



# illimity 21 June 2022 EGM

AREC Acquisition

May 2022

# Key highlights

## *EGM & Arec Acquistion*



# illimity - At the Extraordinary Meeting Shareholders are called to resolve on a single item

21 June 2022



## Resolution 1

- Approve **Issuance of new shares** through a contribution in kind by Aurora Recovery Capital (Arec)
- Approve **Capital increase** without pre-emptive rights
- Amend the **By-laws** to reflect the above

## Capital increase

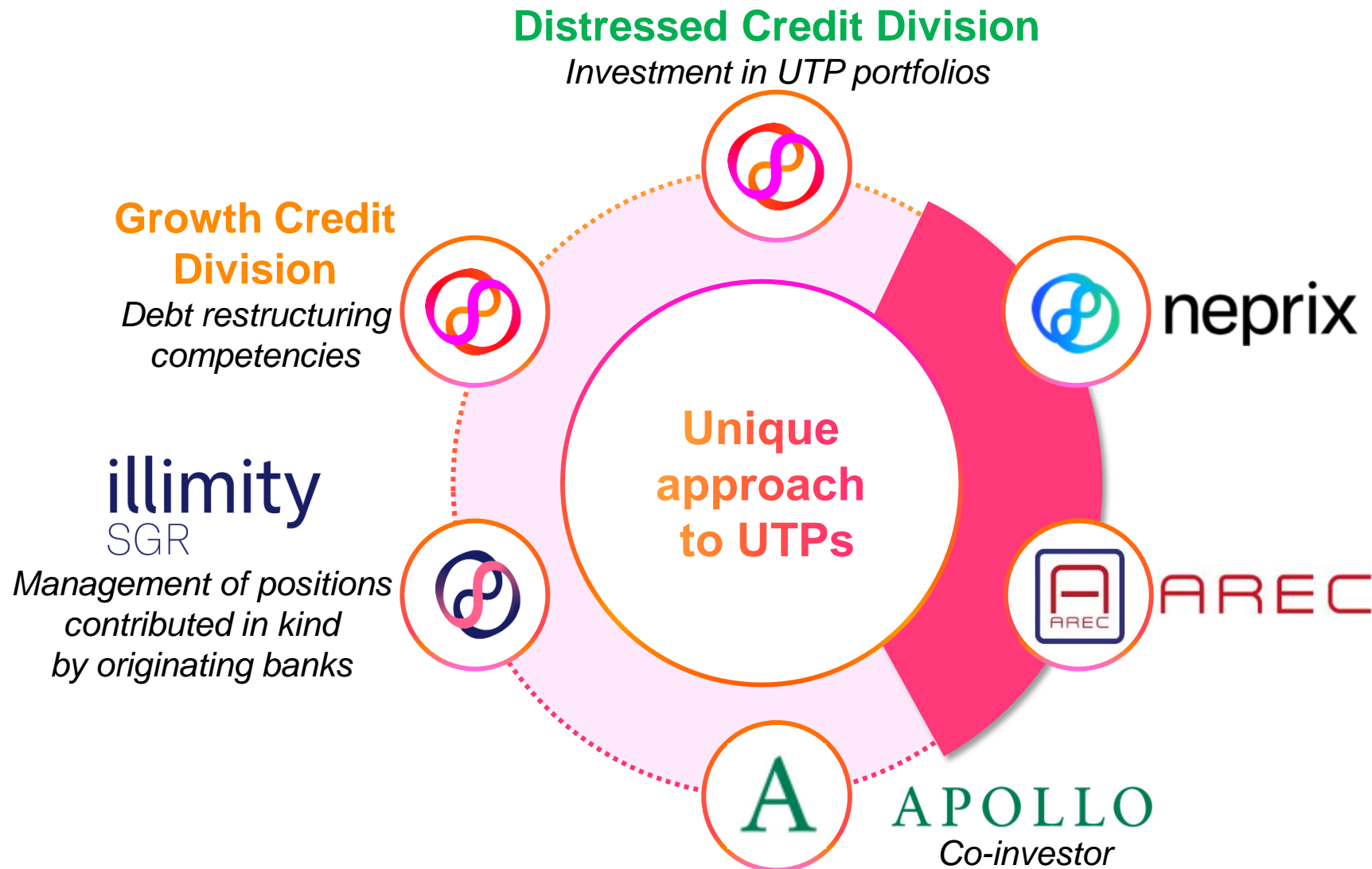
total amount of €  
**35,999,990.00**

*including share premium*

issue of no.  
**2,769,230 illimity**  
**new ordinary**  
**shares**

*with no par value, to be  
settled by way of a  
contribution in  
kind*

# illimity - Arec acquisition fits in illimity Group's strategic focus on becoming a leader in UTP market



~€4bn<sup>(1)</sup>

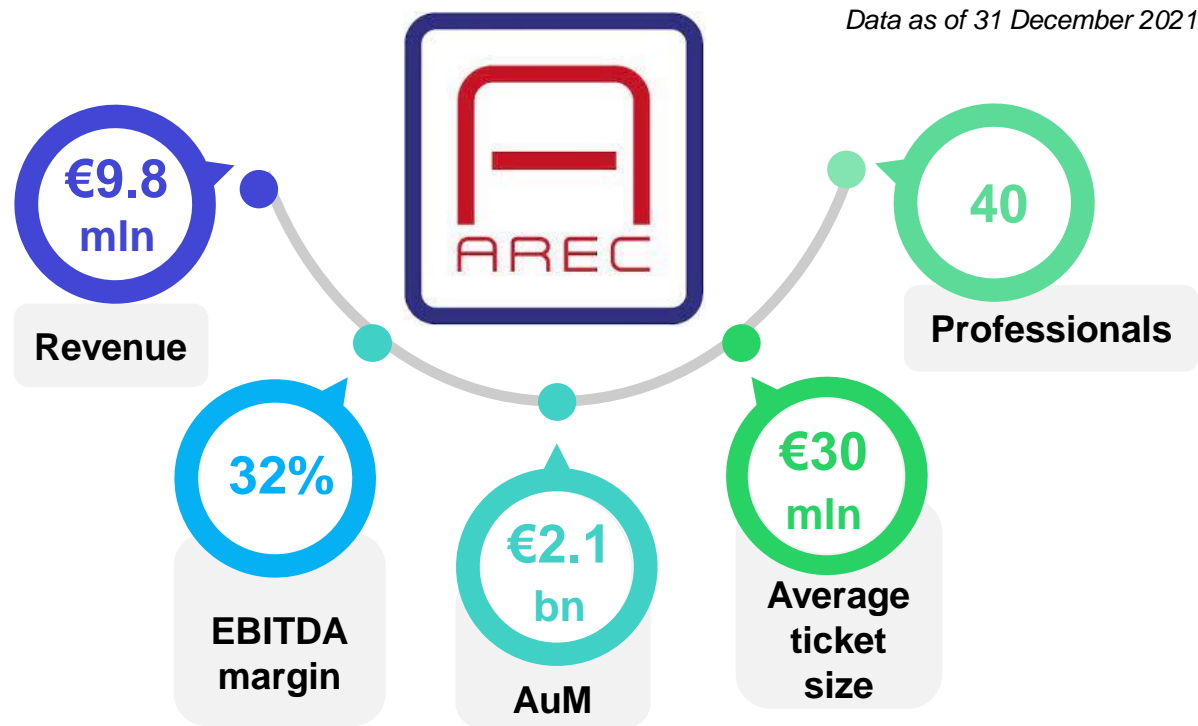
**Corporate UTPs**  
*under Management (GBV)*

