



Factorit

REPORT AND FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2025

GRUPPO **BPER Banca**

Report and Financial Statements as at 31 December 2025

Factorit S.p.A.

Registered Office, General Management and Operating Headquarters
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Company with single shareholder belonging to the **BPER Banca S.p.A. Banking Group**
Official List of Banking Groups under no. 5387.6
and subject to management and coordination activities
of BPER Banca S.p.A.

Tax code: 04797080969

Registered with the Business Register of Milan-Monza-Brianza-Lodi under no. 04797080969
Belonging to the Banca Popolare di Sondrio Banking Group, VAT no. 01086930144
R.E.A. no. 1773100

Registered in the Register of Financial Intermediaries pursuant to art. 106 of the TUB with no. 52

Share Capital € 85,000,002

Member of Assifact - Italian Factoring Association

Member of  **FCI** - Facilitating Open Account - Receivables Finance

Administrative and control bodies

Board of Directors

Chair	Roberto Ruozi
Deputy Chair	Francesco Russo
Directors	Antonio De Martini

Board of Statutory Auditors

Chair	Laura Vitali
Standing Auditors	Luigi Gianola Daniele Morelli
Alternate Auditors	Massimo De Buglio Elena Del Marco

General Management

General Manager	Fabio Bollini
Deputy General Manager	Maurizio Maria Beretta

Independent Auditors

Deloitte & Touche S.p.A.

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DIRECTORS' REPORT ON OPERATIONS

Shareholder, The financial statements for FY 2025, the Company's forty-seventh, closed with a net profit of Euro 39.6 million. Despite operating in a macroeconomic environment characterised by numerous uncertainties due to geopolitical instability (ongoing conflicts – the impact of US tariffs), and in line with the objectives set and the approved development plan, the Company's activities focused on increasing loans and profitability, while consistently prioritising credit quality.

From a commercial perspective, the developmental efforts initiated in previous years continued, with a particular focus on supply chain credit. All this, taking into account the territorial presence of the direct Parent Company (Banca Popolare di Sondrio)'s banking network and the Affiliated Banks and intensifying its action on the most economically relevant areas already overseen (Lombardy, Northern Italy, Emilia Romagna, Lazio and Apulia). The commercial activity also continued to benefit from the investments made in distribution capacity, specialisation of the offer and technology, with particular regard to the WebFactoring® portal and the related platforms for the management of "Reverse Factoring" and "Confirming" operations, intended for Corporate customers. Factorit ranks among the leading companies in the sector, maintaining its position as the 4th-largest Italian operator, with a 6.84% share of turnover.

Before outlining the activities undertaken throughout the year and presenting the Company's financial and economic status as of 31 December 2025, we consider it appropriate to succinctly review, as is customary, the developments in the cyclical context and the performance of the domestic factoring market.

The Financial Statements as at 31 December 2025 were audited by Deloitte & Touche S.p.A.

SUMMARY OF RESULTS

	31 December 2025	31 December 2024	Change %
Balance sheet figures			
Financial assets measured at fair value through other comprehensive income	1,893,040	1,585,353	19.41
Financial assets measured at amortised cost	5,117,296,110	5,029,483,092	1.75
a) Loans and receivables with banks	64,129,504	39,817,477	61.06
b) Receivables from financial companies	470,290,150	594,499,079	-20.89
c) Receivables from customers	4,582,876,456	4,395,166,536	4.27
Total assets	5,159,760,548	5,075,133,383	1.67
Equity	323,627,304	307,574,482	5.22

(values in Euro)

	31 December 2025	31 December 2024	Change %
Income statement			
Net interest income	56,765,550	44,617,534	27.23
Net fee and commission income	42,421,798	37,577,421	12.89
Total income	98,865,993	82,363,081	20.04
Profit from continuing operations	57,256,315	52,985,090	8.06
Profit (Loss) for the period	39,602,939	35,637,257	11.13

Capital ratios			
CET1 Capital ratio	7.94%	8.99%	-11.78
Total Capital ratio	7.94%	8.99%	-11.78
Free capital	70,986,188	94,089,220	-24.55

Other information			
Number of employees	145	149	-2.68
Number of local units	6	6	0.00

(values in Euro)

	31 December 2025	31 December 2024
Cost/Income	25.09%	29.69%
ROE	14.02%	13.13%
Net interest income/Total income	57.42%	54.17%
Net commissions/Total commissions	42.91%	45.62%
Net interest income/Total assets	1.10%	0.88%
Net financial income/Total assets	1.59%	1.52%
Profit for the year/Total assets	0.77%	0.70%
NPE coverage ratio	58.07%	69.90%
NPE ratio	0.72%	0.33%

ECONOMIC COMMENTARY

2025 was the year in which the United States introduced tariffs, marking a profound shift in global trade policies, the effects of which on the economy remain uncertain. Thus, from spring 2025 ('Liberation Day'), a further element of geopolitical instability was added to the wars in Ukraine and the Middle East. Subsequently, the announcement of preliminary agreements, ceasefires and trade negotiations reduced uncertainty, although the outlook remains fragile. In the Middle East, progress was made towards ending the conflict in Gaza, with the signing of a significant, but still fragile, ceasefire. In Ukraine, on the other hand, the situation remains at a standstill.

Furthermore, we are witnessing a profound transformation in the global competition for technological leadership, accelerated by the advancement of artificial intelligence ('AI'). This challenge is no longer dominated exclusively by the United States: China has now consolidated its role as a technological power, moving beyond its position as merely the 'factory of the world'. Given the context, a significant global impact on inflation (upward) and growth (downward) was expected, yet so far we have seen resilient economies. Indeed, despite the general uncertainty, macroeconomic fundamentals have generally pointed towards the sustainable development of the global economy. As of November 2025, international trade (by volume) had grown by 4.4% y/y; in the first eleven months of the year, exports had increased by 4.5% y/y and imports by 4.3% y/y¹. Similarly, with regard to inflation, the worst fears have not materialised. Many companies have stated that they intend to wait for the tariff framework to stabilise before adjusting their prices, particularly in the wake of the US Supreme Court ruling at the end of February 2026, which invalidated the legal basis for 'reciprocal' tariffs under the International Emergency Economic Powers Act (IEEPA), calling into question the authority of US President Donald Trump to impose such levies. This decision, followed by the introduction of a new temporary 10% tariff, further heightened uncertainty regarding the tariffs actually applied^{2 3} Global GDP growth for 2025 is expected to reach +3.3%, according to forecasts by the International Monetary Fund⁴.

Against this backdrop, the European Union (EU) has demonstrated adaptability, resilience and moderate growth, but the outlook remains challenging. The EU is called upon to strengthen its strategic autonomy and address key challenges: renewing its growth model, closing the technology gap, reducing strategic dependencies (energy, defence, the payment system), and tackling demographic ageing.

During the first half of 2025, the eurozone economy was influenced by developments in US trade policy, performing positively in the first quarter (+0.6% q/q) – due to a rush to export in order to avoid tariffs, with the 'front loading' of

¹ CPB Netherlands Bureau for Economic Analysis, World Trade Monitor November 2025, 23/01/2026.

² Oxford Economics, SCOTUS ruling sends tariff policy back to the drawing board, 20/02/2026.

³ The White House, Fact Sheet: President Donald J. Trump Imposes a Temporary Import Duty to Address Fundamental International Payment Problems, 20/02/2026.

⁴ FMI, World Economic Outlook, January 2026.

orders – and negatively in the second quarter (+0.1% q/q). In the third quarter, it showed a degree of stability, with eurozone GDP increasing by +0.3% q/q. The final quarter of 2025 is also estimated to see an increase of +0.3% q/q, while overall growth is expected to reach +1.5%. There are some differences in the figures between the various countries: with the exception of Ireland, which fell by -0.6% quarter on quarter (from -0.3%), all other countries recorded growth. In France, GDP grew by +0.2% q/q (from +0.5% in the third quarter); in Spain, by +0.8% q/q (from +0.6%); and in Germany, by +0.3% q/q (from 0.0%)⁵. At the level of the Composite PMI (Purchasing Managers Index) - the leading cyclical index summarising the performance of manufacturing and the service sector - the figure for the entire Eurozone remained in the expansion area in the last quarter of 2025. The acceleration of activity in the services sector drove growth, while manufacturing, although remaining slightly below the expansion threshold, showed a clear improvement over the course of the year, moving increasingly closer to positive levels. On the trade front, the EU reached an agreement with the US administration to apply a 15% tariff on the vast majority of exports to the US, including strategic sectors such as motor vehicles, pharmaceuticals, semiconductors, and timber⁶. However, this agreement highlights the fact that the US's new trade policy requires European goods to open up to new export markets. Of course, it is not easy to replace the vast US consumer market, but integrating and diversifying with other countries is possible and would represent a significant opportunity, especially for Italy, which is so strongly focused on exports. The EU–Mercosur⁷ (Southern Common Market⁸) free trade agreement, which provides for the reduction of tariffs and trade barriers to facilitate trade in goods, services and investment, fits into this context. The agreement may open up new opportunities for developing trade relations, for example with the large Brazilian market. In terms of inflation, the disinflation process in the Eurozone now appears to have been completed, with the Harmonised Index of Consumer Prices having remained close to the European Central Bank (ECB)'s target of 2% for several months, standing at +1.9% in December 2025. Core inflation, i.e. excluding the most volatile items, was also stable, growing at a rate of +2.3% y/y, remaining at the lowest level for more than three years⁹. The inflationary environment described above allowed the ECB, in 2025 – following four rate cuts of 25 bp each in the first half of the year – to keep all major reference rates unchanged (deposit rate at 2% in December 2025). At recent monetary policy meetings, President Lagarde has reiterated on several occasions that the ECB is in a 'good position' to deal with the uncertainty of the coming months. Furthermore, the ECB has revised its growth projections for the coming years upwards, driven by stronger domestic demand. However, the international environment has remained volatile and the risks to growth and inflation are still high, which reinforces the Institute's 'data-driven' approach, whereby decisions are made on a meeting-by-meeting

⁵ Eurostat, GDP up by 0.3% in both the euro area and the EU, 30/01/2026.

⁶ European Commission, Joint Statement on a United States-European Union framework on an agreement on reciprocal, fair and balanced trade, 21/08/2025.

⁷ European Commission, Factsheet: EU-Mercosur Partnership Agreement.

⁸ Member countries: Argentina, Brazil, Paraguay, Uruguay and Venezuela.

⁹ Eurostat, Annual inflation down to 1.9% in the euro area, 19/01/2026.

basis¹⁰. The forecasts are not without risk. In particular, there are factors that could undermine financial stability, such as: (i) global fiscal sustainability due to high debt levels, (ii) corrections in equity markets should the very high expectations regarding AI-related gains prove excessive, (iii) the opacity of private markets (stablecoins). Looking at the whole of Europe, in the United Kingdom, the Bank of England (BoE) cut interest rates by 25 basis points for the fourth time in 2025, bringing them to 3.75% in December 2025, having struck the right balance between the need to revive the economy and the duty to keep inflation under control, which, although slowing, remained high (+3.2% in November 2025)¹¹. In contrast, in Switzerland, after two 25-bp cuts in March and June 2025, the Swiss National Bank (SNB), at its only meeting of the third quarter, kept the cost of money at 0%, despite the fact that the local economy is threatened by the tariffs (reduced to 15% from 39% on Liberation Day in April 2025¹²) announced by President Donald Trump against Swiss exports to the United States¹³.

As for Italy, GDP in 2025 is estimated to have grown by +0.7%, following an improvement in the fourth quarter of 2025 of +0.3% q/q. The growth achieved for 2026 is +0.3%¹⁴. As for consumer prices, on average, they rose by +1.5% in 2025 (up from +1.0% in 2024), while core inflation increased by an annual average of +1.9% (up from +2.0% in the previous year). Inflation in Italy remained among the lowest in the euro area, both in December and for 2025 as a whole. Low pressure on prices could support significant recoveries in household purchasing power, which, combined with the lagged effects of the ECB's interest rate cuts, would be key factors in restoring confidence and providing some momentum for consumption and the economy as a whole. With regard to businesses, fixed capital investment expenditure grew by +1.1% on average over the last three quarters (up from +0.7% on a quarterly basis in the third quarter of 2025, compared to +1.3%)¹⁵. Italy stands out among advanced economies: an analysis by the Organisation for Economic Co-operation and Development (OECD) shows that only six of the 34 member countries have already exceeded their pre-pandemic investment trends, and Italy is one of them, along with Canada, Australia, Greece and Croatia¹⁶. In terms of economic activity, the Composite PMI leading indicator was in expansion territory for most of the year, supported by the services sector and a slight recovery in manufacturing during the year, although this came to a halt in December. In the first eleven months of 2025, the trade balance recorded a surplus of Euro 44.7 billion, an increase of 3.7% compared to the same period the previous year. This figure indicates an increase in the surplus, mainly due to higher exports (+3.1% year-on-year to 591 billion euro), which offset the increase in imports (+3.1% year-on-year to 546 billion euro). In terms of geographical breakdown, trade with European Union countries was broadly balanced. The

¹⁰ European Central Bank, Christine Lagarde, President of the ECB, Luis de Guindos, Vice-President of the ECB, 18 December 2025.

¹¹ Bank of England, Monetary Policy Summary and minutes of the Monetary Policy Committee meeting ending on 17 December 2025.

¹² Swiss Confederation, Swiss-US trade relations, 16 November 2025.

¹³ Swiss National Bank, Monetary policy assessment of December 2025: Summary of discussion, 8 January 2026.

¹⁴ Istat, Preliminary GDP estimate - Fourth quarter of 2025, 30 January 2026.

¹⁵ Istat, QUARTERLY ACCOUNTS FOR HOUSEHOLD INCOME, SAVINGS AND CORPORATE PROFITS, Q3 2025, 7 January 2026.

