

PRESS RELEASE

UniCredit and Prelios sign partnership for management of Unlikely-To Pay loans

Milan, 29 June 2022 - At the conclusion of the competitive selection process launched by the bank in the last quarter of 2021, UniCredit and Prelios have signed an agreement for the specialized management of Unlikely-To Pay (UTP) loans.

The agreement with Prelios, a leading market operator, has as its main objective the maximization of returns to performing and the resulting positive impact on the bank's customers, with direct benefits on the real economy and the Italian productive and social environment. It also represents for UniCredit an important part of the strategy to enhance the value of the non-performing portfolio, while allowing a reduction in the stock of impaired loans.

The long-term agreement calls for Prelios to be the preferred partner in the management of UTP loans in the corporate segment held by UniCredit: an initial stock under management for the year 2022 will be complemented by future flows of new UTP loans for the next six years.

At the same time, Prelios advised UniCredit in the sale and securitization of a UTP loan portfolio, mainly in the Corporate and SME segments, amounting to approximately € 2 billion gross of value adjustments, of which it will be master and special servicer pursuant to Law 130/99.

This transaction allows UniCredit to achieve the full accounting deconsolidation of the portfolio in the second quarter of 2022 with the private equity fund Christofferson, Robb and Company ("CRC") as the main investor of the Mezzanine and Junior notes.

UniCredit was assisted by PwC and Deloitte as financial advisors, by Chiomenti, BonelliErede and Uniqlegal as legal advisors. Prelios was assisted by Bain & Company as strategic advisor, KPMG and EY as financial advisors, CRCCD and Linklaters as legal advisors.

"The partnership with Prelios represents a significant step forward in addressing the potential post-pandemic aftermath of Italian companies in a structural manner. We are constantly committed to identify the most effective tools to support our customers, in this case favoring their return to better performance along a path of economically sustainable growth over time"
Andrea Orcel, CEO of UniCredit commented.

"The choice of UniCredit strengthens our position as market leader in the management of UTP credits" stated **Fabrizio Palenzona**, President of the Prelios Group, *"and allows us to support the real economy of our country, helping to bring the largest possible number of companies back to performing. This is the mission that Prelios pursues with strength and with even greater determination and efficiency, collaborating with credit institutions and all those involved. Personally, finding myself as a partner of the bank I helped to found is a source of great pride and equal responsibility"*.

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