

Company Presentation

September 2022







Foundations for success: people, technology and values



Recent financial results: solid 2Q22 performance

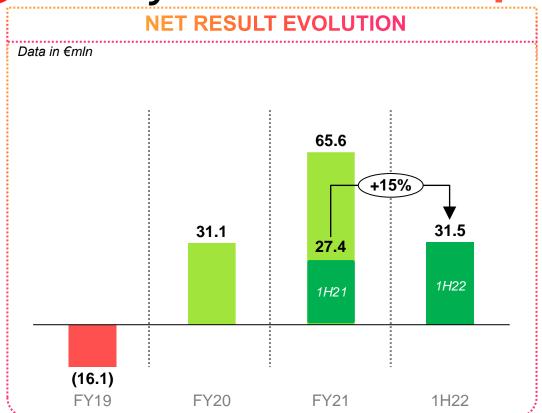


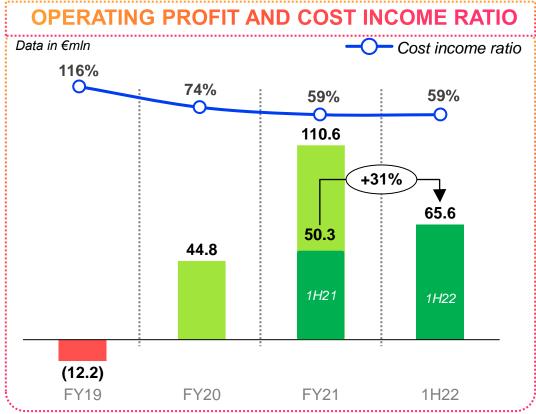
2022: three factors will further drive growth



6 valuable and fast-growing business units

illimity - From start-up to profitability in 3 years







(illimity - Experience and diversity to foster innovation and creativity

Founders



Corrado Passera



Francesco Mele
CFO & Head of Central
Functions⁽¹⁾



Andrea Clamer

Distressed Credit

Division

Enrico Fagioli
Growth Credit
Division



Carlo Panella
Direct Banking
Division

Highly-

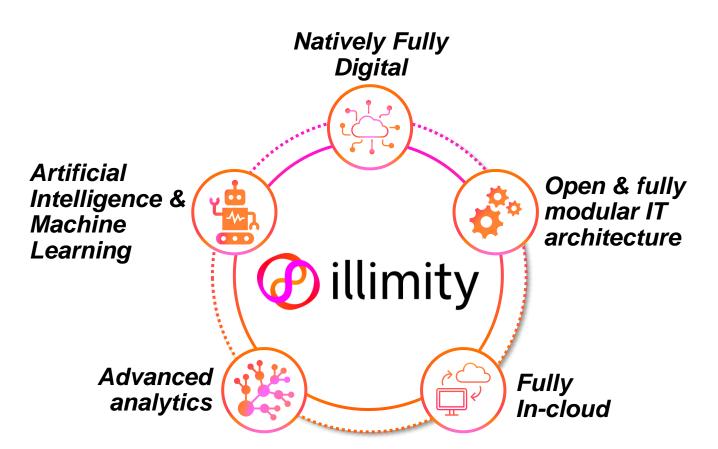
- experienced top management team
- Entrepreneurial attitude
- Strong diversity in illimiters by industry, gender and age

Our People

>830 illimiters

- balanced gender mix
- 36 years average age
- from >300 different organizations of more than 20 industries

illimity - We want to fully exploit the shift from analogic to digital in the financial services market: products, channels and processes



- Pervasive digitalisation in our products, processes and procedures with data-driven decision making
- Open architecture to foster innovation and increase efficiency
- Combination of digital & human

illimity - ESG Investment case



ENVIRONMENT



SOCIAL



GOVERNANCE

 Carbon Neutrality on Scope 1 & Scope 2



- The lowest Scope 1 & 2
 emission intensity in the sector
 at 0.7 tCO2e/FTE (sector avg.
 1.9)1
- Electricity used in illimity's main offices (Milan) produced 100% from renewable energy
- Avoided GHG emissions through reactivation of photovoltaic plants
- €100mln investments in green plants and €66mln in transition finance

- Significant workforce diversity
- Top employer in Europe:
 Great Place to Work®
 award for 4 years



- One of the most flexible integrative welfare plans within the industry
- Negligible Gender Pay Gap (< 5%), among the best in the sector
- illimity Foundation

One-tier system





- Provision of Sustainable success principle included in illimity Bylaws
- Board Sustainability Committee
- ESG Goals in incentive plans (LTIP and MBO) for CEO and Management
- ESG principles in all corporate policies: Diversity, Equity and Inclusion; Sustainable Supply Chain; Ethics for Artificial Intelligence





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6 valuable and fast-growing business units

illimity - Solid 2Q22 performance



Significant volume growth in quarter, particularly in SME lending, driving further progression in net interest income and commissions and more to come in forthcoming quarters as large part of new business was originated at end of period



Steady revenue progression in 2Q22 – up 13% YoY and 3% QoQ – with consistent diversification



Cost income at ~60% includes costs related to new initiatives whose contribution will become visible in coming months



Resilient asset quality with organic cost of risk still at low levels and reflecting strong business origination in quarter

illimity - Diversified and balanced growth

| | Data in €mln | | | | | |
|------|--|---------------|---------------|---------------|-------------------------------|---------------------------------|
| | Reclassified Balance sheet | 30.06 2021 | 31.03 2022 | 30.06 2022 | Δ 30.06.2022 31.03.2022 | Δ 30.06.2022 / 30.06.2021 |
| 1 | Cash and cash equivalent | 514 | 695 | 397 | (43)% | (23)% |
| | Due from banks and other financial institutions | 608 | 215 | 191 | (11)% | (69)% |
| 2 | Customer loans | 2,330 | 2,832 | 3,194 | 13% | 37% |
| | - Distressed Credit investments | 943 | 938 | 921 | (2)% | (2)% |
| | - Distressed Credit senior financing | 311 | 402 | 436 | 8% | 40% |
| | - Growth Credit | 1,006 | 1,421 | 1,733 | 22% | 72% |
| | - Cross-over & Acq. Finance ¹ | 517 | 643 | 731 | 14% | 41% |
| | - Turnaround | 303 | 488 | 630 | 29% | 108% |
| | - Factoring | 186 | 289 | 372 | 29% | 100% |
| 3 | - b-ilty | - | 7 | 24 | 232% | n.s. |
| | - Investment Banking | - | - | 16 | n.s | n.s. |
| | - Non-core former Banca Interprovinciale | 70 | 64 | 64 | 0% | (9)% |
| | Financial assets Hold To Collect (HTC) ² | - | 108 | 161 | 50% | n.s. |
| | Financial assets Hold To Collect & Sell (HTCS) ³ | 315 | 424 | 416 | (2)% | 32% |
| | Financial assets measured at FVTPL ⁴ | 139 | 82 | 118 | 43% | (15)% |
| | Investments in associates and companies subject to joint control | 84 | 78 | 76 | (3)% | (9)% |
| | Goodwill | 36 | 36 | 71 | 96% | 96% |
| | Intangible assets | 37 | 52 | 56 | 8% | 52% |
| | Other assets (Incl. Tangible and tax assets) ⁵ | 267 | 400 | 446 | 12% | 67% |
| 4 | Total assets | 4,331 | 4,922 | 5,127 | 4% | 18% |
| | Due to banks | 582 | 412 | 539 | 31% | (7)% |
| | Due to customers | 2,643 | 3,065 | 3,107 | 1% | 18% |
| | Bond/Securities | 304 | 505 | 510 | 1% | 68% |
| | Shareholders' Equity | 681 | 777 | 802 | 3% | 18% |
| | Other liabilities | 121 | 163 | 169 | 4% | 40% |
| | Total liabilities | 4,331 | 4,922 | 5,127 | 4% | 18% |
| 5 | Common Equity Tier 1 Capital | 543 | 646 | 642 | (1)% | 18% |
| 6 | Risk Weighted Assets | 3,168 | 3,662 | 3,974 | 9% | 25% |
| Note | es: Rounded figures: (1) This figure includes part of the net loans to exist | na cuetomore | of Ranca Into | rnrovincialo | which due to t | hair fastures a |

- Ample liquidity buffer almost €0.6bn between cash, net adjusted interbank position and liquidity buffers even after remarkable new business volumes
- Net customer loans up 13% QoQ mostly driven by Growth Credit Division; b-ilty beta phase being completed
- Increasing investments in securities portfolio, progressively rebalanced towards HTC investments, in line with our investment strategy
- 4 Retail & corporate funding stable at €2.8bn
- CET1 Capital phased-in slightly down to €642mIn due to quarterly profit and Arec-related capital increase on one side, offset by negative mark to market on securities portfolio and goodwill from Arec acquisition on other side
- RWA up due to increase in business volumes; benefit from amendment to art. 127 CRR will be effective starting from 3Q22

Notes: Rounded figures; (1) 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; (2) Includes securities portfolio classified as financial assets measured at amortised cost; (3) HTCS: Financial assets measured at fair value through comprehensive income. This item includes €4.5 million of Investment Banking Division alternative debt classified HTCS; (4) 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; (5) It includes assets arising from the purchasing of tax assets (the so-called "Ecobonus") for €84 million and senior notes for approximately €38 million resulting from the securitisation of a distressed credit portfolio that are expected to be sold.