¹⁶ OECD, Economics Department Working Papers, Understanding the weakness in business investment: A cross-country analysis, 30 June 2025.

balance was slightly negative, amounting to –3 billion euro (exports of 306 billion euro versus imports of 309 billion euro). The deficit decreased by -60% compared to the same period in 2024. This improvement was driven by a 4.1% increase in exports, compared to a 2.5% increase in imports. The performance of intra-EU trade therefore appears robust. In contrast, the trade balance with non-EU countries, although down by -5.7% compared to the same period in 2024, remained in surplus. Exports reached 285 billion euro (up 2.1% on an annual basis), compared to imports of 237 billion euro (up 3.8% on an annual basis). The overall context was characterised by a sharp increase in imports from the United States and China¹⁷.

Across the Atlantic, in the US, two themes dominated the market narrative. Firstly, the protectionist trade policies implemented by the Trump administration, which influenced the behaviour of private players and, in turn, significantly impacted the pace of economic growth in the first part of the year. Indeed, GDP in the first half of the year recorded a rather marked fluctuation, going from a contraction (-0.6% y/y annualised) in the first quarter to a recovery (+3.8%) in the April-June period. Finally, in the third quarter, growth remained robust (+4.3%), supported by an acceleration in domestic consumption¹⁸. The high level of uncertainty observed since last spring, following the US administration's introduction of tariffs on Liberation Day, has eased in recent months thanks to the agreements reached between the US and its trading partners, with an average tariff rate of 17.9% in October 2025 (up from 2.2% in 2024) and a significantly lower effective rate applied at the US border (11.6%)¹⁹. Secondly, markets focused on monetary policy expectations, aided by a labour market that showed signs of slowing down, prompting the Federal Reserve (Fed) to cut interest rates. Starting in September 2025, the US central bank cut the Fed funds rate three times by a quarter of a percentage point, bringing it into the 3.5–3.75% range in December. The decision was justified by the downside risks for employment, and by inflation, which remained high due to the impact of tariffs, although the Fed considers this effect to be temporary (CPI at +2.7% in December²⁰). Fed Chair Powell described the latest rate cut as a step towards improved 'risk management' to safeguard the economy²¹. Furthermore, the US growth estimates for 2026 have been revised upwards (Federal Reserve, +2.3%)²². Although higher import tariffs, immigration restrictions and political uncertainty could have a negative impact on growth, these factors are expected to be offset by an accommodative fiscal and monetary policy, a strong boost in investment related to artificial intelligence, and a smaller trade deficit.

In emerging economies, too, economic growth was better than expected, despite US trade policy, continuing to show, on average, greater liveliness than in

¹⁷ Istat, Foreign Trade and Import Prices – November 2025, 15 January 2026.

¹⁸ Bureau of Economic Analysis, Gross Domestic Product, 3rd Quarter 2025 (Initial Estimate) and Corporate Profits (Preliminary), 23 December 2025.

¹⁹ LC Macro Advisors, Scary themes for 2026, November 2025.

²⁰ U.S. Bureau of Labor Statistics, CONSUMER PRICE INDEX – DECEMBER 2025, 13/01/2026.

²¹ Federal Reserve, Transcript of Chair Powell's Press Conference, 10/12/2025.

²² Board of Governors of the Federal Reserve System, December 10, 2025: FOMC Projections materials, accessible version, 10/12/2025.

developed countries. Among the major economies of the emerging bloc, India's GDP grew by +8.2% year-on-year (up from +7.8%) in the third quarter of 2025, making it the world's fourth-largest economy and overtaking Japan. Trade negotiations between the United States and India are still ongoing and, as they continued beyond December 2025 without an agreement being reached, the tariffs imposed by the US were increased to 50% (from the previous 25%). In China, where trade tensions with the United States have eased slightly (with tariffs at 47%²³), the economy grew by 4.5% y/y in the fourth quarter of 2025, while growth for 2025 as a whole stood at 5.0%²⁴.

In the absence of shocks, global economic activity is expected to continue to grow in 2026 (International Monetary Fund, +3.3%²⁵), albeit at a slightly slower pace than this year, primarily due to the impact of trade. In particular, the eurozone is expected to experience moderate growth in 2026 (European Central Bank, +0.9%²⁶): private consumption is likely to remain the main driver of growth, supported by robust investment trends thanks to favourable financial conditions. Furthermore, the fiscal stimulus linked to defence and infrastructure spending in European countries, primarily Germany, is also expected to support growth temporarily. However, the challenging geopolitical environment linked to the conflict in the Middle East could hold back growth in the euro area, as the shock to energy prices and increased uncertainty could reduce household purchasing power and weaken consumer and business confidence.

For Italy, more robust growth is projected for 2026, driven by an expected recovery in household spending and a continued increase in investment, supported by the lagged effects of the ECB's rate cuts and the remaining funds and projects under the National Recovery and Resilience Plan (NRRP).

However, it is important to highlight that the disruption caused by the war between Israel, the US and Iran, namely the blockade of the Strait of Hormuz, through which approximately 20% of the world's crude oil passes, has led to tensions on crude oil and gas prices: if prolonged, this disruption could reignite inflation, particularly in Asia but also in Europe, given the region's significant energy dependence.

FACTORING: THE DOMESTIC MARKET

Throughout 2025, the factoring market saw a turnover of nearly Euro 289.10 billion, essentially in line with last year. Of this, Euro 49.24 billion represented recourse transactions, comprising 17.04%, while Euro 239.86 billion constituted without recourse transactions, accounting for 82.96%. As shown in

²³ Reuters, Trump shaves China tariffs in deal with Xi on fentanyl, rare earths, 30/10/2025.

²⁴ National Bureau of Statistics of China, National Economy Pushed Forward with Innovation-led and High-quality Development and Expected Targets Achieved Successfully in 2025, 19/01/2026.

²⁵ FMI, World Economic Outlook, January 2026.

²⁶ European Central Bank, Macroeconomic projections, 19/03/2025.

the table below, the outstanding assigned receivables as at 31 December 2025 and the advances component are also in line with the previous year.

Table 1. Evolution of the factoring market in Italy (source: Assifact)

	2022	2023	2024	2025
Turnover	287,258,017	289,753,062	288,586,885	289,104,851
Outstanding	69,468,897	70,291,103	70,646,933	71,348,034
Advances	56,630,010	58,126,642	59,151,398	59,754,962
Advances/Outstanding	81.5%	82.7%	83.7%	83.8%

(values in thousands of Euro)

Based on the information provided by Assifact as of 31 December 2025, in Italy, 40% of factoring companies are constituted by financial intermediaries under Article 106 "Sole Register", and they develop 51.2% of the turnover. Banks constitute 50% of the operators (43% of turnover), and other intermediaries make up 10% (5.80% of the turnover). The volume of the loans sold to the leading 5 system operators, (Factorit in 4th place with a 6.8% share), account for 61.7% of the overall market turnover.

COMPANY PERFORMANCE

The amount of loans sold in the period was Euro 19,762 million, a limited decrease (-1.4%) compared to the previous year (Euro 20,042 million). The loans sold without recourse made up 73.2% of the total turnover, whereas those sold with recourse constituted 26.8%. The active customers as of 31 December 2025, were 1,389, substantially in line with the figure as of 31 December 2024 (1,437).

Table 2. Management data

	2025	2024	Deviation
Turnover	19,761,860	20,041,733	-1.4%
of which without recourse	14,456,365	14,111,753	2.4%
of which with recourse	5,305,495	5,929,980	-10.5%
Net commission (%)	0.21	0.19	
Receivables on the assets side of the financial statements as at 31/12	5,130,762	5,039,806	1.8%
Outstanding loans sold	5,268,930	5,262,701	0.1%
of which without recourse	4,088,342	3,941,366	3.7%
of which with recourse	1,180,588	1,321,335	-10.7%
Specific loans as at 31/12	5,098,909	5,019,600	1.6%
Specific/Outstanding loans as at 31/12	97%	95%	
No. of documents processed	1,276,936	1,162,286	9.9%
Average days of loan rotation	97	96	1.04%

(values in thousands of Euro)

The tables below present operational information, which shows a broadly consistent picture compared to the previous financial year.

Table 3. Distribution of Turnover: product sector of the assignor

	2025	incidence	2024	incidence
Services	7,095,809	35.9%	6,612,219	33.0%
Manufacturing	4,084,549	20.7%	4,398,484	21.9%
Wholesale trade	3,531,062	17.9%	3,588,106	17.9%
Energy sector	1,596,098	8.1%	1,363,090	6.8%
Construction	667,733	3.4%	981,090	4.9%
Transportation	477,966	2.4%	578,009	2.9%
Retail trade	66,143	0.3%	117,708	0.6%
Other	2,242,500	11.3%	2,403,027	12.0%
Grand total	19,761,860	100.0%	20,041,733	100.0%

(values in thousands of Euro)

Table 4. Product segmentation (incidence on total)

	2025	incidence	2024	incidence
Traditional factoring	5,274,432	26.7%	5,397,651	26.9%
Factoring with financing without notification	11,680,832	59.1%	11,548,932	57.6%
Maturity factoring	2,683,363	13.6%	3,025,898	15.1%
Only guarantee without notification	123,233	0.6%	69,252	0.4%
Total	19,761,860	100.0%	20,041,733	100.0%

(percentage values)

Table 5. Territorial distribution of turnover

	2025	incidence	2024	incidence
Domestic	14,244,892	72.1%	14,486,292	72.3%
Export	4,994,818	25.3%	5,072,802	25.3%
Import	522,150	2.6%	482,639	2.4%
Grand total	19,761,860	100.0%	20,041,733	100.0%

(values in thousands of Euro)

Table 6. Geographical distribution of Assignors by macro-geographical areas

	2025	incidence	2024	incidence
North-west	12,247,284	62.0%	12,995,573	64.9%
Centre	3,904,194	19.8%	3,388,803	16.9%
North-east	1,960,326	9.9%	1,728,220	8.6%
South	811,904	4.1%	747,165	3.7%
Abroad	591,788	3.0%	659,900	3.3%
Islands	246,364	1.2%	522,072	2.6%
Grand total	19,761,860	100.0%	20,041,733	100.0%

(percentages calculated on the basis of the registered office of the Assignor)

The Company's commercial activities were focused in areas with a strong presence of the Parent Company's branches, as well as in locations where direct commercial activity is most effective. The amount of loans sold by customers based in Lombardy, which is the leading region in terms of turnover, represents 31.6% of the total. Also among the most significant regions in terms of volume are Piedmont, with 27.3%, and Lazio, with 16.5%.

Distribution channels

The amount of assignments from customers reported by Banca Popolare di Sondrio is Euro 4,076.1 million, representing 20.6% of the total loans sold, whilst it reaches Euro 6,335.3 million including the banks with which agreements are active for the distribution of the Company's products and an incidence of 32%, with a decrease of 7.1% compared to the previous year.

Table 7. Turnover divided by distribution channel

	2025	Incidence	2024	Incidence	Deviation
Total BANKS	6,335,343	32.1%	6,818,643	34.0%	-7.1%
<i>Banca Popolare di Sondrio</i>	4,076,155	20.6%	4,390,099	21.9%	-7.2%
Total FOREIGN CORRESPONDENTS	514,757	2.6%	476,351	2.4%	8.1%
Total DIRECT	12,911,760	65.3%	12,746,739	63.6%	1.3%
Total	19,761,860	100.0%	20,041,733	100.0%	-1.4%

(values in thousands of Euro)

COMPANY PERFORMANCE

Economic and income results

As of 31 December 2025, it is noted that the interest margin was Euro 56.8 million, compared to Euro 44.6 million in 2024 (+27.2%), with the increase due to the higher average capital employed and a more significant reduction in interest expense; active commissions amounted to Euro 48 million, compared to Euro 43 million at 31 December 2024 (+11.7%); such a result is attributable to the increase in the percentage of average commission applied (0.243% compared to 0.214% in 2024) and to the increase in confirming operations. As a result, the intermediation margin amounted to approximately Euro 98.9 million, compared to Euro 82.4 million at 31 December 2024 (+20%).

Net adjustments/write-backs for credit risk show a negative balance of Euro 16.8 million, compared to a negative balance of Euro 5.3 million (see the statement given under “details item 130”) as at 31 December 2024.

With regard to the quantification of impairments in the performing loan portfolio, carried out in alignment with the current IFRS 9 methodological framework, the Company has updated quarterly both the point-in-time probability of default and the parametrisations of the forward-looking information used for constructing the term structures of the risk parameters, with specific focus on the use of more recent forecasts (2025Q2 Forecast Report) and on the modification of the set of macro-economic scenarios and the associated weighting factors (78% base – 17% favourable – 5% extreme) in order to ensure consistency with those adopted by Banca Popolare di Sondrio.

It should also be noted that, during this run, the so-called position-specific add-on was used, which allows for targeted intervention in the value of impairment losses and, consequently, in the coverage of individual positions

within the performing loan portfolio, if the ECL calculated for these positions, even after the application of geosectoral multipliers and the model-related A-IRB component, results in coverage levels deemed insufficiently prudent by senior management. In particular, this option was exercised in relation to two counterparties for which, at present, it is believed that there may be issues with the collection of the financial exposure. The imposition of a coverage ratio of 50% for a cash exposure and 10% for an off-balance sheet exposure (commitment) resulted in an additional charge of approximately Euro 1.8 million.

Hence, the total impairment level relative to performing status stands at an estimated Euro 13.4 million (+Euro +3.1 million compared to December 2024), which translates to a total coverage level of roughly 33 bps (slightly up compared to the end of the 2024 accounting period, of 29 bps).

