



ARC REAL ESTATE S.P.A.

(THE "COMPANY" OR THE "ISSUER" OR "ARC")

ISSUANCE OF

«ARC REAL ESTATE S.P.A. – TASSO FISSO 6% - 2020-2025»

BONDS

ISIN CODE IT0005426264

(THE "BONDS")

29 DECEMBER 2020

INFORMATION MEMORANDUM

**FOR THE PURPOSES OF THE ADMISSION OF THE BONDS TO LISTING ON THE VIENNA MTF OF
THE VIENNA STOCK EXCHANGE**

GENERAL NOTICE

The Issuer has prepared this Information Memorandum in connection with its application for the admission to trading of the Bonds. Application has been made to Wiener Börse AG (the "**Vienna Stock Exchange**") for the Bonds to be admitted to trading on its operated MTF ("**Vienna MTF**"). This information memorandum (the "**Information Memorandum**") was prepared in accordance with the Rules for the Operation of the Vienna MTF (the "**Rules**") including all information specified in Annex B of the Rules, and it is not a prospectus published in accordance with the requirements of the Prospectus Directive (2003/71/EC). No approval by the Vienna Stock Exchange is required under the Rules.

The Bonds have a maximum aggregate nominal amount of Euro 1,500,000.00, a nominal amount of Euro 10,000.00 each, and are denominated in Euro. The Bonds will exclusively be in de-materialised and uncertificated form. The relevant central security depository is Monte Titoli S.p.A., a company part of the London Stock Exchange Group.

RISK WARNINGS AND DISCLAIMER

**THE TERMS AND CONDITIONS OF THE BONDS ARE HERETO ATTACHED UNDER
ANNEX 1.**

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NEITHER THIS INFORMATION MEMORANDUM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE ADMISSION OF THE BONDS TO TRADING ON THE VIENNA MTF (A) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (B) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER THAT ANY PERSON SHOULD PURCHASE ANY BONDS.

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SECTION 1 - GENERAL INFORMATION ON THE ISSUER

1. INCORPORATION AND STATUS


The Issuer was incorporated under the laws of the Republic of Italy on 16 February 1993 as a limited liability company (an Italian "*società a responsabilità limitata*") under the name Arc Sud S.r.l. and then transformed into a company limited by shares (an Italian "*società per azioni*") in 2011. The Issuer is registered within the Companies' Register of Milano Monza Brianza Lodi under no. 00845690700, REA MI-2106515.

ARC's registered office is in Milan (MI), via Olmetto 17 – 20123, Italy. The Issuer's LEI code is: 8156001E1455DDC46E46.

The Company has two secondary offices in Milan, (MI), Piazza del Liberty 8 – 20121, and in Campobasso (CB), Contrada Colle delle Api 41F. 86100.

- The HQ in Milan houses the top management's offices, as well as production areas, general administration and the sales department.
- The building located in Campobasso houses the IT and R&D departments.

Property details	
General Characteristics	<ul style="list-style-type: none">• Office Area: 1.000 sqm.• Headquarters: Milan• Second Branch: Campobasso• Human Resources: 17
Activities	<ul style="list-style-type: none">• Production, R&D, IT• Administration• Marketing
Notes	<ul style="list-style-type: none">• The HQ in Milan is located near the Duomo in an historical building, belonging to the Sforza, noble family who had the dukedom of Milan from 1450 to 1535.• The building in Campobasso is owned by Sannio Finance Srl, vehicle owned by the management.



2. CONTACT DETAILS

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Website: <http://www.arcgroup.it>

Email: m.decastro@arcrealstate.it

Certified Email: m.decastro@pec.arcgroup.it

3. SHARE CAPITAL

As at the date of this Information Memorandum, the Issuer has an authorized share capital equal to Euro 822,223, fully paid, represented by no. 822,223 ordinary shares without nominal value.

4. OWNERSHIP STRUCTURE

The following table shows the Company's shareholders and their interests in the Issuer's share capital as at the date of this Information Memorandum.

SHAREHOLDERS	TOTAL ORDINARY SHARES: 822,223			
DETAILS	ORDINARY SHARES	NOMINAL VALUE (EURO)	PERCENTAGE OF SHARE CAPITAL	RIGHT
MR. MASSIMILIANO DE CASTRO, ITALIAN CITIZEN	295,283	295,283.00	35.91%	OWNERSHIP
MR. GIANFAGNA ARMANDO, ITALIAN CITIZEN	97,678	97,678.00	11.88%	OWNERSHIP
MS. NERI CLAUDIA, ITALIAN CITIZEN	97,678	97,678.00	11.88%	OWNERSHIP
MR. DI CRISTOFARO GIOELE, ITALIAN CITIZEN	97,678	97,678.00	11.88%	OWNERSHIP
SANNIO FINANCE SRL, ITALIAN INCORPORATED COMPANY	83,839	83,839.00	10.20%	OWNERSHIP
MR. PIGNATARO MICHELE, ITALIAN CITIZEN	78,840	78,840.00	9.59%	OWNERSHIP
MR. ZOCCO ALESSANDRO, ITALIAN CITIZEN	60,000	60,000.00	7.30%	OWNERSHIP
BANCA POPOLARE DI BARI SOCIETÀ PER AZIONI, ITALIAN INCORPORATED BANK	11,111	11,111.00	1.35%	OWNERSHIP
LIRA CAPITAL, SWISS INCORPORATED COMPANY	116	116.00	0.01%	OWNERSHIP

SECTION 2 – COMPANY STRUCTURE

1. DESCRIPTION OF THE ISSUER

ARC is an independent, global info-provider for banks and financial institutions in the Italian market of performing and non-performing receivables. In particular, ARC supports banks, investment funds and special servicers through the analysis and valuation of real estate assets and risks associated to non-performing loan portfolios. ARC's has a strong expertise in drafting and commercialisation of information and services related to "real estate properties" and "collection of receivables". ARC's customers use such information not only during preliminary investigations or lending processes, but also for debt protection and collection, especially when receivables become "unlikely to pay" or "non-performing loan". The experience developed in the valuation and valorisation of secured and unsecured receivables and the in-depth knowledge of the market constitute an important plus to the most significant players in the industry.

ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

Board of Directors

As at the date of this Information Memorandum, the Issuer is managed by a Board of Directors of 6 (six) members, appointed in office by way of a resolution of the shareholders' meeting of the Company adopted on 15 July 2020, which shall remain in office until the date of the ordinary Shareholders' meeting that shall be convened to resolve upon the approval of the financial statements related to the financial year ending on 31 December 2022.

The table below lists the Issuer's directors as at the date of this Information Memorandum.

NAME, SURNAME AND NATIONALITY	POSITION	PLACE OF BIRTH	DATE OF BIRTH
DE CASTRO MASSIMILIANO ITALIAN CITIZEN	CHAIRMAN AND CHIEF EXECUTIVE OFFICER	CAMPOBASSO (CB)	9 AUGUST 1967
GIANFAGNA ARMANDO ITALIAN CITIZEN	DIRECTOR	CAMPOBASSO (CB)	15 SEPTEMBER 1965
NERI CLAUDIA ITALIAN CITIZEN	DIRECTOR	CAMPOBASSO (CB)	4 NOVEMBER 1964
PIGNATARO MICHELE ITALIAN CITIZEN	DIRECTOR	CASAMASSIMA (BA)	18 MARCH 1963
ZOCCO ALESSANDRO ITALIAN CITIZEN	DIRECTOR	VENEZIA (VE)	2 OCTOBER 1964
DI CRISTOFARO GIOELE ITALIAN CITIZEN	DIRECTOR	CAMPOBASSO (CB)	28 FEBRUARY 1968

Please find below a short *curriculum vitae* of each director.

Massimiliano De Castro



Mr. Massimiliano De Castro is the founder of ARC and the CEO, Chairman and Head of HR, Organization and Marketing of the Company.

In 2000, he was awarded with an honorary degree in Business Administration from The Constantin University (Rhode Island, USA) and in 2011 with a Master in Business Administration from University of Milan. He has advanced knowledge of structured finance, credit information, real estate valuation and Non-Performing Loans (NPLs). He is member of the Italian Association of companies active in credit

information and credit management (*Associazione Nazionale tra le Imprese di Informazioni Commerciali e di Gestione del Credito*) and ASSOVI, the Italian association of companies active in property valuation activity.

Gianfagna Armando



Armando joined ARC in 1993 as a founding partner and expert in property and real estate advertising.

Today, he is a shareholder, a member of the Board of Directors and the Head of Legal, with more than 25 years of experience gained in enforcement proceedings on real estate property in relation to bank loans secured by real estate assets, and in the management of single claims and secured NPL portfolios.

Neri Claudia

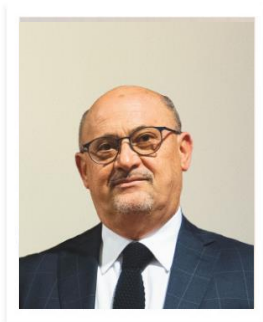


Claudia holds a Law Degree from University of Rome and joined ARC in 1993 as shareholder and member of the Board of Directors.

Claudia has a key role in the Company as manager of the Law department. She is also involved in commercial activities and is in charge of the training of the employees in relation to the application of the Italian law criteria to the valuation of assets.

Moreover, Claudia is specialized in the real estate assets valuation methods used in Italy and in foreign countries.

Pignataro Michele



In 1993, Michele joined ARC as founder and commercial director of the Company.

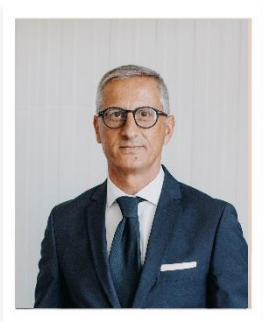
Currently, Michele is the Head of Commercial and Marketing activities relating to financial institutions.

Zocco Alessandro



Mr. Alessandro Zocco is an expert software developer. Since 2004, Mr. Zocco is the Head of the Research & Development area for ARC.

Di Cristofaro Gioele



Mr. Gioele di Cristofaro joined ARC in 1993 as a founding partner and part of the Procurement department.

Currently, Mr. Di Cristofaro supervises and manages the relationship with key professional suppliers connected to the three business lines, such as cadastral surveyors, lawyers, notaries and appraisers.

Board of Statutory Auditors

As at the date of this Information Memorandum, the Board of Statutory Auditors of the Issuer is composed of 5 (five) members (3 (three) effective and 2 (two) alternate), appointed in office by way of a resolution of the shareholders' meeting of the Company adopted on 24 April 2018 and shall remain in office until the date of the shareholders' meeting approving the financial statements of the Company for the fiscal year ending on 31 December 2020.

The table below lists the Issuer's members of the Board of Statutory Auditors as at the date of this Information Memorandum.

NAME, SURNAME AND NATIONALITY	POSITION	PLACE OF BIRTH	DATE OF BIRTH
CAPPUCCILLI FABRIZIO	CHAIRMAN	CAMPOBASSO (Cb)	15 MAY 1961

ITALIAN CITIZEN			
SCOPETTA MARCO ITALIAN CITIZEN	EFFECTIVE STATUTORY AUDITOR	PERUGIA (PG)	13 AUGUST 1957
RUSCITTO MARIACARMELA ITALIAN CITIZEN	EFFECTIVE STATUTORY AUDITOR	CAMPOBASSO (CB)	6 FEBRUARY 1967
GRAZIANO GIOVANNI ITALIAN CITIZEN	ALTERNATE STATUTORY AUDITOR	CAMPOBASSO (CB)	21 DECEMBER 1970
BRUNELLI SILVIA ITALIAN CITIZEN	ALTERNATE STATUTORY AUDITOR	PERUGIA (PG)	29 MAY 1970

External Auditors

As at the date of this Information Memorandum, the Company is not required by mandatory provisions of Italian law to appoint External Auditors.

