

AMCO: a full service credit management company

We look to the future by changing the present

July 2023





amco

**We are a full service credit
management company**

Strong of our track record in credit management, we are pursuing our growth path

Business

We are a credit servicer (i.e. a financial intermediary pursuant to Art. 106 TUB) offering innovative solutions for NPEs in Italy

We manage €36.1 billion NPEs, including €12.2 billion UTPs related for 74% to over 40 thousand Italian corporates¹

People

Our 413² highly motivated professionals have a wide range of skill sets

Our DNA



Rating

We are rated investment-grade by Standard&Poors (BBB) and Fitch (BBB)

We received a Special Servicer rating from Fitch (RSS2, CSS2, ABSS2)

Financial Structure

We are listed on the bond market. We are solid, with a strong capital position

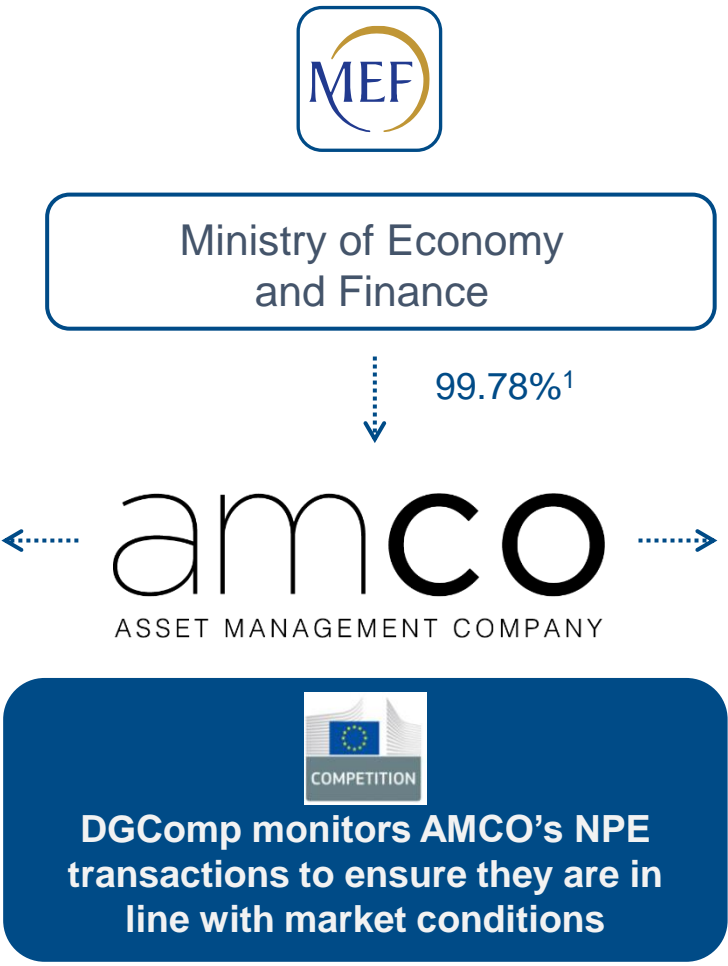
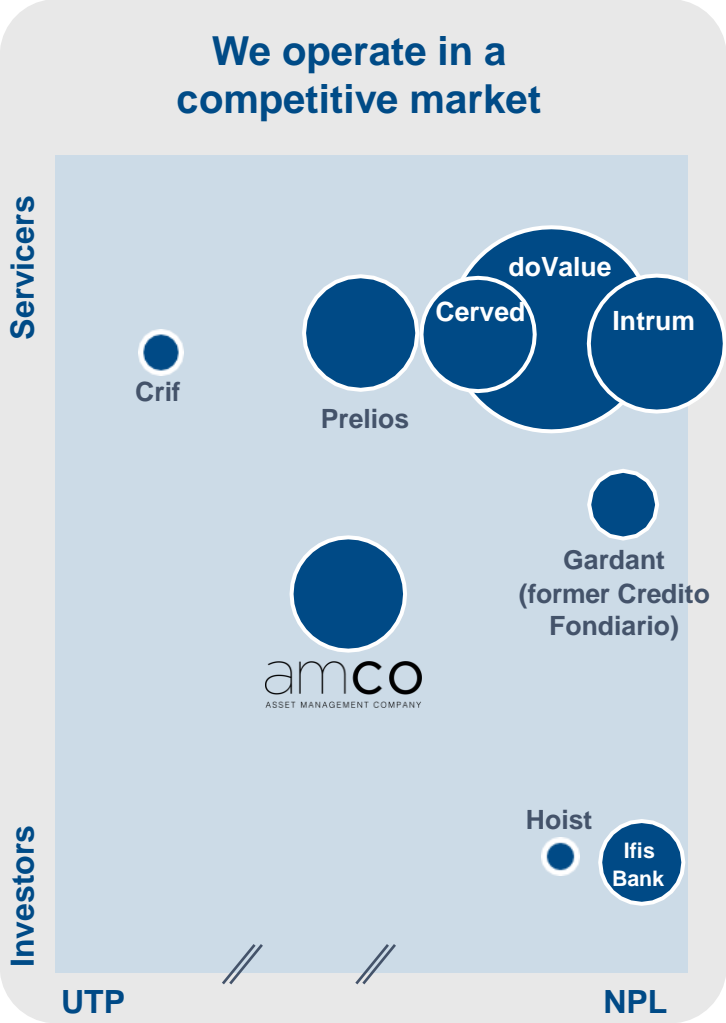
Execution capabilities

