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Explanatory Report of the Board of Directors of Banca Ifis S.p.A. regarding the proposal for a resolution by the same Board – in exercise of the authority granted by the Extraordinary Shareholders' Meeting of Banca Ifis S.p.A. held on 17 April 2025 – for a paid and divisible capital increase for a total maximum amount of EUR 8,406,781.00, plus share premium, through the issuance of up to 8,406,781 ordinary shares of Banca Ifis S.p.A., with regular dividend rights and the same characteristics as those outstanding at the date of issuance, with exclusion of pre-emptive rights pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, to be paid by means of contribution in kind in connection with a voluntary public exchange and purchase offer for all the ordinary shares of illimity Bank S.p.A., announced by Banca Ifis on 8 January 2025, pursuant to Articles 102 of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented, and 37 of the Regulation adopted by CONSOB Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented.

This explanatory report (the "**Report**"), unanimously approved by the Board of Directors (the "**Board of Directors**") of Banca Ifis S.p.A. ("**Banca Ifis**") on 8 May 2025 and drafted pursuant to Article 2441, paragraph 6, of the Italian Civil Code and Article 70, paragraph 7, letter a) of the Regulation adopted by CONSOB Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), outlines the terms, conditions, and rationale of the capital increase that the Board of Directors intends to approve in exercise of the authority granted by the Extraordinary Shareholders' Meeting of Banca Ifis held on 17 April 2025, pursuant to Article 2443 of the Italian Civil Code (the "**Delegation**").

CONTENTS

1	Description of the transaction, rationale and purpose of the capital increase.....	4
2	Information on the results of the last financial year and general guidance on operating performance and the expected results for the current financial year	6
3	Tax implications of the transaction involving Banca Ifis	6
4	Structure of financial debt following the transaction	6
5	Underwriting and/or placement syndicates	6
6	Shareholders who have expressed their willingness to subscribe for the newly issued shares	6
7	Number, class and dividend entitlement date of newly issued shares.	7
8	Criteria for determining the exchange ratio between Banca Ifis shares and illimity shares, and for the consequent determination of the maximum number of newly issued Banca Ifis shares	7
9	Determination of the issue price of newly issued Banca Ifis shares	9
10	Valuation of the assets to be contributed as set forth in the appraisal report pursuant to Articles 2440(2), 2343-ter(2)(b) and 2343-quater of the Italian Civil Code.....	10
11	Shareholding structure of Banca Ifis following the Capital Increase to Service the Offer.....	11
12	Authorisations.....	12
13	Planned period for the execution of the Capital Increase to Service the Offer	13
14	Description of the consequences of the business combination with the illimity Group on the income statement and balance sheet of the Banca Ifis Group	13
15	Amendment to Article 5 of the Company's Articles of Association	13
16	Assessments on the validity of the right of withdrawal	15
17	Resolutions proposed to the Board of Directors	15

1 DESCRIPTION OF THE TRANSACTION, RATIONALE AND PURPOSE OF THE CAPITAL INCREASE

The exercise of the Delegation referred to in this Report serves the purpose of the voluntary full public exchange and purchase offer (the “**Offer**”) launched by Banca Ifis pursuant to Articles 102 and 106, paragraph 4, of Legislative Decree No. 58 of 24 February 1998 (the “**TUF**”), concerning all of the ordinary shares of illimity Bank S.p.A. (“**illimity**”) - i.e. up to a maximum of 84,067,808 ordinary shares, including treasury shares held by illimity, representing 100% of illimity's share capital - listed on Euronext Milan, Euronext STAR Milan segment, a regulated market organised and managed by Borsa Italiana S.p.A, as stated in the communication published by Banca Ifis pursuant to article 102, paragraph 1, of the Consolidated Law on Finance, and article 37 of the Issuers' Regulations, in which Banca Ifis announced to the public, on 8 January 2025 (the “**Announcement Date**”), its decision to launch the Offer (the “**Offer Notice**”).

As further detailed in the Offer Announcement (which is hereby fully incorporated by reference, in particular with respect to Sections 1.2 and 1.3) and in the explanatory report on the first item on the agenda of the extraordinary session of the Shareholders' Meeting of Banca Ifis held on 17 April 2025, as supplemented on 14 April 2025 (the “**Shareholders' Report**”), the aggregation with illimity would allow for the full realization of the potential of both groups, creating value and delivering significant benefits for all of illimity's stakeholders. illimity's business model and market positioning, which are predominantly oriented towards the SME segment, mean that illimity's profile is largely similar to that of Banca Ifis. Therefore, in the event of the Offer's success, the integration process between illimity and Banca Ifis could be completed efficiently, rapidly and with low execution risk, as well as generating significant synergies in the corporate banking and direct lending, factoring and servicing sectors, in which both Banca Ifis and illimity operate. Furthermore, Banca Ifis would benefit from the expanded product offering resulting from the inclusion of different services which are currently only provided by illimity (such as, for example, investment banking).

The Offer Notice provides that for each illimity share subject to the Offer, Banca Ifis will pay a total consideration per share (the “**Consideration**”) consisting of:

- (i) a component consisting of newly issued ordinary shares of Banca Ifis, equal to 0.10 ordinary shares for each illimity share tendered, having the same characteristics and granting the same rights as the ordinary shares of Banca Ifis already outstanding as of the issue date, and listed and traded on Euronext Milan, Euronext STAR Milan segment; and (the “**Consideration in Shares**”); and
- (ii) a cash component of Euro 1.414 (the “**Cash Consideration**”), subject to the adjustment described in Section 8 below.

On 17 April 2024, the Shareholders' Meeting of Banca Ifis in an extraordinary session approved the proposed Delegation to increase the share capital of Banca Ifis for the purposes of the Offer (the “**Capital Increase to Service the Offer**”).

In particular, the resolution granting the Delegation provides that the Capital Increase to Service the Offer may be resolved by 30 June 2026, on a divisible basis and potentially in multiple tranches, for a share capital amount of Euro 1.00 for each newly issued share (an amount corresponding to the nominal value of the Banca Ifis shares currently in issue) and, therefore, for a maximum total share capital increase of Euro 8,406,781.00, in addition to the share premium, which shall be determined by the Board of Directors in accordance with Article 2441, paragraph 6, of the Italian Civil Code. The issuance shall comprise a maximum of 8,406,781 new ordinary shares of Banca Ifis, carrying regular dividend rights and having the same features as the ordinary shares of Banca Ifis already in circulation at the date of issuance. These shares will be admitted to trading on Euronext Milan, Euronext STAR Milan segment. The

Delegation provides for the exclusion of pre-emption rights pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, as the newly issued shares of Banca Ifis offered in exchange are reserved for shareholders tendering their illimity shares to the Offer, and will be subscribed and paid-up through the contribution to Banca Ifis of such illimity shares tendered in acceptance of the Offer and/or, where applicable under law, in fulfilment of the purchase obligation pursuant to Article 108 of the TUF and/or the squeeze-out right pursuant to Article 111 of the TUF.

It is acknowledged that the number of newly issued Banca Ifis shares to be issued in the exercise of this Delegation will depend on the actual level of acceptances received in the context of the Offer.

With reference to the prior authorisations required in connection with the Offer pursuant to applicable legislation and sector-specific regulations under Article 102, paragraph 4, of the TUF, it is noted that:

- (i) (i) The European Central Bank has granted prior authorisations for the direct and indirect acquisition of a controlling interest in illimity, pursuant to Articles 19, 22 and 22-bis of Legislative Decree No. 385 of 1 September 1993 (the "Italian Consolidated Banking Act" or "**TUB**");
- (ii) The Bank of Italy has granted clearance for the indirect acquisition of a controlling interest in illimity SGR S.p.A., pursuant to Articles 15 and 15-bis of the TUF, as well as authorisation for the acquisition of a qualified holding in HYPE S.p.A., pursuant to Articles 19, 22 and 22-bis of the TUB, by virtue of the reference made in Article 114-quinquies.3 of the TUB;
- (iii) The Bank of Italy has issued a prior ruling confirming that the amendments to the by-laws of Banca Ifis arising from the Capital Increase to Service the Offer are not inconsistent with the sound and prudent management of Banca Ifis, pursuant to Article 56 of the TUB and the relevant implementing provisions;
- (iv) The Bank of Italy has raised no objections to the eligibility of the new Banca Ifis shares issued in connection with the Capital Increase to Service the Offer to be counted among Banca Ifis's own funds as Common Equity Tier 1 capital, pursuant to Articles 26 and 28 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, as a consequence of the Capital Increase; and
- (v) The Bank of Italy has granted prior authorisation for Banca Ifis to acquire the interest in illimity for consideration exceeding 10% of the consolidated own funds of the Banca Ifis banking group, pursuant to Articles 53 and 67 of the TUB, as implemented by Part Three, Chapter I, Section V of Bank of Italy Circular No. 285 of 17 December 2013, containing supervisory provisions for banks, as subsequently amended and supplemented.

Additionally, it is noted that:

- (i) The Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato) has granted authorisation for the concentration transaction between the Banca Ifis group and the illimity Bank group; and
- (ii) The Presidency of the Council of Ministers has notified Banca Ifis of the decision, adopted on 4 March 2025 by the Coordination Group pursuant to Article 3 of Prime Ministerial Decree No. 133 of 1 August 2022, not to exercise the special powers provided for under Decree-Law No. 23 of 8 April 2020 and Decree-Law No. 21 of 15 March 2012 in relation to the Offer, the resulting change of control over illimity following its completion, and the merger by incorporation of illimity into Banca Ifis.

The Board of Directors is now required to resolve, in exercise of the Delegation, the Capital Increase to Service the Offer – so that the Offer may be launched – following the approval by CONSOB of the offer document relating to the

Offer intended for publication, which occurred on 7 May 2025, as indicated in the press release issued on the same date by Banca Ifis (the “**Offer Document**”).

As previously mentioned, it should be noted that the Capital Increase to Service the Offer may be executed in multiple tranches, in particular on the payment dates of the Consideration in respect of illimity shares tendered during the acceptance period and any subsequent reopening of the terms (the “**Payment Date**”), as well as, where applicable, on any payment dates determined in connection with the fulfilment of the purchase obligation and/or the exercise of the squeeze-out right pursuant to Articles 108 and 111 of the TUF, respectively.

It should also be recalled that the effectiveness of the Offer (and, accordingly, the execution of the Capital Increase to Service the Offer) remains subject to the satisfaction (or waiver, as the case may be) of the “Conditions for Effectiveness of the Offer” as set out in paragraph 3.4 of the Offer Announcement.

2 INFORMATION ON THE RESULTS OF THE LAST FINANCIAL YEAR AND GENERAL GUIDANCE ON OPERATING PERFORMANCE AND THE EXPECTED RESULTS FOR THE CURRENT FINANCIAL YEAR

On 17 April 2025, the Shareholders' Meeting of Banca Ifis, in ordinary session, approved the financial statements for the financial year ended 31 December 2024.

Please refer to the explanatory report of the Board of Directors of Banca Ifis regarding the first item on the agenda of the ordinary session of the Shareholders' Meeting and the related annexes—made publicly available pursuant to applicable regulations—for complete disclosure regarding the results of the financial year ended 31 December 2024, the general guidance on the operating performance, and the expected year-end results of last year (see also Schedule No. 2 of Annex 3A of the Issuers' Regulation, particularly paragraph 1.3).

3 TAX IMPLICATIONS OF THE TRANSACTION INVOLVING BANCA IFIS

The contribution of illimity shares subject to the Offer does not entail any tax liabilities for the transferee issuer, Banca Ifis.

4 STRUCTURE OF FINANCIAL DEBT FOLLOWING THE TRANSACTION

The contribution of illimity shares subject to the Offer is not expected to have any impact on Banca Ifis's financial debt structure.

5 UNDERWRITING AND/OR PLACEMENT SYNDICATES

Since this is a share capital increase to serve a public tender offer, no guarantee and/or placement consortia are envisaged.

6 SHAREHOLDERS WHO HAVE EXPRESSED THEIR WILLINGNESS TO SUBSCRIBE FOR THE NEWLY ISSUED SHARES

The subscription of the Capital Increase to Service the Offer may only occur as a result of acceptance of the Offer (during the acceptance period and any subsequent reopening of the terms) and/or, where the legal conditions are met, in fulfilment of the purchase obligation pursuant to Article 108 of the TUF and/or the squeeze-out right pursuant to Article 111 of the TUF.

As at the date of this Report, no shareholders of illimity have expressed a willingness to subscribe for Banca Ifis shares in the context of the Offer.

7 NUMBER, CLASS AND DIVIDEND ENTITLEMENT DATE OF NEWLY ISSUED SHARES.

As described in Paragraph 1, the Capital Increase to Service the Offer will involve the issuance of up to 8,406,781 ordinary shares of Banca Ifis, to be issued and paid for by way of contribution in kind to Banca Ifis of the illimity shares tendered in the Offer and/or, where the legal conditions are met, in fulfilment of the purchase obligation pursuant to Article 108 of the TUF and/or the squeeze-out right pursuant to Article 111 of the TUF, on the basis of an exchange ratio of 0.10 newly issued ordinary shares of Banca Ifis for each illimity share tendered in the Offer.

Should the application of the exchange ratio indicated above not result in a whole number of newly issued Banca Ifis shares (i.e., if an illimity shareholder does not tender at least 10 illimity shares subject to the Offer, or a number of illimity shares equal to an integer multiple of 10), the intermediary responsible for coordinating the collection of acceptances to the Offer shall aggregate fractional shares of Banca Ifis attributable to tendering shareholders and subsequently sell on Euronext Milan, Euronext STAR Milan segment, the whole number of Banca Ifis shares resulting from such aggregation. The cash proceeds from such sales will be credited to the respective tendering shareholders in proportion to their fractional shares; the terms and conditions of this process will be described in detail in the offer document published in relation to the Offer Document.

The newly issued ordinary shares of Banca Ifis that will be issued following (i) the resolution by the Board of Directors to implement the Capital Increase to Service the Offer and (ii) the satisfaction (or waiver, as applicable) of the “Conditions for Effectiveness of the Offer” referred to in paragraph 3.4 of the Offer Announcement, will carry the same rights and have the same characteristics as the ordinary shares of Banca Ifis already in circulation at the date of issuance. They will be admitted to trading on Euronext Milan, Euronext STAR Milan segment.

8 CRITERIA FOR DETERMINING THE EXCHANGE RATIO BETWEEN BANCA IFIS SHARES AND ILLIMITY SHARES, AND FOR THE CONSEQUENT DETERMINATION OF THE MAXIMUM NUMBER OF NEWLY ISSUED BANCA IFIS SHARES

Background

The Board of Directors has carried out a valuation of illimity shares aimed at providing a relative estimate of their value, based on publicly available data and information.

The considerations and estimates provided should therefore be understood in relative terms and solely with reference to the Offer. The valuation methodology has been identified for the purpose of determining the maximum number of Banca Ifis shares to be issued to service the Offer.

Under no circumstances should these valuations be regarded as possible indications of market price or value, either current or prospective, in any context other than the one under review.

Valuation criteria selected by the Board of Directors for the determination of the exchange ratio

As illustrated in the Shareholders' Report, for each illimity share subject to the Offer, Banca Ifis will pay the following consideration:

- (i) a component consisting of newly issued ordinary shares of Banca Ifis, equal to 0.10 ordinary shares for each illimity share tendered, having the same characteristics and granting the same rights as the ordinary shares of Banca Ifis already outstanding as of the issue date, and listed and traded on Euronext Milan, Euronext STAR Milan segment; and (the “**Consideration in Shares**”); and

- (ii) a cash component of Euro 1.414 (the "**Cash Consideration**" and, together with the Consideration in Shares, the "**Consideration**"), subject to the adjustment described below.

The Consideration is intended to be cum dividend, i.e. including coupons relating to any dividends distributed by Illimity and/or Banca Ifis, and has been determined on the assumption that, prior to the Date of Payment (or, if applicable, prior to the date of payment as a result of the reopening of the terms) Illimity and/or Banca Ifis will not approve and/or implement any distribution of ordinary or extraordinary dividends from profits and/or other reserves.