illimity - Steady progression in operating performance

| I | Data in €mln | | | | | | | | |
|---|---|--------|--------|--------|-----------|-----------|--------|--------|-----------|
| | Reclassified Profit & Loss | 2Q21 | 1Q22 | 2Q22 | Δ Q/Q% | Δ Y/Y% | 1H21 | 1H22 | Δ Y/Y% |
| | Interest income | 47.5 | 51.7 | 54.4 | 5% | 15% | 93.5 | 106.1 | 14% |
| | Interest expenses ¹ | (14.3) | (15.7) | (16.4) | 4% | 15% | (29.1) | (32.1) | 10% |
| U | Net interest income | 33.2 | 36.0 | 38.0 | 5% | 14% | 64.4 | 74.1 | 15% |
| 2 | Net fees and commissions | 8.7 | 12.8 | 14.8 | 15% | 70% | 13.6 | 27.6 | 103% |
| 3 | Net result from trading and Fair Value assets | 1.1 | 2.8 | 5.9 | 114% | 454% | 4.9 | 8.6 | 76% |
| | Net other income/expenses | 2.1 | 6.3 | 5.7 | (9%) | 166% | 4.1 | 12.0 | 189% |
| 4 | Profit from closed purchased distressed credit positions ² | 26.0 | 20.6 | 16.2 | (21%) | (38%) | 37.4 | 36.8 | (2%) |
| | Gain (loss) from disposal of investments | - | - | - | - | - | 2.3 | - | (100%) |
| | Operating income | 71.1 | 78.5 | 80.6 | 3% | 13% | 126.8 | 159.0 | 25% |
| | Staff costs | (19.0) | (20.7) | (22.8) | 10% | 20% | (35.6) | (43.5) | 22% |
| | Other operating expenses | (19.2) | (20.8) | (21.9) | 5% | 14% | (35.8) | (42.7) | 19% |
| | Depreciation & Amortisation | (2.2) | (3.4) | (3.9) | 15% | 77% | (5.2) | (7.3) | 41% |
| 5 | Operating costs | (40.4) | (44.9) | (48.5) | 8% | 20% | (76.6) | (93.5) | 22% |
| | Operating profit | 30.7 | 33.5 | 32.1 | (4%) | 4% | 50.3 | 65.6 | 31% |
| 6 | | (1.6) | (0.5) | (2.5) | 358% | 55% | (8.0) | (3.0) | 259% |
| | Value adjustments on purchased distressed credit | (4.6) | (4.6) | (3.2) | (31%) | (31%) | (0.7) | (7.8) | 993% |
| | Value adjustments on securities and loans to banks | 0.3 | (0.5) | (0.2) | (50%) | n.m. | (1.3) | (0.7) | (43%) |
| | Other net provisions for risks and charges | 0.0 | (0.0) | (0.0) | (64%) | (140%) | - | (0.0) | n.m. |
| | Other income from equity investments | (1.9) | (1.8) | (2.0) | 11% | 9% | (4.0) | (3.8) | (3%) |
| | Contribution to banking sector schemes | (0.6) | (2.0) | (0.1) | (94%) | (78%) | (2.0) | (2.1) | 6% |
| | Profit (loss) before tax | 22.4 | 24.1 | 24.0 | (0%) | 7% | 41.5 | 48.1 | 16% |
| | Income tax | (7.5) | (8.4) | (8.2) | (2%) | 9% | (14.1) | (16.6) | 18% |
| | Net result | 14.9 | 15.7 | 15.8 | 1% | 6% | 27.4 | 31.5 | 15% |
| | | | | | | | | | |

- Steady growth in net interest income on volume progression, largely supported by Growth Credit
- Remarkable progression in net fees and commissions fueled by business origination
- Strong result from trading and FV assets income driven by solid performance of distressed credit energy desk and IB customers activities
- Profit from Distressed Credit closed positions remains a steady feature of our business model
- Operating costs up largely on seasonal €1.5mln⁽³⁾ costs related to the ESOP plan and investments related to new initiatives
- Organic loan loss provision charges are due to collective provisions on a robust loan origination and some analytic adjustment to certain positions

Notes: Rounded figures; It should be noted that starting from the fourth quarter of 2021 operating costs are restated as a result of the reclassification of contribution to banking sector schemes to a specific item in the Group's income statement, in line with industry practice. (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. See 'Profit from closed purchased distressed credit positions' in the Glossary at the end of this document; (3) Non accounting figures.

illimity - Growth Credit and Investment Banking accelerating

| | C |) | الم | | Q | | | | | | | | | |
|--|----------------------------------|--------|---------------------------------------|--------|-----------------------|-------|-------------------------------|--------|-----------------|-------|---------------------|--------|--------|--------|
| | DISTRESSED CREDIT DIVISION | | GROWTH CREDIT DIVISION (BIP included) | | INVESTMENT BANKING | | DIRECT BANKING DIVISION | | illimity | | CORPORATE CENTRE | | TOTAL | |
| Data in €mln | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 | 1H21 | 1H22 |
| Net interest income | 54.3 | 54.8 | 7.7 | 15.8 | 0.6 | 1.3 | 1.8 | 2.2 | 0.0 | - | 0.0 | - | 64.4 | 74.1 |
| Net fees and commission | 4.9 | 7.3 | 6.3 | 13.4 | 2.0 | 5.6 | - | - | 0.5 | 1.3 | (0.1) | - | 13.6 | 27.6 |
| Other income | 42.3 | 45.6 | 3.4 | 2.7 | 0.3 | 0.7 | 2.3 | 7.0 | 0.0 | (0.1) | 0.5 | 1.5 | 48.8 | 57.4 |
| Operating income | 101.5 | 107.7 | 17.4 | 31.9 | 2.9 | 7.6 | 4.1 | 9.2 | 0.5 | 1.2 | 0.4 | 1.5 | 126.8 | 159.0 |
| Staff costs | (12.8) | (15.5) | (5.0) | (6.1) | (1.0) | (1.8) | (4.1) | (3.8) | (1.1) | (1.2) | (11.6) | (15.1) | (35.6) | (43.5) |
| Other operating expenses and D&A | (19.7) | (23.0) | (5.1) | (4.0) | (0.6) | (0.5) | (6.0) | (8.7) | (0.1) | (0.2) | (9.3) | (13.6) | (40.9) | (50.0) |
| Operating costs | (32.5) | (38.5) | (10.1) | (10.1) | (1.6) | (2.3) | (10.1) | (12.5) | (1.2) | (1.4) | (21.0) | (28.7) | (76.5) | (93.5) |
| Operating profit | 69.0 | 69.2 | 7.3 | 21.8 | 1.2 | 5.3 | (6.0) | (3.3) | (0.7) | (0.2) | (20.5) | (27.2) | 50.3 | 65.6 |
| Provisions | (2.5) | (8.9) | 0.4 | (1.9) | (8.0) | (0.6) | - | (0.1) | - | - | 0.1 | - | (2.8) | (11.5) |
| Other income from equity investments | - | (0.1) | - | - | - | - | (4.0) | (3.7) | - | - | - | - | (4.0) | (3.8) |
| Contribution to banking sector schemes | (0.3) | (0.3) | (0.4) | (0.4) | - | | (0.3) | (0.4) | - | - | (1.0) | (1.0) | (2.0) | (2.1) |
| Profit (loss) before tax | 66.2 | 59.8 | 7.3 | 19.5 | 0.4 | 4.7 | (10.3) | (7.5) | (0.7) | (0.2) | (21.4) | (28.2) | 41.5 | 48.1 |
| | | | <u> </u> | + | : | | | | | | | | | |
| | | | Combined 1H22 ~€24mln +214% YoY | | | | | | | | | | | |
| Interest earning assets | 1,612 | 1,717 | 1,193 | 2,055 | 41 | 130 | - | 26 | - | - | 1,122 | 588 | 3,968 | 4,515 |
| Other assets | 91 | 145 | 25 | 135 | - | - | 84 | 89 | - | - | 163 | 243 | 362 | 611 |
| RWA | 2,055 | 2,146 | 818 | 1,270 | 38 | 119 | 28 | 73 | 0 | 3 | 229 | 363 | 3,168 | 3,974 |



Distressed Credit still major profit contributor with ~68% of Group's 1H22 revenue. Operating profit dynamic reflects costs related to new initiatives whose contribution will become visible in coming months



Growth Credit contribution to Group Operating profit almost tripling YoY in 1H22 thanks to strong business origination and increasingly visible operating jaws. Cost income ratio down from 58% in 1H21 to 32% in 1H22



Investment Banking visible contribution, more than doubling revenue YoY in 1H22



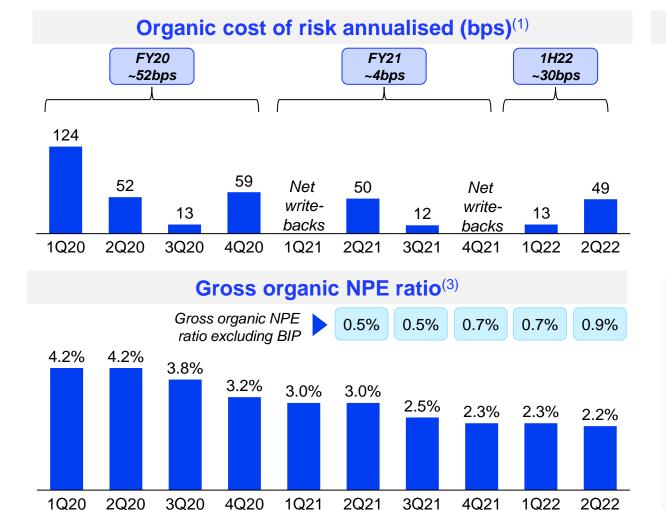
Direct Banking benefiting from IP license agreement on IT platform while operating costs still reflect investments in b-ilty whose contribution to revenue will be visible in 2H22 as beta phase is now being completed

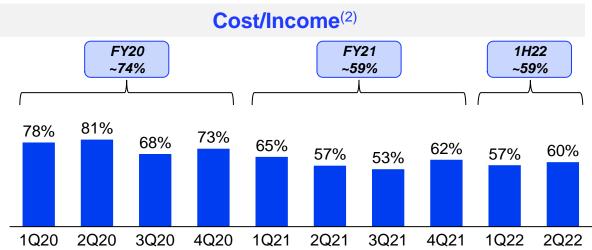


Higher cost at **Corporate centre** reflecting strengthening of organisational structure to support growth

Note: Rounded figures. 1H21 restated for a like-for-like comparison with 1H22. Operating costs restated for reclassification of contribution to banking sector schemes to a specific item in the Group's income statement.

