



**SPAXS PRESENTS THE STRATEGIC PLAN 2018-2023
OF THE NEW PARADIGM BANK TO BE CREATED
FROM THE BUSINESS COMBINATION WITH BANCA INTERPROVINCIALE**

- *SPAXS presents a new specialised, zero-legacy, fully-digital bank with an innovative business model and a clear focus on attractive, underserved Italian SMEs markets*
- *The strategic plan targets by 2023:*
 - ✓ *€7 billion total assets*
 - ✓ *Net profit of ~ €300 million, hitting satisfactory profitability of €40-50 million by 2020*
 - ✓ *ROE around 25%*
 - ✓ *Cost Income Ratio < 30%*
 - ✓ *Common Equity Tier 1 ratio comfortably above 15% over the plan period*

Milan, 20 July, 2018 – SPAXS today unveils the strategic plan for 2018 - 2023 of the new bank that will specialise in underserved segments of the Italian SME market and offer highly digitalised services to retail and corporate customers by means of an innovative business model.

The new bank will be created from the Business Combination with Banca Interprovinciale S.p.A. – the approval process with the relevant Supervisory Authorities is underway - and will be subject to the approval of the Shareholders' Meeting of SPAXS on 8 August on first call and on 31 August on second call.

The new bank will operate through three synergistic divisions focused on sizeable, dynamic, profitable market segments, currently underserved by traditional operators: (I) lending to SMEs with high potential but with a suboptimal financial structure and/or a low rating or unrated, including the segment of non-performing SMEs (known as “Unlikely-To-Pays”); (ii) Corporate Non-Performing Loans (NPLs), secured and unsecured; (iii) digital direct banking services for retail and corporate customers.

Corrado Passera, Executive Chairman of SPAXS, commented:

“Our outstanding and passionate team is building an entrepreneurial and useful bank for our country. The bank will focus on very large and under-served areas such as offering credit to SMEs that have industrial potential but low ratings and aims to become a leading player in the fields of both unsecured and secured corporate NPLs. It will be led by people with long standing banking and industrial experience, using the best available technologies.”

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN

Other competitive advantages will include lower operating costs and faster response times than traditional banks, as well as lower funding costs than many new entrants to the market. It will be a digital non-legacy bank that aims to address the profound change that is taking place in the banking sector. We have signed the acquisition of Banca Interprovinciale, one of the best Italian banks in its category, so that we can start operating immediately.

Our ambitious but feasible Strategic Plan (which includes some additional reserves) will be presented to the market today and shortly submitted to our shareholders, who have believed in our project and who will always see the interests of management and sponsors aligned with their interests."

The strategic plan for the period 2018-23 sets the following targets:

Key financial targets		
	2020	2023
Net profit	€40 - 50 mln	~ €300 mln
Cost Income Ratio	< 55%	< 30%
Return on Equity (ROE)	6 - 7%	~ 25%
Total Assets	€3.8 - 4.6 bn	~ €7 bn
Shareholders' Equity	€0.6 - 0.7 bn	~ €1.2 bn
Common Equity Tier 1 Ratio	> 15%	> 15%

By 2023 the bank aims to achieve a net profit of ~ €300 million with a Return on Equity (ROE)¹ of around 25%. The bank intends to achieve a satisfactory profitability level by 2020, the year in which it targets a profit of between €40-50 million and a 6-7% ROE.

The three business divisions will have different speeds of implementation: the NPL Division will be fastest, thus representing the main contributor to pre-tax profit in 2020. Thereafter, when fully operational, the bank will be well diversified, with a balanced contribution to the gross operating profit from NPLs and SMEs, while the Retail Division will have a crucial role in funding the bank's activities.

The high yield earned on the assets and the lean operating structure will enable the bank to achieve a Cost Income Ratio of less than 55% by 2020 and of less than 30% by the end of the plan.

Total Assets will grow from an initial target of €3.8 - 4.6 billion by 2020 to ~ €7 billion by 2023,

¹ ROE: net profit divided by the Shareholders' Equity

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN



with prudent risk management based on strict rules that envisage no mis-matching in maturities between assets and liabilities and a good diversification of funding sources.