We successfully carry out complex transactions

ESG

We integrate Sustainability in all value chain

We operate in a competitive market and our business is regulated



Our business activity is regulated and supervised

The Bank of Italy regulates and supervises all financial intermediaries pursuant to Art. 106 TUB

We are subject to supervision by the Italian Court of Auditors

The Italian Court of Auditors oversees the financial management of AMCO

amCO 1. 0.22% represented by B shares owned by other shareholders and by treasury shares

We want to play a central role in Italy's NPE market...

**DEBTORS
(WORKOUT/NPL)**
In managing portfolios we show
the utmost respect for
client/debtors to avoid generating
financial stress



CREDITORS (UTP)
We manage positions with
the aim of ensuring
business continuity



OUR MISSION is to play
a central role in Italy's
NPE market for all our
stakeholders



SELLING BANKS

We manage all aspects of the on-boarding processes



BONDHOLDERS

Our policy is one of maximum transparency, ensuring liquidity to our bonds



PEOPLE

We support our people on their career paths



Our debt recovery process adopts a patient approach that is respectful of the borrower's socio-economic conditions. We support deserving companies.



...maintaining a sustainable approach towards the industrial production system



Debt restructuring

with a sustainable repayment plan, including the use of equity-like instruments



Strategic support

including business plan review and industrial partner selection



Provision of new financing

to encourage business continuity and industrial relaunch



Identification of non-core assets



*Our aim is to foster companies' sustainability by acting as partner to all the stakeholders
Careful management approach to avoid financial and reputational stress*



We drive growth by maximizing performance

OUR STRATEGY



GROWTH
by leveraging
economies
of scale



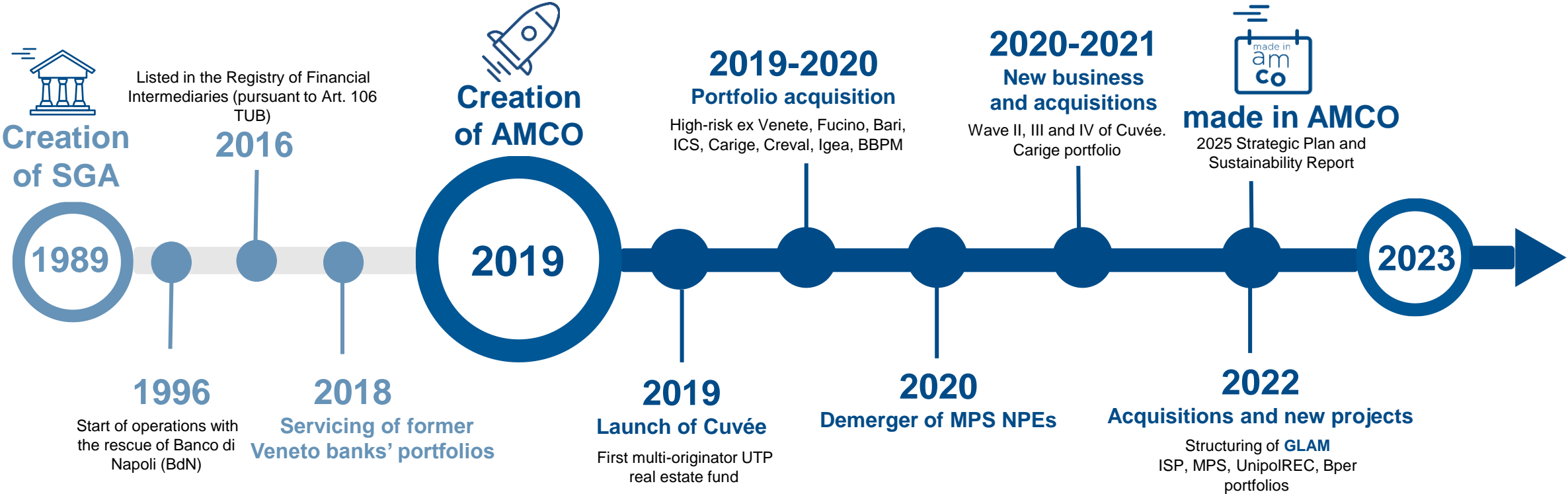
**MAXIMISE
PERFORMANCE**
of portfolio recoveries

