



illimity 2Q21 Results

6 August 2021

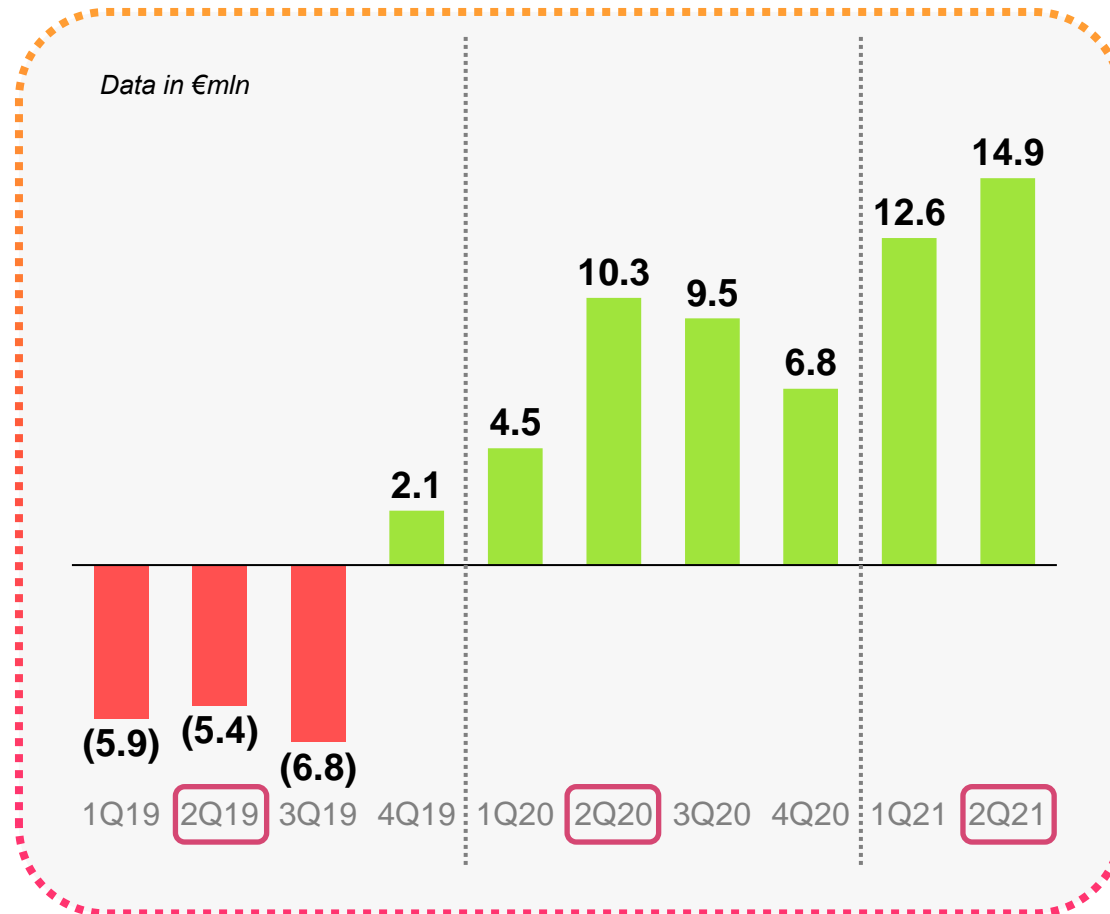
Key highlights

Corrado Passera, CEO



illimity - Solid 2Q21 results

NET RESULT EVOLUTION



2Q21 Highlights



>€2.3bn
Net customer
loans



~58%
Cost income
ratio



~17.2%
CET1 Ratio



~3%
<1% excl. BIP legacy
Gross NPE Ratio⁽¹⁾



Note: (1) Ratio of gross NPE to total gross loans to customers from Factoring, Cross-over, Acquisition Finance, Turnaround performing (including UTP exposures returned to performing), BIP legacy book and Senior Financing to non-bank Distressed Credit investors - thus excluding UTP loans purchased or originated as part of the Turnaround and the investments in Distressed Credit portfolios. Any failure to reconcile the stated figures arise exclusively from rounding.

illimity - Business origination accelerating in 2Q21

Data in €mln
Customer loans where not otherwise stated
Non accounting figures

Originated Business ⁽¹⁾			Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾
1Q21	2Q21	July 2021		
~137	~233	~187	~84	~447

Business origination supported by public guarantees and strong factoring momentum

 Cross-over & Acq. Finance	~63	79	~77	~33	~98
 Turnaround	~15 ⁽⁴⁾	42 ⁽⁴⁾	~98	~28	~123

 Factoring turnover	~199	232	~81
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Net customer loans as of 30 June 2021 €186mln

 Distressed Credit Investments	47 ⁽⁴⁾	110 ⁽⁴⁾	~3	~23	~184
 Senior Financing	12	2	~9	-	~42

Strong boost from Energy desk

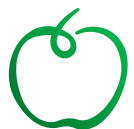
 Servicing GBV⁽⁵⁾	276	284	~8	~55	~1,484
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Total AUM⁽⁶⁾ as of 30 June 2021 €8.7bn



Growth

Credit Division

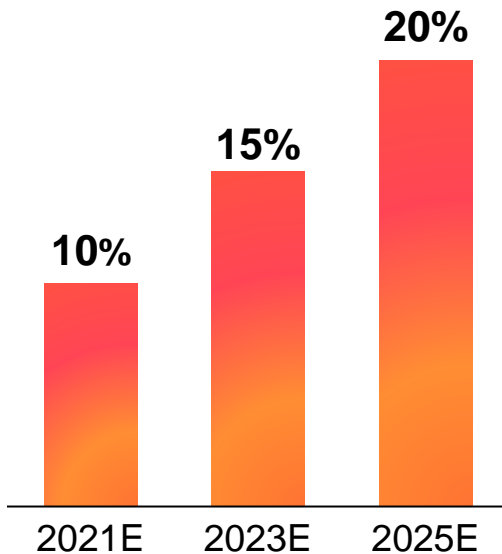


Distressed Credit Division

Notes: Non accounting figures; (1) See 'Originated Business' in the Glossary at the end of this document; (2) See 'Terms agreed to be signed' in the Glossary at the end of this document; (3) See 'Advanced pipeline' in the Glossary at the end of this document; (4) It also includes financial instruments, such as quasi-equity instruments which are accounted for in the balance sheet item "20. c) Other financial assets mandatorily at fair value" for accounting purposes; (5) See 'AuM' in the Glossary at the end of this document; (6) The AUM of the servicing unit, in terms of gross book value of distressed credit, value of property and capital goods managed by neprix and a portion of portfolios related to senior financing transactions recorded as of 30 June 2021, net of collections and portfolio disposals.

illimity - Targets confirmed

2021-25 ROE⁽¹⁾ targets



CET1 Ratio >15%

Growth drivers

- ✓ Robust business origination
- ✓ Operating leverage gains across all Divisions
- ✓ Solid risk and liquidity profile
- ✓ New initiatives already announced underway
- ✓ Exploitation of our unique technology via partnership with ION Group

€60-70mIn net profit guidance for FY21 confirmed

2Q21 Financial review

Francesco Mele, CFO & Head of Central Functions



illimity - **Solid 2Q21 performance**



Good volume growth in the quarter underpinned by loans with **public guarantees**, **factoring** and significant investments in **Energy distressed credit**



Strong quarterly progression in **net fees and commissions**, also benefiting from new business lines launched in 2021



Remarkable profits from closed positions, vindicating effectiveness of our **dynamic portfolio management strategy** of distressed credit portfolios



Further quarterly **improvement** in our **Cost income ratio**



Loan loss **provisions** remained **at very low level** in quarter

illimity - Solid balance sheet

Data in €mln

Reclassified Balance sheet	30.06 2020	31.12 2020	31.03 2021	30.06 2021	Δ 30.06.2021 QoQ %	Δ 30.06.2021 YoY %
1 Cash and cash equivalent	311	945	733	508	(31)%	63%
Due from banks and other financial institutions	643	641	676	615	(9)%	(4)%
2 Customer loans	1,766	2,205	2,234	2,330	4%	32%
- Distressed Credit ¹ investments	724	972	973	943	(3)%	30%
- Distressed Credit ¹ senior financing	337	336	316	311	(1)%	(8)%
- Growth Credit ²	613	817	869	1,006	16%	64%
- Cross-over & Acq. Finance ³	328	416	452	517	14%	57%
- Turnaround	156	243	260	303	16%	94%
- Factoring	129	158	157	186	19%	44%
- Non-core former Banca Interprovinciale	92	80	76	70	(7)%	(23)%
Financial assets Held To Collect & Sell (HTCS) ⁴	286	91	310	315	2%	10%
Financial assets measured at FVTPL ⁵	12	19	50	139	175%	1,041%
Investments in associates and companies subject to joint control	-	-	86	84	(2)%	n.s.
Goodwill	36	36	36	36	0%	0%
Intangible assets	26	33	33	37	11%	44%
3 Other assets (Incl. Tangible and tax assets) ⁶	158	156	157	267	69%	69%
Total assets	3,238	4,126	4,316	4,331	0%	34%
Due to banks	583	534	627	582	(7)%	(0)%
4 Due to customers	1,913	2,552	2,568	2,643	3%	38%
Bond/Securities	2	301	302	304	1%	n.s.
Shareholders' Equity	563	583	665	681	2%	21%
Other liabilities	176	156	154	121	(21)%	(31)%
Total liabilities	3,238	4,126	4,316	4,331	0%	34%
5 Common Equity Tier 1 Capital	466	509	530	543	3%	17%
6 Risk Weighted Assets	2,548	2,851	3,018	3,168	5%	24%

1 **Robust liquidity profile:** around **€0.8bn** between cash, net adjusted interbank position and liquidity buffers

2 **Net customer loans** increased 4% qoq – and +32% yoy – driven by Growth Credit Division; Distressed Credit's loan book marginally down on profit-making portfolio disposals

3 **Other assets** include also tax credits loans for €21mln (so-called "Ecobonus")

4 **Retail & corporate funding stable qoq to €2.4bn**

5 **CET1 Capital up to around €543mln** mainly underpinned by profit generated in the quarter

6 **RWA up** due to growth in business

Notes: Rounded figures; (1) Distressed Credit Division previously named DCIS; (2) Growth Credit Division previously named SME; (3) This figure includes part of the net loans to existing customers of Banca Interprovinciale, which due to their features are considered consistent with illimity's Growth Credit Division segment; it also includes corporate high yield bonds classified as HTC; (4) HTCS: Financial assets measured at fair value through comprehensive income. This item includes the Bank's securities portfolio and loans of ca. 16 million euro of the Distressed Credit Division which will probably be sold; (5) FVTPL: other financial assets at fair value through profit or loss. This item includes equity financial instruments purchased as part of a Turnaround transaction, junior tranches acquired as part of senior financing transactions and investments in distressed credits in the energy sector purchased via a joint venture, as part of the Distressed Credit Division's activities; (6) It includes assets arising from the purchasing of tax credits (the so-called "Ecobonus") for 21 million euro and senior notes for approximately 61 million euro resulting from the securitisation of a distressed credit portfolio that are expected to be sold.

