



Acquisition of FPS

Leading the Greek NPE servicing market by establishing a long-term partnership with Eurobank

December 20, 2019

doValue

Strategic Highlights

1

Fully operational NPE/REO servicer with €26.6bn GBV and proven track record

- Full spectrum of servicing value chain across asset classes: NPL, UTP, Early Arrears and Real Estate Special and Master servicing, structuring and due diligence advisory
- Offering third party servicing since 2014 (first in Greece): third party portfolio of more than €16bn
- Long-term partnership with Eurobank through 10-year forward flow agreement

2

Strong combination between doValue and FPS

- doValue now the #1 servicer in each Southern European market (Italy, Iberia, Greece and Cyprus)
- Significant forward-flow agreements in each market, partnering with top local banks in the long-term
- Pro-forma GBV of c.€167bn, improved geographical and client diversification (Italy <50% of GBV)
- Similar business model: asset light, independent servicing focused on secured assets

3

Greece represents a significant market opportunity

- #1 NPE pipeline in Europe: continued NPE deleveraging in the medium-term and >€10bn in the short-term
- Supportive regulatory environment, with bankruptcy law, asset register and auction improvements
- Benign macro environment expected to benefit collections and restructuring activity

4

Executing a significant pillar of the Business Plan

- Complete coverage of most high-potential NPE markets in Europe
- Improved ability to capture organic business opportunities in Greece
- Addition of a 10-year forward-flow agreement, providing resilience to Group GBV trend
- Potential to leverage Altamira's skills and track record to develop REO capabilities

5

Conservative capital deployment, significant upside to Business Plan

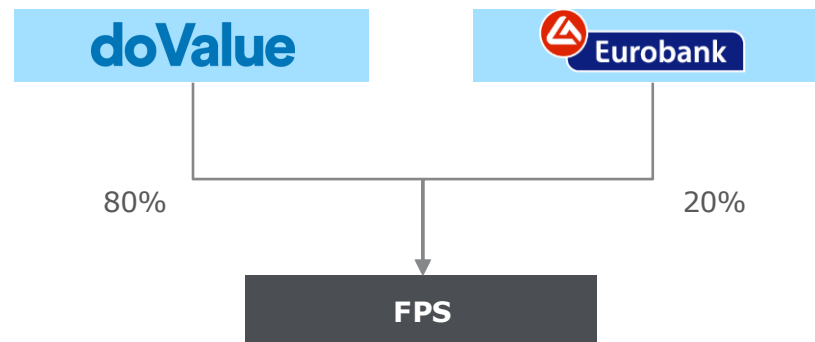
- Net Debt/EBITDA pro-forma of 2.0x-2.2x at YE2019, reduced to approximately 1x by 2022
- Accretive transaction on all metrics: Revenue, EBITDA, EPS and DPS. >25% EPS accretive in 2021
- Profitability above current Group average, supportive of >40% EBITDA margin target in 2022