“

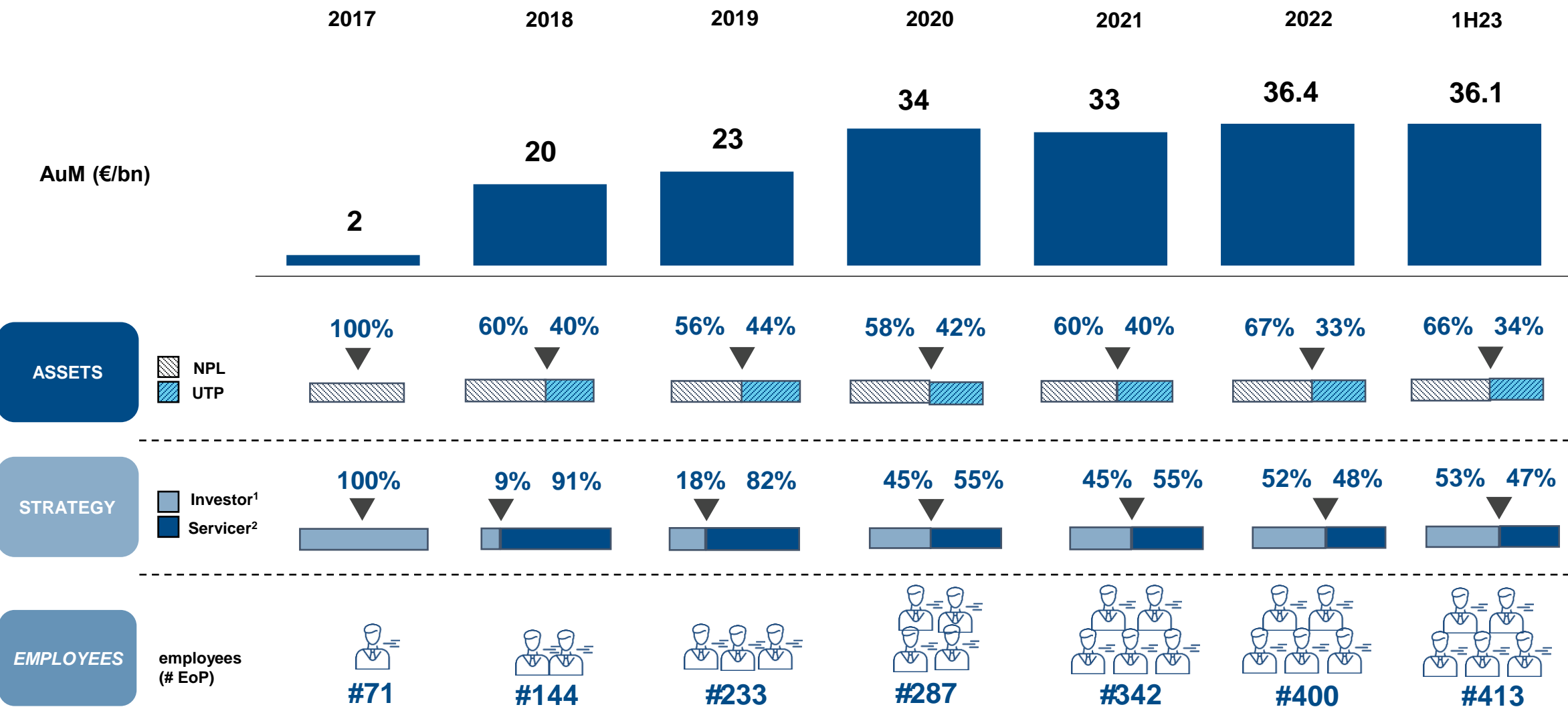
We aim to set a best-practice benchmark

”

