Prelios Group

The **Leading Italian**
Alternative Asset Manager

GlobalCapital 2021 European Securitization Awards
SECURITIZATION SERVICER OF THE YEAR (NPLS)
WINNER

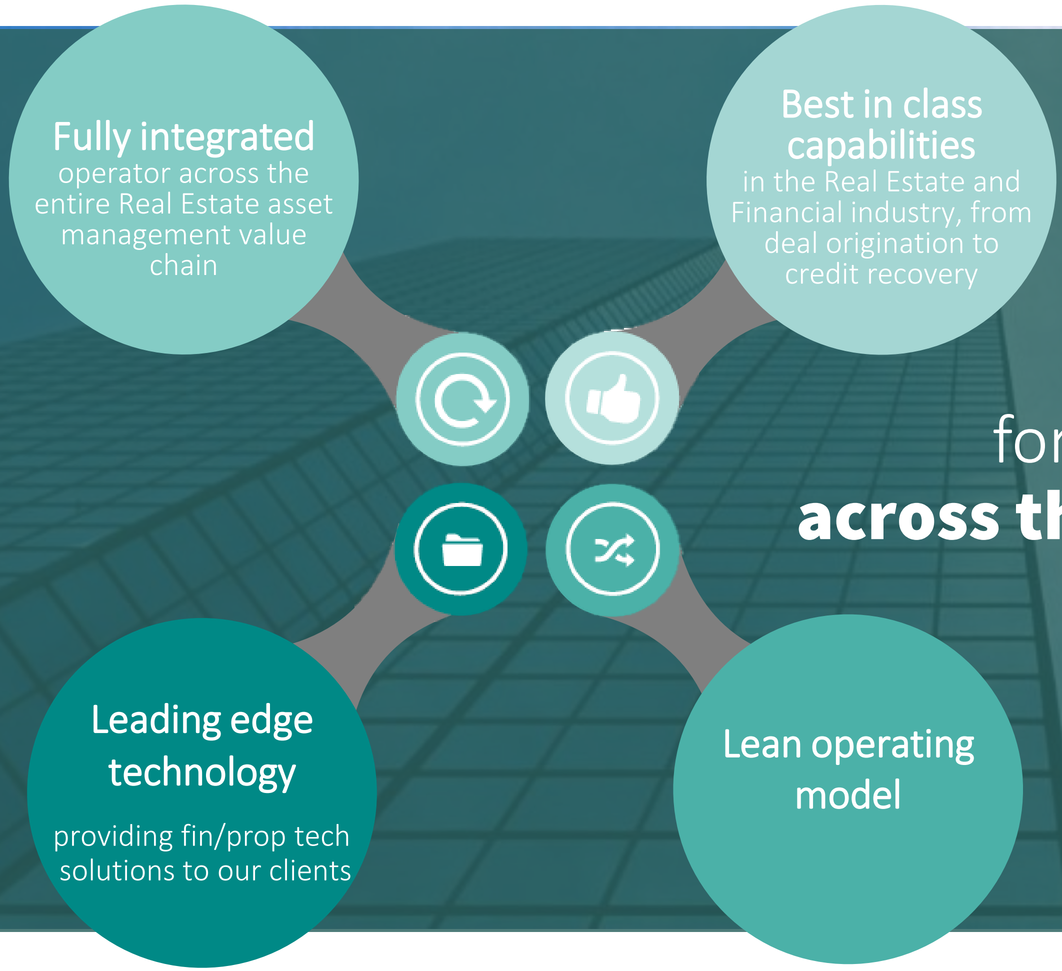
UNI EN | BS OHSAS | ISO 14001:2004 | ISO 50001_2011

SA 8000:2014

FitchRatings RSS1 - / CSS1 -

STANDARD & POOR'S RATINGS SERVICES «Above average»

Mission



"The **Leading Italian Alternative Asset Manager** for Financial Institutions and Investors, **across the entire Real Estate value chain** through economic cycles"

