

€1.2 BILLION TO SUPPORT ITALIAN COMPANIES WITH EIB GROUP-ILLIMITY AGREEMENT UNDER EUROPEAN GUARANTEE FUND (EGF)

- **€60 million EIB guarantee to support illimity to unlock new liquidity for companies by financing working capital, via reverse factoring for over €1 billion in turnover**
- **€150 million EIF guarantee to support illimity mobilise €215 million in new financing**

Milan/Luxembourg, 9 December 2021 — The EIB Group — comprising the European Investment Bank (EIB) and European Investment Fund (EIF) — and illimity Bank S.p.A (“illimity” or the “Bank”) have signed two agreements to provide new liquidity to Italian small and medium-sized enterprises (SMEs) to help them meet the challenge of the post-COVID-19 recovery. The aim of the agreements is to unlock financing of over €1.2 billion under two EIB Group guarantees totalling €210 million.

This financing has been supported by the contribution of the [European Guarantee Fund \(EGF\)](#), part of the European Union's €540 billion package of measures to address the economic difficulties and production slowdowns caused by the coronavirus pandemic.

[Gelsomina Vigliotti](#), Vice-President of EIB, commented: “The EIB together with illimity continues to support the economic recovery of Italian companies hit hard by the economic crisis caused by the pandemic. The Association for Financial Markets in Europe estimates that SMEs have lost between €450 billion and €600 billion due to the pandemic. Via the European Guarantee Fund (EGF) — which was specifically created to address the consequences of the crisis — the EIB is providing businesses (particularly SMEs) with the liquidity they need to ensure business continuity while paying employee salaries and supplier bills. Italy is among the main beneficiaries of EGF funds to date.”

[Alain Godard](#), CEO of EIF added: “Small and medium-sized enterprises are the engine of the European economy and supporting their growth and development is our priority. The European Guarantee Fund is proving to be the right tool for meeting this objective, providing the liquidity needed to support SMEs' medium to long-term investment requirements.”

Corrado Passera, CEO and Founder of illimity concluded: “illimity was created to enhance and support the potential of SMEs and we are therefore delighted with the agreement signed with the EIB, which will enable us to go even further help businesses, especially for supply chain financing. In these unprecedented times, finance has a great responsibility to the business world and illimity intends to make its contribution using all the tools at its disposal.”

EIB-illimity operation

With a €60 million EIB guarantee financing working capital for over €1 billion in turnover, the EIB-illimity operation will provide new liquidity to companies by financing working capital via reverse factoring products, specifically focused on the supply chain. Companies will be able to collect their trade receivables in advance, thanks to illimity's intervention.

In concrete terms, illimity will provide suppliers with early payments in line with their financial needs, thus reducing the risk of interrupting their supply chains and improving their working capital position.

The European Guarantee Fund will allow illimity to further invest in the financial instruments available to Italian supply chains, increasing both the loan amounts and the number of companies involved. The EIB Group guarantee will cover up to 75% of illimity's exposure to buyers for three years.

EIF-illimity operation

The European Investment Fund (EIF) will provide a €150 million guarantee to illimity, enabling it to originate a €215 million portfolio of financing for small and medium-sized enterprises. Access to credit will be supported on favourable terms for Italian SMEs exposed to the pandemic crisis, thus safeguarding employment levels.

The EIF guarantee under the EGF will cover up to 70% of illimity's exposure to these new loans to SMEs.

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Background information

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It provides long-term financing for sound investments that contribute to EU policy. The Bank finances projects in four priority areas: infrastructure, innovation, climate and environment, and small and medium-sized enterprises (SMEs). From 2019 to 2020, the EIB Group provided €23 billion in financing for projects in Italy.

The **European Investment Fund (EIF)** is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized businesses by helping them to access finance. The EIF designs and develops both venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, the EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth and employment.

European Guarantee Fund

[The European Guarantee Fund](#) (EGF) was created by the EIB Group (EIB and EIF) with contributions from Italy and other EU Member States to protect businesses that are struggling in the crisis caused by COVID-19. With almost €25 billion in guarantees, the EGF allows the EIB and EIF to swiftly offer companies, mostly SMEs and mid-caps, access to loans, guarantees, asset-backed securities, capital and other financial instruments. The EGF forms part of the package of recovery measures put in place by the European Union, with the objective of providing a total of €540 billion to support the hardest hit sectors of the EU economy.

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 the illimity Group 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 700 employees and ended the first nine months of 2021 with assets of over 4.6 billion euro.