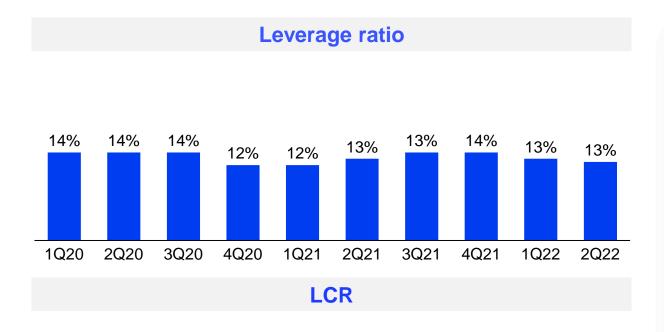
(P) illimity- Operating leverage gains and strong asset quality

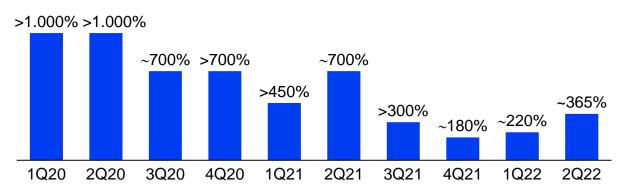




- Annualised cost of risk remained low at 49bps in 2Q22 and 30bps in 1H22 mostly due to generic provisions on new business and to analytic adjustments to selected positions
- Best in class Organic NPE ratio at 0.9% for business originated by illimity; circa 2.2% including former BIP portfolio
- Cost income ratio flat due to scheduled investments in connection with new initiatives; underlying business shows operating leverage gains

illimity - Other Regulatory Ratios





- 78% RWA density⁽¹⁾ in 2Q22, decreasing to 72% on a pro-forma basis⁽²⁾ in line with Plan
- Ample liquidity buffer
- Net Stable Funding Ratio comfortably above minimum regulatory requirements

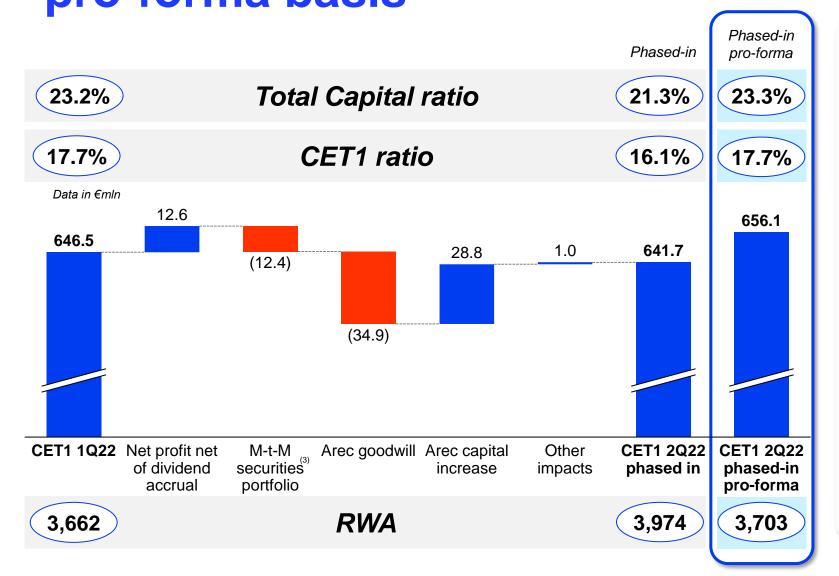
Encumbrance Ratio 2Q22

~18%

Liquidity profile⁽³⁾

~€0.6bn

illimity - CET1 Ratio phased-in at 17.7% on pro-forma basis

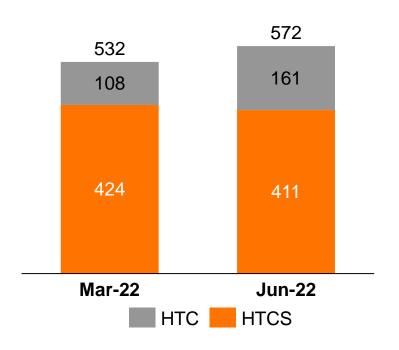


- CET1 Capital⁽¹⁾ in 2Q22 slightly down on negative valuation reserves on securities portfolio and goodwill from Arec transaction
- RWA up 9% QoQ due to increase in business volumes in 2Q22; including benefits from amendments to art. 127 CRR, RWA would be up 1% QoQ
- CET1 ratio phased-in would reach 17.7% (17.3% fully loaded) on proforma basis⁽²⁾ including special shares and amendment to art.127 CRR
- Total Capital Ratio phased-in at 21.3% (and 23.3% pro-forma) and fully loaded at 21.0% (22.9% proforma)

into HTC illimity - Further diversification portfolio strategy

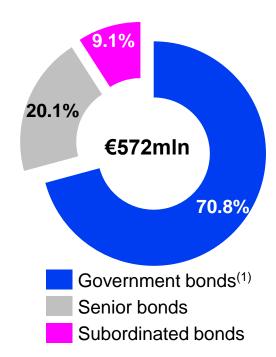
Securities portfolio

Data in €mIn



Portfolio composition HTCS / HTC

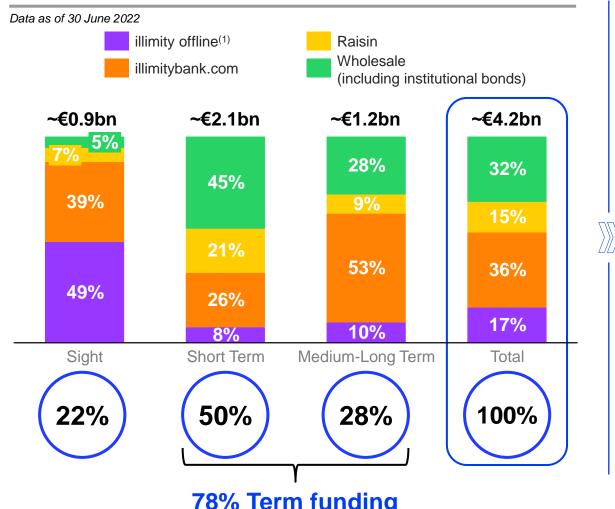




- HTC share continues to increase reaching 28% of securities portfolio in line with our portfolio strategy
- Duration 5.3 years
- Average yield approx. 1.7%
- Negative M-t-M⁽²⁾ at approx.
 €43mln on 30/6/2022
- Hedge accounting strategy in place to largely mitigate impact on valuation reserves from further interest rates volatility
- CR01: ~€244k
- DV01: ~€234k

(P) illimity - Well diversified funding mix confirmed

Maturity mix





Medium-Long Term funding maturity around 2.7 years



Blended average cost of funding broadly stable at ~1.5%



€300mIn senior preferred bond issued in Dec-2020 and €200mln Tier 2 issued in July 2021





Foundations for success: people, technology and values



Recent financial results: solid 2Q22 performance



2022: three factors will further drive growth



6 valuable and fast-growing business units

(P) illimity - 2022: three factors will further drive growth



of our core markets

We will keep investing in our core markets SME performing loans and distressed credit poised to become even larger in current scenario



Development of tech-led initiatives

We will develop high-tech initiatives in markets contiguous to our core businesses



We will keep our journey towards further digitalisation of products, procedures and processes







(P) illimity - Immense and growing core markets

SME **Performing loans**

~€700bn(1)

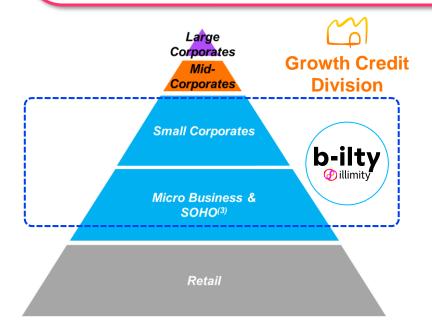
stock



SME Distressed Credit

~€180bn⁽²⁾

Expected cumulated transactions 2021-25 (GBV)



Customised value proposition

Digital automatized value proposition









Direct Investments

Senior **Financing**

Servicing

Proptech

- Corporate Portfolios
- Special Situations Energy
- Special Situations Real Estate
- Unlikely-To-Pay Portfolios
- Public Procurement Claims

illimity - Leading player in large tickets real estate corporate UTPs

Distressed Credit Division Investment in UTP portfolios **Growth Credit Division** neprix Debt restructuring competencies Unique illimity SGR approach to UTPs Management of positions AREC contributed in kind by originating banks APOLLO Co-investor



