doValue S.p.A.

"FY 2022 Preliminary Financial Results Presentation Call"

Friday, February 24, 2023, 10:30 CET

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ALBERTO GORETTI: Good morning everyone. Alberto Goretti here, Head of IR at doValue. I'm pleased to welcome you to our FY 2022 Preliminary Financial Results Presentation. As usual, I am here with Andrea Mangoni, our CEO, And Manuela Franchi, our General Manager of Corporate Functions and Group CFO.

As customary, Andrea will walk you through the developments of our business activity and then Manuela will give you an update on our financial performance. Andrea will then wrap up with some final remarks. Following the presentation, we will be glad to answer all of your questions.

Let's get started. Andrea, over to you.

ANDREA MANGONI: Thank you, Alberto, and welcome to all of you. Let's start from Page 3 of the presentation. As you all know, the market environment in 2022 has been a challenging one for most, whether it's from macro perspective with inflation and interest rate rising to levels not seen for more than a decade, as well as, from the point of view of the financial market, witnessing negative performance for both the equity and credit asset classes.

In this particularly volatile context, we are proud to announce today a strong set of results, which are ahead of our initial budget, our Business Plan even pre-Sareb exit announcement, as well as, ahead of the formal guidance given to the market in during the last year.

In particular, if we exclude the Sareb portfolio, we have been able to post high single-digit growth in collections, low single-digit growth in terms of gross revenues, and double-digit growth in terms of EBITDA ex-NRIs. All this, maintaining a prudent financial leverage profile not impacted by the turmoil in the financial markets, despite a number of deals in the market having been postponed, such as the €5 billion Ariadne in Greece, we have secured approximately €12 billion of new GBV in 2022.

In terms of regional activity; in Spain, we have completed the exit from Sareb and most of the restructuring plan entering a new phase started with the rebranding of Altamira into doValue from February. In Greece, the Supreme Court has ruled in favor of the servicers with a specific resolution in favor of doValue and Eurobank, bringing clarity to the regulatory uncertainty which affected the market in the last 6 months. Finally, in Italy, we have continued working on optimizing our business and its cost base.

Moving to Page 4; we are glad to show that for the second year in a row, we have been able to deliver results, which are better than our original guidance. In particular, for 2022, such results are also ahead of our initial budget and Business Plan, which included, as a working assumption, the renewal of the Sareb contract. We are proud to be consistently performing on our promises.

Again, this is particularly remarkable considering the outcome of the Sareb process, as well as the overall challenging market condition we have all seen in 2022. We are pleased also to confirm our indication in terms of dividend per share of €0.60, which represent a growth of 20% over the dividend paid last year.

On Page 5, we are keen to stress the fact that on a reported basis revenues have marginally declined and EBTDA ex-NRI has remained flat year-on-year while it was expected to decline in the Business Plan announced in January. If we exclude the Sareb portfolio and focus on something closer to our organic growth, the picture is different with low single-digit growth revenues grew and double-digit of the EBITDA ex-NRI growth.

In terms of regional performance, both in Italy and in the Hellenic region, it posted positive performance in terms of growth revenues, but most importantly, in terms of EBITDA. Thanks to a mix of operational leverage and cost control.

The turnaround in Iberia is well on-track with the rebranding of Altamira completed and with the bulk of the reorganization executed. Also, the Spanish transformation plan is advanced both in terms of IT and operation. The overall restructuring in Spain is likely to cost approximately €11 million, well below the initially planned €15 million and will be concluded in the first quarter of 2023.

Moving to Page 6, our collection activity has generally overperformed the GBV trajectory. In Italy, collection have grown in a context of declining GBV and this has also been driven by an acceleration of secondary sales in the market.

In the Hellenic regions, collection has well overperformed the growth in GBV, also thanks to the secondary NPL sale such as the one completed in October, whereby €450 million GBV portfolio out of Frontier has been sold to EOS Group, a German investor. In such trade, we collected fees from the sale, but we are also retaining the servicing mandate from EOS. So we will continue to collect fees from such portfolio. This is a trend continued in 2023 with Project Souq completed this week, as well as through various re-performing trades that are planned for the year and which will be discussed later in the presentation.

