



DOVALUE S.P.A.

EXPLANATORY REPORT

OF THE BOARD OF DIRECTORS OF DOVALUE S.P.A.

ON THE ITEM N. 1 ON THE AGENDA

OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

IN A SINGLE CALL ON 26 MAY 2020

10 April 2020

doValue S.p.A.

già doBank S.p.A.

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Sede Legale in Verona, Viale dell'Agricoltura, 7 – Iscrizione al Registro Imprese CCIAA di Verona CCIAA/NREA: VR/19260
Codice Fiscale n° 00390840239 e Partita IVA n° 02659940239 – Capitale Sociale € 41.280.000 interamente versato.



Explanatory report of the Board of Directors of doValue S.p.A. on the item n. 1 on the agenda of the extraordinary shareholders' meeting in a single call on 26 May 2020:

"Delegation of power to the Board of Directors to increase share capital, on one or more occasions and, in any case, in a divisible form, with no pre-emption rights pursuant to art. 2443 and 2441, paragraph 4, second sentence, of the Italian Civil Code, namely against payment or in cash, through the issue, also in one or more tranches, of a number of ordinary shares not exceeding 10% of the total number of doValue shares outstanding on the date the power is exercised. Amendment of art. 5 of the Articles of Association Related and consequent resolutions"

Dear Shareholders,

the Board of Directors of doValue S.p.A. (hereafter, the "**Company**" or "**doValue**") has convened you to the extraordinary shareholders' meeting, in Lungotevere Flaminio no.18, Rome (RM), on May 26, 2020, at 10:00 a.m., in single call (the "**Shareholders' Meeting**"), to discuss and resolve upon the following item on the agenda:

"Delegation of power to the Board of Directors to increase share capital, on one or more occasions and, in any case, in a divisible form, with no pre-emption rights pursuant to Art. 2443 and 2441, paragraph 4, second sentence, of the Italian Civil Code, namely against payment or in cash, through the issue, also in one or more tranches, of a number of ordinary shares not exceeding 10% of the total number of doValue shares outstanding on the date the power is exercised. Amendment of art. 5 of the Articles of Association Related and consequent resolutions".

The purpose of this explanatory report (the "**Report**"), prepared by the Board of Directors of doValue pursuant to art. 125-ter of Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the "**TUF**"), and articles 72 and 84-ter, as well as Annex 3A, Schedule 3, of the Regulation adopted with CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), is to:

- (i) explain the reasons justifying the proposal to grant to the Board of Directors the power to increase share capital, on one or more occasions and, in any case, in a divisible form, with no pre-emption rights pursuant to art. 2443 and 2441, paragraph 4, second sentence, of the Italian Civil Code (the "**Delegation**") and the related proposal to amend art. 5 of the Articles of Association (the "**Amendment to the Articles of Association**");
- (ii) provide a comparison of the article of the articles of association for which amendments to the current text are proposed, highlighting the changes made;
- (iii) explain the resolutions proposed by the extraordinary Shareholders' Meeting.

1. Subject matter of the Delegation

In accordance with Art. 2443 of the Italian Civil Code, the Articles of Association, also through the amendments thereto, may grant to the Directors the authority to increase, on one or more occasions, the capital up to a specified amount and for a maximum period of five years from the date of the related resolution, also in accordance with Art. 2441, paragraph 4 of the Italian Civil Code.

The Delegation that we propose to grant to the Board of Directors has the aim to increase the share capital in accordance with art. 2441, paragraph 4, second sentence of the Italian Civil Code. In particular, since the doValue shares have no par value, the Delegation includes the right to increase on one or more occasions the share capital, against payment and in cash, through the issue, also in one or more tranches, of a number of ordinary shares not exceeding 10% of the total number of doValue shares outstanding on the date the Delegation is exercised and, however, for a nominal amount not exceeding 10% of the existing share capital, with no pre-emption rights and with the right to determine any share premium, all to be exercised within the period of five years from the date of the shareholders' resolution granting the Delegation (i.e. the maximum period pursuant to Art. 2443 of the Italian Civil Code).



2. Reasons for the Delegation and criteria for its exercise

doValue has been engaged in an extensive change management process for some time now, aimed at the creation and development of a leading Group at international level in the management of primarily non-performing loans for banks and public and private investors. As such, we believe that there are valid reasons to grant the Delegation to the Board of Directors.

To support this process and the growth strategy aimed at creating even greater value for Shareholders, it is important that the Company is able, also in the near future, to obtain the financial resources required quickly and in as flexible a way as possible, in order to promptly seize the opportunities on the market. It is precisely because of the characteristics of the financial markets that it is extremely important be able to act swiftly, to take advantage of the most favourable times to obtain the necessary resources to finance investments.