Business growth is based on our experience



Our diversified growth path is based on a flexible and scalable model

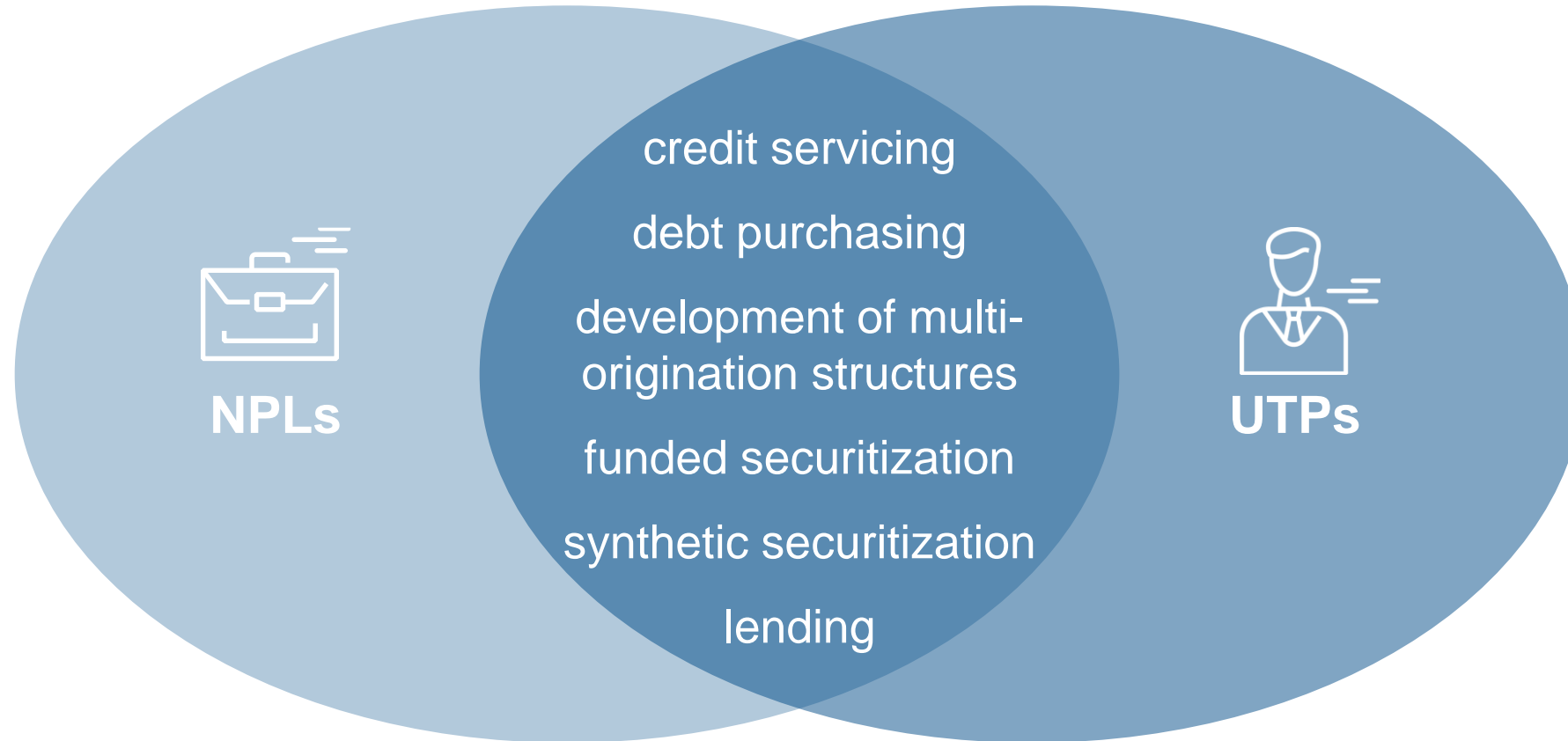


An aerial photograph showing a vast, golden sandy beach that stretches along the coastline. The beach is marked by long, dark shadows cast by dunes, creating a rhythmic pattern. To the right, the deep blue ocean meets the shore with white, frothy waves. The sky above is a mix of blue and white clouds.

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**We offer diversified services
bringing added value**

Our services set us apart



“

We operate by supporting business continuity and industrial turnaround, directly providing new financing to deserving companies

”

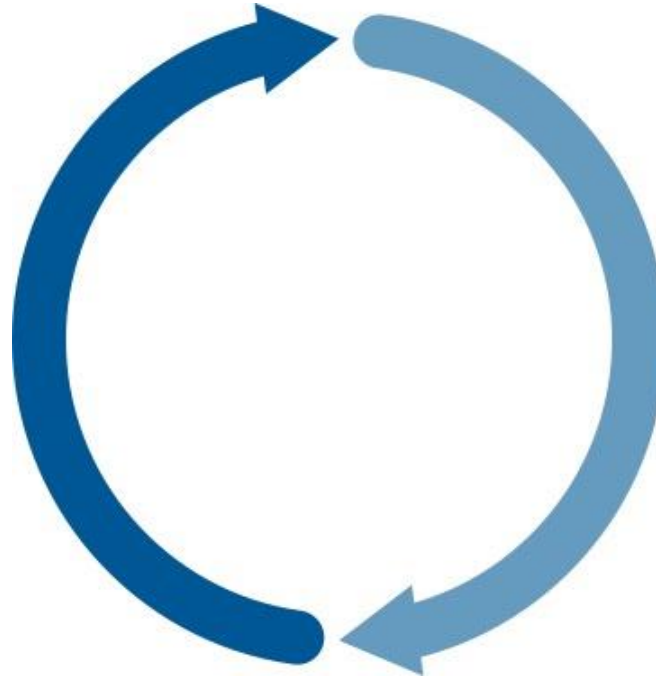
What makes our service truly unique

How we support seller banks

Our credit management approach is based on the utmost respect for the debtor/client and we strive to avoid generating financial or reputational stress

We have proven capabilities to on-board even the largest portfolios

Our UTP management skills mean we can substitute the bank in all areas, including working capital, while ensuring business continuity



Our portfolio management skills cover several areas...