In Iberia, on the back of the offboarding of the Sareb portfolio which has now been completed. We believe that we have reached the bottom in terms of GBV, as well as, collections with 2023 expected to bring new mandates on the back of a sizable pipeline. And as such, boosting performance and EBITDA in the region.

Moving to Page 7, we are proud of our performance in terms of new GBV intake in 2022, having totaled approximately €12 billion over 2022. This is a remarkable result considering the postponement of the €5 billion Ariadne portfolio disposal process in Greece and also the role played by AMCO in Italy, whereby the state own vehicle purchase the several large sized portfolio, which will be eventually planned for servicing in the market in 2023.

We are proud of all the deals that we have won in 2022. But in particular, I would like to highlight again the innovative solution adopted in Greece around Project Virgo and Project Souq, which doValue retaining the servicing mandate post-disposal, as well as, the strong performance of the Efesto Fund in Italy, which has totaled more than €1 billion of additional contribution in 2022, including 2 sizable ones from top tier Italian banks, further testimony our diversification strategy through the credit value chain. All in all, with approximately €12 billion of new GBV in 2022, we are pretty much aligned with our Business Plan target.

On Page 8, the near-term pipeline in Southern Europe is currently well to approximately €36 billion, evenly split between the 3 regions. In particular, in Italy, the AMCO sponsored Project GLAM is a relevant component.

In the Hellenic region, the pipeline is mainly composed of the €5 billion Ariadne project, likely to be split in several sub-portfolios, as well as, the €2 billion SLBO real estate project. In Iberia, the pipeline is currently broadly, evenly split between Spain and Portugal, with a couple of sizable mandates for each country and the tail of much smaller portfolios.

In addition, we are seeing an increasing level of secondary NPL transaction, which might provide further opportunities for us like it has been already in 2022. We are estimating a total of €18 billion secondary transaction in the short to medium term, which together with the €36 billion pipeline makes a total of €52 billion.

On Page 9 a quick focus on Italy. The combination of a structurally high component of Stage 2 loans in particular in Italy, but also in Greece and Cyprus, coupled with the expectation of an increase in default rates in 2023 and 2024 from the current levels brings natural expectation of a substantial new wave of NPE generation as indicated also by the growth of forward flow from €3.3 billion in 2021 to €3.8 billion in 2022, post the peak in 2019 and 2020 of €4.8 billion and €4.4 billion, respectively. Whilst we do not expect that we are likely to reach anywhere near the levels of 2015-2016, we believe that our sector will be well supported by growing front-book in the quarters to come.

Moving to Page 10; the real estate outlook is currently a bit more mixed with several factors supporting prices and the transactions and other factors such as interest rates dragging valuations lower. In any case, we are very focused on this asset class with various specific projects in the different country in which we operate.

To name a few, in Spain, we re-launched Adsolum, the Real Estate Development Management division, which was spun off from Altamira early in 2022. Our colleagues at Adsolum are looking to manage the development of a portfolio of residential for rents asset and are currently fundraising for such project.

We have experienced in 2022 a significant growing number of sales in REO businesses. In addition, our real estate activities in Greece are really taking off with several mid-large sized mandates being now secured both from banks and investors and achieving in 2022 more than €5 billion of EBITDA after only 1 year from starting up operations.

Moving to Page 11, in this market context, it's increasingly more important to push the boundaries of our product offering towards the frontier of the credit value chain. We have several projects in all the country in which we operate. Some of them already formalized with clients, orders and there are advanced discussions. We believe that the early arrears management is very promising in both Italy and Spain. The same can be said for the management of the UTPs in Spain, an asset class which has not yet been outsourced by local banks. But that should provide a significant upside also considering our experience and track record with Efesto Fund in Italy, as well as, Spain and Greece.