illimity - Robust performance driven also by non-interest income sources

Data in €mln

Reclassified Profit & Loss	2Q20	1Q21	2Q21	Δ Q/Q%	Δ Y/Y%	1H20	1H21	Δ H/H%
Interest income	33.2	46.0	47.5	3%	43%	65.3	93.5	43%
Interest expenses ¹	(9.3)	(14.8)	(14.3)	(3%)	53%	(20.0)	(29.1)	45%
1 Net interest income	23.9	31.2	33.2	6%	39%	45.3	64.4	42%
Net fees and commissions	2.4	4.9	8.7	76%	269%	5.1	13.6	168%
Net result from trading	(0.0)	3.8	1.1	(72%)	n.s.	3.7	4.9	33%
Net other income/expenses	0.2	2.0	2.1	7%	842%	0.3	4.1	1,417%
3 Profit from closed purchased distressed credit positions²	7.9	11.4	26.0	128%	228%	17.0	37.4	120%
Gain (loss) from disposal of investments	-	2.3	-	n.s.	n.s.	-	2.3	n.s.
Operating income	34.4	55.7	71.1	28%	107%	71.4	126.8	78%
Staff costs	(13.2)	(16.6)	(19.0)	14%	43%	(24.5)	(35.6)	45%
Other operating expenses	(12.7)	(17.9)	(19.8)	10%	56%	(28.8)	(37.7)	31%
Depreciation & Amortisation	(2.0)	(3.0)	(2.2)	(25%)	9%	(3.9)	(5.2)	34%
4 Operating costs	(28.0)	(37.5)	(41.0)	9%	46%	(57.2)	(78.5)	37%
Operating profit	6.4	18.1	30.2	66%	373%	14.1	48.3	241%
Loan loss provision charges	(1.2)	0.8	(1.6)	n.s.	32%	(3.9)	(0.8)	(79%)
3 Value adjustments on purchased distressed credit	4.4	3.9	(4.6)	n.s.	n.s.	7.4	(0.7)	n.s.
Value adjustments on securities and loans to banks	0.4	(1.6)	0.3	n.s.	(33%)	(0.4)	(1.3)	231%
Other net provisions for risks and charges	0.0	(0.0)	0.0	n.s.	(31%)	-	-	-
5 Other income from equity investments	-	(2.1)	(1.9)	(13%)	n.s.	-	(4.0)	-
Profit (loss) before tax	10.0	19.1	22.4	17%	123%	17.2	41.5	141%
Income tax	0.3	(6.5)	(7.5)	15%	n.s.	(2.4)	(14.1)	497%
Net result	10.3	12.6	14.9	18%	44%	14.8	27.4	85%

1 Steady growth in net interest income on volume progression, and more to come as most new business was originated at the end of the quarter

2 Pick up in net fees and commission which also benefited from initial contribution of new initiatives such as Capital Markets, illimity SGR, and 'Ecobonus'⁽³⁾







3 Significant profit contribution from closed distressed credit positions driven by disposals: €26mln of which €3.7mln booked in 1Q21 as positive value adjustments. **Value adjustments on purchased distressed credit**, therefore, reflect the €3.7mln reclassification under profit from closed positions

4 Operating costs include €1.2mln of costs related to the ESOP⁽⁴⁾ plan and costs related to further business growth. Decrease of D&A due to the average life extension of strategic IT assets

5 Pro-rata economic result of HYPE

Notes: Rounded figures; (1) Interest expenses restated to exclude costs related to Debt for leasing, now reclassified as administrative costs, and to include commission expenses and stamp duty of European deposit platform (Raisin), previously classified as commission expenses and other operating expenses; (2) Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff agreed with the debtor; (3) Tax credit loans related to eco-driven Real Estate renovations; (4) Employee Stock Ownership Plan.

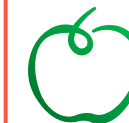
illimity - Distressed Credit highly profitable – Growth Credit already exceeds FY20 results

1H21 data in €mln	 GROWTH CREDIT DIVISION (BIP included)	 DISTRESSED CREDIT DIVISION	 DIRECT BANKING DIVISION	 illimity SGR	 CORPORATE CENTRE	 TOTAL
Net interest income	8.3	54.3	1.8	-	-	64.4
Net fees and commission	8.3	4.9	-	0.5	(0.1)	13.6
Other income	3.7	42.3	2.3	-	0.5	48.8
Operating income	20.3	101.5	4.1	0.5	0.4	126.8
Staff costs	(6.0)	(12.8)	(4.1)	(1.1)	(11.6)	(35.6)
Other operating expenses and D&A	(6.2)	(20.0)	(6.3)	(0.1)	(10.3)	(42.9)
Operating costs	(12.2)	(32.8)	(10.4)	(1.2)	(21.9)	(78.5)
Operating profit	8.1	68.7	(6.3)	(0.7)	(21.5)	48.3
Provisions	(0.4)	(2.5)	-	-	0.1	(2.8)
Other income from equity investments	-	-	(4.0)	-	-	(4.0)
Profit (loss) before tax	7.7	66.2	(10.3)	(0.7)	(21.4)	41.5
Interest earning assets	1,235	1,611	-	0	1,122	3,969
Other assets	25	91	84	-	163	362
RWA	856	2,055	28	-	229	3,168

Contribution to profitability consistent with nature of business and expected speed of deployment of our businesses



Growth Credit gradual impact from new business origination and early tangible contribution from new initiatives. Cost income improving to 60% in 1H21 from over 70% in FY20



Distressed Credit contributing ~80% to group's 1H21 total revenue, benefiting from increasing contribution of non-interest income component. Cost income in first six months at approx. 32% also thanks to strong profit from closed positions



Direct Banking substantially on track with pro-rata consolidation of HYPE not factoring new projects to be launched in 3Q21



Corporate Centre posting €21.4mln in terms of negative result before tax and reflecting costs to build scalable infrastructure

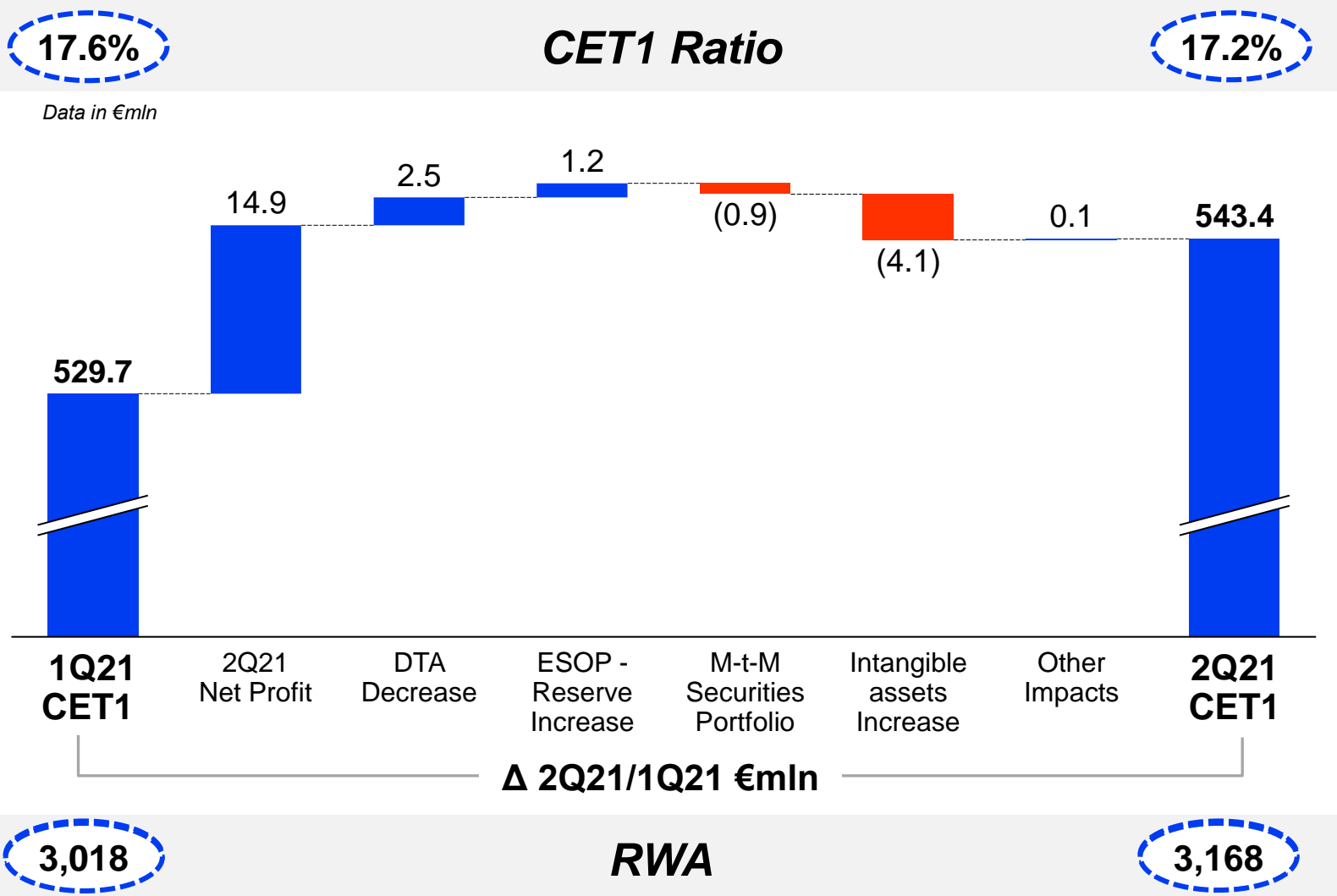
illimity - **KPIs confirm strong asset quality and robust capital**

	2Q20	1Q21	2Q21	1H20	1H21
Cost income	82%	67%	58%	80%	62%
Organic cost of risk (bps) annualised ⁽¹⁾	52bps	Net write-backs	50bps	85bps	13bps
Gross organic NPE ratio ⁽²⁾	4.2%	3.0%	3.0%	4.2%	3.0%
LCR	>1,000%	>450% ⁽³⁾	~700%	>1,000%	~700%
CET1 Ratio	18.3%	17.6%	17.2%	18.3%	17.2%

- **Cost income ratio improving** by 9pp vs 1Q21 on operational improvement and benefiting from strong profit from closed positions
- Annualised **cost of risk still at very low level** in 2Q21
- **Stable Organic NPE ratio to 3.0%; <1%** excluding former BIP portfolio
- Ample liquidity buffer
- **NSFR** comfortably above minimum requirements
- **CET1 Ratio** still at **17.2%** despite business growth

Notes: (1) Calculated as the ratio between loan loss provisions and net organic loans at 30 June 2021 (1,287 million euro) for the segments Factoring, Cross-over, Acquisition Finance, performing Turnaround (including returns to performing loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans – though excluding UTP loans purchased as part of the Turnaround business and investments in distressed loan portfolios; (2) See 'Gross organic NPE ratio' in the Glossary at the end of this document. Any failure to reconcile the stated figures arises exclusively from rounding; (3) 1Q21 restated for equity accounting of Hype applied to liquidity ratios from 2Q21.

