



Company presentation

September 2021

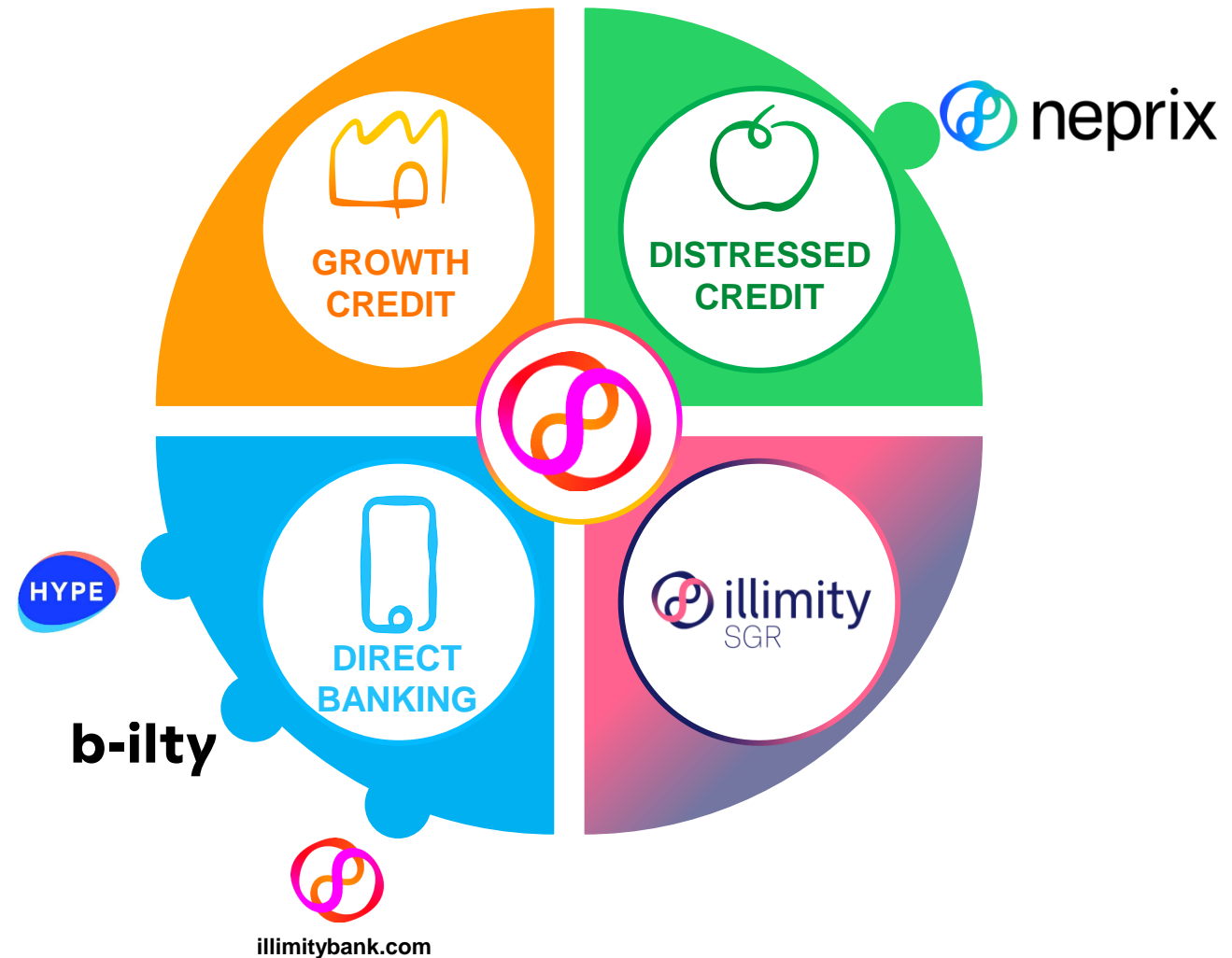
illimity - **Agenda**

-  **ILLIMITY AT A GLANCE**
-  **BUSINESS PROFILE
AND STRATEGY**
-  **FINANCIAL
PERFORMANCE**



illimity - **This is illimity:** *banca oltre la forma*

A **high technological** bank
focused on **Italian SMEs** and
digital financial services
offering
with a **distinctive business**
model



illimity - A story of successful delivery

2018

- Establishment of **SPAXS**
- Approval of the **Business Combination** of SPAXS with Banca Interprovinciale and rise of the new bank: **illimity**

2019

- **Listing of illimity on the MTA** of the Italian stock exchange
- Launch of our direct digital bank **illimitybank.com**
- **Acquisition of IT Auction**, leading operator in online auction of real estate and capital goods, to strengthen Neprix's market positioning

2020

- **Joint Venture** between illimity and Fabrick (Sella Group) in **HYPE**, leading Italian fintech challenger
- **Listing to the STAR segment** of Borsa Italiana
- **Rating** by **Fitch** on illimity and neprix
- **First bond placement**

2021

- First voluntary **Non-Financial Disclosure**
- Closing of the **first alternative fund managed by illimity SGR**
- **Nomad** qualification
- **2021-25 Business Plan** disclosure
- **First subordinated Tier 2 bond placement**



Our Awards



Milano Finanza – Best Banking Startup of the Year



EFMA – Best Bank in the Neobanks and Specialised Players category



Milano Finanza Innovation Award 2020



Leader in Sustainability 2021



Global Capital Awards - Best SPAC of the Year in Europe



Inhousecommunity awards 2019 – Best Practice Startup of the Year



One gold and two bronze “Financial Innovation – Italian Awards 2020” sponsored by AIFin



Best Workplace Italia 2021

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illimity - Foundations for success are in place



MARKET

We focus on **large attractive market segments** where we hold a **significant position** through **sustainable competitive advantages**



PEOPLE

Our **management team** is **strong** and cohesive and we have **attracted talent from over 200 different organisations**



TECHNOLOGY

We built a **unique IT strategy and architecture** which is proving to be a **key success factor**



VALUES

We are **ESG native** and take this responsibility very seriously



PROFITABILITY

Solid profitability with ROE⁽¹⁾ of nearly ~9% in 1H21

illimity - Significant market positions through sustainable competitive advantages



Growth Credit Division

€1.3bn
Originated
business

*A well-recognised
player in SME
market: lead
arranger on many
Acquisition Finance
deals*



Distressed Credit Division

€1.8bn
Originated
business

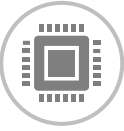
*Within top three
private investors in
the Italian distressed
credit market*



Full banking license enables **complete interaction with customers** and a **lower cost of funding** than non-bank operators



Proven credit skills + Tutors' industrial expertise



Unique IT architecture capable of continuous integration of **innovation**



End-to-end business model in distressed credit



illimity - Ready to lead in the Open platform services world

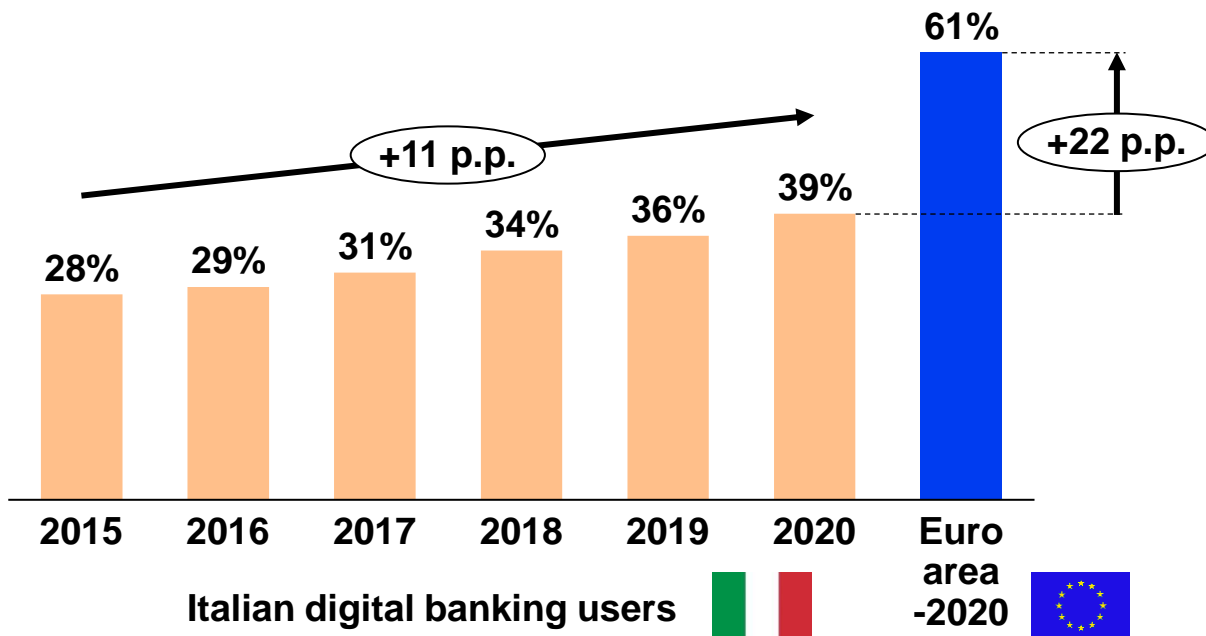


Through our direct bank, initially planned for collecting deposits only, we have been riding **the growing wave of Open banking** according to different customer needs



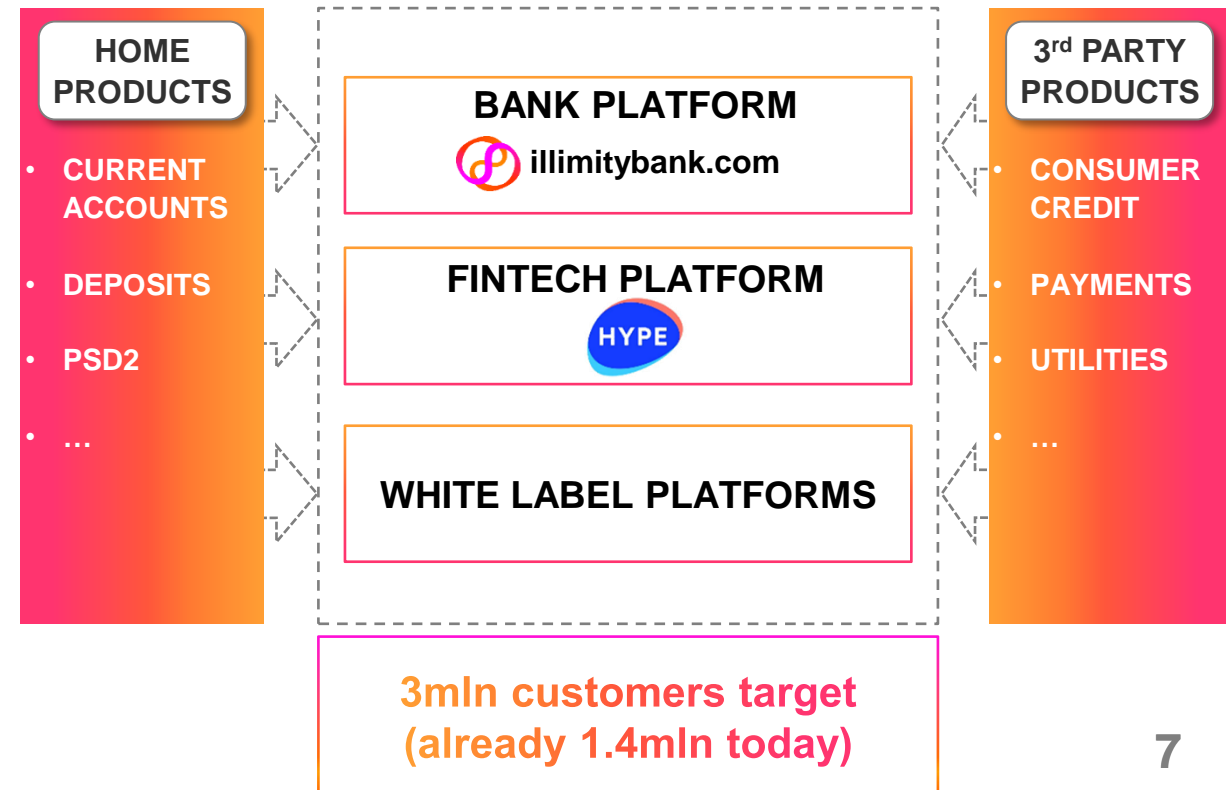
Steady growth of digital banking users in Italy with significant gap still to fill

