



illimity 4Q20 & FY20 results

11 February 2021


Key highlights

Corrado Passera, CEO



illimity - **FY20 profit of €31m**, equal to **5.5% ROE**

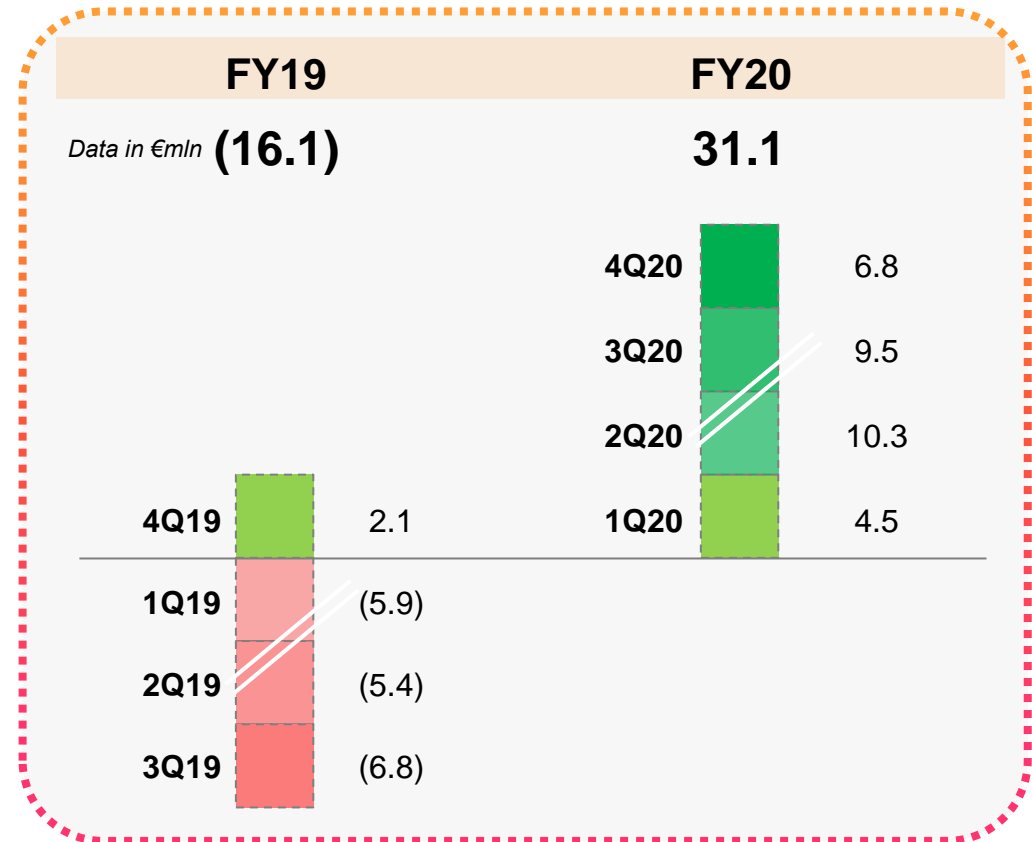
 **Net profit for FY20 at €31m** fully meets the mid-year guidance

 **Customer loans and investments exceed €2.2bn**, +35% yoy and +20% qoq

 **Quality of existing business** confirms to be **rock-solid**

 **CET1 ratio at 17.9%** and 18.4% pro-forma; **liquidity exceeding €980m**

NET RESULT EVOLUTION



illimity - Strong business origination despite harsh environment

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



	Cross-over & Acq. Finance
	Turnaround
	Factoring
	Distressed Credit Investments
	Senior Financing
	Servicing⁽⁹⁾ AUM (GBV/Managed assets)

A	B	C	A+B+C	BP 2018-23 Target 2020
Originated Business ⁽¹⁾ inception to date (31 January 2021)	Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾	Total	
~2,681	~130	~399	~3,210	~3,000-3,500
538 ⁽⁴⁾	~37	~40	~615	~300
332 ⁽⁵⁾	~16	~81	~429	600-700
159 ⁽⁶⁾ T/O⁽⁷⁾ 736	~68	~20 ⁽⁸⁾	~247	~300
1,168 ⁽⁵⁾	~9	~234	~1,411	1,700-2,000
484	-	~24	~508	100-200
~9,142	~42	~2,046	~11,230	5,100-6,300

Notes: Non accounting figures; (1) This aggregate includes the SME 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, 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. This aggregate additionally includes part of the net loans to existing customers of BIP, due to their features considered consistent with illimity's SME segment for about €54mln. It includes also portfolios sold; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP core SME for about €54mln; (5) 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 corresponding to the investments in energy distressed credit; (6) Net Book Value at 31 January 2021; (7) Turnover related to Factoring only for the year 2020; (8) Credit line to be granted; (9) The AUM of the servicing unit includes the gross book value of distressed credit and the value of property and capital goods managed by IT Auction, net of cash flows and portfolio disposals.

illimity - Investments lead to future benefits



UTP portfolio market entry with a landmark transaction



Asset management company set-up devoted to **investment in corporate debt**. UTP fund close to launch



Lead position in **Open banking** as a combination of customer engagement capability of **illimitybank.com** and wide customer base in HYPE



Successful debut in fixed income institutional markets with **first senior preferred bond**

illimity - **Significant profit growth ahead**

- 
-  **Large and growing core markets** – in some cases ahead of our initial expectations
 -  **Significant revenue growth** fueled by business generated in 4Q20 and strong pipeline
 -  **Further investments to further strengthen the market positioning** of all our core businesses
 -  **Confidence** in the **quality of our business portfolios**

4Q20 and FY20 financial review

Francesco Mele, CFO & Head of Central Functions



illimity - **FY20 mid-year guidance fully met**

-  **Strong revenue growth** with steady progression in net interest income
-  **SME Division:** strong acceleration in business origination driving **growth in net commission**
-  **DCIS Division:** steady **profits from closed positions** and continuous performance in cash flow
-  **Costs** increase in 4Q20 reflecting **growth in business** and the anticipated **early investments in new initiatives**
-  **Provisions** in 4Q20 reflecting **strong asset quality** and new origination backed by public guarantees

illimity - Business assets grow steadily

Data in €mln

	31.12 2019	31.03 2020	30.06 2020	30.09 2020	31.12 2020	Δ 31.12.2020 / 30.09.2020	Δ 31.12.2020 / 31.12.2019
Reclassified Balance sheet							
1 Cash and cash equivalent	772	219	311	543	945	74%	22%
Due from banks and other financial institutions	345	657	643	645	641	(1%)	86%
2 Customer loans	1,638	1,662	1,766	1,831	2,205	20%	35%
- DCIS ¹ investments	667	674	724	733	972	33%	46%
- DCIS ¹ senior financing	341	334	337	331	336	2%	(2%)
- SME ²	527	556	613	685	817	19%	55%
- Cross-over & Acq. Finance ²	261	278	315	366	412	13%	58%
- High yield bond	-	-	13	23	4	(82%)	n.s.
- Turnaround	131	154	156	173	243	40%	85%
- Factoring	135	123	129	123	158	29%	18%
- Non-core former Banca Interprovinciale	103	99	92	83	80	(3%)	(22%)
Financial assets Held To Collect (HTC)	-	-	-	-	-	n.s.	n.s.
Financial assets Held To Collect & Sell (HTCS) ³	126	335	286	137	91	(33%)	(27%)
Financial assets measured at FVTPL ⁴	9	8	12	17	19	8%	114%
Goodwill	22	36	36	36	36	-	67%
Intangible assets	19	22	26	29	33	14%	73%
Other assets (Incl. Tangible and tax assets)	95	114	158	154	156	1%	64%
Total assets	3,025	3,052	3,238	3,392	4,126	22%	36%
Due to banks	377	468	583	541	534	(1%)	42%
3 Due to customers	1,963	1,901	1,913	2,123	2,552	20%	30%
4 Bond/Securities	15	10	2	2	301	13,241%	1,860%
Shareholders' Equity	544	537	563	575	583	1%	7%
Other liabilities	125	135	176	151	156	3%	24%
Total liabilities	3,025	3,052	3,238	3,392	4,126	22%	36%
5 Common Equity Tier 1 Capital	462	439	466	478	509	6%	10%
6 Risk Weighted Assets	2,162	2,347	2,548	2,497	2,851	14%	32%

1 **Robust liquidity profile:** over **€980mln** between cash, net adjusted interbank position and liquidity buffers also on the back of bond placement

2 **Net customer loans up 20% qoq and +35% yoy** with strong contribution from both SME and DCIS divisions. High yield bond portfolios unwound due to reorganisation under broader investment desk and tactical profit-taking

3 **Retail & corporate funding up 22% qoq to €2.4bn** on further growth in direct deposits at illimitybank.com and at the offline platform

4 Successful placement of **€300mln senior preferred bond** in Dec-2020

5 **CET1 capital up to €509mln** mainly underpinned by profit generated in the quarter and the benefit from the introduction of the Banking Package

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

Notes: Rounded figures; IT Auction consolidated for the first time in 1Q20; (1) DCIS: Distressed Credit Investment & Servicing Division (previously named NPL I&S); (2) 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 SME segment; (3) HTCS: Financial assets measured at fair value through comprehensive income; (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 DCIS division's activities.