The bank intends to maintain a solid capital adequacy profile, with a CET1 ratio that will consistently exceed 15% throughout the plan period. This target includes a conservative dividend policy, with a growing distribution of dividends starting from 2022, once the bank's shareholders' equity has reached €1 billion, based on a pay-out ratio of 20% in 2022 and 25% in 2023.

Details of the contribution of each of the three operating divisions to the bank's financial targets are outlined below.

Corrado Passera will lead the new bank in the role of Chief Executive Officer, supported by managers with proven experience and track-record who will be responsible for the three operating divisions.

Andrea Calmer, a Promoter of SPAXS alongside Corrado Passera, will lead the NPL Division; he boasts 10 years' experience in the sector, as he led Toscana Faenza and Banca Ibis teams as Head of the NPL Division.

Enrico Fagioli Mar Zocchi, who will lead the SME Division, has long experience in corporate credit, including the management of non-performing loans and distressed assets. He has been, among other positions, Head of Non-Core Unit of the MPS Group and more recently CEO for the joint venture between Quaestio and Carved.

Carlo Panela will lead the Direct Banking Division and will also be responsible for the Information Technology of the new bank. He has been General Manager of CSE and previously General Manager of WebBank.

The top management team is completed by Francesco Mele, who has been appointed Chief Financial Officer & Central Functions. He has been CFO of the MPS Group and has long experience in investment banking with particular expertise in financial institutions.

As regards the other first-line positions – such as Chief Risk Officer – and most of the second-line positions, the relevant managers have already been identified and will join the team in the coming weeks.

.....

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN

SME Division – Enrico Fagioli Marzocchi

SME Division: Key financial targets		
	2020	2023
Revenues	€84 - 102 mln	~ €420 mln
Net profit	€6 - 8 mln	~ €160 mln
Cost Income Ratio	30 - 35%	~15%
Return on Equity (ROE)	n's.	~ 24%
Cost of risk (excl. Turnaround) bps	140 - 170	130
Net Customer Loans	€1.4 - 1.7 bn	~ €3.7 bn

Our goal is to be a specialised and focused player in selected segments of the SME market by offering high value products and services through an innovative approach. Our business model integrates Tutors – 40 professionals with an industrial background and financial competence – with deep data analytics based on big data and artificial intelligence.

The SME Division will focus on the following three key segments:

- Turnaround: the bank will purchase single name non-performing exposures – so-called Unlikely-To-Pay loans – which have the prospect of returning to a performing status. The bank will offer advisory and restructuring services as well as, where appropriate, new finance. It will also offer fronting services – such as cash, treasury and working capital management – on UTP positions to non-bank investors.

Within an overall value of UTP loans of ~ €100 billion at the end of 2017², there is an addressable market worth €30 billion, and the potential to increase further following changes in the regulatory environment. The new bank targets the purchase of UTP positions totalling €4.4 billion over the entire period of the plan.

- Crossover lending: the bank will focus on those SMEs with high potential but sub-optimal financial structure, which today are very often finding it difficult to gain access to the financial markets and to banking credit and which represent a market worth over €160 billion, made of corporates that are unrated or have low credit ratings. Within this market, The bank will offer a full range of banking products, industrial advice to structure the best financing solutions and acquisition finance. The bank aims to achieve a stock of net loans

² Source: Banca d'Italia, Rapporto sulla stabilità finanziaria N. 1 - 2018

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN

to customers of €1.1 billion at the end of the plan³.

- Invoice lending: the new bank aims to provide direct and reverse factoring services mainly to the SME part of supply chains – so called *filiera* or *industrial districts* - targeting €4.2 billion turnover in 2023 (corresponding to €1.2 billion of loans to customers). within a market that is worth a total of €220 billion in turnover as at 31 December 2017⁴.

The new bank will also offer its corporate clients a complete range of products and services through partnerships with leading operators in other sectors.