Data in % of individuals aged 16 to 74 using internet banking

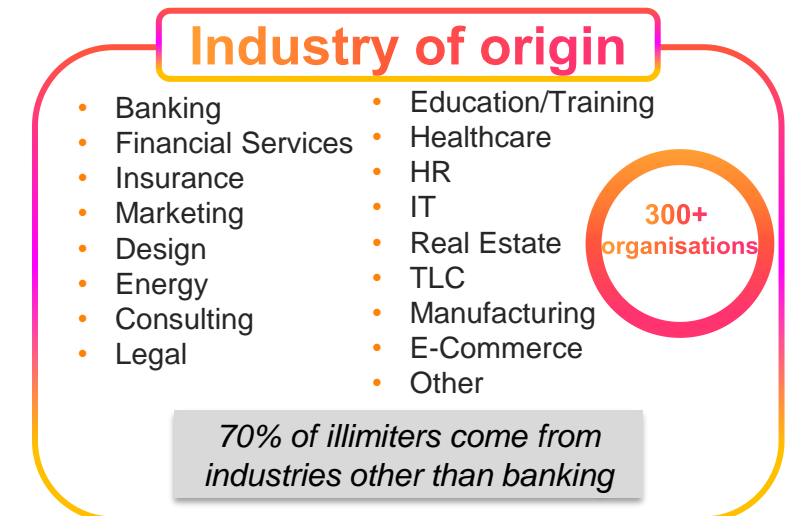
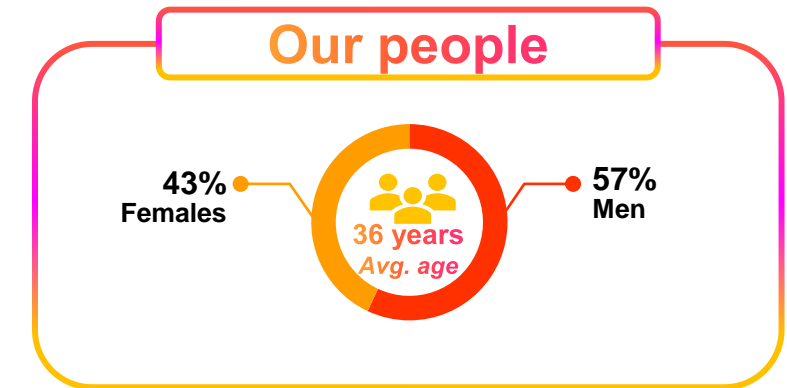
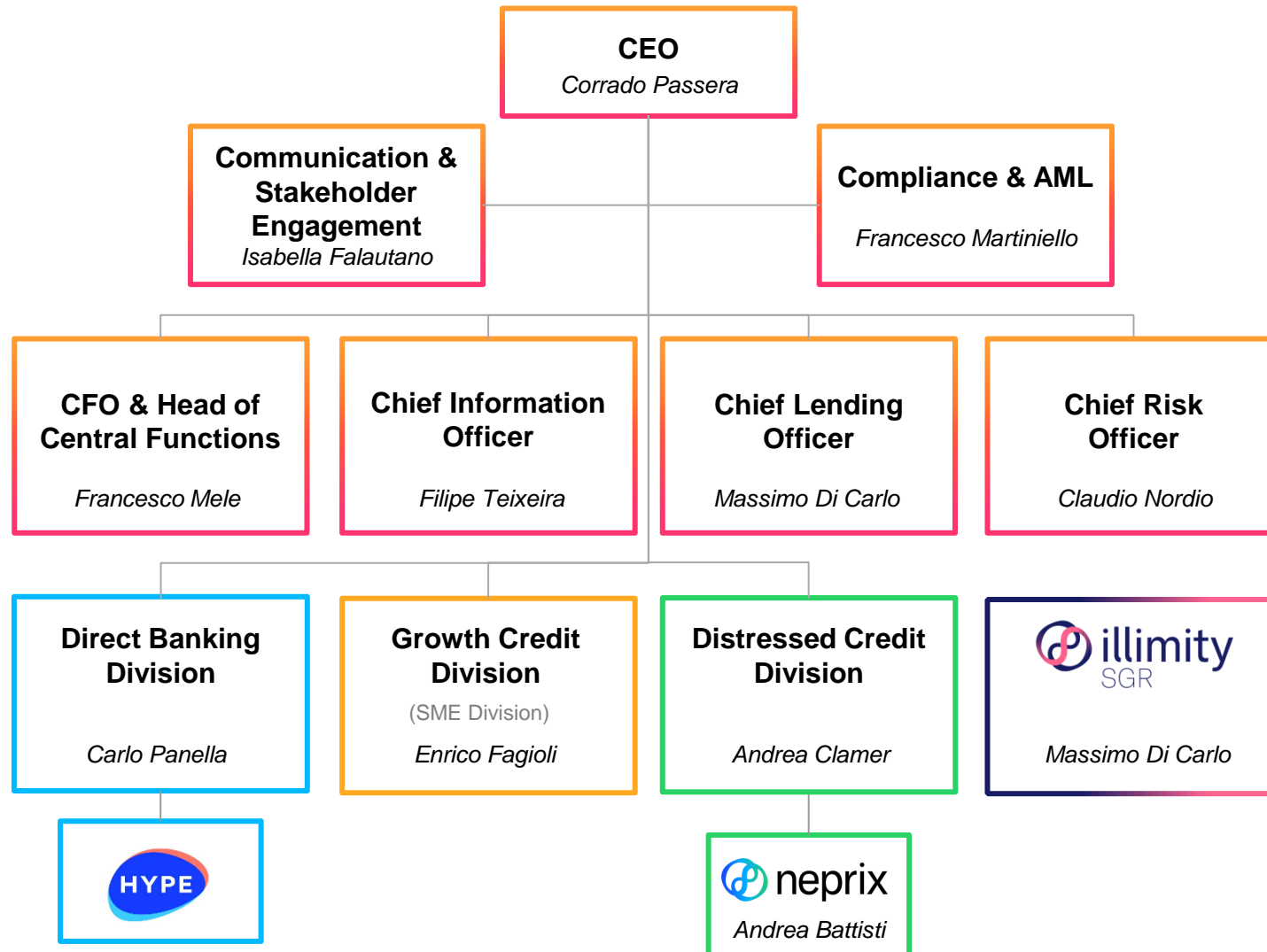


Source: Eurostat – Individuals using internet for banking services.

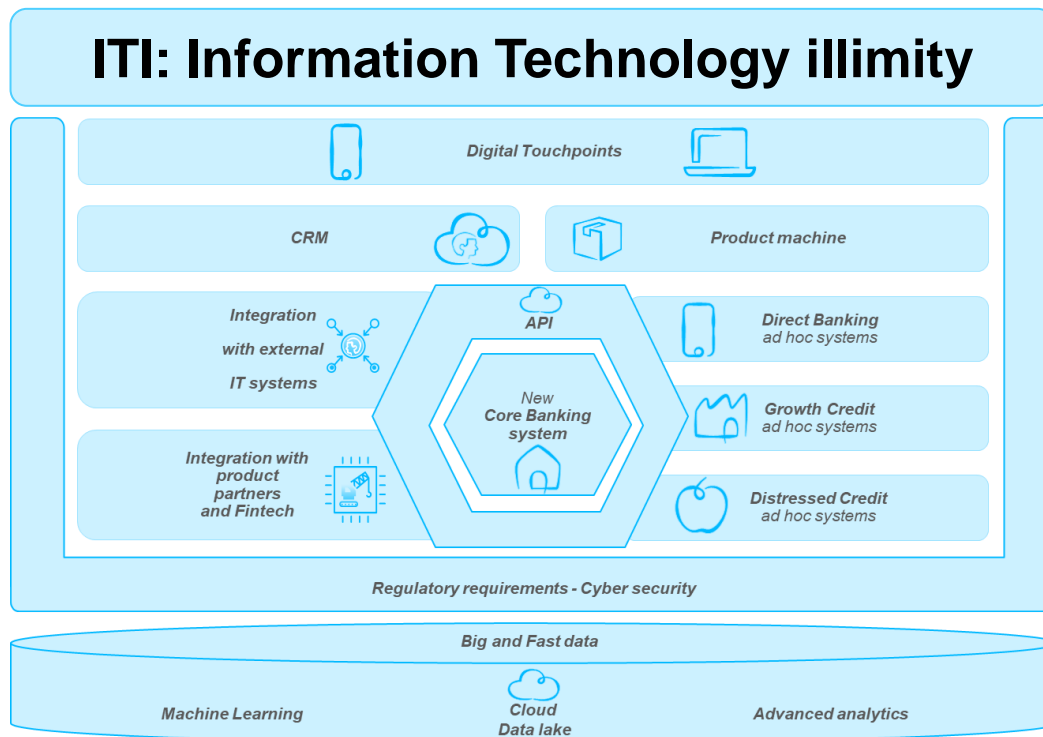
Already active on all three layers



illimity - Passionate and united team with key competences from other industries



illimity - Unique IT architecture – technology can replace scale



ITI key strengths

- **Fully scalable**: natively in-cloud, no dimensional constraints
- **Easily integrates third-party** systems and **applications**
- A **single data lake** of structured and unstructured data



Fully
Digital



Fully
Modular



Fully
In-cloud



illimity - Strong ESG responsibility: our purpose is to unlock SME's and individuals' potential

Main achievements



Environment

- **Carbon Neutral** as of **2020**
- **100% renewable energy** for main office buildings
- **ESG Rating** for SME
- **Commitment to finance green projects**, circular economy projects etc



Social

- **Diversity & Inclusion** by **gender** (43% vs 57%), **age** (4 generations), **20 nationalities**, from over **200 organizations**
- Capable of up to **100%** smart working
- **100%** recipients of flexben and stock ownership plans
- **Gender Pay Gap** less than 4%
- Full **Gender Equity** in **talent pool** distribution
- **Great Place to Work®** and **Best Workplace**