illimity - Solid revenue progression drives resilient economic performance

Data in €mln

	Reclassified Profit & Loss	1Q20	2Q20	3Q20	4Q20	Δ 4Q20/ 3Q20 %	FY19	FY20	Δ 12M20/ 12M19 %
1	Interest income	32.1	33.2	37.7	43.1	14%	62.7	146.0	133%
	Interest expenses ¹	(10.2)	(8.9)	(10.0)	(11.5)	14%	(13.4)	(40.7)	204%
	Net interest income	21.8	24.3	27.6	31.6	14%	49.3	105.3	114%
2	Net fees and commissions	2.5	2.1	2.9	5.9	101%	6.6	13.5	104%
	Net result from trading	3.7	(0.0)	2.1	2.7	33%	10.3	8.5	(17%)
	Net other income/expenses	0.0	0.2	0.5	4.1	790%	1.9	4.8	153%
3	Gains from closed purchased distressed credit positions ²	9.1	7.9	11.6	14.0	21%	9.1	42.6	368%
	Operating income	37.2	34.5	44.7	58.4	31%	77.2	174.8	126%
	Staff costs	(11.3)	(13.2)	(11.5)	(16.0)	39%	(31.1)	(52.1)	68%
	Other operating expenses	(16.3)	(12.9)	(17.0)	(25.4)	49%	(55.2)	(71.6)	30%
	Depreciation & Amortisation	(1.8)	(2.0)	(2.3)	(2.5)	7%	(3.1)	(8.6)	174%
4	Operating costs	(29.4)	(28.2)	(30.8)	(43.9)	42%	(89.4)	(132.3)	48%
	Operating profit	7.8	6.4	13.9	14.5	4%	(12.2)	42.5	n.s.
5	Loan loss provision charges	(2.7)	(1.2)	(0.3)	(1.7)	420%	(7.6)	(5.9)	(21%)
	Value adjustments on purchased distressed credit	2.8	4.6	(0.4)	(3.4)	684%	(8.2)	3.5	n.s.
	Value adjustments on HTC securities and loans to banks	(0.3)	0.2	(0.1)	0.1	n.s.	(0.0)	(0.0)	24%
	Other net provisions	(0.5)	0.2	0.4	0.1	(77%)	0.0	0.1	n.s.
	Provisions for risks and charges	0.1	(0.1)	(0.2)	(1.2)	405%	(0.5)	(1.4)	167%
	Profit (loss) before tax	7.2	10.0	13.2	8.3	(37%)	(28.5)	38.7	n.s.
6	Income tax	(2.7)	0.3	(3.7)	(1.6)	(58%)	12.4	(7.6)	n.s.
	Net result	4.5	10.3	9.5	6.8	(29%)	(16.1)	31.1	n.s.

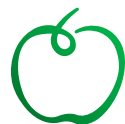
- 1 **Steady growth in net interest income** on volume progression despite a large share of the business origination occurring at the end of the period
- 2 **Pick up in net fees** supported mainly by new business origination and continuous growth in IT Auction's activity and factoring business
- 3 **Additional strong profit contribution** from closed distressed credit positions either sold to third parties or agreed with debtors (DPO⁽³⁾)
- 4 **Operating expenses** rising on seasonal adjustments of variable compensation, further growth in business and **early investments in new initiatives**
- 5 **Provisions in 4Q20** reflect stable asset quality and new origination in loans backed by public guarantees
- 6 €1.3mln positive effect from IT Auction goodwill tax recognition

Notes: Rounded figures (1) Interest expenses restated to exclude costs related to Debt for leasing, now reclassified as administrative costs; (2) Gains from definitive closure of non-performing exposures either through disposal to third parties or through discounted payoff agreed with the debtor; (3) Discounted pay off recovery strategy (the so-called "saldo e stralcio").

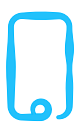
illimity - DCIS delivers, SME gaining momentum



SME
(BIP included)



DCIS



**DIRECT
BANKING**



SGR



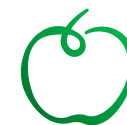
**CORPORATE
CENTER**



TOTAL

Data in €mln						
Net interest income	17.7	88.5	(4.3)	-	3.4	105.3
Net fees and commission	7.4	7.7	(1.2)	-	(0.4)	13.5
Other income	3.9	45.8	-	-	6.3	56.0
Operating income	29.0	142.0	(5.5)	-	9.3	174.8
Staff costs	(10.9)	(17.0)	(3.8)	(0.6)	(19.8)	(52.1)
Other administrative expenses and D&A	(10.4)	(36.2)	(12.4)	(0.5)	(20.7)	(80.2)
Operating costs	(21.3)	(53.2)	(16.2)	(1.1)	(40.5)	(132.3)
Operating profit	7.7	88.8	(21.7)	(1.1)	(31.2)	42.5
Provisions	(2.2)	(1.6)	-	-	-	(3.8)
Profit (loss) before tax	5.5	87.2	(21.7)	(1.1)	(31.2)	38.7
Interest earning assets	905	1,319	-	-	1,677	3,901
Other assets	4	88	-	0	133	226
RWA	706	1,845	n.m.	n.m.	300	2,851

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



DCIS faster deployment as expected with strong performance in cash flow and profit from closed position, contributing over 80% of total revenue. Cost income already below 40%



SME more gradual deployment as expected further affected by 2020 pandemic with momentum in volume growth in 2H20 leading to €5.5mln of pre-tax profit



Direct Banking on track with cost sharing and cross selling synergy expected from JV in Hype



Corporate Center absorbing €31mln in terms of negative result before tax and reflecting costs to build a scalable infrastructure

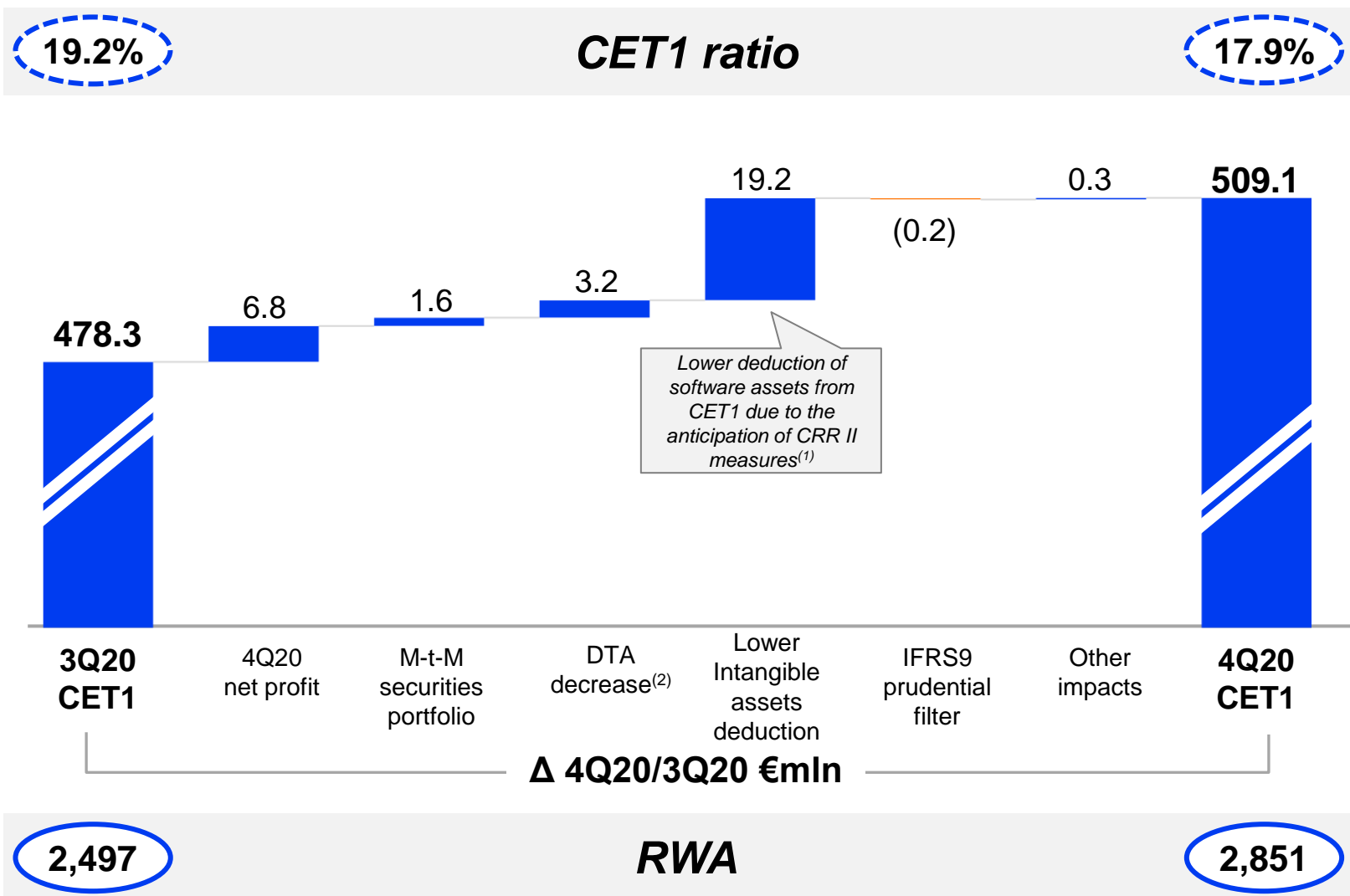
illimity - **KPIs confirm strong asset quality and robust capital**

	1Q20	2Q20	3Q20	4Q20	12M20
Cost income	79%	82%	69%	75%	76%
Organic cost of risk (bps) annualised ⁽¹⁾	124bps	52bps	13bps	59bps	52bps
Gross organic NPE ratio ⁽²⁾	4.2%	4.2%	3.8%	3.2%	3.2%
LCR	>1,000%	>1,000%	~700%	>700%	>700%
CET1 ratio	18.7%	18.3%	19.2%	17.9%	17.9%

- **Cost income ratio** reflects revenue not fully benefiting from volumes built in the quarter
- Annualised **cost of risk contained at 59bps in 4Q20** on new volumes backed by public guarantees and solid asset quality
- **Organic NPE ratio further down to 3.2%**
- Ample liquidity buffer
- **NSFR** comfortably above minimum requirements
- **CET1 ratio still at nearly 18% on strong business growth**

Notes: (1) Ratio of loan loss provisions to net loans to customers end of period (€1,150m as of 4Q20) 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 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, 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.