On 17 April 2025, the Ordinary Shareholders' Meeting of Banca Ifis resolved - taking into account the amount already distributed as interim dividend for the year 2024 on 18 November 2024, equal to EUR 1.2 per Banca Ifis share - on the distribution of a final dividend for the year 2024 equal to EUR 0.92 per each outstanding Banca Ifis share entitled to dividend payment on the scheduled ex-dividend date (the "**Ifis Dividend**"). The distribution of the Ifis Dividend will occur in compliance with the applicable legal and regulatory provisions, with an ex-dividend date on 19 May 2025 and payment from 21 May 2025.

Should the ex-dividend of the Ifis Dividend occur before the Date of Payment, the Cash Consideration will be recalculated to amount to EUR 1.506 (while maintaining the Consideration in Shares unchanged).

The Consideration was determined by the Board of Directors of the Offeror through an independent valuation using the strategic, industrial and financial rationale underlying the Offer.

In particular, the procedure for estimating the Consideration provided, in the first instance, for the identification of the unitary monetary market value of the Consideration as of 7 January 2025 (the last trading day prior to the date of announcement of the Offer) (the "**Reference Date**") equal to Euro 3.55, taking into account considerations of a strategic and financial nature and the stock market prices recorded by the Illimity share prior to the Reference Date ("**Stock Market Prices**").

The Stock Market Price Method uses market prices as relevant information for estimating the economic value of companies, referring to share prices recorded over periods deemed significant, based on the assumption that there is a meaningful correlation between the market prices of the shares of the companies being valued and their economic value. In the specific case, it was deemed appropriate to give relevance to: (i) the official price per Illimity Share recorded on the Reference Date; and (ii) the volume-weighted arithmetic average of the official prices recorded for Illimity shares over certain time intervals, namely the 1-month and 3-months periods preceding the Reference Date (inclusive).

The Offeror has therefore decided to structure the Consideration through a component in Banca Ifis Shares and a cash component, taking into account the effects of the Offer on Banca Ifis's balance sheet and income statement, considering, inter alia, the impact on Banca Ifis' operational and profitability indicators and regulatory ratios (e.g. ROE and CET1 ratio), as well as on the operational and profitability indicators related to Banca Ifis shares (e.g. EPS/DPS), and without prejudice to the role of La Scogliera SA as long term controlling shareholder of the Offeror.

It should be noted that the valuation analysis conducted for the purposes of determining the Consideration involved the following main limitations and difficulties:

- (i) For the purposes of its analysis, Banca Ifis exclusively used publicly available data and information, mainly drawn from Illimity's consolidated financial statements;

- (ii) The impacts of extraordinary transactions on illimity's historical performance are significant, and the available information regarding potential adjustments linked to the ongoing changes in its business model is limited;
- (iii) Banca Ifis has not performed any financial, legal, commercial, tax, corporate or other due diligence on illimity;
- (iv) the limited nature of the information needed to accurately estimate synergies, their timing of implementation and associated implementation costs.

Considering the above and based on the valuation approach used, the Board of Directors has determined the exchange ratio to be 0.10 Banca Ifis shares for each illimity share tendered in the Offer, and has thus identified a maximum of 8,406,781 Banca Ifis ordinary shares to be issued in connection with the Offer.

9 DETERMINATION OF THE ISSUE PRICE OF NEWLY ISSUED BANCA IFIS SHARES

As anticipated, the Capital Increase at the Service of the Offer envisages the issue of a maximum of 8,406,781 shares of Banca Ifis for a nominal amount of Euro 1.00 for each newly issued share of Banca Ifis (an amount corresponding to the nominal amount of Banca Ifis' shares currently issued) and, therefore, for a maximum amount of share capital equal to Euro 8,406,781.00, plus share premium.

The Board of Directors, while maintaining the exchange ratio as illustrated and examined in Paragraph 8, must determine the share premium in accordance with and for the purposes of Article 2441, paragraph six, of the Italian Civil Code, namely the portion of the issue price not allocated to share capital.

In the context of capital increases with the exclusion of pre-emptive rights to be paid in kind and connected to a business combination, applicable international accounting standards, as is well known, require that, against the issuance of new shares, an overall increase in the net equity of Banca Ifis be recognised corresponding to the fair value of the Banca Ifis shares that will be allotted to the participants in the Offer, net of the accessory charges directly attributable to the issuance of the new shares; this fair value will correspond, more precisely, to the stock market price (reference price) of the Banca Ifis share on the trading day prior to the date on which the legal effects of the exchange with the illimity shares tendered to the Offer will occur.

Therefore, in the context of the Offer, the applicable legal and accounting framework requires that the unit issue price of Banca Ifis shares – which by definition reflects the increase in equity recognised upon the issuance of the shares – must correspond to the fair value, i.e. the stock market price (reference price) of the Banca Ifis share on the trading day prior to: (i) the Payment Date of the Consideration for the Offer (subject to the satisfaction or waiver, as applicable, of the “Conditions for Effectiveness of the Offer” set out in paragraph 1.5 of the Offer Announcement) and, where applicable, (ii) the payment date of the Consideration in fulfilment of the purchase obligation and/or the squeeze-out right pursuant to Articles 108 and 111 of the TUF, respectively. In all cases, therefore, this will be the date on which the contribution of the illimity shares tendered in the Offer is executed. The price so determined is therefore deemed to represent a fair issue price.

However, it remains understood that, with respect to the maximum value of the issue price of the new Banca Ifis shares, reflected in the determination of the share capital and the share premium, the statutory limit remains that set by the value assigned by the independent expert (as identified below) in their valuation report or any updates thereto, to the illimity shares being contributed, in accordance with Articles 2440, paragraph 2, and 2343-ter of the Italian Civil Code. It is therefore established that, should the increase in Banca Ifis's equity, as determined on the basis of fair value, exceed the value assigned by the independent expert, such difference – calculated also taking into account the

provisions of paragraph 10 concerning the Cash Consideration – will be allocated to a separate capital reserve, in accordance with IFRS accounting standards.