Transaction Overview

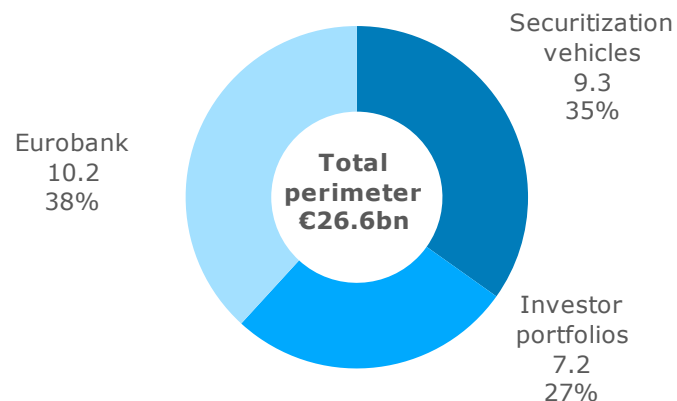
Overview

- **Acquisition of a 80% stake** in Eurobank's Financial Planning Services (FPS) for an **upfront purchase price of €248m** (€310m implied 100% valuation); Call option on residual portion
- €40m earn out (€50m implied 100%) based on achievement of EBITDA targets over the course of a 10 year business plan
 - Any **earn out payment due not before 2024**, based on **outperformance of current business plan EBITDA**
- Purchase price represents a mid single-digit 2019⁽¹⁾ and mid-term EBITDA multiple
- Acquisition of a minority portion of the junior notes of the Cairo securitisation, for a limited cash-out in line with stated co-investment strategy
- Closing expected by May 2020
- Transaction to be financed through committed banking facilities at doValue level, **PF leverage at 2.0x-2.2x Net Debt/EBITDA as of YE 2019**, average cost of debt post transaction <3%
 - **Confirmed quick deleveraging path**: Net Debt/EBITDA to reduce to ~1x by end of 2022
- **Confirmed commitment to strong dividend payout** in line with dividend policy of at least 65% of net income

Structure



Servicing Perimeter (GBV €bn)



Company Overview

Snapshot

- **Established in 2006** as a separate legal entity
- **First to offer third-party servicing on securitised mortgage portfolios in 2014**
- **First operational servicer in Greece with the largest market share based on GBV** and the longest experience in the market
- Until 2019, FPS operated on a smaller perimeter as compared with the transaction perimeter and with a different intra-Group SLA
- **Post transaction: new SLA/fee structure to be applied**, larger servicing perimeter (€26.6bn), staff to reach approximately 900 FTEs

Key figures

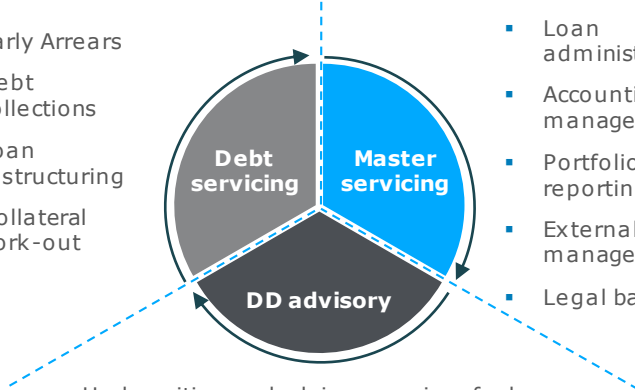
GBV:
€26.6bn

**2019
EBITDA:**
€75-
€80m

**2021
EBITDA:**
€60-65m

**2021 Net
Income:**
€20-25m

Fully Fledged Product Offering

- 
- Early Arrears
 - Debt collections
 - Loan restructuring
 - Collateral work-out
 - Underwriting and advisory services for buyers and sellers of loan portfolios to identify potential risk factors affecting loan collection and portfolio valuation
 - Loan administration
 - Accounting & cash management
 - Portfolio & investor reporting
 - External channels management
 - Legal back-office

Unique product offering with a broad customer base and multi-channel infrastructure

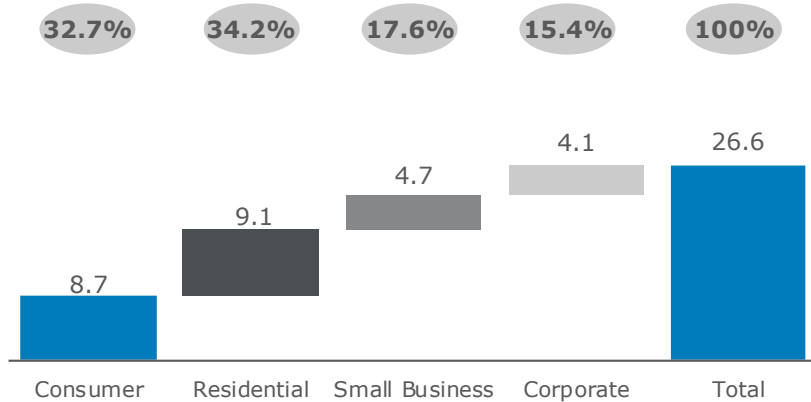
New Capabilities to Complete the Servicing Offering

- REO**
Leveraging Altamira's experience and expertise will enable FPS to develop Real Estate asset management and asset commercialization capabilities and offering
- Expanded Underwriting & Advisory services**
Capability for the provision of due diligence and advisory services along the entire investment cycle (from a acquisition to ownership and disposal)