€4bn(1)

Corporate UTPs under Management (GBV)

€11bn⁽¹⁾

Total AuM (GBV)

illimity - Our digital platforms will greatly push value creation



Top open banking platform for retail customers



Unique fully-fledged digital platform for small corporates



Top fintech challenger in Italy⁽¹⁾



Leading real estate digital brokerage platform on market

Potential future value upsides



Highly scalable operations



Suitable for partnership or IPO



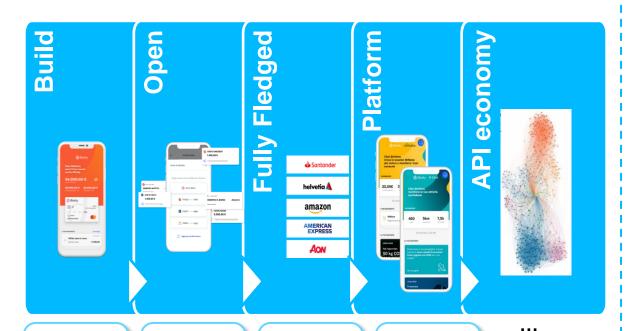
New channels & products



Open to entry in foreign markets

illimity - We are ready to exploit the digital wave

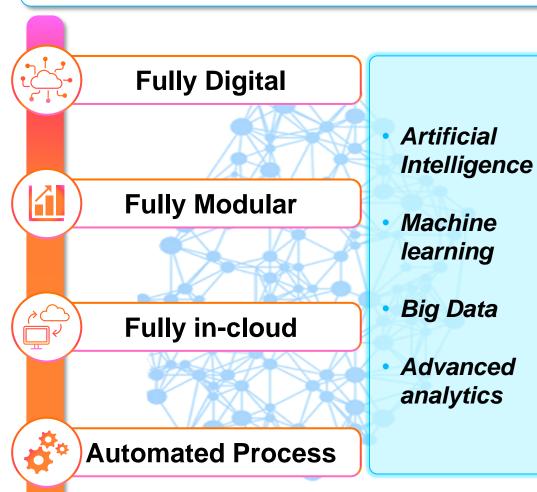
ILLIMITY DIGITAL JOURNEY FOR RETAIL AND SMALL CORPORATES CUSTOMERS



Fully digital direct bank

PSD2 Native Third Parties Products

illimity HUBS NATIVELY DIGITAL IN PROCESSES, PROCEDURES AND SYSTEMS







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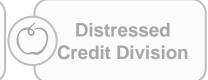
6 valuable and fast-growing business units



Credit and services to SMEs



Lending to small corporates



NPE Investments, financing and servicing







Proptech

Retail fintech

(illimity - Large and growing Italian SME market

Large Corporates

Mid Corporates

Small **Corporates**

Micro & SOHO(1)

Retail

Turnaround

- Refinancing
- Restructuring
- New finance
- UTP portfolios

Cross-over & Acq. Finance

- Cross-over / Structured Finance
- Acquisition Financing

Factoring

- Supply Chain Financing
- With/Without recourse
- Reverse Factoring

Investment Banking

- Equity capital markets, Euronext Growth Advisor, **IPO**
- Risk mitigation solutions
- Debt capital markets, mini-bonds

>€35bn⁽²⁾

Market Size

Expected cumulated UTP transactions 2021-25 (GBV)

€250-300bn⁽³⁾

Performing loans to non-financial companies with >€10mln turnover

~€250bn⁽⁴⁾

Total Turnover in Italy

~€490mIn⁽⁵⁾

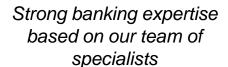
Total amount of capital raised for IPO on **Euronext Growth Milan in 2021**

~€380mIn⁽⁶⁾

Corporates mini-bond issued in Italy in 2021

illimity - Italian SMEs specialist partner











Tutors with financial and

industries expertise









Client data









REQUEST

EVALUATION

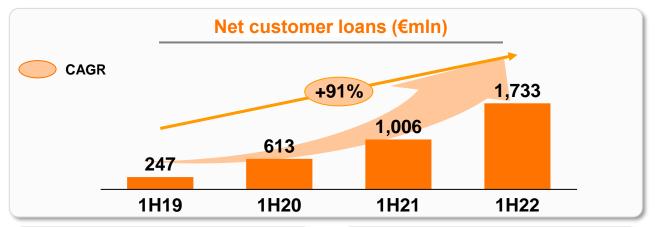
RESOLUTION

CLOSING

MONITORING

Tutors support the whole process from credit underwriting to monitoring

(illimity - Outstanding growth and quality



Revenue breakdown⁽¹⁾ (€mln)

+83%

17.4

20%

36%

44%

1H21

Other income⁽²⁾

Net interest income

Net fees and commissions

31.9 8%

42%

50%

1H22





Well-recognised player in the market with a very selective approach

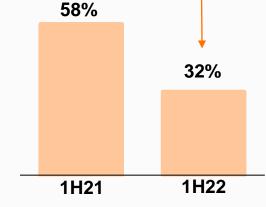








Cost income ratio declining further



Cost income ratio⁽¹⁾

-26pp



Excellent quality of business

Division's Gross Organic NPE ratio⁽⁴⁾

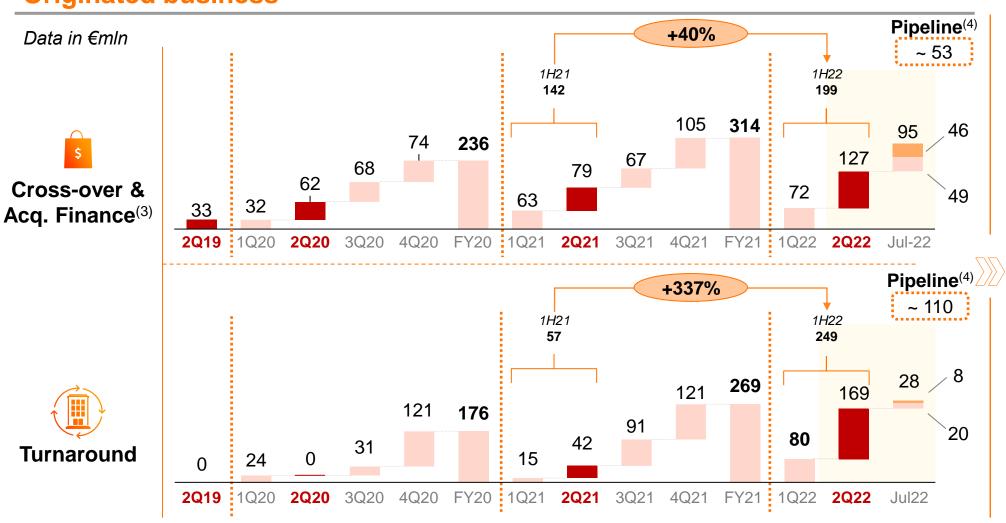
RWA density

Thanks to capital management solutions and public guarantees

Data as of 30.06.2022

(illimity - Business momentum accelerated in 1H22)

Originated business





Growth in business origination accelerating further with remarkable pipeline ahead

Around 47% of new lending with public guarantees in 2Q22

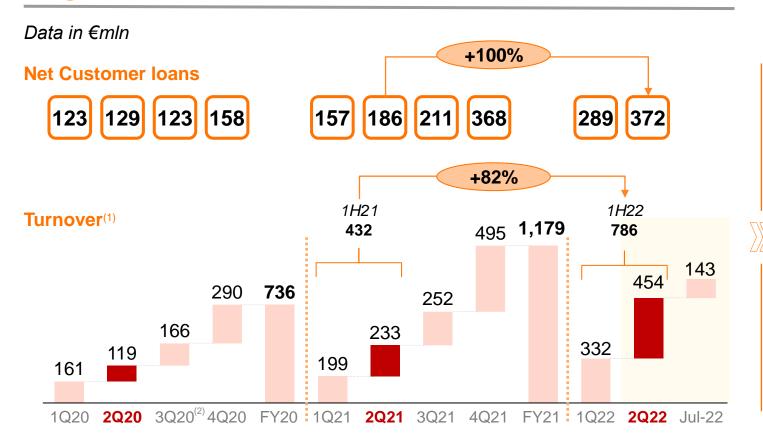


Best quarter ever in Turnaround and Crossover & AF with business origination fueled by public quarantees

Booked⁽¹⁾ Signed but not booked⁽²⁾

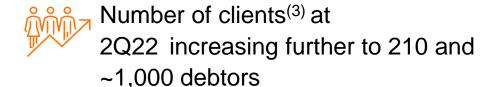
illimity - Factoring delivers on targets