The other interesting evolution is the one happening in Greece, where the team is very focused in accelerating the re-performing opportunity whereby some early arrears loans part of large ABS securitization portfolios has been brought back to performing status and sold to Greek banks with doValue preserving the servicing mandate for such loans, post sales.

Last but not least, we are really focusing on Stage 2 loans, working on the operating model which can best support banks with value-added structure that address the growing concern regarding their significant size on the balance sheet.

We are proud to report that all major sustainability objectives we had set for 2022 have been met. In particular, on the social side, which is the most important aspect for us considering the relevance of the human impact we have, both in terms of employees and the external network, but also in terms of debtor clients. We have made strong progresses in terms of training, diversity, inclusion, engagement, health and activities to support local communities.

In terms of governance, we have achieved the ISO certification for the Italian entity. All these efforts have been appreciated by ESG rating agencies such as MSCI and Sustainalytics, which both upgrade our rating in the last 18 months to the highest standards in the sector.

Now, let me hand over to Manuela to go over the financial results in more details.

MANUELA FRANCHI: Thank you, Andrea, and good morning to all of you. Moving to Page 14. As mentioned by Andrea, our financial results have been particularly strong in 2022. In particular, if adjusted for the Sareb contract to truly reflect the underlying organic growth and cost control efforts, the results are quite remarkable in this market context.

The collection performance has been extremely resilient, both versus the corresponding trend in GBVs, but also in terms of our ability to collect in a difficult macro-environment, characterized by slowing growth, inflation and increasing financing costs. Collection is standing at €5.5 billion for 2022 have in fact declined by only 4% versus a GBV decline of 19%. If we exclude the Sareb portfolio, collection has increased by 6% between 2021 and 2022.

After the on-boarding of Sareb, our GBV stood at € 120 billion at the end of 2022. In this context, gross revenue declined by 2.4% year-on-year, reaching €558 million, driven by strong NPL and REO performance at group level, as well, as supported by ancillary activities in particular, in Italy. So well within our guidance. Again, stripping out the Sareb contract, the gross revenue grew by 1.5% year-on-year.

EBITDA ex-NRI is above our initial budget, Business Plan and guidance for 2022. In particular, EBITDA ex-NRI has grown by 0.4% year-on-year, reaching €202 million with a marginal decline in gross revenue being compounded by notable efforts in containing costs, in particular, in terms of outsourcing fee as well as OPEX. Again, stripping out the Sareb contract, EBITDA ex-NRI grew by 11.5% year-on-year.

The EBITDA margin for the first 9 months of the year stood at 56%, a 1% point increase versus last year. The level of 56% is already pretty close to our Business Plan margin target of 37-38% for 2024.

Net income ex-NRI has remained broadly stable at €51 million as the growth in EBITDA ex-NRI coupled with a reduction in D&A provision and interest expenses has been offset by higher taxes due in the Hellenic region.

Net debt landed at around €430 million at the end of 2022, in line with our expectation. Financial leverage at the end of 2022 stood at 2.1 times, marginally better than our previous guidance of 2.2 and essentially standing at the bottom of the range of 2 to 3 times leverage target.

Moving now to Page 15; in 2022, we have added €13 billion of new GBV, of which €3.8 billion coming from forward flow and €9.2 billion from new mandates onboarded in 2022. It's important to highlight that forward flow have increased by 15% year-on-year.

The collection performance has been strong at €5.5 billion, and the ratio between collection and write-offs has remained broadly stable at 40% to 60%. During the year 2022, our clients have sold €7.1 billion of portfolios. And in most cases, we have been indemnified by them.

All-in-all, at the end of 2022, our GBV stood at €120 billion, already reflecting the off-boarding of Sareb. We also have a tail of €4.5 billion of mandates awarded and not yet onboarded, which in particular, includes Frontier II in Greece for €1 billion, Sky in Cyprus for €2.2 billion, both to be onboarded in the next 3 months, 4 months, and finally, €800 million of UTP contribution for the Efesto Fund in Italy.