Without prejudice to the above, the Board of Directors also notes that the methodology described herein is consistent with established market practice for capital increases by companies with shares listed on regulated markets, where the use of stock market prices as a valuation method is widely accepted and commonly applied, both nationally and internationally.

As a rule, in an efficient market, stock exchange quotations express the value attributed by the market to the shares being traded, and consequently provide relevant indications as to the value of a company to which the shares refer, as they reflect the information available to analysts and investors, as well as their expectations of the Bank's economic and financial performance. For the purpose of applying the stock market quotation methodology, it is assumed that:

- (i) the security is traded in efficient markets;
- (ii) there is a free float, with reference to the portion of the share capital traded on the financial markets, such as to guarantee a level of liquidity, with reference to the volume of daily trading, that is significant with respect to the metrics that characterise the main securities on the reference list;
- (iii) there is significant coverage by financial analysts and such that the market is promptly informed in relation to exogenous and endogenous phenomena as communicated by the issuer that may have an impact on the share price.

Finally, it should be noted that PricewaterhouseCoopers S.p.A. ("**PwC**"), the company in charge of the legal audit of Banca Ifis' accounts, has been engaged to issue an opinion on the fairness of the issue price of the shares of Banca Ifis to be offered in the context of the Offer, pursuant to Article 2441, paragraph 6, of the Italian Civil Code and Article 158 of the TUF, which will be issued in the context of the resolution of the Board of Directors of Banca Ifis exercising the Proxy and made available to the public. Such opinion, having regard to the above-mentioned criterion, will not need to be updated, when, at the time of the execution of the contribution of the illimity liability shares and, therefore, at the date of payment of the Consideration (including upon exercise of the purchase obligation and/or the purchase right pursuant to Articles 108 and 111 of the Consolidated Law on Finance, respectively, if the conditions are met), the issue price is automatically and definitively determined, based on the updated data available at that date and in application of the above-mentioned criterion.

10 VALUATION OF THE ASSETS TO BE CONTRIBUTED AS SET FORTH IN THE APPRAISAL REPORT PURSUANT TO ARTICLES 2440(2), 2343-TER(2)(B) AND 2343-QUATER OF THE ITALIAN CIVIL CODE

As required by the applicable provisions of the Italian Civil Code concerning contributions in kind, the value of the illimity shares to be contributed to Banca Ifis must be subject to a specific expert valuation.

As already indicated in the Offer Notice and in the Shareholders' Report, on 7 January 2025, the Board of Directors, pursuant to Article 2440, paragraph 2, of the Italian Civil Code, resolved to avail itself of the rules set forth in Articles 2343-ter and 2343-quater of the Italian Civil Code for the valuation of the illimity shares subject to the Offer.

These provisions, in fact, allow for an exemption from obtaining a sworn appraisal report prepared by an expert appointed by the Court having jurisdiction over the registered office of the transferee company pursuant to Article 2343 of the Italian Civil Code, provided that the value assigned to the contributions in kind, for the purposes of determining

the share capital and any share premium, is equal to or lower than the value resulting from an appraisal conducted at a date not more than six months prior to the contribution by an expert who is independent from the transferor, the company, and any shareholders who individually or jointly exercise control over either the transferor or the company itself, and who possesses adequate and proven professional qualifications.

On 6 March 2025, the Board of Directors of Banca Ifis appointed Massimiliano Nova (the "**Independent Expert**") as such. The Independent Expert's valuation report was made public on 27 March 2025, at the same time as the publication of the Shareholders' Report, in the manner required by law. In this report, to which full reference is made, the Independent Expert concluded that the fair value per illimity share as at 31 December 2024 is not less than Euro 3.45.

Pursuant to the law, the value attributed, for the purposes of determining the share capital and share premium, to the shares of illimity tendered to the Offer shall be equal to or lower than the value indicated in the Independent Expert's report (as updated, if any), taking into account the Cash Consideration and, therefore, the circumstance that the contribution transaction taken as a whole also implies in its context a transfer of shares of illimity by way of sale.

Without prejudice to the foregoing, the Board of Directors may consider whether to request an update of the aforementioned valuation report (for example, in order to ensure that the Independent Expert's report refers to a more recent date, or for other reasons related to the conduct or timing of the Offer).

It is noted that, in accordance with Article 2443, paragraph 4, of the Italian Civil Code, the resolution of the Board of Directors implementing the Delegation and approving the Capital Increase to Service the Offer shall include, for the purposes of registration with the Companies' Register, the declarations set out under Article 2343-quater, paragraph 3, letters a), b), c) and e) of the Italian Civil Code, concerning: "a) a description of the assets or receivables contributed for which no expert's report pursuant to Article 2343, paragraph one, has been drawn up; b) the value attributed to them, the source of such valuation and, where applicable, the valuation method used; c) a statement that such value is at least equal to the value attributed to them for the purpose of determining the share capital and any share premium; [...] e) a declaration regarding the adequacy of the professional qualifications and independence of the expert referred to in Article 2343-ter, paragraph two, letter b)."

The declaration referred to in Article 2343-quater, paragraph 3, letter d), of the Italian Civil Code will instead be issued and filed for registration with the competent Companies' Register at a later stage, within the time limits provided for by Article 2443, paragraph 4, of the Italian Civil Code.

For all other aspects relating to the manner in which the contributions in kind were made and the Independent Expert's report, please refer to the provisions of the law and, in particular, to Articles 2343-ter, 2343-quater and 2443, paragraph 4, of the Italian Civil Code.