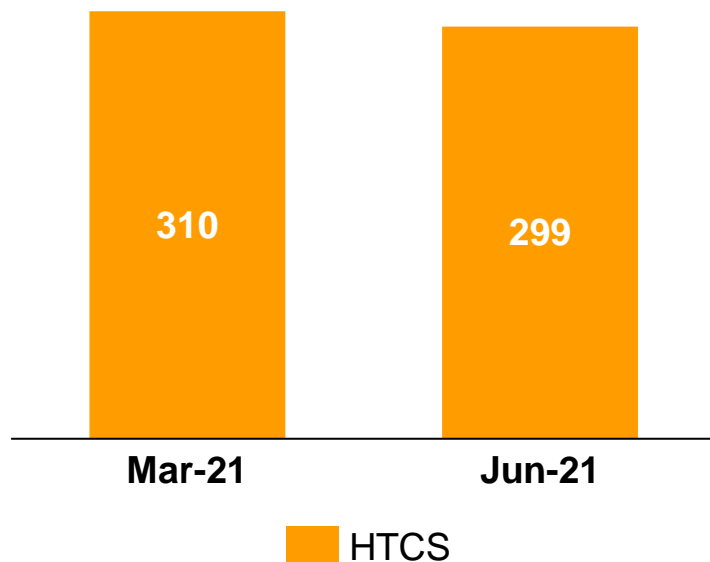
illimity - Robust CET1 Ratio at 17.2%



- **CET1 Capital increased by 3% qoq**, mostly due to net profit reported in quarter and to DTA usage
- **Increase in RWA (+5% qoq)** due to business growth during 2Q21
- Including special shares, CET1 Ratio would reach around **17.6% on a pro-forma basis⁽¹⁾**

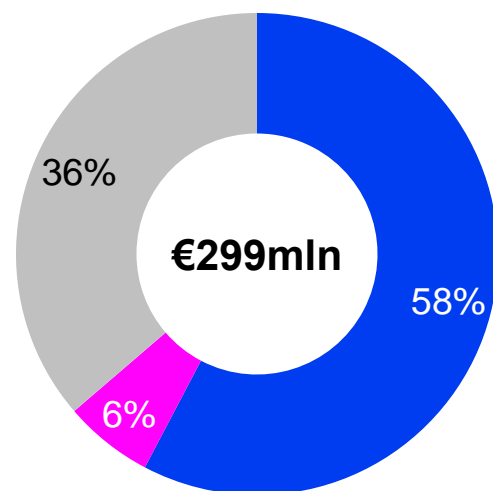
illimity - Stable and diversified securities portfolio

Securities portfolio



Portfolio composition

30 June 2021



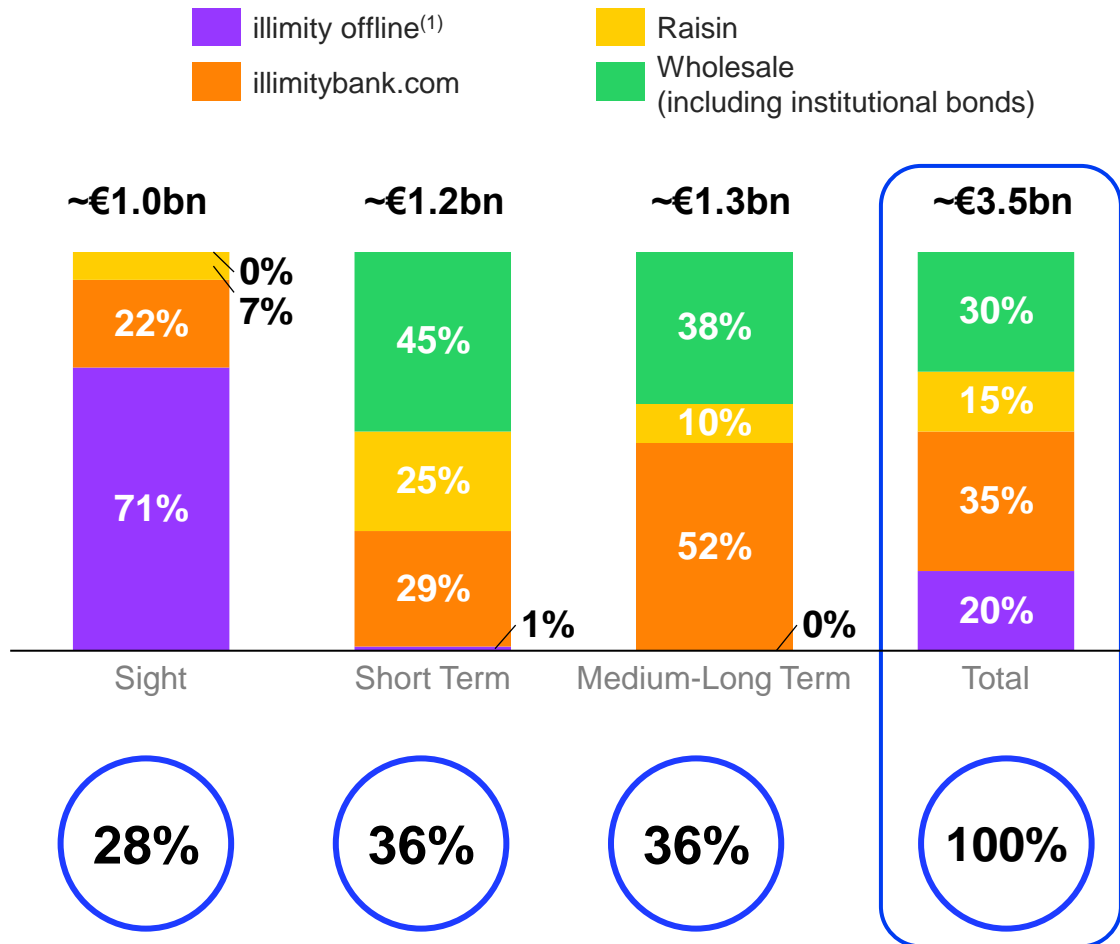
Italian Govt. Bonds
Subordinated Bonds
Senior Bonds

- **Stable securities portfolio**; 36% refer to senior bonds
- **Negative M-t-M⁽¹⁾** at approx. **€1.5mln** on 30 June 2021
- Duration **5.5 years**
- Average yield approx. **1.5%**

illimity - Well diversified funding mix

Maturity mix

Data as of 30 June 2021



Medium-Long Term funding maturity remains around **3 years**

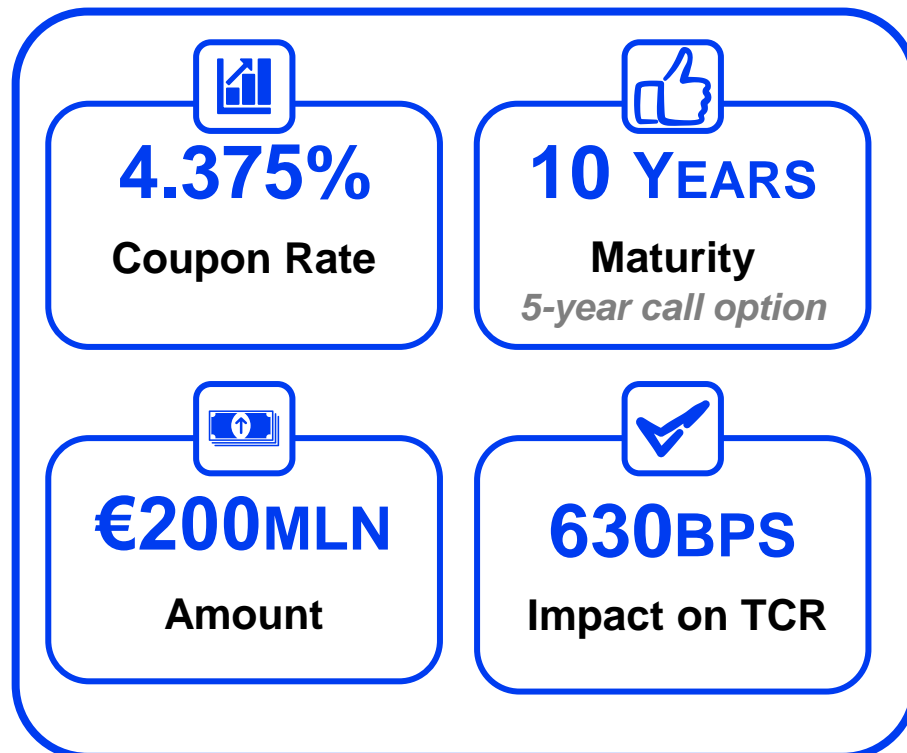


~**1.5%** blended average cost of funding



€300m senior preferred bond issued in Dec-2020

illimity - Successful placement of Tier 2 bond



€200mln Tier 2 bond⁽¹⁾ with 10-year maturity and 5-year call option **priced at 4.375% coupon**



Robust demand touching **over 400 million euro from over 80 investors**, well distributed between domestic and foreign institutions



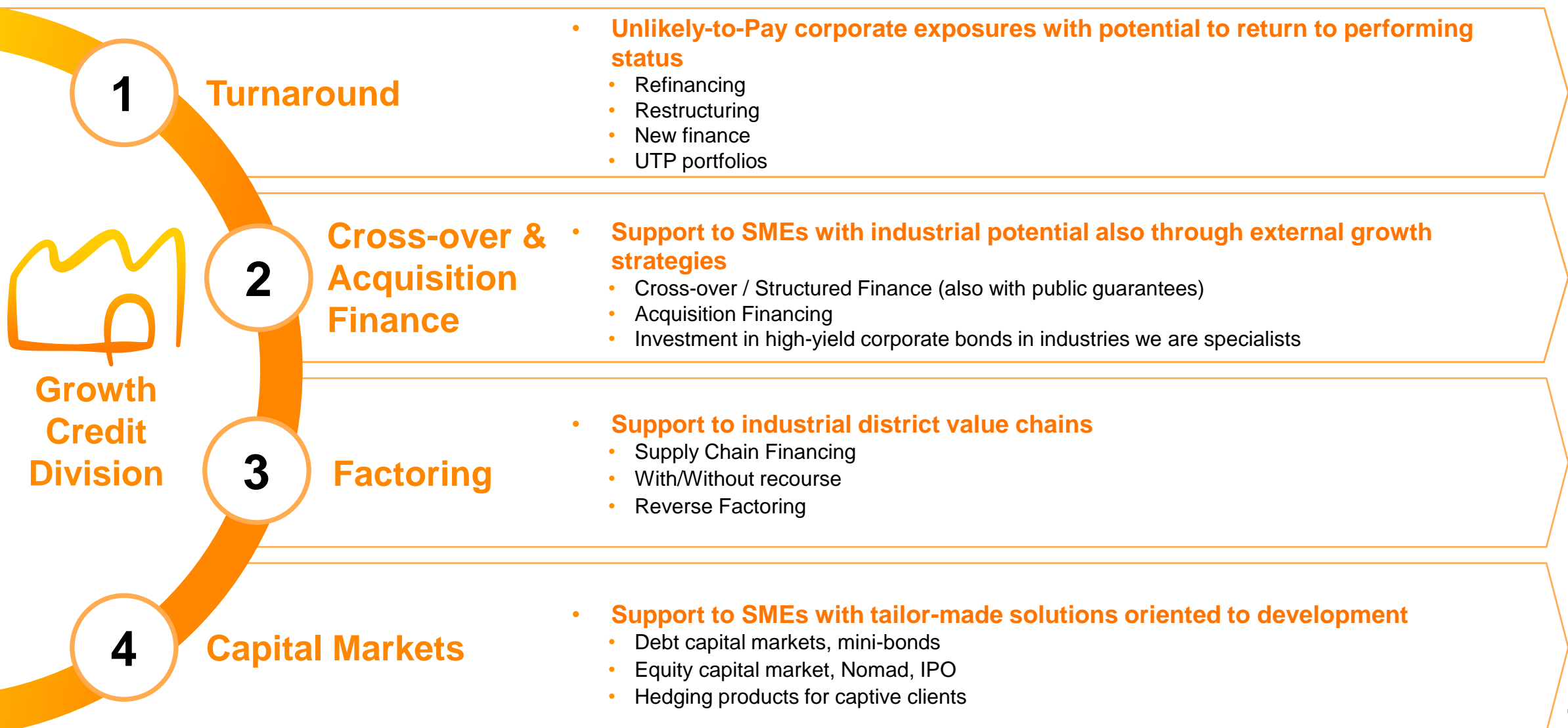
Further diversification of funding sources and boost to Total Capital Ratio to over 23%, in line with our Strategic Plan