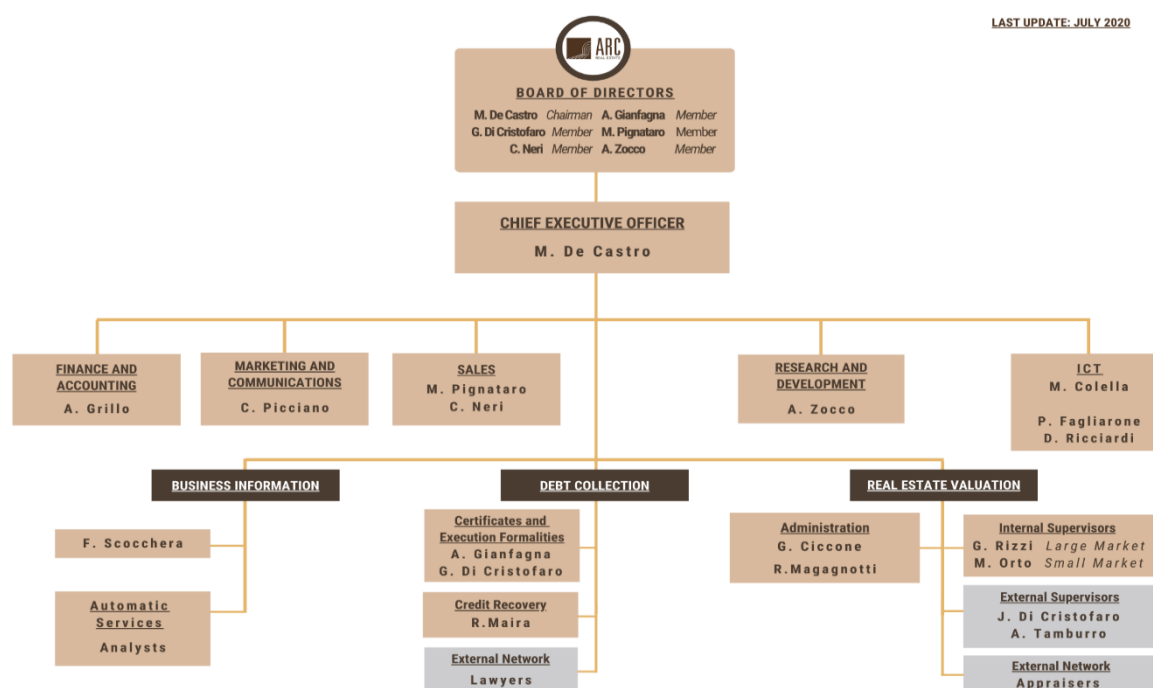
Management

As the date of this Information Memorandum, the management of the Company is composed as follows:

- Mr. Mario Colella, Head of ICT of the Issuer;
- Mr. Alessandro Grillo, CFO of the Issuer;
- Ms. Claudia Picciano, Head of Marketing and Communication of the Issuer.

Administrative structure

The following chart illustrates the administrative structure of ARC:



SECTION 3 – OBJECT OF BUSINESS

1. HISTORY OF THE ISSUER

1993 - ARC's foundation

The Company was incorporated under the name Arc Sud S.r.l. by the founding member Massimiliano De Castro with the collaboration of ARC Group based in Venezia.

Together with ARC Group Venezia, Arc Sud S.r.l. developed a business model which relied on technological innovation to gather, process and distribute information in the real estate industry, replicating in Southern Italy area the business model adopted by Arc Group Venezia.

In the following decade – the Company grew rapidly affirming also as leader in the Business Information market.

2008 - Revis S.p.A.

ARC acquired an equity interest equal to 51% of the share capital of Revis S.p.A. ("**Revis**"), a company incorporated under Italian Law, active in the development of a software able to calculate the market value of real estate assets through automated estimation process and to rapidly verify its ownership.

2011 – Transformation from limited liability company to company limited by shares and acquisition of ARC Media S.p.A.

The Company was transformed from a limited liability company (*società a responsabilità limitata*) to a company limited by shares (*società per azioni*).

ARC acquired an equity interest equal to 75% of the share capital of Arc Media S.p.A. ("**ARC Media**"), a company incorporated under Italian Law, active in the development of technological solutions in the Business Information market.

2012 – Listing on AIM

ARC's shares were admitted to listing on AIM Italia (*Alternative Investment Market*), managed by Borsa Italiana S.p.A.

2014 – Delisting from AIM Italia

ARC's shareholders resolved upon the delisting of the Company from AIM Italia.

2015 – Reorganisation of the group

The Company merged with the controlled companies ARC Media and Revis.