History and recent developments

1990	Inception	2006	A Resilient Group	2015	A Successful Turnaround	2017	Solid know-how onboard	2020	Today

1990
Milano Centrale established

1997
JV with MSREF

2001
Company name changed in Pirelli RE

2002
Listing on the Italian Stock Exchange

2010
Spin-off from Pirelli Group. The company becomes Prelios

Focus on debt restructuring and illiquid asset management

2015
Spin-off of the Real Estate investments and co-investments business in Focus Investments

Prelios becomes an asset light and pure management company

2017
Davidson Kempner acquired a 44.9% stake in Prelios from ISP, UCI and Pirelli[3]

Jan 2018
Acquisition of an additional 10.8% stake and MTO launched on the remaining 44.4% stake

May 2018
Delisting 100% of Prelios

The combination of an **experienced management team**, a **new Board of Directors** and the **support of Davidson Kempner** **boosted Prelios activity** both in **credit management** and **other asset management / real estate services**, with the signing of several new contracts

Notes
① Announcement date
② Closing date (authorization from BoI to indirectly acquire control of Prelios SGR S.p.A. and Prelios Credit Servicing S.p.A. obtained and other conditions precedent occurred)
③ Consideration equal to €0.116 per share corresponding to a consideration of €71.0m (€158m for the 100% of Prelios), c. 19% implied premium over Prelios' average market capitalisation observed over the previous 12 months

A one-of-a-kind integrated platform

Prelios is the only fully integrated platform in Italy, operating across the entire Real Estate cycle thanks to:

- 30-years track-record
- A recognized leadership in all Real Estate sub-sectors & Credit Management services
- A first mover approach on leveraging on new technologies to innovative and cost-effective solutions

Alternative Asset Management

Credit Management

Master & Special
servicing of bad loans and UTP

~€31bn[1]
AUM

Fund & Asset management

Real Estate asset management

+€6bn[2]
AUM

Real Estate services

Project & Property management

Engineering & Project Management,
Technical due diligence
Agency & Brokerage

+€7bn
AUM property management

Valuations

Property appraisals

≈#70k
Valuations per annum

Notes
1. Including the strategic partnership with ISP on UTP
2. Including Milanosesto development (€1bn AUM)

Unparalleled management team with undisputed expertise in the industry

An experienced management team, together with the support of a top-class shareholder will keep focusing Prelios' activities in credit servicing, asset management and real estate services

							
Fabrizio Palenzona	**Riccardo Serrini**	**Luigi Aiello**	**Fabio Panzeri**	**Sergio Cavallino**	**Stefano Focaccia**	**Massimo Giacobbo**	**Patrick Del Bigio**
Chairman	Chief Executive Officer	Chief Corporate & Business Development	Chief Operating Officer	Chief Financial Officer	Managing Director Unlikely To Pay	Managing Director NPL	SGR Chief Executive Officer
30+ yrs. of exp. in Finance and Management	25+ years of exp. in Real Estate Finance	20+ yrs. of exp. in Real Estate Finance	16+ years of exp. in Finance and Operations	17+ years of exp. in Real Estate Finance	18+ yrs. of exp. in Special Situations	25+ years of experience in the NPL business	20+ yrs. of exp. in Finance and Alternative Credit
UniCredit, AVIVA, ASSAEROPORTI, FAI, Aiscat, Aeroporti di Roma	Morgan Stanley, ING, INTESA SANPAOLO	J.P.Morgan, SOCIETE GENERALE, ABN·AMRO	BainCapital CREDIT, BAIN & COMPANY, Eni, ACS	EDISON, ATKearney	QUATTROR, BNP PARIBAS, EY, GE Capital	ARCHON GROUP, MONTE DEI PASCHI DI SIENA, BNL GRUPPO BNP PARIBAS	BlackRock, MERRILL, UBS, Morgan Stanley

