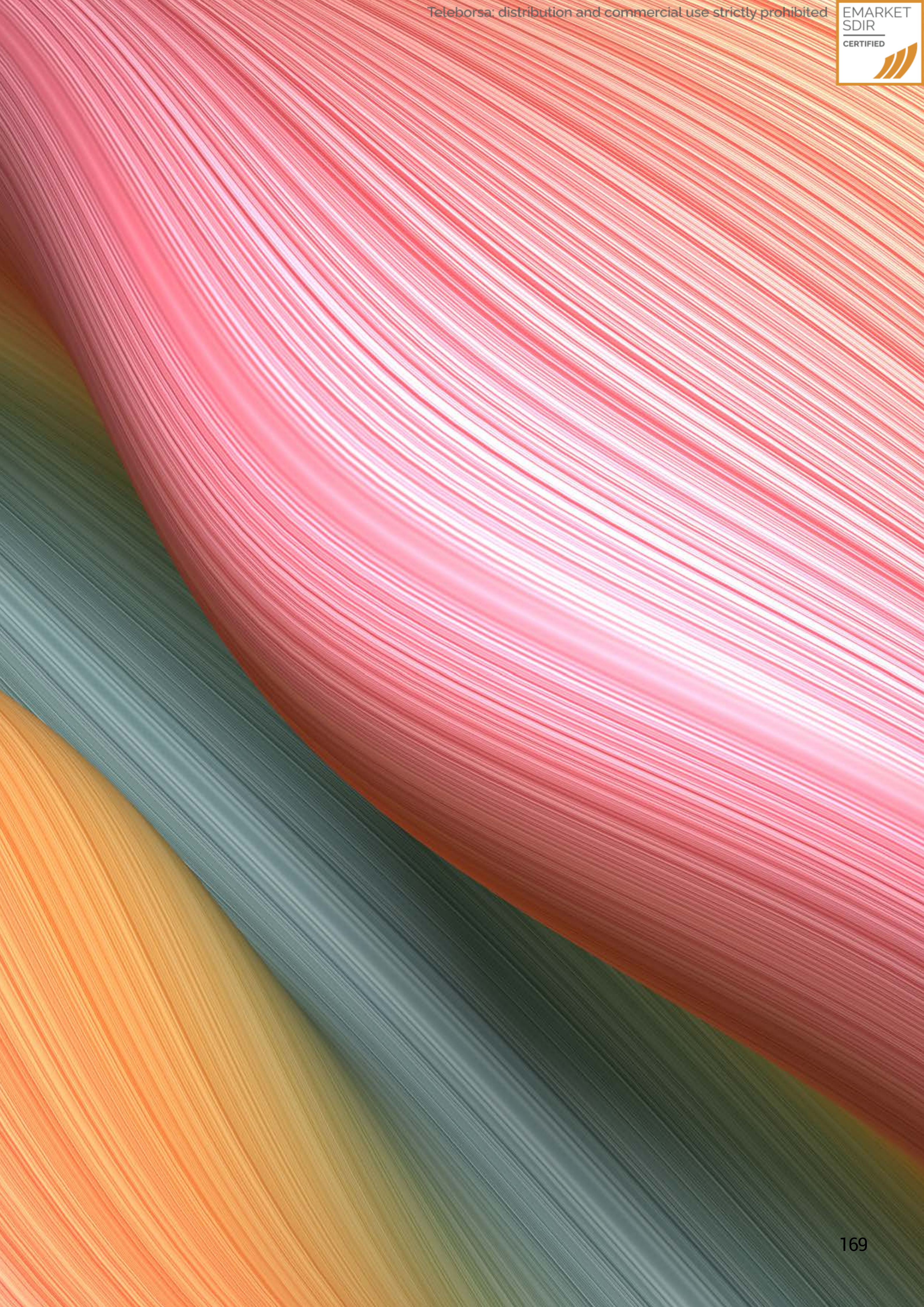
(€/000)	12/31/2023	12/31/2022
Net financial indebtness (Note 13)	**572,194**	**546,340**
Trade payables (Note 16)	85,383	70,381
Other liabilities (Note 17)	68,992	75,754
Current financial assets (Note 3)	-	4,380
Net debt (A)	**726,569**	**696,855**

Commitments and guarantees provided

As at December 31, 2023, there were commitments totalling €1.1 million relating to units in collective investment undertakings (CIUs) to be subscribed for the restricted closed-end alternative securities investment fund denominated Italian Recovery Fund (formerly Atlante II) (see also Note 3).

