

*[English courtesy translation]*

## INFORMATION DOCUMENT

OF

**doValue S.p.A**

Drafted according to Article 5 and in compliance with Annex 4 of the Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010 and subsequent amendments, and in accordance with Article 5.1.1 of the “Policy for the management of related party transactions and of transactions in conflict of interest of the doValue Group”, approved by the Board of Directors of doValue S.p.A. on 17 June 2021.

**Concerning the participation in an investment in a securitization transaction assisted by State guarantee in Greece, aimed to acquire the servicing contract of the securitized portfolio.**

Verona, 21 October 2021

*Information document available to the public at the registered office of doValue S.p.A. (Viale dell’Agricoltura, 7 - 37135, Verona), on the doValue S.p.A. website ([www.dovalue.it](http://www.dovalue.it)) - Governance / Related Party section and on the authorized storage mechanism eMarket Storage, on the website [www.emarketstorage.com](http://www.emarketstorage.com).*

## TABLE OF CONTENTS

### INTRODUCTION

#### 1. WARNINGS

1.1 Risks associated with potential conflicts of interest arising from the Transaction.

#### 2. INFORMATION RELATING TO THE TRANSACTION

2.1. Description of the characteristics, methods, terms and conditions of the Transaction.

2.1.1 Agreements with Investors

2.1.2 The servicing Agreement

2.2. Related Parties with whom the Transaction is carried out, nature of the correlation and nature of the interests of the Related Parties in the Transaction.

2.3. Indication of the economic reasons and convenience for the company of the Transaction.

2.4. Methods for determining the consideration of the Transaction and assessments of its congruity.

2.5. Illustration of the economic, patrimonial and financial effects of the transaction, providing at least the applicable relevance indices.

2.6. Any changes in the amount of the remuneration of the members of the BoD of doValue S.p.A and / or its subsidiaries as a result of the Transaction.

2.7. Any members of the administration and control bodies, general managers and executives of the Company involved in the Transaction.

2.8. Indication of the bodies or directors who conducted or participated to the negotiations and / or instructed and / or approved the Transaction.

2.9. If the significance of the Transaction derives from the cumulation, pursuant to Article 5, paragraph 2, of several transactions carried out during the year with the same related party, or with subjects related to both the latter and the company.

## INTRODUCTION

1. This Information Document (the “**Information Document**”) has been made available to the public with reference to a “Greater Importance” Related Parties Transaction, as defined in accordance with Annex 3 of the Consob Regulation, adopted with Resolution n. 17221/2010 (“**Related Party Regulation**”). The Information Document was also drawn up pursuant to Article 5, paragraphs 1 and 6, of the Related Party Regulation, as well as Article 5.1.1 of the " Policy for the management of related party transactions and of transactions in conflict of interest of the doValue Group"(the" **Policy**") and contains the information required by Annex 4 of the Related Party Regulation.

2. The Transaction described in the Information Document consists of the participation by doValue S.p.A. (“**doValue**” or the “**Company**”) - through the Greek subsidiary doValue Greece Loans and Credit Claims Management SA (“**doValue Greece**”) - to an investment in a securitization transaction assisted by a state guarantee in Greece, aimed to acquire the servicing mandate for the securitized portfolio (the “**Transaction**”).

The Transaction is part of the de-risking program launched by the Greek bank National Bank of Greece (“**NBG**”) which promoted a securitization operation assisted by a the Greek State guarantee (the so-called “**Hercules Scheme**”), concerning a loan portfolio for a GBV value of approximately Euro 6 billion, consisting of non-performing credits. The securitization transaction provides for the issue of senior notes which will be fully subscribed by NBG and mezzanine and junior notes which will be subscribed by NBG for 5%; therefore, a competitive process for the sale of 95% of these mezzanine and junior notes (the “**Notes**”) has been launched and, at the same time, for the award of the servicing mandate on the entire portfolio (the “**Frontier Project**”).

doValue Greece has participated in the competitive process organized by NBG in consortium with Fortress Investment Group (“**Fortress**”<sup>1</sup>) and Bain Capital (“**Bain**”) (the latter the “**Investors**”) with the aim, for the Investors, to purchase of the Notes and for doValue Greece, to secure the servicing mandate for the entire portfolio.

