

ILLIMITY SGR SUPPORTS THE SUSTAINABLE GROWTH PATH OF THE SCHNEIDER GROUP, A LEADING GLOBAL OPERATOR IN THE SALE AND FIRST-STAGE PROCESSING OF TOP-QUALITY WOOL AND PREMIUM FIBRES

Milan 28 April 2022 – **illimity SGR S.p.A.** (“**illimity SGR**”), the Asset Management Company of the “illimity Credit & Corporate Turnaround Fund” (the “**Fund**” or “**iCCT**”), has supported a detailed operation providing for the restructuring of the financial debt of the **Schneider Group** (the “**Group**” or the “**Company**”), the granting of new factoring facilities by illimity Bank S.p.A. to assist the funding of working capital and the enhancement of the Group’s value in the medium-long term. The operation has seen the active involvement of the Schneider family, assisted by a new Chief Executive Officer who will lead the Group’s growth, and the Company’s other creditors.

With consolidated revenues of 183 million euro in 2021 and around 600 employees located across all five continents, the Group is one of the leading operators in the sale of fine wools, cashmeres, silk and premium fibres, with long-established and loyalty-based relationships with the main players in the fashion and «Made in Italy» world, and is accordingly the delicate link between nature, whose times are based on the slow changing of the seasons and atmospheric events, and the fast world of fashion, constantly experiencing rapid change.

The Schneider Group converts an agricultural product into an industrial semi-finished good, thanks to which its customers, spinners and weavers can ensure the top quality and dependability of their own products. In addition to its trading activities, Schneider also deals with the first-stage processing of the fibres (selection, washing, blending and combing), providing a high level of service to its end customers. The Group directly operates more than 20 farms across Patagonia and Tierra del Fuego, all specialised in the production of organic and GOTS and Responsible Wool Standard certified wool. Again in Argentina it manages the largest vicuñas (*camelidae artiodactyla*) breeding farm in the country with an annual production of around 1,000 kg of fibre. The Group also has an investment in two farms in Australia covering a total area of 4,000 hectares.

The Group has long been engaged in an ambitious project – known as Authentico – that places special emphasis on the protection and sustainable development of the supply chain through fibre traceability, environmental sustainability and animal welfare. Authentico, which currently involves close to 1,000 breeding farms in Australia and New Zealand and a pilot project in Argentina, was born out of the need to provide customers with a fibre with the best qualitative characteristics, the highest standards of animal welfare, the lowest environmental impact, at both the breeding stage and during shipping and conversion, and a guarantee of fair treatment for workers at every point along the supply chain.

The operation announced today is part of the Group’s new business plan, which is aimed at its long-term financial sustainability and further growth, with significant emphasis being given to environmental aspects. More specifically, under the guidance of the Group’s new CEO, Laura Ros, the plan envisages the consolidation of its leadership in superfine wool for weaving and growth in the wool knitwear sectors, by leveraging on long-term relations with selected specialised customers and optimising the stock management of raw material and semi-finished good stocks. A simplification of the corporate structure is also envisaged with a view to rationalising operational management by refocusing activities on the core business.

The operation is a confirmation of illimity SGR's ability to support businesses with solid industrial bases and a strong market positioning along a revival path that envisages a rearrangement of the financial structure and/or a reorganisation of the capital structure, with the aim of contributing to sustainable growth and hence benefiting both the companies themselves and the Fund's underwriters, ensuring full alignment of the interests of all stakeholders. The Fund is characterised by an active approach to credit management that includes a variety of strategies, ranging from the simple facilitation of creditor negotiations to the determination of complex agreements that contemplate the entry of the Fund into a business's capital, also by taking a majority holding, ideally as part of a reorganisation and revival plan agreed with the owner-manager.

In its first year of activity the Fund, which can count on total gross value of 280 million euro spanning 36 companies, successfully managed three divestments and was proactively involved in various credit positions received through contribution, acting both as simple creditor in negotiating restructuring agreements and as participant in detailed financial plans involving a rearrangement of the shareholding and governance structures.

Paola Tondelli, Head of UTP & Turnaround Funds in **illimity SGR**, stated: *"The operation completed over the past few months is an example of fruitful collaboration between the creditor-investors, the Schneider family and management, with whom an agreement was reached on a revival and development path that is credible and aimed at sustainable growth, with a close alignment between the interests of all the stakeholders involved. We are pleased to be able to accompany an icon of the Italian textile industry in this new phase of its history"*.

Elena and Giovanni Schneider, together with their father **Marco**, commented: *"In our 100 years of history we have won appreciation from our customers, some of the most important players in the world of fashion, for our ability to seek and blend the best natural fibres, with an ever-attentive eye on the sustainability of the entire supply chain from the breeder through to the end customer. We chose the financial partner with the greatest belief in our Group and will be able to continue working with them towards achieving improved results and growth with enthusiasm and full collaboration"*.

Laura Ros, Chief Executive Officer of the **Schneider Group**, stated: *"This is a wonderful challenge for people who, like me, have long been involved in the fashion and textile world, because here we are talking about the start of the supply chain, where nature and respect for the environment are key. It is an honour for me to be able to contribute to the revival of a group which in a century of history has been able to combine farming and textile wisdom that extends across five continents"*.

Linklaters acted for the lenders on legal and fiscal matters. Deloitte acted as financial advisor to Schneider while Gilberti Triscornia e Associati dealt with the legal aspects.

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illimity SGR S.p.A.

illimity SGR is the illimity Group's asset management company created to set up and manage alternative investment funds specialising in corporate loans. In the spring of 2021, illimity SGR created its first fund, the "illimity Credit & Corporate Turnaround" fund, dedicated to investments in UTP loans to SMEs with revival and relaunch prospects operating in highly diversified sectors. This fund allows lending banks to benefit from a professional management of their loans without necessarily having to sell them, thereby enabling them to yield their maximum value following a company's industrial and financial turnaround.

Gruppo Schneider

The **Schneider Group**, founded by the Schneider family in 1922, is a world leader in the processing and supply of high-quality wools and natural fibres. The Group earned consolidated revenues of 183 million euro in 2021 thanks to the contribution of 600 employees. It directly operates more than 20 farms across Patagonia and Tierra del Fuego, is the owner of the largest vicuñas breeding farm in Argentina and has an investment in two farms in Australia covering a total area of 4,000 hectares. In addition, Schneider has long been engaged in an ambitious project – known as Authentico – that places special emphasis on the protection and sustainable development of the supply chain through fibre traceability, environmental sustainability and animal welfare.