The guarantees issued as at December 31, 2023, amounted to €0.9 million and are related to rented operating properties.





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 organised into business units based on the geographical areas of the southern European region in which it operates following the corporate acquisitions in Europe (doValue Spain at the end of June 2019 and doValue Greece in June 2020), 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 investee companies of the doValue Spain based in Cyprus;
- **Iberia:** includes companies based in Spain and Portugal, namely doValue Spain with the subsidiaries Adsolum and Team4, as well as doValue Portugal with the subsidiary Zarco.

(€/000)

Year 2023	Italy	Hellenic Region	Iberia	Infrasector	Group
Revenue from contracts with customers	129,354	226,045	82,954	(16,843)	**421,510**
Other revenues	36,753	25,112	3,442	(5,112)	**60,195**
Total revenue	**166,107**	**251,157**	**86,396**	**(21,955)**	**481,705**
Costs for services rendered	(6,635)	(9,131)	(9,228)	1	**(24,993)**
Personnel expenses	(85,408)	(78,837)	(50,793)	1,941	**(213,097)**
Administrative expenses	(52,270)	(21,221)	(22,324)	5,154	**(90,661)**
Other operating (expense)/income	2,306	2	2,198	583	**5,089**
Depreciation, amortisation and impairment	(14,483)	(36,629)	(33,916)	(7,714)	**(92,742)**
Provisions for risks and charges	(1,805)	(1,371)	887	-	**(2,289)**
Total costs	**(158,295)**	**(147,187)**	**(113,176)**	**(35)**	**(418,693)**
Operating income	**7,812**	**103,970**	**(26,780)**	**(21,990)**	**63,012**
Financial (expense)/income	(22,000)	(4,287)	(7,113)	(3,730)	**(37,130)**
Profit (loss) of equity	-	-	768	-	**768**
Dividends and ordinary similar income	21,299	-	5,876	(27,175)	**-**
Profit (loss) before tax	**7,111**	**99,683**	**(27,249)**	**(52,895)**	**26,650**
Income tax expense	(7,685)	(22,610)	(12,992)	2,996	**(40,291)**
Net Profit (loss) from continuing operations	**(574)**	**77,073**	**(40,241)**	**(49,899)**	**(13,641)**
Net profit (loss) for the period	**(574)**	**77,073**	**(40,241)**	**(49,899)**	**(13,641)**
Total assets	**(850,657)**	**(512,243)**	**(156,087)**	**487,423**	**(1,031,564)**
of which: Intangible assets	(18,834)	(299,331)	(66,956)	(88,663)	**(473,784)**
of which: Property, plant and equipment	(13,661)	(22,561)	(12,455)	-	**(48,677)**
of which: Other non-current assets	(314)	(2,024)	(1,378)	-	**(3,716)**
Total liabilities	**708,042**	**223,319**	**199,890**	**(204,378)**	**926,873**

Intra-sectoral revenues are derecognised at the consolidated level and are reflected in the "Intrasector" column.

7

BUSINESS COMBINATIONS

BUSINESS COMBINATIONS COMPLETED IN THE YEAR

This section provides detailed information on business combinations involving companies or business units undertaken with counterparties outside the Group, which are accounted for using the purchase method as provided for under IFRS 3 "Business combinations".

