

**REPORT OF THE BOARD OF DIRECTORS**  
**of the banking société anonyme with the name “National Bank of Greece S.A.” to its**  
**shareholders pursuant to article 61 of law 4601/2019 on the demerger by way of**  
**spin-off of a business sector and contribution of it to an established société**  
**anonyme with corporate name “NBG PAY SINGLE MEMBER SOCIETE ANONYME”**

Messrs. Shareholders,

The boards of directors of the société anonyme with tradename “National Bank of Greece S.A.” (hereinafter, the “**Demerged Entity**”) and of “NBG PAY SINGLE MEMBER SOCIETE ANONYME (hereinafter, the “**Beneficiary**”) decided in their meetings of 20.04.2022 and 24.05.2022 respectively, to commence the demerger procedure through spin-off of the acquiring of payment transactions (merchant acquiring) business sector of the Demerged Entity (hereinafter the “**Payment Transactions Acquiring Business**”) and contribution of it to the existing société anonyme “NBG PAY SINGLE MEMBER SOCIETE ANONYME” as the beneficiary of the above demerger, in accordance with articles 54 para. 3, 57 para. 2, 58-73, 83-87 and 140 para. 3 of law 4601/2019 and article 16 para. 18 of law 2515/1997, as well as the relevant provisions of law 4548/2018, as applicable and in force, to be licensed as a payments institution, pursuant to law 4537/2018, as in force.

Specifically, regarding the Draft Demerger Deed prepared in this context, in accordance with Article 59 of Law 4601/2019 (hereinafter the “**Draft Demerger Deed**”), we bring to your attention the following:

**I. The Draft Demerger Deed from a business and financial point of view**

The Demerger is effected in the context of the implementation of the agreement entered into on 16 December 2021 between the Demerged Entity and EVO Payments International LTD (“**EVO**”) for the initiation of their strategic cooperation in the payment transaction acquiring (merchant acquiring) business.

In the context of the above agreement, the Beneficiary shall be licensed as a Payment Institution by the Bank of Greece, the payment transactions acquiring (merchant acquiring) business of the Demerged Entity shall be contributed to the Beneficiary and, pursuant to the receipt of approval by the Bank of Greece, EVO shall acquire 51% of the share capital of the Beneficiary for a total consideration of €158 million.

At the same time, a long-term exclusive distribution agreement will be entered into, which will provide that the Demerged Entity shall offer to cooperating businesses the leading card acquiring solutions that the Beneficiary will be offering, based on the specialized systems and advanced products of EVO.

No particular advantages are provided to the Auditor, the members of the Board of Directors of the Demerged Entity or its internal auditors from the articles of association of the Demerged Entity or from the decision of the general meeting of its shareholders,

nor are such advantages conferred to the above persons or to the members of the board of directors of the Beneficiary or its internal auditors by the Draft Demerger Deed.

At completion of the Demerger, the share capital of the Beneficiary shall amount to Euro three hundred seven million eight hundred and twenty five thousand (€307,825,000.00), namely Euro one hundred and twenty-five thousand (€125,000.00) of existing share capital, in addition to Euro three hundred seven million seven hundred thousand (€307,700,000.00) of additional share capital resulting from the value of the Business's net position, divided into thirty million seven hundred eighty two thousand five hundred (30,782,500) shares (namely, twelve thousand five hundred (12,500) existing shares of the Beneficiary, in addition to thirty million seven hundred seventy thousand (30,770,000) shares resulting from the contribution of the Business), with a par value of Euro ten (€10) each.

The terms of the Demerger may only be considered fair and reasonable, given that, in accordance with the provisions of article 16 of Law 2515/1997 and para.3 of article 57 of Law 4601/2019, the Demerged Entity will receive the entirety (100%) the shares in the Beneficiary in consideration for the assets that will be contributed to it.

