



Alternative Assets Fund

AGENDA

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Forward Capital seizes a distinctive market opportunity, boasting a robust track record of consistently delivering sound and impactful results within this space

EXECUTIVE SUMMARY

Investment case	<ul style="list-style-type: none"> Forward Capital is seeking to raise up to €50M for a <i>Fundo de Capital de Risco</i>, an alternative assets fund (the “Fund”) The Fund will target a distinctive IRR +13%¹ Investments will comprise mainly of Non-Performing Loan (“NPL”) portfolios and some Special Situation assets The portfolios are granular and provide a natural diversification of the investment Target smaller portfolios around €5M to €30M where the landscape is less competitive and Forward Capital has unique and distinctive capabilities as well as co-investment with big investors in a specific perimeter (unsecured granular or going concern corporate positions) 																																																																																																																									
The market opportunity	<ul style="list-style-type: none"> The local Iberian banks remain very conservative with continued focus on deleveraging Current macro scenario, namely the increase in interest rates, is expected to drive the current level of NPLs and Special Situations Smaller portfolios and longer maturity positions have less liquidity and appeal to larger players Forward Capital’s management has extensive experience in debt management with a high double-digit returns 																																																																																																																									
Solid track record (selected transactions)	<table border="1"> <thead> <tr> <th>Portfolio</th> <th>Investment type</th> <th>Signing</th> <th>Investment (M€)</th> <th>Total claim (M€)</th> <th>Distributions (M€)</th> <th>Paid-in (%)</th> <th>To be Distributed (M€)</th> <th>IRR (%)</th> <th>TVPI (x)</th> <th>Situation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Unsecured mixed</td> <td>2016</td> <td>2,8</td> <td>87,1</td> <td>4,2</td> <td>152</td> <td>3,1</td> <td>40,0</td> <td>2,66</td> <td>Ongoing</td> </tr> <tr> <td>2</td> <td>Unsecured mixed</td> <td>2017</td> <td>8,1</td> <td>224,6</td> <td>2,7</td> <td>34</td> <td>8,0</td> <td>5,4</td> <td>1,33</td> <td>Ongoing</td> </tr> <tr> <td>3</td> <td>Unsecured mixed</td> <td>2018</td> <td>8,7</td> <td>79,5</td> <td>5,9</td> <td>68</td> <td>8,4</td> <td>17,8</td> <td>1,66</td> <td>Ongoing</td> </tr> <tr> <td>4</td> <td>Unsecured mixed</td> <td>2018</td> <td>5,2</td> <td>34,8</td> <td>1,7</td> <td>33</td> <td>6,2</td> <td>12,4</td> <td>1,55</td> <td>Ongoing</td> </tr> <tr> <td>5</td> <td>Unsecured mixed</td> <td>2019</td> <td>14,7</td> <td>137,4</td> <td>6,0</td> <td>41</td> <td>18,1</td> <td>16,2</td> <td>1,63</td> <td>Ongoing</td> </tr> <tr> <td>6</td> <td>Secured</td> <td>2019</td> <td>13,6</td> <td>62,2</td> <td>7,4</td> <td>55</td> <td>11,0</td> <td>19,2</td> <td>1,37</td> <td>Ongoing</td> </tr> <tr> <td>7</td> <td>Special situation</td> <td>2019</td> <td>2,5</td> <td>5,0</td> <td>0,0</td> <td>1</td> <td>4,2</td> <td>20,4</td> <td>1,69</td> <td>Ongoing</td> </tr> <tr> <td>8</td> <td>Unsecured mixed</td> <td>2019</td> <td>2,9</td> <td>26,2</td> <td>0,5</td> <td>18</td> <td>3,3</td> <td>8,7</td> <td>1,31</td> <td>Ongoing</td> </tr> <tr> <td>9</td> <td>Unsecured corp</td> <td>2020</td> <td>2,7</td> <td>158,2</td> <td>0,3</td> <td>10</td> <td>3,7</td> <td>19,4</td> <td>1,45</td> <td>Ongoing</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>61</td> <td>815</td> <td>29</td> <td>47</td> <td>66</td> <td>16,4</td> <td>1,56</td> <td></td> </tr> </tbody> </table>	Portfolio	Investment type	Signing	Investment (M€)	Total claim (M€)	Distributions (M€)	Paid-in (%)	To be Distributed (M€)	IRR (%)	TVPI (x)	Situation	1	Unsecured mixed	2016	2,8	87,1	4,2	152	3,1	40,0	2,66	Ongoing	2	Unsecured mixed	2017	8,1	224,6	2,7	34	8,0	5,4	1,33	Ongoing	3	Unsecured mixed	2018	8,7	79,5	5,9	68	8,4	17,8	1,66	Ongoing	4	Unsecured mixed	2018	5,2	34,8	1,7	33	6,2	12,4	1,55	Ongoing	5	Unsecured mixed	2019	14,7	137,4	6,0	41	18,1	16,2	1,63	Ongoing	6	Secured	2019	13,6	62,2	7,4	55	11,0	19,2	1,37	Ongoing	7	Special situation	2019	2,5	5,0	0,0	1	4,2	20,4	1,69	Ongoing	8	Unsecured mixed	2019	2,9	26,2	0,5	18	3,3	8,7	1,31	Ongoing	9	Unsecured corp	2020	2,7	158,2	0,3	10	3,7	19,4	1,45	Ongoing	Total			61	815	29	47	66	16,4	1,56	
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1. Net IRR for investors

Forward Capital's success is driven by a one-of-a-kind business model, supported by a high-performing team, unrivaled market access, and cutting-edge tools

EXECUTIVE SUMMARY

Highly attractive alternative asset segment	<ul style="list-style-type: none">• Conservative lending policies by local banks is estimated to drive opportunities for alternative assets• Secondary market activity also estimated to increase due to maturing funds, the need to accelerate business plans, and investors reviewing their risk appetite given macro environment
Experienced management team / Asset Manager	<ul style="list-style-type: none">• Diversified backgrounds with debt management, banking and performance improvement experience• Significant experience in managing NPL portfolios• Point Capital Partners, the asset manager, is an independent private equity firm with €100M+ of assets under management
Proven business model	<ul style="list-style-type: none">• Strong partnership with experienced debt servicer DUO Capital• DUO Capital has approx. €1.5bi of alternative assets under management and 100+ professionals• Control over the investment process, including sourcing, preliminary analysis, Due Diligence and debt management
Access to high quality opportunities	<ul style="list-style-type: none">• Unique access to a quality stream pipeline of opportunities• Marketplace with high barriers to entry due to low debt servicing capacity installed as servicers are typically tied to large international investors
Thorough investment criteria	<ul style="list-style-type: none">• Balance between fund goals, investors risk tolerance and ESG lens• Analysis and selection backed by historic performance of portfolios• Generative AI tools to get a more granular understanding of portfolio performance

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Investing in this distinctive eco-system promises unparalleled performance, driven by unique capabilities that are challenging to replicate

THE FUND AND MANAGEMENT ENTITIES

The Fund Forward - FCR

- Forward - Fundo de Capital de Risco Fechado, regulated by CMVM

The Asset Manager



- +60 years of experience, with €100M+ of assets under management with two Funds already created and two more in pipeline with robust and world-class international LP's