...industrial



... turnarounds and restructurings



...legal



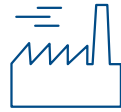
...business advisory



...real estate

We created Cuvée: the multi-originator platform for corporate loans in the real estate sector

Specialized industrial investors providing capabilities to support corporates' restructuring and industrial relaunch



Companies under restructuring with troubled financial position, despite solid business rationale



Institutional investors co-financing with AMCO to support specific restructuring business cases



Banks aiming to reduce their UTP portfolios, participating to the fund and keeping exposure to potential upside

- **Announced in December 2019: the first multi-originator fund managing real estate UTPs in Italy.** AMCO acting as master and special servicer; Prelios as Back2bonis fund manager and real estate partner
- **11 banks¹ contributed the loans in different waves**
- **The fund now manages €2.3 billion² of assets (GBV)**

**The organisational structure is defined
and flexible**

Operationally we have an effective and flexible structure



We manage credits in a differentiated way. Our in-house/outourcing model offers management flexibility and creates cost efficiencies



IN-HOUSE

Workout

(€14.7bn AuM)



Bankruptcy procedures and collateral value maximization



Credit recovery with extrajudicial and judicial actions



Out-of-court and judicial recovery skills

High standardisation of processes

UTP

(€8.6bn AuM)



Proactive management focused on business continuity



Financial/industrial restructuring skills



Ability to provide new financing



OUTSOURCING

Special Partnership & Services

(€12.8bn AuM)



Specialized servicing (Back2Bonis) on real estate assets, with refinancing, development and ReoCo* transactions in agreement with the client



Servicer management with solid specific skills for the assigned clusters



Favored Out-of-court solutions

Real Estate



Enhancement of real estate assets for Workout, UTP e SP&S Divisions
ReoCo* activity (Revaluation and management of real estate collaterals)



A man and a woman are in a cornfield. The man, on the left, is older with grey hair, wearing a blue and white checkered shirt and jeans. He is holding a long wooden pole with a red circular object attached to it. The woman, on the right, is younger with long dark hair, wearing a white long-sleeved shirt and white trousers. She is holding a dark bowl and has her right arm raised, with a large amount of small, light-colored seeds or grains falling from her hand into the air. The background shows a vast cornfield, distant mountains, and a sky with large, white clouds and a bright sun. The overall scene is one of agricultural activity and natural beauty.

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The «made in AMCO» Sustainability Strategy

FROM ESG TO **GSSE**: the four pillars of our «made in AMCO» Sustainability Strategy

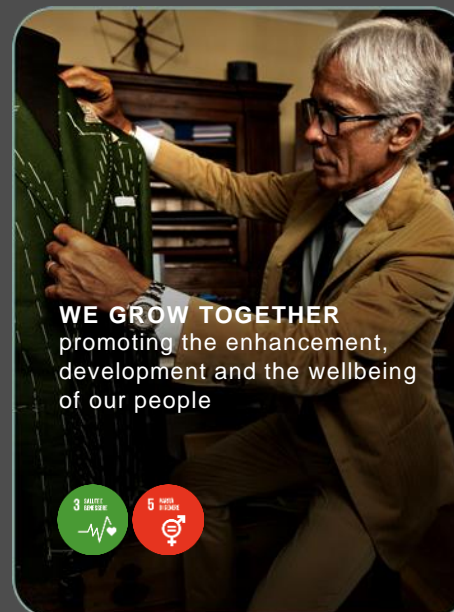
SUSTAINABLE **G**OVERNANCE



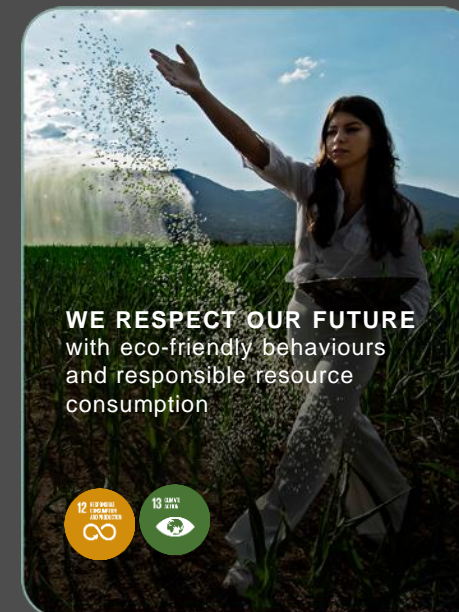
SUSTAINABLE CREDIT MANAGEMENT



SUSTAINABLE DEVELOPMENT OF HUMAN CAPITAL



ENVIRONMENTAL PROTECTION



“ Sustainability for AMCO means accompanying companies on a recovery path, with a personalised and customer-friendly approach, always oriented towards the search for collaborative and sustainable solutions ”

Our Sustainability targets within the four GSSE pillars and goals achieved

G

sustainable Governance



- We hinder **corruption and money laundering**
- **Code of Ethics and the 10 Principles of Credit Management**
- **We train our people** in business ethics
- **Management compensation** aligned with ESG objectives
- Inclusion of ESG criteria in the **evaluation of relevant suppliers**

2022 Results

- **ESG and Sustainability Committee** established and **Chief Sustainability Officer** appointed
- ESG objectives embedded into top management's **LTi 2023-25**

S

Sustainable credit management



- We manage credit with a **sustainable approach**
- Inclusion of ESG criteria in the **risk evaluation of the portfolios**
- We map the **energy class of repossessed properties**
- We contribute to **corporate financial education**