Where applicable, qualitative information is also provided on business combinations involving companies or business units already controlled directly or indirectly by doValue, as part of the Group's internal reorganisations are also reported here. These transactions, which do not have economic substance, are accounted for in the financial statements of the seller and the buyer on a predecessor value basis.

External business combinations

On December 29, 2023, the subsidiary doValue Spain signed the complete acquisition of Team 4 Collection & Consulting S.L.U. (hereinafter also referred to as "Team4"), a subsidiary of the Arvato Group (Bertelsmann), aiming to expand its operations in the management of small unsecured loans. The provisional fair value of the identifiable assets and liabilities of Team4 as of the acquisition date is presented below.

(€/000)	Fair value recognised in acquisition
Non-current assets	
Intangible assets	112
Property, plant and equipment	113
Other non-current assets	366
Total non-current assets	**591**
Current assets	
Trade receivables	1,793
Other current assets	107
Cash and cash equivalents	524
Total current assets	**2,424**
Total assets	**3,015**
Non-current liabilities	
Other non-current financial liabilities	10
Total non-current liabilities	**10**
Current liabilities	
Other current financial liabilities	43
Trade payables	307
Other current liabilities	1,514
Total current liabilities	**1,864**
Total liabilities	**1,874**
Total net identifiable assets at fair value	**1,141**
Goodwill/(Bargain) arising from acquisition	**(768)**
Purchase consideration	**373**

The fair value assessment of the identified assets and liabilities was conducted using the acquisition method ("Purchase Price Allocation"), and the resulting figures cannot yet be considered final; therefore, they may need subsequent adjustments, along with a corresponding adjustment of the bargain, within one year from the transaction, in accordance with IFRS 3.

The allocation of the difference between the consideration for the acquisition and the net book value of the assets and liabilities was performed by recognizing these assets and liabilities at their fair value as of December 31, 2023, considering the proximity of the transaction's closing and the fact that no significant events altering the fair value of the subsidiary's assets and liabilities were observed in this short timeframe. Therefore, Team4 contributes to the doValue Group's consolidated financial statements as of December 31, 2023, only with the balance sheet values.

During the purchase price allocation, no fair value adjustments of the identified assets and liabilities were identified; hence, the bargain, albeit provisional, amounts to €768 thousand.

The net cash flows of the transaction are presented below:

(€/000)

Breakdown of acquisition cash flows	
Net liquidity acquired with the subsidiary	524
Purchase consideration paid	(373)
Net acquisition cash flows	**151**

BUSINESS COMBINATIONS COMPLETED AFTER THE END OF THE YEAR

The doValue Group did not carry out any internal or external business combinations after December 31, 2023.

RETROSPECTIVE ADJUSTMENTS

As at December 31, 2023, there were no retrospective adjustments relating to previous business combinations.

8

RELATED-PARTY TRANSACTIONS

INTRODUCTION

The provisions of IAS 24 apply for the purposes of disclosures on related parties. That standard defines the concept of related party and identifies the relationship between the related party and the entity preparing the financial statements.

Pursuant to IAS 24, related parties are classified into the following categories:

- the Parent Company;
- the companies that jointly control or exercise significant influence over the company;
- the subsidiaries;
- the associates;
- the joint ventures;
- key management personnel;
- close family members of key management personnel and subsidiaries, including jointly, by key management personnel or their close family;
- other related parties.

In compliance with Consob Resolution no. 17221 of March 12, 2010, as amended, doValue has adopted the "Policy for the management of transactions with related parties and transactions conducted in situations of conflict of interest of the doValue Group", published on the corporate website of doValue (www.doValue.it), which defines the principles and rules for managing the risk associated with situations of possible conflict of interest engendered by the proximity of certain parties to decision-making centres.

To manage transactions with related parties, doValue established a Risks and Related Party Transactions Committee - composed of a minimum of 3 (three) and a maximum of 5 (five) members chosen from the non-executive members of the Board of Directors, and with the majority meeting independence requirements - charged with the task of issuing reasoned opinions to the Board of Directors regarding transactions with related parties in the cases governed by the procedure.