In order to confirm the above, the report of the audit firm with the name "KPMG AUDITING S.A.", with registered seat at 3, Stratigou Tompra Street, in Agia Paraskevi, Attica, includes an opinion, which in relation to the exchange ratio/number of corporate participations in the beneficiary includes the following statement: "Pursuant to the provisions of paragraph 2 of article 57 of Law 4601/2019, there is no allocation of corporate participations, given that the contribution of the Business is being carried out in its entirety by a demerged entity and contributed to a beneficiary company, which is a 100% subsidiary of the Demerged Entity, by granting all new shares to the Demerged Entity. Therefore, there is no need to provide information on valuation methods for the determination of a proposed allocation of corporate participations. The demerger is fair and reasonable since the Demerged Entity shall receive all the new shares of the Beneficiary's in return for the contributed assets."

## **II. The Draft Demerger Deed from a legal point of view**

Regarding the justification of the Draft Demerger Deed from a legal point of view, the following are mentioned:

1. The Demerger shall be effected by way of spin-off of the Payment Transactions Acquiring Business of the Demerged Entity and contribution of it to the established Beneficiary in accordance with articles 54 para. 3, 57 para. 2, 58-73, 83-87 and 140 para. 3 of law 4601/2019 and article 16 para. 18 of law 2515/1997, as well as the relevant provisions of law 4548/2018, as applicable and in force.
2. The Demerger refers to the spin-off of the Payment Transactions Acquiring (merchant acquiring) Business of the Demerged Entity (hereinafter, the "**Business**")

and its contribution to the Beneficiary. The Business includes all the assets and liabilities, which relate to the independent carrying out of the acquiring of payment transactions activities of the Demerged Entity, as contained in the transformation balance sheet of the spun-off sector dated 31.12.2021 (hereinafter, the **"Transformation Balance Sheet"**), which was drafted in accordance with para. 2 of article 59 of Law 4601/2019, as in force, and the valuation report of Article 17 of Law 4548/2018, as they will be formed until the legal completion of the Demerger. More specifically, the demerged business sector indicatively includes the following:

- a. the entirety of the Business's activity and indicatively (a) the evaluation of new and existing merchants, (b) the acceptance of cards through Internet for electronic stores or/and through telephone (e-commerce/ paycenter), (c) the cards' transactions management (clearing & settlement in commercial businesses accounts, transaction accounting), (d) services including indicatively the delivery/ service of terminal devices, the configuration of electronic merchants and the management / service of changes & requests (e) the dynamic currency conversion service (DCC), the management of credit cards instalments, conclusion of card transactions to third party recipients, the card transactions involving loyalty programs, (f) fraud and dispute management services, and (g) other similar services;
  - b. all rights, obligations and claims of the Demerged Entity related to or arising from commercial agreements with legal and natural persons pursuant to which payment transaction acquiring services are provided to such legal and natural persons;
  - c. all rights, obligations and claims of the Demerged Entity related to or arising from commercial contracts with legal and natural persons by virtue of which the EFT / POS terminal devices for the acceptance of cards have been procured from the Demerged Entity;
  - d. all EFT / POS card acceptance terminals together with the necessary software;
  - e. all legal relationships with third parties in their capacity as suppliers or service providers for the purposes of the Business;
  - f. the remaining assets and liabilities contained in the Transformation Balance Sheet as assets and liabilities pertaining to the Business.
3. The Demerged Entity shall maintain activities and assets that do not relate to the spun-off business sector.
  4. The valuation of the assets of the spun-off sector, under Article 17 of Law 4548/2018, as they appear in the balance sheet of the spun-off business sector dated 31.12.2021, as well as the examination of the demerger draft under Articles 10 and 62 of Law 4601/2019, has been made by the auditing company with corporate name "KPMG AUDITING S.A." with its registered seat at 3, Stratigou Tompra Street, in Agia Paraskevi, Athens.
  5. The decisions of the General Meetings of the shareholders of the Demerged Entity and the Beneficiary, which shall approve the Demerger, along with the Demerger

Deed and the decisions of the competent supervisory authorities approving the Demerger and the amendments of the articles of association of the Demerged Entity and the Beneficiary, to the extent required, as well as the license for the Beneficiary to operate as a payments institution that will be issued by the competent supervisory authority pursuant to Law 4537/2018, as in force, are subject to the publication formalities provided by existing legislation.