2019 - Relocation to Milan

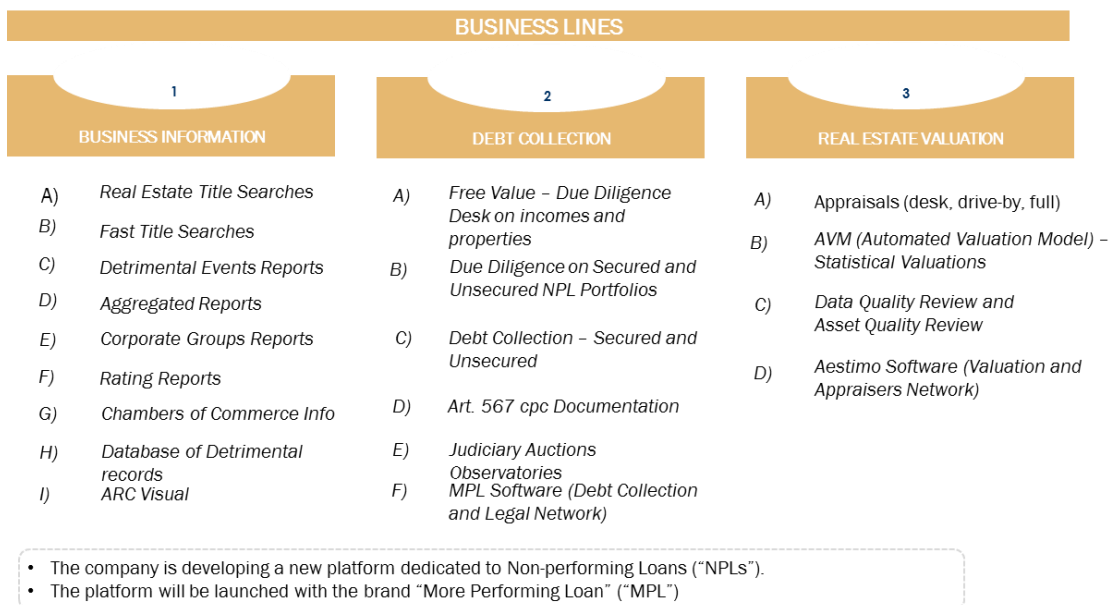
On 4 March 2019, ARC's corporate headquarters and registered office has been relocated from Campobasso to Milan, international finance hub.

2. BUSINESS FIELDS AND MODEL

The Company is active in the Business Information, Debt Collection, Real Estate Valuation and

Information Technology segments and its activities include gathering and processing real estate information, appraisals of real-estate assets' market value, support in both extra-judicial and judicial debt collection, IT and consultancy activities.

Each service offered by ARC is entirely produced internally.



Business information

- Real Estate Title Searches

Providing property title searches represents ARC's core business. The report includes all the information regarding the real estate assets of an individual. It is used by intermediaries to assess creditworthiness, and by those who require information about assets before executing a specific transaction. There are different types of title searches, depending on the degree of information details. ARC has developed a new software, VisQuadro, which allows the automating of the entire production process, bringing evident improvements in terms of time and costs.

- Detrimental Events Reports

ARC Detrimental Events Report allows to rapidly verify the presence of detrimental records pending on the companies or the individuals involved in the research. It represents the ideal document to test the reliability of individuals or of a company. The information found in the ARC Report comprises identification data, details of legal disputes, details of encumbrances, insolvency proceedings.

- Aggregate Reports

ARC provides all-inclusive prospectuses of the economic and financial status of any Italian entity, thus presenting in a single document all the information available on the different public sources: Chamber of Commerce, real estate Registries and listings and Courts.

The Aggregated Report is the ideal instrument to fully assess the structure and economic interests of a company and to promptly and efficiently evaluate new clients, suppliers and commercial partners.

- *Rating Reports*

The Rating Report examines a company's reliability and provides a complete analysis of official data in real time, paying attention to the principal events which characterized the company's growth, in particular the financial statement of the last three years.

It identifies the presence of detrimental records pending on corporations, their exponents and any linked and controlled companies.

- *Chambers of Commerce Information*

This database comprises all the information provided by Chambers of Commerce, Industry, Craft Trade and Agriculture and managed by Infocamere – Società Consortile di Informatica delle Camere di Commercio Italiane S.p.A. (Consortium for Italian Chambers of Commerce Information), of which ARC Real Estate is an official distributor. Customers have the opportunity to consult information about more than 6 million of Italian companies in real time, regarding:

- their structure;
- activities;
- localization;
- directors;
- financial statements;

This database represents a simple, swift resource for business decision-making processes.

That said, through the business information service, the Company is able to make available real time reports to its customer regarding the economic-financial status of any Italian entity, by aggregating in a single document all the information available and coming from different public sources (Chambers of Commerce, real estate advertising offices and courts).

Debt Collection market (in general)

The Italian banking market continues to present challenges in reference to asset quality, capital adequacy and profitability. The results of the stress tests conducted by the European Banking Authority highlighted the issues of the Italian banking system and the exponential increase of the NPL market.

During the last years, Italian government has implemented many reforms to deal with the high volume of NPLs, including the GACS (*Garanzia Cartolarizzazione Sofferenze*) program, the sponsorship of the Atlas fund, the recent birth of SGA. These reforms have had the objective of facilitating the removal of the receivables from the balance sheets of financial institutions. Nevertheless, their belated realization and the doubts related to the Italian political context have caused a lesser volume of sales than expected.

Recent M&A operations confirm that the number of international players interested in acquiring NPL portfolios from Italian banks and financial institutions is growing and the potential of these operations across the borders are still unexpressed because of the difficulties of the Italian market. As a

consequence, this context is producing the development of local servicers, companies which operate in the NPL portfolios valuation and due diligence segments, and which can ease the approach to potential Italian targets, providing a wide range of services.

ARC's Debt Collection activity

The Debt Collection activity performed by ARC refers to the provision of services related to the enforcement of receivables, in particular the preparation of the twenty-year report (*relazione ventennale*) required for real-estate enforcement proceedings.

Moreover, ARC performs consulting activities related to the "non-performing loan" industry, in particular in the valuation and valorisation of secured and unsecured receivables. The dedicated ARC department manages the following activities:

- preliminary due diligence in order to identify assets and incomes;
- technical and legal due diligence performed loan by loan on secured and unsecured positions;
- valuation of assets securing receivables;
- analysis of borrowers' income and equity capacity;
- research on the status of the legal proceedings related to the relevant receivable and identification of the collection strategy;
- draft of a business plan of the expected estimated and final collection flows;
- collection of secured and unsecured receivables.