Moving now to Page 16; gross revenue has marginally declined by 2.4% year-on-year, whilst we exclude the revenue generated by the Sareb contract in '21 and '22, with revenue growing at 1.5%. Gross revenues stood at €558 million in '22 versus €572 million in '21. Our Italian business posted a solid growth of 1% in gross revenue reaching €183 million, which can be read as a 6% growth if we exclude the Relais and Mexico capital gain booked in 2021. The performance in Italy was mostly driven by growth in our UTP activity and ancillary services.

The Hellenic region posted 16% growth in gross revenue, reaching €253 million, with NPL, REO and ancillary services supporting such growth. On the other hand, the lower performance on the UTP business is mainly driven by the Mexico securitization, which was completed at the end of 2021 and now entails a lower curing activity.

In Iberia, gross revenue declined by almost 30% year-on-year, in line with the collection profile in the region, in turn driven by the full exit of Sareb. Overall revenue in Iberia stood at €122 million in 2022. The decline in outsourcing fee both in absolute and relative terms is driven by the different revenue mix, but also by the in-sourcing of some activities in particular in Italy.

Moving now to Page 17, operating expenses, excluding non-recurring items, declined by 2.2% year-on-year to €299 million, whilst they increased marginally as a percentage of gross revenue from 53% to 54%. In particular, strong effort was put in containing HR costs, which marginally decreased year-on-year on an absolute basis. This is particularly remarkable considering the current inflationary environment. The impact of in-sourcing, coupled with containment of HR costs is a direct result of having invested in decreasing the breakeven through IT and innovation.

The number of FTE at group level declined by 4% in 2022 with a 2% reduction in Italy, 17% reduction in Iberia and 3% increase in the Hellenic region linked to the Frontier on-boarding. Other costs have also remained broadly stable as percentage of gross revenue with the absolute increase in IT costs partially attributable to the local transformation processes and projects.

Moving now to Page 18, as a quick update on doTransformation, the overall program initially involved €55 million of investment in 2022 to '24. We aim to achieve a run rate of €25 million to €30 million of savings from 2024 onwards. We have actually reduced the investment to €45 million due to better negotiation with suppliers, further rationalization of the program and the fact that we no longer need to satisfy Sareb specific requirements on system and back office.

In the last 3 months, we have increased the level of committed investments from more than 55% to more than 70%, and we have achieved an overall completion level to more than 60%, close to 100% for the 2022 budget.

The program is progressing on track with our expectation at group and local level, and we have already achieved the OPEX savings for €4 million. Some notable actions taken recently include the rollout of SAP at group level, the downsizing of the core banking system in Spain, the rollout of the new core banking system in Greece. We also exported the UTP management system used in Greece to the Italian market and adopted a common infrastructure provider across the group with a unified security roadmap.

To give you a bit more color on the initiative, we move to Page 19 with an example. We have implemented a system to increase efficiency and effectiveness of our asset manager. We drill down more on the Text Mining project on this page.

As you know, our asset managers deal every day with documentation related to loans they manage and typically spend a considerable portion of their time looking for information. The Text Mining technology essentially helps them in making advanced search, leveraging on artificial intelligence. We have started this project in '22, and we have already rolled it out at the beginning of '23. We are estimating that 35% to 40% of the time allocated by asset managers to information searches would be saved, yielding a tangible saving of €600,000 per annum in Italy.

Moving now to Page 20; notwithstanding the marginal decline in gross revenue, the savings made in terms of outsourcing costs and OPEX results only reflect EBITDA ex-NRI and a widening of the EBITDA margin from 35% to 36% vis-à-vis an expected decline in the Business Plan.

EBITDA ex-NRI in '22 stood at €202 million, a touch above the level of 2021. In particular, in Italy, the top line growth at 1% and the strong cost control discipline on the HR side resulted in a 24% EBITDA margin, which becomes 35% if we strip out the group cost. Italy posted €48 million of EBITDA ex-NRI in 2022.