6. The Demerger is concluded on the date of registration of the Demerger Deed, which shall take the form of the notarial deed, with the General Commercial Registry, on which the rest of the documents required by law and mentioned under para.5 herein above (the **Demerger Completion Day**) will be submitted, and at the same date the following results shall occur by operation of law (*ipso jure*) and all at once, both between the Demerged Entity and the Beneficiary, as well as vis-à-vis third parties, in accordance with the provisions of article 70 para. 2, 3 and 4 of Law 4601/2019, as applicable:

The Beneficiary substitutes, as universal successor in all the property (assets and liabilities) contributed to it as reflected in the Transformation Balance Sheet of the spun-off business sector and formed until the Demerger Completion Date. In the context of the universal succession, by application of the provisions of article 70 para.2(a) of Law 4601/2019, as in force, all rights, liabilities and legal relations of the Demerged Entity in general pertaining to the spun-off business sector, including all administrative licenses issued in favour of it and pertaining to the spun-off business sector, shall pass to the Beneficiary.

Any other right, obligation, intangible property, claim or in general other assets or liabilities related to the demerged business sector will be transferred to the Beneficiary, without the need for special reference in the present or the final Demerger Deed which will take the notarial form. Assets, any kind of licenses, rights or legal relationships of the Demerged Entity that relate to the demerged business sector and are not explicitly mentioned in the Transformation Balance Sheet are transferred to the Beneficiary.

It is clarified that in the case of assets, rights, liabilities and in general other assets or liabilities or legal relationships of the demerged business sector or related to it which are governed by foreign law, according to which the universal succession on sector demergers as provided for by the Greek law is not recognized, the following shall apply: the Demerged Entity and the Beneficiary will proceed to any necessary action in order to complete the transfer of the said assets, rights, liabilities, legal relationships to the Beneficiary as provided in the applicable in each case law.

To the extent that it is not feasible to transfer the above to the Beneficiary in accordance with the above, in the case of non-transferred liabilities, the Beneficiary hereby undertakes explicitly and irrevocably to perform these obligations, to reimburse the Demerged Entity with any amounts charged to the latter, without material delay and to compensate the Demerged Entity for any cost or damages

arisen due to improper fulfillment of these obligations, in the case of rights, the Demerged Entity hereby undertakes explicitly and irrevocably to collect or liquidate them in accordance with the instructions of the Beneficiary, without the right to reinvest in them and then return the product to the Beneficiary without material delay, while it has no obligation to return any amount to the Beneficiary if it does not collect it. In addition, the Demerged Entity may not dispose such assets in any way other than to secure their return to the Beneficiary and subject to the prior written consent of the Beneficiary.

Any pending court proceedings of the Demerged Entity relating to assets and liabilities of the demerged business sector will be automatically continued by the Beneficiary or against it, without any additional specific formality on its part to continue and without, due to the spin-off, a violent interruption of the proceedings. With regard to any pending court proceedings of the Demerged Entity concerning the demerged business sector conducted abroad, the Demerged Entity and the Beneficiary will proceed to all necessary actions according to the applicable procedural law for the continuance of the court proceeding by the Beneficiary and in any case required by the foreign applicable procedural law, the proceeding will be continued cumulatively with both the Beneficiary and the Demerged Entity as parties. To the extent that in such cases it is not possible for the Beneficiary to (also) continue the proceedings, it will be continued by the Demerged Entity and to the rest of the items referred under the previous paragraph will apply by way of analogy.