In addition to the flexibility with regard to the choice of the best times to act, with respect to the resolution of the Shareholders' meeting, an additional advantage of the Delegation is that it will allow the Board of Directors to establish the economic terms and conditions of the global offering (including the maximum amount of the offer and the issue price of the shares in question, in accordance with best practice for similar transactions, within the legal limits and criteria outlined below) based on the prevailing market conditions at the time of the launch of the transaction, thus also reducing the risk of fluctuations of stock market rates between the time of announcement and the time of the transaction, which would arise if these matters were decided by the shareholders' meeting.

As a matter of fact, extending the offer to third parties can be a valuable tool to increase the free float and make it possible to maintain an adequate liquidity of doValue shares at all times.

The resources raised through the exercise of the Delegation may be allocated, in addition to the growth strategies mentioned above, also to the enhancement of existing investments, and, more generally, to the fulfilment of any financial requirements that may arise in the five years from the date of the shareholders' resolution.

3. Criteria used to determine the issue price

The new shares will be offered at a price that will be established from time to time by the Board of Directors, including any share premium, on the understanding that in accordance with Art. 2441, paragraph 4, second sentence, of the Italian Civil Code, excluding the pre-emption right within the limit of 10% of the total number of shares outstanding (no par value) is conditional on the issue price being consistent with the market value of the shares, as confirmed by a specific report written by an independent auditor or auditing firm.

In accordance with the foregoing, subject to any share premium that may be established by the Board of Directors, the subscription price of the new shares may also be lower than the pre-existing book value.

4. Duration of Delegation and time limits for its exercise

We propose that the Delegation will be effective for the five year legal maximum term, starting from the date of the Shareholders' resolution, and to establish that it can be exercised on one or more occasions. This means that, if approved by the Shareholders' Meeting called for May 26, 2020, the Delegation must, in any case, be exercised within the deadline of May 25, 2025, after which it will terminate automatically.

Without prejudice to the foregoing, the timing of exercising the Delegation, pursuant to Art. 2443 of the Italian Civil Code, as well as the terms and conditions of any issue will depend on the real opportunities that arise and will be promptly announced to the market in accordance with applicable laws and regulations as soon as they have been determined by the Board of Directors.

5. Amount of the Delegation

Any increase in capital resolved upon in exercising the Delegation may not entail the issue of a number of ordinary shares exceeding 10% of the total number of doValue shares outstanding on the date the Delegation is exercised and the total nominal amount may not exceed 10% of the pre-existing share capital, without prejudice to the right of the Board of Directors to establish any share premium.

6. Amendment of art. 5 of the Articles of Association

The full text of the articles of association is attached hereto in **Annex 1**.

<p style="text-align: center;">Current text</p> <p style="text-align: center;">ARTICLES OF ASSOCIATION doValue S.p.A.</p>	<p style="text-align: center;">Proposed text</p> <p style="text-align: center;">ARTICLES OF ASSOCIATION doValue S.p.A.</p>
<p>Article 5</p>	<p>Article 5</p>
<p>1. The share capital, which has been fully subscribed and paid-in, amounts to Euro 41,280,000 (forty one million two hundred and eighty thousand), divided into No. 80,000,000 (eighty million) ordinary shares, with no par value.</p> <p>2. The share capital may be increased also by contributions of assets other than cash.</p> <p>3. The capital may be increased by a resolution of the Shareholders' Meeting through the issue of shares, including shares with different rights, in compliance with the law.</p> <p>4. In addition, the Extraordinary Shareholders' Meeting may resolve to exclude pre-emption rights within the limits and according to the procedures set forth in Article 2441(4), second sentence, of the Italian Civil Code.</p>	<p>1. The share capital, which has been fully subscribed and paid-in, amounts to Euro 41,280,000 (forty one million two hundred and eighty thousand), divided into No. 80,000,000 (eighty million) ordinary shares, with no par value.</p> <p>2. The share capital may be increased also by contributions of assets other than cash.</p> <p>3. The capital may be increased by a resolution of the Shareholders' Meeting through the issue of shares, including shares with different rights, in compliance with the law.</p> <p>4. In addition, the Extraordinary Shareholders' Meeting may resolve to exclude pre-emption rights within the limits and according to the procedures set forth in Article 2441(4), second sentence, of the Italian Civil Code.</p> <p>5. The extraordinary Shareholders' Meeting held on 26 May 2020, resolved to grant to the Board of Directors the power, pursuant to Art. 2443 of the Italian Civil Code, to increase the share capital, on one or more occasions, also in a divisible form in accordance with Art. 2439 of the Italian Civil Code, on 25 May 2025, with no pre-emption rights pursuant to Art. 2441, paragraph 4, second sentence of the Italian Civil Code, through the issue, also in multiple tranches, of a number of ordinary shares not exceeding 10% of the total number of doValue shares outstanding on the date the power is exercised and in any case for a nominal amount not exceeding 10% of the pre-existing share capital, with the right to establish any additional share premium.</p> <p>For the purpose of exercising the above-mentioned powers, the Board of Directors is also vested with all powers to (a) set the number, for each tranche, the unit issue price (including the possible share premium) and the dividend rights of the ordinary shares, within the limits set forth in Art. 2441, paragraph 4, second sentence, and/or Art. 2438 and/or Art. 2346, paragraph 5, of the Italian Civil Code, on the understanding that the above-</p>