In the Hellenic region, the gross revenue growth of 16% resulted in a 25% EBITDA growth despite the increase in FTEs related to the Frontier portfolio on-boarding. The Hellenic region posted €149 million of EBITDA ex-NRI in 2022.

In Iberia, EBITDA ex-NRI decreased by almost 90%, reflecting the off-boarding of the Sareb portfolio, which led to a material reduction in GBV, a 28% reduction in collection and 29% reduction in gross revenue. The cost structure in Spain has been materially reduced. But on the other hand, it's still affected by the local transformation program, which is absorbing cash flow and negatively impacting the P&L.

As a reminder, the still relatively high cost base in Iberia in the second half of 2022 is due to the conscious decision of not going through a collective dismissal process for the employees working on the Sareb portfolio, but to manage the situation on a one-to-one basis. This means that many people have left proactively. We have been able to cherry-pick asset manager and better manage costs. All in all, we will have a higher savings going forward and the lower restructuring costs upfront. So the effect is a positive on net NPV basis.

Moving to Page 21, our regional performance remained relatively consistent. The Italian business has started to grow again, also considering that it's partially absorbing a group cost in the tune of €12 million for 2022. The Hellenic region is currently supporting both growth and margin, in line with our 2022-2024 Business Plan.

The business in Iberia is in the middle of a turnaround with Sareb now fully behind us, reorganization was almost completed and few tangible sign of a new business win with the clients.

The collection rate at group level is equal to 4.1% for 2022. In Italy, it increased by 0.1 percentage points in the last 12 months, in the Hellenic region for the same amount to 6.1%, in Iberia by 2.6 percentage points to 9.2, a very strong result considering the transformation plan.

Moving to Page 22, net income ex-NRI remained essentially flat year-on-year at €51 million. Including NRI, net income has instead decreased by 30% year-on-year to €17 million. A key non-recurring item in Q4 has been the P&L recognition of the earn out payable to Eurobank for the acquisition of FPS back in 2020 and described at the time.

In fact, considering the very strong performance of our Greek business, we recognized in our balance sheet at the end of 2022 the full earn out, which is up to €40 million, impacting the P&L for €22 million in 2022, which is essentially the NPV of the potential cash outflow. As a reminder, the up to €40 million earn out is payable in cash in 3 installments after the 2023, 2025 and 2029 results.

Moving to Page 23; the year 2022 was characterized by €31 million of CAPEX, partially related to the doTransformation program, an increased by €1.2 million compared to 2021. The net working capital released almost €3 million of cash in 2022. The delta in other assets and liabilities implied a cash absorption of circa €90 million, which we had anticipated, comprising items of various nature, but in particular related to the rents, redundancy, as well as, some items related to our Greek business, which we have described in the page.

In addition, the strong performance of the business in 2021 compared to '20 has led to a higher tax payment, which has negatively impacted the cash flow in '22 versus '21. Also a dividend of €39 million was paid in '22, a substantial growth compared to the dividend paid in '21 of €20.7 million, through a dividend we have generated €11 million of cash flow in '22.

Overall the CAPEX plan '22-'23 described on Page 24 is in line with the initial plan as presented in the Capital Markets Day in January '22, considering the savings achieved with the supplier and the broader review of the plan during the last 12 months and the non-renewal of the Sareb contract. As mentioned, we have locked in savings for €4 million from the doTransformation plan.

Moving to Page 25; our financial structure remains very conservative in terms of leverage, maturity profile, liquidity and RCF lines available. We ended up 2022 with a 2.1x leverage level, essentially in line with the level achieved in 2021. As a reminder, both Fitch and S&P confirmed our rating before the summer and Fitch improved our credit outlook to positive.

Now, let me hand it over to Andrea for final remarks.

ANDREA MANGONI: Thank you, Manuela. We are very satisfied of our results for 2022. We had posted a stable EBITDA on the back of challenging market condition and we are confirming the €0.60 dividend per share for 2022. In 2023, the macro environment remains supportive to our business in terms of expected generation of new NPEs with a regulatory environment which remains stringent for commercial banks.