Governance

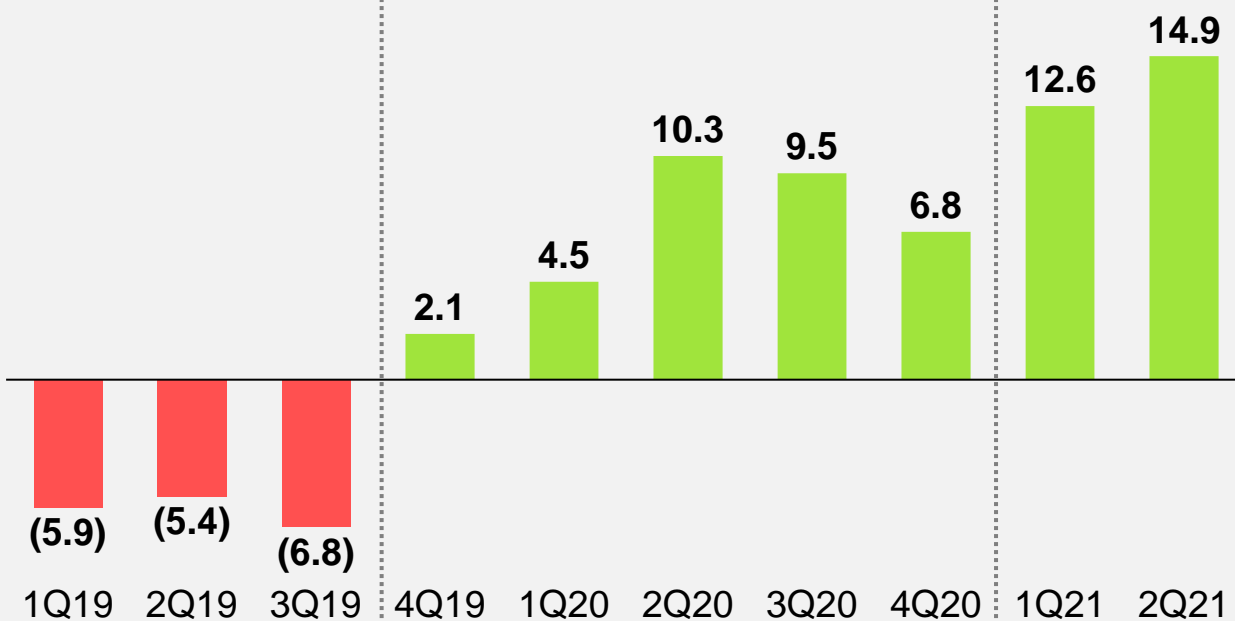
- **44% Board Gender Equality** (45% vs 55%)
- **Sustainability Committee**
- **2020 Voluntary Consolidated Non-Financial Statements**
- **illimity way policy**



illimity - Solid profitability with ~9% ROE⁽¹⁾ in 1H21

NET PROFIT EVOLUTION

Data in €mln



ROE⁽¹⁾ FY20: 5.5%

ROE⁽¹⁾
1H21: ~9%

2Q21 Highlights

~17.2%
CET1

~3%
<1% excl. BIP legacy
Gross Organic NPE
Ratio⁽²⁾

~58%
Cost Income Ratio

Notes: (1) Return on average equity; (2) Ratio of gross NPE to total gross loans to customers from Factoring, Cross-over, Acquisition Finance, High-yield bond, 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.

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2Q21 Financial review



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.

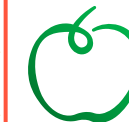
illimity - Distressed Credit highly profitable – Growth Credit already exceeds FY20 results

1H21 data in €mln	 GROWTH CREDIT DIVISION <small>(BIP included)</small>	 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

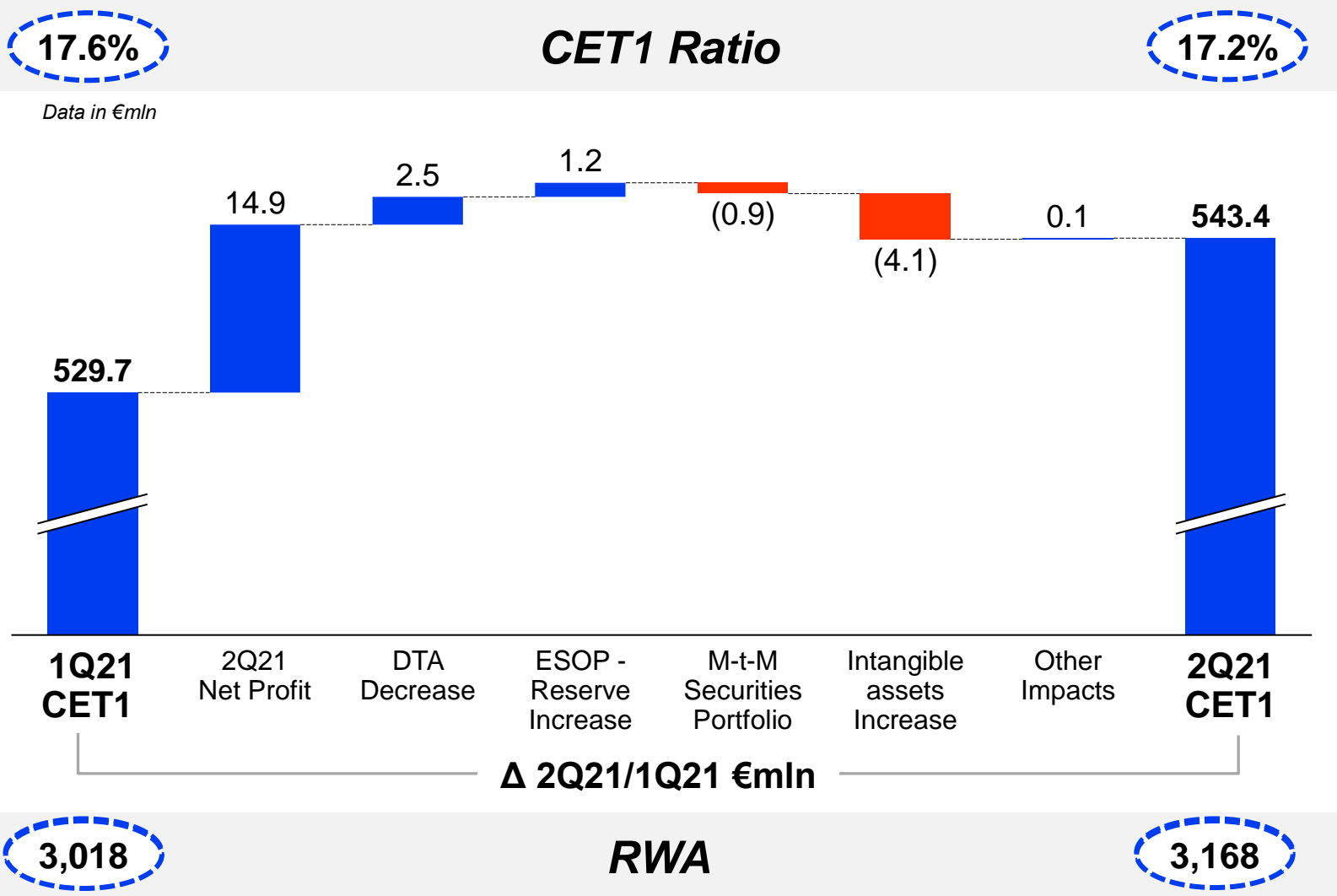
illimity - KPIs confirm strong asset quality and robust capital

	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.

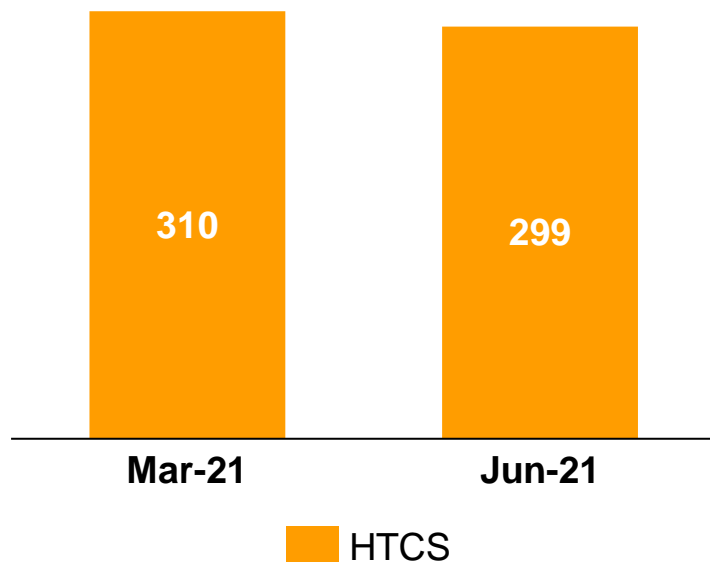
illimity - Robust CET1 Ratio at 17.2%



- **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⁾**

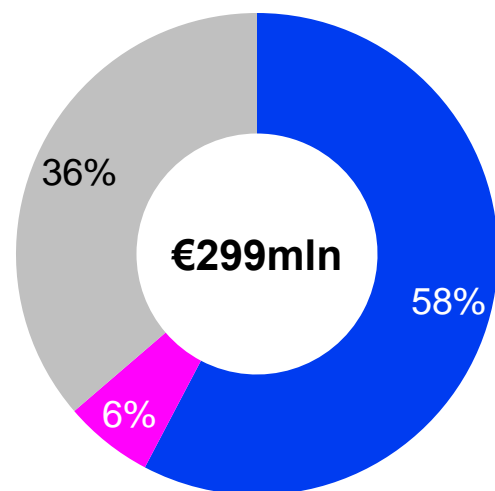
illimity - Stable and diversified securities portfolio

Securities portfolio



Portfolio composition

30 June 2021



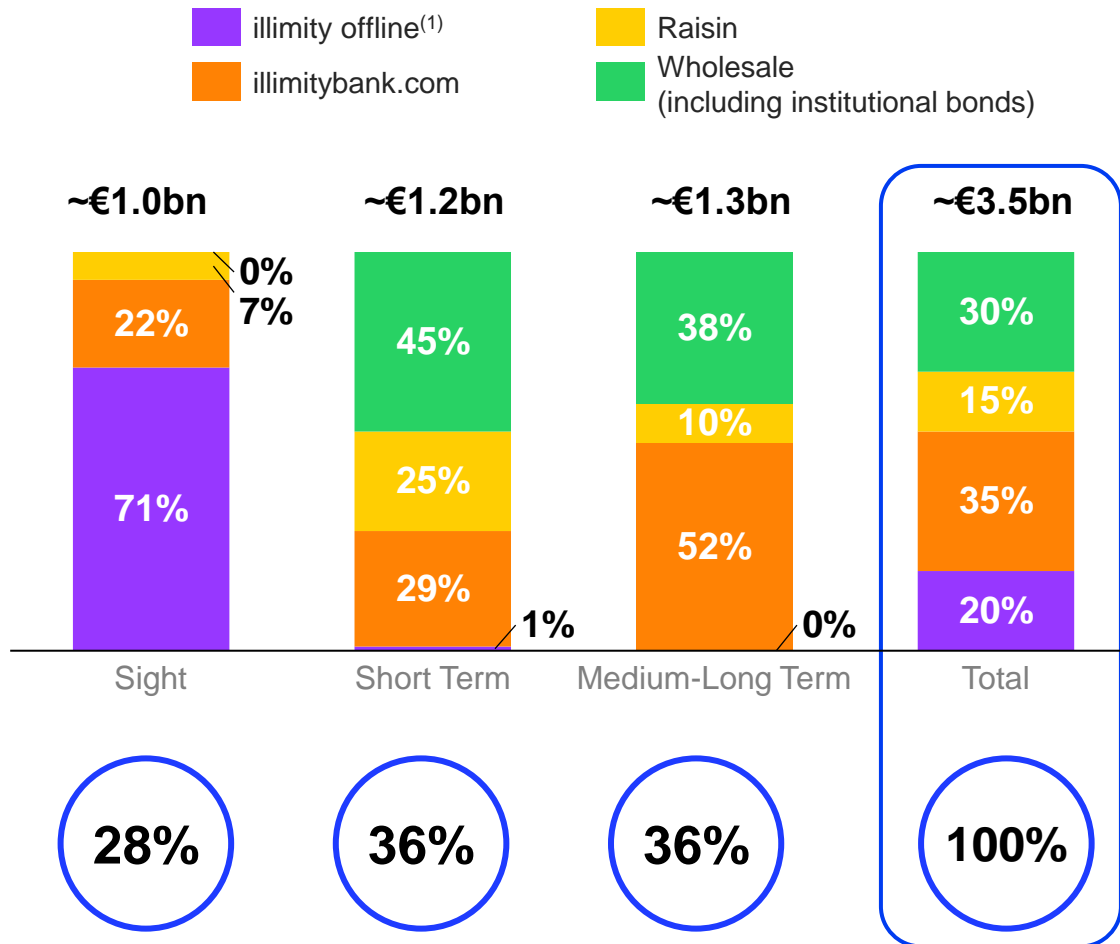
Italian Govt. Bonds
Subordinated Bonds
Senior Bonds