Growth Credit Division

Enrico Fagioli



illimity - Italian SMEs specialist partner



illimity - **Vibrant 2Q21 for Growth Credit Division**

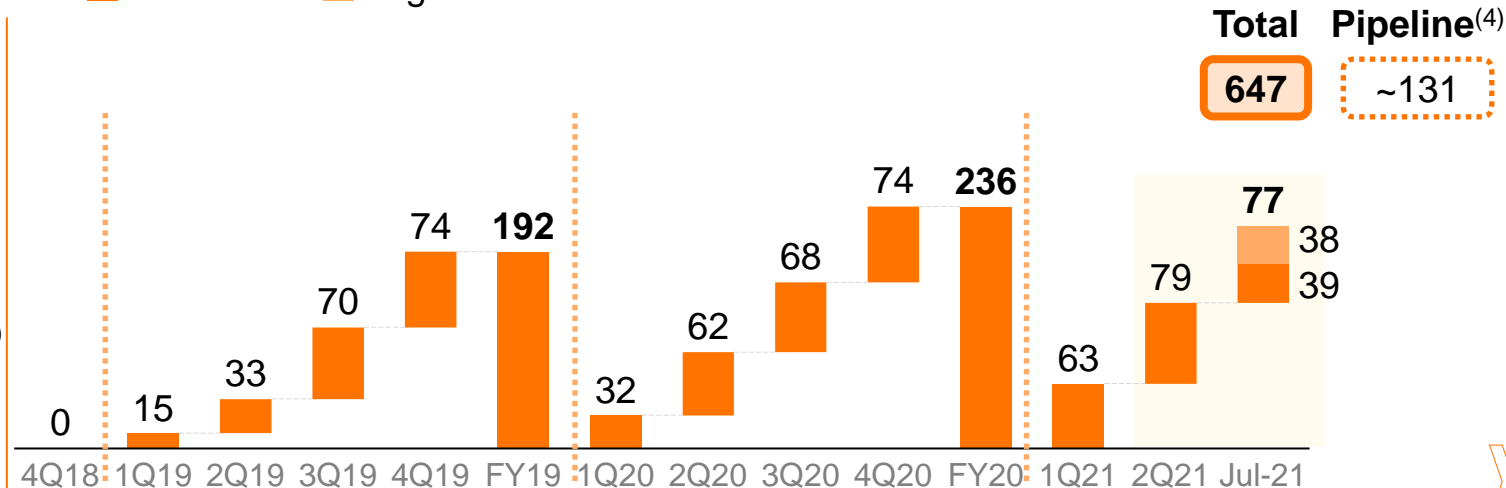
-  **Business origination accelerating in 2Q21** underpinned by loans with public guarantees and **strong factoring momentum**
-  **Capital Markets off to good start** with 2 IPO mandates completed and strong pipeline. Launch of risk mitigation solutions business in July
-  Successful entry in tax credit discounting segment (“**Ecobonus**”) with **~€33mln of nominal value purchased up to July**

illimity - Accelerating business origination

Originated business

Data in €mln

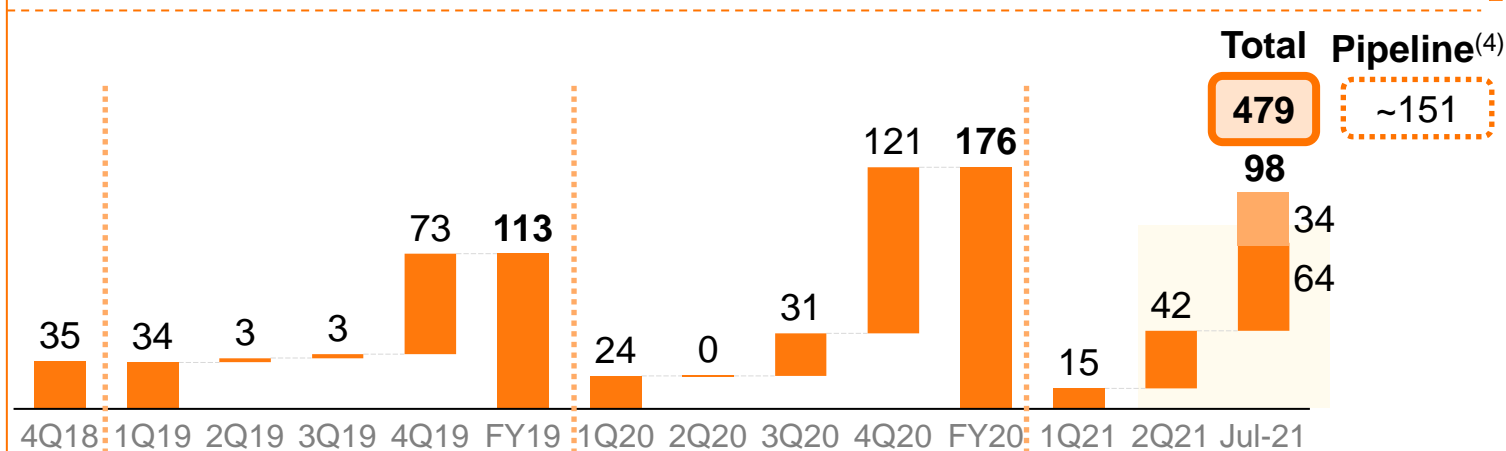
■ Booked⁽¹⁾ ■ Signed but not booked⁽²⁾



Surge in **new volumes** in 2Q21 with **repeat business** also in Acq. Finance



Loans under **moratorium** further down to **€22mln** as of July – **less than 2%** of Division's overall loan book



Over 90% of business origination in past four months in **lending with public guarantees** (>40% of stock)



Our credit deliberation **consistently include ESG assessment**

Notes: Rounded figures; (1) Income-producing loans; (2) Deals signed but not yet booked, due to a time lag between the signing of the master agreement and the date of loan disbursement, in place at the end of the month; (3) Including new investment in the period in corporate high yield bond HTC; (4) It includes both items 'Terms agreed to be signed' and 'Advanced Pipeline'.

illimity - Factoring: strong volumes momentum...

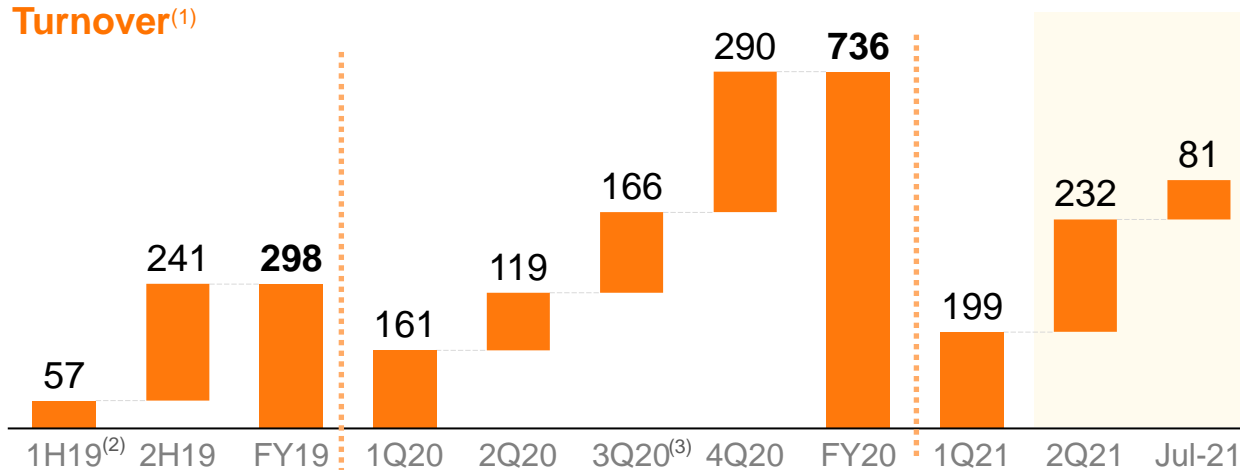
Originated business

Data in €mln

Net Customer loans



Turnover⁽¹⁾



Momentum in factoring turnover surged in 2Q21 and continued into July



Number of clients⁽⁴⁾ increasing further to over 150 with over 700 debtors

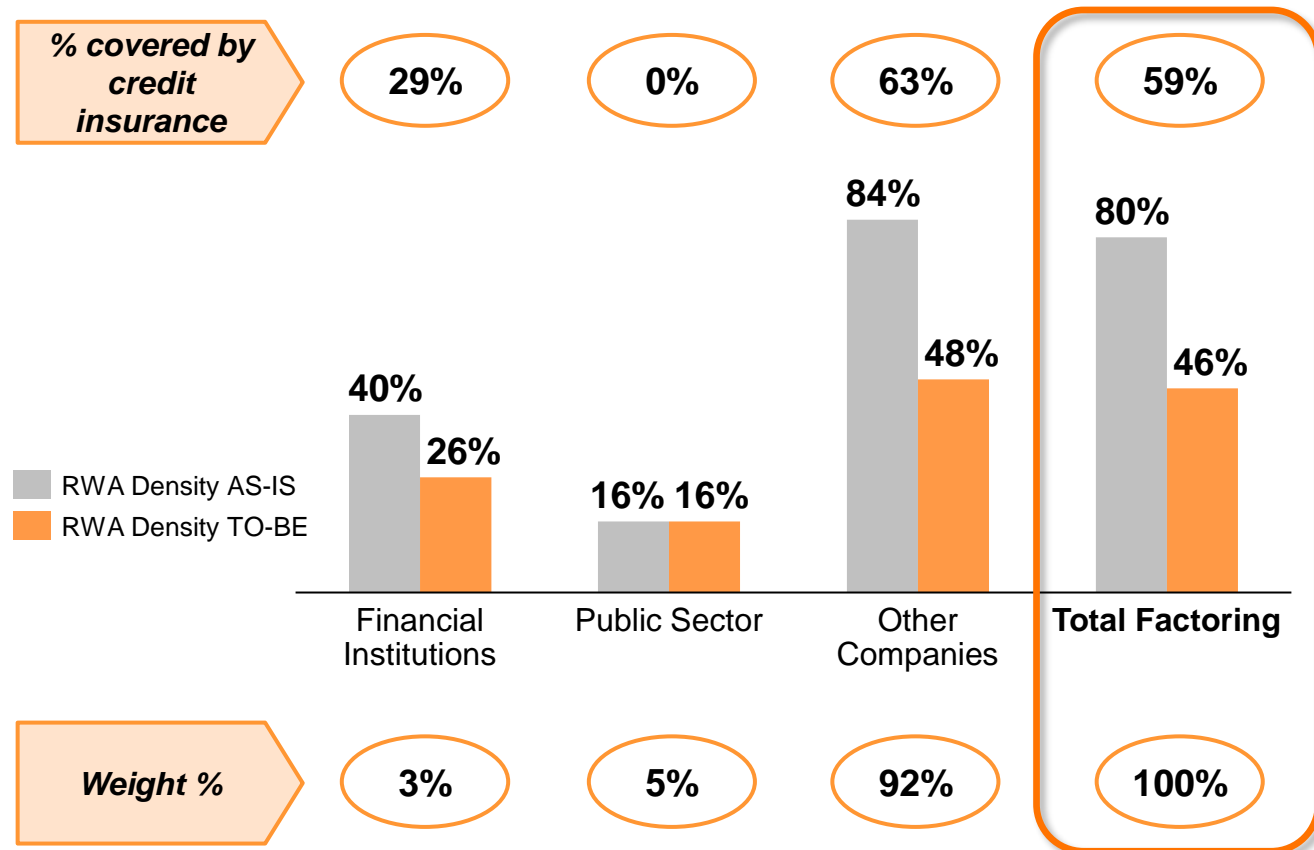


Speed of response and ability to offer complex financing solutions underpin our performance

illimity - ...with capital optimisation increasing ROE

INNOVATIVE CAPITAL MANAGEMENT SOLUTION

Simulation on data at 30 June 2021



Innovative **capital management solutions** combining credit insurance with CRR-eligible protection leading to lower credit risk, lower capital absorption and ultimately generating **double-digit ROE**