Product diversification is underway as well as the impact of the doTransformation plan is already evident after only 1 year. All-in-all, looking at 2023, we are positive and we will probably beat again our target.

Thank you and we are available for questions.

Q&A

ALBERTO GORETTI: Thank you, Andrea. It's Alberto again. So it's now time for questions. In order to register your question, press star 1 on your keypad and we'll take them one-by-one. I see the first question maybe from Luigi Tramontana at Banca Akros. Luigi.

LUIGI TRAMONTANA: Yes. Good morning. Many thanks for the presentation, and 3 questions on my side. First of all, congratulations for the work you did on the cost front, very good results there. I see that in Q4, the administrative expenses were extremely low. Can we take this level of quarterly costs as a running base for 2023?

The second question relates to your financial position. Where the financial leverage in terms of debt-to-equity has significantly increased from 2.5x to 3.2x given the reduction in the equity after the payment of high dividends. And the higher net debt in 2022. Are you happy with this situation? What do you expect for 2023? And do you plan eventually to cut your dividend targets that were embedded in the Business Plan?

The third question is about the evolution of the collections. In your press release, I see in the outlook that you gave a prudent message regarding the evolution of the collections. Can you please elaborate on that? Many thanks.

MANUELA FRANCHI: LUIGI, I will take the first question. On the SG&A front, we are proud to say that these savings are locked-in, and they will continue going forward. Actually we expect - obviously taking into account the seasonality of the various quarters that have different features – all-in-all to even improve.

Our cost control measures have always been there, and we have progressively done well on this front. But they are not only results of specific ad-hoc actions. They are part of the overall transformation plan, which is yielding much lower overall costs in the structure because technology is really helping to release spare capacity. This has an impact also in terms of outsourcing fees because we are able to do things internally which we were doing externally before. We have decreased the number of people inside the organization. And all-in-all, we have to hire less than we need. This is all the results of the IT innovation and the transformation plan carried out in every single country.

I leave to Andrea to address the other 2 points.

ANDREA MANGONI: On your point on the financial structure and if we are happy or not with our current leverage. I think in terms of financial structure, our company is rock solid. I mean even considering the current financial environment, I think the company is very solid in financial terms. So for 2023, I can tell you a couple of things. The first one is, we were prudent this year with our financial structure, because we really believe 2023 will be the year of the acceleration in the consolidation game. So we need all the firepower possible to play an active role in it. If no consolidation, considering our leverage and the perspective we have for this year, I think we can increase our dividend payment. But again, our priority for this year is M&A. This is why we are working to improve the cash flow generation starting from a solid financial structure and low leverage.

MANUELA FRANCHI: In terms of collections for 2023, I think we can confirm the same trend anticipated last year in line with the Business Plan. So there was a significant upside this year in terms of collection rate.

ANDREA MANGONI: Yes, because if you consider our current situation for last year excluding the Sareb contract, our performance in terms of collection has significantly increased. And, I mean, this is mainly due to the collection rate efficiency gains, but with the result we reached in terms of acquisition, the €12 billion mentioned before, we are even more positive as growth rates will increase further.

ALBERTO GORETTI: Okay. I think we can take the next question from Andrea Lisi at Equita. Andrea, over to you.

ANDREA LISI: Hi. Thank you for taking my question. The first one is on 2023. I see you did not provide any guidance. If you can provide some color on what you expect in terms of evolution of revenues and EBITDA, you mentioned that you will be clearer over the year. But if you can just provide some indication of which are your expectation about that?

Then the second question is still on M&A, which markets do you consider more interesting to invest? And do you consider also large size deals, so to make example similar to Altamira and FPS? And still related to M&A, I don't remember if I was right or not, but in the plan, you committed to dividend trajectory. Is that dividend trajectory dependent on M&A or was independent from M&A.

Then the last 2 questions are related to the transaction of Virgo and Souq. If you can provide an indication of the fees that would have been realized in Greece, net of Virgo, and in Greece, still related to Virgo and Souq where you retain the servicing agreement on these gross book values. And if you can provide us an indication of how much lower are fees there than in the original contracts just to project the evolution of revenues that are going on, if lower, obviously? Thank you.