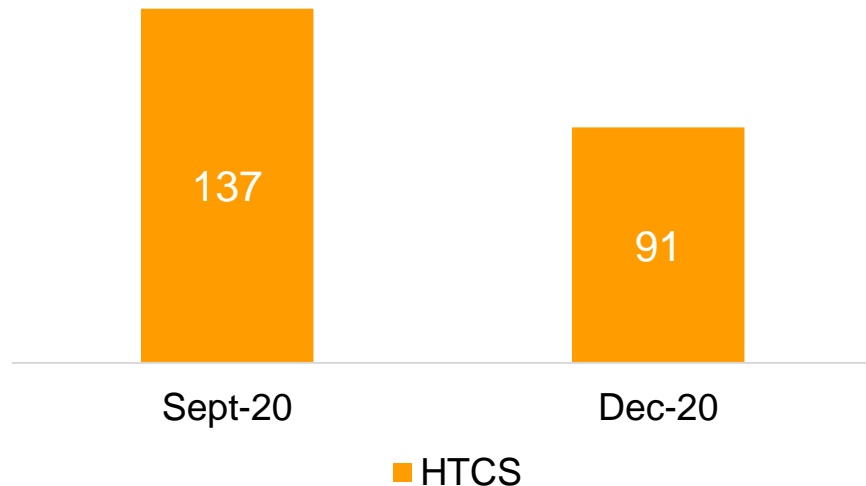
illimity - Resilient CET1 Ratio at 17.9%



- **CET1 capital increased by more than 6% qoq**, mostly due to the partial deduction of software assets from CET1 and the positive net profit contribution
- **Increase in RWA (+14% qoq)** due to investments made during 4Q and operational risk increase
- Including special shares, CET1 ratio would reach around **18.4% on a pro-forma basis**

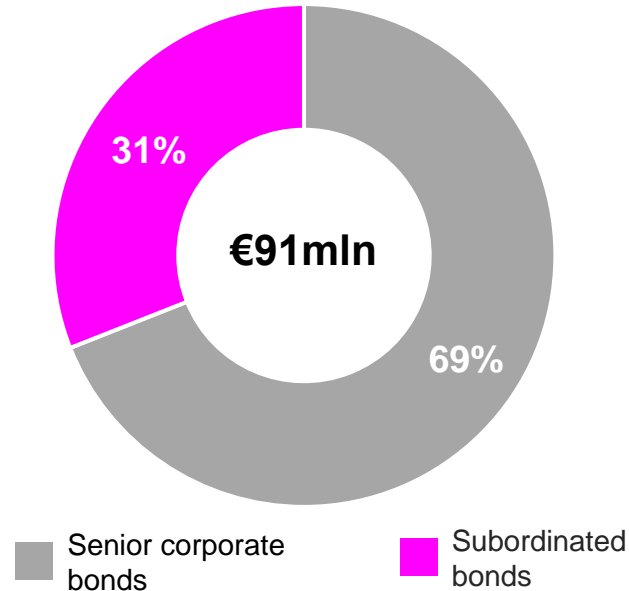
illimity - **Dynamic securities portfolio**

Securities portfolio



Portfolio composition

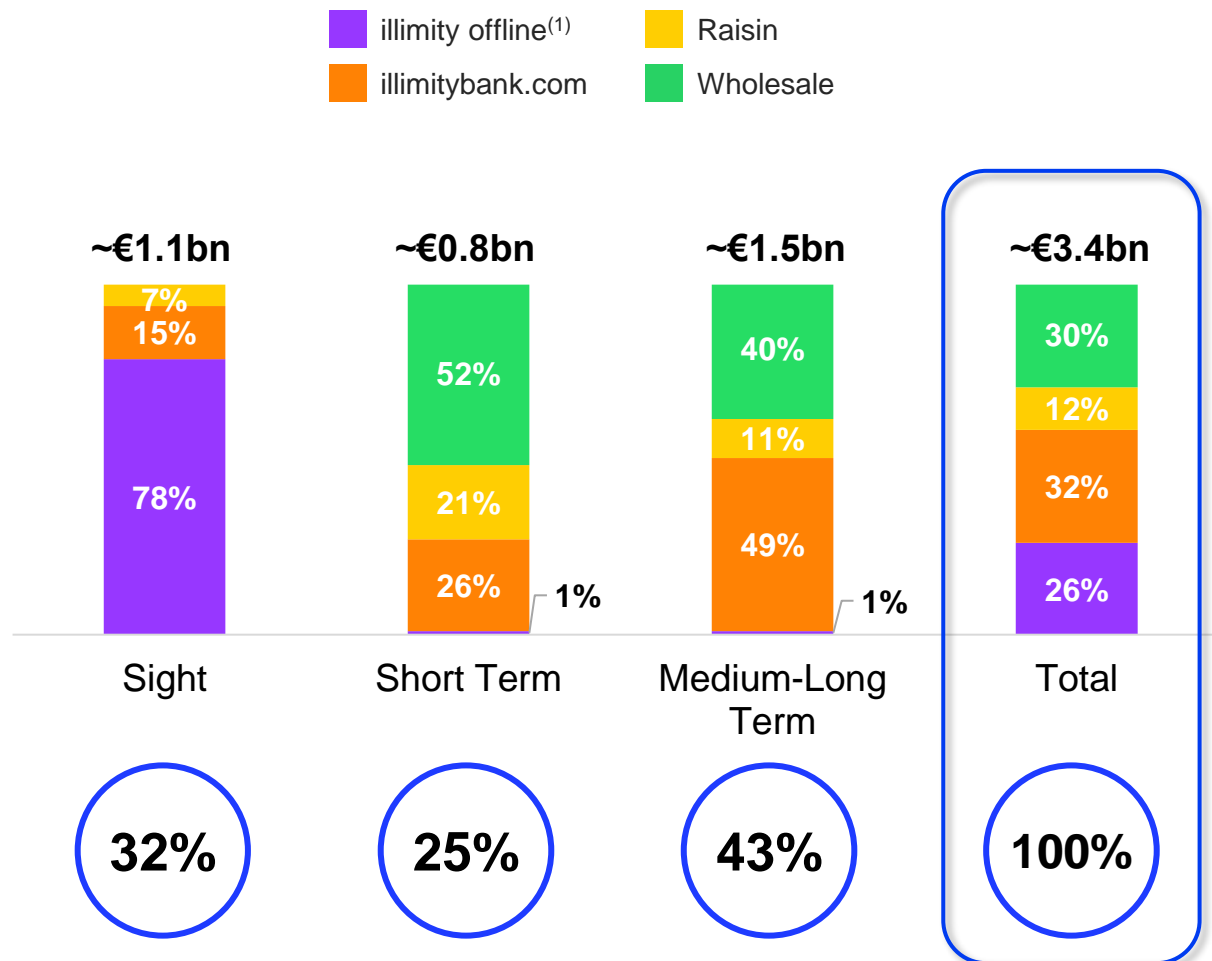
31 December 2020



- **Dynamic treasury portfolio management** to reduce exposure to market volatility
- **Negligible impact from M-t-M⁽¹⁾ at 31 December 2020**
- Duration **3 years**
- Average yield approx. **1.7%**

illimity - Longer funding maturity due to bond issuance

Maturity mix



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

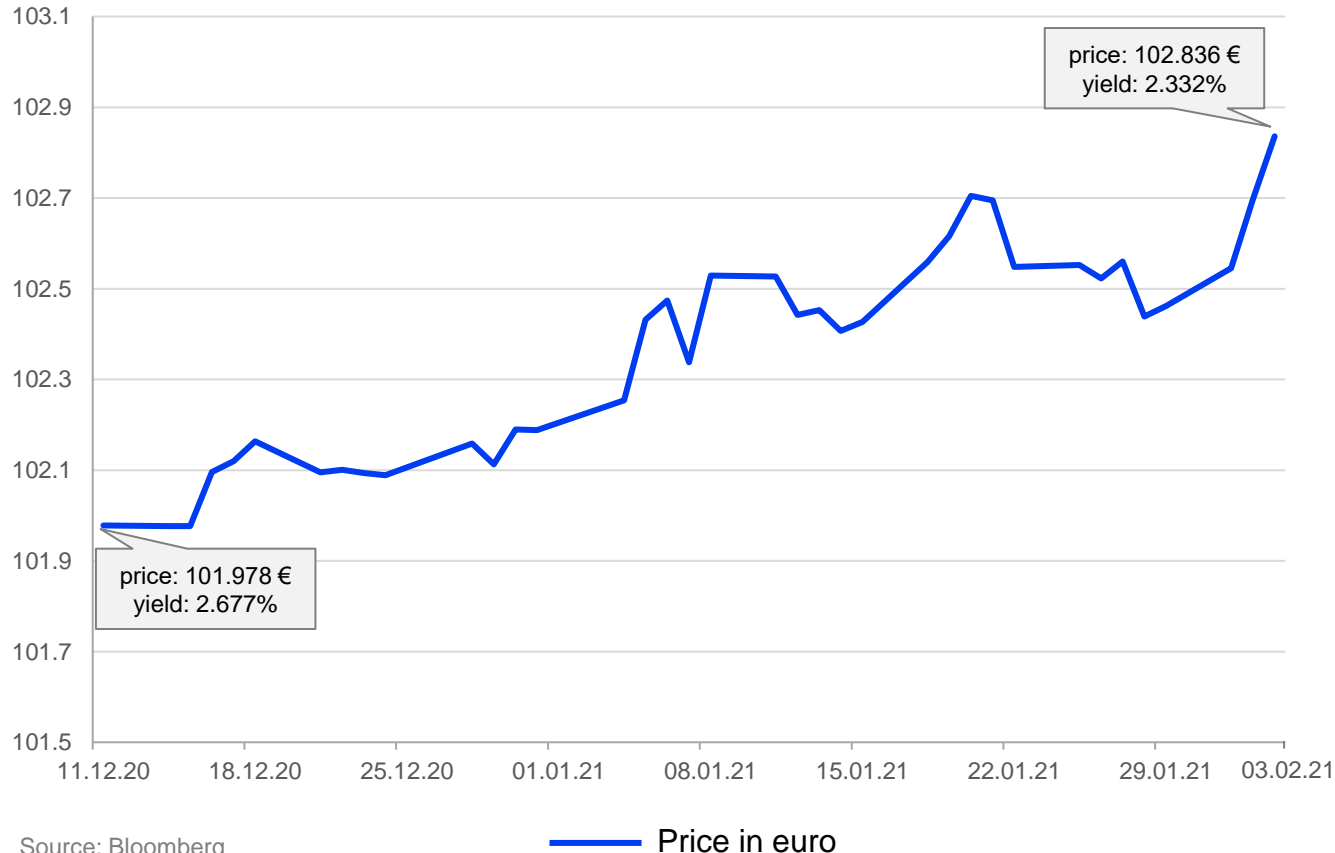


~1.6% blended average cost of funding



€185mIn **TLTRO-III**

illimity - Successful placement of first bond



€300mIn bond senior preferred with **3-year maturity set at 3.375%**



Robust demand for issuance touching **one billion euro from 160 investors** well distributed between domestic and foreign institutions