Assuming capital management solutions were in place as of June-2021, **the RWA density of factoring business would decline from 80% to 46%**

illimity - Capital Markets desk up and running


illimity offers SMEs different solutions to access capital markets through structuring tailor-made solutions geared towards development, organic and non-organic growth and for optimisation of financial structures

Equity Capital Markets: 2 IPO closed and strong pipeline ahead



 **Nomad, Global Coordinator and Sole Bookrunner** for listing of MeglioQuesto S.p.A. on AIM Italia. Book about 5 times higher than offer and over **100 investors involved**



 **Nomad, Global Coordinator and Sole Bookrunner** for listing of Compagnia dei Caraibi S.p.A. on AIM Italia. Book about 6.5 times higher than offer and around **100 investors involved**

Risk mitigation solutions for SMEs



INTEREST RATE HEDGING SOLUTIONS



CURRENCY HEDGING SOLUTIONS



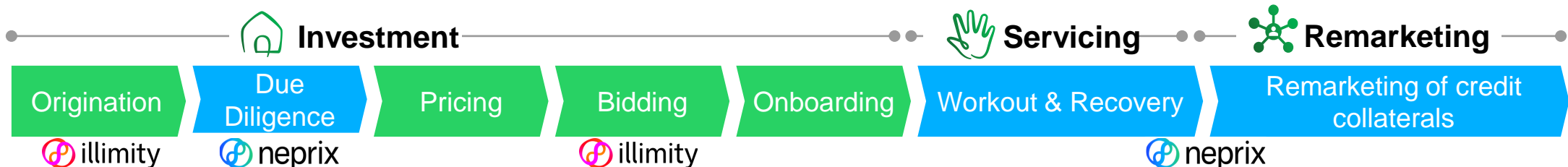
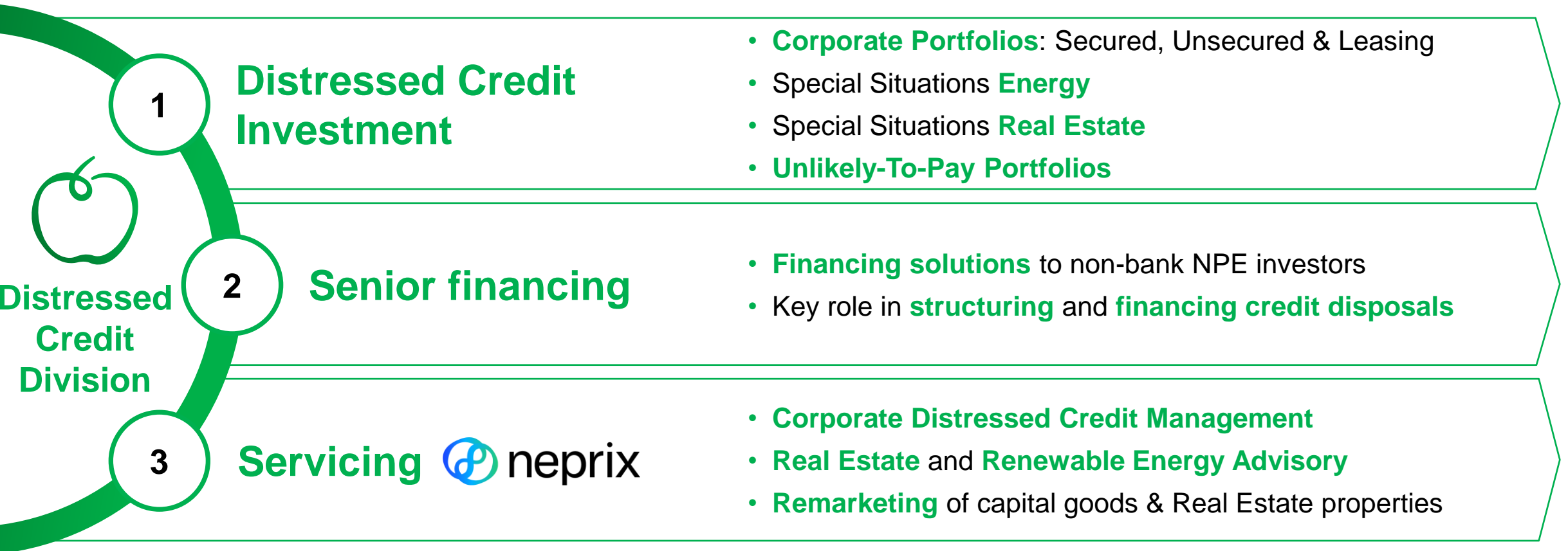
Operations launched in July with first interest rate hedging transaction already completed

Distressed Credit Division

Andrea Clamer



illimity - Specialised player in Corporate Distressed Credit



illimity - Profit generation from dynamic portfolio management underpins strong performance



Overperformance of gross cash flows confirms our very conservative approach on pricing



Strong profit contribution from dynamic portfolio management: €26mIn of profit booked in 2Q21⁽¹⁾, proving to be recurring and sizeable contributor to illimity's results

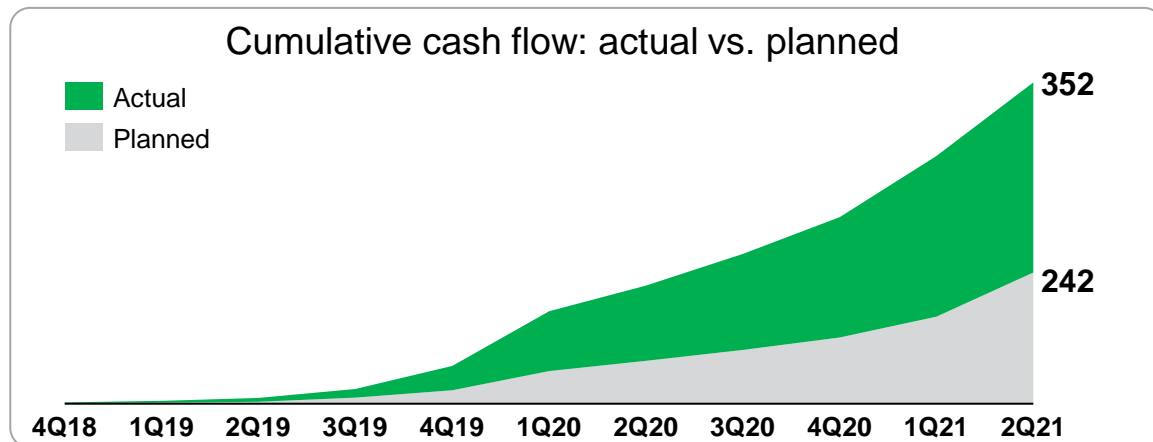


Well-recognised player in attractive niches of the distressed credit market (Special Situations Energy and Real Estate) driving business origination in 2Q21

illimity - Accelerating value creation

Cash Flow view⁽¹⁾

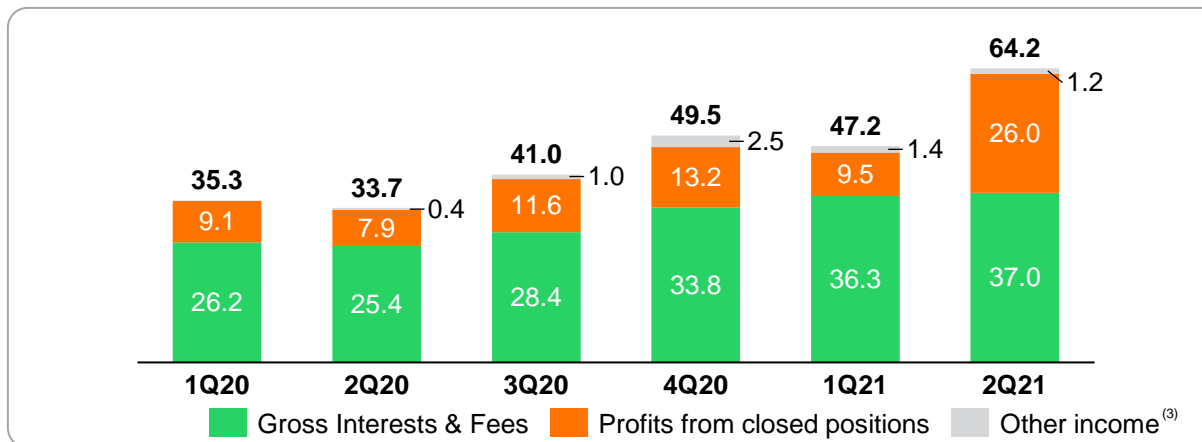
Data in €mln



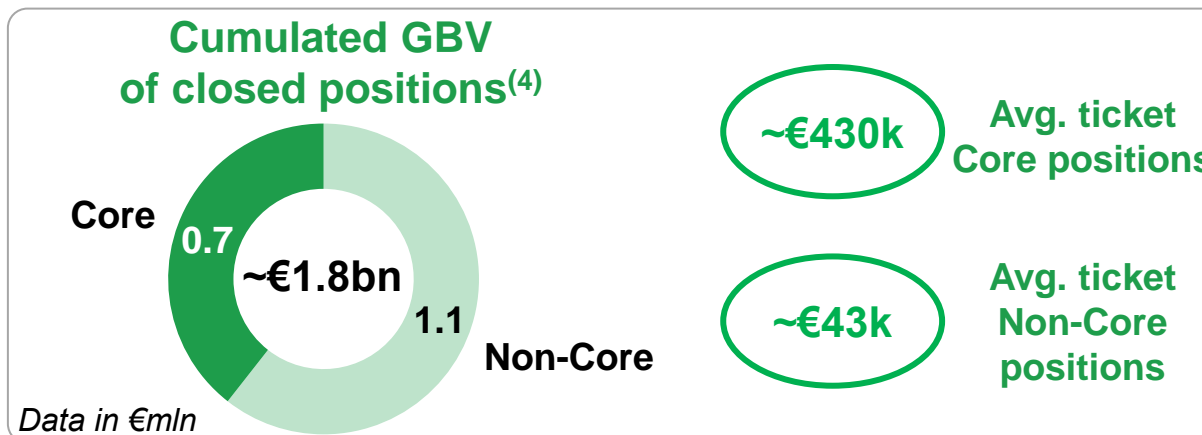
- **Strong cash flow overperformance:** ca. **€110mln** above initial collection plans
- **Outstanding profits from closed positions** complementing revenue from interest on steady basis
- **Dynamic portfolio management** based on **two pillars**:
 - ✓ Anticipated closure of **core exposures** (corporate-large tickets) mainly through DPOs and loan sales
 - ✓ Disposal of **non-core exposures** (retail and very small businesses) in secondary market