The Company holds a license under Article 115 of Royal Decree No. 773 of 18 June 1931, as amended from time to time (the "Consolidated Public Safety Act"), for the performance of out-of-court debt collection activities and (ii) a licence under Article 134 of the Consolidated Public Safety Act in relation to the management of institute of investigations, research and collection of information on behalf of private clients.

Considering the potential of the market, ARC has developed a **brand** and a **web platform** called "**More Performing Loan**". The aim is providing a wide range of data and information about borrowers to national and international potential investors. In doing so, ARC could become a key partner, by quickly providing data which investors could not otherwise gain access to. The complete realization of the platform required a management model including two additional players with heterogeneous and complementary expertise.

MPL Services	Description
REAL ESTATE VALUATION	<ul style="list-style-type: none"> • Real estate information processing and real estate collateral valuation services. ARC guarantees the maximum reliability in researching real estate information and explaining documentation, in particular when it comes to cadastral and Land Registries' inspections, data recovery, data quality review activities and REO services • The valuation process provides not only an estimation of the asset's value, but also the free value of all the borrower's properties, the identification of active encumbrances and it allows an analysis per NPL portfolios clusters. • Real estate valuations are a core service and are divided in different types: statistical, desk, drive-by and full.
DATA TRACKING	<ul style="list-style-type: none"> • This service identifies individuals not yet evaluated, starting with basic data, as last known residence, actual domicile (domicile collection) and phone contact (phone collection). • As far as legal entities are concerned, the controls interest their effective existence and functioning.
BANK ACCOUNT AND ACTIVITY TRACKING	<ul style="list-style-type: none"> • This service is designed for legal activities and provides the identification of the borrower's debt and income. • This service offers a great competitive advantage in terms of time and profits. It provides: the individual's work activity status (independent, employed, retired), details of his/her employer or institution, and estimated income.
HEIR TRACKING	<ul style="list-style-type: none"> • This service aims to identify the heirs of a deceased individual and it is useful for tribunal activities. • It provides: a certificate stating the date of death, demographic information about the heirs, and last known residence.
"MPL" SOFTWARE FOR SECURED AND UNSECURED DEBT COLLECTION	<p>Processing information through the sophisticated proprietary system «MPL» allows credit analysis and business intelligence activities, estimations of the collection curves in reference to the expected IRRs, and servicing activities on secured and unsecured receivables.</p>

Real Estate Valuations

ARC performs the real estate valuation activities through appraisal and reporting models based on the best international practices (RICS, IVS, Basle, Bank of Italy and Italian Banking Association standards).

Estimation services, Asset Quality Reviews, real estate assets and collateral valuations are offered through a dedicated ARC organization, which operates with skills, licenses, requirements and every authorization demanded by law.

ARC can rely on a private IT infrastructure that clients can interact with to request/receive estimations. The valuation software has been developed following the Italian Banking Association's guidelines and principles accepted internationally.

These services are performed by an exclusive network of Expert Valuers employed by ARC or by a third party carefully selected and in possession of suitable skills, professionalism, competences, structure and organization fit to complete the appraisals and wholly respecting the "Italian Banking Association's guidelines for the valuation of real estate assets securing credit exposures".

The valuation methods are (i) Full, with internal and external inspections; (ii) Drive-By, with only external inspections; (iii) Desktop/Italian Banking Association, requiring the sign of an authorized expert; (iv) AVM, Automated Valuation Model; (v) Statistics, done through exclusive comparable. ARC has a strong experience in corporate (industrial, commercial, professional) and retail (residential) appraisals.

ARC has developed a web application called "AEstimo" ("**AEstimo**") to perform automatic valuations of residential and commercial properties, based on mathematical and statistical components, exclusive comparable, cartographic and territorial geo-localization, 2D and 3D visualization, and Cadastral and Land Registries verification. AEstimo consents to manage every phase of the valuation process in a structured and centralized manner.

In order to achieve better results in terms of precision of the valuations, AEstimo uses the exclusive source of information recorded in trade contracts registered in Cadastral and Land Registries, private offers posted on specialized web platform, real estate auctions appraisals, and appraisals performed by ARC's network nationwide; all information contained in the database are then carefully selected and filtered.

3. PRINCIPAL INVESTMENTS IN THE CURRENT AND PAST BUSINESS YEAR

The Issuer's investments in the past and current fiscal year are as follows:

At the end of 2018, the management decided to relocate the Company's headquarters from Campobasso to Milan, following a thorough analysis of the economic situation in Italy and abroad, where markets are characterized by unpredictability, dynamism and intense competitiveness. The relocation allowed for a deep re-organization of the Company structure, as new specialists have been hire, who kept ensuring a high-level offer during the transition phase and will contribute to all new objectives. Considering the constant evolution of ARC, moving the HQ to Milan is proof of its adaptability to market dynamics and its successful reaction to the continuous innovation and changes of today's business world.

In a spirit of growth and diversification, on December 2019, ARC announced the finalization of the deal with Cassa di Risparmio di Savigliano regarding the acquisition of an NPL portfolio with a Net Present Value (NPV) of € 450K and a Gross Booked Value (GBV) of € 5,6 Mln.

SECTION 4 – FINANCIAL FIGURES

The following table shows selected financial information of the Issuer as at and for the year ended on 31 December 2018 and 31 December 2019.

<i>Euro/000</i>	31 December 2018	31 December 2019
Sales revenue	5,322,587	4,799,424
Earnings before interests and taxes (EBIT)	129,199	155,267
Earnings before taxes (EBT)	98,176	110,622
Equity ratio (Net Equity/Total Asset) (%)	31%	34%
Net Profit (loss)	16,218	30,731

SECTION 5 – USE OF PROCEEDS AND REPAYMENT OF THE BONDS

1. USE OF PROCEEDS

The proceeds of the Bonds will finance the purchase of NPL portfolios by the Company.

