

ILLIMITY ENTERS THE ENERGY DISTRESSED CREDIT SECTOR

ITALY'S FIRST SECURITISATION VEHICLE STRUCTURED FOR THE SECTOR GETS UNDER WAY

SET UP WITH VEI GREEN, IT WILL INITIALLY INVEST UP TO 100 MILLION EURO

Milan, 29 May 2020 – By way of a joint venture **illimity Bank S.p.A.** ("illimity" or the "Bank") and **VEI Green II SpA** ("VG") have set up a securitisation vehicle for distressed loans with underlying assets that produce electricity from renewable sources.

This vehicle, which is something completely new for the Italian market of distressed credit in the energy sector, will invest up to 100 million euro and operate in both the primary and secondary markets.

For this initiative illimity has chosen a partner, VG, specialising in the renewables sector, which since 2011 has made acquisitions worth 220 million euro and run operating plants having an annual capacity of over 260 MWp.

The partnership has commenced activities by carrying out its first operation on the Italian secondary energy market. This purchase regards a portfolio of loans which have photovoltaic systems as their underlying assets and a Gross Book Value ("GBV") of more than 14 million euro, expire between 2027 and 2031 and are secured on the incentive tariff recognised by the Italian Electricity Service Manager (GSE, Gestore dei Servizi Elettrici). The aim of the transaction is to intervene to support the investments needed to return the systems to full productivity.

illimity is therefore positioning itself in the market of distressed credit in the energy sector, one which it is estimated can count on a stock of approximately 5 million euro in GBV terms.

Andrea Clamer, Head of **illimity's** Distressed Credit Investment & Servicing Division, stated: *"This transaction is something completely new for distressed credit in the energy sector, confirming the innovative approach that has always led illimity's growth strategy. The initiative is in line with our strategy of diversification and specialisation in corporate distressed loans and is spurred on by the conviction that on the one hand the sector offers important opportunities and on the other calls for an interlocutor capable of approaching crisis situations with suitable and specific technical skills in order to provide solutions from both a debt and equity angle. Illimity would like to propose itself in this role, including in the most complex situations"*.

Enrico Orsenigo, CEO of **VG**, stated: *"In illimity VEI Green has found the ideal partner for exploring the opportunities of a sector, that of problematic loans based on an energy underlying asset, which calls for flexibility and specialised skills"*.

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illimity Bank S.p.A.

illimity is the high-tech bank specialising in lending to SME and headed by Corrado Passera. **illimity** extends financing to high-potential businesses even if they still have a low credit rating or are unrated, including the non-performing (Unlikely-to-Pay) SME segment; it also purchases secured and unsecured distressed corporate loans and services these through its platform, neprix. Finally, it provides innovative direct digital banking services for retail and corporate customers through its digital direct bank, **illimitybank.com**. The story of **illimity** began in January 2018 with the launch of SPAXS S.p.A. - the first Italian entrepreneurial SPAC (special purpose acquisition company) set up to acquire and capitalise an entity operating in the banking industry - which raised EUR 600 million. Just two months after its launch, SPAXS announced the acquisition of Banca Interprovinciale S.p.A., with the resulting business combination finalised in September 2018 after obtaining the approval of the shareholders of SPAXS in August 2018. The merger between SPAXS and the Bank gave rise to **illimity Bank S.p.A.**, which began trading on Borsa Italiana's MTA exchange on 5 March 2019 (ticker "ILTY").

VEI Green II S.p.A

VEI Green took its first steps in the world of renewable energy in 2011, entering the solar photovoltaics, wind energy and biogas sectors, and completed its first, positive investment cycle in 2018; VEI Green currently intends to develop a series of co-investment platforms in which it can share the specific technical, financial and legal know-how of its management team. The first of these, ForVEI II, has already raised around 90 million euro in 2019 in Italy, United Kingdom and Asia and concluded its first acquisitions, reaching installed power of over 50MW and continuing its mission of aggregation on the Italian and South European market; VEI Greenfield is initiating the construction of a first photovoltaic plant without incentives while it is also developing an interesting number of greenfield initiatives throughout Italy.