Originated business

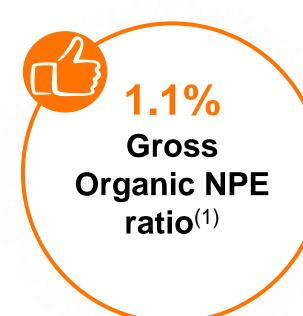








illimity - Solid asset quality





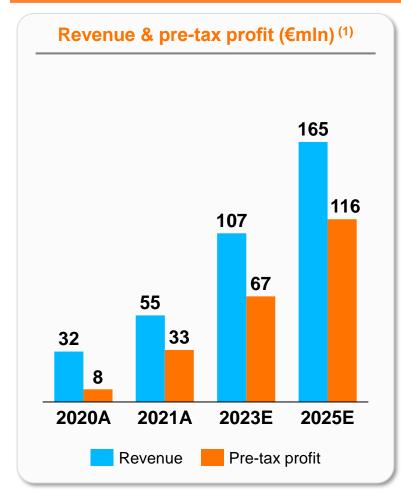


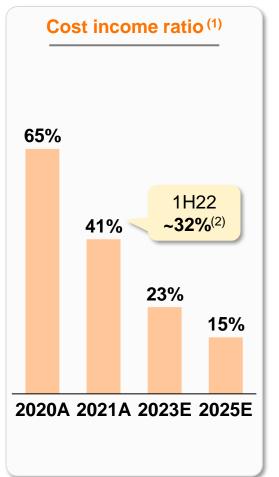


Direct exposure to Russia-Ukraine Conflict at ~1% of Growth Credit loans

illimity - Operating leverage gains will drive profitability going forward

Growth Credit Division – Key targets







Strong business origination in 2021-25



Highly scalable organization with operating leverage to become increasingly visible as volumes grow



Profitability of Turnaround business in terms of profit from credit revaluation to significantly materialise towards end of Plan horizon



Asset quality to remain at excellent level

(a) illimity - Investment Banking: increasingly visible P&L contribution and good opportunities ahead

Capital Markets

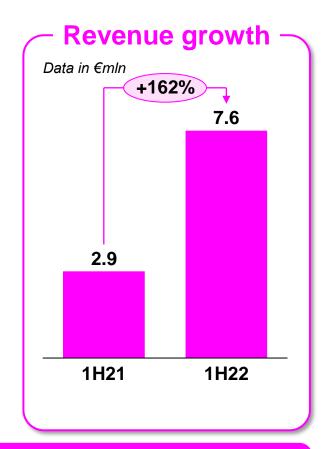
- 2 IPOs closed in 2Q22 together with other advisory mandates, bringing total IPOs closed since beginning of activity to 4
- Further mandates to be executed by 2022

Corporate Solutions

- Risk mitigation solution activities continue to deliver
- Bond portfolio at ~€115mln⁽¹⁾, of which €96mln are HTCS corporate bonds

Structuring

- First mandate as Arranger closed in 2Q22
- 4 additional mandates in place with underwriting opportunities expected to generate revenue in 2022





Launched activities in early 2021 and already delivering important results despite difficult market conditions





Foundations for success: people, technology and values



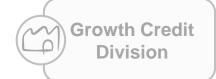
Recent financial results: solid 2Q22 performance



2022: three factors will further drive growth



6 valuable and fast-growing business units



Credit and services to SMEs



Lending to small corporates



NPE Investments, financing and servicing







Proptech

Retail fintech



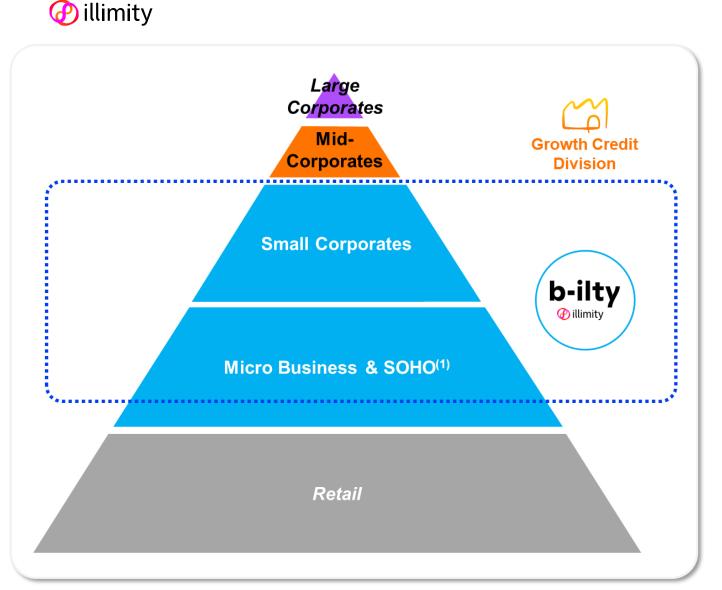
presents

b-ilty

the first digital business store for Small Corporates

b-ilty - New market, huge potential





 Market potential up to 1 million (SMEs with turnover in approx. €2-10mln range)

 Small Corporate segment is still underserved by both traditional players and newcomers

Note: (1) Small Office Home Office.

b-ilty - Unique offering





More than just lending: the first digital business store dedicated for small corporates



Complete product suite: financial and credit products dedicated for Small Corporates



Full digital experience: 100% paperless and easy to use



Digital but also human interface: contact centre 7 days a week and professional relationship managers



Advanced analytics to be in control of their financial state

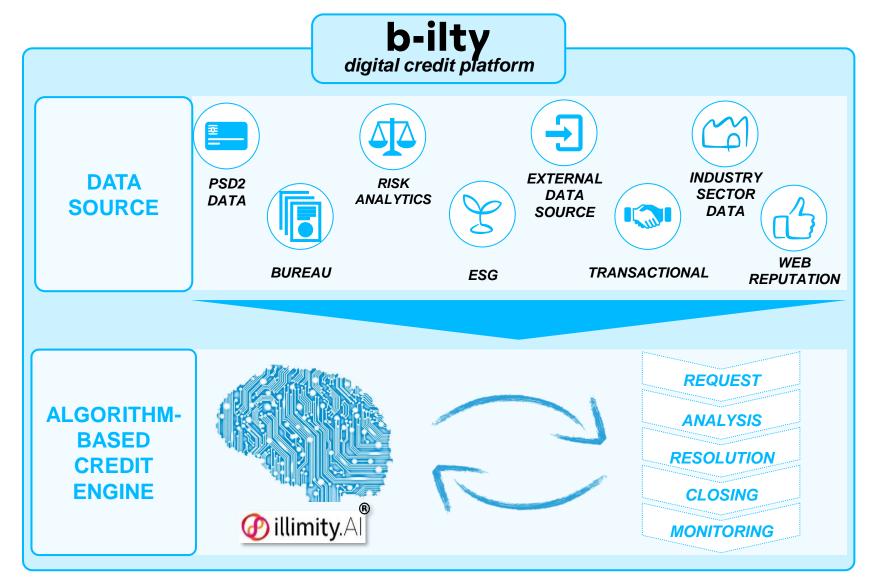


Try & Buy subscription formula: one monthly fee, unlimited transactions. Free for the first 3 months.



b-ilty - Fast response time: Credit Engine

illimity



Beta phase being completed READY TO SCALE

Key strengths









b-ilty @illimity

b-ilty - Best-in-class partner for small corporates



(illimity)



PSD2: all current accounts in one touchpoint



Advanced insights: providing insight on your customers and supply chain



Peer comparisons and benchmarking analysis of main financial indicators vs average market value



Digital CFO and other best in class software solutions to help you run your business



30-minutes onboarding process

b-ilty - Initial phase successfully completing





(P) illimity

Fully deployed credit engine

beta phase completing



requests analysed since inception at end of July 22



Enriched product offering

increased payments options and integrated third-party products





Strengthened commercial network

new agreements signed to foster origination opportunities



operative credit brokers as of the end of July 22



Widely engaged the audience

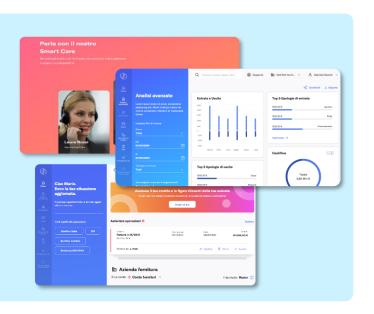
Engagement initiatives with external partners (webinars, b-ilty talk, radio campaign)



@illimity

b-ilty - State-of-art digital ecosystem operational and ready to scale







Additional credit products

Customer power dashboard

"Fast lending"

30-minutes onboarding process

Complete transactional offer

PSD2 feature

Digital lending products

180 digitalized processes

Baseline set for solid growth:

- Beta phase being completed
- Fully-operative digital platform
- Active customer-base
- Further improvements on way









@illimity

b-ilty - Scalability drives strong profitability towards exponential growth after 2025