2. REPAYMENT OF THE BONDS

The following table shows the yearly revenue streams that will originate from the NPL management activities during the repayment period:

	2020	2021	2022	2023	2024	2025	Total
Proceeds (Euro/000)	10	497	611	1,147	524	609	3,399

SECTION 6 – DESCRIPTION OF RISKS

This section provides an overview of the material risks factors relating to the Issuer, the relevant markets and the Bonds.

If any of the following events or circumstances arise, the business, the financial condition and/or results of operations of the Issuer could be materially adversely affected. Additional risks and uncertainties not presently known, or presently deemed immaterial, may also have an adverse effect on the business of the Issuer and the risks below do not necessarily comprise all the risks associated with an investment in the Bonds.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which are material for the purpose of assessing the market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be in a position to anticipate. In addition, the order in which the risk factors are presented below is not intended to be indicative either of the relative likelihood that each risk will materialise or of the magnitude of their potential impact on the business, financial condition and results of operations of the Issuer.

Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including the information incorporated by reference therein) and consider carefully whether an investment in the Bonds is suitable for them in the light of the information in this Information Memorandum and their personal circumstances, based upon their own judgment and upon advice from such financial, accounting, legal, tax and other professional advisers as they deem necessary.

Words and expressions defined in the terms and conditions of the Bonds or elsewhere in this Information Memorandum have the same meaning in this section. Prospective investors should read the whole of this Information Memorandum, including the information incorporated by reference.

COMPANY-SPECIFIC RISKS

Issuer risk

By purchasing the Bonds, the bondholders (the "**Bondholders**") will be financing the Company hence becoming a creditor thereof for the payment of interest and principal upon maturity. The Bonds are subject to the general risk that the Issuer may not be able to pay interest at the set payment dates and/or reimburse the principal amount in line with its repayment plan.

Credit risk

The Issuer's credit risk refers to the activities carried out by the Company, *i.e.* services in the Business Information, Debt Collection and Real Estate Valuation segments. In particular, with reference to the Debt Collection activity, the Company intends to use the proceeds of the Bonds to purchase NPL portfolios.

Therefore, even if the Company adopts typical risk mitigation techniques (such as due diligence and evaluation processes), the amounts collected from the recovery of receivables related to the purchased NPL portfolios could be lower than the purchase and management costs faced by the Company. The reduced cash flows from such activity may affect the Issuer's creditworthiness and/or the Issuer's ability to timely meet its obligations to the Bondholders. The Bonds are subject to the general risk that the Issuer may not be able to pay interest at the set payment dates and/or reimburse the principal amount in line with its repayment plan. Current and future taxation may reduce the amount of funds available to the Issuer.

Risks related to the omitted or delayed realization of the Issuer's industrial strategy

The Issuer's future financial performance and success largely depend on the ability to implement its business strategies. The Issuer intends to carry on the implementing a growth and development strategy based on technological innovation, increase of operating efficiency, the purchase of NPL portfolios, and the maintenance of market leadership in Business Information and Real Estate Valuation services. The Issuer may not be able to successfully implement its business strategies, due to, *inter alia*, factors beyond its control or which cannot be predicted at this time. These factors may include but are not limited to: changes in or increased levels of competition, including the entry of additional competitors and increased success by existing competitors; changes in general economic conditions; increases in operating costs, including costs of supplies, personnel and equipment. Moreover, the business strategies of the Issuer may not sustain or improve their results of operations or justify their costs. Any failure to develop, revise or implement the Issuer's business strategies in a timely and effective manner may have a material adverse effect on the Issuer's business, financial condition and results of operations.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risk related to money laundering

The Issuer is required to comply with applicable laws and regulation on "*prevention of the use of the financial system for the purpose of money laundering and terrorist financing*" (Italian Legislative Decree no. 231/2007). The risk of money laundering is to be intended as the risk for of involvement, even unconsciously, in money laundering or terrorist financing.

Despite the fact that the Company adopts an effective risk management policy, the Issuer remains exposed to the risk that the procedures implemented and the measures adopted prove inadequate. The occurrence of such circumstances could lead to the application on the Issuer, by the competent authorities, of administrative and, in specific cases, criminal sanctions, with negative effects on the Issuer's business, as well as on its economic and financial situation. This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risks related to the loss of the 115 License

The Company holds a license under Article 115 of Royal Decree No. 773 of 18 June 1931, as amended from time to time, for the performance of out-of-court debt collection activities.

Despite the fact that the Issuer constantly operates in compliance with the relevant applicable laws and regulations issued by the competent Supervisory Authorities, with the aim of maintaining the aforesaid license, any loss of the 115 License could make it impossible for the Issuer to continue carrying out its core business, with negative consequences on the Issuer's economic and financial situation and operating results.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risk related to the breach of personal data protection applicable laws and regulations

The Issuer is exposed to the risk of breaches of the relevant applicable laws and regulations on the management, processing and protection of personal data, which may negatively affect its business, financial condition and results of operations. In performing its activities, the Issuer collects, processes and has access, on an ongoing basis, to personal data of its customers as well as of debtors in relation to whom it carries out debt collection activities, of its employees and of the parties with whom, for various reasons, it has relations. The Issuer must therefore comply with both European (EU Regulation 679/2016, so-called "GDPR") and Italian (Legislative Decree 196/2003, as amended by Legislative Decree 101/2018 - so-called "Privacy Code") provisions as well as the provisions of the Data Protection Authority. Therefore, the Issuer is exposed to the risk that the procedures and measures adopted to comply with such legal framework prove inadequate and/or that the necessary privacy safeguards are not correctly activated in the various areas of activity, with consequent damage or loss of the personal data processed or with the risk that such data may be stolen, disclosed or processed for purposes other than those disclosed to, or authorised by, the parties concerned. The occurrence of such circumstances could lead to the application on the Issuer, by the Data Protection Authority, of administrative and, in specific cases, criminal sanctions, with negative effects on the Issuer's business, as well as on its economic and financial situation. This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risk related to key personnel