Future development of REO and underwriting services

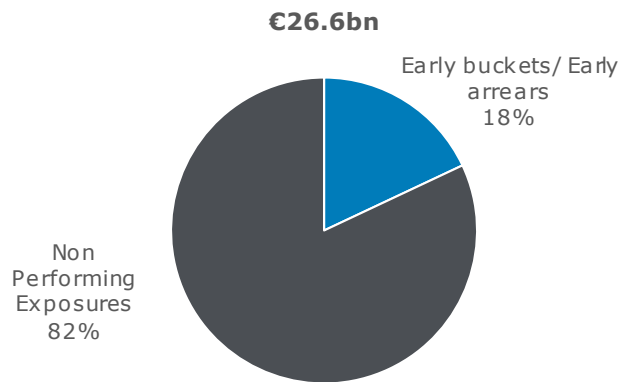
FPS Portfolio Details at 2019 YE

GBV composition

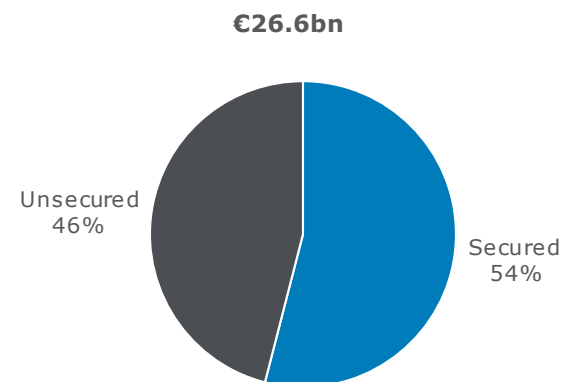


- **Diversified portfolio composition**, consistent with the large size of the servicing portfolio
- Business plan anticipates a **mix of loan management strategies**, covering all stages from performing to NPE and Real Estate management, both liquidation and restructuring
- Highly secured portfolio, in line with doValue portfolio mix
- **Increased diversification and recurring revenue streams** deriving from Early Arrears performing loans






GBV Breakdown by loan category



GBV Breakdown by Security



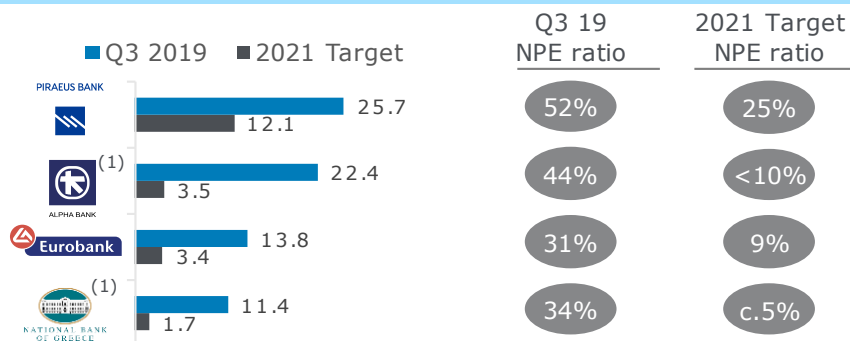
Greece Servicing Market Supported by Structural Trends

| | | | |
|--|-----------------------|--|---|
|  | Macro | <ul style="list-style-type: none"> ▪ Robust macro recovery and outlook | <ul style="list-style-type: none"> ▪ Improving GDP (average GDP growth 2020-2022: +1.7%) ▪ Housing price recovery (+1.4% over the past 5 years) expected to continue ▪ Increased FDI (10.5% CAGR over 2015-2018) ▪ CDS spread contraction (5 years CDS down 83% from Nov-16 to Nov-19) ▪ Unemployment rate from 19.4% in 2018 to an expected 15.9% in 2021 |
|  | NPEs | <ul style="list-style-type: none"> ▪ Substantial NPE deleveraging expected | <ul style="list-style-type: none"> ▪ Pipeline of announced disposals with over €47bn of NPEs by 2021 ▪ Further backlog of NPEs with c.€80bn of NPE stock in the Greek market ▪ Additional volumes may come from the secondary market |
|  | Securitisation | <ul style="list-style-type: none"> ▪ NPL securitisation and Hercules scheme will create further opportunities to seize 3rd party business | <ul style="list-style-type: none"> ▪ Greek authorities have received EC approval for Hercules Asset Protection Scheme (APS) which will further incentivize bank to securitize ▪ FPS is the largest fully operational servicer in the Greek market and already operating as master and special servicer for securitizations ▪ APS has many similarities to Italian GACS scheme for which doValue is the undisputed leader |
|  | Regulatory | <ul style="list-style-type: none"> ▪ Favourable regulatory environment for collection and recovery activities | <ul style="list-style-type: none"> ▪ Out-of-Court Workout Framework should increase conflict resolution rates through simplification and digitalization of settling process ▪ Implementation of Greece's Asset Register will facilitate assets tracing ▪ New Bankruptcy Code will smoothen bankruptcy processes and empower creditors against non-collaborative debtors |
|  | REO | <ul style="list-style-type: none"> ▪ Growing REO market opportunity | <ul style="list-style-type: none"> ▪ Greek REO market in its infancy with minimum competition in the segment ▪ REO market expected to grow from €3.0bn in 2019 to €7.6bn in 2021 ▪ Development of e-auctions has resulted in banks' REO stock growth (>70% of banks repossess in auctions) which now requires the help of a specialized real estate servicer to manage REO |

Significant NPE Deleveraging Ahead – doValue and FPS Best Positioned

Greek systemic banks committed to significant deleveraging

Q3 19 NPE stock of Greek banks (€bn)

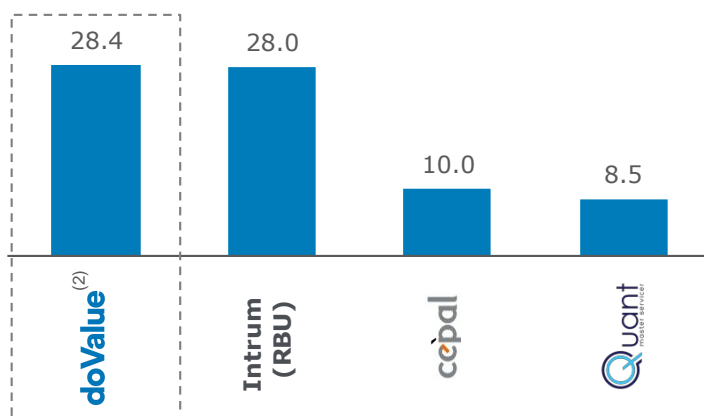


Strong pipeline of portfolio disposal in Greece (€bn)



doValue & FPS best positioned to capture new servicing portfolios

Largest Greek servicers by GBV (€bn)



Hercules scheme as a source of opportunity

a Strong Italian GACS track record will give doValue a competitive advantage in Greece