Economic view⁽²⁾

Data in €mln



Focus on closed positions

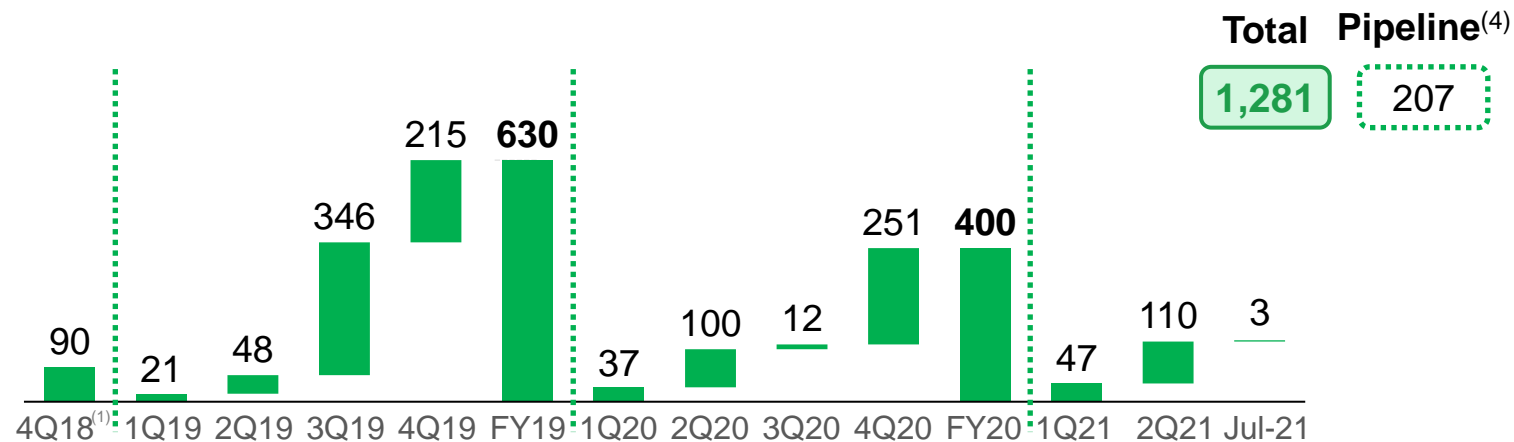


illimity - Strong contribution from Special Situations Energy Desk

Originated business

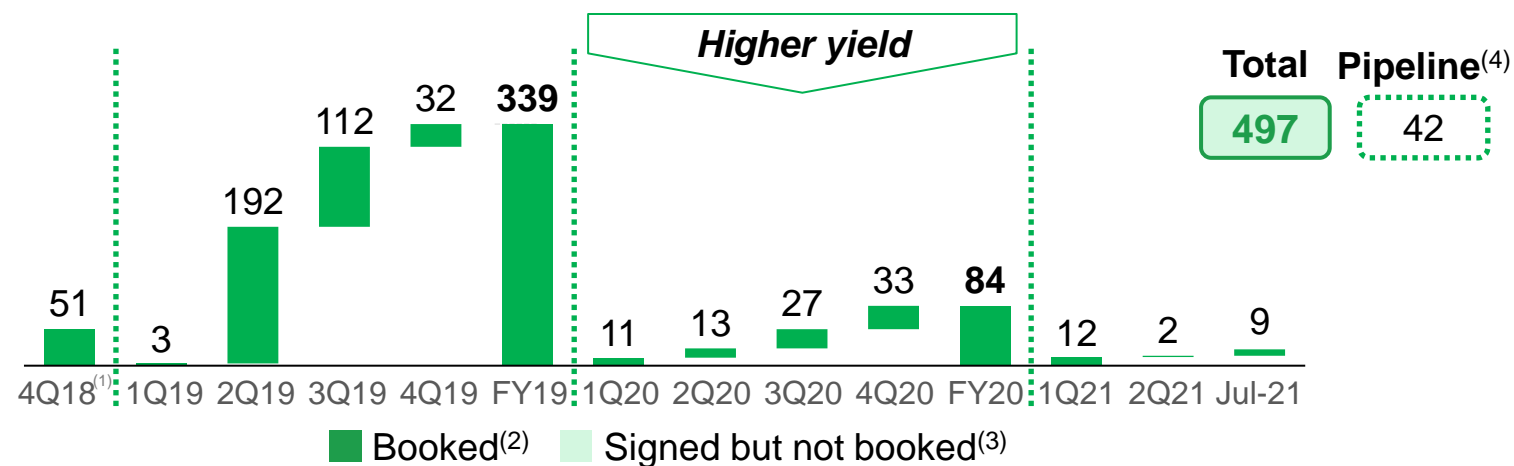
Data in €mln


Distressed
Credit
Investment



Energy desk driving business origination and investments' diversification


Senior
Financing



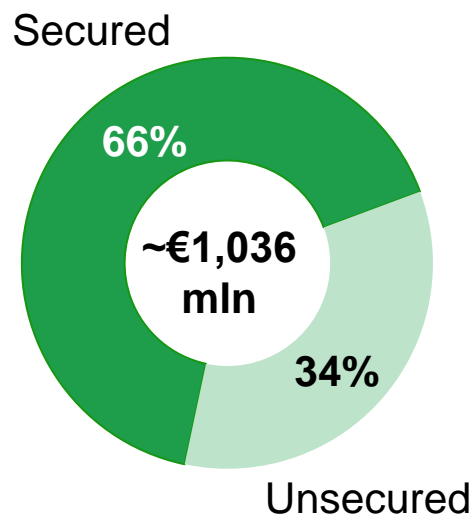
Selective activity in senior financing to **focus on high-yield opportunities**

Notes: Rounded figures; (1) Including September 2018; (2) Distressed credit investments booked, and senior financing loans granted in the period; (3) Deals signed but not yet booked, owing to a settlement structure in multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/purchase, in place at the end of the month; (4) It includes both item 'Terms agreed to be signed' and 'Advanced Pipeline'.

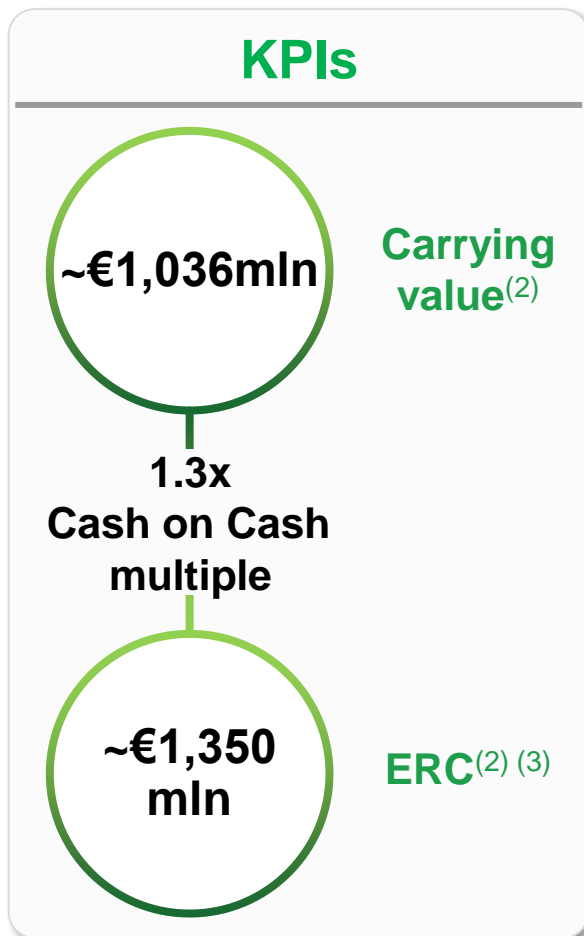
illimity - High quality portfolio in line with targets

Data as of 30 June 2021⁽¹⁾

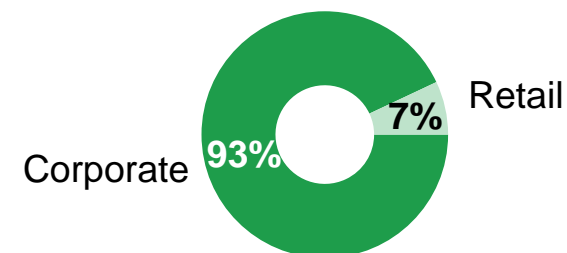
NBV breakdown by type of guarantee



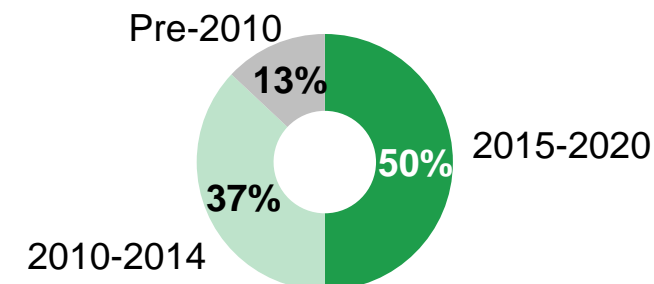
KPIs



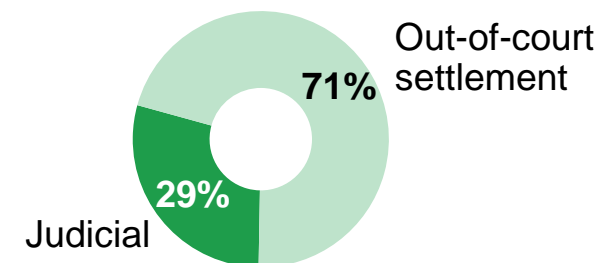
Type of borrower (GBV breakdown)



Vintage (GBV breakdown)



Actual workout strategy (Cash flow breakdown)



Notes: Rounded figures; (1) Data does not include assets repossession (through ReoCo and *datio in solutum*); (2) This includes distressed credits purchased by the Energy desk, which for accounting purposes are recognised at Fair Value (item 120 c) and distressed credit classified as 'Financial assets measured at fair value through other comprehensive income' (item 30); (3) Estimated Remaining Collections on booked investments.

illimity - Renewable energy and Distressed Credit market

A significant potential market...



Renewable energy market is young yet big
Italy invested **over €70bn in 10 years⁽¹⁾** (among Top-3 countries in the EU and Top-10 worldwide)



Additional investments expected by 2030⁽²⁾
€25bn in solar and **€10bn in wind farms**, with limited incentives compared to the past



Investments mostly financed through debt
We estimate **€35bn GBV is still outstanding** as of today, of which **15% distressed (€5bn)⁽²⁾**

...still niche and underserved



Limited competition due to high specialisation needed



Unique business model: dedicated team with **specific asset management skills** and Co-investment with **VEI GREEN**, our **industrial partner with solid track record** in renewable energy plants

illimity - Playing our part in 2030 EU sustainable development plan



2030 Italy targets are set...

- ◆ by 2025, **phase out carbon plants**
- ◆ by 2030, **30% of total energy consumption** must be **from renewable sources**
- ◆ **-40% CO2 emissions**