It is important to highlight that the NPL ratio (incidence of gross non-performing loans) was 0.72% as of 31 December 2025, with gross non-performing loans amounting to Euro 37.2 million on total receivables from the gross financial statements of Euro 5,130.7 million, whereas on 31 December 2024 it was 0.33%, with gross non-performing loans amounting to Euro 16.6 million on gross financial statements total receivables of Euro 5,039.8 million. The coverage level for non-performing loans stands at 58.07% (69.9% as at 31 December 2024); the reduction is primarily due to the reclassification to UTP of a counterparty for which a provision of 20% has been allocated.

With regard to the quality of loans sold (outstanding), there was an increase, compared to last quarter, in the percentage incidence value of loans overdue over 90 days compared to the amount of overdue loans: 1.51% as at 31 December 2025 (Euro 79.4 million), compared to 1.47% as at 30 September 2025 (Euro 63.9 million); as at 31 December 2024, this amount represented 1.84% of the outstanding receivables (Euro 96.5 million).

In general, as of 31 December 2025, the "overdue" globally considered (60 days, 90 days and over 90 days) were equal to 3.58% of the total, for an amount of Euro 188.2 million; at 30 September 2025 it was 4.40% of the total (Euro 191.4 million). At 31 December 2024, it accounted for 3.61% (Euro 189.5 million).

Administrative expenses amounted to Euro 24.1 million, compared to Euro 19 million as at 31 December 2024 (+26.6%). With regard to personnel expenses in particular, it is worth noting the provision made as at 31 December 2025, amounting to Euro 5.7 million, relating to severance incentives for the personnel concerned, pursuant to the agreement signed with the trade union representatives on 19 December 2025.

The item 'Net provisions for risks and charges' is essentially zero.

The item "Other operating income and expenses" shows a positive balance of Euro 0.7 million, compared to a negative balance of Euro 3.9 million as at 31 December 2024; the difference is due to the extraordinary item related to computer fraud recorded in the previous financial year.

Consequently, the net profit for the year amounted to Euro 39.6 million.

Main management events

Throughout the meetings in 2025, the Board of Directors analysed and evaluated the reports provided by the company's senior management, which concerned the Company's commercial performance, exposure to major Assignors and Debtors, risk positions (classified among Bad Loans, Unlikely to Pay, and Non-performing Past due), as well as the adequacy of provisions and loan loss transfers; it also examined the documentation on the breakdown of the portfolio, resolutions passed on loans and disputes, own provisions and the liquidity risk.

Throughout the year, the Board of Directors approved the internal regulations, which also incorporated the guidelines issued by Banca Popolare di Sondrio S.p.A. and the new Parent Company BPER Banca S.p.A. for the proper and effective management of the company. Furthermore, in accordance with the regulations outlined in Bank of Italy Circular no. 288 of 3 April 2015 and its subsequent updates "*Supervisory provisions for financial intermediaries*", all reports produced by the Control Functions (compliance, risk control, anti-money laundering and internal audit) have been submitted to the attention of the Administrative Body.

It is specified that, among other provisions, it has been resolved as follows:

- on **27 January**, the Board of Directors identified the key personnel and decided on the structure of the incentive system for personnel, in line with the "*Remuneration Policies of the Banca Popolare di Sondrio Banking Group*" as detailed in Section I of the document "*Annual Report on the Remuneration Policy and the Remuneration Paid*"; it also approved the 2025-2027 Strategic Plan and the 2025 Annual Budget.
- On **5 March**, the Board of Directors approved the draft financial statements for the year ended 31 December 2024; resolved to appoint KPMG S.p.A. as the statutory auditors for the nine-year period 2026-2034; convened the Ordinary Shareholders' Meeting for 16 April 2025; and made decisions regarding the determination of the variable remuneration of key personnel.
- On **30 April**, the Board of Directors, in the context of corporate management, acknowledged the findings within the Group's ICAAP and ILAAP reports dated 31 December 2024, issued by the Parent Company Banca Popolare di Sondrio, which pertain to the Banking Group and primarily focus on the internal processes for determining capital adequacy (ICAAP) and evaluating the adequacy of governance systems and liquidity risk management (ILAAP); resolved on the determination of the Chair's remuneration; appointed the Deputy Chair and determined the Deputy Chair's remuneration; and approved the profit and loss account and balance sheet as at 31 March 2025.
- At its meeting on **12 May**, the Board of Directors, in respect of the Directors confirmed in office by the Ordinary Shareholders' Meeting on 16 April, assessed their compliance with the requirements pursuant to Italian Ministerial Decree No. 169 of 23/11/2020, assessed their compliance with the requirements relating to the 'prohibition of

interlocking' (Article 36 of Italian Law No. 214/2011), and elected an address for service; furthermore, the Board acknowledged the results of the audit carried out by the Board of Statutory Auditors concerning its standing members, who were also confirmed in office by the Shareholders' Meeting on 16 April; the Board assessed the Chief Executive Officer's compliance with the requirements relating to the 'prohibition of interlocking' (Article 36 of Italian Law No. 214/2011); and the Board appointed the Anti-Money Laundering Officer.

- On **16 June**, with regard to the proposed purchase of participatory financial instruments (SFP) of Astaris S.p.A. (formerly Astaldi) held by the Company and the Parent Company Banca Popolare di Sondrio, the Board of Directors reached an agreement on this sale.
- On **28 July**, the Board of Directors acknowledged that, on 18 July 2025, as a result of the completion of the Public Tender Offer (PTO) it had launched for the shares of Banca Popolare di Sondrio S.p.A., BPER Banca S.p.A. had acquired a direct controlling interest in Factorit S.p.A. representing 58.49% of the share capital, as well as an indirect controlling interest representing 100% of the share capital, thereby confirming Factorit S.p.A.'s entry into the BPER Banca S.p.A. Banking Group; furthermore, the Board approved the economic and financial position as at 30 June 2025.
- At its meeting on **12 September**, acting on the instructions of the Parent Company, BPER Banca S.p.A., the Board of Directors approved the mutual termination of the statutory audit engagements awarded to EY S.p.A. for the financial years 2017-2025 and to KPMG S.p.A. for the financial years 2026-2034; it convened the Ordinary Shareholders' Meeting scheduled for 29 September 2025, which resolved on the termination of the statutory audit engagements and appointed the new auditor.
- At its meeting on **22 September**, the Board of Directors approved the appointment of Deloitte & Touche S.p.A. to perform the statutory audit of the accounts for the financial years 2025-2033 and the determination of the related fees.
- On **29 October**, the Board of Directors convened the Ordinary Shareholders' Meeting for 18 November 2025, approved the economic and financial status as of 30 September 2025; it approved the suggested criteria and parameters for determining the variable remuneration of the most significant Personnel.
- At the Ordinary Shareholders' Meeting held on **18 November**, the shareholders acknowledged the resignations of three directors, reduced the number of members of the Board of Directors from five to three, and appointed a new Director.
- On **11 December**, the Board of Directors verified the new Director's compliance with the requirements pursuant to Italian Ministerial Decree 169 of 23/11/2020, carried out the verification pursuant to Article 36 of Italian Law 214/2011 (prohibition of interlocking), and

elected an address for service; it appointed the Deputy Chair and determined the Deputy Chair's remuneration; furthermore, it approved the 2026 Annual Budget.

During the year, the ordinary exchange of correspondence between the Company and the Financial Intermediaries Supervision Division of the Bank of Italy, Milan Office, continued.

Organisational structures and the system of internal controls

The Company's regulatory framework has undergone updates, partly due to the issuance of new specific regulations (refer to the relevant section 'Regulatory adjustments') and partly to further strengthen the internal organisational framework and, in particular, following the Company's entry into the BPER Group as of 18/07/2025, in order to implement the guidelines of the new Parent Company, BPER Banca.

Factorit adopts a traditional administration and control model. The Corporate governance structure comprises the methodologies, models, and systems for planning, managing, and controlling, essential for the operation of the Company's Bodies. It is articulated with the aim of ensuring effective and transparent allocation of roles and responsibilities among the Company's Bodies, as well as a proper balance between strategic oversight, management, and control functions, together with a careful analysis and assessment of the risks the Company is exposed to.

The Company Organizational Chart is structured with Control Functions (reporting both hierarchically and functionally to the Board of Directors), Services, and Offices (in both staff and line positions to the General Management), intended to provide benefits in terms of efficiency and risk mitigation. Outsourcing corporate functions, including essential or important control tasks, is a structural element of the organisational model adopted by the Company, taking into account, as provided by the principle of proportionality, the Company's size and its limited operational complexity.

Following receipt of the no-objection from the Bank of Italy in response to the preliminary request submitted by Banca Popolare di Sondrio, as the Parent Company, received on 17/01/2025, the activities of the Compliance Function were outsourced to Banca Popolare di Sondrio with effect from 01/04/2025, and the Group Compliance Officer was appointed as the Head of the outsourced Function.

The justifications for this outsourcing, which involves changing the outsourcer from Unione Fiduciaria, where the Compliance Function's activities were historically outsourced with positive service evaluation, can be found in:

- the pursuit of overall benefits regarding risk governance through the harmonisation of the non-compliance risk management model and the standardisation of the processes and methodologies adopted by the

- Parent Company, thereby contributing to enhancing the Company's capacity to promptly implement the Group's guidelines and policies;
- the possibility to draw on the skills and insights of the Parent Company's specialised resources, with a view to refining methodologies for managing non-conformity risk;
 - the adherence to the organisational model of the compliance function of Banca Popolare di Sondrio for the management of non-compliance risk, also adopted for the subsidiary Banca della Nuova Terra.

The operating model of the compliance function replicates, on a *pro rata* basis, the activities carried out by the compliance function of Banca Popolare di Sondrio. Therefore, Factorit has adopted the 'widespread' compliance model, which entails direct oversight by the Compliance Function with regard to the most relevant regulations for non-compliance risk purposes, such as those concerning the granting of loans and the provisions on transaction transparency and the fairness of relations between intermediaries and customers, as well as the involvement of certain professionals from what are termed "specialist oversight bodies" with regard to regulations for which specific forms of specialist oversight are already in place (e.g., occupational safety and taxation).

Throughout the year, the Parent Company managed the outsourcing to Unione Fiduciaria of the activities of the DPO (Data Protection Officer) and to the Parent Company the activities of the Risk Control Function, which involved ongoing efforts to review and standardise the structural components of the comprehensive risk management and governance system, ensuring alignment with the Group's organisational, governance and control frameworks.

The outsourcing agreements remained in force throughout 2025, including following the change in the corporate structure with the acquisition of control of the Banca Popolare di Sondrio Group by the BPER Banca Group, thereby ensuring continuity within Factorit in the implementation, even during this transition phase, of the risk management guidelines defined by the new Parent Company, BPER Banca.

Following the Company's joining the BPER Group, dedicated working groups were set up to define the new organisational structure and the system of internal controls, in coordination with the new Parent Company.

Regulatory adjustments

The Company leverages the expertise of the Compliance Function, which has the responsibility, as part of its non-compliance risk monitoring duties, to continuously identify applicable legislation and assess its impact on company processes and procedures.

During the year, the Company, in addition to reviewing the internal regulatory systems affected by organisational changes or developments in external regulation (laws and regulations), also approved new documents to ensure the adequacy of Factorit's regulatory framework to prevent breaches of

mandatory and self-imposed regulations and to ensure an effective internal control system.

Throughout the year, the process of incorporating the regulations issued by the Banca Popolare di Sondrio, and, as from 18/07/2025, the rules by the new Parent Company, Bper Banca, applicable to the banking group and pertinent to the Company, also continued.

Over the course of the year, some legislative and regulatory changes influenced, directly or indirectly, the banking and financial sectors and, specifically, the Company. Below are the main ones.

In accordance with the guidelines set out in the 40th update of the Bank of Italy Circular 285/2013 on prudential supervision, which mandated that banks establish a second-level control function for monitoring and supervising **security and ICT risks** by 30 June 2023, Factorit was involved by the Parent Company for the relevant areas. Specifically, the Compliance Function has engaged in activities from both ex-ante and ex-post perspectives, aimed at identifying the Company's information system and enhancing regulatory, organisational, and IT safeguards, also considering the fully applicable provisions of Regulation 2022/2554 ("DORA") effective from 17 January 2025. Considering the allocation of duties between the Risk Control Function and the Compliance Function as per their respective areas of expertise, the Parent Company received input for the Bank's IT Risk Questionnaire 2025 and contributed to drafting the "Summary Report on Cyber Risk – Year 2024".

Under the "**Action Plan on Climate and Environmental Risks**" submitted to the Bank of Italy in March 2023, ongoing activities have focused on gradually aligning with the Supervisory Authority's expectations, in accordance with the Parent Company's guidelines, while adhering to the principle of proportionality. The aforementioned Plan was completed, with the exception of certain activities within the 'Climate Strategy' work-stream, which were suspended in order to align the measures with the framework in force at the new Parent Company, BPER.

In line with the 'Return to Compliance Plan', i.e., the action plan, and in accordance with the current regulations on the **A-IRB internal rating** system, the new Parent Company withdrew the application for validation from the ECB and the Bank of Italy, including Factorit's application; consequently, the related activities aimed at establishing an internal rating were suspended.

In order to comply with the regulatory provisions introduced by the Benchmark Regulation and by the new Article 118-bis of the TUB, in force as of 11 January 2024, which requires banks and financial intermediaries to publish, even in summary form, and to keep constantly updated on their websites the **plans** specified in Article 28(2) of the Benchmark Regulation, the Company has undertaken the necessary updates and communicated them to its customers.

Commission Delegated Regulation (EU) 2023/137 updated, with effect from 1 January 2025, the statistical classification of economic activities known as **NACE** (Statistical Classification of Economic Activities in the European Community), as established by Regulation (EC) No 1893/2006 of the European Parliament and of the Council. At the national level, the Italian National Institute

of Statistics (Istat) has specified the aforementioned classification (NACE Rev. 2.1), consistently adapting the coding of economic activities used for the production and dissemination of official statistical data (ATECO 2025). The necessary adjustments have been made to enable the use of the new ATECO 2025 coding system, which will replace the previous system as of 1 January 2026.

Finally, with Communication Prot. No. 0634268/25 of 21/03/2025 concerning Circular No. 302 'Registry of subjects – 2nd Update', the Bank of Italy provided information on the purposes, characteristics and content of the Registry of Subjects, specific provisions on the processing of personal data of subjects registered in the Registry, and instructions to credit and financial intermediaries on how to enter data into and consult the Registry. The adjustments came into force on 12 May 2025.

With reference to the measures implemented by government authorities, please refer to the *Explanatory Notes, Part A - Accounting policies - Section 4 - Other aspects*.

Organisational structure and human resources

Throughout the year, no specific areas were reinforced, but there were targeted additions based on the needs of certain offices or services.

Table 5. Employee age group

Age group	2025							2024						
	Women			Men			Total	Women			Men			Total
	>50	50-30	<30	>50	50-30	<30		>50	50-30	<30	>50	50-30	<30	
Executive managers	0	0	0	3	1	0	4	0	0	0	3	1	0	4
Managers	20	6	0	30	13	1	70	20	6	0	32	15	0	73
Office workers	21	17	3	9	14	7	71	20	20	1	9	17	5	72
Total	41	23	3	42	28	8	145	40	26	1	44	33	5	149
<i>of which part-time</i>	6	2	0	0	0	0	8	4	4	0	0	0	0	8

During the year there were 13 terminations, while there were 10 hires, including 1 person with an temporary employment contract, 3 fixed-term and 6 permanent employees. The average total employee data (145) does not include any weighting of the 8 part-time contracts.

The specific number of employees as of 31 December 2025 was 145, including 78 men and 67 women.

The regular professional development activities for all employees continued, utilising digital tools and offering training courses to enhance the employees' understanding of regulatory and technical matters. In particular, internal training was provided on privacy, specific aspects of anti-money laundering, cybersecurity, and the use of SharePoint, Teams and Outlook. Specific courses, such as on electronic invoicing, were also delivered, and a team-building session on soft skills for the sales team was held. The Company continued to train

all new employees and collaborators according to the latest State-Regions directives on occupational safety and also provided a refresher course for the Safety Officers, the Prevention and Protection Service Manager (RSPP) and the members of the First Aid team.

On 19 December 2025, the Parent Company, BPER Banca, and the trade union organisations reached an agreement on a voluntary redundancy scheme aimed at facilitating generational and professional turnover. This agreement is on a voluntary basis and also involves Factorit S.p.A.

Risks related to company activity

In line with its business model, the Company is exposed to various types of risks, both actual and potential, which primarily relate to credit risk, interest rate risk, liquidity risk, and certain aspects of operational risks inherent to the business.

Company risks are managed within an organisational framework that separates control functions from operational ones. This framework integrates various methodologies and multi-level control measures to ensure the efficient and effective functioning of operational processes, safeguard the company's assets, protect the Company against losses, ensure the reliability and integrity of information, and consistently verify the correct performance of activities in compliance with relevant internal and external regulations.

Interest rate and liquidity risk trend

With regard to the general aspects, management processes and methods of measuring interest rate risk and liquidity risk, please refer to the Explanatory Notes *Part D – Other information – Section 3 – Information on risks and related hedging policies*.

Credit risk trend

As of 31 December 2025, the total receivables on the financial statements, gross of adjustments, amounted to Euro 5,131 million. The detail is provided below:

Table 6. Non-performing and performing loans

		31 December 2025	31 December 2024	Absolute changes	Changes %	Coverage % 2025	Coverage % 2024	Net of net loans 2025	Net of net loans 2024
Non-performing loans	Gross exposure	37,162,654	16,622,115	20,540,539	124%				
	Value adjustments	21,579,321	11,613,885	9,965,436	86%				
	Net exposure	15,583,333	5,008,230	10,575,103	211%	58.07%	69.87%	0.306%	0.100%
Bad loans	Gross exposure	1,480,433	2,101,075	-620,642	-30%				
	Value adjustments	1,416,227	2,101,075	-684,848	-33%				
	Net exposure	64,206	-	64,206	N/A	95.66%	100.00%	0.001%	0.000%
Unlikely-to-pay	Gross exposure	35,477,576	13,303,203	22,174,373	167%				
	Value adjustments	20,134,370	9,342,313	10,792,057	116%				
	Net exposure	15,343,206	3,960,890	11,382,316	287%	56.75%	70.23%	0.301%	0.079%
Non-performing past due exposures	Gross exposure	204,645	1,217,837	-1,013,192	-83%				
	Value adjustments	28,724	170,497	-141,773	-83%				
	Net exposure	175,921	1,047,340	-871,419	-83%	14.04%	14.00%	0.003%	0.021%
Loans performing	Gross exposure	5,093,599,080	5,023,184,228	70,414,852	1%				
	Value adjustments	12,862,443	9,768,825	3,093,618	32%				
	Net exposure	5,080,736,637	5,013,415,403	67,321,234	1%	0.25%	0.19%	99.694%	99.900%
Stage 1	Gross exposure	5,023,968,195	4,939,999,792	83,968,403	2%				
	Value adjustments	11,446,862	9,552,961	1,893,901	20%				
	Net exposure	5,012,521,333	4,930,446,831	82,074,502	2%	0.23%	0.19%	98.356%	98.247%
Stage 2	Gross exposure	69,630,885	83,184,436	-13,553,551	-16%				
	Value adjustments	1,415,581	215,864	1,199,717	556%				
	Net exposure	68,215,304	82,968,572	-14,753,268	-18%	2.03%	0.26%	1.339%	1.653%
Total loans to customers	Gross exposure	5,130,761,734	5,039,806,343	90,955,391	2%				
	Value adjustments	34,441,764	21,382,710	13,059,054	61%				
	Net exposure	5,096,319,970	5,018,423,633	77,896,337	2%	0.67%	0.42%	99.329%	99.576%

(values in Euro)

During the year, losses totalling Euro 3.8 million were recorded, fully covered by specific funds.

With regard to the main risk factors, the management, measurement, and control systems adopted, the organisational structures in place, the methods of measuring expected losses and the risk mitigation techniques, please refer to the Explanatory Notes *Part D – Other information – Section 3 – Information on risks and related hedging policies*.

Concentration of credit risk and information on assets

Also during 2025, efforts continued to ensure a careful monitoring of the risks associated with an excessive concentration of the lending portfolio, also through the imposition of risk limits on the largest counterparties with a more pronounced risk profile.

As of 31 December 2025, there were 33 Groups of connected customers and individual customers included in the "Large exposures" (31 positions in 2024). Risk positions exceeding the 25% threshold of the eligible capital are guaranteed by means of security issued by Banca Popolare di Sondrio; as of 31 December 2025, this applied to four counterparties (major Groups or Companies) whose combined exposure amounted to 42.28% of the total Large Risks exposures.

In addition, for quantitative information on the Concentration of risk, the "Large exposures" and further details on equity, please refer to the Explanatory Notes *Part D – Other information – Section 3 – Information on risks and related hedging policies and Section 4 – Other information on Equity*.

Other news

Pursuant to art. 2428, paragraph 3, point 1 of the Italian Civil Code, it should be noted that the Company has not carried out research and development activities.

The information on relations with Group companies and related parties, required by paragraph 3, point 2 of art. 2428 of the Italian Civil Code, is reported under *Other information* in the Explanatory Notes.

Regarding the information indicated in paragraph 3, points 3 and 4, of Article 2428 of the Italian Civil Code, the Company states that it holds no ownership in its own shares or those of the Parent Company, whether directly or via a fiduciary company or through an intermediary; furthermore, the Company confirms that it neither acquired nor disposed of its own shares or those of the Parent Company in the 2024 financial year, either directly or through a fiduciary company or an intermediary.

With regard to the information on risks, referred to in paragraph 6-bis of art. 2428 of the Italian Civil Code, please refer to what is reported in the Explanatory Notes – *Part D* and to what is reported in the previous paragraphs.

The Company has no secondary offices.

Foreseeable outlook for operations

The global economy continues to move into positive territory, driven primarily by the US and by investment in new technologies, but the overall picture remains fragile. Indeed, geopolitical tensions, trade disputes and potential shocks in the financial markets are fuelling a climate of uncertainty that is weighing on the outlook for the coming years. This is the picture that emerges from the Bank of Italy's Economic Bulletin, according to which, in this context, Italy is showing signs of resilience. Our growth is continuing, albeit at a moderate pace, thanks to exports, investment and the service sector. Employment is rising and inflation remains low, thereby supporting purchasing power. In the international context, therefore, the country is moving cautiously but along a path of gradual consolidation.

Against this background, the Bank of Italy forecasts GDP growth of around 0.8% in 2026 and a possible improvement in the following two years.

At its most recent meetings in October and December, the ECB decided to keep interest rates unchanged. Market expectations now point to a possible further easing in the first half of 2026, with inflation under control, although geopolitical uncertainties will influence decisions.

In the factoring sector, the Assifact trade association's surveys for this year still appear to be optimistic and improving, both in terms of turnover (+3.96%) and outstanding (+3.31%), as well as average uses (+3.23%).

The 2026 targets for Factorit have been drafted in alignment with the Group's strategic directions, based on anticipated forecasts regarding the performance of the Italian economy, with special consideration given to GDP, while also factoring in persistent risks to financial stability and limited global growth, along with ongoing geopolitical tensions.

Throughout the new year, the commercial activity will be shaped by the strategies and dynamics involving the new Banking Group, with a focus on fostering synergies with the new network by making the Group's resources and products available.

On the side of operating costs, the Company will continue with careful management without precluding investments related to development.

Taking all this into account, for the current year the Company will continue to maintain strong capitalisation and satisfactory profitability levels.

Significant subsequent events

Also note that after the end of the year, no significant events have occurred that could have an impact on these financial statements.

Shareholder,

We propose the approval of the financial statements for the year ended 31 December 2025 and the allocation of the profit as follows:

Profit for the year	Euro	39,602,939
Profit carried forward to previous years	Euro	113,665
Profits to be allocated	Euro	39,716,604
<i>of which:</i>		
Euro 0.3261 dividend to each of the 85,000,002 shares outstanding	Euro	27,722,057
Profits carried over to extraordinary reserve	Euro	11,935,849
Profits carried forward	Euro	58,698

We therefore invite you to approve the financial statements presented and the proposed allocation of the profit.

We would like to thank the Shareholder for their support during the year.

Furthermore, we express our gratitude to the Board of Statutory Auditors for their aid to the Company throughout the year, to all employees for their continuous commitment, to the affiliated Banks, to the FCI – Facilitating Open Account – Receivables Finance Correspondents, and to the institutions of the Assifact trade association.

Milan, 05 March 2026

For the Board of Directors

The Chair
(Roberto Ruozi)

FINANCIAL STATEMENTS AS AT 31 DECEMBER

CONTENTS OF THE FINANCIAL STATEMENTS

The financial statements of Factorit S.p.A., consisting of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement, the explanatory notes and the directors' report on operating performance, are drawn up in accordance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB), approved by the European Commission pursuant to Community Regulation No. 1606 of 19 July 2002, taking into account the related interpretations of the International Interpretations Committee (IFRIC) in force at the reporting date of the financial statements.

These financial statements have been drafted in accordance with the guidelines set out in the instructions from the Governor of the Bank of Italy dated 17 November 2022 and subsequent updates, titled "The financial statements of IFRS intermediaries other than bank intermediaries", abrogating the provisions "The financial statements of IFRS intermediaries other than bank intermediaries" mentioned in the Provision of the Bank of Italy dated 29 October 2021.

The financial statements of the Company are clearly presented and provide a true and fair view of the Company's financial position, the economic result for the year, changes in Shareholders' Equity, and cash flows.

The explanatory notes have the function of providing the illustration, analysis and, in some cases, an integration of the financial statements data. It contains the information required by the instructions for the preparation of the financial statements of financial intermediaries. In addition, it reports all the complementary information deemed necessary to give a true and correct representation.