Further diversification of funding sources

SME Division

Enrico Fagioli



illimity - Specialist partner of Italian SME



Cross-over and Acquisition Finance

SME with industrial potential and support to external growth strategies



- Cross-over
- Acquisition Financing
- Investment in high yield corporate bonds in industries in which we are specialists



Turnaround finance

Unlikely-to-pay corporate exposures with potential to return to a performing status



- Refinancing
- Restructuring
- New finance
- UTP portfolios



Factoring

Support to industrial districts value chain



- Short-term financing through factoring

illimity - 2020: satisfactory despite challenges



2020 Highlights



Successful **entry in UTP portfolios market**, leveraging on cross-competencies with the DCIS division



Robust origination in public guarantee loans, high profitable financing instruments in great demand set to continue into 2021



Tangible evidence of profit from credit revaluation events in Turnaround business – more to come in forthcoming years based on current backlog



Healthy recovery of factoring activities after 2Q



Very good start for our strategy in **corporate high yield bond business**



Performance in 4Q20



Strong **acceleration in business origination** in loans with public guarantees



Several credit revaluations events in the Turnaround business



Good level of asset quality notwithstanding difficult market conditions




illimity - Strong business origination

Selective approach

- **489 deals analysed** since inception **worth ~€4.9bn** in nominal value
- **320 deals declined** worth ~€3.5bn
- **10 deals** with **terms agreed** and **to be signed shortly** worth ~€53mIn
- **14 deals** currently under evaluation in **advanced status** worth ~€121mIn
- **Other opportunities** identified for additional ~483mIn

90 deals signed since inception

Data in €mIn
Customer loans unless otherwise stated
Non accounting figures

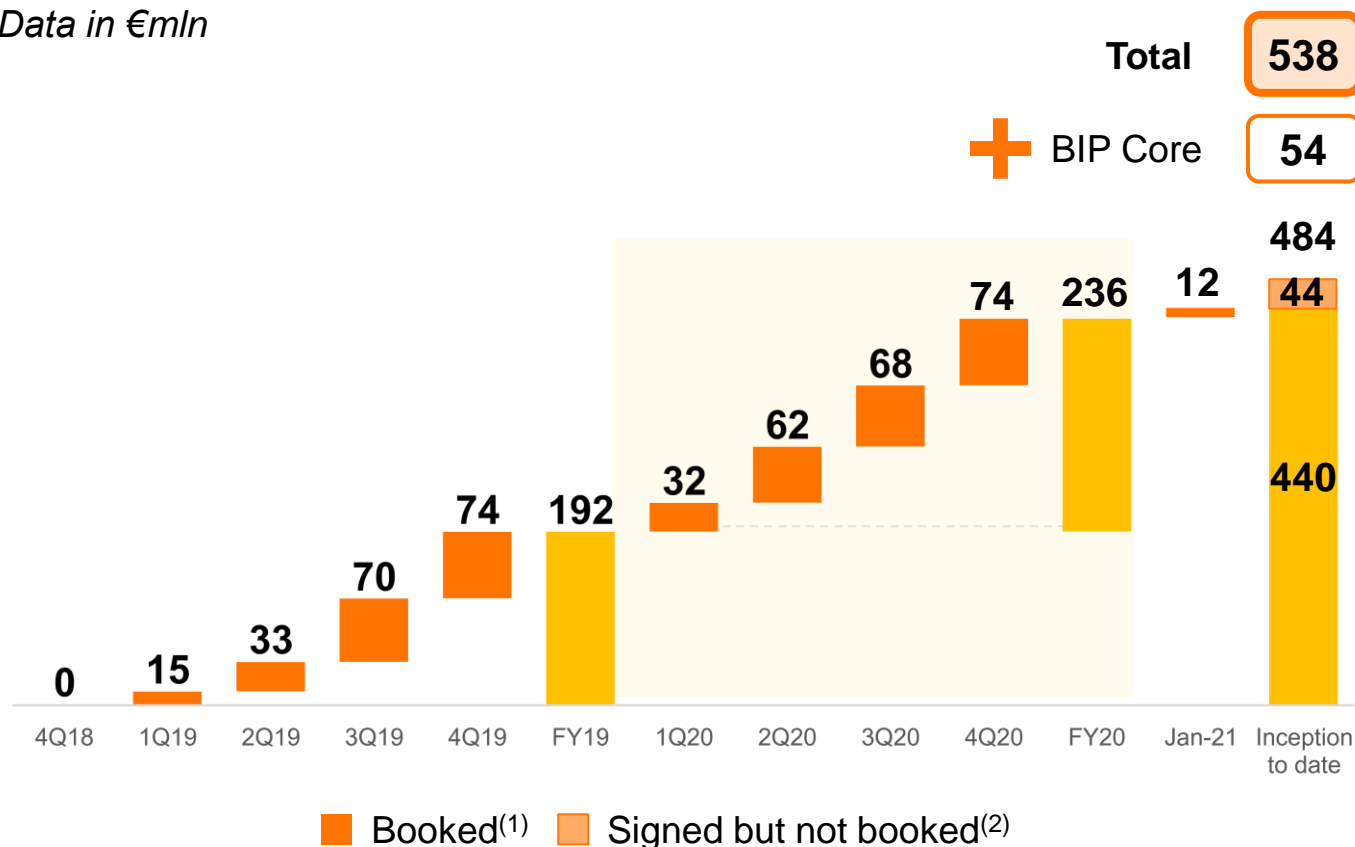
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	Originated business ⁽¹⁾				BP 2018-23 Target 2020
	Inception to date (31 January 2021)	Terms agreed ⁽²⁾ to be signed	Advanced pipeline ⁽³⁾	Total	
 Cross-over & Acq. Finance	538 ⁽⁴⁾	~37	~40	~615	~300
 Turnaround	332 ⁽⁵⁾	~16	~81	~429	600 - 700
 Factoring	159 ⁽⁶⁾ T/O⁽⁷⁾ 736	~68	~20 ⁽⁸⁾	~247	~300
Total SME Originated business	1,029	~121	~141	~1,291	~1,200-1,300

Notes: Non accounting figures; (1) This aggregate includes the loans originated/purchased in the period, thus already income-producing, and the deals signed but yet to be booked, due to a settlement structure in multiple tranches or to a time lag between the signing and the date of loan disbursement; (2) Deals in final stage of the formalization of the agreement/contractual terms; (3) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (4) Including BIP core SME for about €54mIn and high yield bond for €27mIn; (5) 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; (6) Net Book Value at 31 January 2021; (7) Turnover related to Factoring only for 2020; (8) Credit line to be granted.

illimity - Cross-over & Acq. Finance: acceleration in 4Q20

Originated business

Data in €mln



Momentum in business origination continued in 4Q20



Half of 4Q20 business origination in **lending with public guarantees**

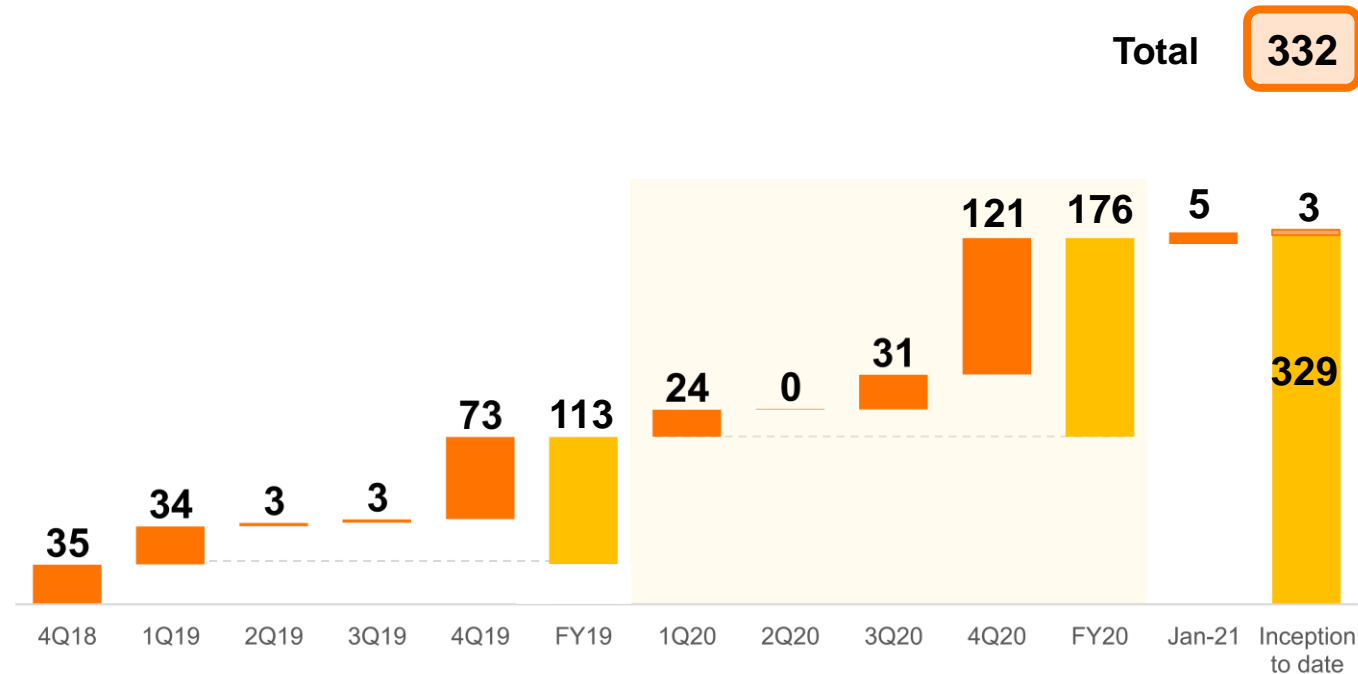


36 deals 2020 (# 22 in 2019)
Avg ticket €6mln

illimity - Turnaround: strong pick up in 4Q20

Originated business

Data in €mln



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



Strong business origination capability mostly in deals with the support of public measures