INFORMATION ON REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information on the remuneration of key management personnel for the year 2023 is provided below. The definition of key management personnel, according to IAS 24, includes those who have the power and responsibility, directly or indirectly, for planning, managing and controlling the Company's activities. This category includes the members of the Board of Directors, including the Chief Executive Officer, the Statutory Auditors of the Parent Company and of all the subsidiaries, as well as the other executives with strategic responsibilities identified in the "Relevant Personnel" scope.

(€/000)

Remuneration breakdown	12/31/2023
Short term benefits	6,009
Post-employment benefits	205
Severance indemnity	250
Share-based payments	708
Total	**7,172**

RELATED-PARTY TRANSACTIONS

During the year, 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 2023 were concluded in the interest of the Group and at market or standard conditions. The following table shows the values outstanding as at December 31, 2023.

(€/000)

Financial Transactions	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Non-current financial assets	2,056	46,167	4.5%
Trade receivables	15,358	199,844	7.7%
Total assets	**17,414**	**246,011**	**7.1%**
Trade payables	(193)	85,383	-0.2%
Total liabilities	**(193)**	**85,383**	**-0.2%**

(€/000)

Costs/Revenues	Amount related to "Other related parties"	Total as per financial statement	% of financial statement total
Revenue from contracts with customers	54,199	421,510	12.9%
Other revenues	5,184	60,195	8.6%
Personnel expenses	(2,009)	(213,097)	0.9%
Administrative expenses	14	(90,661)	0.0%
Depreciation, amortisation and impairment	-	(92,742)	0.0%
Other operating (expense)/income	100	5,089	2.0%
Financial (Expense)/Income	443	(37,130)	(1.2)%
Total	**57,931**	**53,164**	**109.0%**

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

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

- Securitisation SPVs: the Group carries out Master Servicing and Structuring activities: i.e. administrative, accounting, cash management and reporting services in support of the securitisation of loans; structuring services for securitisation transactions under Italian Law 130/1999 as well as performing the role of authorised entity in securitisation transactions. Some of these vehicles, in particular those linked to Softbank, fall within the scope of related parties and for 2023 the amount of revenues from contracts with customers for this category of customers amounts to €54.1 million, while other revenues are equal to €4.7 million with corresponding trade receivables of €14.5 million at December 31, 2023; for the vehicles Romeo SPV and Mercuzio Securitisation, for which the Group holds ABS notes, €2.1 million of financial assets and €402 thousand of financial income are also recorded;
- Companies affiliated to the Fortress group (FIG Italia, FIG LLC, Fortress Investment Group LLC, Arx Asset Management s.r.l.): the Group mainly carries out due diligence on the indicated company and in 2023 accrued other revenues and other operating income of €215 thousand, in addition to having trade receivables of €493 thousand at the end of the year; there is also an active staff secondment relationship with one of the companies, which generated income of €677 thousand;
- Companies affiliated to the Bain Capital Credit group (Beat Capital Partners Limited, Aptia Group Limited, Bain Capital Credit, Ltd): the Group recognizes trade receivables for €13 thousand at the end of the year;
- Torre SGR S.p.A.: the company rented the Group a property for one of the main offices in Rome, which was disposed; trade payables for €9 thousand is the amount at the end of the year;
- ReoCo: the Group manages property assets for certain ReoCo (real estate owned companies), with other revenue and other operating income during the year of €261 thousand and trade receivables of €191 thousand;
- Eurolife FFH General Insurance Single Member Societé Anonyme: the company manages pension funds and medical insurance for the employees of the subsidiary doValue Greece. At December 31, 2023, personnel expenses of €2.7 million and trade payables of €273 thousand were recorded. At the same time, the company has an active contract for ancillary services, which resulted in the recognition of other operating income and trade receivables amounting to €100 thousand.