ANDREA MANGONI: So on the guidance for 2023, if you consider the current market consensus, both in terms of revenues, EBITDA, leverage, etcetera, I think we will do definitely better than the market consensus itself.

In terms of M&A, as I said before, this year will be the year of the consolidation and for new value consolidation in terms of jurisdictions means Italy and Spain because both in Italy and in Spain, the market is fragmented. So we have to consolidate these market.

And to your question, we can consider some large size transaction. Again, our financial structure is rock solid and we have enough firepower to consider, I mean, large size transactions. On the 20% dividend growth and the M&A, no downside in DPS because 20% is the floor. So we will increase our dividend for at least 20% even in the case of sizable M&A transaction.

On Souq and the rest, I will hand over to Manuela.

MANUELA FRANCHI: Yes. Actually the one which was accounted in '22 is Virgo. The revenue were around €5 million on the sale. the new fees are a bit lower, but not significantly lower. The difference between the Italian market and the Greek market in that sense is while in Greece you are paid a fixed fee for the sale independently from the fact that your fees after the transaction are going to be the same or lower or higher, in Italy, usually, it's paid differently if you retain the contract you're only paying the difference between the NPV of the old and the new contract. Obviously if you lose the contract, the indemnity covers for all the value lost.

Taking into account that the Virgo and Souq sales were not part of the Eurobank portfolio, which has obviously higher fees than the average investment portfolio, but they were part already of investor portfolios. So they were already market fees. So the difference between the pre and post transaction fees is limited. The difference would have been bigger if you had sold a portfolios from a bank book to the market where you realign from bank fees to investor fees.

ANDREA LISI: Thank you.

ALBERTO GORETTI: Okay. I think we can take the next set of questions from Eleni Ismailou from AXIA Ventures. Eleni.

ELENI ISMAILOU: Hi all, and thank you, for taking my call and questions. Could you please give us an indication of the collections in Greece, like what is your pipeline? And how does the Supreme Court decision is changing your guidance for the collection rates going forward? Thank you.

MANUELA FRANCHI: Yes. As you can see, we have 6.1% for this year. We are assuming a quite relevant increase by 15% to 20%. The collection is not significantly impacted by the court decision because to be fair, we were expecting to receive a positive feedback, given that a different decision would have really been detrimental to the overall Greek market. So let's say, we are more confident on achieving our results rather than saying we will do more than that. If the Court decision was opposite, obviously, this would have been a problem not only for us but for all the servicers, the banks and investors, which had invested in the countries so far.

ALBERTO GORETTI: I would like to stress also a couple of points on the Supreme Court's decision. The first one is that we've never doubted the outcome. We've always been confident that the issue would have been resolved positively for the servicers. And it's a bit unfortunate that this issue has created noise in the market. The second point is around Greece. I think with this ruling, Greece is giving a very strong signal about its reliability from a law framework point of view, which is a very positive sign in terms of the credibility of the country as a whole.

ANDREA MANGONI: Yes. And I think our current market positioning and performance in the Greek market is extremely strong. And it is a paradox that the strong performance of Greece in a way negatively impacted our net results, because of the acceleration in the recognition of the potential payment we did to Eurobank for the acquisition of the current doValue Greece. We had to anticipate the recognition of such payment because of the extremely strong performance of doValue Greece versus our expectation at the time of acquisition. So I think we can strongly rely on the performance of our Greek operations. Just to clarify, I said the payment of the earn-out, but I was wrong because it's not a payment, but it's the recognition of the earn out itself. But again, I think it's a clear signal of how the performance of our Greek operations are strong and above expectations.

ELENI ISMAILOU: Thank you very much guys and again congratulations for your results.

ALBERTO GORETTI: Thank you, Eleni. I see no further questions. So okay, there's nothing left. I wish you a very good day and a good weekend. Thank you.

ANDREA MANGONI: Thank you.

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