€6mln profit generation in FY20 on **credit revaluation events⁽³⁾**



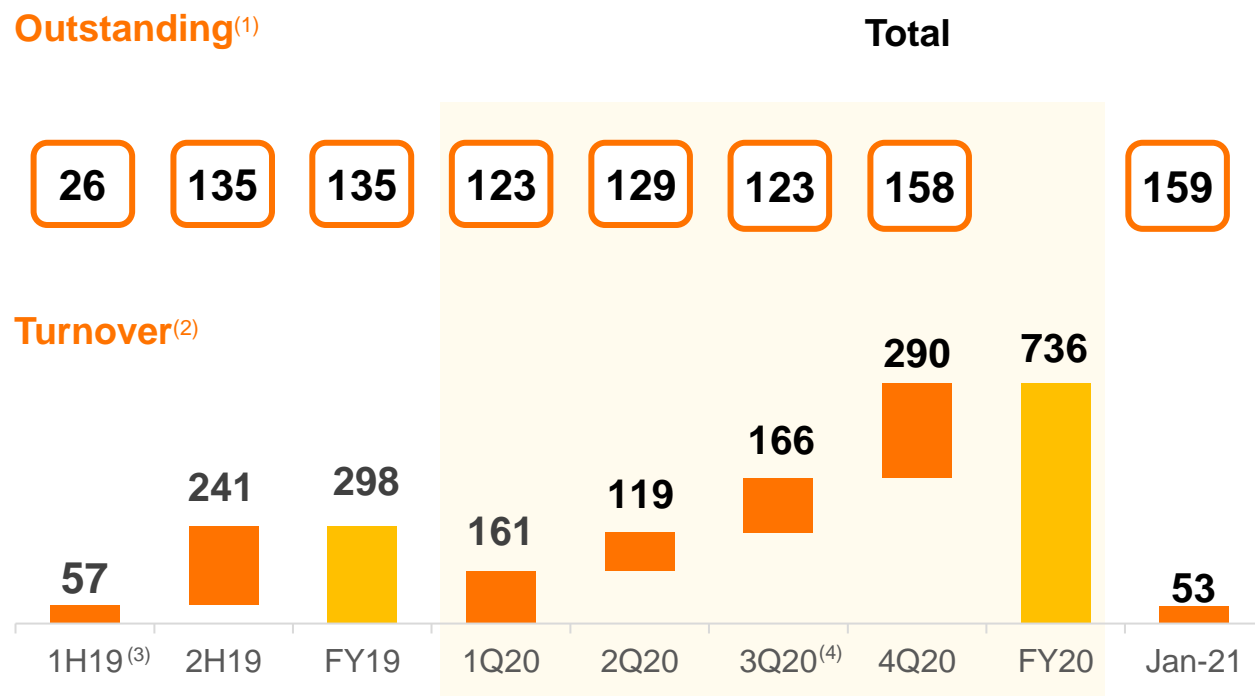
Strong momentum set to continue **into 2021**

Notes: Rounded figures; (1) Income-producing gross loans origination, including new finance, acquired credit and related instruments. It 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; (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; (3) Non accounting figures. Credit revaluation events related only to corporate events.

illimity - Factoring: growth continues

Originated business

Data in €mln



Turnover **more than doubled** vs. 2019



Around **120 clients⁽⁵⁾** and **over 500 debtors**



Turnover **positive trend** continues in Jan-2021

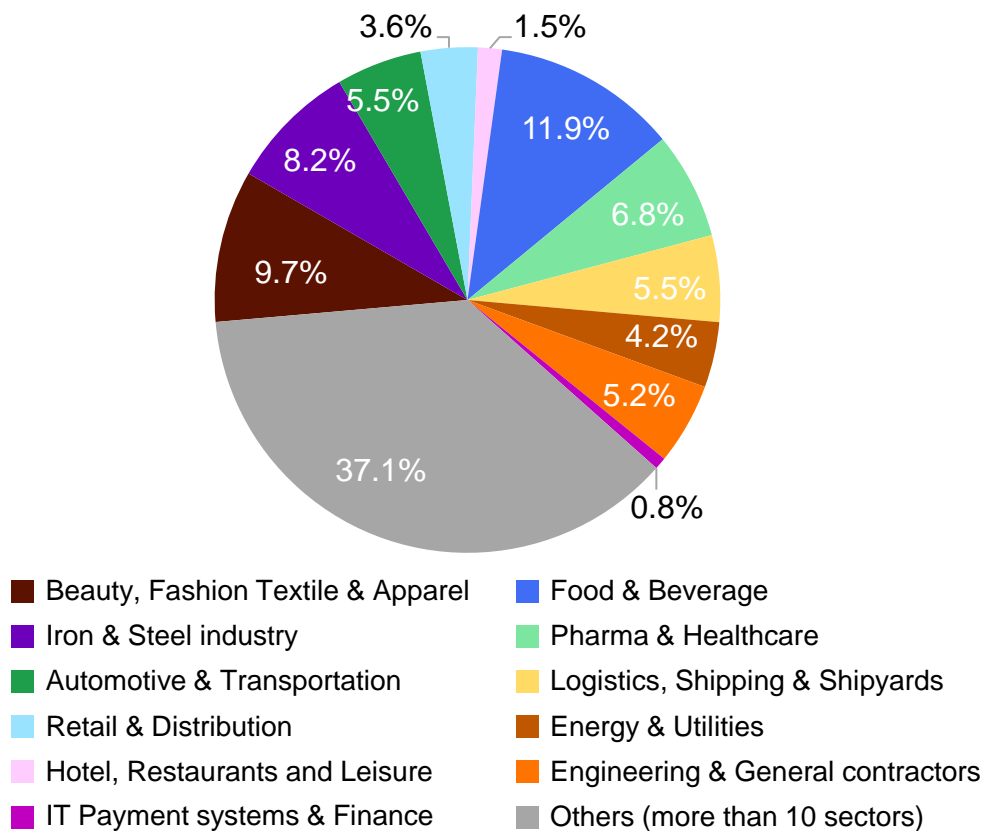
Notes: Rounded figures; Non accounting figures; (1) Outstanding: in a factoring transaction, the outstanding amount is the amount of receivables transferred and not yet collected at a certain date; (2) Turnover: in a factoring transaction, the total amount of receivables transferred over a defined period of time; (3) Start-up phase; (4) Restatement due to a contract advance where illimity received a commitment fee, converted into turnover in 4Q20; (5) The corporate that transfers its account receivables to the bank (so-called factor).

illimity - Further diversification of our loan book

GBV breakdown by sector⁽¹⁾

As % total SME lending

Data as of 31 December 2020



As of end 2020, exposures spread across **over 25 sectors**



Loan moratorium down to **€47mIn** as of Jan-2021, approximately 5% of total SME loan book

Distressed Credit I&S Division

Andrea Clamer



illimity - Building the **Italian Corporate Distressed Credit champion**



Investment



Acquisition of secured and unsecured **Corporate Distressed Credit**



Senior Financing



Financing solutions for Distressed Credit non-bank investors



Servicing



Workout services and remarketing for captive and 3rd parties' corporate Distressed Credit



Investment



Servicing



Remarketing

Origination

Due
Diligence

Pricing

Bidding

Onboarding

Workout &
Recovery

Remarketing of
Distressed Credit collaterals

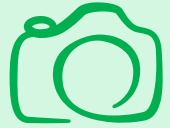
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illimity - Strong performance in 2020



2020 Highlights



Robust business origination capabilities



Strong cash flow ahead of initial plan and **dynamic approach to portfolio management** leading to strong profit contribution



Entry in the UTP portfolios market with a landmark transaction, leveraging on cross-competencies with the SME division



Development of specialist desks: **energy** and **special situation real estate**



Building a **unique strategic positioning** of neprix sales⁽¹⁾ underway



Performance in 4Q20



€284mIn business origination in 4Q20, seasonally the strongest quarter in the year, bringing total origination for FY20 to €484mIn



Strong pipeline bodes well for continuous growth into 2021






Ongoing robust performance of cash flow and profits from disposals/DPOs

illimity - A disciplined business origination

Strong discipline drives selective approach⁽¹⁾

- ~€56bn of GBV analysed since inception
- ~€46bn of GBV declined/lost since inception
- ~€8bn of GBV signed since inception
- ~€2bn of GBV currently under evaluation

Data in €mln
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Non accounting figures

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 Distressed Credit Investment	1,168 ⁽⁵⁾	~9	~234	~1,411	1,700-2,000
 Senior Financing	484	-	~24	~508	100-200
Total Originated Business	1,652	~9	~258	~1,919	1,800-2,200
 Servicing ⁽⁶⁾ AUM (GBV/Managed assets)	~9,142	~42	~2,046	~11,230	5,100-6,300

Notes: Non accounting figures; (1) Refers only to Distressed Credit Investments (2) This aggregate includes Distressed Credit investments booked, Senior Financing loans granted in 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. It includes also the portfolios sold; (3) Deals in final stage of the formalisation of the agreement/contractual terms; (4) Specific business opportunities for which the bank envisages there is a reasonable expectation to close the transactions in the forthcoming months; (5) 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 corresponding to the investments in energy distressed credit; (6) The AUM of the servicing unit includes the gross book value of distressed credit and the value of property and capital goods managed by neprix sales, net of cash flow and portfolio disposals.