#1 player for GACS securitization in Italy with over €22bn of GACS GBV

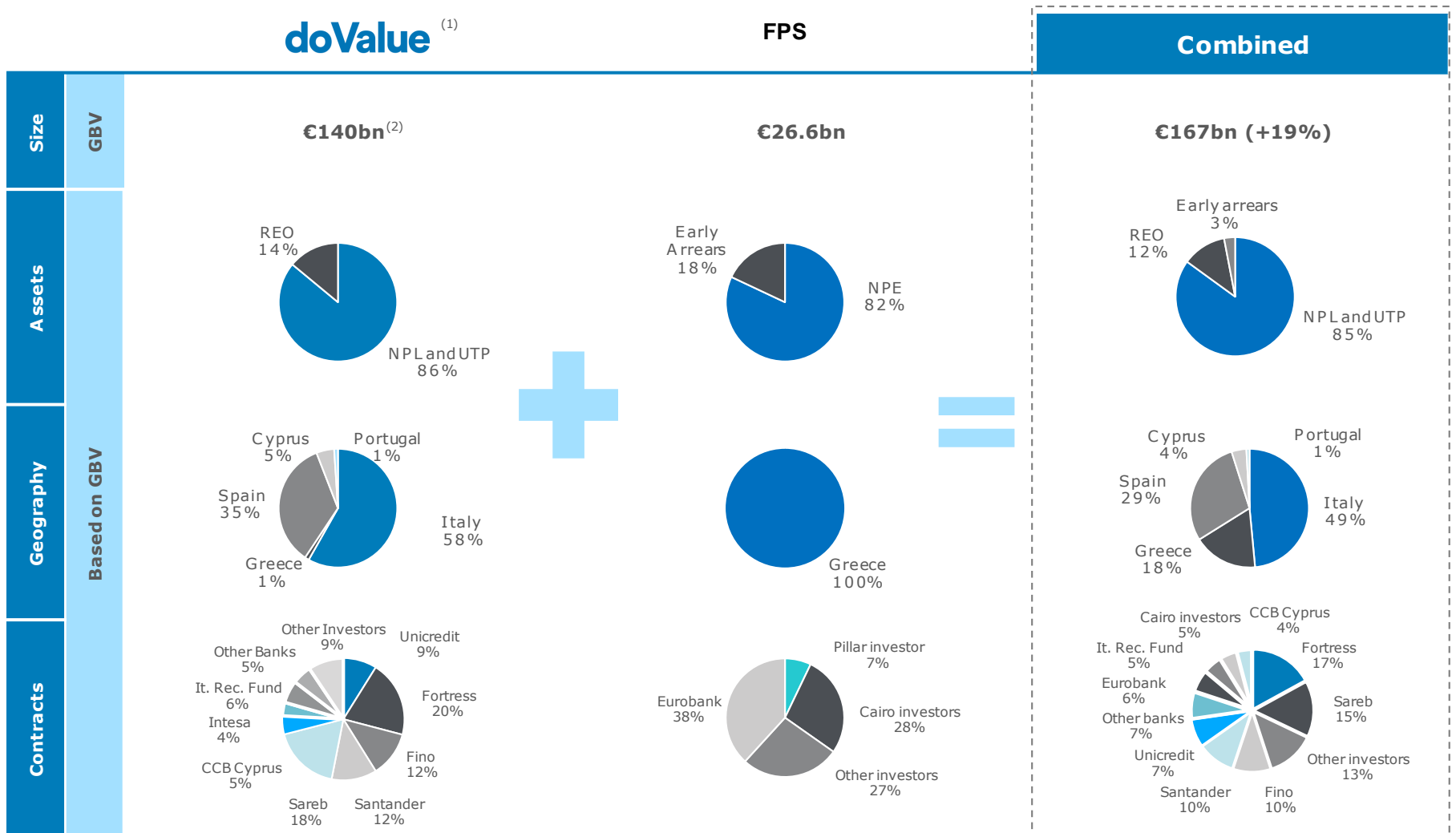
Both doValue and Italfondiaro (in its quality of master servicing), received best servicer rating by Fitch and S&P

b Sole fully operational platform to run 3rd party and securitizations

Optimally positioned to be the leading servicer for APS/Hercules securitizations thanks to fully operational 3rd party and securitization capabilities of FPS from Day 1

