

ILLIMITY ENTERS A LONG-TERM INDUSTRIAL PARTNERSHIP WITH THE ENGINEERING GROUP FOR THE COMMERCIALISATION AND FURTHER DEVELOPMENT OF THE BANK'S IT PLATFORM

Milan, 18 April 2023 – illimity Bank S.p.A. (“**illimity**” or the “**Bank**”) announces that it has reached a long-term industrial agreement with the Engineering Group (hereinafter “**Engineering**”), concerning illimity's IT platform, its distribution to third parties and its future development.

Since its foundation, illimity has invested in the development of an innovative technology platform, fully digital, modular and in-cloud, and which combines state-of-the-art models, architectures and standards. With the agreement announced today with an industrial and technological partner of the stature of Engineering - leader in digital transformation processes for businesses and PA with a strong specialisation in the financial services sector -, the Bank will be able to accelerate on its path to fully exploit and further increase the market potential of its IT assets, which are recognised as cutting-edge in the banking world.

Through the industrial partnership with illimity, Engineering will expand its portfolio of solutions, applications as well as platforms to offer to its target market, and in parallel, as the Bank's technology partner, it will support illimity in the future developments of its platform.

The partnership between illimity and Engineering could generate significant technology and commercial synergies with resulting expected benefits for both companies.

Specifically, the agreement signed provides for the sale of a copy of the source codes of the IT platform from illimity to Engineering and the exclusive right for Engineering to market the same for the period 2023-2032 (eventually to be extended) for a consideration of 55.5 million euro which will be accounted for in 2023 by illimity and paid over the 2023-2026 period, to which an additional 4.5 million euro may be added in the period 2024-2032 in return for further platform upgrades provided by illimity that Engineering has the option to acquire.

The agreement also entails the payment by Engineering to illimity of significant amount of royalties on the results that will be realized by Engineering through the offering to third party of the IT platform (*on premise* and *SaaS* service model), of specific individual application of the platform, or in some cases of *Banking as a Service* solution, in the period 2023-2032.

Finally, the industrial partnership foresees that Engineering will provide expertise and specialist skills at predetermined costs and conditions to support the long-term development of illimity's IT platform, thus becoming the Bank's technology partner of choice. The agreement includes a service contract for professional services provided by Engineering to illimity, Group companies, or, in general, the illimity ecosystem as well as third parties presented by illimity, for guaranteed 15 million euro per year (plus VAT) for the period 2023-32. These represent part of the investments and expenses for the provision of IT services already planned by the Bank in the coming years, and already comprise services provided by companies part of the Engineering Group.

illimity and Engineering have committed to finalise the detailed contracts by 30 June in fulfilment of the binding commitments undertaken (*long form agreement*) with the signing of the agreement announced today. Specifically, the parties have stipulated that the agreement shall be binding until the *long form agreements* containing the entire regulation of their respective rights and obligations

have been finalized. It is understood that, in the event that such contracts are not signed by that date, for reasons other than serious breaches, the parties may extend the aforesaid time limit or terminate the agreement by mutual agreement. In this respect, the Bank will provide appropriate communications in connection with the signing of the *long form agreement* and the execution of the agreement reached.

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illimity Bank S.p.A.

illimity is the high-tech banking group founded and headed by Corrado Passera that was created with the aim of responding to specific market needs by way of an innovative and specialist business model. More specifically, illimity extends financing to high-potential SMEs, purchases distressed corporate loans and services these through its platform ARECneprix and provides digital direct banking services through illimitybank.com. illimity SGR, which sets up and manages alternative investment funds, the first of which dedicated to UTP loans, is also a member of the Group. The story of the illimity Group began in January 2018 with the launch of the special purpose acquisition company SPAXS S.p.A., which ended with a record 600 million euro being raised on the market. SPAXS subsequently acquired Banca Interprovinciale S.p.A., with the resulting merger between the two giving rise to “illimity Bank S.p.A.” which has been listed on the Italian Stock Exchange since 5 March 2019 (ticker “ILTY”), first on the MTA exchange and since September 2020 on the STAR segment. The banking group, headquartered in Milan, can already count on over 850 employees and ended 2022 with assets of around 6.4 billion euro.