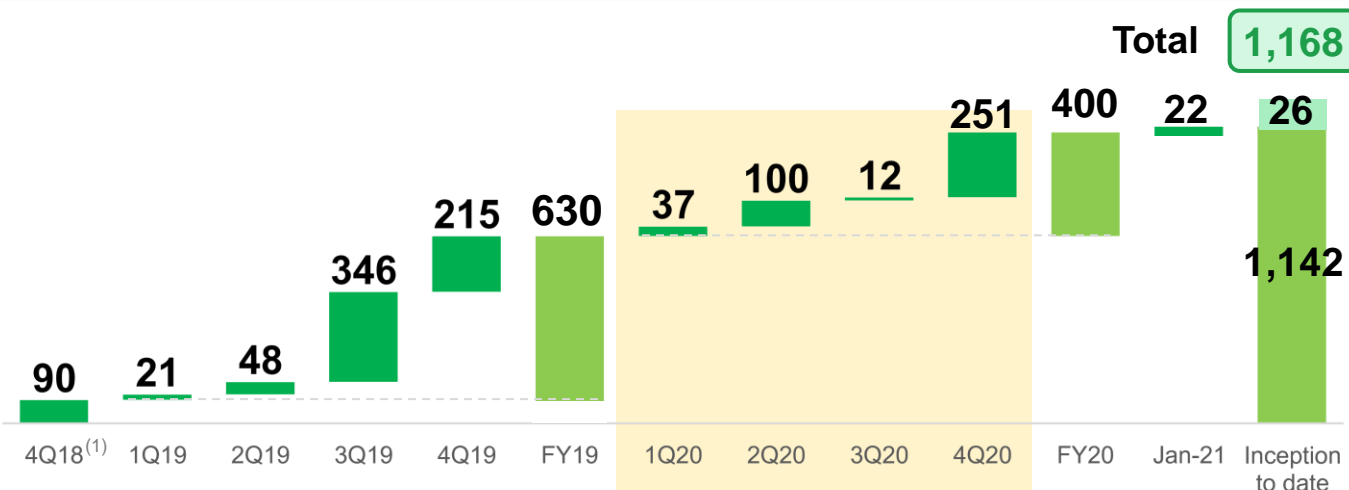
illimity - Business origination matures

Originated business

Data in €mln



Distressed Credit Investment



Investments in 2020

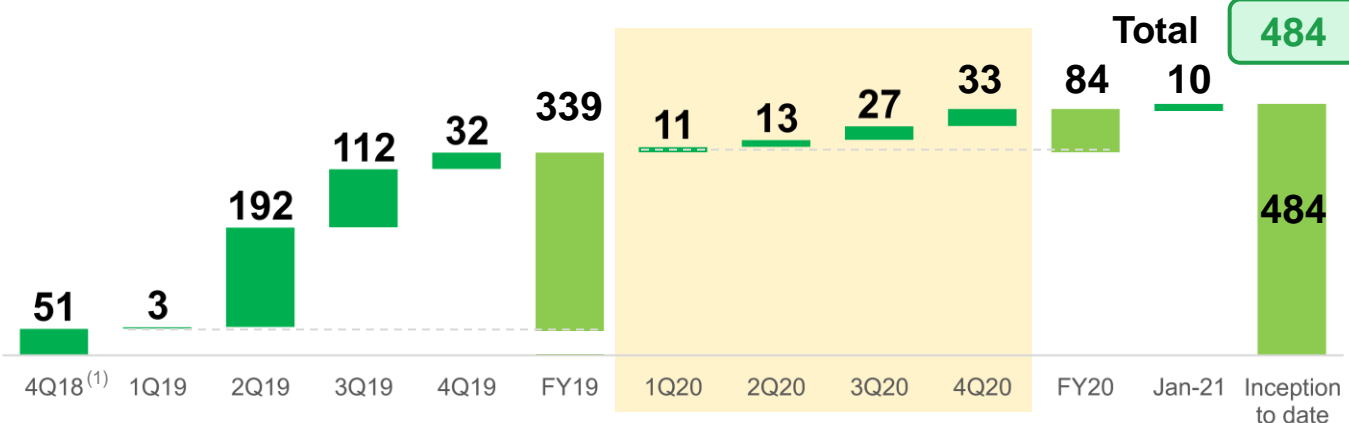
€2.3bn GBV
~1,900 # positions



Investments in 2020 concentrated on **corporate secured and UTP portfolios**



Senior Financing



Senior financing investment selection in 2020 refocusing on **high yield transactions**

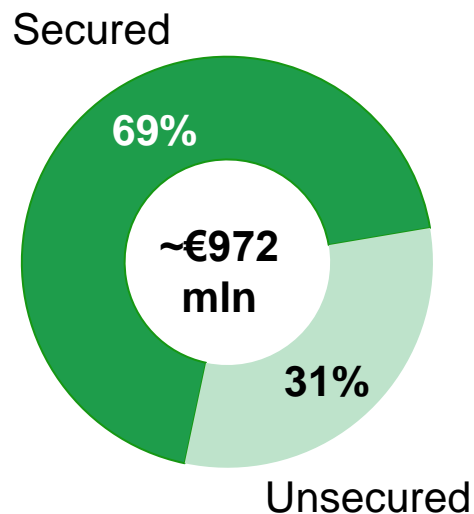
■ Booked⁽²⁾ ■ Signed but not booked⁽³⁾

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.

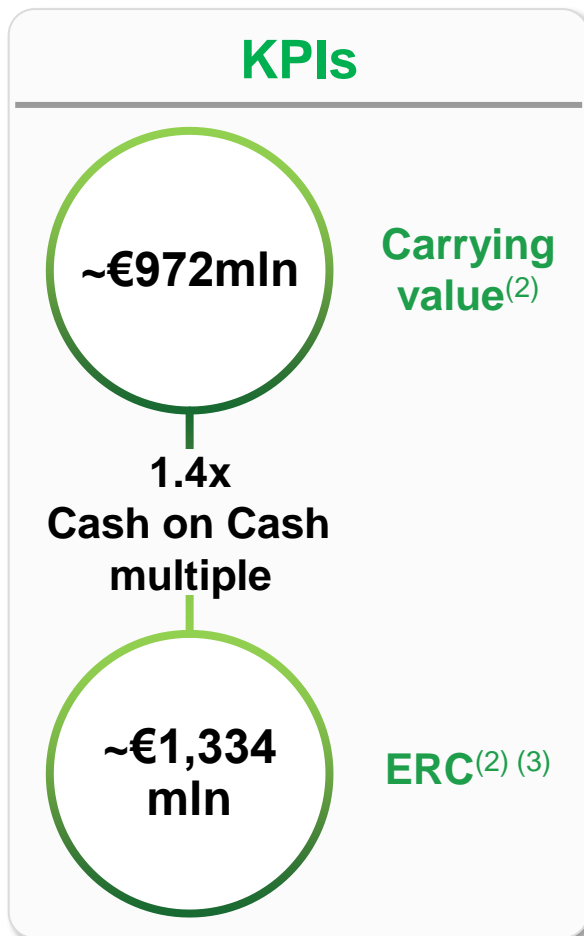
illimity - High quality portfolio in line with targets

Data as of 31 December 2020⁽¹⁾

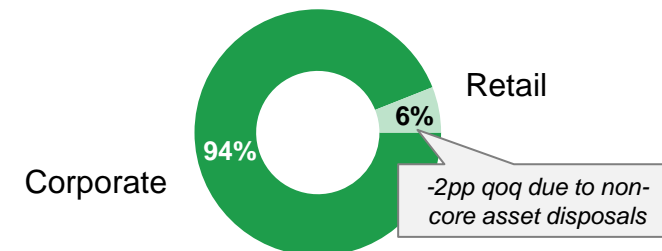
NBV breakdown by type of guarantee



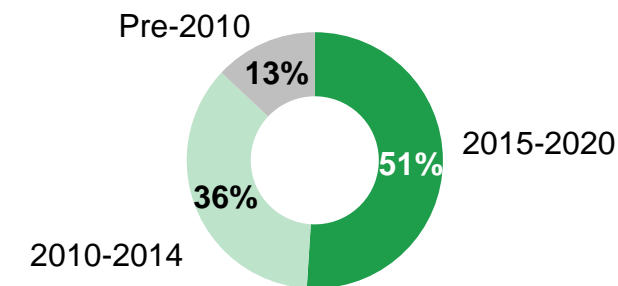
KPIs



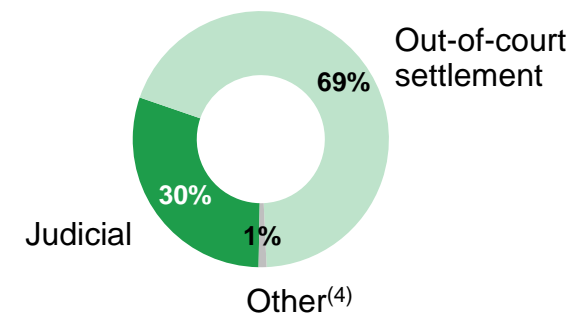
Type of borrower (GBV breakdown)



Vintage (GBV breakdown)



Actual workout strategy (Cash flow breakdown)