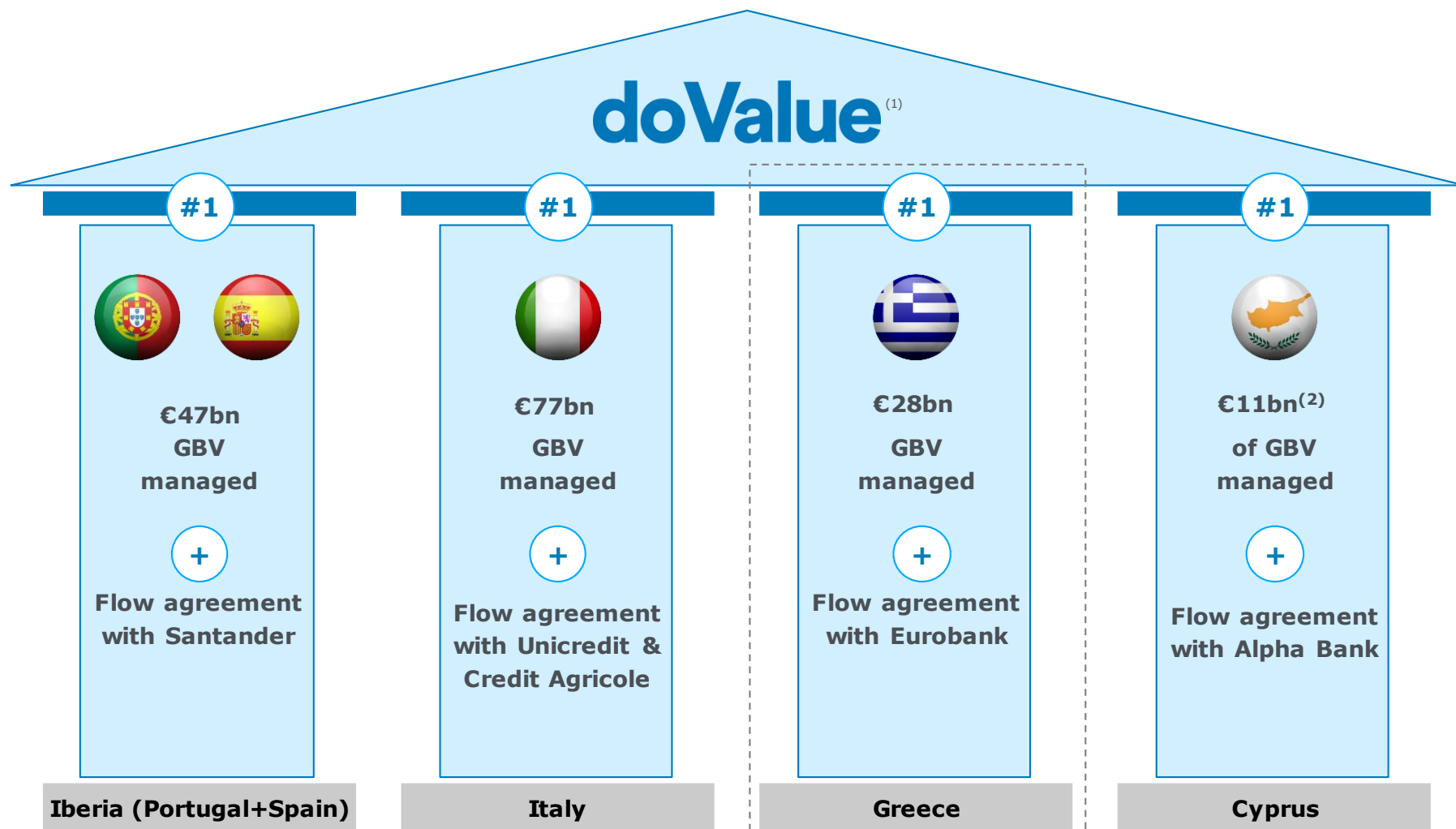
FPS is the only servicer in Greece to fully service 3rd party and securitized portfolios (e.g.: Pillar and Cairo), giving it a first mover advantage

Combination of doValue and FPS Improves Key GBV Metrics



Unparalleled mix of client, country and asset diversification

Adding the missing pillar to doValue's Southern European Leadership



Leader in the most attractive servicing markets in Europe

FPS to Support the Group's Organic Growth in the Medium-Term

| | | 2020E FY | 2021E FY | 2022E FY |
|---|-------------------|---|---|---|
| Phasing of P&L impact on doValue | | <ul style="list-style-type: none"> Closing by May 2020 Partial P&L impact | <ul style="list-style-type: none"> Full P&L consolidation impact | <ul style="list-style-type: none"> Full P&L consolidation impact |
| Operational ramp-up | | <ul style="list-style-type: none"> Transfer of Eurobank employees, adding new corporate capabilities On-boarding and ramp-up of securitization portfolios might affect recoveries vs 2019 | <ul style="list-style-type: none"> New 3rd party business volumes REO management activation | <ul style="list-style-type: none"> Full deployment of REO capabilities |
| P&L Impact⁽¹⁾ (€m) | Revenues | 100-110 | 110-120 | Continued growth of all metrics at rates above Group average |
| | EBITDA | 37-42 | 60-65 | |
| | EBIT | 15-20 | 35-40 | |
| | Net Income | 7-10 | 20-25 | |

Full P&L contribution in 2021 due to timing of acquisition closing and ramp up of operations on new portfolios and REO activities