BALANCE SHEET

(values in Euro)

Asset Items	31 December 2025	31 December 2024
10. Cash and cash equivalents	1,460,274	4,460,870
30. Financial assets measured at fair value through other comprehensive income	1,893,040	1,585,353
40. Financial assets measured at amortised cost	5,117,296,110	5,029,483,092
a) receivables from banks	64,129,504	39,817,477
b) receivables from financial companies	470,290,150	594,499,079
c) receivables from customers	4,582,876,456	4,395,166,536
80. Property, equipment and investment property	15,112,159	16,493,160
90. Intangible assets	58,698	113,665
100. Tax assets	7,702,006	5,785,900
a) current	-	-
b) prepaid	7,702,006	5,785,900
120. Other assets	16,238,261	17,211,343
TOTAL ASSETS	5,159,760,548	5,075,133,383
Liabilities and equity items	31 December 2025	31 December 2024
10. Financial liabilities measured at amortised cost	4,788,643,829	4,718,446,741
a) payables	4,788,643,829	4,718,446,741
60. Tax liabilities	876,073	1,978,549
a) current	721,606	583,203
b) deferred	154,467	1,395,346
80. Other liabilities	37,923,668	43,735,257
90. Provision for employee severance pay	1,709,066	1,898,442
100. Provisions for risks and charges	6,980,608	1,499,912
a) commitments and guarantees given	571,630	526,455
b) pension and similar obligations	-	-
c) other provisions for risks and charges	6,408,978	973,457
110. Share capital	85,000,002	85,000,002
140. Share premiums	11,030,364	11,030,364
150. Reserves	187,484,219	175,745,938
160. Valuation reserves	509,780	160,921
170. Profit (loss) for the year	39,602,939	35,637,257
TOTAL LIABILITIES AND EQUITY	5,159,760,548	5,075,133,383

INCOME STATEMENT

(values in Euro)

Income statement items	31 December 2025	31 December 2024
10. Interest and similar income	146,405,120	160,021,791
of which: interest income calculated using the effective interest method	146,405,120	160,021,791
20. Interest and similar expenses	-89,639,570	-115,404,257
30. NET INTEREST INCOME	56,765,550	44,617,534
40. Fee and commission income	47,982,750	42,970,409
50. Fee and commission expense	-5,560,952	-5,392,988
60. NET FEE AND COMMISSION INCOME	42,421,798	37,577,421
70. Dividends and similar income	43,269	37,927
80. Net trading income	-364,624	130,199
120. TOTAL INCOME	98,865,993	82,363,081
130. Net adjustments for credit risk of:	-16,785,294	-5,296,703
a) financial assets measured at amortised cost	-16,785,294	-5,296,703
b) financial assets measured at fair value through other comprehensive income	-	-
150. NET FINANCIAL INCOME	82,080,699	77,066,378
160. Administrative expenses:	-24,054,792	-18,995,675
a) personnel expenses	-19,401,048	-13,968,410
b) other administrative expenses	-4,653,744	-5,027,265
170. Net accruals to provisions for risks and charges	-45,175	362,304
a) commitments and guarantees given	-45,175	362,304
b) other net provisions	-	-
180. Net value adjustments/write-backs on tangible assets	-1,428,224	-1,399,072
190. Net value adjustments/write-backs on intangible assets	-54,967	-74,795
200. Other operating income and expenses	728,277	-3,981,573
210. OPERATING COSTS	-24,854,881	-24,088,811
250. Net gains (losses) on sales of investments	30,497	7,523
260. PRE-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS	57,256,315	52,985,090
270. Current operating income taxes	-17,653,376	-17,347,833
280. POST-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS	39,602,939	35,637,257
300. PROFIT (LOSS) FOR THE YEAR	39,602,939	35,637,257

STATEMENT OF OTHER COMPREHENSIVE INCOME

(values in Euro)

	31 December 2025	31 December 2024
10.Profit (Loss) for the year	39,602,939	35,637,257
Other income items net of income taxes that will not be reclassified to profit or loss		
20.Equity securities measured at fair value through other comprehensive income	286,319	507,465
30.Financial liabilities measured at fair value through profit or loss (changes in own creditworthiness)	-	-
40.Hedges of equity securities measured at fair value through other comprehensive income	-	-
50.Property, equipment and investment property	-	-
60.Intangible assets	-	-
70.Defined benefit plans	62,540	(28,897)
80.Non-current assets and groups of assets held for sale	-	-
90.Share of valuation reserves of equity investments measured at equity	-	-
Other income items net of income taxes that may be reclassified subsequently to profit or loss		
100.Hedges of foreign investments	-	-
110.Exchange rate differences	-	-
120.Cash-flow hedges	-	-
130.Hedging instruments (non-designated elements)	-	-
140.Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
150.Non-current assets and groups of assets held for sale	-	-
160.Share of valuation reserves of equity investments measured at equity	-	-
170.Total other income items net of income taxes	348,859	478,568
180.Other comprehensive income (Item 10+170)	39,951,798	36,115,825

STATEMENT OF CHANGES IN EQUITY AS OF 31/12/2025

(values in Euro)

	Balance at 31 December 2024	Changes in opening balances	Balance at 01 January 2025	Allocation of prior year result			Changes during the year				Statement of comprehensive income		Equity 31 December 2025	
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other changes	31 December 2025		31 December 2025
Share capital	85,000,002	-	85,000,002	-	-	-	-	-	-	-	-	-	85,000,002	
Share premium accounts	11,030,364	-	11,030,364	-	-	-	-	-	-	-	-	-	11,030,364	
Reserves:														
a) from earnings	166,576,736	-	166,576,736	10,562,257	-	1,176,024	-	-	-	-	-	-	178,315,017	
b) other	9,169,202	-	9,169,202	-	-	-	-	-	-	-	-	-	9,169,202	
Valuation reserves	160,921	-	160,921	-	-	-	-	-	-	-	-	348,859	509,780	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit (loss) for the year	35,637,257	-	35,637,257	(10,562,257)	(25,075,000)	-	-	-	-	-	-	-	39,602,939	
Equity	307,574,482	-	307,574,482	-	(25,075,000)	1,176,024	-	-	-	-	-	-	39,951,798	
													323,627,304	

STATEMENT OF CHANGES IN EQUITY AS OF 31/12/2024

(values in Euro)

	Balance at 31 December 2023	Changes in opening balances	Balance at 01 January 2024	Allocation of prior year result			Changes during the year				Statement of comprehensive income 31 December 2024	Equity 31 December 2024
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments		
Share capital	85,000,002	-	85,000,002	-	-	-	-	-	-	-	-	85,000,002
Share premium accounts	11,030,364	-	11,030,364	-	-	-	-	-	-	-	-	11,030,364
Reserves:												
a) from earnings	156,569,636	-	156,569,636	10,007,100	-	-	-	-	-	-	-	166,576,736
b) other	9,169,202	-	9,169,202	-	-	-	-	-	-	-	-	9,169,202
Valuation reserves	(317,647)	-	(317,647)	-	-	-	-	-	-	-	-	478,568
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	160,921
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the year	32,107,100	-	32,107,100	(10,007,100)	(22,100,000)	-	-	-	-	-	-	35,637,257
Equity	293,558,657	-	293,558,657	-	(22,100,000)	-	-	-	-	-	-	36,115,825
												307,574,482

CASH FLOW STATEMENT

(values in Euro)

A. OPERATING ACTIVITIES	Amount	
	31 December 2025	31 December 2024
1. MANAGEMENT	48,620,946	36,822,906
- result of the year (+/-)	39,602,939	35,637,257
- gains/losses on financial assets held for trading and on assets financial assets and liabilities measured at fair value through profit or loss (+/-)	364,624	(130,199)
- gains (losses) on hedging (+/-)	-	-
- net adjustments/write-backs for credit risk	16,785,294	5,296,703
- net adjustments/write-backs for tangible and intangible assets (+/-)	1,483,191	1,473,867
- provisions for risks and charges and other costs/revenues (+/-)	45,175	(362,304)
- unpaid taxes, duties and tax credits (+/-)	20,842,982	13,222,291
- other adjustments (+/-)	(30,503,259)	(18,314,709)
2. LIQUIDITY GENERATED/ABSORBED BY FINANCIAL ASSETS	(89,063,729)	(753,503,999)
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other assets mandatorily measured at fair value	-	-
- financial assets measured at fair value through other comprehensive income	(307,687)	(544,329)
- financial assets measured at amortised cost	(87,813,018)	(751,671,492)
- other assets	(943,024)	(1,288,178)
3. LIQUIDITY GENERATED/ABSORBED BY FINANCIAL LIABILITIES	62,515,819	742,589,778
- financial liabilities measured at amortised cost	70,197,088	725,995,369
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	(7,681,269)	16,594,409
Net cash generated/absorbed by operating activities	22,073,036	25,908,685
B. INVESTING ACTIVITIES		
1. LIQUIDITY GENERATED BY	19,873	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	19,873	-
- sales of business units	-	-
2. LIQUIDITY ABSORBED BY	(18,505)	(302,530)
- purchases of property, equipment and investment property	(18,505)	(299,285)
- purchases of intangible assets	-	(3,245)
- purchases of business units	-	-
Net cash generated/absorbed by investing activities	1,368	(302,530)
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- distribution of dividends and other uses	(25,075,000)	(22,100,000)
Net cash generated/absorbed by financing activities	(25,075,000)	(22,100,000)
NET CASH GENERATED/ABSORBED IN THE YEAR	(3,000,596)	3,506,155
RECONCILIATION		
	Amount	
	31 December 2025	31 December 2024
Cash and cash equivalents at the beginning of the year	4,460,870	954,715
Total net liquidity generated/absorbed during the year	(3,000,596)	3,506,155
Cash and cash equivalents at the end of the year	1,460,274	4,460,870

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 December 2025

PART A *Accounting policies*

A.1 - GENERAL PART

Section 1 *Declaration of compliance with international accounting standards*

The Company Factorit S.p.A., belonging to the BPER Banca S.p.A. banking group, declares that these financial statements have been prepared in accordance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), approved by the European Commission pursuant to Community Regulation no. 1606 of 19 July 2002, taking into account the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC), in force on the reference date, as well as the provisions of the document "The financial statements of IFRS intermediaries other than banking intermediaries" issued by the Bank of Italy on 9 December 2016 and subsequent updates.

Section 2 *General preparation principles*

The financial statements of the Company are clearly presented and provide a true and fair view of the Company's financial position, and the economic result for the year.

These explanatory notes, drawn up in Euro units, are based on the application of the following general drafting principles dictated by IAS 1:

- 1) going concern: the financial statements have been prepared on a going concern basis; assets, liabilities and off-balance sheet transactions have therefore been valued according to their operating values;
- 2) accrual basis: costs and revenues are recognised in the accounting periods to which they relate, regardless of when the transactions are settled, in line with the matching principle;
- 3) presentation consistency: the presentation and classification of items remain constant over time to ensure information comparability, unless a variation is required by an International Accounting Standard or an Interpretation or makes the depiction of values more appropriate in terms of significance and reliability. In the event of a change in the presentation or classification criterion, the new approach is implemented retroactively where possible. In this case, details on the nature and reason for the amendment, as well as the items impacted, are provided, with an explanation of the effects on the Company's representation of equity, financial, and economic conditions. In the presentation and classification of items, the schemes prepared by the Bank of Italy for the financial statements of Financial Intermediaries are adopted;
- 4) aggregation and relevance: all significant grouping of items sharing a similar nature or function is presented separately. Elements of a different nature or function, if relevant, are presented separately;

- 5) prohibition of offsetting: assets and liabilities, costs and revenues shall not be offset against each other, unless an International Accounting Standard, an Interpretation, or the formats issued by the Bank of Italy for the financial statements of IFRS Intermediaries other than banking intermediaries require or allow it;
- 6) comparative information: comparative information from the previous year is reported for all the data contained in the accounting statements, unless an International Accounting Standard or an Interpretation prescribes or allows otherwise. Descriptive information or comments are also included, when useful for understanding financial statements data.

Section 3 *Subsequent events to the reference date of the financial statements*

The draft financial statements were approved by the Board of Directors held on 5 March 2026.

Section 4 *Other aspects*

With reference in particular to paragraph 125 of IAS 1, please refer to the paragraphs "Risks related to company activity".

Drafting the financial statements necessitates employing estimates and assumptions that may significantly influence the recorded figures in the balance sheet and income statement, as well as the information concerning potential assets and liabilities reported. These estimates and assumptions can vary between years due to their nature, meaning it is not improbable that the recorded values could significantly differ in subsequent financial years as a result of changes in the subjective assessments used. All required disclosures are given in the notes on the Accounting Policies applied to each of the aggregates in the financial statements.

The primary situations for which the company's subjective assessments are most extensively required are:

- a. the quantification of losses due to impairment of loans and, in general, of other financial assets;
- b. the quantification of personnel funds and provisions for risks and charges;
- c. the estimates and assumptions on the recoverability of deferred tax assets.

The Company defined the estimation processes to support the carrying amount of the more significant items requiring valuation in the 2025 financial statements, as required by prevailing accounting standards and relevant regulations.

Tax payables and receivables for deferred taxes are assessed using the tax rates anticipated to be in effect during the year when the debt is settled or the credit is realised, in accordance with the tax laws currently enacted or substantially in effect by the end of the period.

The analyses carried out confirm the carrying amount of the items mentioned as at 31 December 2025.

It should be stated, however, that the valuation process described is made particularly complex by the ongoing macroeconomic and market context, which makes it continually challenging to formulate even short-term forecasts regarding financial parameters that significantly influence the values under estimation.

The parameters and information used to verify the above figures are significantly influenced by the macroeconomic and market environment, which might experience rapid changes that

are currently unforeseeable, with potentially significant effects on the values reported in the financial statements at 31 December 2025.

1. New international accounting standards endorsed and applied in the preparation of the financial statements at 31 December 2025

Below is an illustration of the new accounting standards or amendments to existing standards approved by the IASB, as well as the new interpretations or amendments to existing ones published by the IFRIC, with separate indication of those applicable in the financial year 2025 and those applicable in subsequent financial years.

New documents issued by the IASB and endorsed by the EU to be mandatorily adopted from FY 2025:

- Regulation (EU) 2024/2862 of 12 November 2024 amending Regulation (EU) 2023/1803 as regards IAS 21. The amendments specify when a currency can be exchanged for another and, if it cannot be, how the company determines the applicable exchange rate to use, and the supplementary information the company must provide when a currency is non-exchangeable. The application of the amendments under review had no impact.

New accounting standards, amendments and interpretations, whose application will become mandatory after 31 December 2025.

- Regulation (EU) 2025/1047 of 27 May 2025 amending Regulation (EU) No. 2023/1803 as regards IFRS 9 and IFRS 7. The amendments specify the classification of financial assets with environmental, social and governance (ESG) and similar characteristics as well as the settlement of liabilities through electronic payment systems. They also impose disclosure requirements to increase transparency to investors in relation to investments in equity instruments measured at fair value through other comprehensive income and in financial instruments with contingent features, such as features related to ESG objectives. These changes should promote loans with ESG characteristics, creating the option, depending on the business model, to measure them at amortised cost or at fair value through other comprehensive income provided they meet the SPPI criterion ("principal and interest payments only"). In this way, financial reporting should support economic transition measures that promote the European Green Deal. The amendments shall apply as of the financial statements for financial years beginning on or after 1 January 2026. The Bank has not exercised the option of early application provided for in the aforementioned Regulation, which come into force on 1 January 2025, as it does not consider that the amendments introduced will have a significant impact on the consolidated financial statements.
- Regulation (EU) 2025/1266 of the Commission of 30 June 2025 amending Regulation (EU) No. 2023/1803 as regards IFRS 9 and IFRS 7. On 18 December 2024, the IASB published certain amendments to IFRS 9 and IFRS 7 intended to help companies better communicate the financial effects of electricity-dependent contracts, which are often structured as power purchase and sale agreements. The amendments relate to how the "own-use" requirements would apply, allow hedge accounting if such contracts are used as hedging instruments, and add disclosure requirements to enable investors to understand the effects of such contracts on the company's results of operations and future cash flows. The amendments shall apply as of the financial statements for financial years beginning on or after 1 January 2026. The Bank has not exercised the option of early application provided for in the

aforementioned Regulation, which come into force on 1 January 2025, as it does not consider that the amendments introduced will have a significant impact on the consolidated financial statements.