Operational Partner

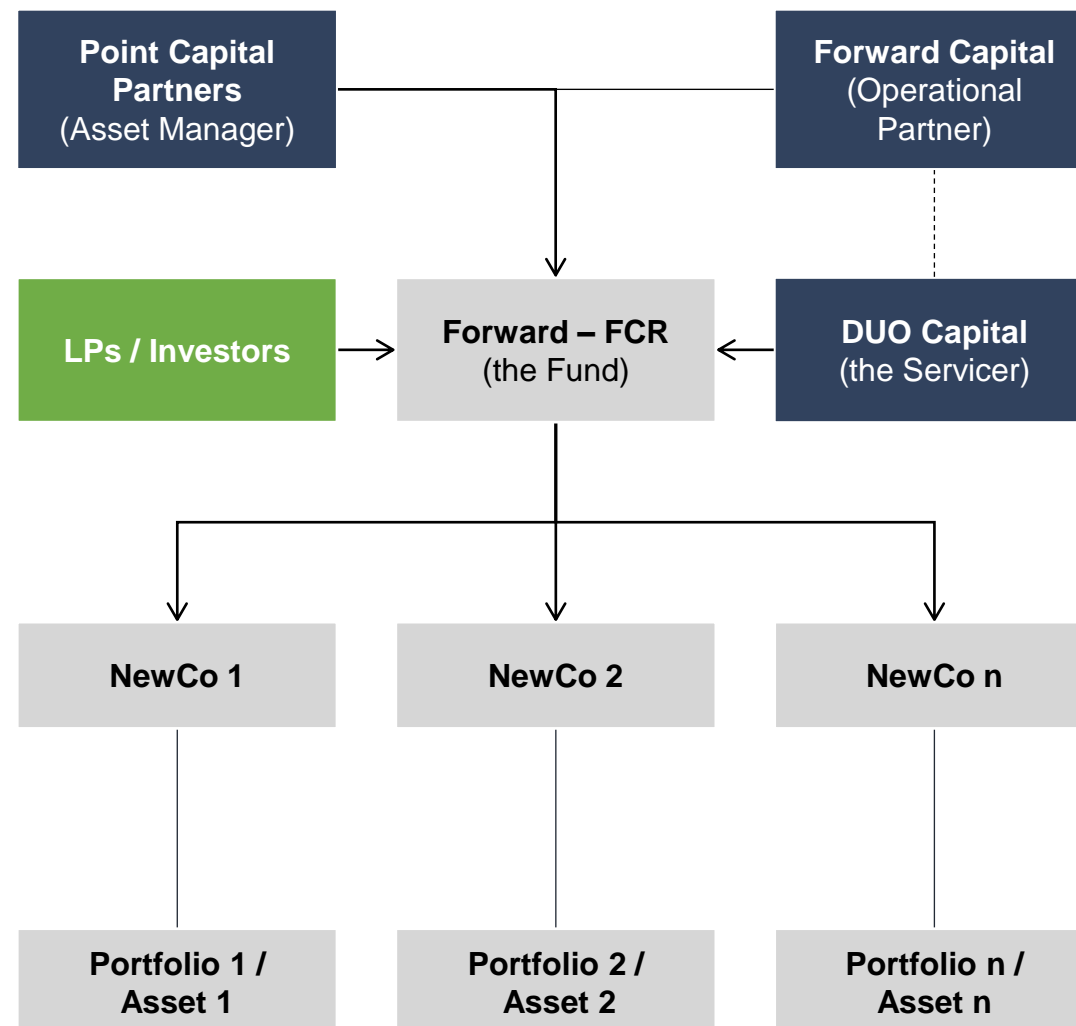


- Forward Capital is comprised of three shareholders with extensive experience in debt management, banking and performance improvement experience with +60 years of experience

The Servicer



- Incorporated in 2013, DUO Capital is an independent Portuguese debt servicer with approximately €2bn of distressed assets under management
- Comprises a team of 100+ professionals with core experience ranging from Deal Origination and Due Diligence to Loan Servicing and Outsourcing
- DUO Capital manages comingled funds, especially managed accounts and advisory mandates for institutional and private clients



Point Capital Partners is an independent Private Equity firm founded by highly experienced investment professionals with an extensive track record



THE FUND AND MANAGEMENT ENTITIES

Unique way of working



Capital leveraging

We stand by a solid investment policy with careful asset selection, driven by a disciplined due-diligence process. And we stand by a genuine commitment to the highest standards of business practices and ethics as reflected in our ESG Policy



Collaborative partnering

We are firm believers in collaboration. The foundation of any portfolio investment is its operating management. We do not manage businesses ourselves nor do we simply invest in business plans. We seek proven operators and managers with the skills and personal commitment to drive a company to succeed



Discipline

First and foremost, Point is a disciplined investor. For us, this means an unwavering Focus on our core competencies and investment approach. We invest in middle market companies in our core areas of expertise and are steadfast in our return requirements throughout market cycles



Hands-on support

We believe in providing much more than capital so we offer full-support to our portfolio companies with experienced experts and specialists mentors. Extensive network of professional services and in-house support team



Innovative models

We have innovation in our core-DNA since day 1, and not only constantly challenge the status-quo with fresh innovative models, new alternative assets and new ways of transforming value in the industries we operate



Judicious Risk Management

Risk management and preservation of capital has always been a key objective for Point Capital Partners. We achieve this through conservative capital structures, through an innovative and comprehensive investment approach with skilled management teams and the incorporation of responsible principles

Unique team



Paulo Tenente

- **Fund Managing Partner**
- **+25 Years PE, VC and IB-industry**
- Founder and Managing Partner at POINT Capital Partners, SCR SA
- Founded and worked as CEO at OPTIME Investment SCR SA
- CEO at Banif Capital SCR SA
- IC member in Pathena Investments
- Founder and former Chairman of PNV Capital SA – (Business Angels vehicle)
- Board Member at GED Sur Capital (Spain) (Private Equity)
- Mentor in entrepreneurship programs NovaSBE, ISCTE, IADE
- Jury and Expert of the European Innovation Council
- Board Member at Banco Invest (Investment Banking)
- Board Member appointed by Private Equity Fund in several corporates
- BSc in management – ISLA – Universidade Europeia



Sérgio Silva

- **Fund Managing Partner**
- **+20 Years in Management of industrial corporates**
- Partner at POINT Capital Partners, SCR SA
- Founder and former CEO of Brasmar (leading food company in Europe)
- CEO of Vigent Group >700M turnover; >10 countries
- Chairman of the Board and former CEO of Metalgalva
- High skilled manager in the operationalization of buy and build strategies in Portugal, Europe and Americas
- Large experience in internationalization of companies
- Extensive experience in managers and acquisitions and private equity fund transactions
- BSc in Management – Universidade Fernando Pessoa



Pedro Ceia

- Investment Manager
- +20 Years in Venture Capital, Private Equity and Management Consulting
- Investment Manager at POINT Capital Partners, SCR SA
- Managing director at Faraday Venture Partners
- Senior Investment Manager at PME Investimentos
- Senior Consultant at addWise – Management Services
- Senior Consultant at KPMG in Portugal and Spain
- Executive Program in Private Equity from London Business School
- Master in Finance from Católica-Lisbon School of Business and Economics
- Business Administration Degree from ISCTE Business School



Forward Capital founding partners have a unique expertise developed and battle-tested over the last 20 years with significant results delivery

THE FUND AND MANAGEMENT ENTITIES



**Eduardo
Ferreira de Lemos**

Founder & Managing Partner

- Executive with +20 years of experience in top-tier consulting and industry, always described as a high performer – strong strategic thinking with a thorough financial perspective, combined with a "make it happen" attitude
- +100 projects for world top organizations in countries such as, Portugal, Brazil, Spain, Argentina, France, UK, Germany, Italy, Netherlands, Norway, Sweden, Malaysia or China
- Extensive experience and passion in identifying and driving value creation opportunities and transformation programs – lead +20 strategic plans, +20 performance and +10 turnaround programs



**João
Ulrich Boullosa**

Founder & Managing Partner

- Extensive experience working in the Iberian financial system, from lending to restructuring and more recently fully dedicated to non-performing loans as an executive and investor, contributing significantly to the development and success of projects within the Portuguese market
- A proven entrepreneurial track record highlighted by the establishment and growth of DUO Capital, one of the most successful servicing companies in Iberia, underscoring a unique ability to drive and lead successful business ventures



**André
Alves Ribeiro**

Founder & Managing Partner

- Extensive experience working in investment banking in New York and Lisbon in multiple areas such as M&A, infrastructure funds and capital markets for Societe Generale (NY), Macquarie Capital (NY) and Finantia (Lisbon)
- Co-Founder of Zaphira Capital, a real estate investment holding mainly active in Portugal. Invested and developed several real estate projects including Bloom Marinha with estimated revenues of approximately €250M
- Holds an MBA from Columbia Business School (2006-2008) and a Bachelor's degree in Business Administration from Universidade Católica Portuguesa



Duo Capital strength lies in the know-how combined with innovative proprietary technology and data analytics expertise, to ensure the best results to our clients

THE FUND AND MANAGEMENT ENTITIES



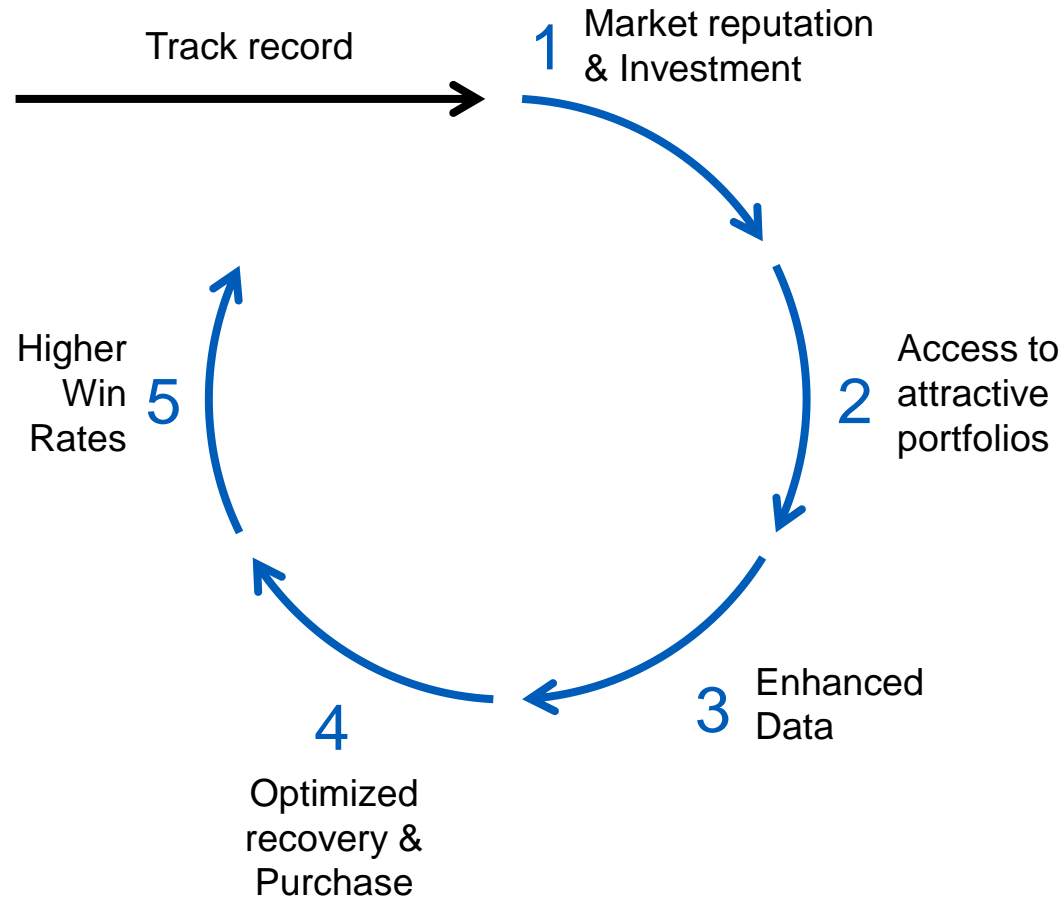
Key highlights

- 2012** Founded
- 100** Employees
- €2bn** Assets Under Management

Client base counts with 5 of 10 largest NPLs funds



Duo Capital benefit from several competitive advantages, activating a virtuous circle of value creation



- 1** • **Ability to invest** in sophisticated IT systems
 - **Ability to hire and retain** highly skilled professionals
 - **Secure funding** (for purchase)
- 2** • Ability to provide **end-to-end services** with **access** to the purchase of the more **attractive portfolios**
- 3** • **Working on a large volume of portfolios** for many years **provides a richer set of data**
- 4** • **Analysis of data** can result in optimized debt recovery
 - **Better value debt estimation** for debt purchasing activity
- 5** • **Economy of scale** and **ability to comply** with increased **regulatory demands**
 - **Enhanced reputation** is likely to result in a higher success rate of competitive tenders

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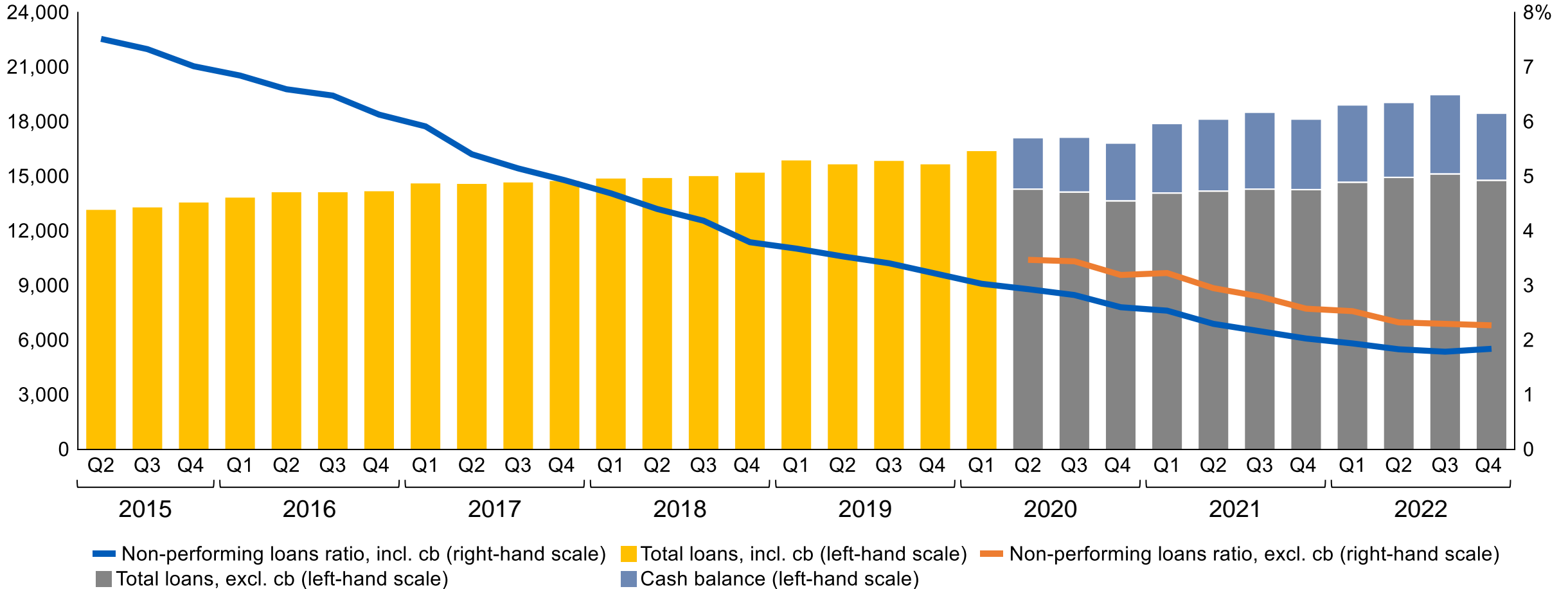
Summary of terms

Appendix

NPL ratio in EU declined since 2015 to a low of ~2% but the slight uptick in Q4 2022 may indicate the beginning of a new cycle – how far will it go?

INVESTMENT CASE

EU non-performing loans by reference period (€bi; %)



Note: "cb" stands for cash balances at central banks and other demand deposits
 Source: European Central Bank

The Iberia financial sector leadership is anticipating a change in the cycle

INVESTMENT CASE

/EXAMPLE



Gonzalo Gortázar
CEO of CaixaBank



Onur Genç
CEO of BBVA



Luis de Guindos
Vice-President of
European Central Bank



Mario Centeno
President of
Portugal Central Bank

"In the last quarter, the sector's figures indicate a small increase in delinquencies. We are talking about a change in trend, but very gradual, where there is a certain logic given the impact of the rate increase on payments"

"We are busy..."

"Euro zone economic growth will remain weak in the near term as services and the labour market weaken but nations in the bloc should not free discretionary bank buffers to ease the pain...time to implemented a so-called counter-cyclical buffer, which forces lenders to set aside more capital during better times"

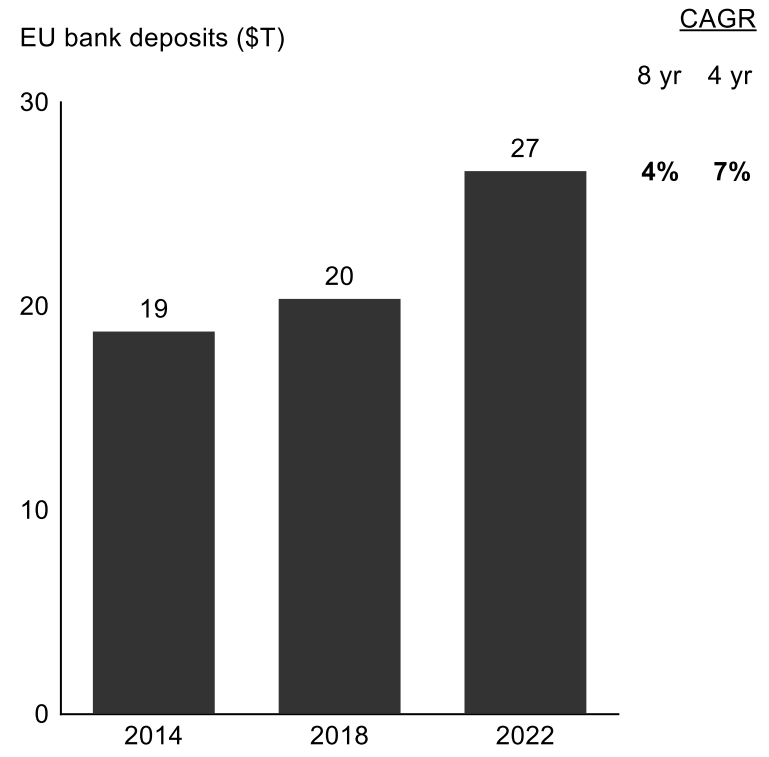
"The Bank of Portugal has told to the 4 largest banks, to create a new capital buffer equivalent to 4% of their loan portfolios that are collateralized by home mortgages. It said in a statement on Wednesday the measure addressing "sectoral systemic risk" would come into effect on Oct. 1, 2024, and be reviewed at least every two years."