Material Upside to doValue Business Plan Targets

| | doValue Business Plan Targets ⁽¹⁾ | Pro Forma Impact ⁽²⁾ |
|---|--|---|
| Gross Revenues & EBITDA | <ul style="list-style-type: none"> 1-3% revenue CAGR 19PF-22E 3-5% EBITDA CAGR 19PF-22E EBITDA margin >40% by 2022 | <ul style="list-style-type: none"> High single digit revenue CAGR 19PF-22E ~15% EBITDA⁽²⁾ CAGR 19PF -22E FPS EBITDA margin above Group 2022 target of >40% Targets pre-synergies: No relevant synergies are expected to derive from the transaction |
| EPS | <ul style="list-style-type: none"> 15% CAGR in 2019PF-2022 | <ul style="list-style-type: none"> >20% CAGR in 2019PF-2022 >25% EPS accretion in 2021 |
| Dividend Policy | <ul style="list-style-type: none"> DPS above current market expectations Policy of 65% of net income ex NRI | <ul style="list-style-type: none"> Dividend policy and 2019 dividend expectation confirmed Strong FCF conversion of FPS standalone given low capex needs and attractive NWC trend |
| Leverage | <ul style="list-style-type: none"> Peak leverage to stay <3x Net Debt/EBITDA in case of accretive M&A | <ul style="list-style-type: none"> Leverage of 2.0x-2.2x at YE 2019, well below max 3x Net Debt/EBITDA target Quick deleveraging thereafter, targeting ~1x by 2022 |
| FPS acquisition to be highly accretive to doValue revenues and profitability | | |

Notes: (1) Pro-forma including the acquisition of Altamira Asset Management since January 1st 2019. EBITDA and Net Income exclude Non Recurring Items.
(2) Pro-forma including the acquisition of Altamira Asset Management since January 1st 2019 and FPS from January 1st 2020

Concluding Remarks

Long-term Partnership Consistent with Our Strategy

- ✓ Establishing doValue as the **#1 servicer by GBV** in Italy, Iberia, Cyprus and Greece
- ✓ Pro forma GBV of **~€167bn**
- ✓ Accelerating **geographical** and **client diversification**

Strong Strategic and Business Fit

- ✓ Entering a **highly strategic market** with further **deleveraging** anticipated in the medium-term
- ✓ Ability to **service 3rd party portfolios** with first mover advantage
- ✓ Leveraging Altamira's experience and expertise to develop **management of REOs** for Eurobank and Cairo

Attractive Financial Impacts and Value Creation Potential

- ✓ Transaction to **provide upside to doValue current business plan**
- ✓ **Significantly accretive** to Revenue, EBITDA, EPS and DPS
- ✓ Max leverage below 3x target and quick deleverage expected thereafter

Disclaimer

This presentation and any materials distributed in connection herewith (together, the "Presentation") do not constitute or form a part of, and should not be construed as, an offer for sale or subscription of or solicitation of any offer to purchase or subscribe for any securities, and neither this Presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, or act as an inducement to enter into, any contract or commitment whatsoever. The information contained in this Presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, reasonableness or correctness of the information or opinions contained herein. None of doValue S.p.A., its subsidiaries or any of their respective employees, advisers, representatives or affiliates shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this Presentation. The information contained in this Presentation is provided as at the date of this Presentation and is subject to change without notice.

Statements made in this Presentation may include forward-looking statements. These statements may be identified by the fact that they use words such as "anticipate", "estimate", "should", "expect", "guidance", "project", "intend", "plan", "believe", and/or other words and terms of similar meaning in connection with, among other things, any discussion of results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. Such statements are based on management's current intentions, expectations or beliefs and involve inherent risks, assumptions and uncertainties, including factors that could delay, divert or change any of them. Forward-looking statements contained in this Presentation regarding trends or current activities should not be taken as a representation that such trends or activities will continue in the future. Actual outcomes, results and other future events may differ materially from those expressed or implied by the statements contained herein. Such differences may adversely affect the outcome and financial effects of the plans and events described herein and may result from, among other things, changes in economic, business, competitive, technological, strategic or regulatory factors and other factors affecting the business and operations of the company. Neither doValue S.p.A. nor any of its affiliates is under any obligation, and each such entity expressly disclaims any such obligation, to update, revise or amend any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this Presentation. It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full-year results.

Investor relations contacts

Fabio Ruffini
Investor Relations

Tel.: +39 06 4797 9154
Mail: investorrelations@dovalue.it