3. On 04 June 2021, the Independent Directors of doValue collegially issued their favorable opinion on the Company's interest in carrying out the Transaction, as well as on the substantial convenience and correctness of the related conditions, attached to this Information Document as Annex “A” and published on the website [www.doValue.it](http://www.doValue.it) in the Governance / Related Party section (the “**Opinion**”).

At the same time, the Board of Directors of doValue S.p.A. authorized the Transaction by authorizing the submission of the joint offer with the Investors and the continuation of the negotiations for the definition of the agreements aimed at regulating the mutual rights and obligations related to the Transaction in the event of the award of the tender. On 07 June 2021, the Transaction was approved in the same terms by the Board of Directors of the subsidiary doValue Greece.

Therefore, on 7 June 2021, the binding offer for participation in the competitive process in consortium with Investors (“**Binding Offer**”) was presented jointly with Fortress and Bain (the “**Investors**”).

Subsequently, the consortium consisting of doValue (through its subsidiary doValue Greece), Bain and Fortress (the “**Consortium**”) was selected by NBG as the preferred bidder in relation to the Frontier Project for a period of exclusive negotiations (please refer to the Press Release issued by doValue on 21 July 2021).

In view of the conclusion of the negotiations with NBG and the achievement of the definitive agreement on the main terms and conditions of the Transaction and for the purpose of signing the main commitments (the “**Signing**”), on 13 August 2021 the Independent Directors met collegially and, having acknowledged the updates on the progress of the negotiation received from the Management, confirmed their favorable

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<sup>1</sup> Also by its funds advised by or affiliates.

Opinion on the Transaction, attached to this Information Document as Annex "B" and published on the website [www.dovalue.it](http://www.dovalue.it) in the Governance / Related Party section.

On the same date, similar information on the progress of the negotiations was also provided to the Board of Directors of the Parent Company, which approved the updates negotiated between the parties.

Previously, on 03 August 2021, the Board of Directors of the Subsidiary had also approved the provisions negotiated between the parties, without prejudice to the confirmation of the favorable Opinion of the Independent Directors and the final authorization of the Board of Directors of the Parent Company.

The Signing took place on 15 October 2021 at the conclusion of the negotiations with NBG and the reaching of the final agreements with the Investors on the main terms and conditions of the Transaction. In that occasion the Note Purchase Agreement concerning the terms and conditions relating to the transfer of the Notes, including the designation of doValue Greece as Servicer (the "**Servicer**") of the securitized portfolio and the terms and conditions of the servicing, (the "**Servicing Agreement**") have been signed.

The completion of the Transaction with the transfer of the Notes is expected upon the occurrence of certain standard conditions (the "**Closing**") by the end of the year, while the effectiveness of the Servicing Agreement, as described below, is subject to the completion of the migration of the portfolio to the systems of doValue Greece (the "**Migration**"), expected by the first quarter of 2022.

4. The Transaction is configured as a Related Party Transaction, due to the correlation existing between doValue and Fortress, which, through Avio Sàrl and other entities, holds 26.79% of the share capital shareholder of doValue, as well as its representatives are in doValue' Board of Directors.
5. The Transaction is classified as a "Greater Importance" transaction, pursuant to Article 3.2.1 of the Policy, since it has a value higher than the significance threshold provided for by the Related Party Transactions Regulation.

## 1. WARNINGS

### 1.1 Risks associated with potential conflicts of interest arising from the Transaction

As anticipated, the Transaction is configured as a Related Party Transaction, due to the correlation existing between doValue and Fortress, which, through Avio Sàrl and other minor entities, currently holds the 26.79% of the share capital of doValue and is represented on the Board of Directors by its representatives.

It should be noted that at the date of this Information Document two Directors are Executives of Fortress. During the Board of Directors of 04 June 2021, both of the Directors representing Fortress, potentially in a position of conflict of interest, were absent at the time of the discussion and approval of the Transaction.