- **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**



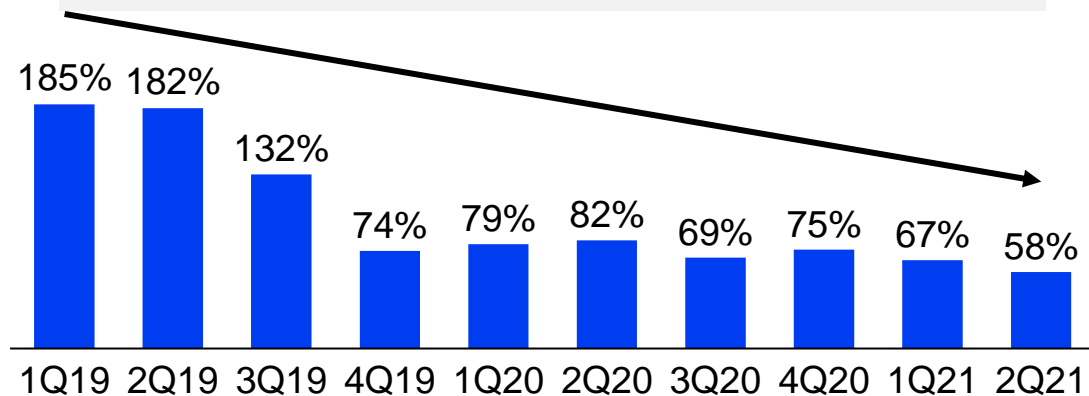
~**1.5%** blended average cost of funding



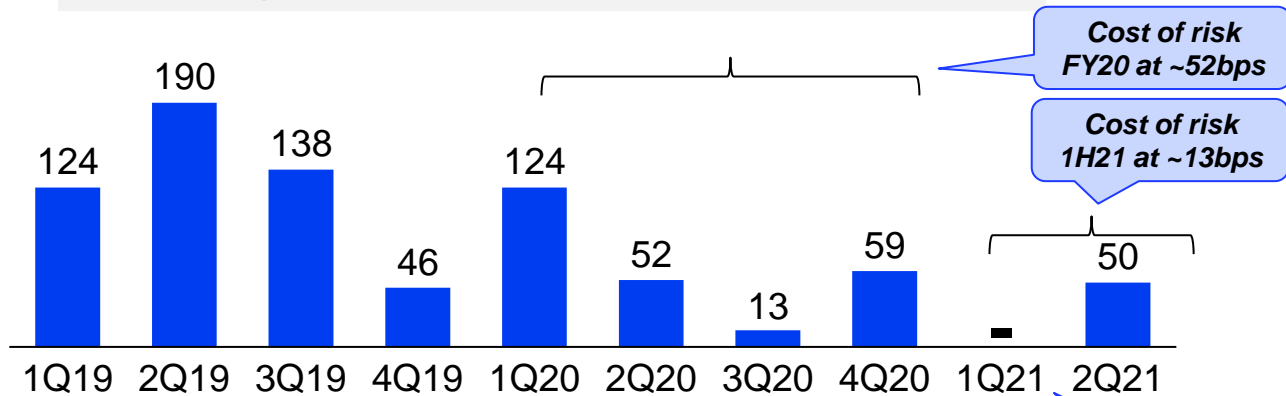
€300m senior preferred bond issued in Dec-2020

illimity - KPIs confirming strong asset quality and liquidity

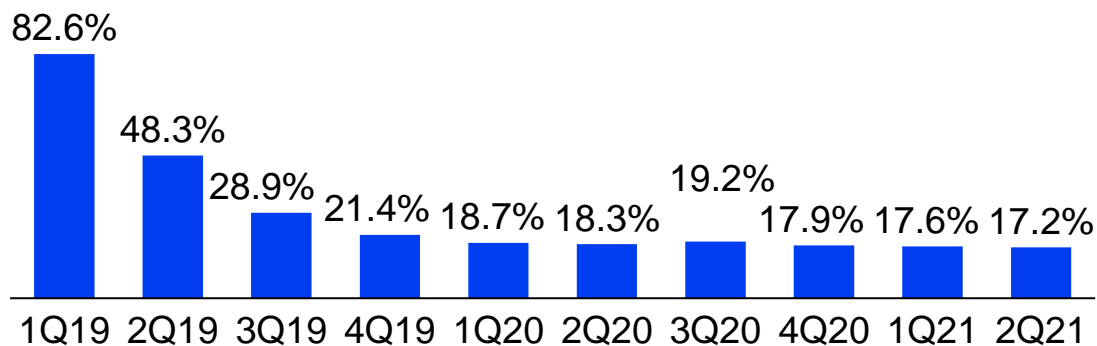
Cost/Income



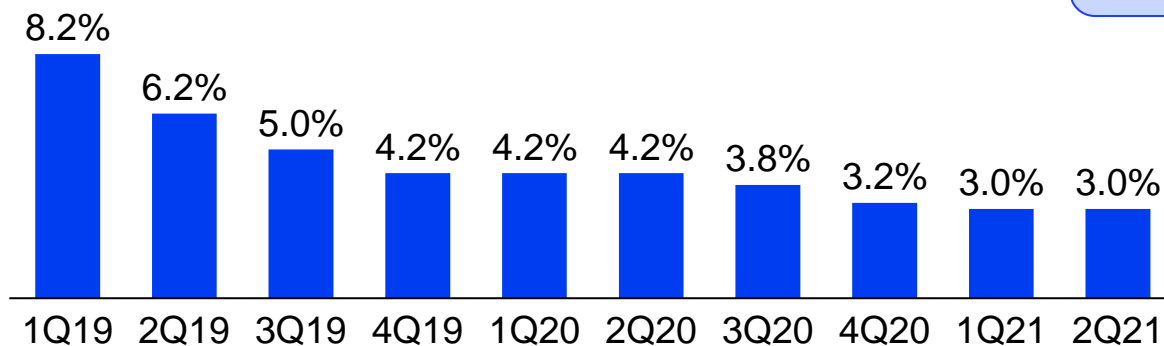
Organic cost of risk annualised (bps)⁽¹⁾



CET1 ratio



Gross organic NPE Ratio⁽²⁾

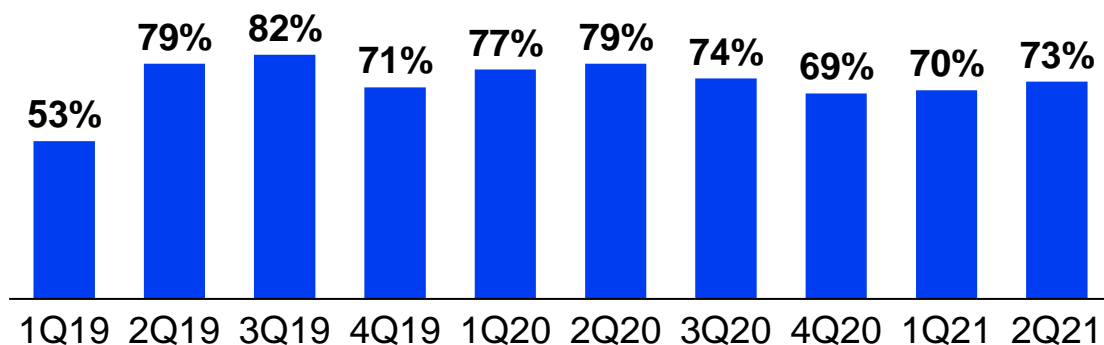


Net write-backs

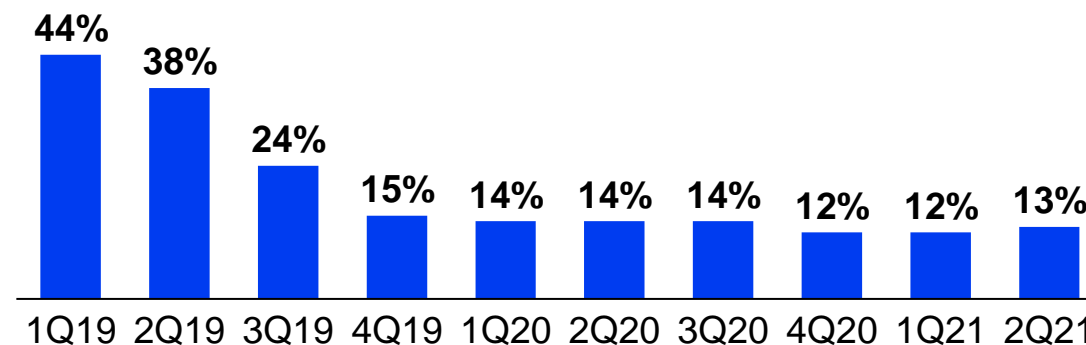
Notes: (1) Ratio of loan loss provisions to net loans to customers end of period (€1,287m as of 2Q21) from Factoring, Cross-over, Acquisition Finance, High-yield bond, BIP legacy book and Senior Financing - thus excluding UTP loans purchased or originated as part of the Turnaround business and the investments in Distressed Credit portfolios; (2) Ratio of gross NPE to total gross loans to customers from Factoring, Cross-over, Acquisition Finance, High-yield bond, 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 - Other Regulatory Ratios

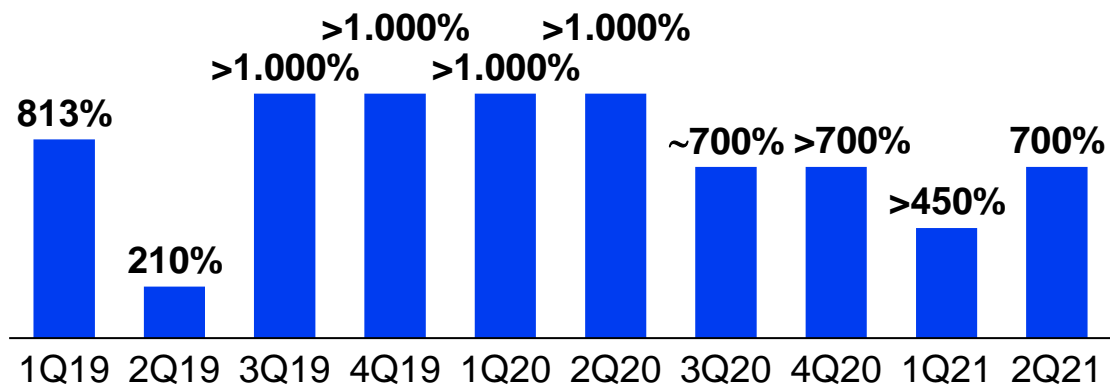
RWA Density⁽¹⁾



Leverage ratio



LCR



- LCR confirms a significant liquidity buffer
- Net Stable Funding Ratio above the minimum regulatory requirements

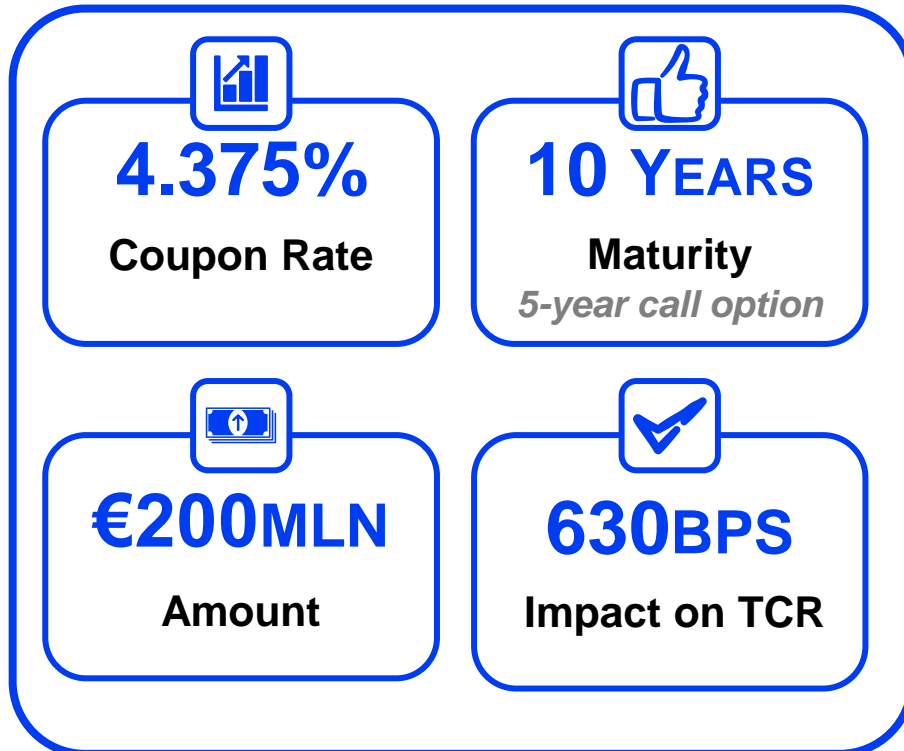
Encumbrance Ratio
2Q21

~13%

Cash and high-quality
liquid assets
2Q21

~€800mln

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



illimity - Italian SMEs specialist partner



illimity - Strong origination capabilities with highly selective approach



Illimity has become well-recognised player in the market **with more than €1bn net customer loans to corporates** as of June-2021, **+64% YoY**



Significant and rapid **growth in factoring**



Primary **role** played in **lending activities with public guarantees**



Key underwriting highlights

~540 Cross-over & Turnaround deals analysed since inception **worth ~€5.4bn** in nominal value



~100 deals signed

Net customer loans at 2Q21

€303mIn

Turnaround

€517mIn

**Crossover &
Acq. Finance**

€186mIn

Factoring

**T/O ⁽¹⁾
€431mIn**

illimity - Asset quality very good notwithstanding difficult market conditions

Credit revaluation events



Tangible **evidence of profit from credit revaluation** events in **Turnaround** business



€6mIn

FY2020

€3mIn

1H2021



Strong asset quality reflecting selective approach



0.7%

Gross Organic NPE ratio
Growth Credit Division Core Business⁽¹⁾



Fast approach to take market opportunities to **maximise the risk-adjusted profile** with good share of **public guarantees**



52%

% Performing stock with
Public Guarantees⁽²⁾



Strong development **of factoring business volumes** with **high insurance coverage** and near to zero defaults



67%

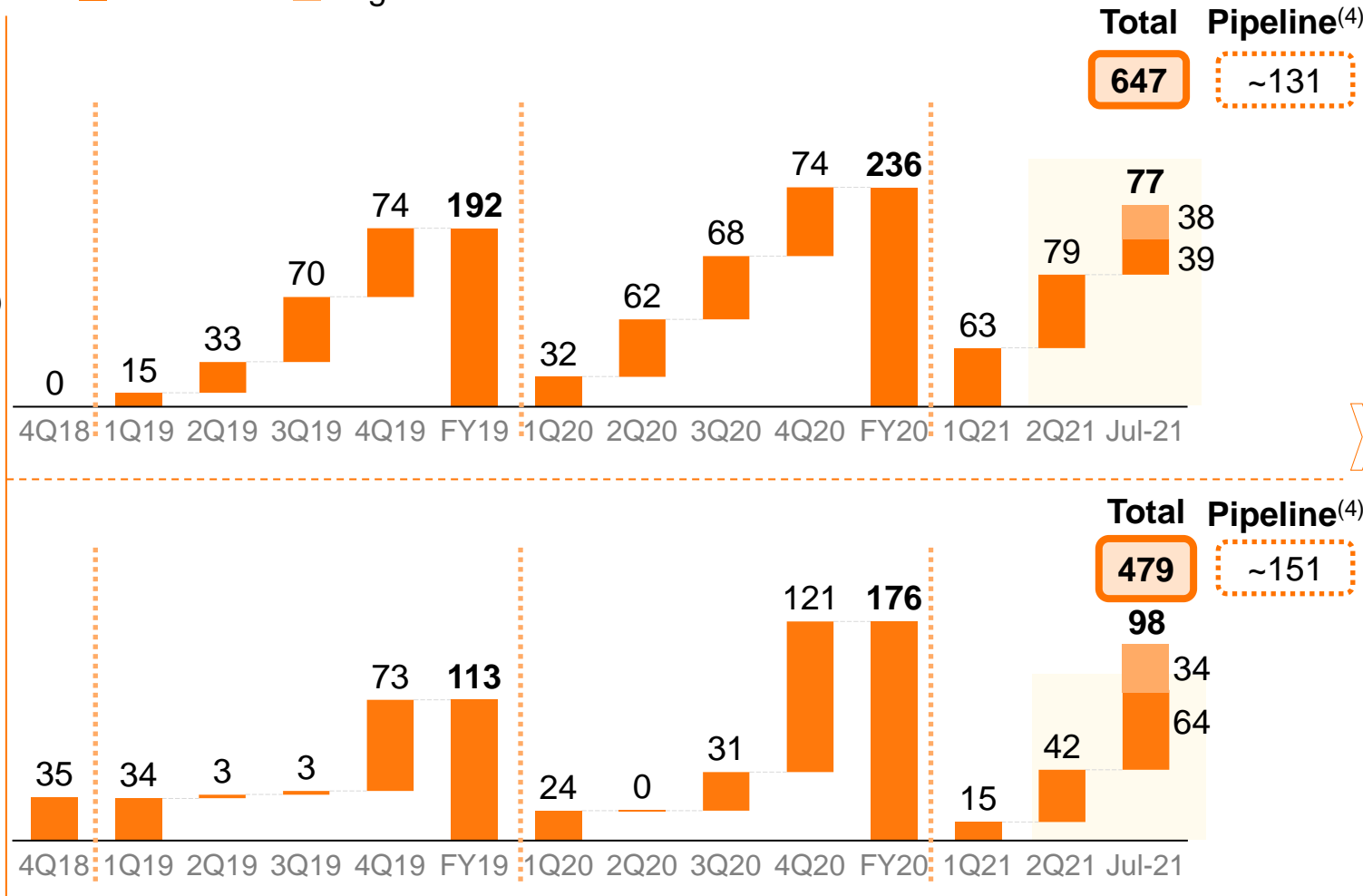
% factoring stock insured⁽³⁾

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

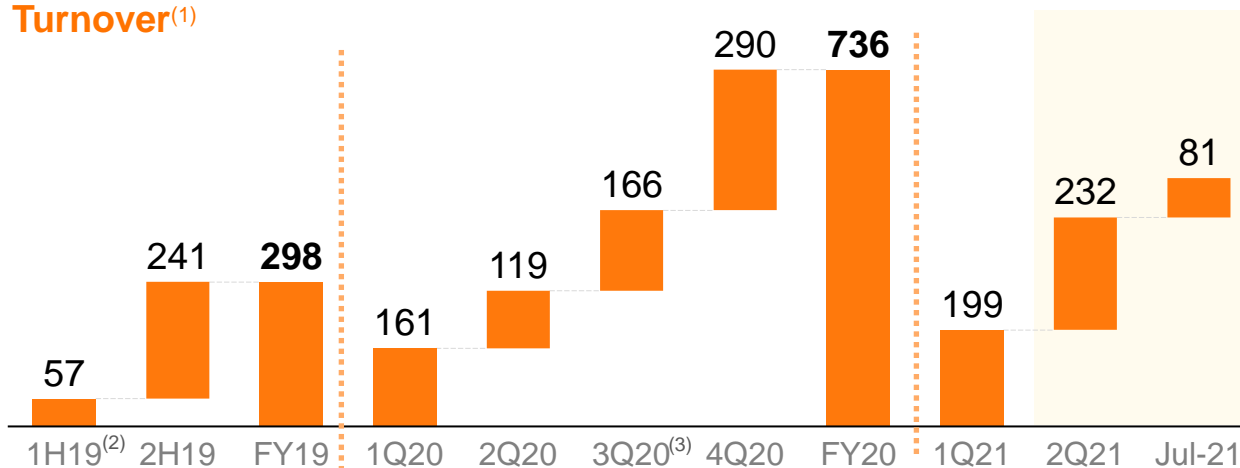
Originated business

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

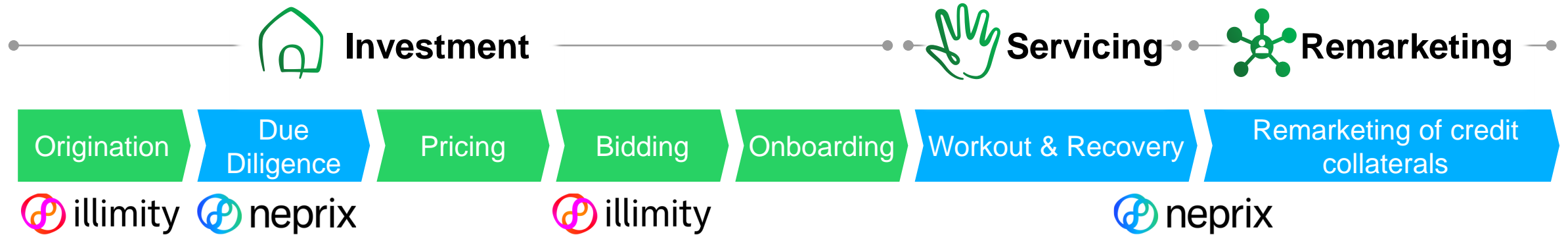
Distressed Credit Division



illimity - Specialised player in Corporate Distressed Credit



illimity - Fully-integrated value chain



Key success factors



Cross-fertilisation of different competencies across value chain



Data-driven business for a dynamic streamline of origination, pricing, recovery and asset management strategies by leveraging the information gathered through the circular value chain

illimity - Major investor in the Italian market



Among **top three private investors in the Italian market** with ~€8.1bn GBV purchased as of 2Q21 and ~€1.3bn purchase price



