

ILLIMITY AND APOLLO ANNOUNCE A JOINT VENTURE

STRATEGIC JOINT VENTURE TO INVEST IN SINGLE NAME REAL ESTATE-BACKED DISTRESSED CREDITS IN ITALY

NEPRIX WILL ACT AS SOLE SPECIAL SERVICER FOR THE MANAGEMENT OF THE INVESTMENTS

Milan and New York, 17 June 2021 - illimity Bank S.p.A. (Borsa Italiana: ILTY) ("illimity" or the "Bank") announces the entry into a binding heads of terms to form a 50:50 joint venture ("JV") with certain funds managed by **Apollo Global Management Inc** (NYSE: APO) ("**Apollo**") aimed at investing up to 500 million euro in single-name distressed credit exposure secured by real estate assets in Italy.

The JV, which will have an initial investment period of 2 years, with an option to extend, will pursue investments in NPL and UTP loans mainly secured by real estate assets and with a single price of up to 50 million euro.

The JV, which will have illimity and Apollo as 50:50 investors and with equal governance rights, also provides for the contribution by illimity of approximately 231 million euro of gross nominal value ("Gross Book Value" or "GBV") of loans previously purchased by illimity, which is representative of part of the current special situation real estate investment portfolio of the Bank.

The JV will see the direct involvement of illimity's *Special Situations Real Estate* teams and Apollo's *European Principal Finance* teams.

The JV has selected Neprix srl ("neprix"), a company of the illimity Group set up to innovate the management of distressed corporate credit, as sole special servicer for the management of the investments.

The transaction will be structured, and definitive agreements entered into, following the review of appropriate structuring considerations and subject to the satisfaction of certain customary conditions. The definitive agreements are expected to be entered into, and the transaction is expected to be completed, within the third quarter of 2021.

Andrea Clamer, Head of Distressed Credit & Servicing Division of illimity: "*We are very proud to have entered into this 50/50 partnership with one of the main investors worldwide, which confirms illimity's role as a primary player in the Italian non-performing loan market and its international recognition. The selection of neprix as sole special servicer accelerates the development of neprix's third party servicing activities and is the recognition of the quality of the management of non-performing loans activities and of the success of the underlying business model*".

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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 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 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 600 employees and ended 2020 with assets exceeding 4 billion euro.

Apollo Global Management Inc.

Apollo is a high-growth, global alternative asset manager. We seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three business strategies: yield, hybrid and opportunistic. Through our investment activity across our fully integrated platform, we serve the retirement income and financial return needs of our clients, and we offer innovative capital solutions to businesses. Our patient, creative, knowledgeable approach to investing aligns our clients, businesses we invest in, our employees and the communities we impact, to expand opportunity and achieve positive outcomes. As of March 31, 2021, Apollo had approximately \$461 billion of assets under management. To learn more, please visit www.apollo.com.