

PRESS RELEASE

Agreement between Gardant and AMCO and the BPER Group for the creation of a long-term strategic partnership for the servicing of NPEs between Gardant and BPER, and for the sale of NPE portfolios of up to EUR 2.5 billion to companies controlled by Elliott's funds and to AMCO

The framework agreement provides for the creation of a joint venture between BPER Group and Gardant Group, which will hold 70%.

As part of the offer, the BPER Group is also foreseen to divest:

- an NPL portfolio with a gross book value of approximately EUR 1.5 billion by December 2022 to AMCO;
- a UTP portfolio with a gross book value of approximately EUR 0.5 billion to a securitisation vehicle, where companies controlled by Elliott's funds will underwrite securities by 1Q2023.

Negotiations are also underway between BPER and AMCO for a further sale to AMCO of a portfolio of UTPs with a gross book value of approximately EUR 0.5 billion.

Milan, Rome, 28 November 2022

Gardant S.p.A. and AMCO S.p.A. have reached an agreement with the BPER Group for the creation of a strategic partnership between the BPER Group and the Gardant Group for the management of impaired loans originated by the BPER Group and for the sale of certain portfolios of impaired loans to AMCO and to companies controlled by Elliott's funds.

The strategic partnership will be implemented through the creation of a joint venture between the BPER Group and the Gardant Group, of which the Gardant Group will control 70% and which will combine the professional, industrial, IT and relational skills of the two partners.

The joint venture will be dedicated to the management and recovery of credits classified as both so-called Unlikely to Pay (or UTPs) and non-performing loans (or NPLs). This company will act as credit manager for part of the portfolios subject to the disposals under the agreement, for part of the residual stock of UTPs and NPLs owned by the BPER Group and, over the next 10 years, for 50% of the BPER Group's new UTP loans and 90% of new NPL loans.

"This is a very important deal for the Gardant Group, as it allows us to continue to grow as an integrated credit and asset manager at the service of banks and investors," **Mirko Briozzo, CEO of Gardant,**

explains. *“This is indeed a major project, as it puts an industrialised and data-centric vision of UTP credit management, starting with small and medium-sized loans, at the centre of the joint-venture’s operations, with a view to re-performing. We are confident, on the strength of our history and excellent team, that this partnership with BPER will be of great satisfaction to both of us. Gardant has already had a successful banking partnership for several years, which demonstrates our prowess to realise ambitious projects.”*

As part of the offer, it is foreseen that up to EUR 2.5 billion of the BPER Group’s impaired loans will be sold through:

- The sale to AMCO of a NPL portfolio with a total gross value of approximately EUR 1.5 billion, to be realised by December 2022;
- The sale of a UTP portfolio with a total gross value of approximately EUR 0.5 billion, within the first quarter of 2023, to a securitisation vehicle, in which companies controlled by Elliott's funds will underwrite 95% of the mezzanine and junior securities.

As part of the transaction, negotiations are also underway between the BPER Group and AMCO for a further sale to AMCO of a portfolio of UTPs with a gross book value of approximately EUR 0.5 billion to be finalised in the first quarter of 2023.

The Gardant Group is assisted in this transaction by Rothschild & Co. as financial advisor, Goldman Sachs as structuring advisor, Deloitte for due diligence activities, FBS Next for due diligence/management activities, Chiomenti as legal advisor and Studio Zoppini in relation to regulatory aspects.

AMCO is assisted by Vitale & Co. as financial advisor and Legance as legal advisor.

Gardant S.p.A.

Gardant S.p.A., the parent company of the Gardant Group, is a leading player in Italy in credit and alternative asset management and servicing of impaired loan portfolios. With approximately EUR 40 billion of loans under administration, around EUR 20 billion of loans managed as special servicer and more than EUR 500 million in funds raised, the Gardant Group presents the widest range of products and services for investors and banks in the illiquid and impaired loans sector. Special Gardant (licensed pursuant to Art. 115 TULPS) is the company specialised in judicial and extrajudicial recovery activities; Master Gardant is the company (financial intermediary pursuant to Art. 106 TUB) specialised in UTP credit management support activities and in servicer activities of securitisation vehicles; Gardant Investor SGR is the Group’s management company specialised in alternative investments in the credit sector.

AMCO – Asset Management Company S.p.A.

With EUR 36.2 billion of pro-forma NPEs at the end of September 2022, of which EUR 13.2 billion of UTPs for 75% related to more than 41,000 Italian companies, and a 20-year history (as SGA), AMCO is a leader in the management of impaired loans, a reference point in the NPE market in Italy, serving the country and the real economy. Participated by the Ministry of Economy and Finance, it is a full-service credit management company operating in the market. Subject to the supervision of the Bank of Italy and to the control of the Court of Auditors, as well as at EU level to that of the Directorate General for Competition (DGComp), which analyses and monitors transactions, AMCO operates according to a flexible, innovative and respectful business model towards debtors, creditors, assigning banks, bondholders and individuals. The management approach is careful not to create financial and reputational stress and is aimed at fostering the sustainability of the company, also by directly disbursing new finance to promote business continuity and industrial re-launch, thus putting resources and energy back into circulation for the economic fabric of the country. Thanks to a diversified management strategy between non-performing loans and UTPs, and to the skills and specialisations of its 368 professionals operating

in Milan, Naples and Vicenza, AMCO fully manages the recovery process of impaired loans and any kind of portfolio, even large ones, with an effective and flexible operational structure.

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