Corporate Distressed Credit across all credit classes, from NPL to UTP



Senior Financing focused on **high-yield opportunities** and cross competences on **structuring of credit disposals**



Proprietary servicing platform with **specific expertise as key success factor**

Business volumes as of 2Q21

	Distressed Credit Investments	Senior Financing	Distressed Credit Division Total
Originated Business ⁽¹⁾	~€1.3bn	~€0.5bn	~€1.8bn
	Loans	Properties	Servicing Total
Servicing AuM ⁽²⁾	~€6.4bn	~€2.3bn	~€8.7bn

Notes: (1) This aggregate includes Distressed Credit investments booked, Senior Financing loans cumulatively granted until the end of the period, and deals signed but yet to be 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/onboarding; (2) The AuM of the Servicing unit includes the gross book value of distressed credit, net of cash flow and portfolio disposals, and the value of property and capital goods managed by neprix sales.

illimity - **Very strong track record**



Outperformance in gross cash flows vs. initial plan



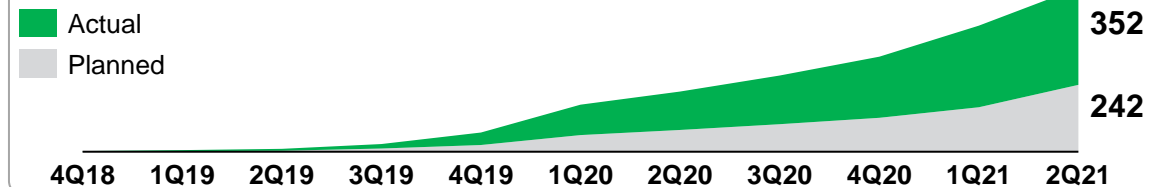
Strong **profit generation** from **dynamic portfolio management** approach...

- Gains from exit strategy anticipation (DPO)
- Gains from credit disposal

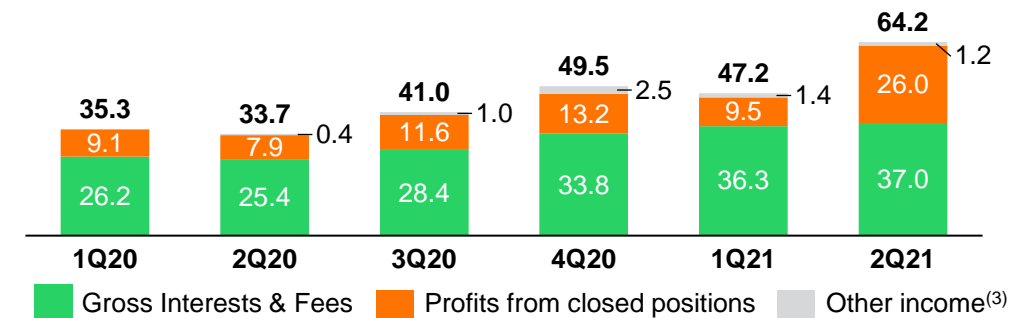
... **facilitated** by very conservative pricing ...

... and our workout approach based on **Accelerated value creation** on credits' **underlying assets and businesses**

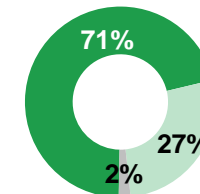
Cumulative cash flow⁽¹⁾: actual vs. planned (€mIn)



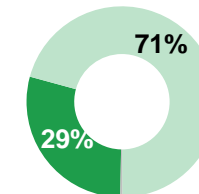
Economic view by quarter⁽²⁾ (€mIn)



Workout strategy in pricing model (NBV breakdown)



Actual workout strategy (Cash flow breakdown)



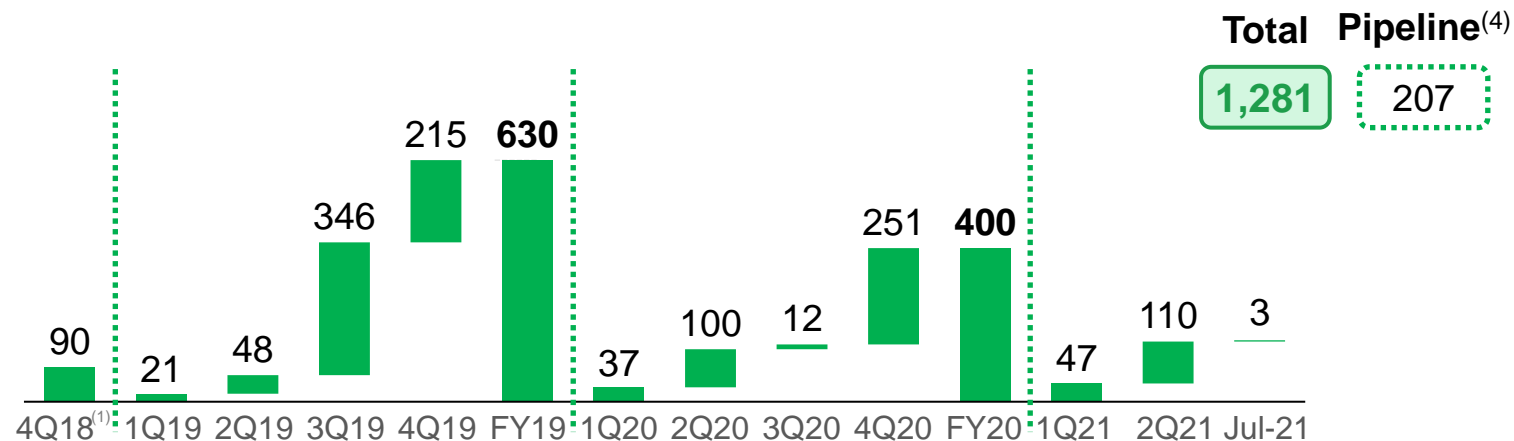
■ Judicial⁽⁴⁾
■ Out-of-court settlement

illimity - Strong contribution from Special Situations Energy Desk

Originated business

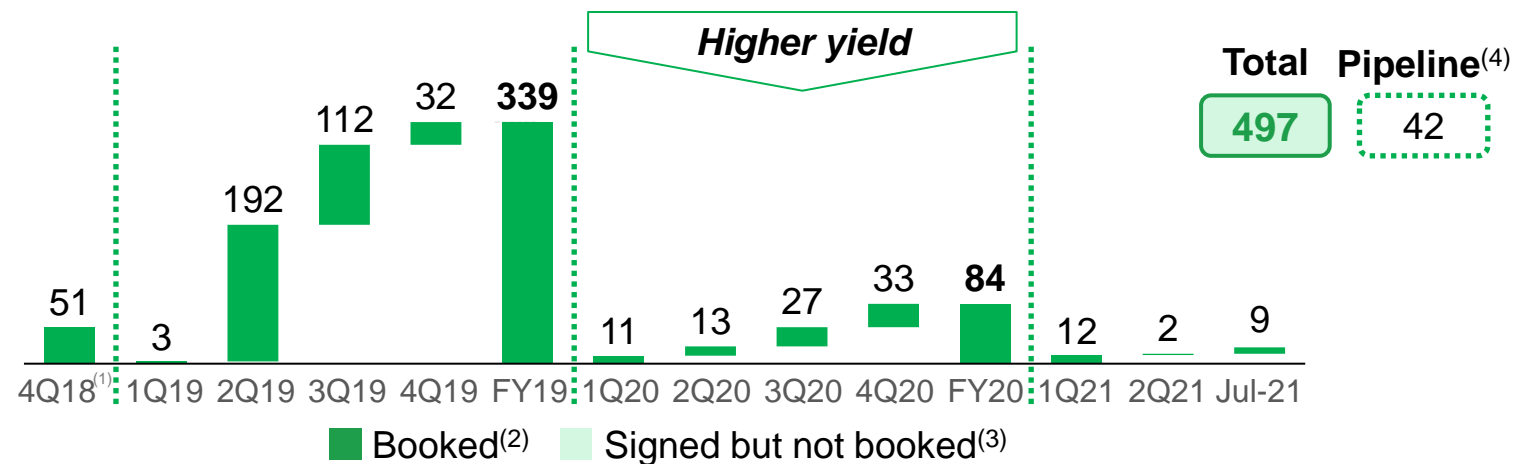
Data in €mln


Distressed
Credit
Investment



Energy desk driving business origination and investments' diversification


Senior
Financing



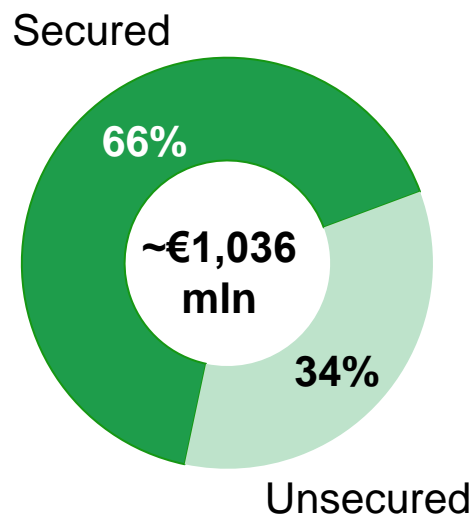
Selective activity in senior financing to **focus on high-yield opportunities**

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'.

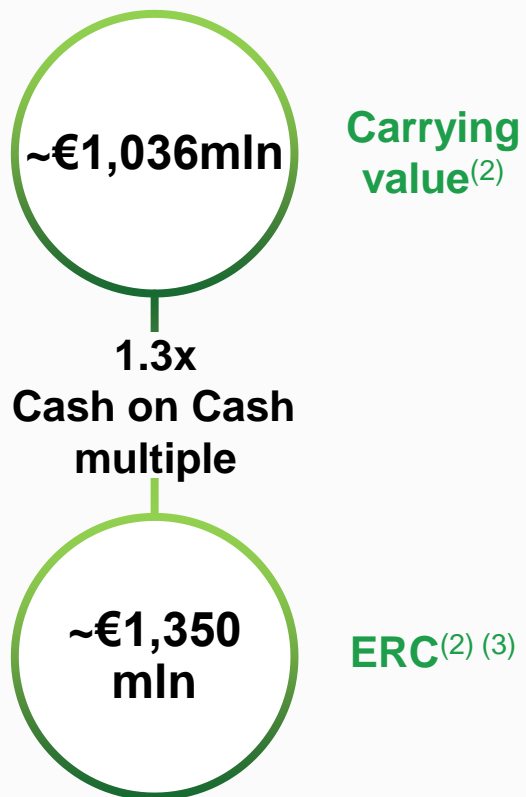
illimity - High quality portfolio in line with targets