An extensive base of institutional investors with Real Estate appetite

Investment funds

Credit Suisse, TPG, Hines, York Capital Management, Ardian, Värde, Monarch Alternative Capital, Bracebridge Capital, Cerberus Capital Management, L.P., Bayview Asset Management, Christofferson Robb & Company, Starwood Capital Group, DavidsonKempner, Pygmalion Capital, Hayfin

Pension funds

Cassaforense, Fondazione Cariplo, Fondazione Enasarco, CPP Investment Board, enpaia, EPPI Ente di Previdenza dei Periti Industriali e dei Periti Industriali Laureati, cnpadc, ENPAV Ente Nazionale di Previdenza e Assistenza Veterinari, ENPAP, PSP Investissements Investments, inarcassa, Fondazione Cassa di Risparmio di Pistoia e Pescia, ENPAM Previdenza · Assistenza · Sicurezza, Enpab Ente Nazionale di Previdenza e Assistenza a favore dei Biologi, Fondazione Pisa, Fondo pensione ex BDR Fondo pensione per il Personale dell'ex Banca di Roma, epap Ente di Previdenza ed Assistenza Pluricategoriale, Fondazione Cassa di Risparmio di Padova e Rovigo

Financial institutions

Intesa Sanpaolo, Mediobanca, Bank of America Merrill Lynch, Gruppo Bancario Credito Valtellinese, Banco BPM, Societe Generale, Goldman Sachs, J.P.Morgan, Morgan Stanley, BNP Paribas, BPER: Banca, UniCredit, بنك فيصل الإسلامي المصري Faisal Islamic Bank of Egypt

Insurance companies

Generali, Gruppo Cattolica Assicurazioni, Aviva, Reale Mutua, Vittoria Assicurazioni, Unipol Assicurazioni

Public institutions

Città di Torino, Regione Siciliana, CAAB Centro Agro Alimentare Bologna Spa The Agri-Food Centre of Bologna, Camera di Commercio Industria Artigianato e Agricoltura di Bologna Camera dell'Economia, Provincia di Cremona, INVIMIT Investimenti Immobiliari Italiani, cdp cassa depositi e prestiti

The largest mixed-use Real Estate regeneration project in Europe

THE PROJECT

MILANOSESTO AREA

The largest Real Estate EU development

- A **Long-term partnership** with **Hines Group** and **Intesa Sanpaolo** to develop the largest European Real Estate development scheme
- **Mixed-use real estate project** with a long-term view aimed at significantly extending the area creating new destinations:
  - Multifamily for rent
  - Student housing
  - Senior housing
  - Nursing home
- **20 FTEs fully** dedicated to the project

KEY FACTS

PARTNER	CAPEX	SLP
Hines	€2.5bn	#1m sqm
	+ 4 Developments Areas	#650k sqm of greenfield

Largest urban regeneration project in the center of Milan

THE PROJECT

IPPODROMO

San Siro suburb

- Partnership with Hines for asset, project, property management and agency services with reference to the **regeneration project involving the entire San Siro suburb**
- **Mixed-use real estate project**
  - Residential & Retails
  - Senior & Affordable Housing
  - Sports & Facilities
- **Largest urban regeneration project in the center of Milan** with a huge social and economic impact

KEY FACTS

PARTNER	CAPEX	SLP
Hines	€250m	+150k sqm

Acquisition of Cristoforo Fund (former Anastasia Fund)

THE PROJECT

CRISTOFORO FUND

Former Anastasia Fund

- Real Estate fund (now fully participated by Goldman Sachs) established for the acquisition of offices in Rome and Milan (the fund was in **liquidation**)
- Thanks to its **strategic internal know-how**, Prelios **supported Goldman Sachs** in the acquisition of the underlying portfolio (completed in July 2019)
- Thanks to an extensive **due diligence** and the excellent **relationship** with the former shareholders, Prelios reached the objective to **satisfy** all the parties involved in the transaction
- Prelios is acting as **Advisor** & **Asset manager**