The Demerged Entity shall acquire the entirety of the shares of the Beneficiary that will be issued in the context of the share capital increase at the Demerger Completion Day. Therefore, as of the Demerger Completion Day, the Beneficiary will take the necessary actions in order for the Demerged Entity to be registered as a shareholder in the book of shareholders to be kept by the Beneficiary, in accordance with article 40 para. 2 of law 4548/2018. The Beneficiary will also ensure that all share titles are issued and delivered to the Demerged Entity, in accordance with article 40 para. 3 of law 4548/2018.

7. The share capital of the Demerged Entity amounts today to a total of Euro nine hundred fourteen million seven hundred fifteen thousand one hundred fifty three (€914,715,153.00) and is divided into nine hundred fourteen million seven hundred fifteen thousand one hundred fifty three (914,715,153) common registered voting shares with a par value of Euro one (€1.00) each.

The share capital of the Beneficiary amounts today to a total of Euro one hundred and twenty-five thousand (€125,000.00) and is divided into twelve thousand five hundred (12,500) common registered voting shares with a par value of Euro ten (€10.00) each, and is wholly owned by the Demerged Entity.

The net position of the assets and liabilities of the contributed Business, as it has been determined in accordance with the provisions of article 17 of law 4548/2018 in the context of the Demerger for the contribution of the demerged business,

amounts to Euro three hundred seven million seven hundred thousand (€307,700,000.00). The subscription price for the share capital increase shall be Euro ten (€10) per share and, therefore, the entirety of the above net position, namely Euro three hundred seven million seven hundred thousand (€307,700,000.00) shall consist the par value of the share capital increase.

Pursuant to the above, at completion of the Demerger, the share capital of the Beneficiary shall amount to Euro three hundred seven million eight hundred and twenty five thousand (€307,825,000.00), namely Euro one hundred and twenty-five thousand (€125,000) of existing share capital, in addition to Euro three hundred seven million seven hundred thousand (€307,700,000.00) of additional share capital resulting from the value of the Business's net position, divided into thirty million seven hundred eighty two thousand five hundred (30,782,500) shares (namely, twelve thousand five hundred (12,500) existing shares of the Beneficiary, in addition to thirty million seven hundred seventy thousand (30,770,000) shares resulting from the contribution of the Business), with a par value of Euro ten (€10) each.

8. The shares in the Beneficiary to be acquired by the Demerged Entity, as a result of the Demerger, will grant a participation right in the profits and in any distribution in general of the Beneficiary to its shareholder that will take place as of the Demerger Completion Date and henceforth, in accordance with the terms and conditions of the legal and regulatory framework, as in force from time to time.
9. All the operations of the Demerged Entity which are carried out from the day following the Transformation Balance Sheet, i.e. from 01.01.2022 onwards until the Demerger Completion Day and concern the demerged business sector will be considered from an accounting and tax perspective as being carried out on behalf of the Demerged Entity, as provided in articles 59 par. 2 (e), and 70 of law 4601/2019.

Finally, we note that the provision of any additional information on the legal and financial position of group of the group is not required, given that their legal and financial position is not required to explain and justify of the Draft Demerger Deed.

Based on the above, the Board of Directors of the Demerged Entity considers that the Demerger is completely justified from a financial and legal point of view, and serves the corporate interests of the Demerged Entity, therefore, it submits this report to the General Meeting of the shareholders of the Demerged Entity, and suggests to the shareholders of the Demerged Entity to resolve to approve the Demerger by way of spin-off of the Payment Transactions Acquiring Business / the Business, and contribute it to the established société anonyme with the name NBG PAY SINGLE MEMBER SOCIETE ANONYME, the relevant Draft Demerger Deed, this Report, as well as all relevant actions, announcements and registrations required for this purpose.

In Athens, 31.05.2022

FOR THE BOARD OF DIRECTORS

PAVLOS MYLONAS  
Chief Executive Officer