~€10bn<sup>(1)</sup>

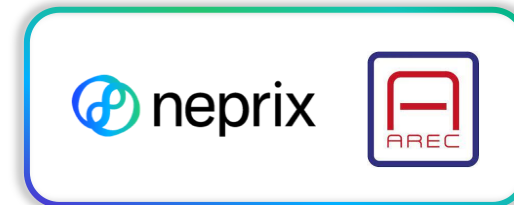
**Total AuM**  
*(GBV)*

# Illimity - Arec acquisition creates leader in large tickets real estate

Third corporate UTP Servicer in Italy focused on large tickets real estate



Combination will consolidate our positioning on corporate UTP servicing

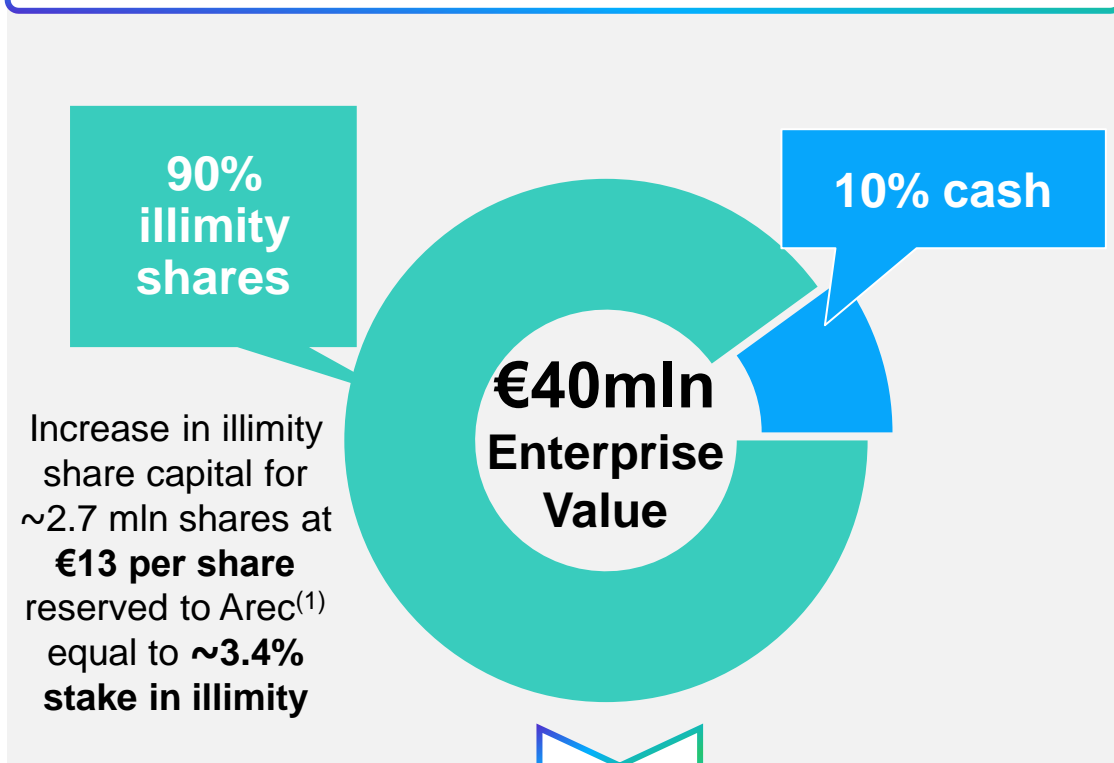


## STRATEGIC RATIONALE

- Strengthen **neprix non-captive business** and its **ability to attract third-party mandates**
- Enhance expertise in **large-scale real estate deals**
- Leverage on excellent **relationship of Arec with primary banks** in Italy

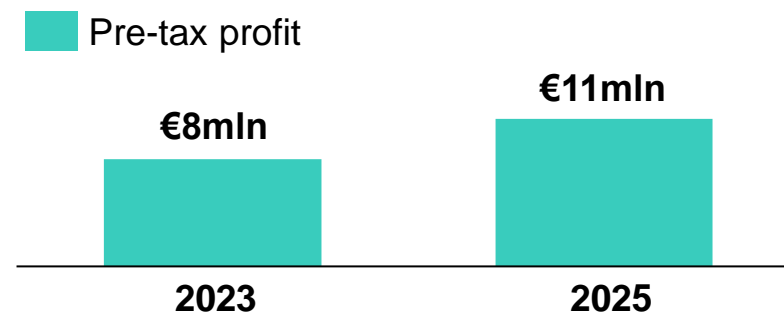
# illimity - Arec acquisition boosts neprix results