Potential boosters not included in Plan

Partnerships

Synergies with ION

Entry in foreign markets





Foundations for success: people, technology and values



Recent financial results: solid 2Q22 performance



2022: three factors will further drive growth



6 valuable and fast-growing business units



Credit and services to SMEs



Lending to small corporates



NPE Investments, financing and servicing



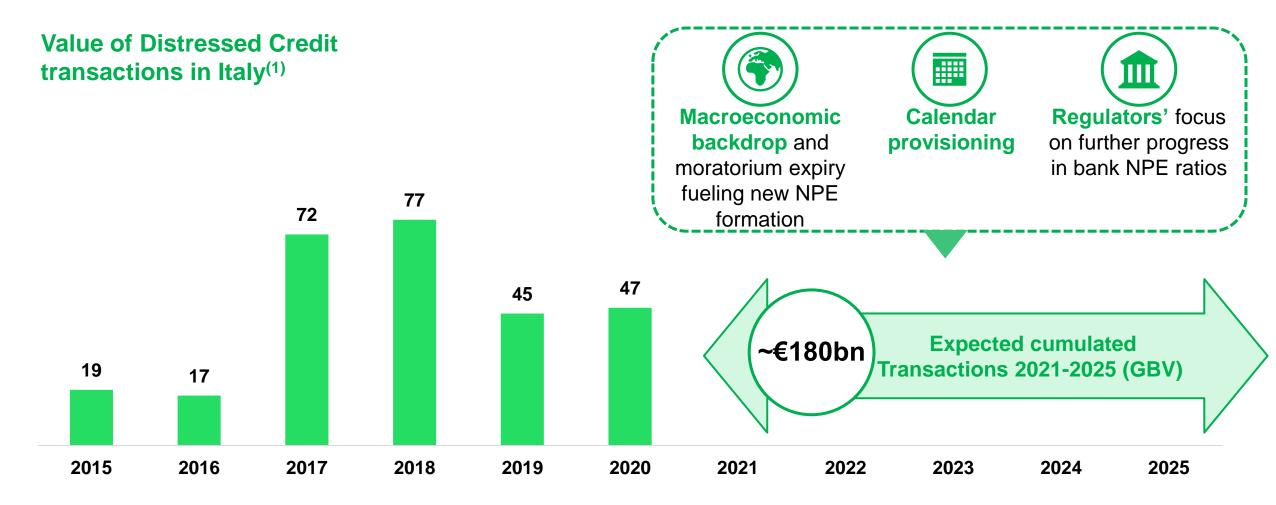




Proptech

Retail fintech

illimity - Large and dynamic addressable distressed credit market



(P) illimity - A national champion in Corporate distressed credit



Distressed Credit Division



Specialist desks

- Corporate Portfolios: Secured. Unsecured & Leasing
- Special Situations Energy
- Special Situations Real Estate
- Unlikely-To-Pay Portfolios
- **Public Procurement Claims**



Senior **Financing**

- Financing solutions to non-bank NPE investors
- Structuring and financing credit disposals



Servicing

- Corporate Distressed Credit Management
- Unlikely-To-Pay corporate loans
- Real Estate and Renewable Energy **Advisory**



Proptech

- · Remarketing of capital goods & Real Estate properties
- · Real estate brokerage on free market

Fully-integrated value chain



(illimity

Investment-Due

Pricing

Bidding

Onboarding

Workout & Recovery

Servicing Remarketing



Remarketing of credit collaterals

Prop-tech



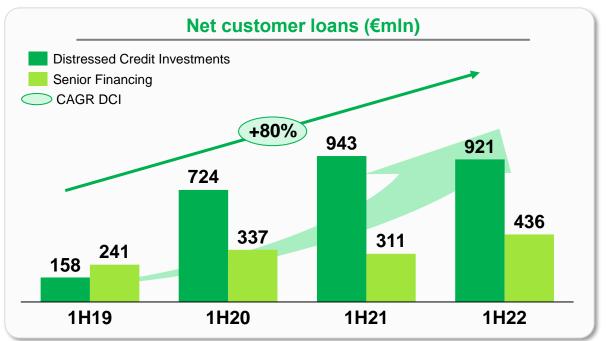
Diligence







illimity - Top investor with very strong track record



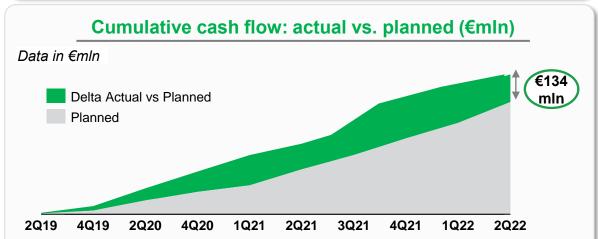


Business origination since inception Among **top investors in Europe** leveraging on highly-specialised market segments



Servicing & Remarketing GBV

Between credit and assets being already one of the largest special servicers in corporate NPEs





Estimated Remaining Collections on booked investments



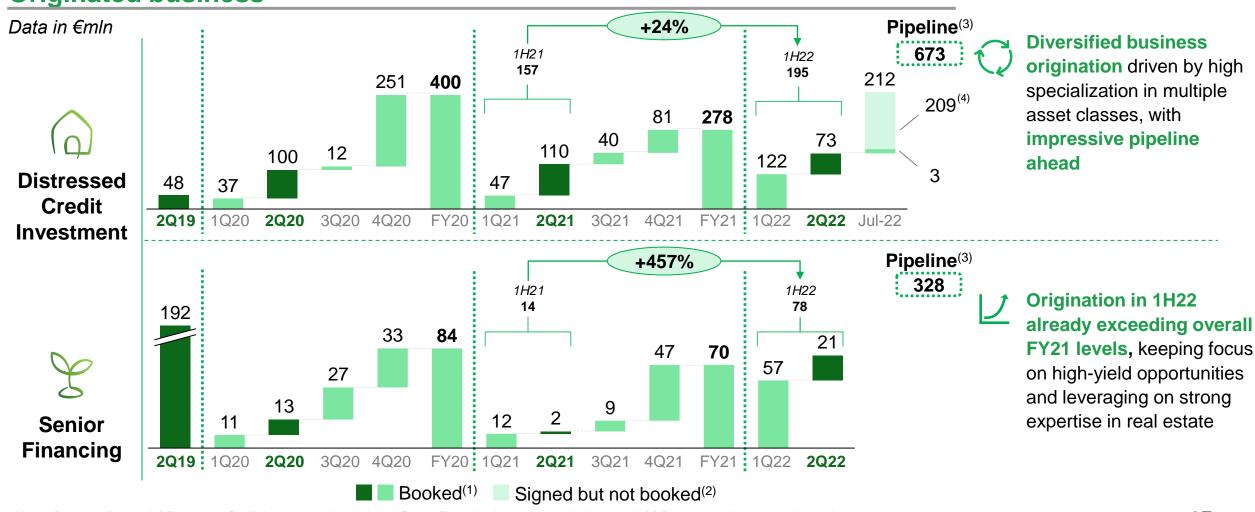
Strong economic performance

workout strategy focused on out-of-court settlement and opportunistic disposal

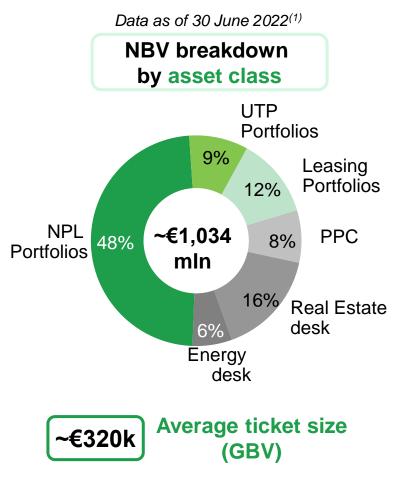
Data as of 30.06.2022

illimity - Continuous investment opportunities and huge pipeline ahead as of June 2022

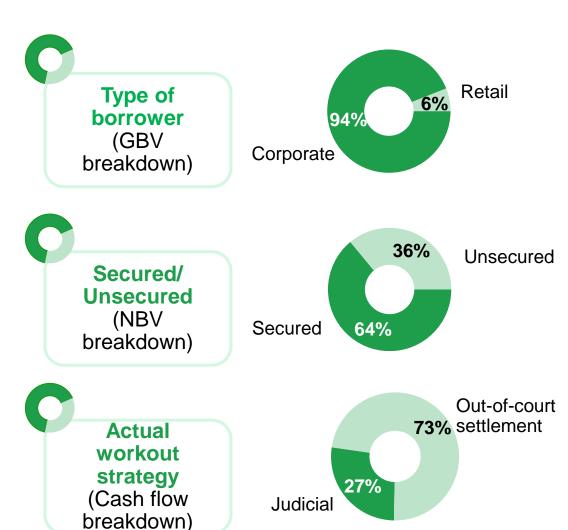
Originated business



illimity - Diversified portfolio







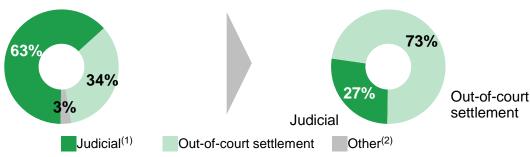
illimity - Strong out-of-court workout component drives cash flow performance

Data as of 30 June 2022

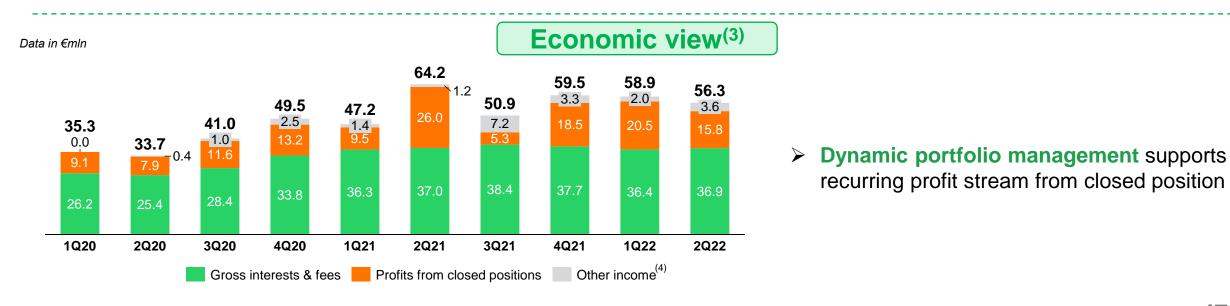
Workout strategy in pricing model (NBV breakdown)

Actual workout strategy (Cash flow breakdown)