Expected **55%**
for electricity only
according to GSE⁽¹⁾



... and we are playing our part

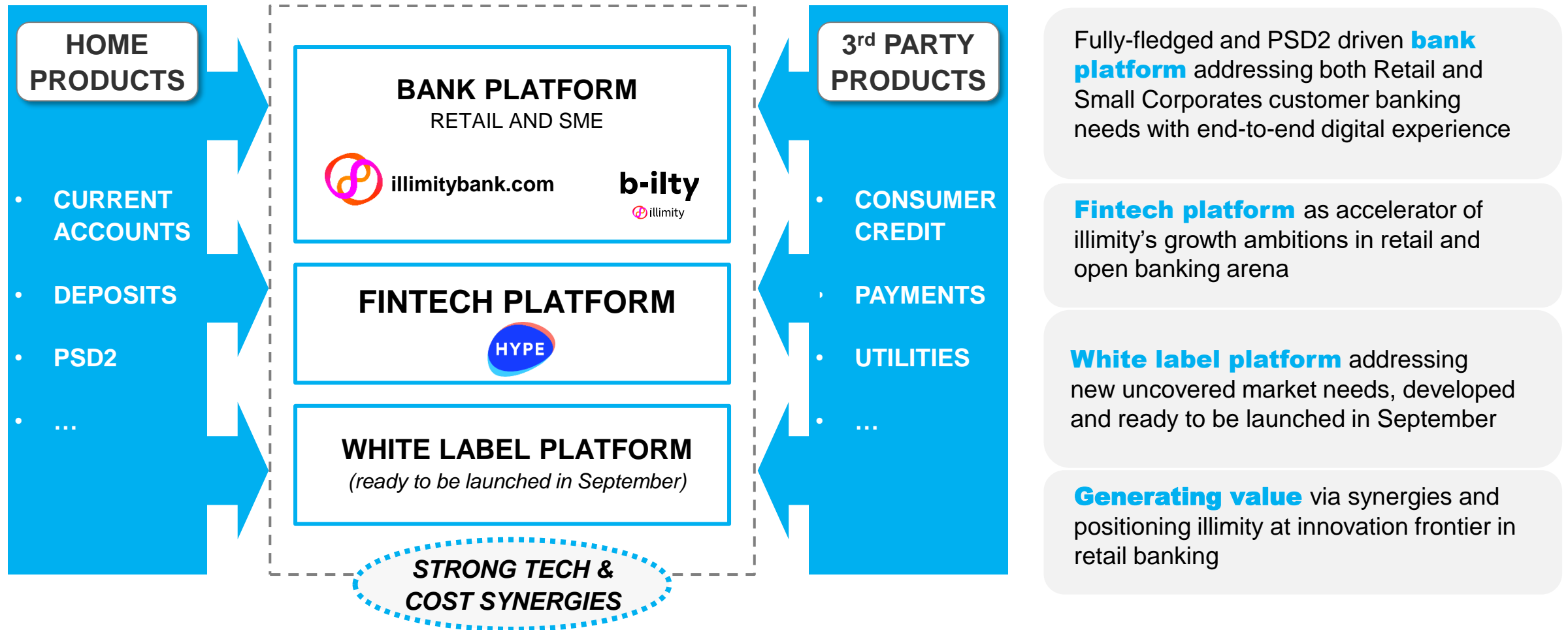
- ◆  illimity &  already invested **€100mIn** in **Energy distressed credit**
- ◆ Expected **annual avoidance of CO2 emissions of over 17,000 tons** from portfolio acquired so far
- ◆ Investment targets for the period **2021-25 upgraded to €300mIn**

Direct Banking Division

Carlo Panella



illimity - Our mission in direct banking



illimity - Sound funding provider – Customer engaged

Data as of 30 June 2021 where not otherwise stated

A Digital Bank designed to increase stickiness and customer engagement:

✓ STABLE FUNDING

€1.2bn

Funding on
illimitybank.com

-33bps

decreasing Cof,
June 21 vs June 20

✓ ENGAGED CUSTOMERS hhh

~50k

Customers
as of July '21

87%

Active
Customers

32%

Loyal
Customers

✓ INCREASED USAGE

+71%

Domiciled Salaries,
June 21 vs June 20

+87%

Sepa Direct Debit,
June 21 vs June 20

74%

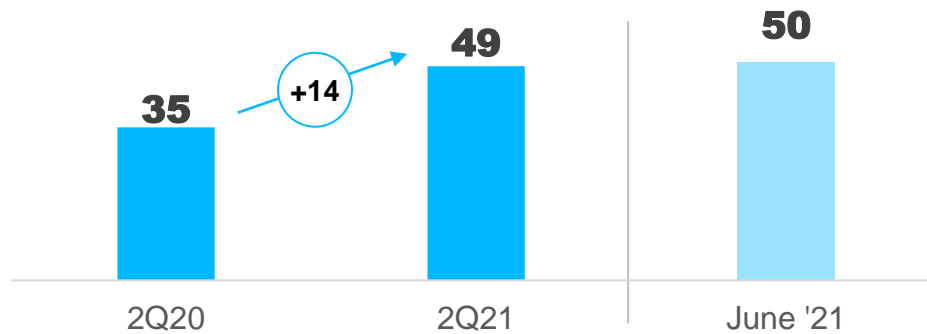
Monthly Access
(mobile+web)



illimity - Strongly appreciated by customers and the market

Data as of 30 June 2021

Top in the market **Net Promoter Score...**



...thanks to a continuous virtuous cycle of **active-listening**⁽¹⁾

78,500
Smart Care
contacts

1,767
Survey's
answers
(doxa and in-app)

954
Analysed
comments
(store and social)

With a value recognised by the market:

- ✓ Top in the market **Net Sentiment Score: 31 NSS**, +10p vs second best player
- ✓ Recently **awarded as most High-tech Banking Group** by Milano Finanza
- ✓ Producing **relevant content: 95mln** impression on illimity touchpoint⁽¹⁾



illimity - B-ILTY: first Direct Bank for Small Corporates



B-ILTY will serve Small Corporates potential market...

Addressing potential market up to ~1 million Small Corporates



...with fully-fledged digital banking platform and complete value proposition tailored for clients needs...

Complete offer with **lending** as hook product with **human-empowered banking model** to better address Small Corporate needs

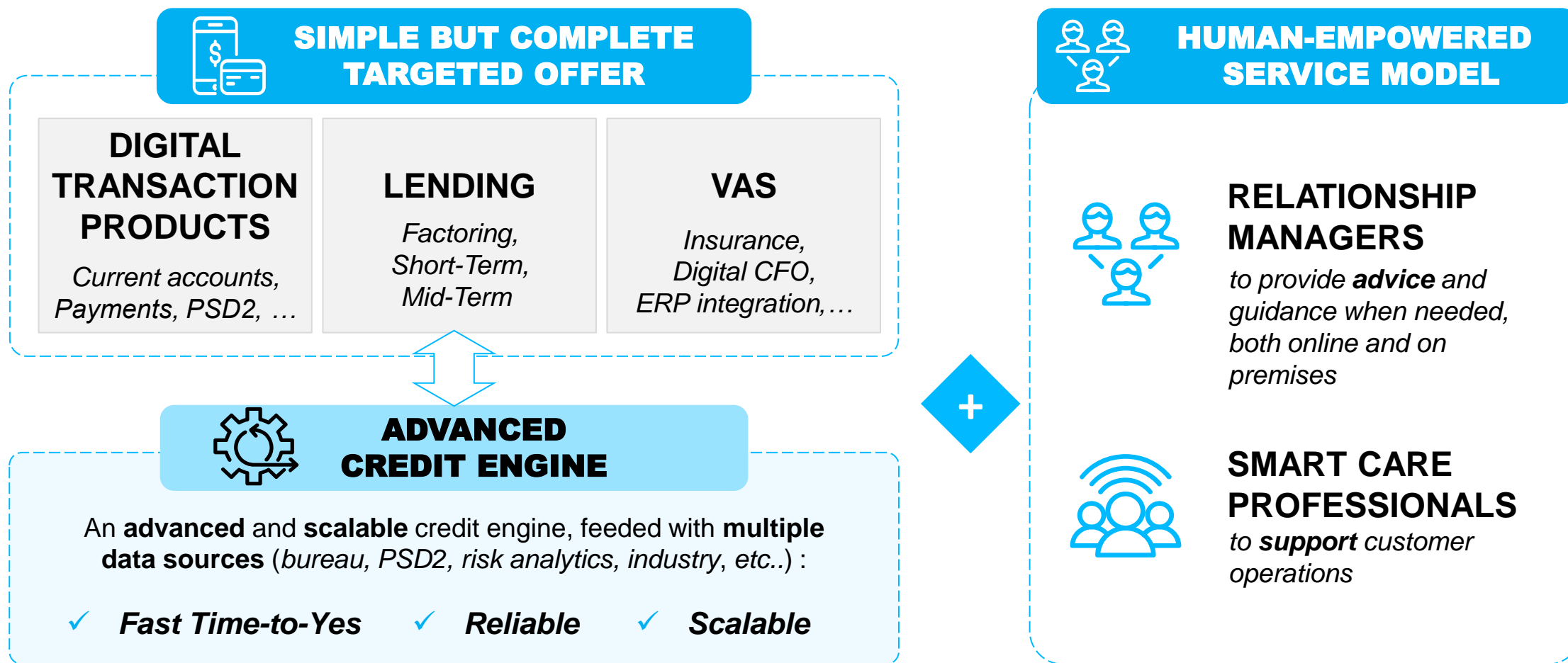
b-ilty



...leveraging on open ecosystem made of partners

Open ecosystem of partners to **accelerate go-to market** and offer best service/ products during all customer's life cycle

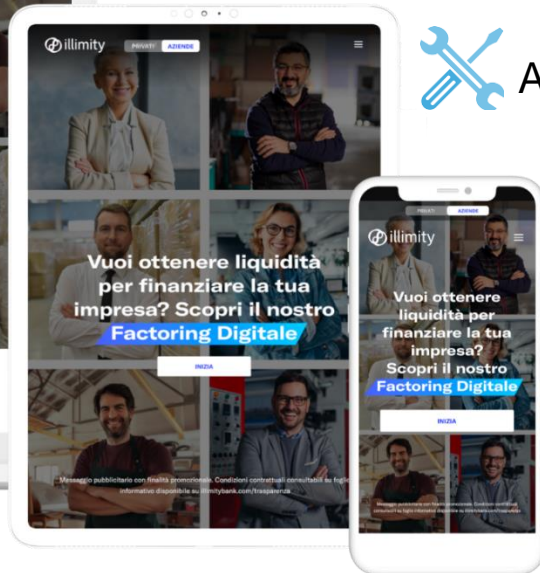
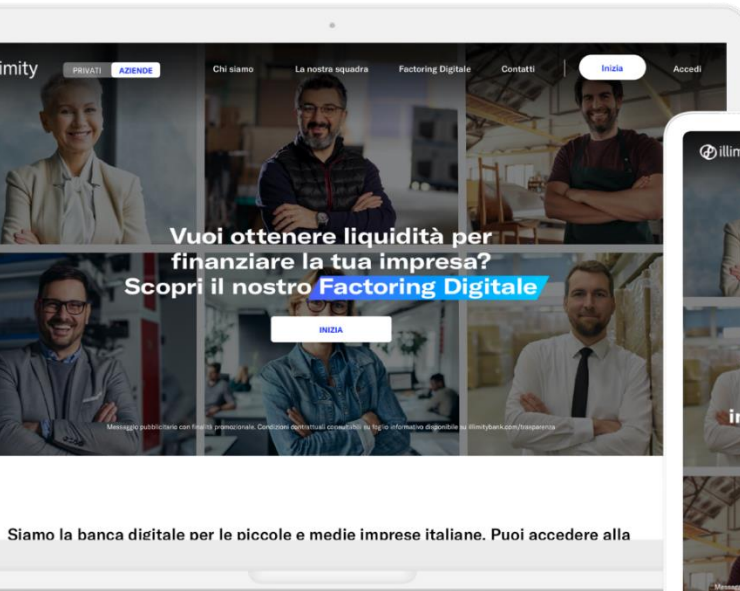
illimity - **B-ILTY: complete targeted offer for Small Corporates**



illimity - Already online with pilot and heading towards launch



**Commercial launch
by 4Q21 – 1Q22**



Pilot started on July 2nd: first digital onboarding end-to-end completed



First product available: **Digital Factoring**



Expanded **illimitybank.com website with corporate section**



Already selected partner for **Credit Engine**



Already working on implementation of **new credit assessment model**



Expected **parallel run** credit engine vs manual evaluation to test engine reliability