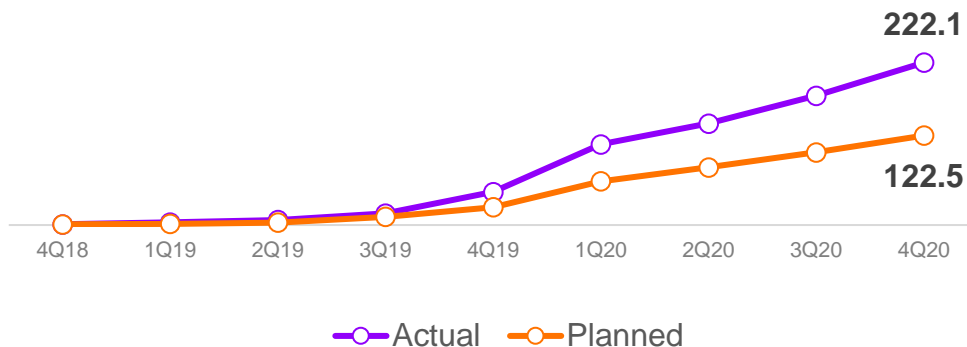
Notes: Rounded figures; (1) Data does not include assets repossession (through ReoCo and *datio in solutum*); (2) This includes distressed credits purchased by the Energy desk, which for accounting purposes are recognised at Fair Value (item 120 c); (3) Estimated Remaining Collections on booked investments; (4) Mainly refers to positions for which data remediation is ongoing.

illimity - Ongoing outperformance of cash flow

Cash Flow view⁽¹⁾

Data in €mln

Cumulative cash flow: actual vs. planned



	Actual Cash Flow	Expected Cash Flow	Delta Cash Flow
Q4 20	45.2	23.1	+22.1
Cumulative	222.1	122.5	+99.6

4Q20 Economic view

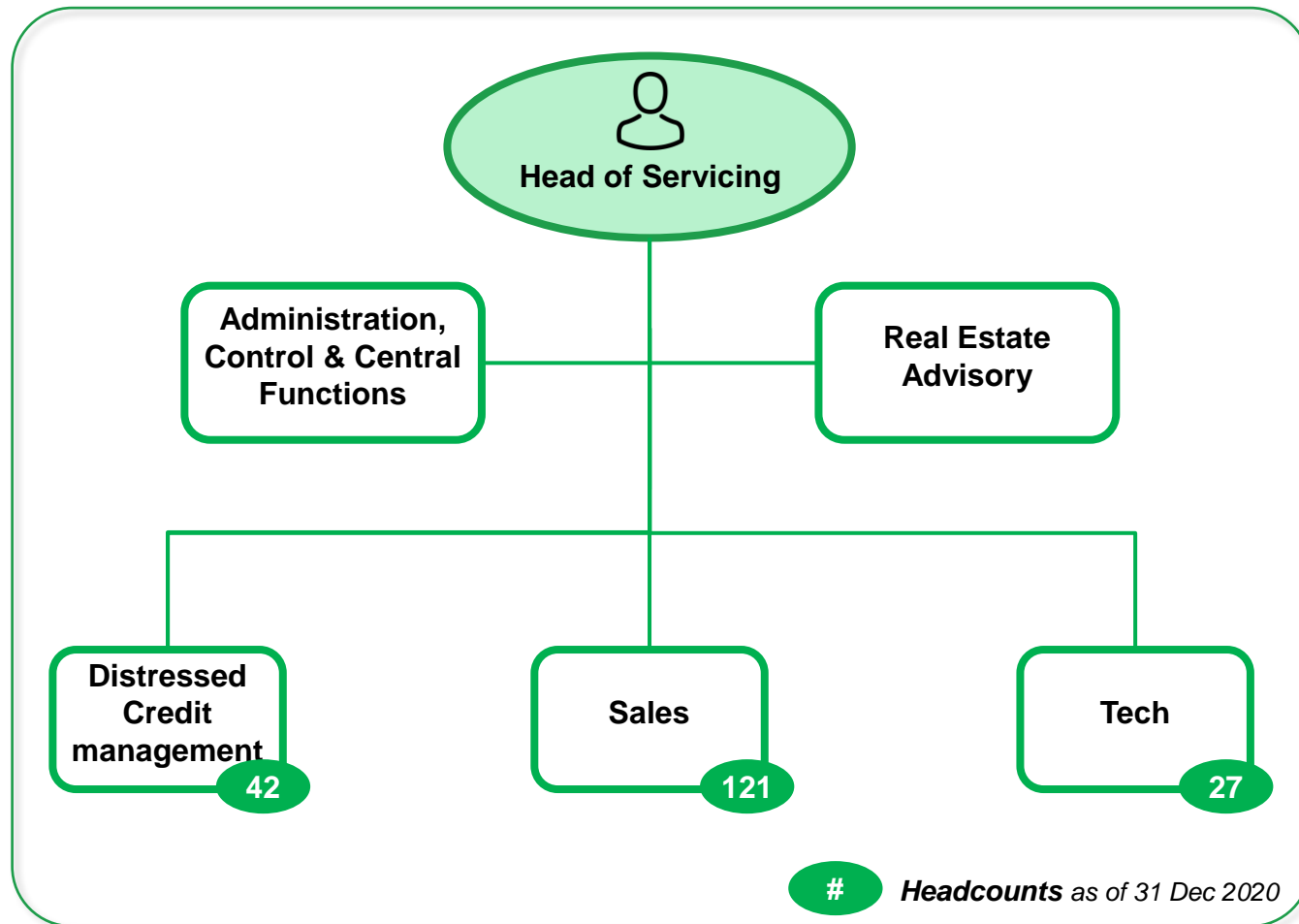
Data in €mln

	Interest income ⁽²⁾	Fee income	Adjustments ⁽³⁾	Gross Revenues ⁽⁴⁾
Investment	29.3	-	6.4	35.7
Senior Financing	3.7	0.9	-	4.6
Total	33.0	0.9	6.4	40.3

Interest ⁽²⁾ Q4	=	NBV	×	Gross IRR	×	Period from onboarding
Adjustments Q4 6.4	=	Delta Cash Flow +22.1	+	ERC ⁽⁵⁾ Update -15.7		
Adjustments FY20 41.3	=	Delta Cash Flow +99.6	+	ERC ⁽⁵⁾ Update -58.3		

Notes: Rounded figures; (1) Cash flow from receivables; (2) Measured based on amortized cost; (3) Outcome of the Distressed Credit business plan periodic review; it includes €13.2mln reclassified in operating income (gains from closed purchased distressed credit positions), -€7.0mln accounted as value adjustments on purchased distressed credit and €0.2mln recognized as fair value adjustments; (4) Revenues before any cost of funding; (5) Estimated Remaining Collection.

neprix - The new neprix: technology boosts performances



New neprix organisational structure following IT Auction incorporation focuses on 3 business areas:



Distressed Credit management managing **€6.5bn AuM GBV** and ~31,000 tickets, responsible for due diligence and distressed credit servicing



Sales executing property management, remarketing and sale of real estate assets and capital goods



Tech providing IT solutions and process improvement services

neprix - neprix sales: more than a window for corporate asset remarketing

Full network

Key financials

Real Estate & capital goods

€2.6bn
780k

AuM
Registered Users

Statistics of network during 4Q20



Pages viewed

23 mln

+40% vs. 4Q19

249k per day



Visits

6.3 mln

+46% vs. 4Q19

68k per day



Users

4 mln

+57% vs. 4Q19

44k per day



New users registered

48 k

+81% vs. 4Q19

521 per day

Real Estate

Some comparisons of RE traffic on the web site with other key players on RE advertising

 neprix sales Player 1 Player 2

Mln visits / year

10

100

30

% Growth rate in Visits (YoY)

90%

20%

0%

Visits / # properties on website

1,400

350

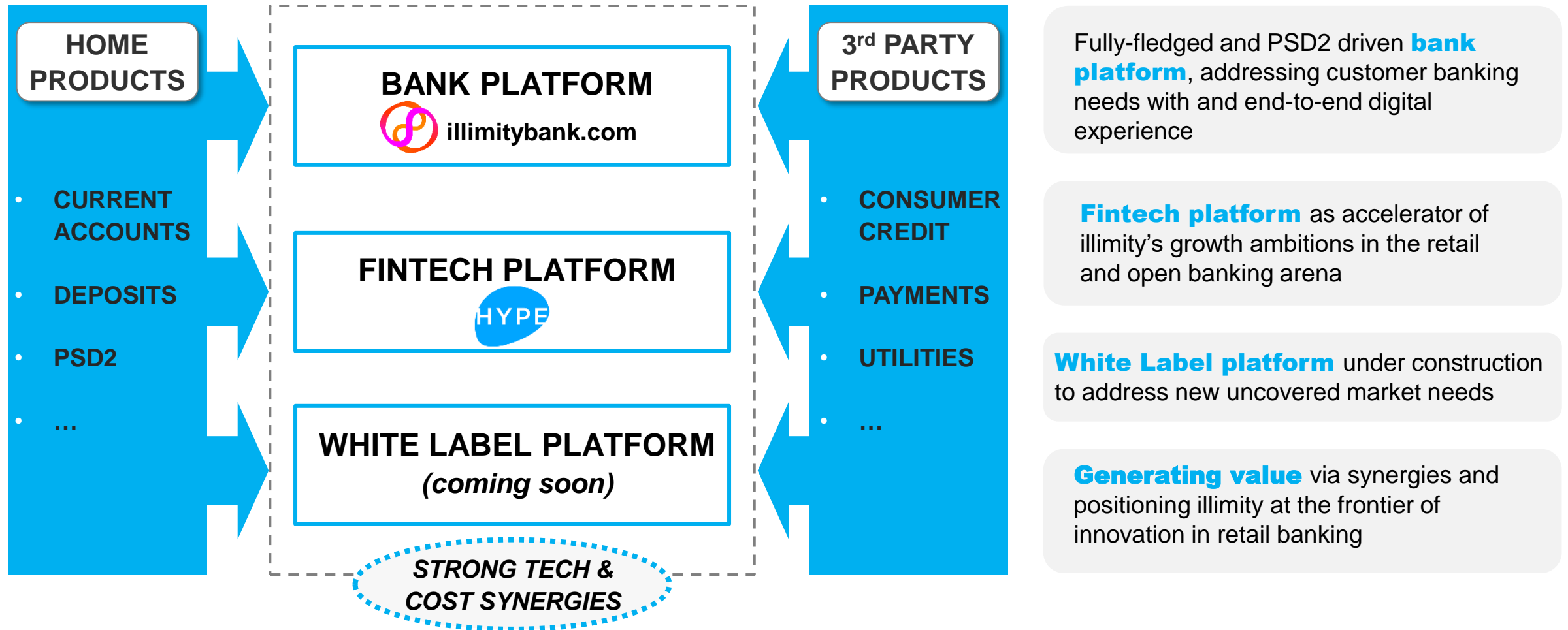
120

Direct Banking

Carlo Panella



illimity - Our mission in direct banking



illimity - illimitybank.com collects impressive results on 3 main levels

Data as of 31 December 2020



Securing funding goals thanks to over **€1bn funding** on illimitybank.com with a **decreasing cost of funding** (-36bps cost of funding on illimitybank.com Dec. vs Jan. 2020)