Similarly, in the subsequent meeting of the Board of Directors on 13 August 2021, the aforesaid Directors representing Fortress were absent.

## 2. INFORMATION RELATING TO THE TRANSACTION

### 2.1. Description of the characteristics, technicalities, terms and conditions of the Transaction

The Transaction consists of several agreements that were reached in the context of the Project Frontier; reference is mainly made to:

- The Consortium Agreement with Investors aimed at regulating (i) the reciprocal rights and obligations of the parties related to participation in the competitive process (in particular the commitment of doValue Greece to contribute to the investment in the Notes by virtue of the award of the Servicing Agreement for the management of the Frontier portfolio (the "**Servicing Agreement**"), as better

explained below, and the related expenses, as well as (ii) the main terms and conditions relating to participation in the investment including a profit mechanism sharing aimed at aligning the interests of the parties of the Consortium (the "**Agreements with Investors**");

- The Servicing Agreement and any further agreements, to be entered into in the context of the securitization, for the provision of any services connected to the administrative management of the ReoCo and assistance in the real estate transactions undertaken by the same (the "**ReoCo Services**").

## 2.1.1 Agreements with Investors

The Agreements with the Investors provide, against the right of doValue Greece to be appointed as Servicer of the Transaction, the commitment of doValue Greece to participate in the investment for the purchase of the Notes with a contribution, which is potentially in addition to the amount offered by the Investors ("**Top Up**") as well as further commitments aimed at regulating reciprocal obligations and rights of the parties connected to the investment, including the corporate structure of the investment and the profit sharing mechanism, aimed at aligning the interests of the parties with respect to the entire duration of the Transaction.

The establishment of a vehicle (limited partnership) under Irish Law which buys the Notes is comprised in these Agreements; the company and governance structure of the vehicle guarantees to Investors the return on the Notes and the exercise of the administrative rights related to the Notes, while granting to doValue the right to be designated as the Servicer of the Transaction, without prejudice to the additional profit sharing mechanism described below.

The profit-sharing mechanism ("**Profit Sharing**") provides for the right of doValue to receive interest income on the coupons of the Notes starting from a certain interest payment date (IPD) with increasing percentages and, at the same time, a mechanism for the retrocession of the servicing fees in favor of Investors in case of subordination of the Notes, with different decreasing percentages, depending on how much the subordination of the Notes takes place. This mechanism is aimed at creating an alignment of interests between doValue and the Investors and in particular at encouraging the Servicer to achieve the performance levels that guarantee the accrual of interest on the Notes.

As part of the agreements with Investors, agreements are envisaged for the distribution of certain penalties granted in favor of NBG in relation (i) to the failure to complete the Migration of data on the management systems of the Servicer by the first quarter of 2022 for reasons attributable to doValue Greece, as well as (ii) the non-recruitment by the Servicer of NBG resources responsible for managing the transferred portfolio. In particular, Investors are expected to participate in the payment of these penalties, in order to mitigate the risk of the Servicer.

Finally, further agreements between the parties concern the allocation of costs incurred during the Transaction for due diligence activities for the portfolio underwriting, for the purpose of quantifying the offer as well as for defining the correct portfolio management strategy. Some of these activities were carried out directly by doValue Greece with reference to real estate valuations.

## 2.1.2 The Servicing Agreement

The participation in the Transaction of doValue Greece is functional to the award of the Servicing Agreement on the entire portfolio, the main terms and conditions of which are listed below. The structure and the main contractual terms were defined by NBG as part of the tender and were not subject to negotiation with the

Consortium. In general, the contract reflects standard market conditions for this type of transactions with State guarantee in Greece.

## Object

The Servicing Agreement relates to the administration, management and collection of securitized loans.

## Commissions

It has to be preliminary noted that the fees applied to the Servicing Agreement have been defined by the Originator as one of the non-modifiable elements of the tender. However, they are substantially in line with those usually practiced by doValue Greece on other portfolios with public guarantee or by third party operating in the same sector.