## TRANSACTION KEY TERMS<sup>(2)</sup>



*Valuation reflects both ordinary operating business and variable fees related to specific portfolios under management*

## ADDITIONAL GROUP'S PRE-TAX PROFIT FROM DEAL



## KEY DRIVERS

- ▶ **CONSOLIDATION OF AREC'S EXPECTED FUTURE PROFIT**
- ▶ **POTENTIAL SYNERGIES**
  - Additional **third-party mandates**
  - Incremental **fees** from deal structuring
  - Value enhancement of managed **RE assets**
  - Further investment opportunities in **UTPs**

Notes: (1) Issue price for new illimity shares of €13 taking into consideration the stock market price before the start of the geo-political tension arising from the crisis between Russia and Ukraine; (2) Transaction aimed at subsequent integration with neprix, subject to completion of the authorization process and to resolution of illimity shareholders' meeting, to which the proposal for the capital increase for the transaction shall be submitted.

# illimity - Moving towards large tickets NPE

## *neprix-Arec combined KPIs<sup>(1)</sup>*



**>€9bn Total AuM**  
of which ~30% third-party mandates



**>80 Specialised Asset Managers**



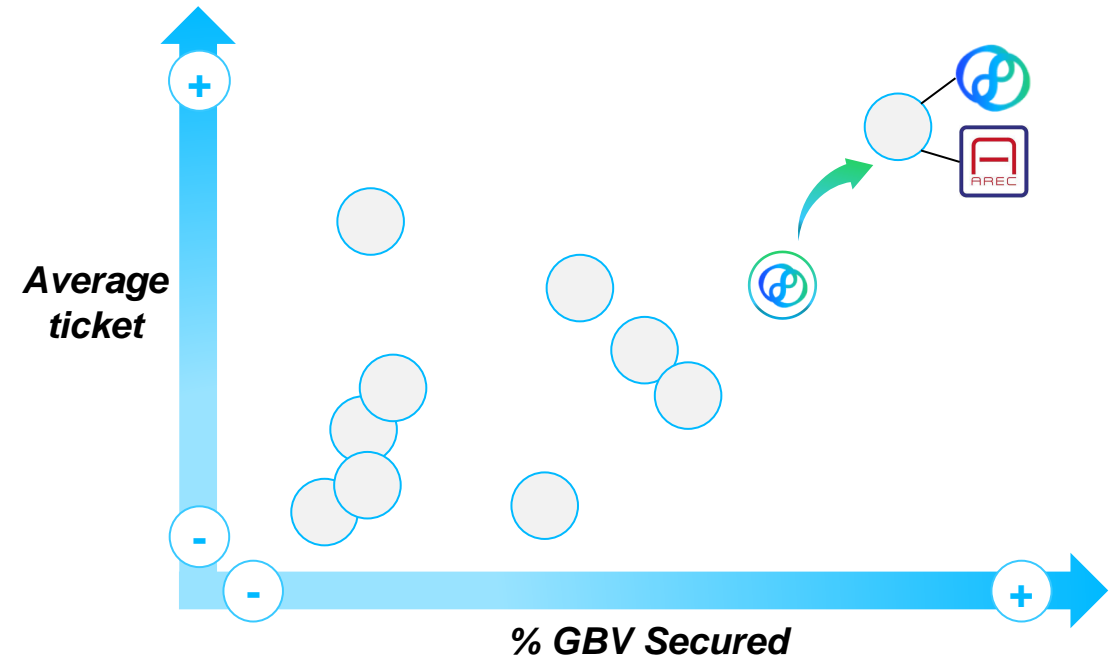
**>30% of Corporate UTPs out of total AuM**



**Pre-tax profit of combined entity**  
• ~ €18mIn in 2023  
• >€30mIn in 2025



## *Increasing focus on real estate large tickets corporate distressed credit*







**Silvia Benzi**  
***Head of Strategy, Sustainability & Investor Relations***  
Mobile: +39 349 7846537 - +44 7741 464948  
Email: [silvia.benzi@illimity.com](mailto:silvia.benzi@illimity.com)



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