KEY FACTS

PARTNER	PORTFOLIO	GLA
Goldman Sachs	#3 ASSETS	+67k sqm

Special situation: acquisition of a large Real Estate deal scheme

THE PROJECT

PORTA VITTORIA

Urban regeneration project

- Newly established fund (now fully participated by York Capital Management) for the acquisition of Porta Vittoria project, an iconic Milan redevelopment, from **bankruptcy**
- **Mixed-use real estate project**:
  - Residential complex
  - Hotels
  - Retail Gallery & Fitness Center
- **Multi-step process** which also involved the acquisition of bank debt
- Prelios is acting as **Project & Asset manager**

KEY FACTS

PARTNER	AUM	SLP
YORK CAPITAL MANAGEMENT	€170m	+140k sqm

Partnership with AMCO in the management of a multi-originator platform for real estate UTP credit exposures

THE PROJECT

PROJECT CUVÈE

Innovative platform for UTP management

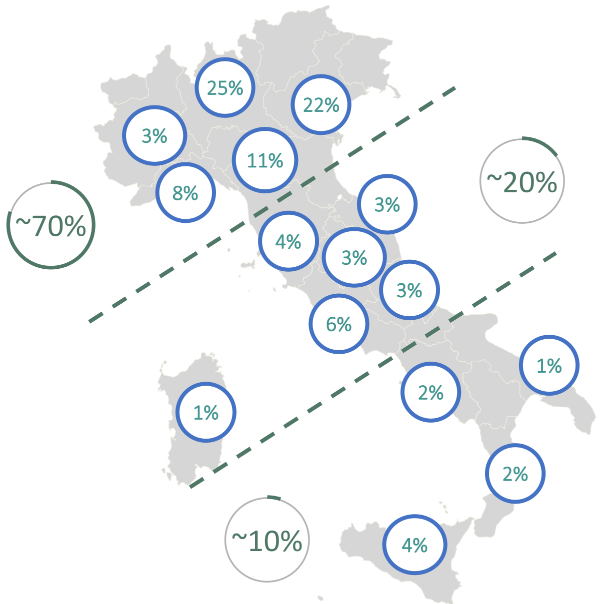
- **Multi-originator platform** promoted by Prelios and AMCO to manage **UTP credit exposures** from different Italian banks
- **Prelios** acts as **real estate partner and portfolio fund & asset manager**, while **AMCO** is the **master, special servicer and new finance provider**
- The platform allows **recovery maximization** thanks to a **deep understanding of real estate assets** underlying the exposures and to the **proactive implementation of workout strategies**
- The fund aims at collecting **€1,5bln** of GBV. So far, GBV collected is roughly equal to **€1,0bln**, making Cuvèe **the fund with the largest bulk of UTP exposures under management** in Italy

KEY FACTS

PARTNER	PORTFOLIO	UTP TYPE
amco	€1,5bln Target	100% Real Estate

PORTFOLIO

Asset geographical distribution



The portfolio is composed of more than **100 Borrowers** for a total **GBV equal to approx. €1,0bln**, secured by assets distributed *all over Italy* and from different *asset classes*. The fund target is **~€1,5bln GBV.**

Special Situation in the Logistics Sector

THE PROJECT

LAST-MILE PORTFOLIO

Former "Artoni delivery good" company

- Based on its long **credit management experienced** and its deeply knowledge on Real Estate, Prelios acquired one of the first Italian last mile portfolio from a **Bankruptcy Procedure**
- Achieved **60% of Pre-Let**
- **Placement** of the Portfolio in 1 Month, generating **+60% of Profit**
- Origination, Structuring, UW and **Asset Management** the main activities performed during the acquisition phase

KEY FACTS

PARTNER	PORTFOLIO	GLA
DavidsonKempner Capital Management LLC	#21 ASSETS	+100k sqm

TENANTS

FERCAM Logistics & Transport

Cesped

ARCO SPEDIZIONI

SDA Posteitaliane

Value-add Logistics Platform (1/2)

THE PROJECT

THESAN FUND

Closed-ended reserved Real Estate fund

- The fund is mainly **focused on distressed** lands and assets **acquisitions,** having acquired:
  - through an **auction** a land in order to develop 3 speculative assets in Settimo Torinese (TO) for a total GLA of ~80k sqm.
  - 3 **distressed assets** in Parma for a total GLA of ~100k sqm, fully leased to N1 Logistics.
- About +500k sqm of additional GLA speculative deals currently under Due Diligence.