2022 Results

- **Extra-judicial activities** account for **94% of UTP collections**, **43% of NPL collections** and 64% of collections from SMEs and individuals
- **ESG criteria integrated in the Investment Policy**

S

Sustainable development of human capital



- We enhance talent with ESG training plans and skills development
- We protect welfare and **work-life balance**
- **Balanced and inclusive** workforce
- **We raise awareness of issues of D&I and gender-neutral access** in career and growth paths
- **Succession plans** of top managers

2022 and 2023 Results

- AMCO's Values embedded into employees' **Performance** system and ESG targets in the **2023 MBO**
- 100% of employees **trained on ESG issues**
- **Welfare** portfolio expanded; three-year renewal of **smart working**

E

Environmental protection



- Reduction of our **carbon footprint**
- Use of **electricity only from renewable sources**
- We convert corporate fleet to **hybrid cars**
- **Decreased plastic consumption** also thanks to **osmotised water purifiers in the offices**
- **Employee environmental awareness campaigns**

2022 and 2023 Results

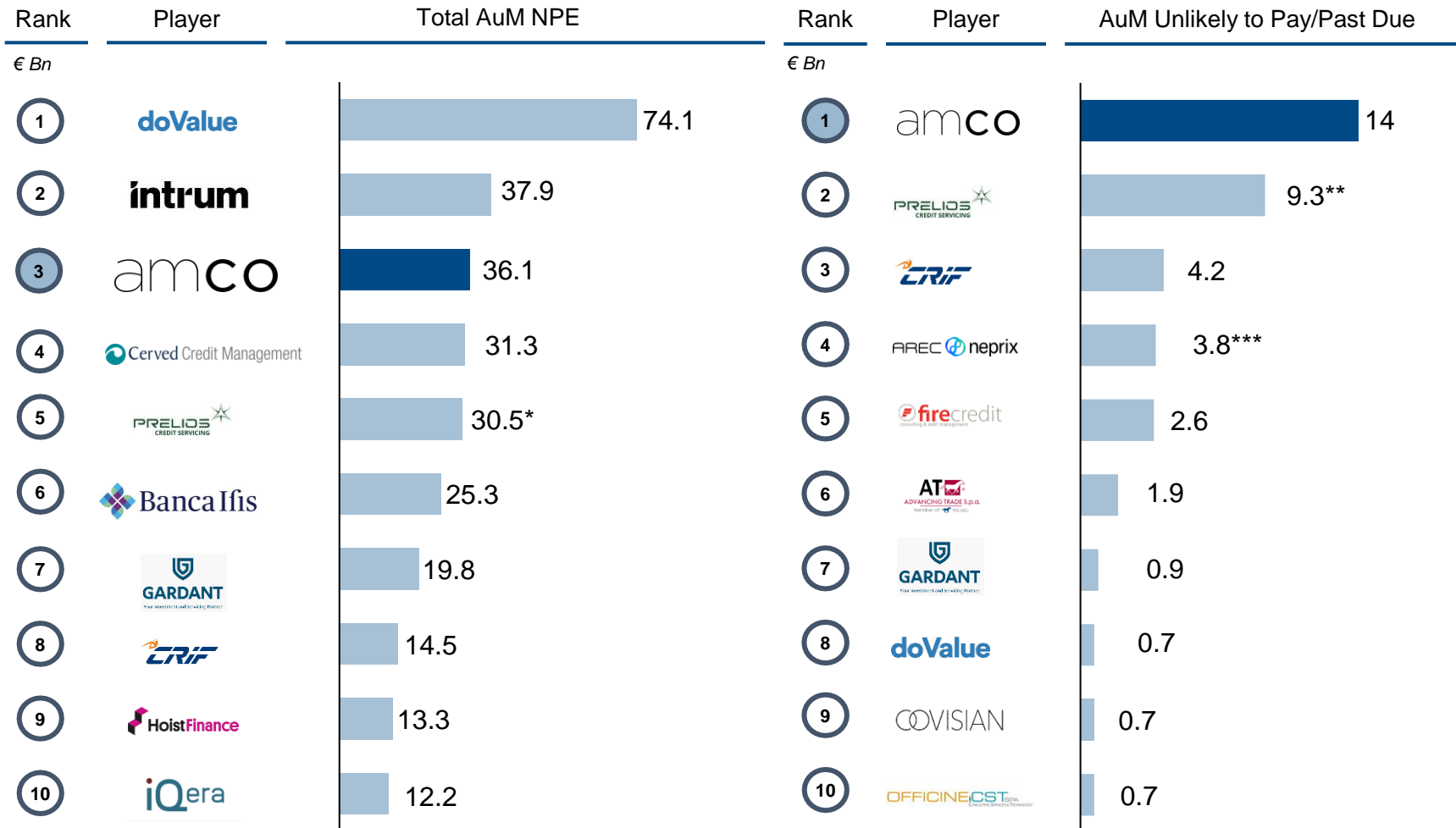
- **LEED Gold** certification for the Milan headquarters
- **100% of electricity from renewable sources**
- Scheduled office closures to **reduce GHG emissions**
- 100% FSC-certified paper; rechargeable batteries

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Italy's NPE market
is growing



AMCO plays a leading role in the market



Source: PwC report on «The Italian NPL Market», December 2022, based on figures as of 30.06.22

* Included €9.3bn of UTP from «market rumors» and not from Prelios direct sources.