NPL DIVISION – Andrea Clamer

NPL Division: Key financial targets		
	2020	2023
Revenues	€119 - 145 mln	~ €250 mln
Net profit	€40 - 48 mln	~ €135 mln
Cost Income Ratio	45 - 55%	~ 25%
Return on Equity (ROE)	10 - 12%	~ 25%
Net Customer Loans	€1.9 - 2.3 bn	~ €2.6 bn
Assets under management Servicing unit	€7.0 - 7.5 bn	~ €12 bn

Our goal is to become one of the leaders in the corporate secured and unsecured NPL market, a large, immature and relatively uncharted market potentially worth €135 billion in deal flow in the next five years in terms of gross book value of NPL transactions. The bank targets ~ €3 billion cumulative NPL net investments across the business plan.

The bank will also provide NPL collection services for its direct NPL investments and to third-party investors, based on its proven expertise, for an overall value of €12 billion by 2023 in terms of gross book value of the NPL portfolio under servicing.

It will offer financing services to non-bank NPL investors, with a cumulative gross origination over the entire plan period of €1.3 billion, corresponding to €0.3 billion of net loans to customers at the end of the plan.

The bank will achieve its targets through a proprietary pricing tool, an innovative servicing model and a significant acquisition capacity supported by a strong capital base and

³ Includes the loan portfolio of Banca Interprovinciale

⁴ Source: Assifact

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN

competitive funding costs. The entire NPL lifecycle process will be supported by the most advanced technologies such as big data, Artificial Intelligence and machine learning.

Its innovative business model, its lower funding cost relative to most non-banking competitors and the contribution of revenues from third-party collection services (an activity which typically commands negligible capital consumption) will enable the NPL division to generate a ROE of around 25% in 2023.

DIRECT BANKING DIVISION – Carlo Panella

Direct Banking Division: Key financial targets		
	2020	2023
Revenues	~ €13 mln	~ €40 mln
Net result	(€6 - 9) mln	~ €5 mln
Retail deposits	€0.7 - 0.9 bn	~ €2.1 bn
No. Of customers	70 - 80k	200k

The direct bank will offer digital banking services to retail and corporate customers. The offer will be simple and transparent and aim to provide a high level of customer experience. The new bank will provide households and individuals with user-friendly tools for family budget management through a platform supported by the most innovative available technologies and built to respond effectively to new regulations – for example, the aggregation of accounts under PSD2. The platform will also play a role as digital CFO on behalf of companies.

Our digital banking platform will be supported by high quality customer care tools, helping and supporting customers at every stage of their lifecycle.

Our offer will focus on four categories of products:

- Deposits (demand and time) where we will offer competitive rates and an easy and configurable product structure
- A payments hub, where we will provide, through an innovative platform, payment services as well as family budget/customer spending advice
- Digital CFO services to SME customers, where we will provide services such as reporting, cashflow analysis and forecasting
- Advice on a full range of other banking services for households (such as mortgages or insurance), which will be provided by selected partners.

We are targeting at least 200,000 retail customers by 2023 and ~ €2.1 billion in customer deposits. To support these targets, the strategic plan envisages investments in marketing and

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN



CRM totalling ~ €50 million over the plan period.

Within the next 12 months the new bank will have its own online platform but will initially operate through Banca Interprovinciale.

The IT platform – for which the main technology and architecture solutions have already been decided – has been structured with a modular approach based on an architecture that enables open banking access to the market and can be integrated with various components, including third-party fintech solutions. This new platform will integrate traditional databases with big data and empower advanced analysis and the use of tools based on artificial intelligence and machine learning.

We plan to spend ~ €50 million in investment on our IT platform, with total operating expenses of ~ €45 million over the plan period.

The new bank will stand out for its governance model, which is designed to align the interests of all stakeholders, whether shareholders, managers or employees. The incentives for top management – consisting of the conversion of 80% of the special shares, which will also be assigned by SPAXS Promoters to top managers – are triggered only after a significant appreciation of the share value has been achieved. These shares can be converted into ordinary shares only once the share price consistently exceeds €15. Variable compensation to senior management will be paid only after the bank has reached break-even. In addition, the bank's senior management will receive a Stock Option plan, to be submitted to shareholders for approval, which will represent a significant component of their remuneration. Finally, all employees will be shareholders of the bank.

