

THE ICCT FUND, MANAGED BY ILLIMITY SGR, ENTERS THE CAPITAL OF THE VARVEL GROUP, AN INTERNATIONAL PLAYER IN THE POWER TRANSMISSION SECTOR, TO SUPPORT ITS GROWTH PATH

Milan 16 February 2023 – The iCCT Fund (the “Fund” or “iCCT”) managed by **illimity SGR S.p.A.** (“**illimity SGR**”) has acquired 54% of the capital of Varvel S.p.A. (the “**Varvel Group**” or the “**Company**”), a company that designs and produces power transmission systems used in numerous industrial applications and in innovative systems such as wind-powered generators and photovoltaic systems.

The Varvel Group, which ended 2022 with a consolidated turnover of ca. 50 million euro, showing growth over the previous year, has been the acknowledged partner at an international level for more than 60 years in the design and production of geared motors, reducers and speed variators for small and medium power fixed applications. Varvel products have always been designed and produced in Italy, at the Valsamoggia facilities in the heart of what is known as “Gearmotor Valley”.

The Group’s consolidated know-how in customising products finds its expression in a wide-ranging catalogue of standard modular solutions for a series of different processes. In addition, its high level of specialisation and continuous collaboration with research institutes and universities has enabled it to stand out on the international scene for its innovation, quality and reliability. Exports have reached 70% of total sales thanks to two subsidiaries in the USA and in India as well as a global network of over 100 commercial partners.

This transaction enables the Fund to work alongside the Berselli family, which will stay on as minority shareholder, to support the Varvel Group’s growth path. Mauro Cominoli, formerly General Manager, will become Chief Executive Officer and will lead the Company together with the rest of the management team.

The operation confirms illimity SGR’s role as partner of reference for historical businesses forming part of Italy’s entrepreneurial fabric and having solid industrial foundations as well as a strong market positioning, supporting them in their relaunch process through the contribution of capital and specialist skills designed to enhance the value of their potential.

The ICCT Fund, since its launch in March 2021, has acquired credit of more than 350 million euro from 11 banking groups as well as having raised funds of 30 million euro from professional investors. It is characterised by a flexible method of intervention that includes a variety of different strategies ranging from the simple active management of the acquired credit to setting up more complex agreements that contemplate the Fund’s entry into the capital of companies, also as majority shareholder, as part of an agreed reorganisation and relaunch programme.

Paola Tondelli, Managing Director and Head of the UTP & Turnaround Funds Area, stated: *“This transaction confirms illimity SGR’s ability to structure operations, flexibly and through its own funds, that enable the best possible solution to be identified for relaunching high-potential businesses, thereby creating value for all stakeholders”.*

“We have a strong belief in Varvel’s growth prospects”, added **Luca Mattei Gentili**, **illimity SGR’s** Investment Director. *“We are convinced that the company has significant possibilities to strengthen a growth trend already visible in recent years. We believe that Varvel represents a made-in-Italy excellence and are pleased to be able to undertake this journey alongside the Berselli family”.*

Francesco Berselli, representing **Varvel’s family shareholder**, commented: *“As a family we immediately found ourselves in harmony with illimity SGR, which recognised Varvel’s potential right from the start. We couldn’t have chosen a better partner to accompany us along our growth path while still keeping a sound identity”.*

Mauro Cominoli, Chief Executive Officer of the **Varvel Group**, remarked: *“I believe that the arrival of illimity SGR will enable us to give further momentum to the company, strengthening our presence on both the national and international market and in this way allowing us to seize new opportunities for expansion”.*

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illimity SGR S.p.A.

illimity SGR, a member of the illimity Group, sets up and manages alternative investment funds specialising in corporate loans. In the spring of 2021 it created its first fund, the “illimity Credit & Corporate Turnaround” fund (“iCCT”), 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. In September 2022 illimity SGR created its second fund, “illimity Real Estate Credit” (“iREC”), dedicated to investments in distressed credits – mainly UTPs – secured by real estate assets under the form of both mortgages and lease agreements. At 31 December 2022 illimity SGR managed assets totalling ca. 330 million euro.

Varvel Group

Since 1955, the Varvel Group has been designing and producing power transmission systems used in numerous industrial applications (packaging, animal feeding systems, automation and access control solutions) and in innovative systems such as wind-powered generators and photovoltaic systems. Thanks to the significant experience gained in over sixty years of activity, the production of 500,000 reducers a year and a turnover of ca. 50 million euro, Varvel is able to provide customers with a wide range of standard solutions and products tailored to specific needs. The entire product range is designed and produced in Italy, in Crespellano (Bologna) where Varvel has its headquarters. Exports have reached 70% of total sales thanks to two subsidiaries (one in the USA and one in India) and a global network of over 100 commercial partners. Further details can be found on the company’s website www.varvel.com.