- Regulation (EU) 2025/1331 of the Commission of 9 July 2025 amending Regulation (EU) No. 2023/1803 as regards IFRS 1, 7, 9 and 10 and IAS 7. The amendments introduced minor improvements aimed at rationalising and clarifying existing principles. The amendments shall apply as of the financial statements for financial years beginning on or after 1 January 2026. This amendment has no impact on the Consolidated Financial Statements.

IAS/IFRS and SIC/IFRIC interpretations issued by the IASB/IFRIC, pending endorsement.

- In April 2024, the International Accounting Standards Board (IASB) issued a new accounting standard IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve financial performance reporting. IFRS 18 will come into force on 1 January 2027, but earlier application is permitted. In view of the content of the amendment and given the obligation to apply the Bank of Italy's layouts, application will be subject to any updates to Bank of Italy Circular Letter No. 262/05.
- In May 2024, the International Accounting Standards Board (IASB) issued a new accounting standard IFRS 19 Subsidiaries without Public Accountability: Disclosures. The new standard allows eligible subsidiaries to use IFRS accounting standards with reduced disclosure. The new standard will enter into force on 1 January 2027. The directors are currently assessing the effects of adopting this amendment on the consolidated financial statements.
- IFRS 14 Regulatory deferral accounts. IFRS 14 allows only those adopting IFRS for the first time to continue to book amounts relating to rate regulation according to the previous accounting standards adopted. The endorsement process is suspended pending new accounting standard on "rate-regulated activities". Since the Bank is not a first-time adopter, this standard is not applicable.
- Amendments to IAS 28 and IFRS 10. These amendments are intended to address the inconsistency between the requirements of IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011), in dealing with the loss of control of a subsidiary that is contributed to an associate or joint venture. The endorsement process is suspended pending conclusion of IASB project on the equity method.
- In November 2025, the International Accounting Standards Board (IASB) published amendments clarifying how companies should translate financial statements from a non-hyperinflationary currency to a hyperinflationary currency. The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates are effective for annual periods beginning on or after 1 January 2027. Companies may choose to apply them early. The directors are currently assessing the effects of adopting this amendment on the consolidated financial statements

With regard to the determination of expected losses on performing loans, please refer to *Section 3 – Information on risks and related hedging policies*, in the Section on Credit Risk.

For the information required by paragraph 125 of IAS 1, which requires the disclosure of assumptions regarding the future and other main causes of uncertainty in the estimates at the end of the year that present a significant risk of giving rise to significant adjustments of the book values of assets and liabilities within the following year, in *Section 3 – Information*

on risks and related hedging policies, the evolutionary dynamics of the main macro factors (gross domestic product, unemployment, and inflation) are reported on a three-year forecast horizon with the related simulations carried out. In particular, regarding the assessment of expected losses on financial instruments not measured at fair value through profit or loss as of 31 December 2025, these were estimated using all reasonable and verifiable information available at the reference date as well as those noted subsequently, including the anticipated trends of key economic variables, suitably weighted based on the probability of occurrence assigned to the various identified scenarios.

In compliance with Article 1, paragraphs 125-129, of Italian Law No. 124/17 dated 4 August 2017, "Annual Law for the Market and Competition - Transparency measures in public disbursements", it is specified that cash or in-kind contributions or aid that are not of a general, remunerative, or compensatory nature paid to the Company have been published in the National Register of State Aid, to which reference is made as provided for by Article 125-quinquies. We inform you that during the year the Company did not receive any funds. In drafting these financial statements, amendments to accounting standards already in force have been noted.

In drafting these financial statements, the Company did not make any exceptions to international accounting standards.

The Independent Auditors are Deloitte & Touche S.p.A., appointed following the resolution passed at the Shareholders' Meeting on 29 September 2025, whose term will conclude upon the approval of Factorit S.p.A.'s financial statements as of 31 December 2033.

A.2 MAIN FINANCIAL STATEMENT ITEMS

For the main items in the balance sheet, the following points are illustrated:

- registration criteria;
- classification criteria;
- evaluation criteria;
- derecognition criteria;
- the recognition of components affecting the income statement criteria.

The accounting policies adopted for the preparation of the Financial Statements are set out below. Where applicable, the information is presented with reference to the criteria for the recognition, classification, measurement and derecognition of the various items for the main headings.

ASSETS

Section 1 *Cash and cash equivalents*

Included in this category are legal tender currencies, which cover foreign divisional banknotes and coins, as well as "on demand" loans including current accounts and on demand deposits sourced from banks.

The balances on bank current accounts and on demand deposits, as well as the cash available in company tills, have been assessed at nominal value.

Section 3 *Financial assets measured at fair value through other comprehensive income*

3.1 Registration criteria

The assets classified in this item are recorded on the settlement date. Financial assets assessed at fair value are initially recorded at fair value, which typically corresponds to the current value of the consideration paid to acquire them. This includes any transaction costs or revenues that are specifically attributable to each loan or security for receivables and for securities with a duration exceeding the short term.

With regard to debt securities and loans, any changes in business model due to inconsistency between the management of the portfolio and the business model chosen, or due to significant changes in strategic choices, will be decided by the Board of Directors, during which any potential reclassification will be defined.

No possibility exists for the reclassification of equity securities. The exercise of the FVOCI option, being the option envisaged by the standard that permits equity instruments to be designated at fair value through other comprehensive income upon initial recognition, is in fact irrevocable.

3.2 Classification criteria

This item includes financial assets (equity securities) classified in the portfolio measured at fair value through other comprehensive income.

Equity securities classified within the portfolio measured at fair value, affecting overall profitability, necessitate the irrevocable exercise of the FVOCI option at the time of recognition.

3.3 Evaluation criteria

At each financial statements closing date or interim reporting period, there is no requirement to conduct an impairment test for the equity securities classified under item 30, as changes in fair value due to credit deterioration are attributed to an equity reserve termed "Valuation reserve".

3.4 Derecognition criteria

Financial assets measured at fair value are derecognised when the contractual rights over the cash flows deriving from the assets expire or when the financial asset is sold with the transfer of substantially all the related risks and benefits.

3.5 Recognition of components affecting the income statement criteria

Income and charges deriving from changes in fair value, net of the related deferred tax effect, are recognised in an equity reserve named "Valuation reserves".

Section 4 *Financial assets measured at amortised cost*

4.1 Registration criteria

Financial assets measured at amortised cost are recognised on the settlement date at fair value, which normally coincides with the amount paid, including transaction costs.

Financial assets measured at amortised cost include loans made on the sale of loans with recourse or on a without-recourse basis, but without transferring substantially all of the related risks and benefits.

They also include loans sold to the company, and recorded in the name of the assigned debtor, for which the substantial transfer of risks and benefits has been recognised in favour of the transferee company through an analytical evaluation of the contract clauses.

If transferred to third parties, loans and securities are deleted from the financial statements only if, and to the extent that, all risks and rewards are substantially transferred.

Any changes in the business model due to inconsistency between the management of the portfolio and the business model chosen, or due to significant changes in strategic choices, are decided by the Board of Directors, where any necessary reclassification is defined.

4.2 Classification criteria

This item includes debt securities and loans allocated to the portfolio measured at amortised cost. To qualify for inclusion in the aforementioned portfolio, a financial asset must be managed within an HTC business model and be in compliance with the SPPI Test.

In carrying out the SPPI Test, the Company, in line with the Parent Company's Guidelines, adopts a differentiated approach (massive or analytical) depending on the level of contract standardisation, distinguishing between:

- Standard products (loans with common contractual characteristics for macro categories of products).
- Non-standard contracts (loans with contractual characteristics negotiated with individual counterparties).

Thus, for standard products, a Test result can be assigned at the product category level by examining the common contractual characteristics; consequently, the Test result will be valid for all loans related to standard products. Non-standard contracts, having particular contractual characteristics, require individual verification. The Test must therefore be performed for each contract, for which a result valid only for that specific contract will be attributed.

As a result, recognition is required for receivables from banks, financial companies, and customers, as well as unlisted debt securities that the Company does not intend to sell in the short term.

4.3 Evaluation criteria

IFRS 9 replaces the concept of incurred loan losses with the expected loss approach. With this approach, it will no longer be necessary for a loss to occur before it is recognised in the financial statements, and therefore, generally, all financial assets will lead to the creation of a loan impairment provision.

IFRS 9 introduces various changes relating to the scope, the holding period for estimating expected losses, and the modification of valuation models which must consider aspects like macroeconomic data and forward-looking insights.

The impairment model requires the classification of financial instruments within the scope of IFRS 9 into three stages. The three stages reflect the degree of deterioration in loan quality:

stage 1: financial instruments that have not had a significant increase in credit risk since initial recognition or with low credit risk at the financial statements date;

stage 2: financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk on the balance sheet date), but that do not have objective evidence of impairment;

stage 3: financial assets with objective evidence of loss at the reporting date.

At each financial statement closing date, the Entity examines whether there has been a significant change in credit risk compared to initial recognition (refer to section 3 "Information on risks and related hedging policies"). In this case, there will be a transfer between stages: this model is symmetric, and activities can move between stages.

The measurement of financial assets at amortised cost is based on a computation of expected credit loss, which is defined as an estimate of the weighted probability of credit losses over the expected life of the financial instrument weighted for the probability of occurrence and is calculated based on the classification in stages as indicated above.

In particular:

- 12-month expected credit losses, for assets classified in stage 1. 12-month expected credit losses are those that result from default events that are possible within 12 months (or within a shorter period if the expected life is less than 12 months), weighted for the probability of occurrence of the default event.
- Lifetime expected credit losses, for assets classified in stage 2 and 3. Lifetime expected credit losses are those that result from all possible default events over the expected life of the financial instrument, weighted for the probability of occurrence of the default event. For with recourse contracts involving performing customers, Debtors are classified based on the transfer of credit risk to them, as provided by the prudential supervision rules for non-bank intermediaries.

As regards performing positions, measurement is performed on an overall basis, taking account of the risk parameters consisting of probability of default (PD) and loss given default (LGD), as well as exposure at default (EAD).

In relation to the collective assessments of performing loans, the qualitative deterioration of Debtors (impaired or non-performing portfolios) is recognised when there are increases in the relevant "PD proxy" and LGD (a parameter representing the loss rate in the event of default) for loans within the same portfolio.

To carry out the collective assessments on performing loans, the following steps were taken:

- a) segment the performing loans portfolio on the basis of the guidelines indicated by the Supervisory regulations;
- b) statistically estimate the probability of transition to Unlikely to Pay/Bad Loans (so-called default rates) of performing positions;

- c) determine the loss rates in the event of insolvency, on a historical-statistical basis, using an archive of positions in Bad Loans and Unlikely to Pay.

At the time of disbursement or purchase, loans or securities are recorded at fair value, which typically coincides with the disbursed amount or purchase price, including any transaction costs or revenues specifically attributable to each loan or security for those with a duration beyond the short term.

Following initial registration, valuations adhere to the amortised cost principle, subjecting loans and securities to impairment tests if there are signs indicating a deterioration in the solvency of the Debtors or issuers. The amortised cost method is not used for short-term loans, for which the effect of the discounting logic is negligible.

As regards non-performing positions, measurement may be performed on an overall or detailed basis. Specifically, the following are defined, based on the criteria dictated by the Bank of Italy and in force at the financial statements date:

- a) Unlikely to Pay;
- b) Bad Loans;
- c) Past due by more than 90 days.

Impairment losses assigned to each non-performing loan result from the gap between their recoverable value and the amortised cost. Recoverable amount corresponds to the present value of expected cash flows, determined with reference to the following elements:

- a) value of contractual cash flows net of expected losses, estimated considering both the specific ability of the Debtor to meet their obligations and the recoverable value of any real or personal guarantees accepted;
- b) the expected recovery time, also estimated based on the status of ongoing recovery procedures;
- c) the internal rate of return.

In particular, the following calculation parameters were used for Unlikely to Pay/Bad Loans:

- a) recoveries forecast by the account managers;
- b) the expected recovery time, also estimated based on the status of ongoing recovery procedures;
- c) historic discount rates, represented by the contractual rates at the time of classifying the individual position as disputed.

Regarding "Past due impaired", classified at the Group level, the Company applies an individual write-off based on a collective logic, meaning that an identical write-down percentage is used for each loan in equivalent circumstances. This percentage has been determined based on internal management statistics and is not subject to any discounting.

It is important to highlight that, in line with the Parent Company's adopted timelines, if the exact recovery date is not specified, the duration for both Bad loans and Unlikely to Pay loans has been estimated at 4 years. With regard to the effects of the application set out, please refer to section 8.1 of the income statement in the explanatory notes.

4.4 Derecognition criteria

Financial assets are removed from the financial statements when there is a significant transfer of risks and benefits, and no control is retained over them.

IFRS 9 confirms therefore the rules for the derecognition of financial assets already provided for in IAS 39.