INVESTOR PRESENTATION AND SHAREHOLDERS' MEETING

SPAXS will today host a presentation of its 2018 - 2023 strategic plan to the financial community at the **Boston Consulting Group offices in Milan, Via Ugo Foscolo 1, at 11:00 a.m. CET**. The presentation can also be followed via live webcast on SPAXS website www.spaxs.it. The live presentation will be followed by a press conference.

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN



Slides of the strategic plan will be available on the SPAXS website (www.spaxs.it) in the "*Business Combination/Investor presentation*" section. The presentation of the strategic plan and this press release should be considered in addition to the Business Combination Information Document available on the SPAXS website in the section "*Business Combination/Information Document*".

It should be noted that the Ordinary and Extraordinary Shareholders' Meetings for the approval of the Business Combination with Banca Interprovinciale and related resolutions – as per the press release published on 18 July, 2018 – will be held on 8 August on first call and on 31 August on second call.

SPAXS

SPAXS, promoted by Corrado Passera and Andrea Clamer, is the first Italian SPAC (special purpose acquisition company) set up for the acquisition and capitalisation of a company operating in the banking sector. The institutional placement of SPAXS, which closed on 26 January, 2018, for a value of €600 million, made the Company the largest SPAC in Italy. Since 1 February, SPAXS has been listed on the AIM Italia/Market Alternativo del Capitale, organised and managed by Borsa Italiana S.p.A. On 13 April, SPAXS announced the Business Combination with Banca Interprovinciale, a bank that has operated in the SME segment since 2009, with total assets of around €1 billion and net equity of around €60 million. The transaction is subject to approval by the SPAXS Shareholders' Meeting.

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN



For further information:

Investor Relations SPAXS S.p.A.

Silvia Benzi +39 349.7846537 silvia.benzi@spaxs.it

Press office: Ad Hoc Communication Advisors

Mario Pellegatta +39 335.303624 mario.pellegatta@ahca.it

Sara Balzarotti +39 335.1415584 sara.balzarotti@ahca.it

This press release is not for publication or distribution, directly or indirectly, in the United States of America, Australia, Canada, South Africa and Japan. This press release is not an offer to sell financial instruments in the United States of America, Australia, Canada and Japan. The financial instruments referred to in this press release have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and cannot be offered or sold in the United States of America, except in compliance with applicable exemption. No public offer of financial instruments is being made, or is intended to be made, in the United States of America and/or in other jurisdictions.

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN

SPAXS S.p.A., Registered Office Via Mercato 3, 20121 Milan, Italy - Tel. +39 02 36596000, Fax +39 02 36596000 Fully paid-up Share Capital €1,800,000.00
Tax code, VAT number and registration number with the Company Register of Milan-Monza-Brianza-Lodi 10147580962, Milan RE 2509641



Release not an Offer of Securities

This press release does not constitute an offer of securities or a solicitation of an offer to buy securities in any jurisdiction.

Cautionary Statement Regarding Forward Looking Statements

This document contains forward-looking statements. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise. They are based on current beliefs of the management of the Company as well as assumptions made by, and information currently available to, such management, and therefore, you are cautioned not to place undue reliance on them. These forward-looking statements are subject to various risks and uncertainties, many of which are outside the Company's control. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. There is no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by law. Forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and future financial results of the industry in which the Company operates, and other legal, regulatory and economic developments. We use words such as "anticipates," "believes," "plans," "expects," "projects," "future," "intends," "may," "will," "should," "could," "estimates," "predicts," "potential," "continue," "guidance," and similar expressions to identify these forward-looking statements that are intended to be covered by the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 (the "PSLRA").

Factors that could cause actual results to differ materially from those in the forward-looking statements include, inter alia, reductions in customer spending, a slowdown in customer payments and changes in customer demand for products and services; unanticipated changes relating to competitive factors in the industries in which the Company operates; the ability to hire and retain key personnel; the ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the companies; international, national or local economic, social or political conditions that could adversely affect the Company or its customers; conditions in the credit markets; risks to the industries in which the Company operates.

Nothing in this document is intended, or is to be construed, as a profit forecast or to be interpreted to mean that the Company's earnings for the current or any future financial years will necessarily match or exceed the Company's expected earnings.

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN