

**ILLIMITY CLOSES A SENIOR FINANCING DEAL
WORTH 13 MILLION EURO WITH DAVIS&MORGAN**

REGARDING A DISTRESSED LOAN PORTFOLIO SECURED ON REAL ESTATE ASSETS

Milan, 2 July 2020 – **illimity Bank S.p.A.** (“illimity”) and **Davis&Morgan S.p.A.** announce that they have closed a new deal in the senior financing segment worth a total of approximately 13 million euro by setting up a securitisation vehicle in which illimity has fully subscribed the Senior and Mezzanine A Notes and 5% of the Mezzanine B and Junior Notes and Davis & Morgan has subscribed 95% of the Mezzanine B and the Junior Notes.

The financing transaction has underlying loans secured on real estate assets having a total gross book value (“**GBV**”) of approximately 36 million euro, sold by various banks and purchased by Davis & Morgan mostly in 2019 and 2020.

The properties securing the loans on which the financing is based are mainly located in Milan and Rome.

The renewed appeal for this kind of real estate investment in large cities – also indirectly through the purchase of loans with a real estate collateral – is confirmed by the number of opportunities that specialist investors, including illimity itself in its distressed credit investment activity, are assessing in this phase when transactions are picking up following the sharp slowdown in terms of number of deals (a fall of approximately 50% in March 2020 compared to the same month in 2019¹) caused by the COVID-19 lockdown.

At this difficult time, illimity is also well positioned to be involved, both as investor and financial lender of third-party investors, in transactions resulting from the pick-up of the real estate market in prime locations.

To date, illimity has concluded senior financing agreements, both secured and unsecured, for distressed loans totalling over 400 million euro, confirming the importance of its activities in this business.

Andrea Clamer, Head of illimity’s DCIS Division, stated: *“The agreement entered with Davis & Morgan represents an example of how illimity is also able to support investors in distressed loans, in the specific case secured on top quality real estate assets, through transactions in which it subscribes mezzanine notes as well as 100% of the senior notes. Davis & Morgan’s activity, with its focus on large cities, is confirmation of the vitality of the real estate sector in prime locations”.*

Andrea Bertoni, CEO of Davis&Morgan, commented: *“We are highly satisfied with the new*

¹ IISole24Ore - 21 May 2020

partnership with illimity that enables us to obtain a new form of financing as an alternative to issuing bonds on the listed market and to acquire larger loans, considerably accelerating our growth in size”.

For further information:

Investor Relations

Silvia Benzi: +39.349.7846537 - +44.774.1464948 silvia.benzi@illimity.com

Press & Communication illimity

Isabella Falautano, Francesca D'Amico
+39.340.1989762 press@illimity.com

Sara Balzarotti, *Ad Hoc Communication Advisors*
+39.335.1415584 sara.balzarotti@ahca.it

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, provides digital direct banking services through illimitybank.com and, with illimity SGR, over the next few months will set up and manage the first Alternative Investment Fund for corporate loans. 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 began trading on Borsa Italiana’s MTA exchange on 5 March 2019 (ticker “ILTY”). The banking group, headquartered in Milan, can already count on 500 employees, and closed its first year of activity with assets of 3 billion euro.

Davis&Morgan S.p.A.

Davis&Morgan was set up as an investment bank in 2008 and for more than 10 years has been operating in the NPL market, where it is currently leader in terms of number of transactions in the sector of mortgage loans secured on residential property in the city of Milan. Andrea Bertoni (CEO) and Gianandrea Cherubini (director and COO) hold a controlling interest of 65% in the company. The Oetker family, owners of the multinational “Hero AG”, own a further 25% and Hugh Charles Blagden Malim, former Country Manager for Barclays Bank Italy, holds 6% and is the company’s chairman. Davis & Morgan is characterised by its capacity to identify and structure high-return financial transactions in the distressed sector and its ability to innovate the products offered to its investors, not least the first minibonds secured on revolving pledges on mortgage loans.