KEY FACTS

PARTNER	PORTFOLIO	GLA
DavidsonKempner Capital Management LLC	#25 ASSETS	+650k sqm

Value-add Logistics Platform (2/2)

THE PROJECT

LOGISTICS PLATFORM

Primary locations in Northern Italy

- Acquisition and structuring of buildable lands to develop:
  - 2 warehouses of ~ 80k sqm GLA in Castel San Pietro Terme (Bologna)
  - 2 warehouses of ~ 60k sqm GLA in Tortona (Alessandria)
  - 1 warehouse of ~ 30k sqm GLA in Montichiari (Brescia)
  - 2 last mile assets of ~ 10k sqm GLA in Brescia
- Thanks to its **expertise and insight**, Prelios **supported** the investor in the purchase of the underlying lands.

KEY FACTS

PARTNER	OMV	GLA
Hines	€130m	+180k sqm

10-year contract with Intesa Sanpaolo to set-up a strategic partnership on UTP management

THE PROJECT

PROJECT M

The largest UTP sale in Europe so far

- A **strategic partnership** with the largest Italian Bank, **Intesa Sanpaolo,** for the management of UTP exposures
- **+200 FTEs** fully dedicated to the project
- Legal, financial and real estate Due Diligence performed on exposures amounting to c. **€6.8bn** in approx. 6 months
- Acquired portfolio of c. **€3bn** and further c. **€6.7bn** in **servicing** with more than **#10k borrowers**

KEY FACTS

PARTNER	PORTFOLIO	UTP TYPE
INTESA SANPAOLO	€10bn[1] + future inflows	49% Real Estate 51% Corporate

Notes:
(1) GBV at inception

GACS MAIN CREDENTIALS

THE PROJECT

GACS LEADER

- Prelios was involved in 17 out of 34 securitizations with GACS completed over the last four years (market share of c. 53%1)
- Best in class servicer in GACS deals with the majority of GACS having a cumulative net collection ratio +100%
- Prelios GACS transactions overperformed: Prelios is currently best performing servicer in multi-seller GACS portfolios

KEY FACTS

PRELIOS GACS TRANSACTIONS

Popolare Bari NPLs 2016 GACS transaction on €480m GBV Ago '16	Project Brisca GACS transaction on €938m GBV Jul '17	Popolare Bari NPLs 2017 GACS transaction on €321m GBV Dec '17	Project Crystal GACS transaction on €24.1bn GBV[3] May '18	Progetto RED SEA SPV GACS transaction on €5.1bn GBV Jun '18	Project 4 Mori GACS transaction on €1.0bn GBV Jun '18
Project Juno 1 GACS transaction on €957m GBV Jul '18	Project BCC GACS transaction on €1.0bn GBV originated by 21 BCC and Iccrea Jul '18	Project Maggese GACS transaction on €697m GBV Jul '18	Project Maior GACS transaction on €2.7bn GBV Aug '18	Project Aqui GACS transaction on €2.1bn GBV Nov '18	Project Juno 2 GACS transaction on €968m GBV Jan '19
POP NPLs 2019 GACS transaction on €826m GBV originated by 12 Italian popular banks Dec '19	Project Diana GACS transaction on €1.0bn GBV Jun '20	Project Spring GACS transaction on €1.2bn GBV Jun '20	Project Sirio GACS transaction on €1.2bn GBV Dec '20	Project Titan GACS transaction on €0.4bn GBV Dec '20	

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