11 SHAREHOLDING STRUCTURE OF BANCA IFIS FOLLOWING THE CAPITAL INCREASE TO SERVICE THE OFFER

Given the nature of the Capital Increase to Service the Offer and the variables connected to the results of the Offer itself, it is not possible to predict the composition of Banca Ifis' shareholding structure upon completion of the Capital Increase.

The percentage of dilution of existing shareholders in the share capital of Banca Ifis depends on the outcome of the Offer, taking into account that the amount of new shares of Banca Ifis to be issued as part of the Capital Increase to Service the Offer will depend on the number of acceptances of the Offer.

As of the date of these Explanatory Notes, La Scogliera SA controls Banca Ifis pursuant to Article 23 of TUB and Article 93 of TUF, as it directly owns 27,192,347 shares of Banca Ifis, representing approximately 50.584% of Banca Ifis' share capital. Following the Offer and in the event of its completion, La Scogliera SA will continue to exercise control over Banca Ifis pursuant to the same articles.

Full acceptance of the Offer

In case of acceptance of the Offer by all the holders of the shares of illimity subject to the Offer, the shareholders of illimity will be allotted a total of no. 8,406,781 newly issued ordinary shares of Banca Ifis in execution of the Capital Increase to Service the Offer, which, on the Date of Payment, will represent 13.5% of the share capital of Banca Ifis (fully diluted).

In this scenario: (i) La Scogliera SA will hold a shareholding representing 43.8% of the share capital of Banca Ifis and will therefore continue to exercise control over Banca Ifis pursuant to Article 23 of the TUB and Art. 93 of the TUF; and (ii) the dilution of the current shareholders of Banca Ifis will be equal to 13.5%.

Acceptance of the Offer by 66.67% of the share capital of illimity

In the event that 66.67% of illimity's share capital is tendered in acceptance of the Offer, shareholders of illimity will be allotted a total of no. 5,604,800 newly issued ordinary shares of Banca Ifis in partial execution of the Capital Increase to Service the Offer, which, on the Date of Payment, will represent 9.4% of the fully diluted share capital of Banca Ifis.

In this scenario: (i) La Scogliera SA will hold a shareholding representing 45.9% of the share capital of Banca Ifis and will therefore continue to exercise control over Banca Ifis pursuant to Article 23 of the TUB and Art. 93 of the TUF; and (ii) the dilution of the current shareholders of Banca Ifis will be equal to 9.4%.

Acceptance of the Offer by 45% of the share capital plus one share of illimity

In the event that 45% of illimity's share capital plus one share are tendered in acceptance of the Offer (and provided that Banca Ifis exercises its right to waive the fulfilment of the Threshold Condition, as described in the Shareholders' Report), the shareholders of illimity will be allotted a total of no. 3,783,051 newly issued ordinary shares of Banca Ifis in partial execution of the Capital Increase to service the Offer, which, on the Date of Payment, will represent 6.6% of the fully diluted share capital of Banca Ifis.

In this scenario: (i) La Scogliera SA will hold a shareholding representing 47.3% of the share capital of Banca Ifis and will therefore continue to exercise control over Banca Ifis pursuant to Article 23 of the TUB and Art. 93 of the TUF; and (ii) the dilution of the current shareholders of Banca Ifis will be equal to 6.6%.

As of the date of this Report, to the best of Banca Ifis's knowledge, no material covenants within the meaning of Article 122 of the Consolidated Law on Finance had been signed.

12 AUTHORISATIONS

As anticipated in Paragraph 1, by order received on 2 May 2025, the Bank of Italy has communicated that it has positively concluded the procedure for the preventive ascertainment that the amendments to Banca Ifis' Articles of Association deriving from the Capital Increase in Service of the Offer (and the related Proxy) referred to in the Shareholders' Report, as well as those referred to in this Report (and the consequent registration in the Companies' Register of Venice and Rovigo of the relevant amendment to the Articles of Association), do not conflict with the sound

and prudent management of Banca Ifis, pursuant to Article 56 of Legislative Decree no. 385 of 1 September 1993 (the “**Consolidated Law on Banking**”) and its implementing regulations.

It should be noted that in the same communication, the Bank of Italy also found no grounds for the eligibility of the new shares issued in the context of the Capital Increase to Service the Offer as Tier 1 capital of Banca Ifis, pursuant to Articles 26 and 28 of Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013.

13 PLANNED PERIOD FOR THE EXECUTION OF THE CAPITAL INCREASE TO SERVICE THE OFFER

The Capital Increase in Service of the Offer is expected to be executed by 31 December 2025, subject to the fulfilment (or waiver, as the case may be) of the "Conditions of Effectiveness of the Offer" set out in paragraph 3.4 of the Offer Notice.

In particular, the Capital Increase to Service the Offer will be executed, within the above term, on the Date of Payment, as well as, if the conditions are met, on the payment dates that may be determined in relation to the execution of the purchase obligation and/or the purchase right pursuant to Articles 108 and 111 of the TUF, respectively.

14 DESCRIPTION OF THE CONSEQUENCES OF THE BUSINESS COMBINATION WITH THE ILLIMITY GROUP ON THE INCOME STATEMENT AND BALANCE SHEET OF THE BANCA IFIS GROUP

In relation to the pro-forma effects of the combination between the group headed by Banca Ifis and the group headed by illimity, please refer to what has already been illustrated in Paragraph 14 of the Report on Shareholders' Meetings.

