

OXY CAPITAL AND ILLIMITY

FINALISE THE RESTRUCTURING AND RELAUNCH OF THE GPACK GROUP

Milan, 17 May 2021 – Gpack S.p.A (“**Gpack**”) and its lenders have signed debt restructuring agreements pursuant to article 182-bis of the Italian Bankruptcy Law.

The restructuring operation sees Oxy Capital (“**Oxy**”) and illimity Bank (“**illimity** or the “**Bank**”), which already intervened last October with the disbursement of emergency financing, as the linchpins of the revival of the Gpack Group (the “**Group**”), one of the leading companies in the manufacture of cardboard boxes and cartons and similar materials for the luxury, pharma, cosmetics and food & beverage markets, as well as in the production of counter and freestanding displays and advertising posters.

The Company, controlled by the Bramucci family, operates through 6 manufacturing sites having 370 employees. Over the past few years Gpack has been going through a process of external growth, carrying out important acquisitions, as a result of which, the Company has begun to encounter a fall in profitability, mainly attributable to a delay in the process of restructuring and integrating the businesses it had acquired over these years and the effect of the Covid-19 health emergency on the outlet markets.

The operation, promoted and managed by Oxy Capital and illimity, is structured in the following way: a) the restructuring of debt of approximately 60 million euro, which includes amounts due to suppliers and the tax authorities; b) the issuing of new finance, simultaneous with the preferential repayment of the emergency financing, to support the relaunch of the business, with a loan of 14 million euro to be disbursed by illimity; c) new factoring facilities of 18 million euro, again made available by illimity, to whom should be added invoice advances of 3 million euro made available by Banco BPM, which has confirmed its financial support for the Group. The operation additionally envisages the conversion of the existing loan to equity instruments to enable Gpack to restore its capital structure.

Oxy Capital, a management and investment company specialising in the industrial conversion of medium-sized Italian businesses, which is a co-investor in the operation, will contribute with its managerial expertise and assume the role of controlling shareholder of the Gpack Group.

This operation confirms the winning model of cooperation between turnaround operators and lenders in rescuing and relaunching Italian businesses that are going through a restructuring phase. In summary, the partnership model with banks envisages that the investors (Oxy and illimity) make available to the business the funds and managerial expertise required to put through a new business plan and take over its governance. The lenders, that have played an important role in creating the conditions needed to relaunch the business, contribute to the rescue operation by consolidating their debt, converting part of this to equity instruments and participating in the relaunch project and the subsequent enhancement of the business’s value in order to maximise the recovery of their receivables.

Umberto Paolo Moretti, Head of Turnaround at **illimity**, stated: *“Thanks to its flexibility in interventions of this nature, illimity is able to support businesses at all stages of the turnaround process by deploying the most suitable instruments for the specific situation. We are very pleased that we can provide our expertise to a company like Gpack with its ambitious but sustainable plans”*.

“We are very happy with this operation, which confirms Oxy Capital’s propensity for supporting the revival of the country’s historical industrial businesses; the investment in Gpack can be added to those in Ferroli, Olio Dante and MStretch that can already be found in our current portfolio,” stated **Stefano Visalli**, Chairman of **Oxy Capital**. *“We are especially pleased with the opportunity given to us to extend cooperation with illimity, one of the leading players in the distressed credit sector, with whom we are already working in Olio Dante and with whom we have analysed various files together over the past few years. We are therefore looking forward to continuing cooperation in the future on other operations in the UTP loan sector, to the benefit of the Italian productive system”*, added **Enrico Luciano**, partner of **Oxy Capital** and case leader of the operation.

“We are pleased with this operation which is allowing us to overcome this current moment of difficulty, ensure production continuity and provide a new boost to the company in the interest of its main stakeholders, employees, customers and suppliers”, stated **Pierpaolo** and **Elena Bramucci**, who in this way are handing over management of the company to Oxy to concentrate on other activities while still playing an active role in the management of the Group through a minority interest.

After ratification by the Milan Court, expected by the summer, the Gpack Group will accordingly be controlled by Oxy Partners, which has drawn up a growth plan focused on the search for greater production efficiency and the development of highly environmentally sustainable products.

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illimity Bank S.p.A.

illimity is the high-tech banking group founded and headed by Corrado Passera that was created with the aim of responding to specific market needs by way of an innovative and specialist business model. More specifically, **illimity** extends financing to high-potential SMEs, purchases distressed corporate loans and services these through its platform, **neprix**, and provides digital direct banking services through **illimitybank.com**. **illimity SGR**, which sets up and manages alternative investment funds, the first of which dedicated to UTP loans, is also a member of the Group. The story of **illimity** began in January 2018 with the launch of the special purpose acquisition company **SPAXS S.p.A.**, which ended with a record 600 million euro being raised on the market. **SPAXS** subsequently acquired **Banca Interprovinciale S.p.A.**, with the resulting merger between the two giving rise to “**illimity Bank S.p.A.**” which has been listed on the Italian Stock Exchange since 5 March 2019 (ticker “**ILTY**”), first on the MTA exchange and since September 2020 on the Star Segment. The banking group, headquartered in Milan, can already count on over 600 employees and ended 2020 with assets exceeding 4 billion euro.

Oxy Capital Italia

Oxy Capital Italia is a management & investment company founded in 2014 to help the Italian entrepreneurial and lending system to maintain and value-enhance the country’s industrial heritage and know-how. **Oxy**’s mission is to create value in the medium term by relaunching businesses in financial and industrial difficulty. Acting in partnership with institutional investors, entrepreneurs and creditors, **Oxy** places new human and financial resources into companies so they can put through their restructuring plans and increase their competitiveness and value. As of today, **Oxy** has made investments in four businesses operating in the food, packaging, engineering and fashion sectors having total restructured debt of over 450 million euro, accumulated revenues of 650 million euro, an EBITDA of approximately 40 million euro and around 3,000 employees, with 120 million euro of new funds being injected. **Oxy** currently employs 12 professionals in Italy and 35 in Portugal.