Building long-term relations with our customers thanks to continuous engagement initiatives

+43k
Customers
as of 31/01/21

86%
Active
Customers

29%
Loyal
Customers

+131%
Conveyed payrolls
(Dec vs Jan '20)

+205%
Sepsa Direct Debit
(Dec vs Jan '20)



Being relevant and valuable for both customers and the market

31% Brand Awareness

45 Net Promoter Score
(avg Q4)

illimity - **HYPE: strategic and operational update**

2020: a year of impressive results...



Main KPIs

1.4mln
Customers

21%
Subscriber

€3.3bn
Transactions
Volume



Main Initiatives

Product offering enrichment

New products and initiatives:
insurance, credit boost, cash top-up, MGM

New subscription accounts

New accounts: Hype Premium and Hype Next

Focus on Innovation

First player to allow customers to adhere via app to the **statal Cashback**



New **REBRANDING** in process, to be announced in the next months



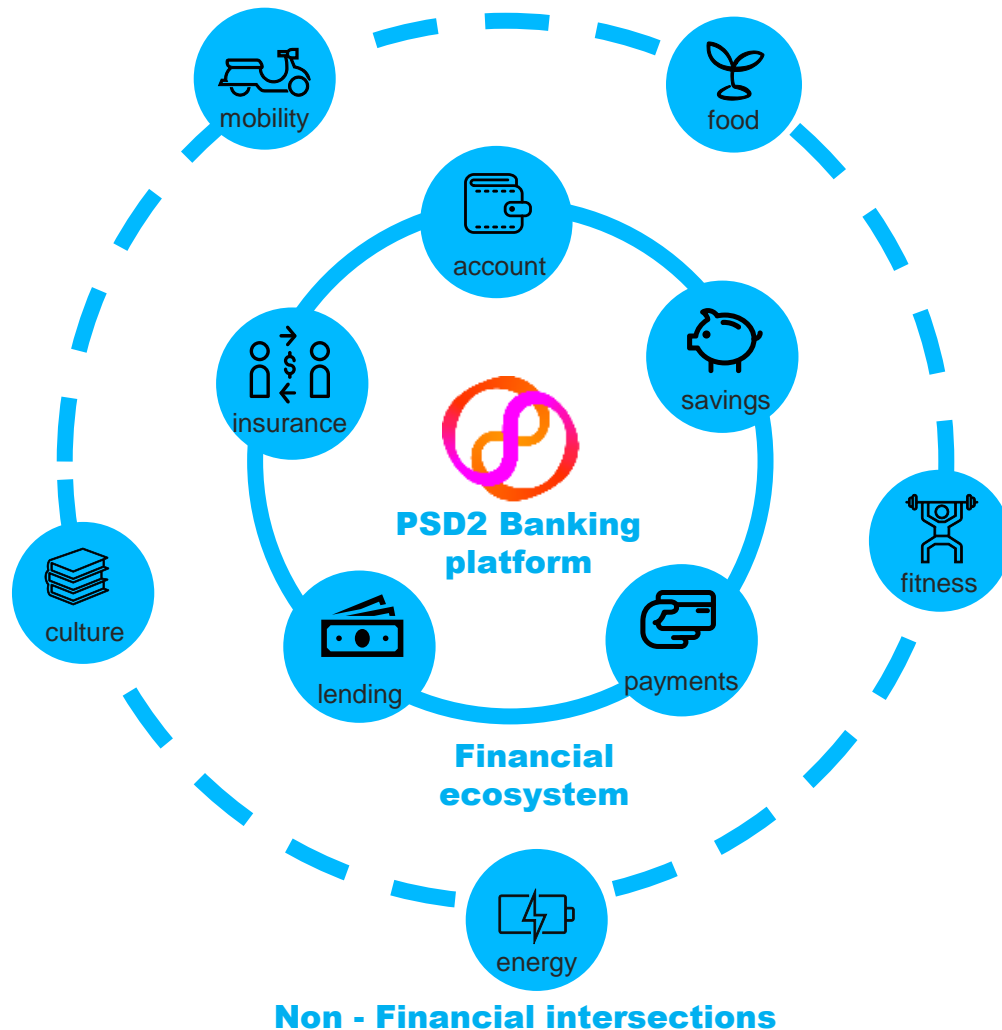
Working to include **OPEN BANKING** features as distinctive drivers to boost high-value plans



Building **INTEGRATED PROCESSES**, leveraging the existing synergies on the technological assets

...already working on 2021

illimity - the new “ABC” of Open Banking



Capitalising illimity’s technological **Assets** to enable partner **Brands** to better address their **Customer base** needs

With three possible offers:



API “micro processes”



API “embedded” in third parties applications



API “all in” with both financial and non financial layers

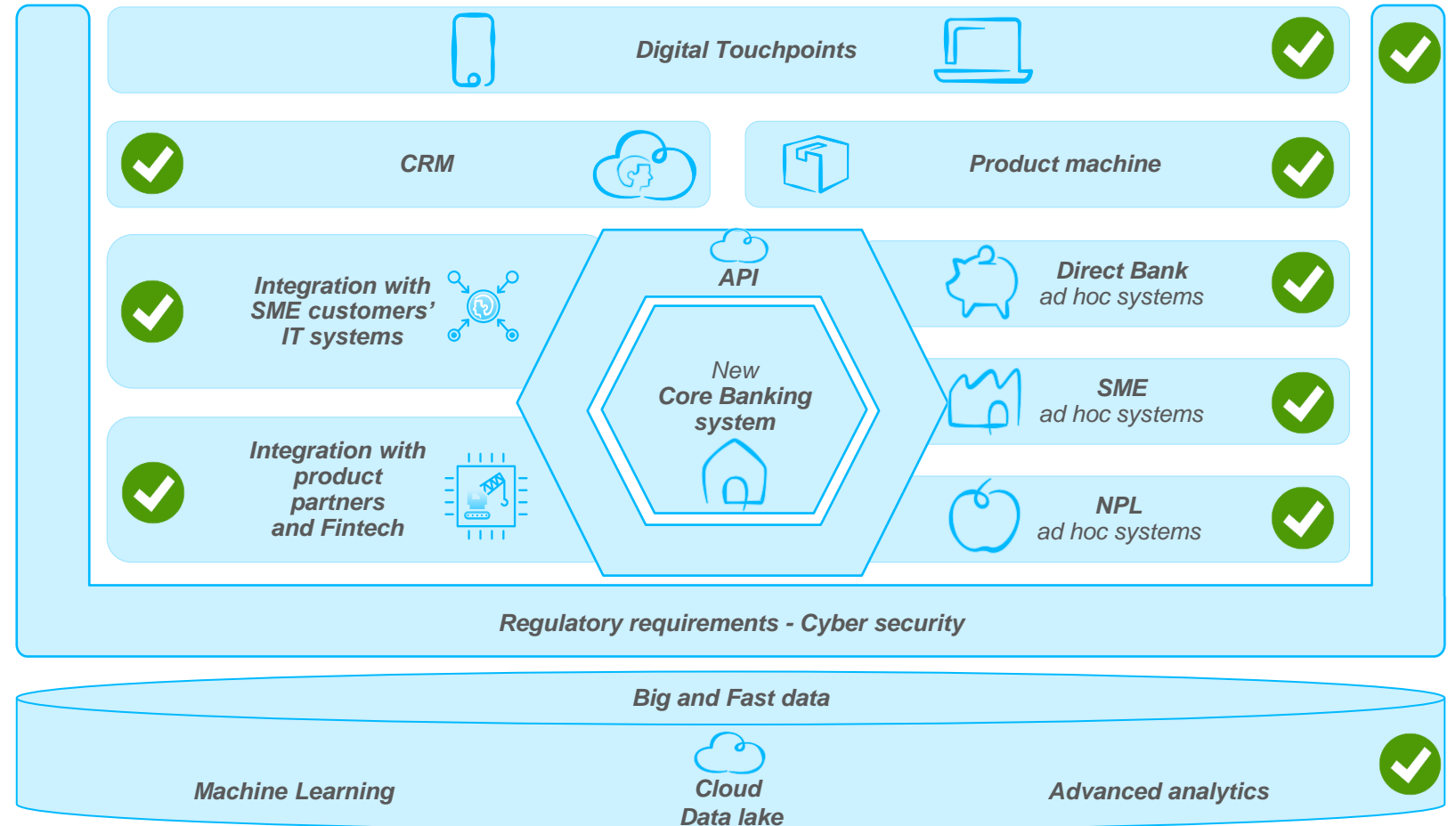


Data analysis enrichment, intelligent platform, data analysis, real time customer insight generation

illimity - Leveraging IT Infrastructure

We have built an enabling **architecture**:

- Fully in **Cloud**
- **API Based**
- **Fully fledged** with best in class Fintech solution
- Based on **data** and **advanced analytics**





Concluding remarks

Corrado Passera, CEO



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