

ILLIMITY SGR SUPPORTS THE GROWTH PATH OF THE NESPOLI GROUP, A LEADING GLOBAL PLAYER IN THE PRODUCTION OF PAINT BRUSHES, ROLLERS AND PAINT TOOLS

Milan 20 June 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 the **Nespoli Group** (the “**Group**” or the “**Company**”) in its growth project which, among other things, provides for the entry of the Fund into the Company’s capital with a minority holding and the granting of new factoring facilities by illimity Bank S.p.A.. The project envisages a medium-long term enhancement process for the Group, which could also include a listing on the stock exchange. The operation is part of a broader reorganization program shared with the Nespoli family, supported by a new Chief Executive Officer who will lead the Group’s growth path together with the rest of the management team.

With consolidated revenues of 186 million euro in 2021, of which exports account for almost 80%, and approximately 1,300 employees working at 10 production sites, the Group is a leading international player in the production and sale of paint brushes, rollers, professional tools for painting and light building work (metal tools, tapes and covering sheets, aerosol paint spays, waxes for leather and wood), focusing on top-quality products with a high innovation content. Originally set up in Brianza in the 1940s as an artisan workshop, the Company has been implementing a strategy of expansion and geographical diversification through growth by acquisition, consolidating its leadership position in the European market mainly in Germany, France, Spain and Italy.

The extent of its product range and the solutions it offers, its constant innovation, the reputation it has earned over the years and the high level of service it guarantees have enabled the Nespoli Group to maintain long-term lasting relations with customers of high standing, including the world’s most important Do-It-Yourself (DIY) operators and numerous wholesalers that serve the professional channel of house painters and artisans, both in Italy and the leading countries in Europe.

Product innovation has always been a distinguishing feature of the Nespoli Group, contributing to ensuring its recognition and reliability with respect to its main customers. The Group owns the highest number of patents and registered technical designs in the paint tool industry and is heavily committed to the search for new products and solutions through an increasing focus on sustainability, such as for example the use of plastics and recyclable materials, the reduction of glues and other chemical products and the optimisation of the product range in terms of customisation for the end customer.

The operation announced today forms part of the Nespoli Group’s new business plan and envisages the entry of the iCCT Fund into the Company’s capital with a holding of 5%, an interest which can be increased to 15% over the next 5 years. The Fund will act as the financial partner of the Nespoli family and the new CEO Vito Germinario, on an agreed growth path that will enable the Nespoli Group to compete successfully in a competitive situation increasingly characterised by the presence of large-scale structured players and global entities, where the ability to innovate and efficiency are critical success factors.

More specifically, the plan provides for the implementation of a managerial structure, the optimisation of the Group’s industrial footprint, the development of its brands and owned patents, the enhancement of the value and coverage of the current distribution channels, international

development in selected countries including the United States, the concentration of resources in R&D activities and the digitalisation of the production and distribution processes. The Fund entered the Nespoli Group's capital in complete harmony and collaboration with the Nespoli Family, with a clear and agreed corporate governance structure.

The operation in question confirms the mission of the iCCT Fund managed by illimity SGR to assist historical businesses forming part of Italy's entrepreneurial fabric and having sound industrial basics and a strong market positioning, supporting them in their revival process by bringing in capital and specialist skills designed to enhance the value of their medium-long term potential.

Paola Tondelli, Head of UTP & Turnaround Funds in **illimity SGR**, stated: *"We are delighted to be able to contribute to the growth of this excellent Italian company by means of a partnership with the Nespoli family, with whom we found ourselves immediately in harmony, sharing its values and objectives"*.

Luigi and **Alessandro Nespoli** commented: *"We are pleased to welcome illimity SGR into our capital and Vito Germinario as the Group's Chief Executive Officer. Our team has been enriched with new experience and skills which enable us to look to the future and the challenges that await us with considerable confidence"*.

Vito Germinario, Chief Executive Officer of the **Nespoli Group**, stated: *"I would like to thank the shareholders for the confidence they have placed in me. In Nespoli I have found expertise, an innovative spirit and a natural international mission, all of which are essential for future growth"*.

The lenders were assisted by the law firm Studio Legale Giovanardi for the legal and fiscal aspects. PwC assisted Nespoli as financial advisor and the law firm Studio Legale Associato DMC looked after the legal aspects of the operation on the Company's behalf.

On 23 June the Nespoli Group will take part in illimity's first event on the credit world entitled **"Believe – Giving Credit To The Future"**, which aims to promote an open dialogue between entrepreneurs and finance in order to build new solutions and collaborations together. Through the various speakers who will be exchanging views throughout the day, it will be possible to learn more about the role of finance in supporting the real economy and discover the many stories of entrepreneurs about growth and transformation. The full agenda with all the details to register for the event, whether you wish to attend in person or via streaming, can be found by clicking on [this link](#).

For further information:

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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.

Nespoli Group

The Nespoli Group, founded by the Nespoli family in the 1940s, is one of the leading operators in the production and sale of paint brushes, rollers and professional tools for painting and light building work, focusing on top-quality products with a high innovation content. The Group earned consolidated revenues of around EUR 186 million in 2021, thanks to the contribution of 1,300 employees working at its 10 production sites.