<p>5. The Extraordinary Shareholders' Meeting may also resolve to assign shares or other financial instruments to employees within the limits set forth in Article 2349 of the Italian Civil Code.</p> <p>6. Ordinary shares shall be registered and entitle their holders to equal rights.</p> <p>7. The shares shall be indivisible and any joint ownership shall be governed by the law.</p> <p>8. Shareholders shall be domiciled, for the purpose of their relationship with the Company, at the address indicated by them.</p> <p>9. The shareholder status shall imply, per se, acceptance of these Articles</p>	<p>mentioned issue price may be lower than the pre-existing book value, within the limits set by law; (b) set the deadline for the subscription of the Company's ordinary shares; and (c) implement the above delegations and powers including, but not limited to, those necessary to make the consequent amendments to the articles of association that may be necessary from time to time.</p> <p>5-6. The Extraordinary Shareholders' Meeting may also resolve to assign shares or other financial instruments to employees within the limits set forth in Art. 2349 of the Italian Civil Code.</p> <p>6-7. Ordinary shares shall be registered and entitle their holders to equal rights.</p> <p>7-8. The shares shall be indivisible and any joint ownership shall be governed by the law.</p> <p>8-9. Shareholders shall be domiciled, for the purpose of their relationship with the Company, at the address indicated by them.</p> <p>9-10. The shareholder status shall imply, per se, acceptance of these Articles.</p>
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7. Impact on the financial position, financial performance and cash flow resulting from the transaction; impact on the unit price of shares and dilution

In execution of the Delegation, the Board of Directors will provide the market with adequate disclosures on the impact that the each share capital increase has on the financial position, financial performance and cash flow, as well as the effects on the unit price of the shares and the dilution resulting from the transaction.

8. No right of withdrawal

The proposed amendment to the Articles of Association does not fall within any of the cases of withdrawal pursuant to the Articles of Association and applicable law and regulatory provisions.

Resolution proposal to the Extraordinary Shareholders' Meeting

Dear Shareholders,

in view of the above, the Board of Directors submits the following proposed resolution for your approval:

"the extraordinary shareholders' meeting of dovalue S.p.A.:

- (i) having taken due note of the "Explanatory Report of the Board of Directors" and the proposals contained therein; and*
- (ii) having taken due note of the Board of Statutory Auditors' certification that the current share capital of doValue S.p.A. is €41,280,000, divided into 80,000,000 ordinary shares without par value and fully subscribed and paid in;*

RESOLVES



1. To delegate to the Board of Directors, in accordance with Art. 2443 of the Italian Civil Code, the power to increase share capital, on one or more occasions and, in any case, in tranches, with no pre-emption rights pursuant to art. 2441, paragraph 4, second sentence, of the Italian Civil Code, under the terms and conditions laid down in the "Explanatory Report of the Board of Directors" and the amendment of the articles of association referred to in point 2 below;
2. Consequently, to amend Art. 5 of the Articles of Association, by adding, after the current paragraph 4, the following paragraph:

"The extraordinary Shareholders' Meeting held on May 26, 2020, resolved to grant to the Board of Directors the power, pursuant to Art. 2443 of the Italian Civil Code, to increase the share capital, on one or more occasions, also in a divisible form in accordance with Art. 2439 of the Italian Civil Code, by May 25, 2025, with no pre-emption rights pursuant to Art. 2441, paragraph 4, second sentence of the Italian Civil Code, through the issue, also in multiple tranches, of a number of ordinary shares not exceeding 10% of the total number of doValue shares outstanding on the date the power is exercised and in any case for a nominal amount not exceeding 10% of the pre-existing share capital, with the right to establish any additional share premium.

For the purpose of exercising the above-mentioned powers, the Board of Directors is also vested with all powers to (a) set the number, for each tranche, the unit issue price (including the possible share premium) and the dividend rights of the ordinary shares, within the limits set forth in Art. 2441, paragraph 4, second sentence, and/or Art. 2438 and/or Art. 2346, paragraph 5, of the Italian Civil Code, on the understanding that the above-mentioned issue price may be lower than the pre-existing book value, within the limits set by law; (b) set the deadline for the subscription of the Company's ordinary shares; and (c) implement the above delegations and powers including, but not limited to, those necessary to make the consequent amendments to the articles of association that may be necessary from time to time."

3. To grant to the Board of Directors and, on its behalf, the Chairman and/or CEO pro tempore in office, severally and also through special attorneys appointed for such purpose, any and all the powers to provide for what is required, necessary or useful for the execution of the resolutions and to exercise the underlying rights, with the right to make any unsubstantial amendments, additions or eliminations required by the competent Authorities or at the time of registration in the Companies Register, as representatives of the Company."