15 AMENDMENT TO ARTICLE 5 OF THE COMPANY’S ARTICLES OF ASSOCIATION

The exercise of the Proxy for the Capital Increase to Service the Offer by the Board of Directors entails the integration of the proxy clause pursuant to Article 2443 of the Italian Civil Code, included in Article 5 of Banca Ifis' Articles of Association.

The implementation of the capital increase will also determine the amendment of Article 5 itself in the part concerning the amount of the capital and the number of shares, based on the extent of subscriptions.

Below is a comparative presentation of the aforementioned Article 5 in its current text and the proposed version, noting that the text proposed for insertion is displayed in bold, underlined font.

CURRENT TEXT	AMENDED TEXT
<i>Article 5 (current version)</i>	<i>Article 5 (changes displayed in bold)</i>
<i>The share capital is 53,811,095.00 (fifty-three million, eight hundred and eleven thousand, and ninety-five point zero zero) Euro, represented by 53,811,095 (fifty-three million, eight hundred and eleven thousand, and ninety-five) ordinary shares of a nominal value of 1 (one) Euro each.</i>	<i>(Unchanged)</i>
<i>“The Extraordinary Shareholders’ Meeting of 17 April 2025 resolved to grant the Board of Directors,</i>	<i>(Unchanged)</i>

<p><i>pursuant to Article 2443 of the Italian Civil Code, the power—exercisable no later than 30 June 2026—to increase the share capital by way of a cash contribution, in divisible form and potentially in multiple tranches, for a total maximum amount of Euro 8,406,781 plus share premium. The increase will be carried out with the exclusion of option rights pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, through the issuance of up to 8,406,781 ordinary shares of the Company, each with a nominal amount of Euro 1.00, carrying regular dividend rights and having the same characteristics as the ordinary shares of the Company outstanding on the issue date. These newly issued shares are to be subscribed through contributions in kind, as they will service the public tender and exchange offer for all ordinary shares of illimity Bank S.p.A., launched by the Company via a communication dated 8 January 2025 pursuant to Article 102, paragraph 1, of Legislative Decree No. 24 February 1998, No. 58.</i></p>	
	<p><u>The Extraordinary Shareholders' Meeting of 8 May 2025 resolved to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power—exercisable no later than 30 June 2026—to increase the share capital by way of a cash contribution, in divisible form and potentially in multiple tranches, for a total maximum amount of Euro 8,406,781 plus share premium. The increase will be carried out with the exclusion of option rights pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, through the issuance of up to 8,406,781 ordinary shares of the Company, each with a nominal amount of Euro 1.00, carrying regular dividend rights and having the same characteristics as the ordinary shares of the Company outstanding on the issue date. These newly issued shares are to be subscribed within 31 December 2025 through contributions in kind, as they will service the public tender and exchange offer for all ordinary shares of illimity Bank S.p.A., launched by the Company via a communication dated 8 January 2025 pursuant to Article 102, paragraph 1, of Legislative Decree No. No. 58 of 24 February 1998 (including the possible</u></p>

	<u>execution of the purchase obligation pursuant to Article 108 of Legislative Decree 24 February 1998, No. 58 and/or the right of purchase under Article 111 of Legislative Decree No. 58 of 24 February 1998, where the legal requirements are met).</u>
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16 ASSESSMENTS ON THE VALIDITY OF THE RIGHT OF WITHDRAWAL

The amendments to the Articles of Association of Banca Ifis illustrated in Paragraph 15 above do not grant the right of withdrawal under the law to shareholders who did not participate - as absent, abstaining or dissenting - in the relevant resolution approving the amendments to the Articles of Association.

17 RESOLUTIONS PROPOSED TO THE BOARD OF DIRECTORS

In light of the above, the Board of Directors is invited to adopt the following resolutions:

"The Board of Directors of Banca Ifis S.p.A.

- having examined the Board of Directors' explanatory report, approved during this meeting, and the proposals formulated therein;
- recalled also the illustrative report of the Board of Directors at the time prepared for the Shareholders' Meeting in extraordinary session on 17 April 2025 (as supplemented on 14 April 2025);
- acknowledged the opinion on the fairness of the issue price of the newly issued shares of the Company expressed by PricewaterhouseCoopers S.p.A., the independent auditors, pursuant to Article 2441, paragraph 6, of the Italian Civil Code and Article 158 of the Consolidated Law on Finance;
- having acknowledged the appraisal report of the independent expert Massimiliano Nova, pursuant to Article 2440, paragraph 2, of the Italian Civil Code and Article 2343-ter, paragraph 2, letter b), of the Italian Civil Code;
- having acknowledged the certification of the Board of Statutory Auditors that the subscribed share capital is fully paid and exists;
- having taken note of the authorisations received from the competent authorities;
- recalling the delegation granted by the Shareholders' Meeting in extraordinary session on 17 April 2025 and therefore in the exercise of the same;
- having examined the other documents prepared with reference to the current item on the agenda,

deliberates

1. to increase the paid share capital, in a divisible manner and also in several tranches, with the exclusion of the option right pursuant to Article 2441, paragraph 4, first sentence, of the Civil Code, for a total amount of up to Euro 8,406,781 plus premium, with the issue of a maximum number of 8,406,781 ordinary shares of Banca

