

INCUS CAPITAL ANNOUNCES LAUNCH OF EUROPEAN CREDIT FUND IV

PRESS RELEASE

Madrid, June 30, 2021 – Incus Capital (“Incus”), the Madrid based real assets alternative asset manager, announces the launch of its European Credit Fund IV (“Fund IV”) with a first close targeted in 4Q 2021 and final close in 2Q 2022.

Similar to the previous opportunity credit funds, Fund IV will invest in specialty credit opportunities focussing on small and medium-sized enterprises (“SMEs”) in Spain, Portugal, Italy and France. The fund will continue to focus on deep value, asset-backed investments in its target markets, where Incus has senior Partners based in local offices. The Fund IV size will be €500 million with a hard-cap of €650 million.

Incus is currently advising the €500 million Incus Capital European Credit Fund III (“Fund III”) raised in 2018. Fund III has now called 70% of the committed fund capital and continues to have a strong pipeline with new closings scheduled. Incus Partner Alvaro Rivera said, *“We are a liquidity provider to assets and companies that have strong cash flows and clear realizable values. With new liquidity constraints foreseen in the market, we are in an even better situation to realize outsized returns for supporting good companies and good projects.”*

The Fund IV launch follows a very active twelve months for Incus, with significant investments in new transactions and active investment disposals from prior funds. 2021 has seen continued harvesting of Incus Fund II, which has now returned 75% of the capital committed to the fund. The active asset management approach of the firm has been instrumental in achieving strong realizations in Fund II during a very difficult COVID environment.

In addition to Fund II harvesting, Incus also successfully liquidated its European Credit Fund I in December 2020. Incus Partner Martin Pommier added, *“Incus reached an important milestone with the liquidation of Fund I, confirming the Incus investment strategy and delivering on fund target returns. Investors were also pleased with the fact that we closed the fund within its 8-year fund term. We are very grateful to those investors that committed to our prior funds and are pleased that many continue to invest with our platform”.*

The Incus Investment Program

Throughout 2019 the firm was skeptical about the risk-adjusted returns that were available in the market. CIO and Founder, Andrew Newton commented: *“Throughout 2019 we were seeing a market that was offering an increasing amount of capital at lower returns, to projects that we could not get comfortable with. As a result, we entered 2020 well behind our investment program, spending time explaining to our LP’s how we saw the market.”* The firm was left with a large amount of dry powder in early 2020. *“We did not know what we were waiting for, but when Covid struck, we were left in a*

very strong position – not all of legacy positions to deal with, and a good amount of capital to invest in the new environment. It also gave us the added opportunity to shape the Fund III portfolio into assets that are already adjusted to the new post-Covid environment.”

2020 and the first half of 2021 have seen the firm deploy record levels of capital in new investments. These investments have been evenly spread across the Incus target investment jurisdictions and have seen a product focus on sustainable infrastructure (transportation and renewable energy assets) and new efficient and flexible housing projects (PRS, student housing). Of note, Incus Capital recently completed a €140 million loan facility to a leading renewable energy platform in Spain with more than 19 GW of projects in development – the largest development portfolio in the country. The company is a market leader in wind and solar development and will be a core market player in the new energy landscape of Iberia.

Andrew Newton commented further on the transaction: *“Renewable Energy has been a focus for the firm for many years. We have successfully invested in this sector throughout Fund I, Fund II and now Fund III. The sector is one of the most dynamic in Spain and allows us to make investments that satisfy all of our company objectives – one, supporting dynamic growth companies, two, supporting sustainable assets with a positive social or environmental impact, and three, achieving superior risk-adjusted returns for our investors. This deal was a great hat-trick for Incus and we were pleased that we could share this outstanding investment with our LP’s thru co-investment.”* The firm has invested more than €200m in renewable strategies in Fund III and will continue this investment program thru Incus Fund IV.

About Incus Capital

Incus Capital is a Madrid based real assets alternative investment advisory firm with offices in Madrid, Lisbon, Milan, Paris and Luxembourg. The firm focuses on providing flexible capital solutions to mid-market companies in Europe. The investment strategy includes a strong focus on downside protection and asset-backed collateral. Target investment sizes are between €10 million and €50 million. The firm acts as the investment advisor to Incus Funds that have raised over €1.5 billion in assets under management (“AUM”) since firm inception in 2012. Incus has advised on over €1.4 billion of invested capital across existing European specialty credit and real estate equity funds in more than 80 transactions in its core markets of Spain, Portugal, Italy, and France.

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