9 ANNEXES

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

(€)	doValue S.p.A.		Subsidiaries	
Type of services	Service Provider	Fee for the year in Euros (excluding VAT and expenses)	Service Provider	Fee for the year in Euros (excluding VAT and expenses)
Auditing	EY S.p.A.	**241,000**	Network EY	**385,345**
Audit related services	EY S.p.A.	**9,000**	Network EY	**75,400**
Other services	EY S.p.A.	**33,000**	Network EY	**-**
of which Non-Financial Statement		33,000		-
Total		**283,000**		**460,745**

PUBLIC GRANTS PURSUANT TO LAW 124/2017

The law of August 4, 2017, No. 124 introduces, in articles 1, paragraphs 125 to 129, measures aimed at ensuring transparency in the system of public disbursements that fit into a regulatory framework of both European and national origin.

Also noteworthy is Circular Assonime 5 Business Activities and Competition, published on February 22, 2019, which provides some guidelines and highlights points of major uncertainty, hoping for regulatory intervention by the competent authorities to ensure correct and uniform compliance with obligations by companies, as well as non-application of the sanctions contained in the regulation itself.

That being said, the main criteria adopted by doValue S.p.A. and its subsidiaries based in Italy are outlined below, in line with the previously mentioned Assonime circular. Subsidies, contributions, and economic benefits of any kind received from January 1 to December 31, 2023, have been considered.

The information present in the Group is then presented in tabular form.

(€)

Type of grant	Amount
Employment Fund	45,600
Training contributions to the Banking Fund	364,334
Tax credit for technological innovation (L. 160/2019)	1,252,110
Total	**1,662,044**

10 CERTIFICATIONS AND REPORTS

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

1. The undersigned

- Mrs. Manuela Franchi, 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 for the preparation of the consolidated financial statements, during the period 2023.

2. The adequacy of administrative and accounting procedures employed to draw up the 2023 Consolidated 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 2023 Consolidated 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 management report includes a reliable analysis of the management trend and result, as well as the situation of the issuer and the group of companies included in the consolidation, together with the description of the main risks and uncertainties to which they are exposed.

Rome, March 21, 2024

Manuela Franchi
Chief Executive Officer

Davide Soffietti
Financial Reporting Officer

doValue S.p.A.

Consolidated financial statements as at 31 December 2023

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

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

(Translation from the original Italian text)

To the shareholders of
doValue S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of doValue S.p.A. (the "Group"), which comprise the balance sheet as at 31 December 2023, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005 and article 43 of Legislative Decree n. 136/2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of doValue S.p.A (the "Company") in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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We identified the following key audit matters:

Key Audit Matter	Audit Response
Estimate of the accrued portion of servicing revenues and the effects deriving from the application of servicing contracts	
The Group operates mainly in the management and recovery of non-performing loans for banks and other financial institutions and the related revenues are recognized on an accrual basis, through the use of information technology management procedures and complex processes to account for the activities carried out, taking into account the different contractual specificities of each mandate. Approximately 46% of these revenues, recorded in the income statement caption "Revenues from contracts with customers", are attributable to servicing activities for securitisation transactions approximately 45% to mandated servicing and the remainder to mandated real estate servicing activities. The aforementioned contracts also provide for detailed clauses of rights and duties for the Group in relation with counterparties, which may also generate contingent liabilities deriving from any failure to fulfil its contractual obligations. At end year, a part of these revenues is determined by the directors with a complex procedure of estimating the accruals for services matured during the period, taking into account the contractual agreements, the dynamics of the recoveries actually occurred and any contractual indemnities to be paid in relation to particular events or specific circumstances. As at the year-end date, the portion of servicing revenues without a clear acceptance by the counterparty amounted to 25% of the total invoices to be issued and 8% of the "Total revenues" in the consolidated income statement. Information on the criteria for recording and measuring revenues related to servicing contracts, as well as the risks and uncertainties associated with the use of estimates, is disclosed in the "Accounting policies" section of the notes to the financial statements. In view of the significance of the estimation of the accrued portion of servicing revenues for the financial statements as a whole and the complexity of the underlying determination process, we considered it to be a key aspect of the audit.	Our audit procedures in response to the key audit matter, included, inter alia: • an understanding of the key processes and controls in determining revenues from servicing contracts; • conducting compliance tests on the revenue determination process and consequent invoicing; • the carrying out of testing procedures having as their object the verification of the appropriateness of the methodology and the reasonableness of the assumptions used in the determination of revenues, both for the fixed and variable components; • the comparison of the estimates of the previous year with the data subsequently finalized and the analysis of the variances in order to support the reliability of the estimation process; • examination of the adequacy of the information disclosed in the notes to the financial statements.

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Impairment test of goodwill and other intangibles related to servicing contracts

Intangible assets recorded in the balance sheet of the consolidated financial statements as of December 31, 2023 include goodwill for Euro 224.4 million and other intangible assets related to multi-year servicing contracts for Euro 169.4 million, which were accounted for following the acquisitions of doValue Spain Servicing in 2019 and doValue Greece in 2020, both of which operate in the non-performing loans servicing sector with Special and Master Servicing contracts with prime counterparts.

Goodwill, which is not subject to systematic amortization, and other intangible assets, which are systematically amortized, as required by IAS 36 "Impairment of assets", are subject at least annually to an impairment test by comparing the carrying amounts of the cash generating units ("CGUs"), including goodwill and other intangible assets relating to servicing contracts, and its recoverable amount represented by the estimated future flows of servicing contracts.

The management of the parent company doValue S.p.A. has identified the "value in use" as the recoverable amount of the CGUs to be used for the purposes of the impairment test, determined through a procedure that provides for the discounting of expected cash flows and assumptions that by their nature imply the use of judgment by the directors.

In this context, for the purposes of estimating future cash flows, management used the forward-looking information determined in line with the doValue Group's 2024-2026 business plan approved by the directors on 20 March 2024, including the forecast data relating to servicing contracts.

Information on the impairment test is disclosed in the "Accounting policies" and "Information on the consolidated balance sheet" sections of the notes to the financial statements.

In view of the significance of the amount of goodwill and other intangible assets related to servicing contracts for the consolidated financial statements as a whole, as well as the subjectivity of the assumptions made by the directors in the process of estimating the recoverable amount of the CGUs, we considered the related impairment test to be a key aspect of the audit.

Our audit procedures in response to the key aspect, also carried out with the support of our experts in company valuations, included, inter alia:

- an understanding of the methods adopted by the parent company doValue S.p.A. as part of the impairment test process approved by the directors, and the related key controls;
- the comparison between the data used to conduct the impairment test and those presented in the doValue Group's 2024-2026 business plan approved by the directors on 20 March 2024 in order to verify their substantial alignment;
- the analysis of the reasonableness of the economic forecasts included in the aforementioned business plan;
- the assessment of the appropriateness of the methodology and the reasonableness of the assumptions used by the directors to determine the recoverable amount, as well as the verification of the mathematical accuracy of the calculations and the sensitivity analysis on key assumptions;
- examination of the adequacy of the information disclosed in the notes to the financial statements.

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

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005 and article 43 of Legislative Decree n. 136/2015, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of doValue S.p.A., in the general meeting held on 17 June 2016, engaged us to perform the audits of the separate and consolidated financial statements of the Company for each of the years ending 31 December 2016 to 31 December 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the Statutory Board of Auditors (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of doValue S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at 31 December 2023 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at 31 December 2023 have been prepared in the XHTML format have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

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Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of doValue S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of the Group as at 31 December 2023, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of the Group as at 31 December 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of the Group. as at 31 December 2023 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

The Directors of doValue S.p.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated 30 December 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated 30 December 2016, such non-financial information is subject to a separate compliance report signed by us.

Rome, 28 March 2024

EY S.p.A.
Signed by: Wassim Abou Said, Auditor

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

doValue