Hiring Commercial Network in progress

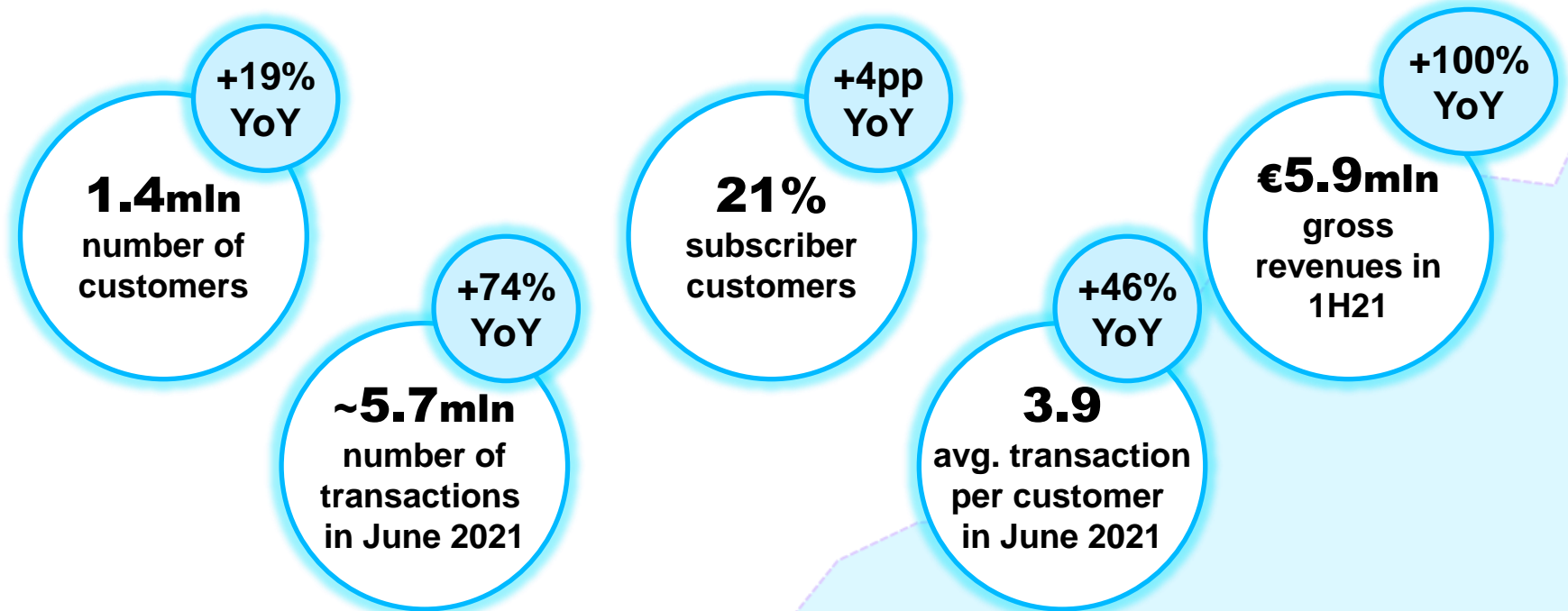
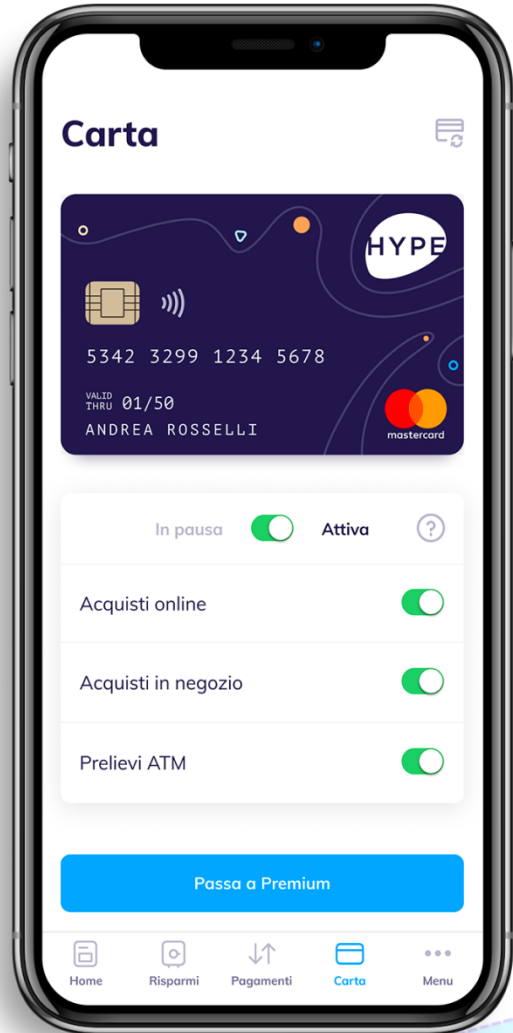


Commercial agreements under evaluation to **boost acquisition**

illimity - **HYPE**: allround steady growth YoY



Data as of 30 June 2021 where not otherwise stated



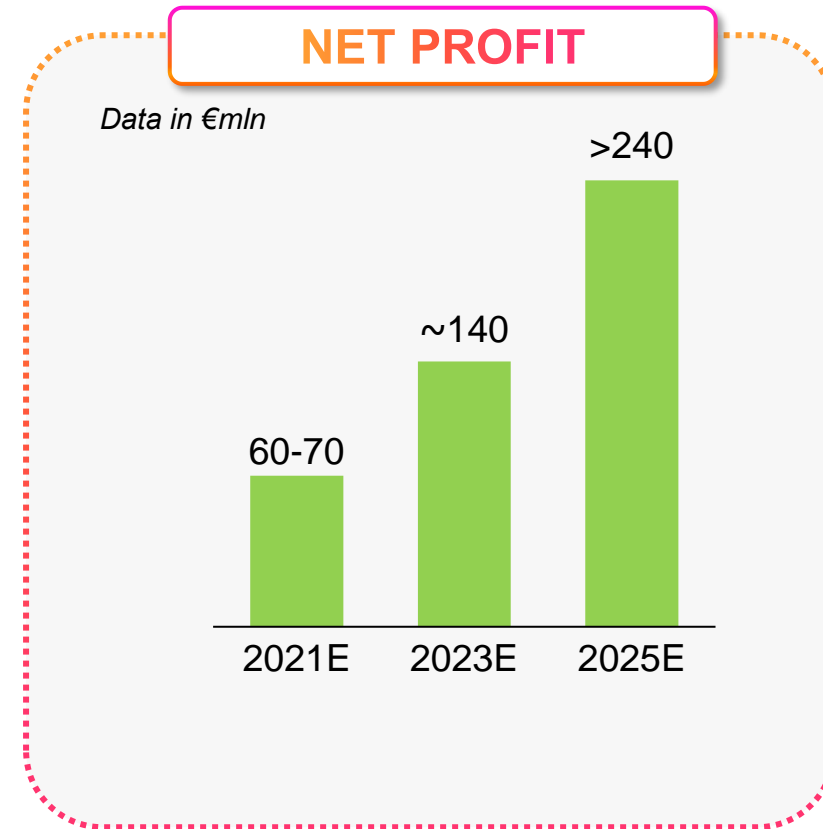
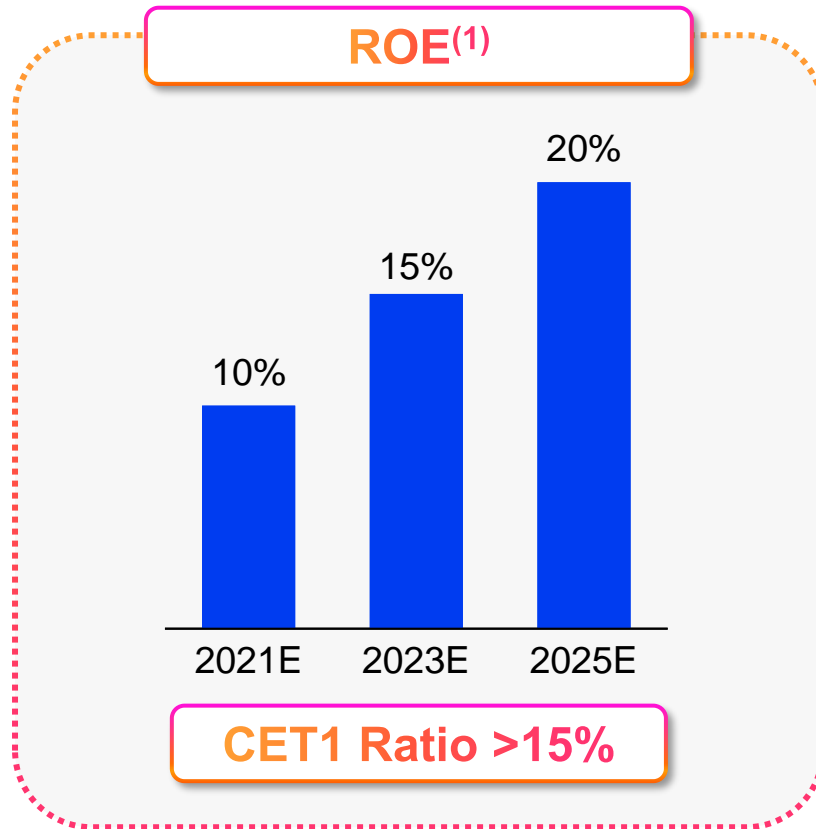
**“New Hype” ready to be launched in 3Q21
to become a *Money Management HUB***



Concluding remarks

Corrado Passera, CEO

illimity - 2021-25 Strategic Plan targets



- Strategic Plan embeds ~€180mln worth of cumulated dividends
- 20%-30% dividend pay-out ratio from 2022 according to high ROE business opportunities

illimity - Glossary

- **Advanced pipeline:** Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months
- **AuM:** Asset Under Management of the servicing unit. It includes the gross book value of distressed credit and the value of property and capital goods managed by neprix, including a portion of portfolios related to senior financing transactions
- **ERC:** Estimated Remaining Collections. It is the Bank's estimated remaining gross cash flows on purchased distressed loans
- **Gross organic NPE ratio:** Ratio of gross organic NPE to total gross loans to customers from Factoring, Cross-over, Acquisition Finance, Turnaround performing (including UTP exposures returned to performing), BIP legacy book and Senior Financing to non-bank Distressed Credit investors - thus excluding UTP loans purchased or originated as part of the Turnaround and the investments in Distressed Credit portfolios
- **NPS:** Net Promoter Score or NPS is a well-known indicator to measure customer experience and to predict business growth leveraging on customers' overall perception of a brand
- **NSS:** Net Sentiment Score or NSS are the opinions and feelings of consumers expressed to a brand in social media and web
- **Organic cost of risk:** Ratio of loan loss provisions to net loans to customers end of period from Factoring, Cross-over, Acquisition Finance, BIP legacy book, Senior Financing to non-bank Distressed Credit investors and the performing exposures of the Turnaround business - thus excluding UTP loans purchased or originated as part of the Turnaround business and the investments in Distressed Credit portfolios
- **Originated business:** This aggregate includes Growth Credit Division loans granted/purchased, Distressed Credit investments booked, senior financing loans granted in the period and the value of the deals signed but yet to be booked in the period, owing to a settlement structure based on multiple tranches or to a time lag between the signing of the master agreement and the date of loan disbursement/onboarding
- **Profit from closed purchased distressed credit positions:** Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff ("DPO") agreed with the debtor
- **Terms agreed to be signed:** Deals in final stage of the formalization of the agreement/contractual terms



Silvia Benzi

Head of Investor Relations & Strategic Planning

Mobile: +39 349 7846537 - +44 7741 464948

Email: silvia.benzi@illimity.com

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