The fee structure follows the classic scheme envisaged in this type of contract, i.e. the provision of a base fee, unrelated to collections and determined on the basis of the assets under management, in addition to a collection fee calculated as a percentage of net collections (net of recovery costs) accrued since the Migration.

The Servicer's commissions and, in general, the recovery costs, are senior with respect to the payment of interest and principal of the notes, except in the cases of underperformance provided below.

## Duration

The Contract has an indefinite duration and can be terminated only when certain events occur which justify the termination of the contractual relationship, where it is not possible to remedy it.

The main cases of early termination include the following events:

- serious breach;
- loss of the licence required for the provision of the services;
- supervening illegality;
- insolvency;
- underperformance of the Servicer (greater than 30% with respect to the targets of the securitization business plan) caused by negligence of the Servicer, to the extent that it is mandatory under the applicable legislation.

## Underperformance and deferral of Servicing fees

The Contract does not provide for KPIs or penalties but only for the deferral of a part of the fees, required as mandatory by the applicable law.

In particular, it is provide a deferral of fees equal to 20% in the event of underperformance equal to or greater than 20% of the collection targets envisaged by the securitization business plan and a deferral of fees equal to 30% of the fees in cases of underperformance equal to or greater than 30% of the revenue targets envisaged in the business plan. In any case, the deferrals cannot be activated before the 24<sup>th</sup> month from the Closing.

It should also be noted that, in the context of the services to be provided in the context of securitization, the signing by doValue Greece of ancillary agreements concerning administrative services to the ReoCos, as well as assistance in real estate transactions undertaken by them is also envisaged (the "**ReoCo Services**") in the interest of the securitization transaction, which will be remunerated separately.

## **2.2. Related Parties with whom the Transaction is carried out, nature of the correlation and nature of the interests of the Related Parties in the Transaction**

The Agreements with Investors for the participation of doValue Greece in the Frontier Project are relevant for the purposes of the Regulation of Transactions with Related Party by virtue of the counterparty Fortress Investment Group, which, through Avio Sàrl and other minor entities, holds 26.79% of the share capital of doValue, as well as through the representation on the Board of Directors of two of its members.

Similarly, for the purposes of Related Party Transaction management, the Servicing Agreement is also relevant, given that following the purchase of the Notes, it is assumed that the Consortium, through a foreign vehicle, *ad hoc* incorporated, could have control of the securitization vehicle (the “SPV”) with which doValue Greece would sign the Servicing Agreement.

In the Agreements with Investors, the governance decisions of the foreign vehicle set up by the Consortium including the exercise of governance rights relating to the Notes are taken by the Investors, therefore *de facto* the control of the vehicle is to be considered joint between Bain and Fortress.

### 2.3. Indication of the economic reasons and convenience for the company of the Transaction

Participation in the Frontier Project in consortium with Investors is of strategic interest for doValue Greece and for the Group.

This is one of the latest pipeline operations of this type for the Greek market, given that all the other Greek systemic banks have already disposed of their credit portfolios through the sale of already awarded servicing platforms. NBG has started a competitive process mainly involving investors with servicers captive in order, in any case, to be able to enhance the value of the Servicing Agreement in the value of the Notes.

The amount of the Top Up was defined, according to the criteria generally used by the Group for the valuation of this type of contract, on the basis of the net present value of the Servicing Agreement, determined on the basis of the expected flows of the securitization, as detailed below clarified, and will be paid to NBG (as part of the total price paid by the vehicle set up by the Consortium for the purchase of the Notes) at the Closing of the Transaction itself, therefore it will not directly benefit the Investors. A part of these amounts was placed in escrow to guarantee payment at the same time as the Signing of the Transaction Agreements.

The Profit Sharing mechanism deriving from the Agreement with the Consortium, is functional to align the interests of all parties as much as possible and to accelerate the recovery and implementation of the plan.

From an economic point of view, the operation allows doValue Greece to acquire a long-term servicing agreement which envisages an average annual EBITDA of around Euro 5 million for the first 10 years, it being understood that the portfolio will be managed until run off.

The Transaction was not approved in the presence of a contrary notice from the Directors or the Independent Directors. The Independent Directors in office have collegially issued positive Opinion on the Transaction.

### 2.4. Methods for determining the consideration of the Transaction and assessments of its congruity

2.4.1. In order to calculate the value of the Transaction, the maximum amounts payable and receivable in the context of the Transaction were compared:

1) The maximum payable value is mainly represented by the contribution for the purchase of the Notes by the Consortium (Top Up), in addition to the costs of the Transaction. The amount of the Top UP was defined taking into account the NPV of the Servicing Agreement, as described in par. 2.4.3;

2) The maximum receivable value is mainly represented by the profits of the Servicing Agreement and further profits related to the due diligence activities and any provision of ReoCo Services, determined by discounting the expected cash flows.



The comparative analysis of these flows has shown that the amount of expected incoming cash flows is prevalent and, in any case, higher than the most significant threshold for the period, depending on the scenarios considered and whether or not the Profit Sharing mechanism is activated.

For the purposes of calculating the total value, the 5% threshold of the significance threshold pursuant to the Related Party Transactions Regulation was applied, as the ratio between the value of the Transaction and the capitalization of the Company recognized for the first time on 31 March 2021 (closing of the last trading day included in the reference period of the most recent periodic accounting document published). On that date, this threshold was equal to Euro 41.6 million.

Following the publication of the Half-Year Financial Report at 30 June 2021, the most significant threshold was updated with respect to the capitalization value at 30 June 2021 and was equal to Euro 37.12 million. It follows, as above represented, that the Transaction can be classified as a Greater Importance Transaction. Pursuant to the Policy, there are no cases of exemption from the procedure for managing transactions with Related Party.

**2.4.2.** As far as the Servicing Agreement, the conditions applied to the servicing mandate can be considered substantially equivalent to the standard and / or market ones, as they reflect conditions substantially in line with other recent securitization transactions with public guarantee issued by systemic banks, also taking into account the decreasing trend in fees recorded on the market. The fee structure reflects the classic scheme which provides a base fee calculated on the value of the assets under management and a performance fee calculated on the basis of the net collections made in each quarter.

In this regard, please note that the fees were imposed by NBG.

**2.4.3** With reference to the Agreements with Investors relating to the investment and the Profit Sharing mechanism, the analyses carried out have permitted to assess the adequacy of the same conditions as a whole applied in light of the counterpart advantages of the Transaction for doValue Greece and the Group (as better represented in paragraph 2.3 above).

The Top Up as contribution for the participation to the tender with Fortress and Bain was calculated considering the net profit value ("NPV") of the Servicing Agreement, or by discounting the expected net cash flows according to the methodology usually applied by doValue for investments made by the Group.

For the purpose of calculating the NPV of the Servicing Agreement doValue took into account the following drivers:

- the collection forecasts determined in the business plan and the estimation of the revenues for the Company deriving from the commissions provided for in the Servicing Agreement;
- the management costs (direct and indirect), in addition to any onboarding costs in order to determine the prospective net income flow.

The adequacy assessments were carried out by the Management of the Company. Neither the Company nor the Independent Directors availed themselves of the opinion of independent third parties.

## **2.5. Illustration of the economic, patrimonial and financial effects of the transaction, providing at least the applicable relevance indices**



From an economic point of view, the Transaction allows the Company to acquire a long-term servicing agreement which provides for an average annual EBITDA of around Euro 5 million for the first 10 years, it being understood that the management of the portfolio will continue until run off.

From a financial point of view, the expected disbursement is calculated by discounting the expected cash flows to the WACC relating to the Greece Area and consistent with other investments made by the Group.

With reference to the financial impacts of the transaction that would affect doValue Greece, the available cash at 30 June 2021 amount to Euro 19.8 million, in the absence of RCF lines.

This level of cash will allow, by the third quarter of 2021, to be able to meet the investment without having to resort to external sources of financing.

## **2.6. Any changes in the amount of the remuneration of the members of the BoD of doValue S.p.A and / or its subsidiaries as a result of the Transaction**

As a result of the Transaction, no changes and / or variations are envisaged in the remuneration due to the members of the Board of Directors of doValue S.p.A. and / or its subsidiaries.