Source: Press Clipping

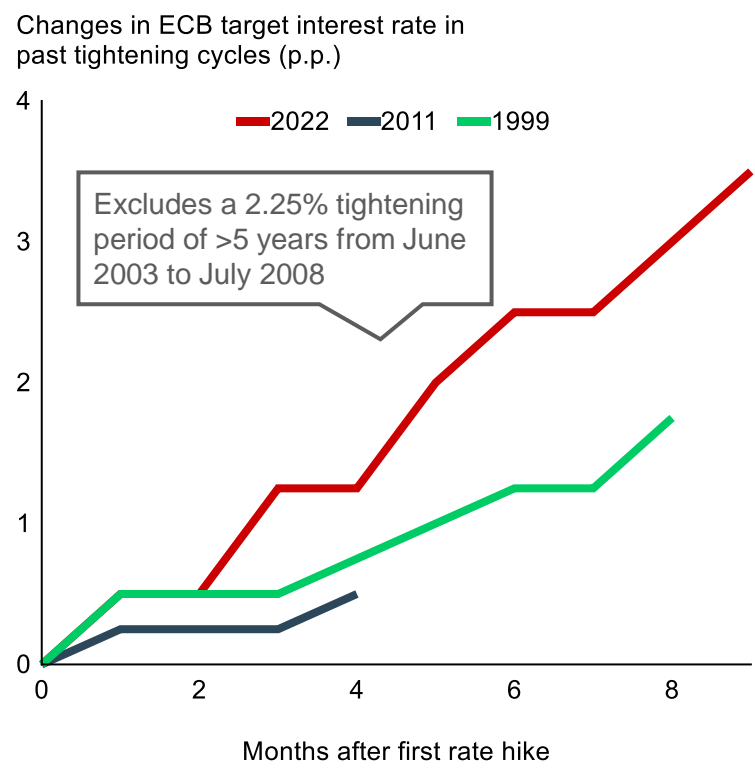
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Moreover, the recent crisis has brought to light key economic drivers affecting the financial system as a whole, centered around interest rate risk

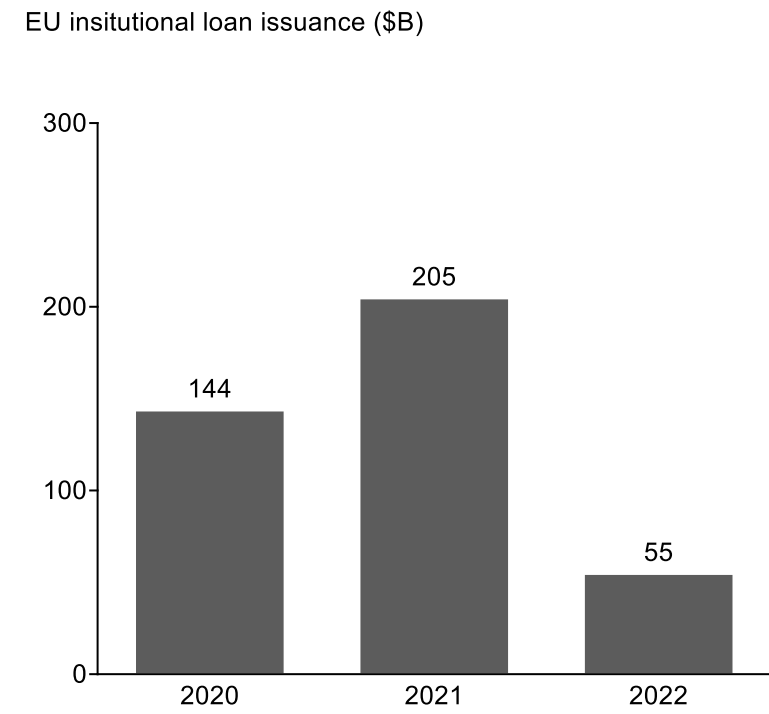
High deposit levels driven by consumer savings



The largest and fastest interest rate hikes in recent history



Slowing credit originations across the Europe



Source: European Central Bank, Dealogic

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As rates rise, the interconnected financial system is in disequilibrium, and all stakeholders must plan for where the next examples of fragility will surface

INVESTMENT CASE

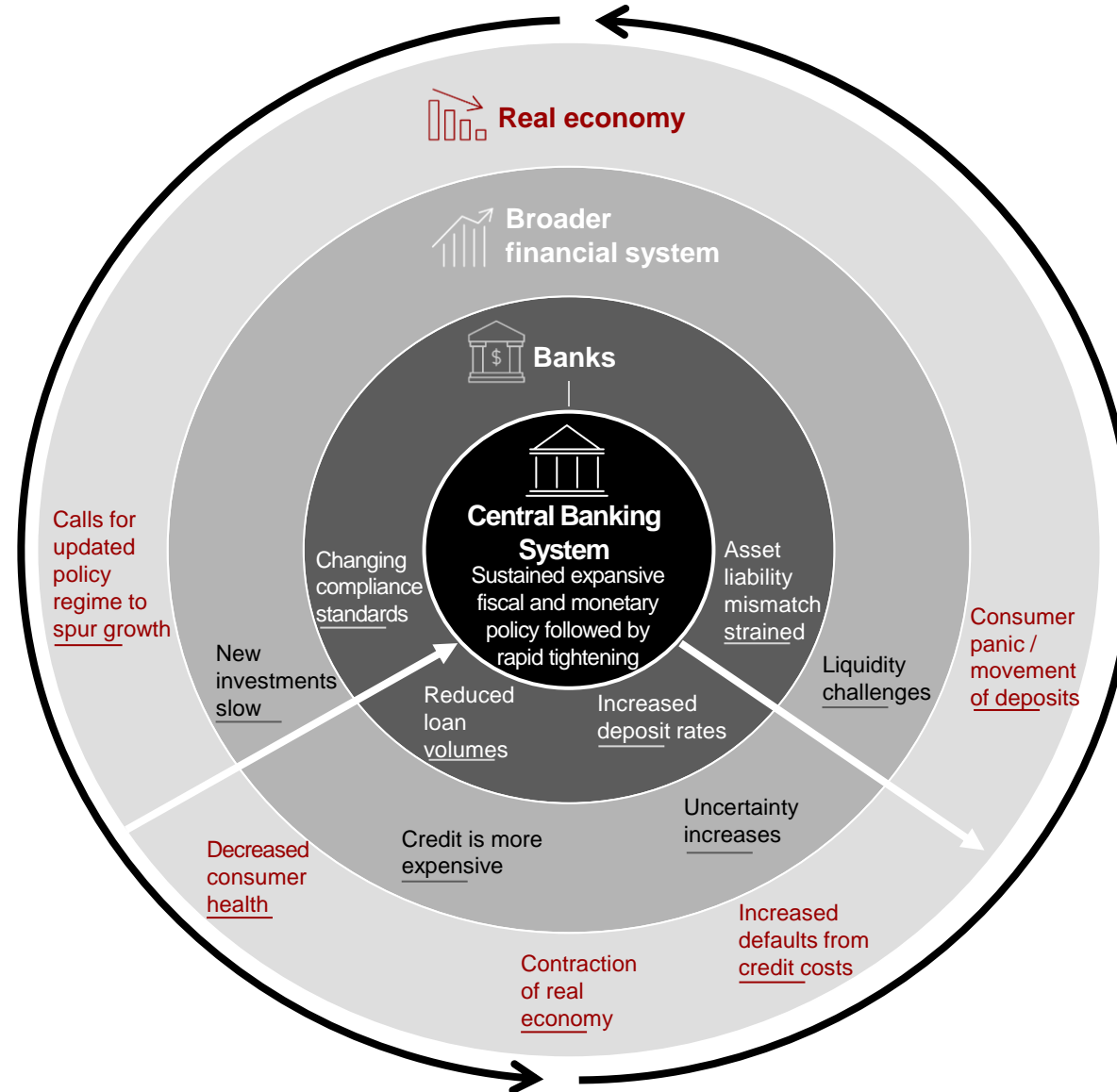
/ ILLUSTRATIVE

Central Banking System

Creates conditions for disruption through sustained expansionary policy followed by rapid tightening

Real economy

Experiences significant value destruction, driving contraction of real economy and debates about policy, regulation, and how to drive growth



Banks

Suffer from liquidity and capital issues stemming from asset-liability mismatch, driving increased deposit rates to attract consumers and shrinking loan volumes as risk increases

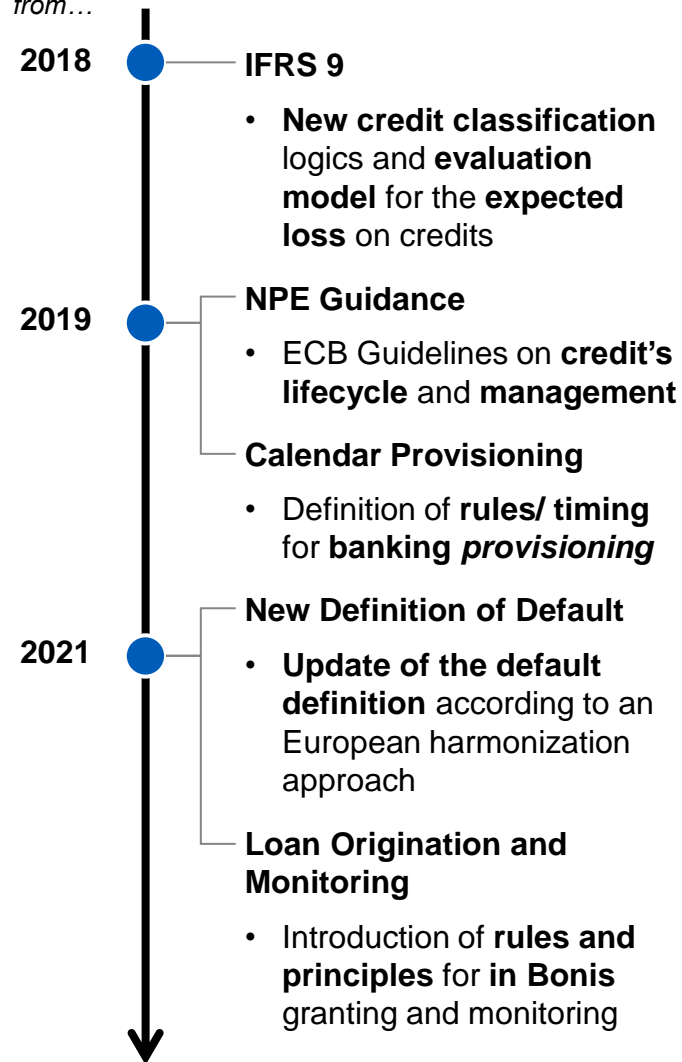
Broader financial system

Slows as credit availability declines / is more expensive, and the overall environment is more uncertain
Suffers from targeted collapses in specific sectors

An increasing wave of financial regulations forces banks to proactively manage loan portfolios in order to save credit losses

INVESTMENT CASE

Applies from...



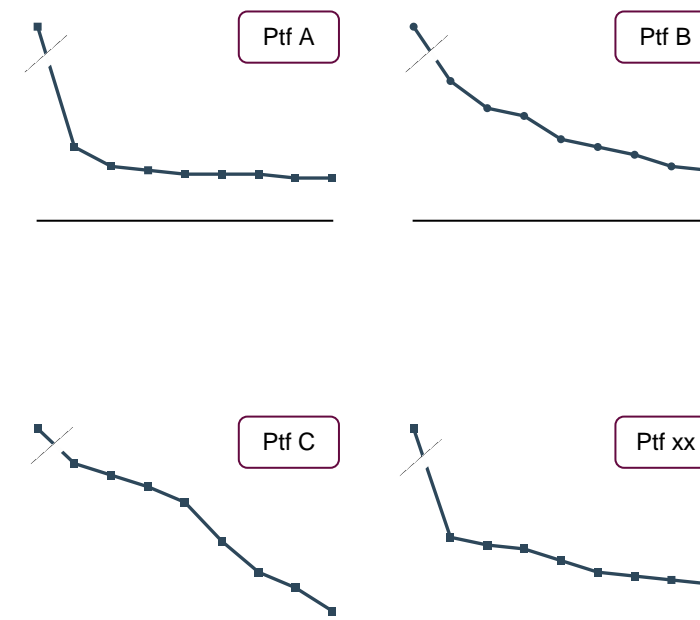
Calendar provisioning rules require coverage ratio to increase in a limited amount of time...

Vintage	Secured (personal guarantees)	Secured (mortgage guarantees)	Unsecured
After 1 yrs			
After 2 yrs			35%
After 3 yrs	25%	25%	100%
After 4 yrs	35%	35%	
After 5 yrs	55%	55%	...
After 6 yrs	80%	70%	...
After 7 yrs	100%	80%	...
After 8 yrs	...	85%	...
After 9 yrs	...	100%	...

/ NON-EXHAUSTIVE

... with strong differentiation on recovery depending on underlying loan portfolios

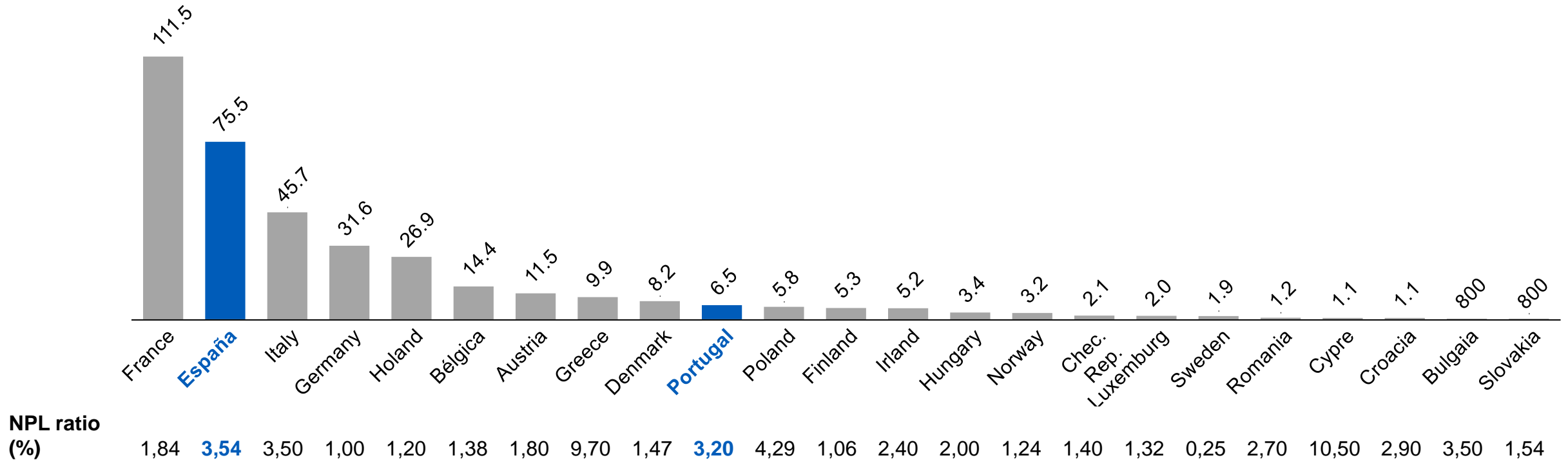
/ ILLUSTRATIVE



Iberia is the second largest market in Europe, our addressable market is +€80bi with current level of 3%

INVESTMENT CASE

European NPLs landscape (2023, bi)



Source: European Central Bank

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The Iberian banks will off load more than €11bi this year – Spain and Portugal with two distinctive dynamics

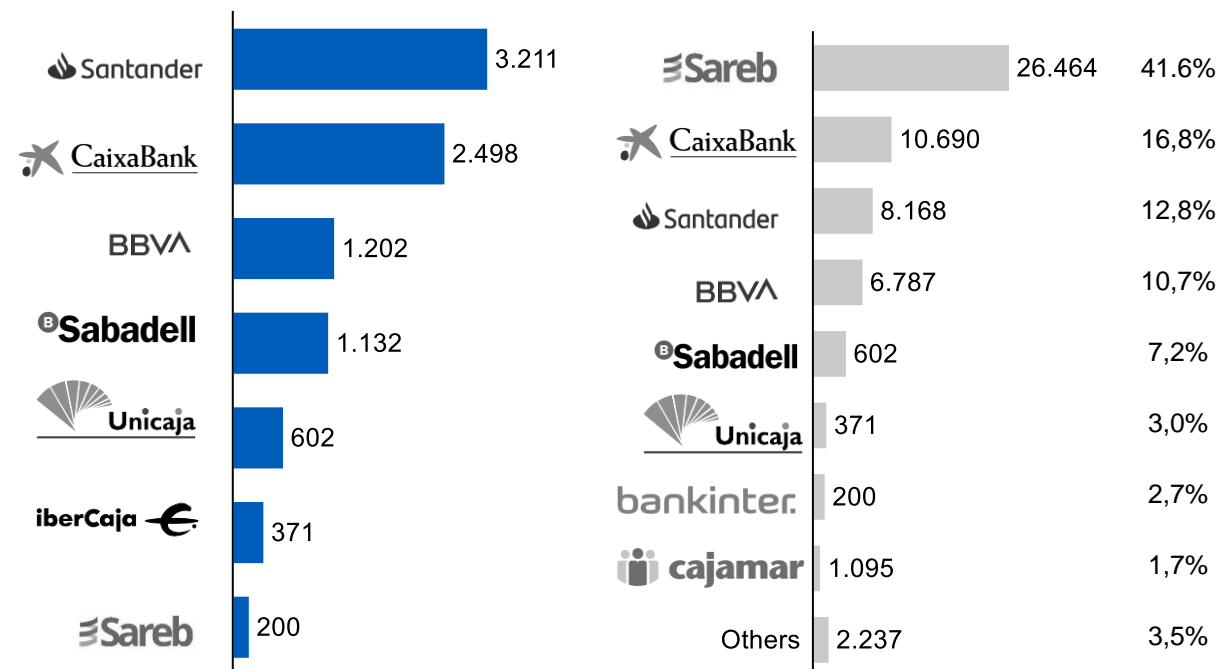
INVESTMENT CASE

Spain portfolios (2023, m€)



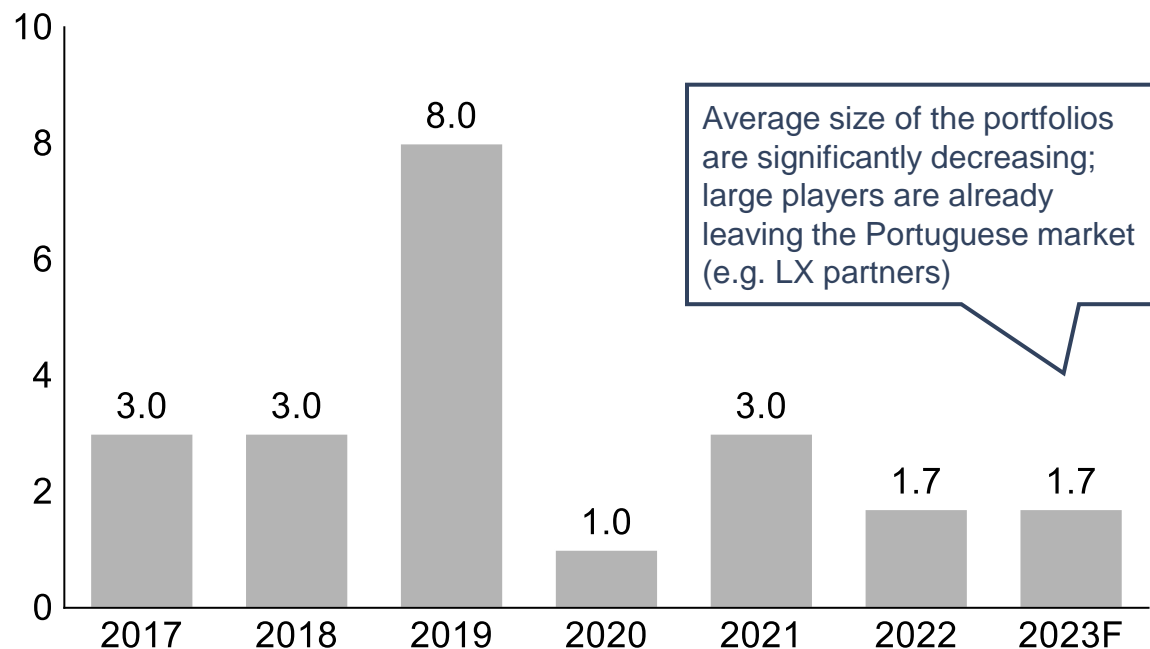
NPLs traded by banks 9.2bi€

NPLs in banks balance sheet 64bi€



“Spanish entities are cleaning up their balance sheets in the face of the foreseeable increase in bad debts that is expected for next year”
Expansión, November 2, 2023

Portugal portfolios (m€)



Average size of the portfolios are significantly decreasing; large players are already leaving the Portuguese market (e.g. LX partners)

“Banks continued reducing NPLs on their balance sheets, thanks to NPL sales and write-offs, supported also by low insolvency rates”
European Commission, May, 2023

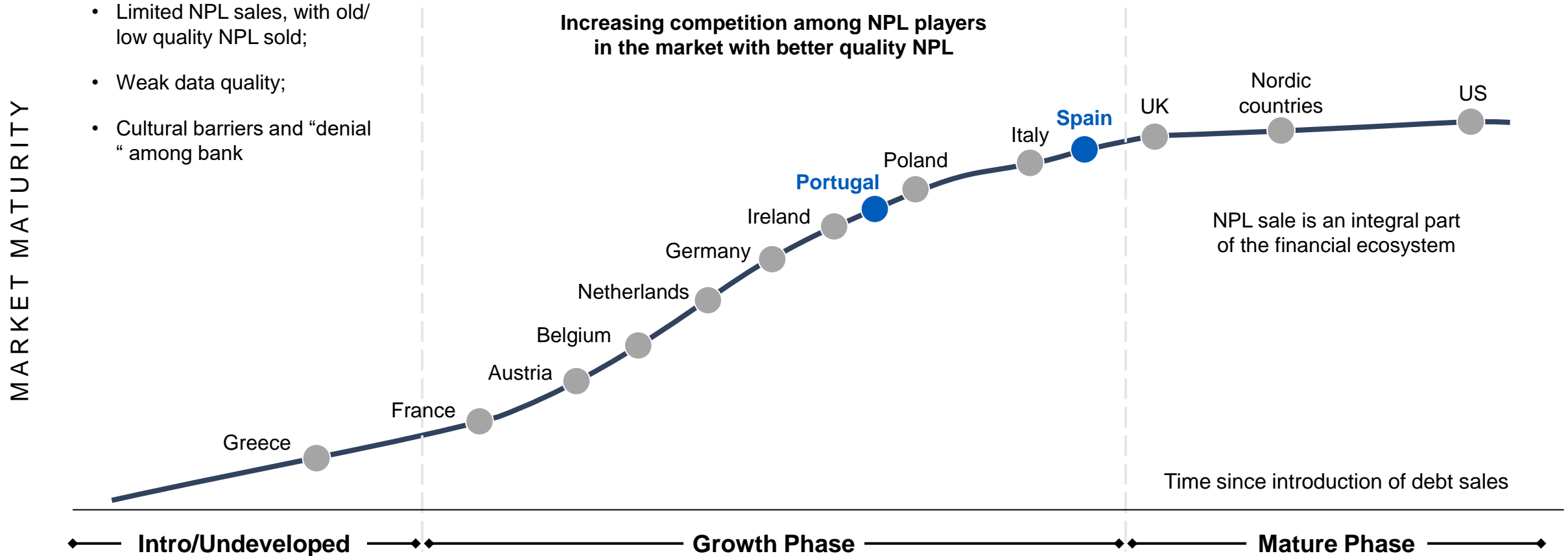
Note: CaixaBank, for its part, maintains a stock of 10,690 million; Santander another 8,168 million; In the case of BBVA it reaches 6,787 million, and Sabadell adds 4,576 million. On the buying side of these banking assets, the Swedish firm Intrum was the main investor, with 2,560 million. It is followed by the Swedish company Axactor (2,115 million), Zolva (1,707 million) and Kruk (1,288 million)
 Source: Atlas value management, Banks reports

In terms of NPL disposals and servicing, Iberia is still in a growth phase, approaching maturity

INVESTMENT CASE

/ ILLUSTRATIVE

European market – maturity of debt sale by country



Market trends indicate a future increase in NPL volumes

INVESTMENT CASE

Iberia Non-performing loan (NPL) heatmap summary

Loss provision with locked up Capital on the balance sheet

	Stage 1			Stage 2			Stage 3		
	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23
Spain	90.2%	90.2%	90.3%	6.7%	6.9%	6.8%	3.0%	2.9%	2.9%
Portugal	83.8%	84.5%	84.6%	11.9%	11.8%	11.8%	4.1%	3.5%	3.5%
EU Average	88.2%	88.6%	88.7%	9.5%	9.1%	9.1%	2.2%	2.1%	2.1%

Stage 1

Stage 1 > 85%	■
Stage 1 < 75%	■
Stage 1 between 75% and 85%	■

Stage 2

Stage 2 > 15%	■
Stage 2 < 10%	■
Stage 2 between 10% and 15%	■

Stage 3

Stage 3 > 7%	■
Stage 3 < 3.5%	■
Stage 3 between 3.5% and 7%	■

Volumes bn EUR	Total loans and advances			NPLs			Households (HH)			HH Mortgages			Non-financial corporations (NFC)			NCF SMEs			NCF CRE		
	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23	jun/22	mar/23	jun/23
Spain	853,8	740,7	749,4	78,9	75,4	76,7	43,7	43,0	45,0	22,9	21,1	21,7	34,6	31,8	30,9	21,7	20,3	19,7	9,9	9,3	8,6
Portugal	226,0	209,6	207,9	7,5	6,4	6,3	2,4	2,2	2,2	1,1	1,0	1,0	4,8	4,1	3,9	3,5	2,9	2,8	1,9	1,8	1,8
EU	499,6	222,1	939,8	371,1	357,1	361,0	145,5	138,4	141,6	66,5	62,0	61,9	204,3	197,9	199,2	108,5	104,9	105,6	55,6	51,4	52,7
% of total Loans																					
Spain				2,8%	2,8%	2,8%	3,6%	3,5%	3,7%	2,7%	2,5%	2,6%	4,4%	4,0%	3,9%	6,7%	6,5%	6,3%	8,3%	7,8%	7,2%
Portugal				3,3%	3,1%	3,0%	2,3%	2,1%	2,1%	1,3%	1,1%	1,1%	8,0%	7,0%	6,8%	8,6%	7,5%	7,3%	13,0%	11,9%	11,5%
EU				1,8%	1,8%	1,8%	2,2%	2,1%	2,1%	1,6%	1,5%	1,5%	3,4%	3,2%	3,3%	4,4%	4,3%	4,3%	4,1%	3,8%	3,9%

NLP ratio

NLP ratio > 15%	■
NLP ratio < 5%	■
NLP ratio between 5% and 15%	■

Note: IFRS standards – Stage 1 Performing Borrower meets obligations; Stage 2 Under-performing Borrower does not meet obligations (30 days); Stage 3 (NPL) Impaired Borrower is far off from meeting obligations (90 Days)

Source: EBA Q2 2023

This information is confidential; it is not to be relied on by any 3rd party without prior written consent.

Key market trends

- The unclear direction of the economy, low provisioning levels, and future concerns on asset quality pose ongoing difficulties for banks
- Iberian banks are experiencing a rise in Stage 2 loans, indicating a need for improved loan portfolio management and increasing potential for market-oriented actions
- Iberian banks anticipate continued pressure on asset quality, with rising costs of risk and higher loan losses expected in the future.
- While the total stock of NPLs in Iberia has decreased, market trends indicate a potential future increase in NPL volumes

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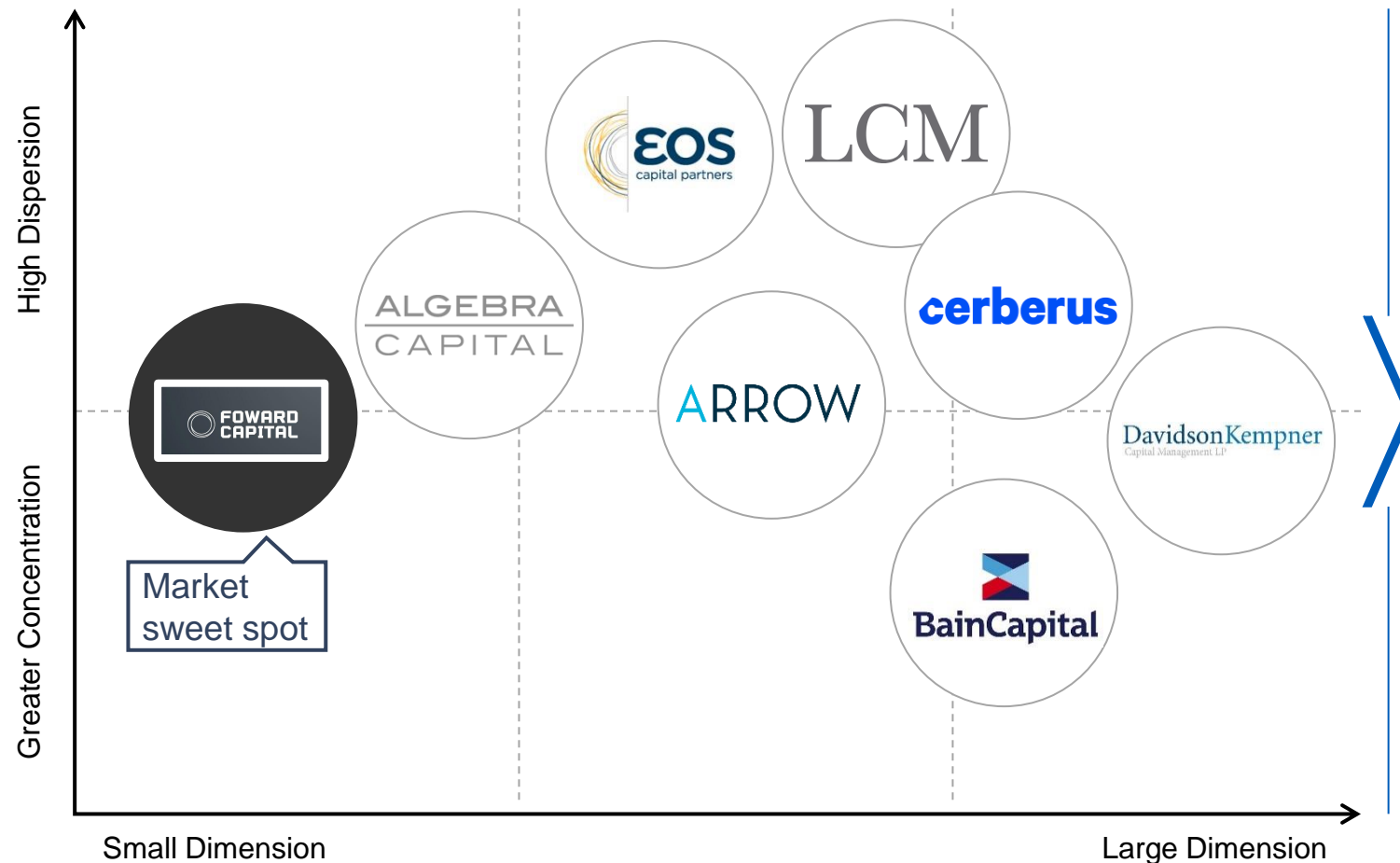
Appendix

We have created a unique market position with limited competition

INVESTMENT PROCESS

/ ILLUSTRATIVE

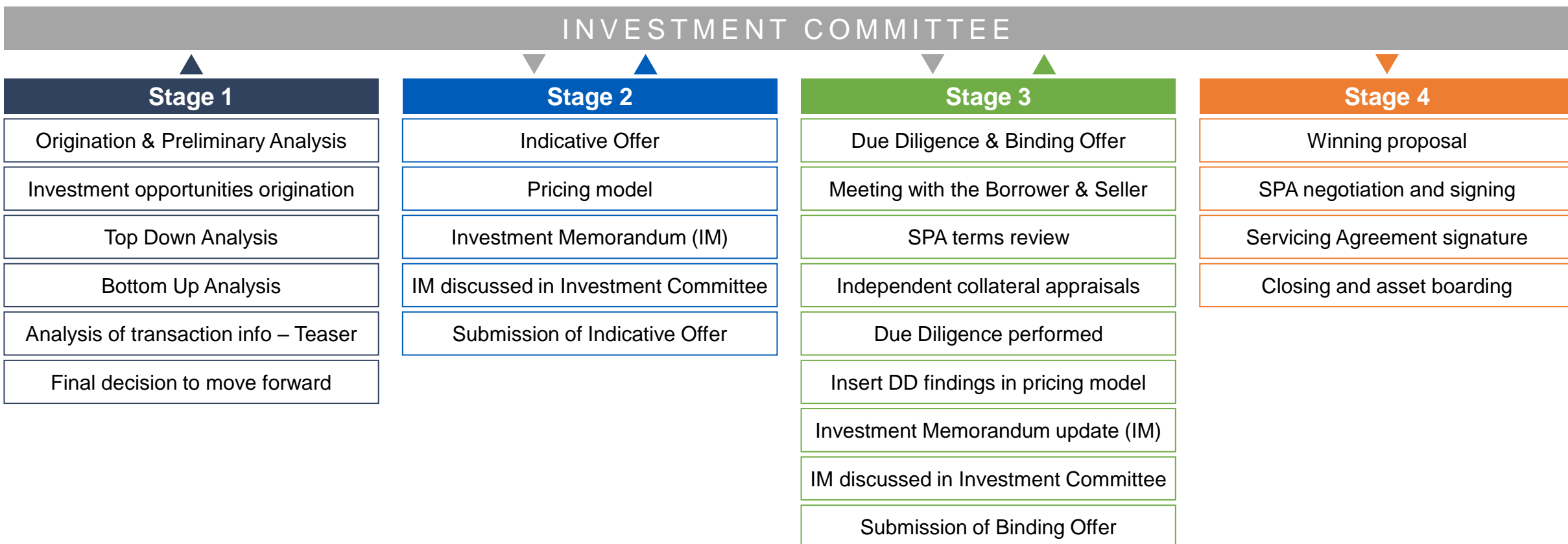
Access to high quality opportunities in low competitive marketplace



We Focus on below the radar opportunities with higher level of complexity that larger players avoid given their extremely large fund sizes

Battled-tested and thorough investment process

INVESTMENT PROCESS



We have developed over the years an origination process, that generates attractive and profitable opportunities – ready to deploy the proceeds received

INVESTMENT PROCESS

/ DIRECTIONAL

Origination process with strategic access to valuable pipeline

STAGE 1

Origination & Preliminary Analysis

Reading the info memo provides the general view of the transaction and enough inputs to decide in moving forward or dropping out. Once deciding to pursue, first step is the stratification of the data tape, comparing those segments with similar ones and project CF, assuming the veracity of the information.

STAGE 2

Indicative Offer

Submission of an indicative bid considering the outcome of the model, tentative prediction of competition behavior and also based upon a defined strategy within that seller. Usually, best case assumption are assumed in order to move forward on competitive processes.

STAGE 3

Due Diligence & Binding Offer

Due diligence is key to understand: 1) the accuracy of the data tape; 2) the stage of the biggest complex connections; 3) the collection system of the seller and its inefficiencies; 4) the existence of past restructurings/haircuts.

STAGE 4

Investments Executed

Highly selective process; the team historically has only approved around 15% of its deal flow. Timetable for the portfolio/asset workout is done and to be executed accordingly.



How we source deals

Forward Capital is recognized as a relevant player in Portugal and invited to all competitive processes of NPL portfolios sold by banks and financial institutions, many times intermediated by market advisors

Forward Capital is known by its capacity to analyse and execute complex transactions and is usually shortlisted for special transactions

"Word of mouth" and some market research also play a role in meeting some troublesome promoters needing an investment arm to help them overcoming a potential full equity losses well as within some nonbanking groups wanting to dispose nonperforming receivables

The presented investment process delivered solid results over almost a decade






INVESTMENT PROCESS

/ SELECTED EXAMPLES

Portfolio	Investment type	Signing	Investment (M€)	Total claim (M€)	Distributions (M€)	Paid-in (%)	To be Distributed (M€)	IRR (%)	TVPI (x)	Situation
1	Unsecured mixed	2016	2,8	87,1	4,2	152	3,1	40,0	2,66	Ongoing
2	Unsecured mixed	2017	8,1	224,6	2,7	34	8,0	5,4	1,33	Ongoing
3	Unsecured mixed	2018	8,7	79,5	5,9	68	8,4	17,8	1,66	Ongoing
4	Unsecured mixed	2018	5,2	34,8	1,7	33	6,2	12,4	1,55	Ongoing
5	Unsecured mixed	2019	14,7	137,4	6,0	41	18,1	16,2	1,63	Ongoing
6	Secured	2019	13,6	62,2	7,4	55	11,0	19,2	1,37	Ongoing
7	Special situation	2019	2,5	5,0	0,0	1	4,2	20,4	1,69	Ongoing
8	Unsecured mixed	2019	2,9	26,2	0,5	18	3,3	8,7	1,31	Ongoing
9	Unsecured corp	2020	2,7	158,2	0,3	10	3,7	19,4	1,45	Ongoing
Total			61	815	29	47	66	16,4	1,56	

The integration of a top performance Servicer (DUO Capital) in our ecosystem allow us to sustain the track record

INVESTMENT PROCESS

KPCs	Description	Relative importance
 Efficiency	Lenders weigh collection agency's recovery rates against contingent fees (i.e., cost benefit analysis)	Recovery efficiency becomes increasingly important the larger the portfolio size is , as well as borrower likelihood to repay
 Brand protection	As collections agencies state which lender they are collecting on behalf of, agencies can be viewed as an extension of the lender	Fintechs and other lenders focused on consumer experience view brand protection as critical – Becomes more important for smaller loan sizes
 Omnichannel	Omni-channel capabilities , utilizing all methods (e.g., text, email) to maximize recovery rate	For digitally-forward companies, important agencies have digital communication channels – May not want to be associated with legacy providers without digital capabilities
 Regulatory compliance	Collections is an extremely regulated industry with significant potential for fines and law enforcement action, so regulatory compliance is prudent	Larger financial institutions are extremely focused on regulatory compliance given maturity of their legal / compliance teams as well as impact of potential fines
 Integrations	Lenders prefer collections agencies directly integrate with systems (as opposed to manual process such as sending Excel file with collections information)	Ease of integrations become more important for digitally-forward lenders as well as those with limited resources to dedicate to development

Our Servicer (DUO Capital) is leading the technology adoption to secure a distinctive efficiency level

INVESTMENT PROCESS



Automated Communication

Use Generative AI to automate routine communication processes e.g. generating personalized email reminders, SMS notifications, or even scripted phone calls. Tailor messages based on the debtor's history and behavior, making communication more effective

Chatbots for Initial Engagement

Chatbots to handle initial interactions with debtors. Providing information, answer frequently asked questions, and collect basic details. This allows human agents to focus on more complex cases while streamlining routine tasks

Risk Assessment

Leverage AI to assess the risk associated with each debtor. AI models can analyze financial data, credit history, and other relevant information to provide a more accurate risk profile. This helps in determining the most suitable approach for debt recovery

Continuous Learning & Adaptation

The system can learn from successful and unsuccessful debt collection interactions, refining its approach over time. This adaptability ensures that strategies remain effective in dynamic environments

Performance Analytics

Utilize AI-driven analytics to assess the performance of individual agents, strategies, and overall debt collection operations. This data-driven approach allows for continuous improvement and the identification of areas for optimization

Data Analysis and Prediction

Employ AI algorithms to analyze vast amounts of historical data related to debt collection. Identify patterns, predict debtor behavior, and optimize collection strategies. Help prioritize efforts on accounts more likely to yield successful results

Personalized Negotiation Scripts

Generate personalized negotiation scripts using Generative AI. Scripts can be tailored based on the debtor's profile, history, and communication preferences. This ensures that conversations are more relevant and have a higher chance of success

Workflow Optimization

Implement AI-driven workflow optimization to streamline internal processes. This includes automating repetitive tasks, prioritizing accounts based on AI predictions, and providing real-time insights to agents. This leads to more efficient and effective debt collection operations

Customer Segmentation

Employ AI to segment customers based on their behavior and payment history. This segmentation can help tailor collection strategies for different groups, improving the chances of successful debt recovery

Regulatory Compliance

Integrate AI to ensure compliance with evolving regulations. Generative AI can assist in keeping track of legal requirements, automating compliance checks, and reducing the risk of human errors in adherence to debt collection laws

By integrating Generative AI into debt collection processes, DUO Capital enhance its capabilities, optimize workflows, and ultimately improve their overall performance in a dynamic and challenging industry

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The fund is aiming for a target IRR +13%¹ and the minimum LP commitment is set at €0,1M

SUMMARY OF TERMS

Terms and conditions

Duration of the fund	8 years (5-year investment period) + 1 year + 1 year
Investment Policy	Fund the acquisition of alternative assets, namely, NPL portfolios secured, unsecured and special situations assets
Target found size	€50M
Minimum LP commitment	€0,1M
Origination	Strong pipeline in Banks, other financial institutions and large funds, active sourcing in Iberia
Fund costs and fees	Management Fee (c. 2%) + Subscription Fee (c. 5%) + Success Fee (c. 30%) with Hurdle rate (c. 5%)
Reporting and valuation	Quarterly written report, with fair value valuation, and conference call for Q&A
Liquidity	Investors may have liquidity moments via dividends or by selling the Fund's shares
Dividend policy	No regular periodicity
Returns	Target IRR: 13% (net for investors)
Exit strategy	Debt collection, sale of tail portfolio to other funds in secondary market or securitization

1. Net IRR for investors

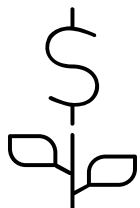
Specific benefits for Golden Visas – target return, liquidity and lock-in time

SUMMARY OF TERMS

Fund designed to address Golden Visa investment expectations



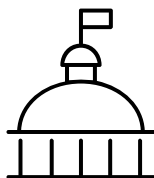
- Portfolio with short term liquidity
- Growth potential to be capture within Golden visa time horizon



- Premium valorization of your investment in World reference currency (Euro)

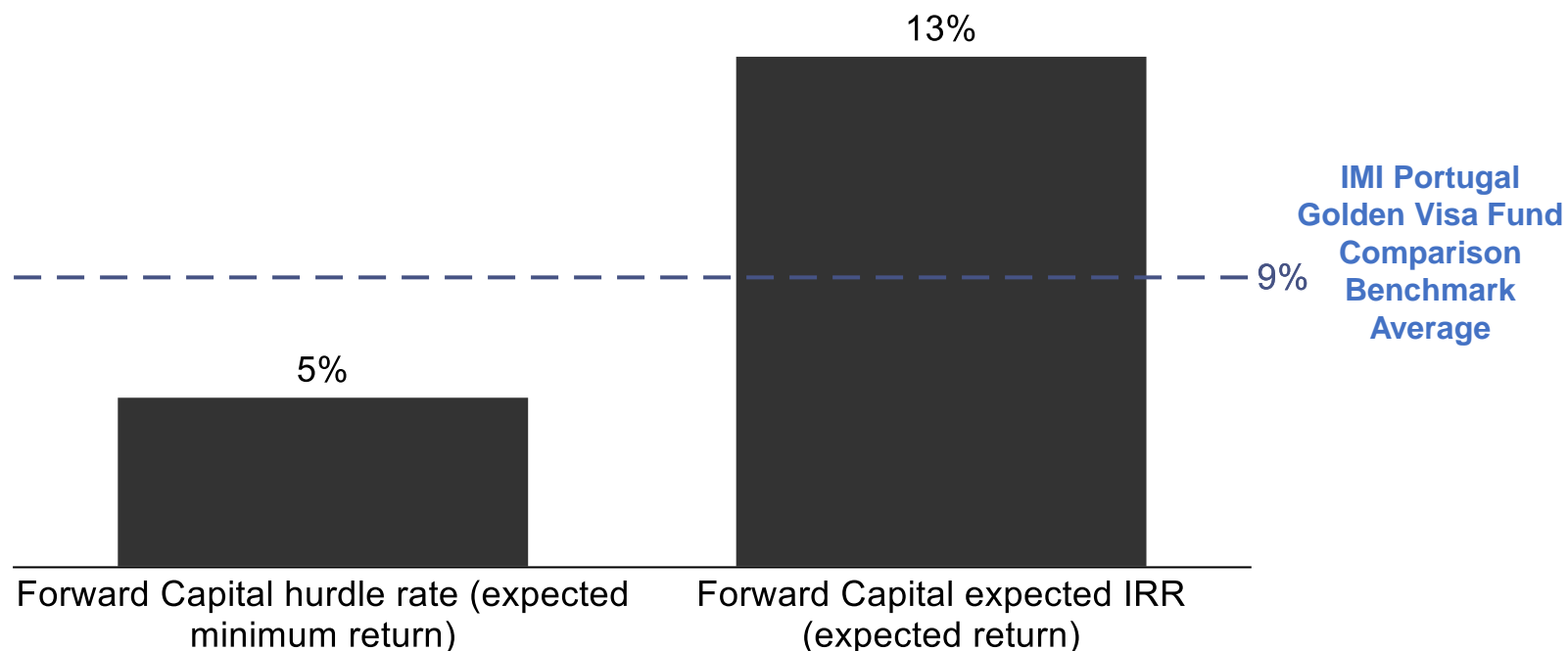


- Team experience in working with Golden visas and its specific needs



- Complied with Funds and immigration regulation

Forward Capital fund is expected to deliver 13% IRR¹, well above market benchmark



1. Net IRR for investors

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Disclaimer

This presentation is a work in progress and is not a private placement memorandum and Forward Capital reserves the right to modify any of the terms described herein

This presentation is not an offer to sell or a solicitation of an offer to buy an interest or units, nor shall any interest or units be offered or sold, to any person in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction

All reasonable care was taken to ensure that the facts stated in this presentation are true and accurate in all material respects, but there is no obligation to update such information

This presentation is provided for information only and is not intended to be, and must not alone be taken as, the basis for a future investment decision

Potential investors should conduct their own investigation and analysis of a future investment in the Fund

"With Forward Capital, liquidity and growth converge in the realm of your investments, forging a path where financial resilience meets the momentum of progress"