The Issuer's future success is substantially dependent on the continued services and continuing contributions of their directors and senior management, the loss of any of which may have a material adverse effect on the Issuer's business. The Company's future success is also substantially dependent on its ability to continue to attract, retain and motivate highly skilled and qualified personnel. There can be no guarantee that the Issuer will be able to continue to attract and retain such qualified employees, and failure to do so could result in a reduction in the Company's business and trading results.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Liquidity and funding risks

Due to its business activity, the Issuer is exposed to a possible liquidity risk upon the occurrence of which the Issuer may be unable to meet payment obligations because it have insufficient cash at its disposal, which may also arise from matters outside its control such as a credit crisis or severe economic conditions. Moreover, there can be no assurance that the Issuer will be able to borrow from

banks or in the capital markets to meet its payment obligations and/or to refinance its exposure. The materialisation of any of the above-mentioned events and the consequent inability to ensure sufficient liquidity may have a material adverse effect on the financial condition and results of operations of the Issuer.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Operational risks

The Company is potentially subject to various operational risks – including the risk of fraud by employees or other persons, unauthorized transactions by employees or operational errors, including due to malfunctions in production machines and equipment – which may negatively affect its business, financial condition and results of operations.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risk of change in tax regimes

The Issuer is subject to risks that countries in which it operates, or will operate in the future, may impose additional withholding taxes, income taxes or other taxes, as well as changing tax levels from those in force at the date of the respective projects or the date hereof. Any future adverse changes in general to tax regimes applicable to the Issuer may have an adverse impact on its business, financial condition and results of operations. This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risk of litigation

Legal proceedings may arise from time to time in the course of the Company's businesses.

In particular, the Issuer (i) is exposed to possible litigation risks including, but not limited to, regulatory intervention and third party claims; (ii) may be involved in disputes with other parties in the future which may result in litigation; (iii) may be involved in disputes if the Issuer and/or its employees or agents are found not to have met the appropriate standard of care or exercised its discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

The Issuer cannot preclude that litigation may be brought against it and that such litigation may have a material adverse effect on reputation of the Issuer or its business, financial condition and results of operations.

As far as the Issuer is aware, however, there is no current, pending or threatened in which the Issuer is directly or indirectly concerned, which would have a material adverse effect on the Issuer's reputation, business, financial condition and results of operations.

Should any of the events above materialise, they may have, in turn, a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount

under the Bonds in line with its repayment plan.

MARKET-SPECIFIC RISKS

Risk related to the state of the Italian economy

The crisis in the banking system and financial markets and the consequent deterioration in macroeconomic conditions, translating into a decline in worldwide consumer spending and industrial output, have resulted in recent years in tighter access to credit, a low level of liquidity in financial markets and extreme volatility in equity and bond markets, although recently the conditions of the international financial markets have improved. The crisis in the banking system and financial markets has led, along with other factors, to economic recession in some EU countries, including Italy. If this economic downturn were to continue over time, this could have adverse effects on the business, assets, liabilities, results of operations and/or financial condition of the Issuer.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risks related to NPL market in Italy

NPL markets has experienced a strong expansion in the last years, thanks to the large stock of NPLs present in the balance sheets of banking institutions, as a result of the continuing economic crisis.

In Italy, the sector is characterised by a fair degree of competitiveness and the presence of operators that differ in terms of business models, in terms of strategic focus (c.d. pure "servicers", pure or mixed investors), specialisation (secured vs. unsecured, consumer vs. corporate, leasing, etc.) and structure (companies supervised or not supervised by the Bank of Italy).

Although the Company believes to have a competitive advantages in terms of know-how, standing, production capacity and availability of resources and consolidated reputation on the market, it cannot be excluded that the consolidation on the market of entities with significantly greater financial resources than the Issuer could have negative consequences on the Issuer's economic and financial situation and operating results.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risks related to the competitiveness of the Issuer

The Issuer competes in certain segments with other large national and European companies, all of which may have greater operational and financial resources than them.

Should the Issuer being unable to defend its market position by offering competitive services or reducing its cost bases, the price pressure exerted by these competitors could cause the loss of important clients.

In addition, if the Issuer is unable to anticipate and respond as effectively as its competitors to changing business conditions, including new technologies and business models, they could lose market share.

Moreover, some of the Issuer's existing and potential competitors may have (i) longer operating histories, (ii) access to a lower cost of funding, (iii) more efficient and less expensive technology; (iv) more efficient

cost structures; (v) privileged access to skilled personnel, (vi) preferred access to research and development partners; and (vii) significantly greater technical resources.

As a result, the Issuer could face some difficulties in successfully compete against its competitors. The failure to successfully compete against other market players may have a material adverse effect on (i) the Company's business, financial position and results of operations and (ii) the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risks arising from uncertainty in worldwide and regional economic, political and market conditions

The Issuer's future prospects are in part linked to the global economy and volatility in the stock market. Macroeconomic factors outside of its control can greatly affect its clients and hence the Issuer's performance and financial position. Reductions in the number and size of public offerings and mergers and acquisitions and reduced securities trading activities, due to changes in economic, political or market conditions could cause the value of the Issuer's investments to decline materially.

These events may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

European monetary union breakup risks relating to the industries where the Issuer operates

The possibility that one or more countries that adopted the Euro as its national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on international markets.