## **2.7. Members of the administration and control bodies, general managers and executives of the Company involved in the Transaction**

Members of the Administrative and Control Bodies, General Managers and Executives of doValue S.p.A. and / or its subsidiaries are not directly involved in the Transaction, such as Related Party.

It should be noted that at the date of this Information Document two Directors of doValue S.p.A. are Executives of Fortress, therefore in potential conflict of interest with the Transaction. However, as already shown, they did not participate in the approval of the Transaction as they were absent at the time of the illustration and voting of the Transaction in the Board of Directors meeting on 04 June 2021.

In the subsequent Board of Directors meeting on 13 August 2021, both the above Directors were absent.

## **2.8. Indication of the bodies or directors who conducted or participated in the negotiations and / or instructed and / or approved the Transaction**

The Transaction is configured as a Related Party Transaction of Greater Importance and, therefore, was subjected to the approval process described in art. 4.2.1 of the policy for Greater Importance Transactions carried out by the Group's subsidiaries.

In this regard, the Policy provides that the Transactions of Greater Importance carried out by the Subsidiaries must to be approved by the Board of Directors of the Subsidiary. However, the resolution on the Transaction must be submitted to the authorization of the Board of Directors, in its capacity as Parent Company, subject to the binding Opinion of the Committee.

It should be noted that following the renewal of the Board of Directors of doValue during the Shareholders' Meeting of 29 April 2021, on 4 June 2021 (date of the Opinion), the Risks and Related Party Committee was not yet been formally appointed, therefore the Opinion was issued by the following four Independent Directors in office, not related to the transaction:

Amb. Giovanni Castellaneta  
Avv. Nunzio Guglielmino  
Prof. Giovanni Battista Dagnino  
Avv. Marella Idi Maria Villa

Pursuant to the provisions of the Policy, doValue has guaranteed the Independent Directors suitable and complete information flows and documentary supports for the purpose of evaluating the Transaction.

The Transaction was initially presented to the Board of Directors of doValue S.p.A. on May 13, 2021, which was attended by the Independent Directors in office.

During the pre-deliberation phase, the Independent Directors received complete and updated information on the progress of the ongoing negotiations, which allowed them to evaluate the Related Party Transaction and express their Opinion.

A discussion session was also held between the Independent Directors and doValue Management involved in the negotiations, during which the Management illustrated the structure and terms of the Transaction as well as the related economic and financial impacts, highlighting in particular the possible higher risk profiles.

On 04 June 2021, the Independent jointly issued their favorable Opinion on the Company's interest in the Transaction, as well as on the substantial convenience and correctness of the related term and conditions. The Opinion is attached to this Information Document as Annex "A" and is published on the website [www.dovalue.it](http://www.dovalue.it) in the Governance - Related Party section.

On the same date, the Board of Directors of doValue S.p.A. has previously authorized the Transaction by authorizing the submission of the joint offer with the Investors and the continuation of the negotiations for the definition of agreements, aimed at regulating the mutual rights and obligations related to the award of the tender.

On 07 June 2021, the Transaction, in the same terms, was approved by the Board of Directors of the subsidiary doValue Greece.

On 13 August 2021, an update on the progress of the negotiations of the Transaction was provided to the Risks and Related Party Committee (appointed in the meantime), which was attended by the same four Independent Directors who confirmed, in light of the additional conditions negotiated, the favorable Opinion issued on 4 June 2021. The confirmation of the Committee's Opinion is attached to this Information Document as Annex "B" and is published on the website [www.dovalue.it](http://www.dovalue.it) in the "Governance - Related Party" section.

A similar update was provided to the Board of Directors of the Subsidiary on 03 August 2021 and to the Board of Directors of doValue on 13 August 2021.

## **2.9. If the significance of the transaction derives from the accumulation, pursuant to Article 5, paragraph 2, of several transactions carried out during the year with the same related party, or with subjects related to both the latter and the Company**

The case described is not applicable in relation to the Transaction.