Pricing vs. actual workout strategy

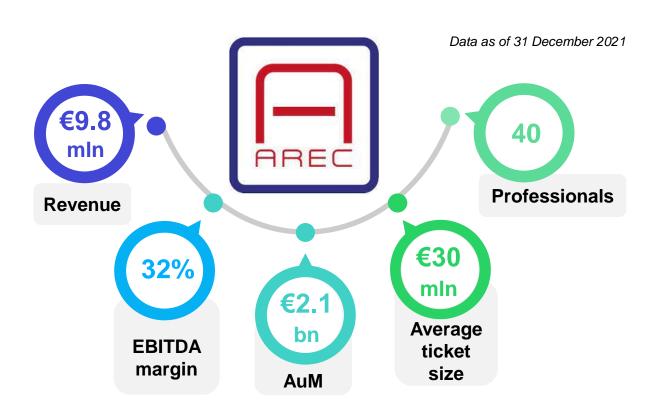


Out-of-court settlement represents >70% of actual gross cash flow – vs ~34% in pricing model

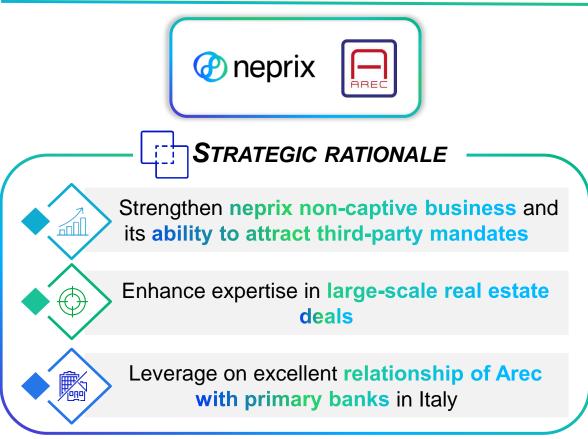


neprix - AREC acquisition creates leader in large tickets real estate distressed credit

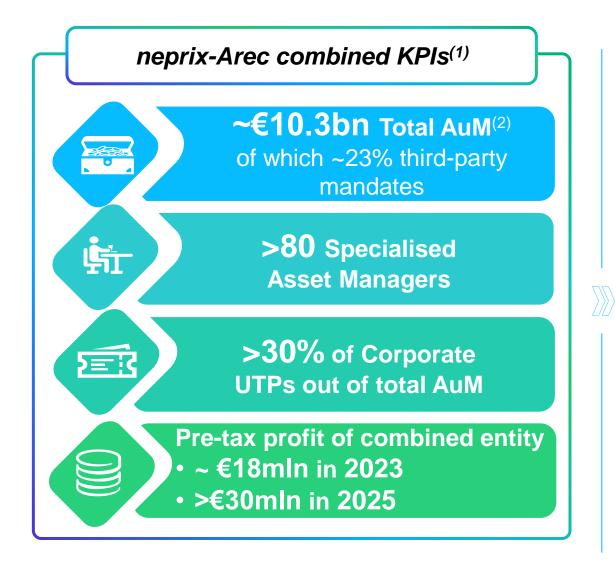
Third corporate UTP Servicer in Italy focused on large tickets real estate

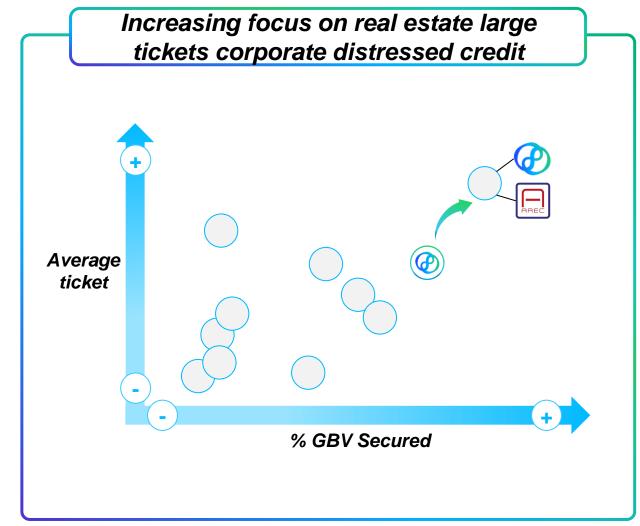


Combination will consolidate our positioning on corporate UTP servicing



neprix - Moving towards large tickets NPE

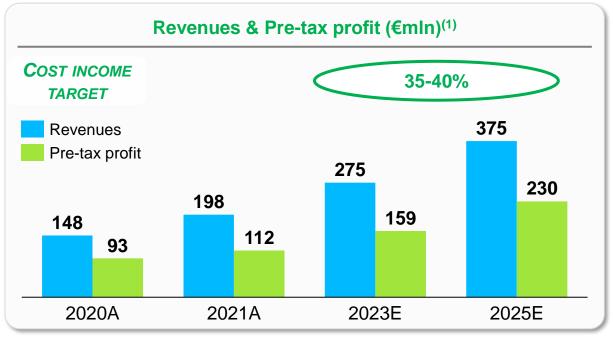






illimity - Significant growth drives future profitability

Distressed Credit Division – Key targets







Strong and well diversified revenue growth underpinned by volume progression



Strong operating efficiency across the Plan horizon



Investments in data-driven business model leading to successful performance

Senior Financing





Foundations for success: people, technology and values



Recent financial results: solid 2Q22 performance



2022: three factors will further drive growth



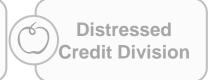
6 valuable and fast-growing business units



Credit and services to SMEs



Lending to small corporates



NPE Investments, financing and servicing







Proptech

Retail fintech



(A) illimity - Make illimity limitless



Launch scheduled in 2022





Investment focus on UTP contributed by originating banks



Private Capital Fund



Investment focus on performing corporate financial instruments (including sub-debt and private equity)



Real Estate UTP



- Investment focus on secured UTP
- meprix role in real estate servicing

Synergies with illimity

Growth Credit Division Turnaround

Growth Credit Division Crossover & Acquisition Finance **Distressed Credit Division** & neprix

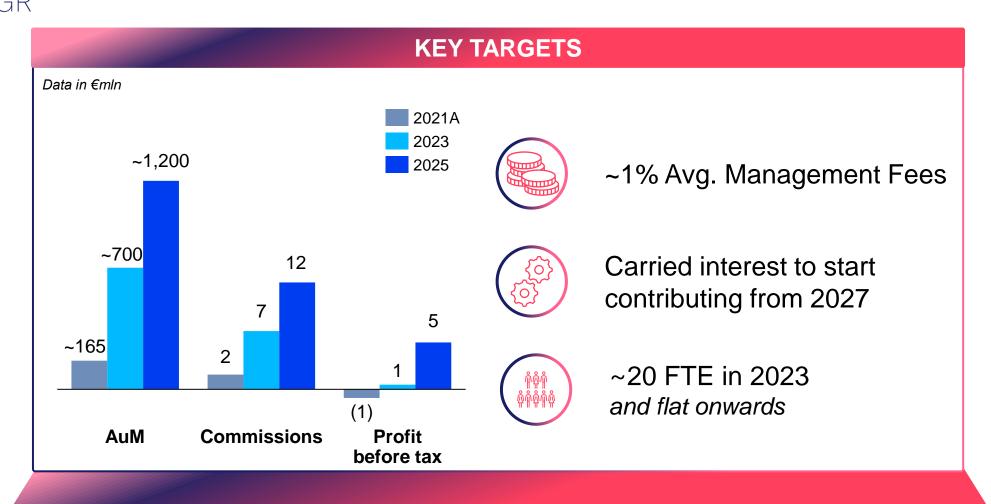
Capital light tool allowing illimity to generate fee-based revenue stream



ESG metrics and digital approach in alternative fund management



illimity - Ambitions for illimity SGR



Potential upside not included in Plan

Additional funds under study





Foundations for success: people, technology and values



Recent financial results: solid 2Q22 performance



2022: three factors will further drive growth



6 valuable and fast-growing business units



Credit and services to SMEs



Lending to small corporates



NPE Investments, financing and servicing



■ quimmo



Proptech

Retail fintech



nquimmo - Quimmo is already a leading player in digital remarketing of real estate assets

Remarketing of credit collaterals
Main KPIs

~26mln

Web visits over the last 12 months

>1,250

RE assets sold in 1H22

Data as of 30 June 2022

~1mln

Registered users

>190

Employees as of 30.06.2022

Digital-native business model



Developer teams for UX and Digital Marketing



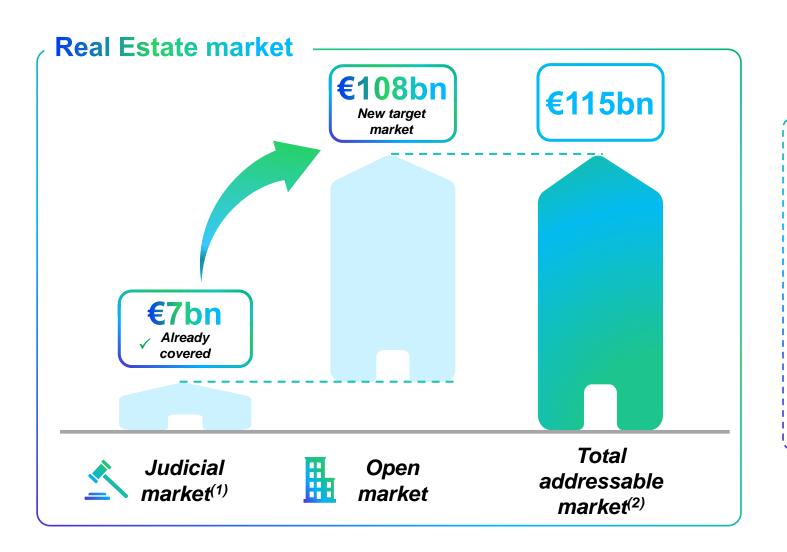
Specialised multichannel service across entire chain value