Data as of 30 June 2021⁽¹⁾

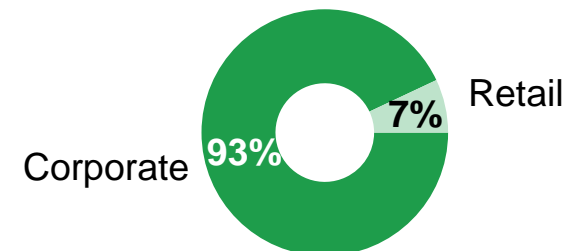
NBV breakdown by type of guarantee



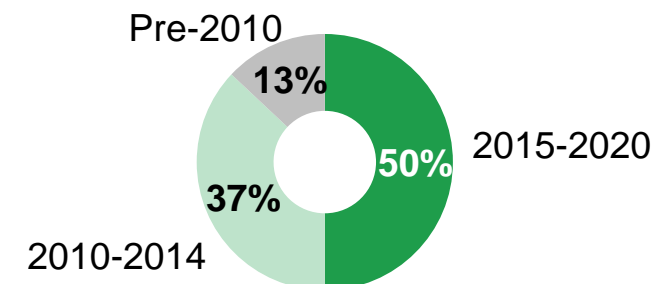
KPIs



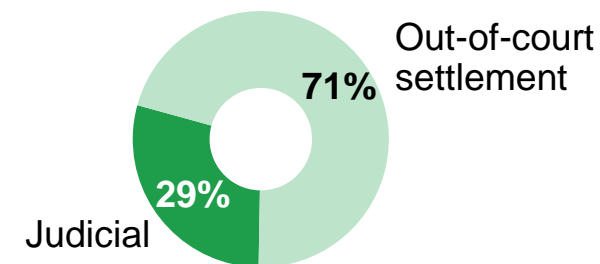
Type of borrower (GBV breakdown)



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.

neprix - Data-centric approach and technology enable specialisation and scale

neprix Distressed Credit Management



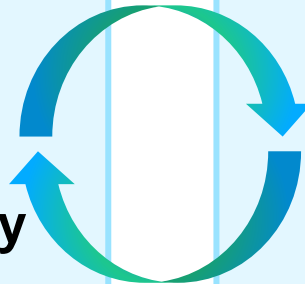
Due Diligence

- RE & Legal Due Diligence
- Business plans valuation
- Technical appraisals



Workout & Recovery

- Loans Asset Management
- Leasing Asset Management
- UTP Management
- Special Situations



neprix Sales



Remarketing of credit collaterals

- Asset remarketing and property management
- Brokerage activities
- Auction facilitation
- Web Marketing throughout proprietary Real Estate platform
- Market research and data analysis

illimity & neprix **strategic partner of choice of** APOLLO

 illimity
 neprix



APOLLO

~\$461bn AuM
(o/w ~\$323bn in Credit
Business)⁽¹⁾




Joint Venture with APOLLO to pursue up to
**€500mIn of co-investments in Italian Real
Estate Single Name NPEs**



Opportunity to tackle, together with APOLLO,
**more diversified and profitable pipeline of
Special Situations**

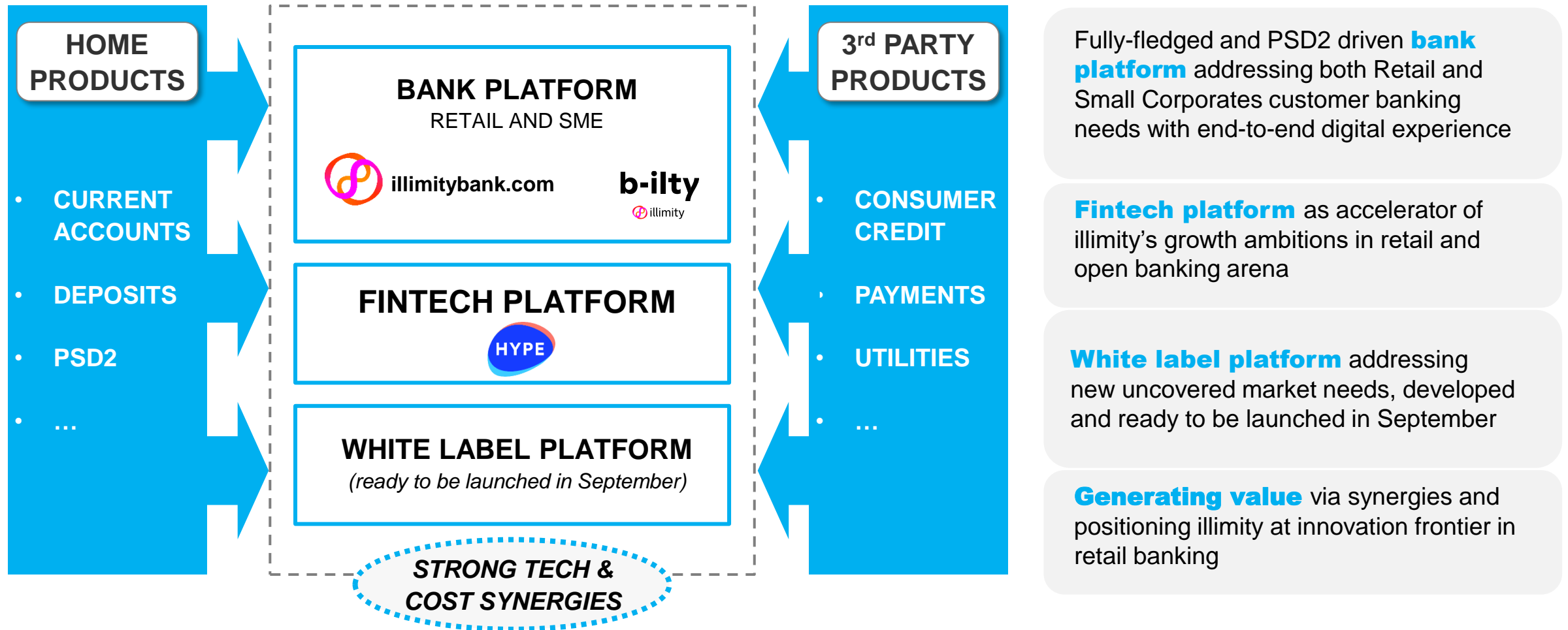


 neprix will act as **sole** and **fully-integrated
servicer** of acquired loans, **opening its services
also to the market**

Direct Banking Division



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%

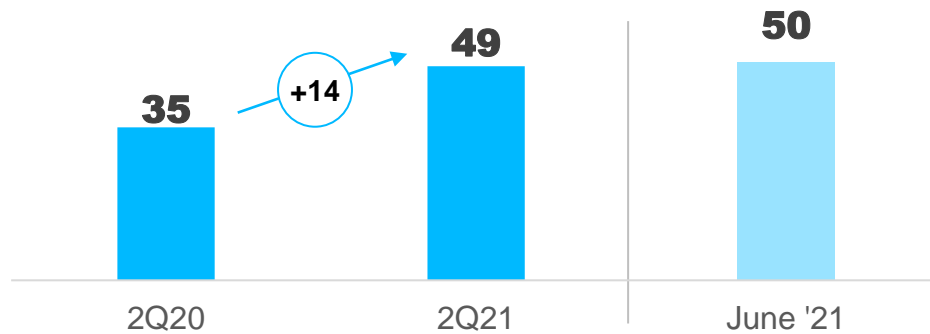
Monthly Access
(mobile+web)



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)

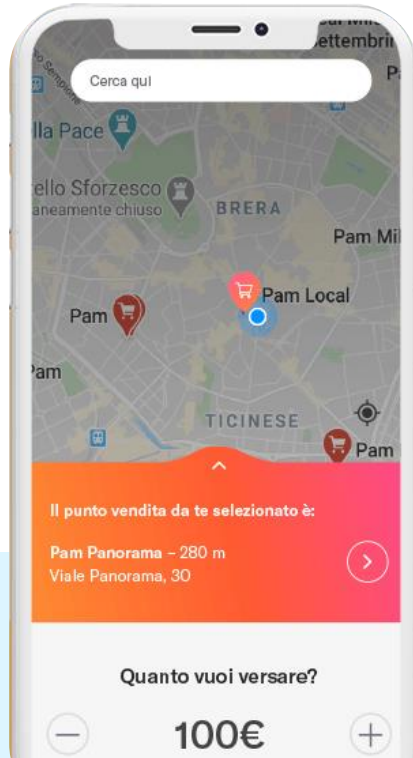
954
Analysed
comments
(store and social)

With a value recognised by the market:

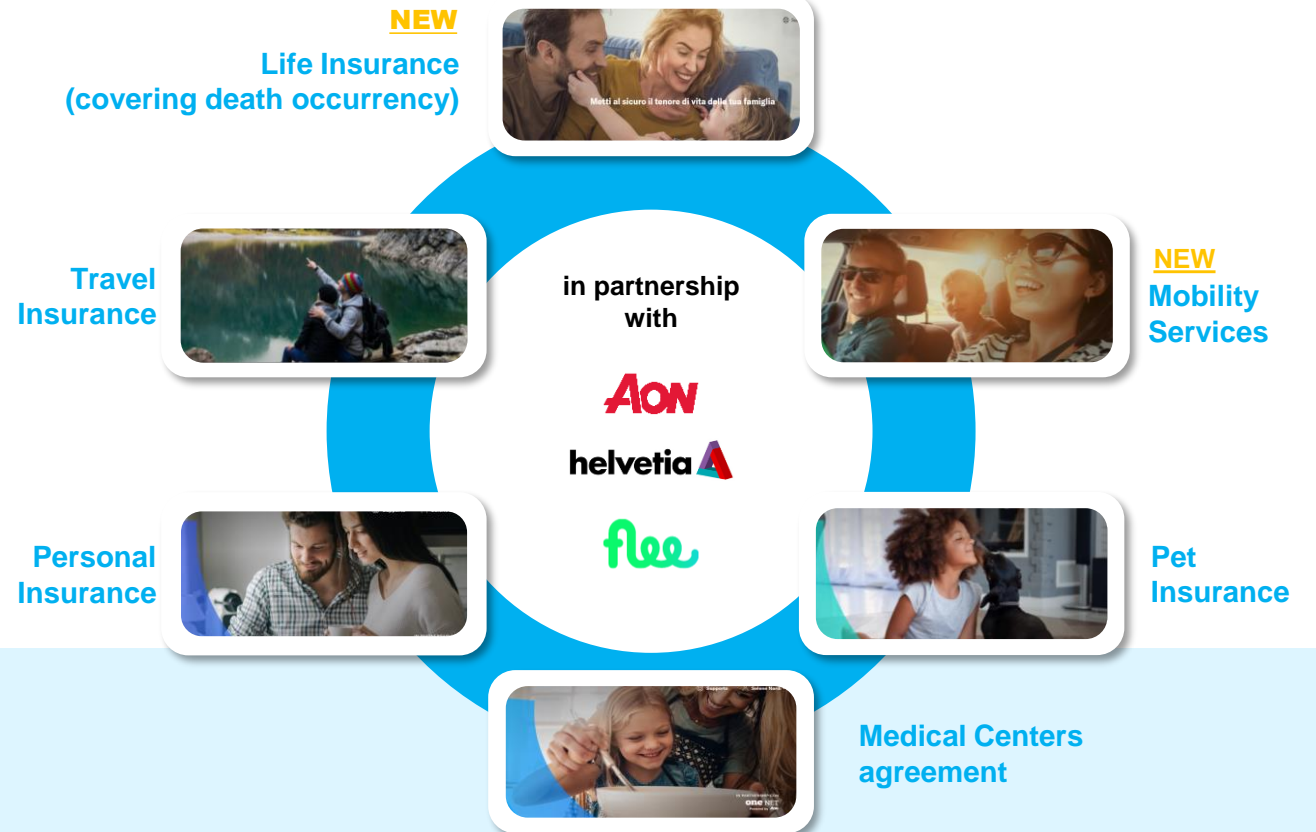
- ✓ Top in the market **Net Sentiment Score: 31 NSS**, +10p vs second best player
- ✓ Recently **awarded as most High-tech Banking Group** by Milano Finanza
- ✓ Producing **relevant content: 95mln** impression on illimity touchpoint⁽¹⁾



illimity - Open platform increasingly attractive



Partnership with **ViaFintech** to allow illimity customers to **deposit cash** in a smart and efficient way, while doing groceries