At the date of this Information Memorandum there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro, the consequences of these decisions are exacerbated by the uncertainty regarding the methods through which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro.

In addition, a collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level.

These events may have a material adverse effect on (i) the Company's business, financial position and results of operations and (ii) the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

European monetary union breakup risks for markets of securities and assets denominated in Euro

The possibility that one or more countries that adopted the Euro as its national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on international markets.

At the date of this Information Memorandum there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro; the consequences of these decisions are exacerbated by the

uncertainty regarding the methods through which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. These circumstances could affect all assets denominated in Euro.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

Risks relating to COVID-19

China, Southern Asia, Europe and the United States of America have all been affected by the COVID-19 pandemic. As at the date of this Information Memorandum, no vaccine is existing against this disease. The effects and impacts that such disease may have on the global economy are still uncertain even if financial and economic experts predict that the virus may result in a worldwide economic and financial crisis and recession. The outbreak of the sanitary emergency has forced the Issuer to adopt a smart-working procedure for its workforce. In general, no significant change in the Issuer's personnel is expected in the coming months. The current situation does not allow making forecasts, but it is reasonable to say that once the emergency is over, activities can quickly return to its planned levels. That said, should the COVID-19 emergency continue and the Issuer fails to tackle it efficiently, this may have a material adverse effect on (i) the Company's business, financial position and results of operations and (ii) the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds in line with its repayment plan.

RISKS RELATING TO THE BONDS

Risk related to the Bonds sale before their maturity

Even a professional investor wishing to divest themselves of the Bonds before their maturity may encounter significant difficulties in finding a purchaser and runs the risk of obtaining a lower price than the subscription price of the Bonds. After subscription, the sale price of the Bonds may also be affected by different elements such as:

- interest and market rate variations;
- the characteristics of the market on which the Bonds will be listed;
- any variation in the Issuer's creditworthiness;
- commissions and other dues.

Investors must therefore take into account that the term of their investment in the Bonds may be equal to the term of the Bonds: *i.e.* that the Bonds may have to be held until their maturity. However, this does not influence the redemption price of the Bonds, which remains equal to 100% of the nominal value.

Risk related to the market rate

The market value of the Bonds could change due to the market rate's trend.

With respect to the Bonds, which have a fixed interest rate, fluctuations in the interest rates on financial markets may have an adverse effect on the price and therefore on the return of the Bonds. Therefore, in the event of a sale of the Bonds before their maturity, their market value may be significantly lower than their

subscription price.

Risk related to the fact that the Bonds are not rated and credit ratings may not reflect all risks

Neither the Bonds nor the long-term debt of the Issuer is rated. To the extent that any credit rating agencies assign credit ratings to the Bonds or any other senior unsecured indebtedness of the Issuer, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating or the absence of a rating is not a recommendation to buy, sell or hold the Bonds and may be revised or withdrawn by the rating agency at any time.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit ("**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. The Issuer has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for the applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Liquidity risk

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. There can be no assurance as to the liquidity of any market that may develop for the Bonds, the ability of the Bondholders to sell their Bonds or the price at which the Bonds may be sold. The liquidity of any market for the Bonds will depend on the number of Bondholders, prevailing interest rates, the market for similar securities and other factors, including general economic conditions, and the Issuer's financial condition, performance and prospects. Although application has been made for the Bonds to be admitted to trading on the Vienna MTF of the Vienna Stock Exchange, there is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. In an illiquid market, the Bondholders might not be able to sell their Bonds at any time at fair market prices.

Transfers of the Bonds may be restricted, which may adversely affect the secondary market liquidity and/or trading prices of the Bonds

The ability to transfer the Bonds may also be restricted by securities laws or regulations of certain countries or regulatory bodies. The Bonds have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws or the securities laws of any other jurisdiction. Bondholders may not offer the Bonds in the United States or for the account or benefit of a U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. It is the obligation of each holder of Bonds to ensure that offers and sales of the Bonds comply with all applicable securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability.

It is the obligation of each Bondholder to ensure that offers and sales of Bonds comply with applicable securities laws.

Vienna MTF

The Company's Bonds will be listed on Vienna MTF of the Vienna Stock Exchange. Vienna MTF is an MTF (multilateral trading facility), *i.e.* not a regulated marketplace. Companies with securities listed on Vienna MTF are not obliged or forced to comply with the same rules as companies with shares traded on a regulated marketplace, but to less extensive rules and regulations. Such rules and regulations are preferably adapted for smaller and growth companies, why an investment in a company listed on Vienna MTF may imply more risk than an investment in a company with securities traded on a regulated marketplace.

Risks connected to a deterioration of the Issuer's creditworthiness

After subscription, the price of the Bonds may be subject to negative variations in cases of deterioration of the Issuer's financial situation or of its creditworthiness. This may have an impact on the price of the Bonds on the secondary market.

Risk of change in tax regimes

Any future adverse changes in general to tax regimes applicable to the Issuer would have an adverse impact on its future results of operations and cash flows.

This, as well as any other changes to the tax regime generally applicable to the Issuer, may have an adverse effect on the Issuer's ability to pay interest on the Bonds and to repay the Bonds in full at their maturity.

Changes in law may adversely affect returns to holders of the Bonds

The Bonds will be governed by Italian law. No assurance can be given as to the impact of any possible change to Italian law. Any change in the Issuer's tax status or taxation legislation or practice could affect the Issuer's ability to provide returns to the Bondholders or alter post tax returns to the Bondholders.

Amendments to the terms and conditions of the Bonds without Bondholders' consent

The terms and conditions of the Bonds contain provisions and regulate Bondholders' meetings. Should these meetings validly adopt a resolution amending certain regulations of the Bonds, such amendments

will apply also to absent, dissenting or abstaining Bondholders.