Digital and highly specialised processes



quimmo - Huge market with underserved needs

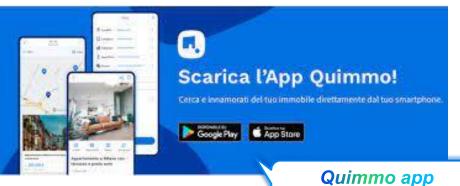






nquimmo - Increasingly recognised player in open market





released June-2022



Launched marketing campaign

targeting sellers to secure new mandates



~€2.1bn of assets under management⁽¹⁾, with 86% from non-

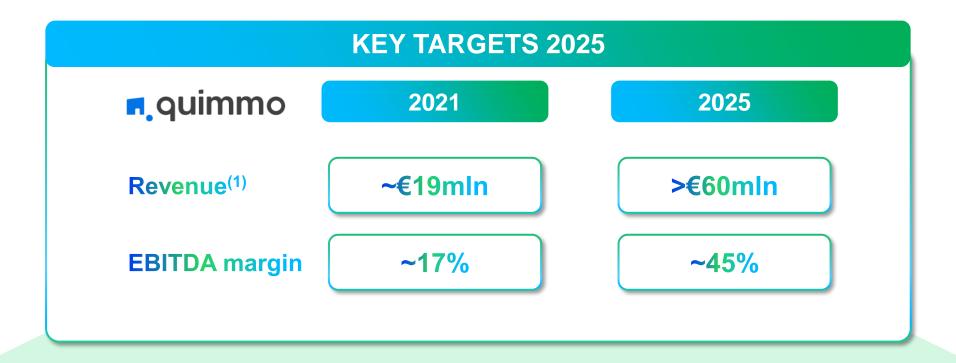
captive business



Remarkable progression of units sold – 1,253 in 1H22, up 22% vs 1H21



quimmo - Ambitions for Quimmo



Potential boosters not included in Plan

Partnerships

Synergies with ION

Entry in foreign markets





Foundations for success: people, technology and values



Recent financial results: solid 2Q22 performance



2022: three factors will further drive growth



6 valuable and fast-growing business units



Credit and services to SMEs



Lending to small corporates



NPE Investments, financing and servicing







Proptech

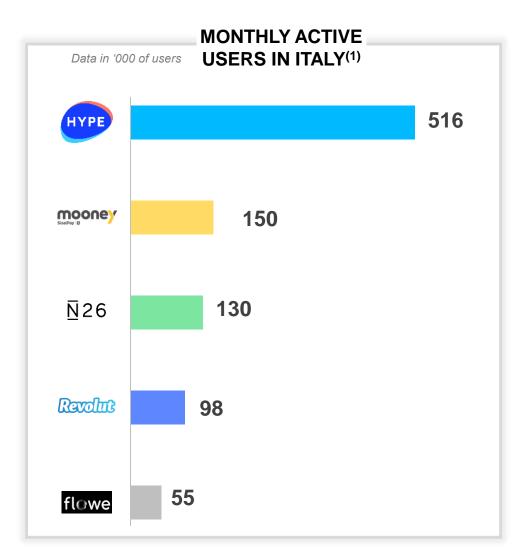
Retail fintech

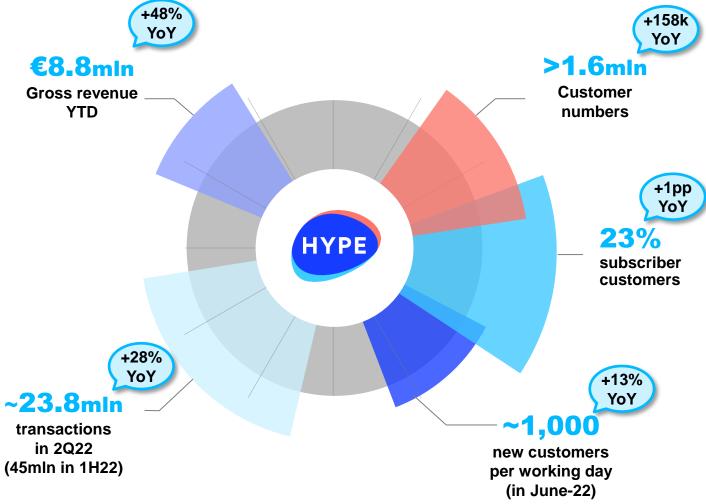


HYPE - Fintech Market Leader



Data as of 30 June 2022

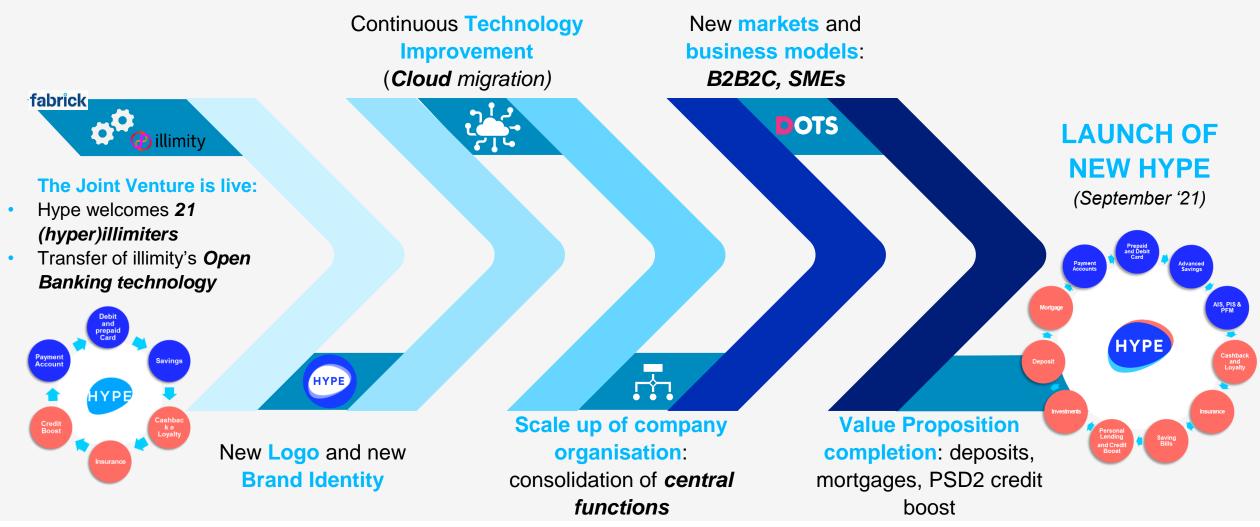






HYPE - From payment to money management hub

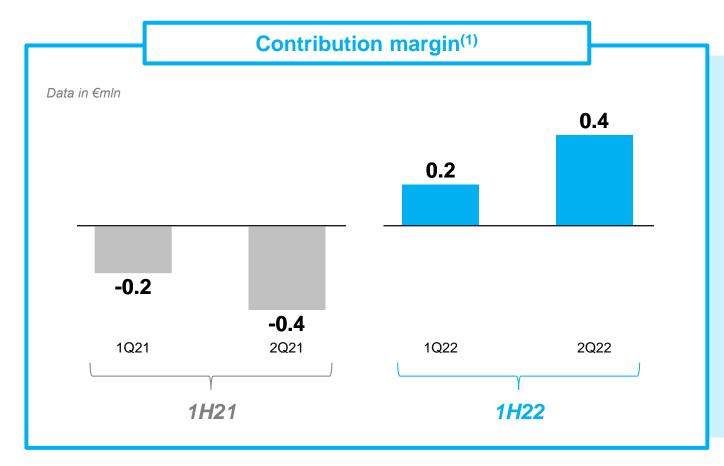






- Stable path towards profitability





The path started in 1Q22 continues to show positive contribution margin⁽¹⁾ for "new Hype", thanks to major improvements and innovations introduced in previous months – new features, new products, new businesses



HYPE - Ambitions for HYPE



Pro-rata HYPE profit ~8mln Customers >3 million

Potential boosters not included in Plan

Partnerships

New channels & products

Entry in foreign markets

illimity - Glossary

- Servicing & Remarketing GBV: it equals to the Asset Under Management of the servicing unit - including Arec - and Quimmo initiative. It includes the gross book value of distressed credit and the value of property managed by neprix also on behalf of third-parties including a portion of portfolios related to Senior Financing transactions - and the real estate and capital goods assets managed within the remarketing activity
- 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, b-ilty and receivables purchased as part of distressed loan portfolios that have undergone a change of credit quality classification subsequent to the time of purchase or disbursement (excluding credits acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans
- Originated business: This aggregate includes Growth Credit Division loans granted/purchased (for factoring only the difference of carrying amount of the period with the historical peak, if positive), Distressed Credit Investments booked, Senior Financing loans granted in the period and the value of the deals signed but yet 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

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- Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. In addition, not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary, and the variations may be material. Prospective investors should understand such assumptions and evaluate whether they are appropriate for their purposes. Any data on past performance, modeling, scenario analysis or back-testing contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling, scenario analysis or back-testing; for investors resident in EC countries that are not part of the Eurozone these returns can increase or decrease due to exchange rate movements.

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