- Ifis, with a nominal amount of Euro 1.00 each, with regular enjoyment and having the same characteristics as those in circulation on the issue date, to be paid by means of a contribution in kind as they serve the voluntary total public purchase and exchange offer for all the ordinary shares of illimity Bank SpA, announced by Banca Ifis with a communication dated 8 January 2025 pursuant to Article 102, paragraph 1, of the TUF; these new shares, therefore, are to be reserved for subscription by the holders of illimity Bank SpA shares tendered in the public purchase and exchange offer (including the possible execution of the obligation to purchase pursuant to Article 108 of the TUF and/or the right to purchase pursuant to Article 111 of the TUF, where the legal requirements exist);
2. to establish that the total unit issue price of the new shares of Banca Ifis resulting from the aforesaid capital increase will be equal, in accordance with applicable regulations, to their fair value, which in turn corresponds to the stock market price (reference price) of the Banca Ifis shares recorded on the trading day prior to (i) the date of payment of the consideration for the voluntary tender offer for the illimity shares that will be tendered to the offer during the acceptance period and any reopening of the terms as well as (ii) if the legal requirements are met, on the subsequent dates of payment of the consideration in execution of the purchase obligation pursuant to article 108 of the TUF and/or the purchase right pursuant to article 111 of the TUF; all with the allocation of the unit amount of Euro 1.00 to share capital and the remainder of the issue price to the share premium reserve, without prejudice to the limit of the valuation pursuant to Article 2343-ter of the Italian Civil Code and any necessary amendments thereto;
 3. to establish, pursuant to Article 2439, paragraph 2, of the Italian Civil Code, that (i) the deadline for the execution of the share capital increase is set at 31 December 2025 (subject, if necessary, to the updating of the appraisal report of the independent expert, Massimiliano Nova), specifying that, in the event that the share capital increase is not fully subscribed within the aforesaid deadline, the same shall remain in force and valid - in compliance with the provisions of the public offer - until 31 December 2025. Massimiliano Nova), specifying that, in the event that the share capital increase is not fully subscribed by the aforesaid deadline, the same shall remain firm and valid - in compliance with the provisions of the tender offer - within the limits of the subscriptions collected by such date in execution of the offer (and of the purchase obligation pursuant to Article 108 of the TUF and/or the purchase right pursuant to Article 111 of the TUF where the legal requirements are met) and (ii) the new shares are issued (and the share capital of Banca Ifis is correspondingly increased) on the date of payment of the consideration for the offer after the acceptance period and the possible reopening of the terms, as well as, where the legal requirements are met, on the subsequent dates of payment of the consideration in execution of the purchase obligation under Article 108 of the TUF and/or the purchase right under Article 111 of the TUF;
 4. to amend Article 5 of the Articles of Association accordingly by adding the following paragraph:

"The Extraordinary Shareholders' Meeting of 8 May 2025 resolved to grant the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power—exercisable no later than 30 June 2026—to increase the share capital by way of a cash contribution, in divisible form and potentially in multiple tranches, for a total maximum amount of Euro 8,406,781 plus share premium. The increase will be carried out with the exclusion of option rights pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, through the issuance of up to 8,406,781 ordinary shares of the Company, each with a nominal amount of Euro 1.00, carrying regular dividend rights and having the same characteristics as the ordinary shares of the Company outstanding on the issue date. These newly issued shares are to be subscribed within 31 December 2025 through contributions in kind, as they will service the public tender and exchange offer for all ordinary shares

- of illimity Bank S.p.A., launched by the Company via a communication dated 8 January 2025 pursuant to Article 102, paragraph 1, of Legislative Decree No. 58 of 24 February 1998 (including the possible execution of the purchase obligation pursuant to Article 108 of Legislative Decree 24 February 1998, No. 58 and/or the right of purchase under Article 111 of Legislative Decree No. 58 of 24 February 1998, where the legal requirements are met).";
5. to authorise the Chairman of the Board of Directors and the Chief Executive Officer of Banca Ifis S.p.A., acting individually, to carry out—also through special attorneys—any actions required, necessary, or useful for the execution of these resolutions, including performing any and all formalities needed for the issuing and admission to listing of the newly issued shares, as well as all relevant and necessary filings, such as registering the resolutions with the competent Companies Register and submitting the updated text of the Articles of Association. In this regard, they shall also be empowered to introduce any non-material amendments required for said purpose and, more generally, to do whatever may be needed for the full implementation hereof, with all powers deemed necessary and appropriate, in compliance with current regulations";
 6. to finally acknowledge and declare, pursuant to the requirements of Article 2443, paragraph 4, of the Italian Civil Code, that (i) the assets to be contributed for which the report referred to in Article 2343, paragraph 1, of the Italian Civil Code has not been made are the ordinary shares of illimity Bank S.p.A., listed on Euronext Milan, Euronext STAR Milan segment, a regulated market organised and managed by Borsa Italiana S.p.A.; (ii) the value attributed to said shares, the source of said valuation and the valuation method are those resulting from the illustrative report of the Board of Directors issued today, the valuation report of the independent expert, Massimiliano Nova, and as also referred to in the opinion on the fairness of the issue price of PricewaterhouseCoopers S.p.A, all such documents being annexed to the minutes of the current board meeting for the exercise of the proxy to increase the share capital, as well as to the additional documentation (report of the Board of Directors) submitted to the aforesaid Extraordinary Shareholders' Meeting held on 17 April 2025 (as supplemented on 14 April 2025) and likewise annexed to the aforesaid board meeting minutes, all such annexes being to be considered an integral and substantial part of the Board of Directors' minutes annexes to be considered an integral and substantial part of this resolution; (iii) such value, in consideration of the above resolution, is at least equal to the value attributed to them for the purpose of determining the share capital and any share premium; (iv) the independent expert, Massimiliano Nova, meets the requirements of professionalism and independence pursuant to the applicable regulations".

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Venezia – Mestre, 8 May 2025

For the Board of Directors

The Chairman

(Ernesto Fürstenberg Fassio)