** Info from «market rumors»

***Included €1.2bn managed by Ilimity Divisions

We are ready to respond to new scenarios in the credit management market with ad hoc solutions to support the Italian economy

Market trends...

... versus AMCO's positioning

New NPE flows,
increase in UTP sales and leasing loans



Effective and efficient operating structure , leadership in UTPs, ability to provide new finance and Real Estate expertise

More corporates in financial difficulty, in particular SMEs, given the current macro environment



Sustainable approach to support business continuity and industrial relaunch of deserving companies

Most impacted economic sectors by the macro environment



Tailor made solutions with multi-originator structures and leveraging partner's industrial expertise

Need to increase economies of scale and create specific expertise

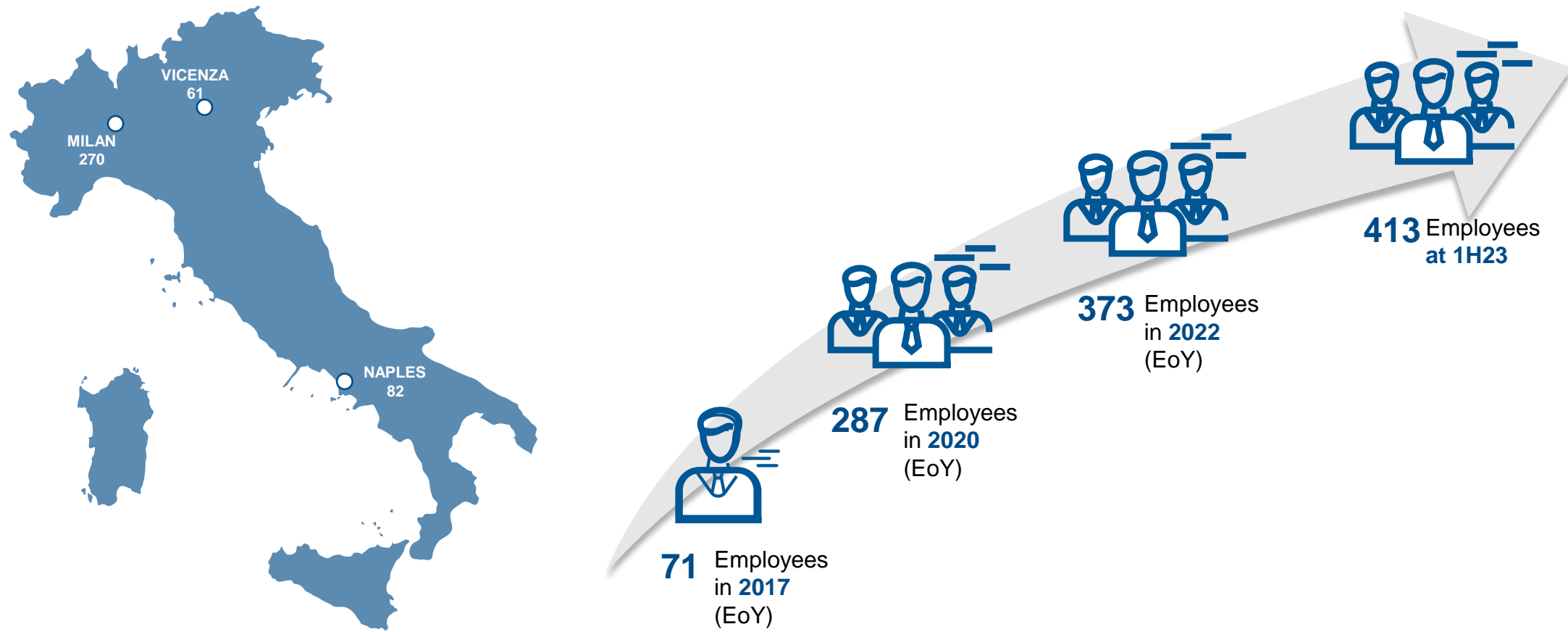


Balanced mix of in-house/outourcing management that enhances the economies of scale and the specialisations of AMCO and the partners

**We are 413 professionals
specialized in a wide range of areas**

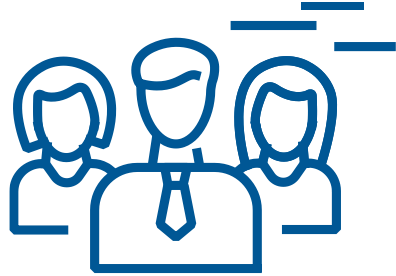
Figures as of 30 June 2023

We are a fast-growing Italian group



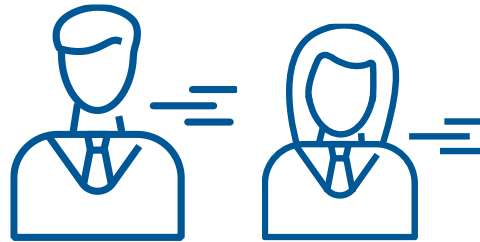
“ We are professionals specialized in a wide range of fields and we aim to be a benchmark in the sector ”

Our people are our greatest asset



We are young...