However, the standard includes new guidance on:

- Write-off of financial assets: when an entity does not reasonably expect to fully or partly recover contractual cash flows from a financial asset, it must directly reduce the gross carrying amount of the financial asset. This write-down constitutes partial or total derecognition of the asset.
- Modification of contractual cash flows: when a modification of contractual cash flows occurs, the Entity must assess whether the modification would lead to derecognition, that is, whether the modification is substantial.

If the alteration in the contractual cash flows of the financial asset does not lead to the derecognition of the financial asset in accordance with this Standard, the Entity should recalculate the gross carrying amount of the financial asset and recognise in the income statement any gain or loss resulting from the alteration.

When the modification of contractual cash flows from a financial asset leads to the derecognition of the same in compliance with the present standard, the Entity should derecognise the existing financial asset and subsequently recognise the modified financial asset: the modified financial asset is considered a new financial asset for the purpose of this standard (IFRS 9 B5.5.25).

4.5 Recognition of components affecting the income statement criteria

The allocation of income components in the relevant income statement items takes place based on the following:

- a) interest income on loans and securities is allocated under the item "Interest and similar income";
- b) impairment losses and write-backs of impairment losses on loans and securities are allocated to "Net adjustments/write-backs on financial assets measured at amortised cost".

It is important to highlight that for financial assets categorised as stage 3 and for non-performing originated or purchased loans (POCI), according to IFRS 9, interest is determined using the net interest method, and the non-recoverable component of interest is reversed from "Interest and similar income" with a corresponding entry in "Financial assets measured at amortised cost".

Section 8 *Property, equipment and investment property*

8.1 Registration criteria

Tangible assets are initially recorded at acquisition cost, including any ancillary charges incurred and directly attributable to the asset's commissioning or improvement of its productive capacity. Ordinary maintenance costs, on the other hand, are recognised in the income statement on an accrual basis.

8.2 Classification criteria

This item encompasses assets intended for operational use, such as buildings, furnishings, equipment, hardware, and vehicles, both those owned and those whose usage rights are obtained via leasing; for this latter category, refer to what is described in the Accounting Policies concerning the introduction of the IFRS 16 principle.

8.3 Evaluation criteria

Subsequent to initial recognition, the financial statements are measured at cost less amortisation and any impairment losses. Amortisation is charged over the useful life of the assets and is based on the straight-line method. At least once a year, it is assessed whether any substantial changes in the original conditions have occurred, necessitating modifications to the initial amortisation schedules. If there's symptomatic evidence of enduring losses, tangible assets undergo an impairment test, and any decrease in value is recorded. The increase in value following an impairment reversal must not exceed the asset's net value after depreciation if no impairment had been recognised.

8.4 Derecognition criteria

Tangible assets are derecognised on disposal or when they have entirely exhausted their economic functionality, and no future economic benefits are expected from their use.

8.5 Recognition of components affecting the income statement criteria

The allocation of income components in the relevant income statement items takes place based on the following:

- a) periodic depreciation, impairment losses and write-backs are allocated under the "Net adjustments/write-backs on tangible assets" item;
- b) gains and losses from disposal transactions are allocated under the "Gains/losses on disposal of investments" item.

Section 9 *Intangible assets*

9.1 Registration criteria

Intangible assets are recorded at purchase cost, including ancillary costs, as well as expenses incurred to enhance value and initial production capacity.

9.2 Classification criteria

The item includes intangible production assets with multi-year usefulness, the cost of which can be reliably measured, provided they are elements:

- identifiable, i.e., protected by legal recognition or tradable separately from other corporate assets;
- controllable by the Company;
- capable of generating future economic benefits.

These consist of acquired software and software developed internally; for this latter category, note the following:

- the cost incurred remains recognised in the relevant item;
- for assets that have not yet been put into production, the costs incurred are temporarily held and recorded in a specific income statement account titled "increases in fixed assets for internally developed operating software", which is classified under financial statements item 200. "Other operating income and expenses" and in return the BS account "Fixed assets in progress and internally generated advances";
- once the software enters production, the sum is transferred to the BS account "internally generated operating software" and is then amortised according to the time-line established during the project approval phase.

9.3 Evaluation criteria

Intangible assets are recorded at cost less amortisation and any impairment losses.

Amortisation is charged over the useful life of the assets to be amortised and is based on the straight-line method. Periodically, it is assessed whether any substantial changes in the original conditions have occurred, necessitating modifications to the initial amortisation schedules. Should there be symptomatic evidence indicating the presence of lasting losses, intangible assets are tested for impairment, resulting in the recording of any decrease in value; any subsequent write-backs cannot exceed the previously recorded impairment losses.

9.4 Derecognition criteria

Intangible assets are written off from the financial statements at disposal, meaning when they have completely fulfilled their economic functions and cannot generate future economic benefits any more.

9.5 Recognition of components affecting the income statement criteria

The allocation of income components in the relevant income statement items takes place based on the following:

- a) periodic amortisation, impairment losses and write-backs are allocated under the "Net adjustments/write-backs on tangible assets" item;
- b) gains and losses from disposal transactions are allocated under the "Gains/losses on disposal of investments" item.

Section 10 *Tax assets and tax liabilities*

10.1 Registration, cancellation, and evaluation criteria

Deferred tax assets are recognised following the "balance sheet liability method" only when it is probable that taxable income will be available to utilise deductible temporary differences, whereas deferred tax liabilities are typically recognised, except as outlined in IAS 12. The value of a deferred tax asset is reviewed at each financial statements date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to utilise some or all of the benefits of that deferred tax asset. Any reduction in this

value will later be reversed to the extent that it becomes probable that sufficient taxable income can be realised.

Deferred tax assets and liabilities are calculated at the tax rates expected to be applicable in the year in which the asset is realised or the liability is settled, based on the tax rates (and tax laws) that are currently in force or substantially in force at the financial statements date.

10.2 Classification criteria

Items include current tax assets, deferred tax assets, current tax liabilities, and deferred tax liabilities.

Current tax assets include the tax prepayments made throughout the year for IRAP and the additional IRES, as the company participates in the National Tax Consolidation scheme, and accordingly, advances concerning the current IRES are remitted to the Parent Company; tax liabilities include the obligations for period income taxes concerning IRAP and additional IRES, given the company's participation in the National Tax Consolidation scheme, which results in the obligations for the current IRES being recorded under Other liabilities as a debt to the Parent Company.

On the other hand, deferred tax items represent income taxes recoverable in future periods in connection with deductible temporary differences (deferred assets) and income taxes payable in future periods as a consequence of taxable temporary differences (deferred liabilities).

10.3 Recognition of components affecting the income statement criteria

Tax assets and liabilities are allocated in the income statement under the item "Income taxes for the year of current operations", except when they derive from transactions whose effects are directly attributed to shareholders' equity.

LIABILITIES

Section 1 *Financial liabilities measured at amortised cost*

1.1 Registration criteria

The aforementioned payables are recorded upon regulation and at their current value, which typically corresponds to the amount collected by the Company for payables to banks, and to the debt amount for payables to financial institutions and customers, given the short-term nature of the related operations.

1.2 Classification criteria

Payables to Bank include all financial liabilities, other than trading liabilities, liabilities measured at fair value, and securities in circulation that constitute the Company's typical financing operations.

Payables to financial institutions and customers include the outstanding consideration to the Assignor, in the context of operations involving loans sold that meet the requirement of the full transfer of all risks and benefits to the assignee company.

1.3 Evaluation criteria

After initial recognition, payables are maintained at their received cash value, or at their original value, due to their short-term nature.

1.4 Derecognition criteria

Payables are removed from the financial statements when the related contractual rights are overdue or extinguished.

1.5 Recognition of components affecting the income statement criteria

The allocation of income components to the relevant categories in the income statement takes place for the interest expense, which is allocated under "Interest expense and similar charges".

Section 9 *Provision for employee severance pay*

9.1 Classification criteria

The severance indemnity reflects the liability towards all employees, concerning the compensation to be provided at the time of the termination of the employment relationship.

9.2 Evaluation criteria

The severance indemnity and the internal supplementary pension treatment for employees with defined benefits are recognised based on estimates by independent actuaries, discounted using the "projected unit credit method" as stipulated by IAS 19 for defined benefit plans, as these treatments fall under this category.

It should be noted that this calculation is based solely on the value of the fund and does not take into account the provisions for the year that support the external supplementary pension.

In consideration of the adoption of IAS 19 "Employee Benefits", actuarial gains and losses are accounted for directly against net equity.

9.3 Recognition of components affecting the income statement criteria

The allocation of income components in the relevant income statement items takes place based on the following:

- a) provisions for severance pay, seniority premiums and supplementary pension treatment, as well as payments to the defined contribution fund, are allocated under the item "Administrative expenses - Personnel expenses";
- b) actuarial gains and losses are accounted for directly against net equity.

Section 10 Provisions for risks and charges

10.1 Registration, evaluation, and derecognition criteria

Provisions for risks and charges are liabilities whose amount or timing is uncertain, and they are recognised in the financial statements when the following conditions are met:

- there is a present obligation at the reporting date arising from a past event. The obligation must be legal (based on a contract, regulation or other legal provision) or constructive (arising when the company creates an expectation in third parties that it will fulfil its commitments, even if these commitments do not constitute legal obligations);
- it is probable that an outflow of resources will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provisions are cancelled in case of use or if the conditions for their maintenance fail to be met.

10.2 Classification criteria

This item comprises the following provisions:

- The sub-item "Commitments and guarantees given" includes provisions for credit risk in connection with commitments to grant funds and financial guarantees given that are subject to IFRS 9 impairment rules and provisions for other commitments and other guarantees that are not subject to IFRS 9 impairment rules. The provisions also relate to financial guarantees issued and commitments to grant funds, valued at the initial entry value minus the total revenues recognised in accordance with IFRS 15.
- The sub-item "Other provisions - personnel charges" includes the cost arising from paying bonuses to employees, which have uncertain amounts or due dates, and can be recognised in the financial statements when a probable obligation exists, with a reliable estimate of the amount, and economic resources are required to satisfy the obligation.
- The sub-item "Other funds - legal and tax disputes" includes funds allocated according to IAS 37 standards for liabilities of uncertain amount or timing. These can

be included in the financial statements when the following simultaneous conditions are met: the company has a current obligation (either legal or implied) at the reporting date due to a past event; it is probable that fulfilling the obligation will require the use of economic resources; and a reliable estimate of the amount necessary to fulfil the obligation can be made.

10.3 Recognition of components affecting the income statement criteria

Accruals and any write-backs against provisions for risks and charges are allocated under the item "Net accruals to provision for risks and charges", with the exception of those relating to employees, which, in accordance with IAS 19, are offset in the Income Statement item 'Administrative expenses – staff costs'.

Currency transactions

Classification

Foreign currency transactions include all assets and liabilities denominated in currencies other than the Euro.

Registration and derecognition criteria

The aforementioned assets and liabilities in foreign currencies are initially converted into Euro according to the spot exchange rate on the date of each transaction.

Measurement criteria

As of the reporting date, assets and liabilities in foreign currency are translated using the spot exchange rates at that date.

Recognition of components affecting the income statement

The impact of transactions in currencies other than the Euro is marginal relative to the overall activity; furthermore, a foreign currency operation is generally counterbalanced by a provision in the same currency, which prevents the occurrence of foreign exchange risk.

Any exchange differences, albeit marginal, are recognised in the income statement item "Net result of trading activities".

Costs and revenues

Costs and revenues are accounted for and disclosed in the financial statements according to the accrual principle. Revenues are recognised when it is probable that the economic benefits from the operations will be enjoyed by the company, and their amount can be reliably measured. They are measured at the fair value of the consideration due.

In particular:

- the revenue from one-time commissions related to the sale of loans is recognized based on the lifespan of the loans sold. The commissions received at regular intervals and deferred are instead recognised on a cash basis when debiting occurs, aligning with the corresponding accrual for that period;
- default interest is recognised in the income statement exclusively at the time of actual collection;
- the interest received by the Assignors, as well as the deferred interest from the Assigned Debtors, are accounted for on an accrual basis.

Costs are recognised at the economic level when there's a reduction in future economic benefits leading to a decline in assets or an increase in liabilities that can be reliably assessed.

A.3 – REPORT ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During the year, the Company made no transfers between portfolios of financial assets.

A.4 – INFORMATION ON FAIR VALUE

QUALITATIVE INFORMATION

Fair value is the amount for which an asset could be exchanged or a liability settled in a free transaction between knowledgeable and independent parties. It is not established as a genuine price, but as a monetary amount representing a value around which the agreements of two parties seeking to trade can align, and which, as such, is unaffected by subjective influences arising from the characteristics of the participants. Additionally, fair value does not equate to the current market value, but encompasses all those factors that intervene to turn a potential transaction into a real one: additional costs to be incurred, probable price changes at the time of exchange, and future business dynamics.

The fair value of financial instruments is classified into three levels by international accounting standards, based on inputs observable in the markets.

Level 1 inputs: the fair value of financial instruments classified at this level is determined based on quotations in an active market. A quoted price in an active market provides the most reliable evidence of fair value.

Level 2 inputs: the fair value of financial instruments classified in this level is based on market observable parameters other than the price quotations of the financial instrument.

Level 3 inputs: the fair value of financial instruments classified in this level relies on unobservable market parameters. An entity must process unobservable inputs using the best information available in the specific circumstances, which may also include the entity's own data.

A.4.1 – Fair value levels 2 and 3: valuation techniques and inputs used

The Company's financial assessment assets are largely composed of loans sold with no recourse and advances provided against loans sold as part of factoring operations.

It is specified that no markets exist where one can observe the transaction values of the loans sold, as the value of the sale depends solely on private and specific agreements between the counterparties.

Based on the considerations outlined, it's evident that the value of the loans sold can be reclassified only to level 3 without external inputs.

The most appropriate method for assessing the fair value of loans sold and advances granted is to recognise the present value based on the discounting of future cash flows, using a rate usually corresponding to the effective rate agreed with the Assignor; a rate that also takes into account other components of the transaction cost.