«**Proteggi il tuo Benessere**»
a comprehensive offer, to cover all the main
customer's protection needs

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

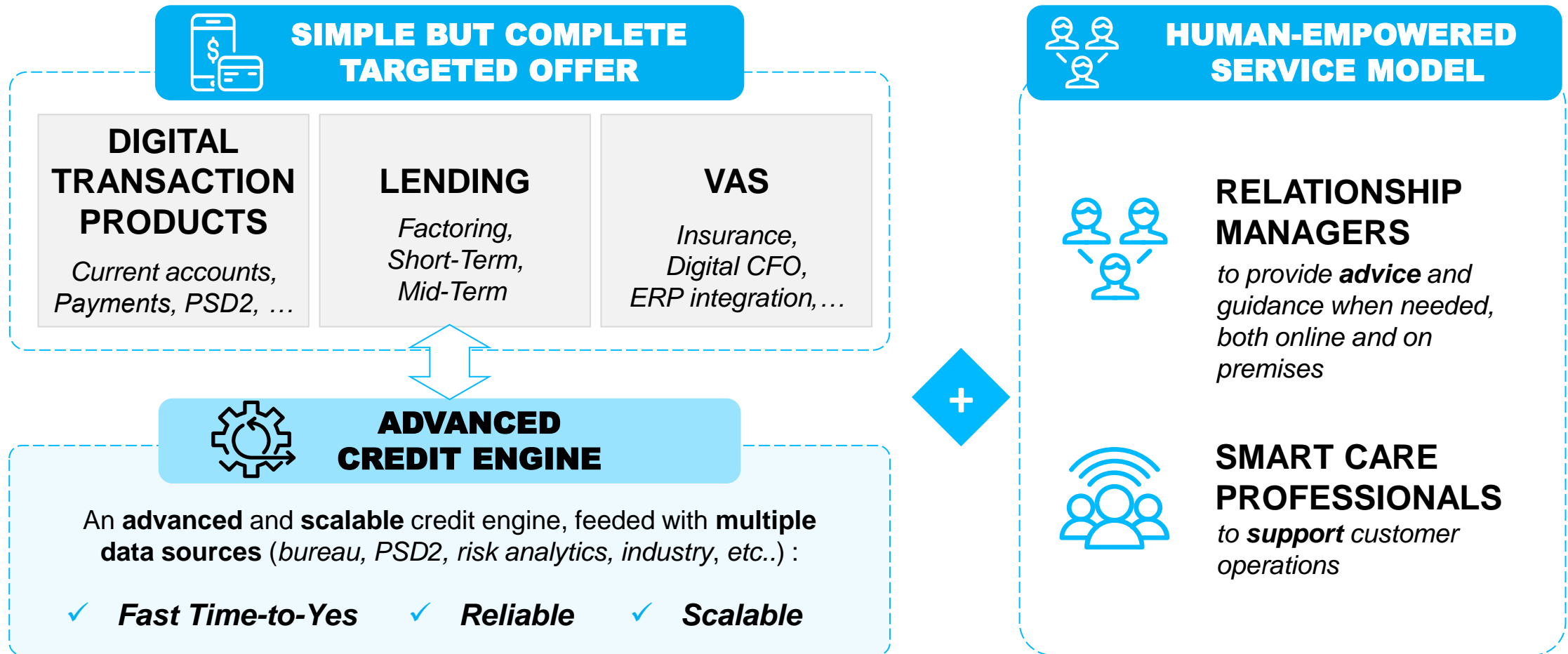
b-ilty



...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

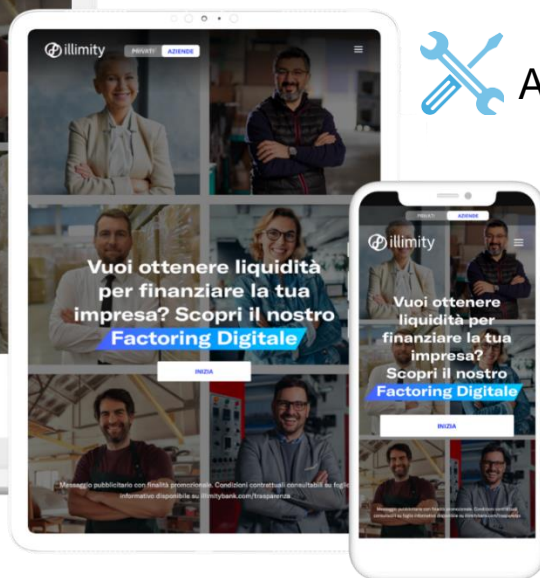
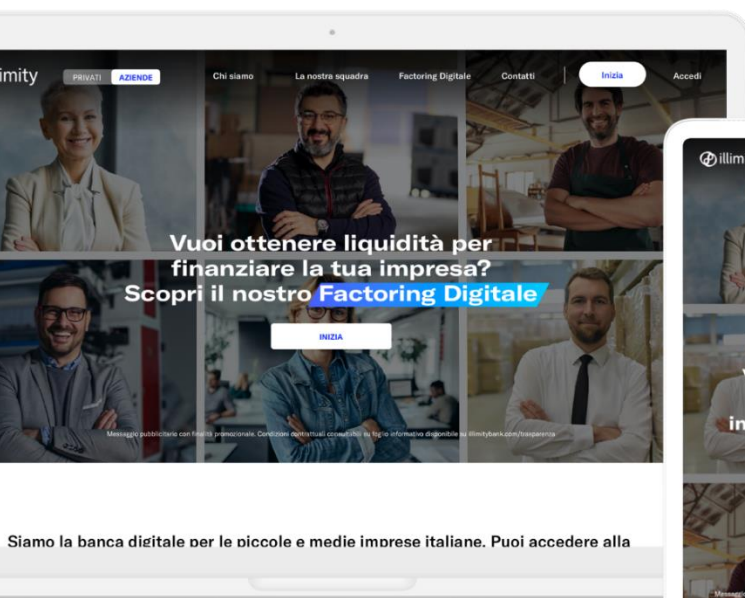
illimity - **B-ILTY: complete targeted offer for Small Corporates**




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

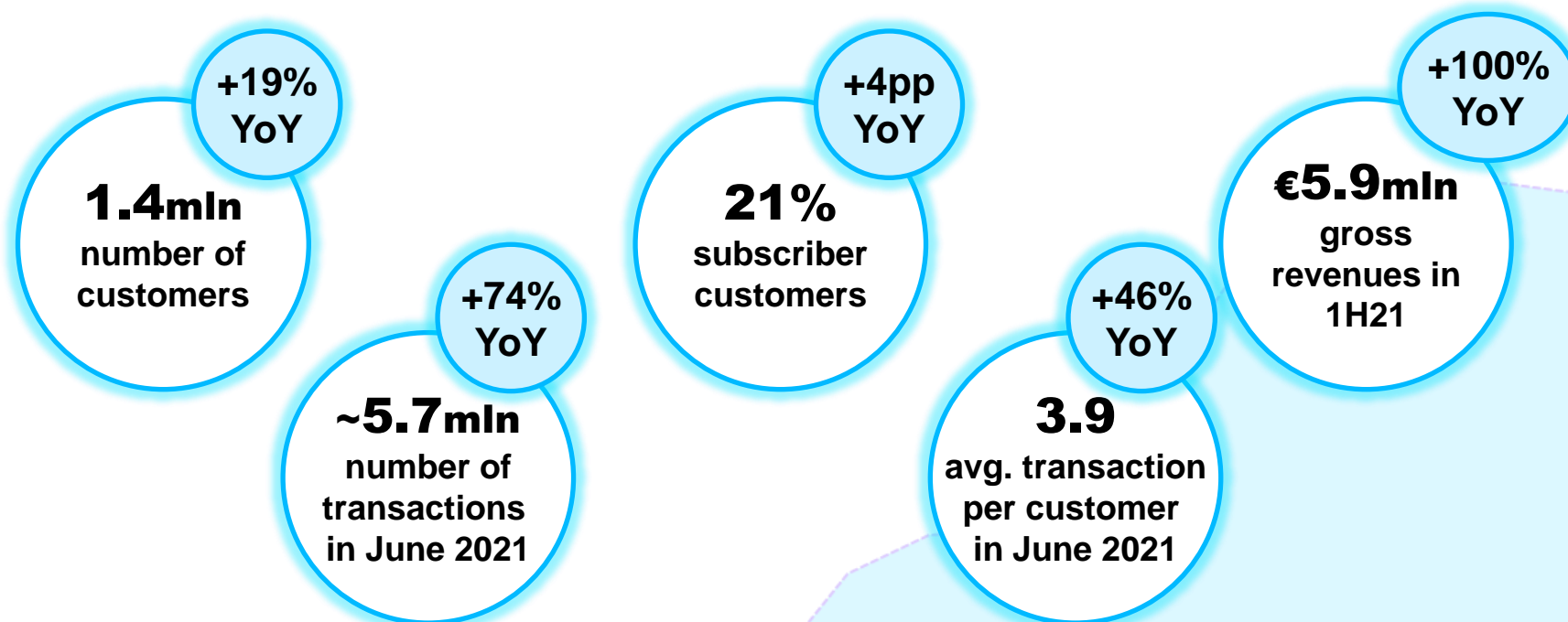
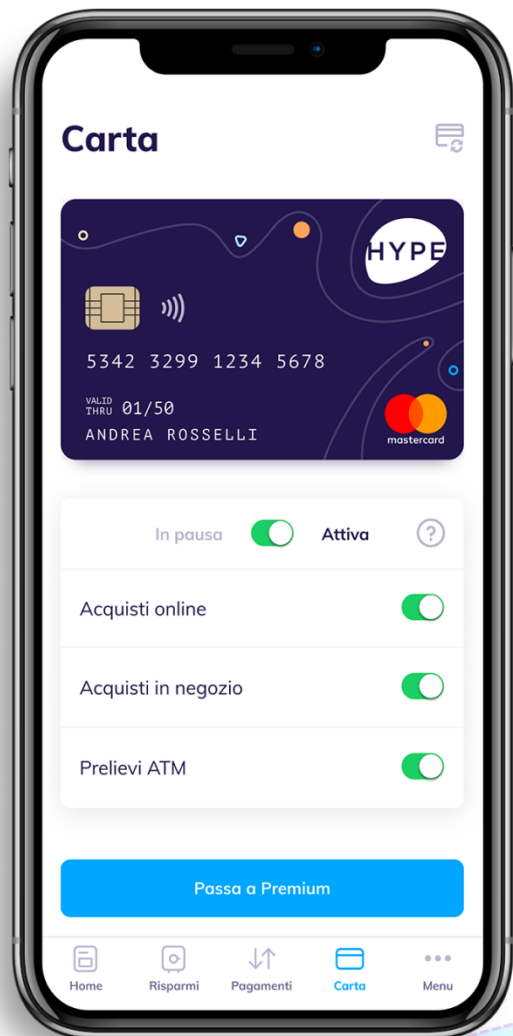
 **Hiring Commercial Network** in progress

 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” launched 20-Sept
Ready to become a Money Management HUB

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



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