- Average age: 43



...well-balanced...

- 59% male gender, 41% female gender
- Recent amendment to the articles of association proves AMCO's strong focus on gender balance¹



...and experienced professionals

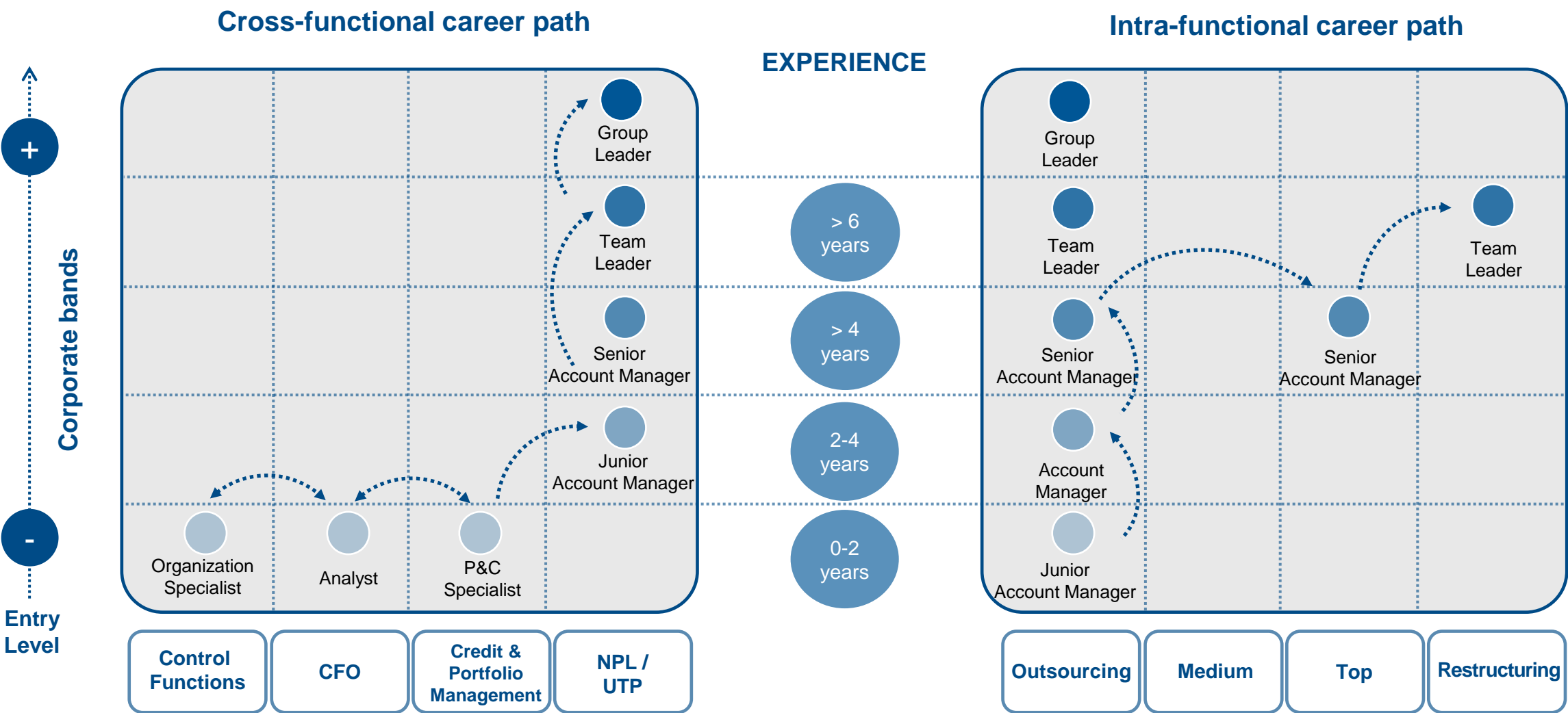
- Different backgrounds and experiences
- Track-record stretching back over 20 years

“

We are a well-balanced group including professionals motivated to achieve the highest performance levels

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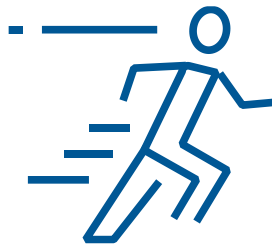
We create highly specialized professionals



We value performance



Doing
top-notch
work



Performance



Monitoring



Recognizing
results

“

All employees have an incentive system linked to qualitative and quantitative, individual and team/Function/Division objectives

”

**Read about our financial
performance...**

...at: www.amco.it/en/investor-relations-2/