Additionally, it should be noted that loans sold and advances granted typically have a short-term maturity and the ratio rate often fluctuates.

Therefore, it can be concluded that the fair value of the loans is comparable to the transaction value, represented by the nominal amount of the loans sold in the case of a without recourse transaction, or by the amount of advances granted while considering the related credit risk. The financial statements liabilities are primarily composed of financial obligations to the banking system, whose fair value, due to the short-term nature of the loans, aligns with the value of the amounts or funds gathered by the Company.

These items are categorized at the third hierarchical level because they are governed by privately negotiated agreements with the respective counterparties, and therefore, they are not reflected in market quotations or observable market parameters.

QUANTITATIVE INFORMATION

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities designated at fair value on a recurring basis: breakdown by fair value levels

Assets and liabilities measured at fair value	Level 1	Level 2	Level 3	TOTAL
1. Financial assets measured at fair value through profit or loss	-	-	-	-
a) financial assets held for trading	-	-	-	-
b) financial assets designated at fair value	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	1,827,964	-	65,076	1,893,040
3. Hedging derivatives	-	-	-	-
4. Property, equipment and investment property	-	-	-	-
5. Intangible assets	-	-	-	-
Total	1,827,964	-	65,076	1,893,040
1. Financial liabilities held for trading	-	-	-	-
2. Financial liabilities designated at fair value	-	-	-	-
3. Hedging derivatives	-	-	-	-
Total	-	-	-	-

A.4.5.2. Annual changes in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss			Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, equipment and investment property	Intangible assets
	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
Total							
1. Opening balance	-	-	-	65,076	-	-	-
2. Increases	-	-	-	1,263,795	-	-	-
2.1. Purchases	-	-	-	-	-	-	-
2.2. Profits recognised in:	-	-	-	-	-	-	-
2.2.1 Income statement	-	-	-	-	-	-	-
of which: gains	-	-	-	-	-	-	-
2.2.2 Net equity	-	-	-	1,263,795	-	-	-
2.3. Transfers	-	-	-	-	-	-	-
from other levels	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-
3. Decreases	-	-	-	1,263,795	-	-	-
3.1. Sales	-	-	-	1,263,795	-	-	-
3.2. Reimbursements	-	-	-	-	-	-	-
3.3. Losses recognised in:	-	-	-	-	-	-	-
3.3.1 Income statement	-	-	-	-	-	-	-
of which: losses	-	-	-	-	-	-	-
3.3.2 Net equity	-	-	-	-	-	-	-
3.4. Transfers	-	-	-	-	-	-	-
to other levels	-	-	-	-	-	-	-
3.5. Other	-	-	-	-	-	-	-
decreases	-	-	-	-	-	-	-
4. Closing balance	-	-	-	65,076	-	-	-

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	31 December 2025			31 December 2024				
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets measured at amortised cost	5,117,296,110	-	-	5,117,296,110	5,029,483,092	-	-	5,029,483,092
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets and groups of assets held for sale	-	-	-	-	-	-	-	-
Total	5,117,296,110	-	-	5,117,296,110	5,029,483,092	-	-	5,029,483,092
1. Financial liabilities measured at amortised cost	4,788,643,829	-	-	4,788,643,829	4,718,446,741	-	-	4,718,446,741
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	4,788,643,829	-	-	4,788,643,829	4,718,446,741	-	-	4,718,446,741

A.5 – INFORMATION ON THE "DAY ONE PROFIT/LOSS"

Day one profit/loss, as regulated by IFRS 7, derives from the difference at the time of initial recognition between the transaction price of the financial instrument and its fair value. Such a difference is generally observable for those financial instruments that do not have an active market, and is allocated to the income statement based on the useful life of the financial instrument itself.

The Company does not have any transactions outstanding which could generate significant income that could be defined as "day one profit/loss".

PART B *Balance sheet information*

ASSETS

Section 1 *Cash and cash equivalents*

The account of the asset related to item 10 is illustrated in this section.

	31 December 2025	31 December 2024
(a) Cash	1,370	2,270
c) Current accounts and sight deposits with banks	1,458,904	4,458,600
Total	1,460,274	4,460,870

Section 3 *Financial assets measured at fair value through other comprehensive income*

The account of the asset related to item 30 is illustrated in this section.

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by category

Items/Amounts	31 December 2025			31 December 2024		
	L1	L2	L3	L1	L2	L3
1. Fixed-yield securities	-	-	-	-	-	-
1.1. Structured securities	-	-	-	-	-	-
1.2. Other fixed-yield securities	-	-	-	-	-	-
2. Equity securities	1,827,964	-	65,076	1,520,277	-	65,076
3. Loans	-	-	-	-	-	-
Total	1,827,964	-	65,076	1,520,277	-	65,076

Key:

L1 = Level 1; L2 = Level 2; L3 = Level 3.

Equity securities are represented by:

- the shareholding in the Compagnia Aerea Italiana S.p.A. (L3) since the Company converted the receivable on 4 July 2017 in accordance with the restructuring agreement signed on 22 December 2014. In particular, in relation to a fully written-off credit of Euro 8,644,250.59, the Company received 824,833,073 class 1 shares. Given the non-significant materiality, the company did not adjust the shareholding in the last available financial statements, i.e. as of 31/12/2024, which would have been equal to approximately Euro 92,000.
- Webuild S.p.A. shares (formerly Astaldi S.p.A.) (L1) allocated at a ratio of 12.493 shares for every Euro 100 of confirmed credit. Effective from 1 August 2021, following the completion of the proportional partial demerger of Astaldi S.p.A. into Webuild S.p.A., the latter succeeded to all existing legal relationships, without prejudice to the effects of the composition with creditors arrangement of Astaldi S.p.A. approved by the Court of Rome on 17 July 2020.

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

	31 December 2025	31 December 2024
1. Fixed-yield securities	-	-
a) Public administrations	-	-
b) Banks	-	-
c) Other financial corporations	-	-
of which: insurance companies	-	-
d) Non-financial corporations	-	-
2. Equity securities	1,893,040	1,585,353
a) Public administrations	-	-
b) Banks	-	-
c) Other financial corporations	-	-
of which: insurance companies	-	-
d) Non-financial corporations	1,893,040	1,585,353
3. Loans	-	-
a) Public administrations	-	-
b) Banks	-	-
c) Other financial corporations	-	-
of which: insurance companies	-	-
d) Non-financial corporations	-	-
e) Families	-	-
Total	1,893,040	1,585,353

Section 4 Financial assets measured at amortised cost

The account of the asset related to item 40 is illustrated in this section.

4.1 Financial assets measured at amortised cost: breakdown of loans to banks

Composition	31 December 2025					31 December 2024						
	Book value		Fair value			Book value		Fair value				
	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3
1. Fixed-term deposits	-	-	-	-	-	-	-	-	-	-	-	-
2. Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans	43,227,062	-	-	-	-	43,227,062	32,355,058	-	-	-	-	32,355,058
3.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Financing for leases	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	43,227,062	-	-	-	-	43,227,062	32,355,058	-	-	-	-	32,355,058
- with recourse	476,895	-	-	-	-	476,895	507,112	-	-	-	-	507,112
- without recourse	42,750,167	-	-	-	-	42,750,167	31,847,946	-	-	-	-	31,847,946
3.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
4. Fixed-yield securities	-	-	-	-	-	-	-	-	-	-	-	-
4.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
5. Other assets	20,902,442	-	-	-	-	20,902,442	7,462,419	-	-	-	-	7,462,419
Total	64,129,504	-	-	-	-	64,129,504	39,817,477	-	-	-	-	39,817,477

Key:

L1 = Level 1; L2 = Level 2; L3 = Level 3.

The fair value of receivables from banks is considered equal to their book value, as they largely comprise on demand and short-term financial assets, net of adjustments. Item 5 "Other assets" relates essentially to amounts advanced to Assignors on behalf of Credit Institutions, as part of pool-managed factoring operations, in which Factorit assumes the lead role.

4.2 Financial assets measured at amortised cost: breakdown of receivables from financial companies

Composition	31 December 2025					31 December 2024						
	Book value		Fair value			Book value		Fair value				
	First and second stage	Third stage	impaired purchased or originated	L1	L2	L3	First and second stage	Third stage	impaired purchased or originated	L1	L2	L3
1. Loans	470,216,453	-	-	-	-	-	470,216,453	590,902,041	-	-	-	590,902,041
1.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Financing for leases	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	418,409,619	-	-	-	-	-	418,409,619	535,677,718	-	-	-	535,677,718
- with recourse	399,837,573	-	-	-	-	-	399,837,573	531,759,133	-	-	-	531,759,133
- without recourse	18,572,046	-	-	-	-	-	18,572,046	3,918,585	-	-	-	3,918,585
1.4 Other loans	51,806,834	-	-	-	-	-	51,806,834	55,224,323	-	-	-	55,224,323
2. Fixed-yield securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	73,697	-	-	-	-	-	73,697	3,597,038	-	-	-	3,597,038
Total	470,290,150	-	-	-	-	-	470,290,150	594,499,079	-	-	-	594,499,079

Key:

L1 = Level 1; L2 = Level 2; L3 = Level 3.

The fair value of receivables from financial institutions is considered equal to their book value, as they largely comprise on-demand and short-term financial assets, net of adjustments.

4.3 Financial assets measured at amortised cost: breakdown of loans to customers

Composition	31 December 2025						31 December 2024						
	Book value			Fair value			Book value			Fair value			
	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3	
1. Loans	4,567,293,123	15,583,333	-	-	-	-	4,582,876,456	4,390,158,306	5,008,230	-	-	-	- 4,395,166,536
1.1 Financing for leases	-	-	-	-	-	-	-	-	-	-	-	-	-
of which: without final purchase option	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	4,019,869,765	15,577,068	-	-	-	-	4,035,446,833	3,961,269,910	4,866,169	-	-	-	- 3,966,136,079
- with recourse	1,344,660,485	6,545,334	-	-	-	-	1,351,205,819	1,364,322,446	3,478,086	-	-	-	- 1,367,800,532
- without recourse	2,675,209,280	9,031,734	-	-	-	-	2,684,241,014	2,596,947,464	1,388,083	-	-	-	- 2,598,335,547
1.3 Consumer credit	-	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Loans on pledge	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Loans granted in connection with payment services provided	-	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other loans	547,423,358	6,265	-	-	-	-	547,429,623	428,888,396	142,061	-	-	-	- 429,030,457
of which: from enforcement of guarantees and commitments	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Fixed-yield securities	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,567,293,123	15,583,333	-	-	-	-	4,582,876,456	4,390,158,306	5,008,230	-	-	-	- 4,395,166,536

L1 = Level 1; L2 = Level 2; L3 = Level 3.

The fair value of receivables from customers is considered equal to their book value, as they largely comprise on demand and short-term financial assets, net of adjustments.

Non-performing assets are recorded at their presumed recovery value.

The "Other loans" performing include:

- Euro 1,898,123 relating to accrued fees borne by assigned Debtors, on the payment deferrals granted to them;
- Euro 273,488,223 relating to advances regarding assignments of loans not falling within the scope of the Law 52/91;
- Euro 268,969,448 for confirming operations;
- Euro 3,067,564 relating to other loans.

4.4 Financial assets measured at amortised cost: breakdown by Debtors/issuers of receivables from customers

Type of transaction/Values	31 December 2025			31 December 2024		
	First and second stage	Third stage	Impaired purchased or originated	First and second stage	Third stage	Impaired purchased or originated
1. Fixed-yield securities	-	-	-	-	-	-
a) Public administrations	-	-	-	-	-	-
b) Non-financial corporations	-	-	-	-	-	-
2. Loans to:	4,567,293,123	15,583,333	-	4,390,158,306	5,008,230	-
a) Public administrations	246,350,576	-	-	370,850,677	1,047,340	-
b) Non-financial corporations	4,061,774,651	15,315,797	-	3,821,225,763	3,880,242	-
c) Families	259,167,896	267,536	-	198,081,866	80,648	-
3. Other assets	-	-	-	-	-	-
Total	4,567,293,123	15,583,333	-	4,390,158,306	5,008,230	-

4.5 Financial assets measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments					
	First stage					Total value adjustments					
	First stage	Second stage	Third stage	Impaired purchased or originated	Third stage	First stage	Second stage	Third stage	Impaired purchased or originated	Total partial write-offs*	
Fixed-yield securities	-	-	-	-	-	-	-	-	-	-	-
Loans	5,023,968,196	69,630,885	37,162,654	-	-	11,446,862	1,415,581	21,579,321	-	-	4,801,274
Other Assets	20,976,139	-	-	-	-	-	-	-	-	-	-
31 December 2025	5,044,944,335	69,630,885	37,162,654	-	-	11,446,862	1,415,581	21,579,321	-	-	4,801,274
31 December 2024	4,951,059,251	83,184,436	16,622,115	-	-	9,552,961	215,864	11,613,885	-	-	6,455,215

4.6 Financial assets measured at amortised cost: secured assets

	31 December 2025						31 December 2024					
	Receivables from banks		Receivables from financial companies		Loans and receivables with customers		Receivables from banks		Receivables from financial companies		Loans and receivables with customers	
	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG
1. Performing assets secured by:	25,028,451	25,024,937	396,416,360	396,416,360	1,977,975,367	1,935,093,860	36,681	36,681	529,933,509	529,933,509	2,300,326,767	2,257,894,071
– Assets acquired under finance leases	-	-	-	-	-	-	-	-	-	-	-	-
– Receivables for factoring	-	-	393,388,495	393,388,495	1,110,772,842	1,110,772,842	-	-	513,315,924	513,315,924	1,128,201,637	1,128,201,637
– Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
– Pledges	-	-	-	-	-	-	-	-	-	-	-	-
– Personal guarantees	25,028,451	25,024,937	3,027,865	3,027,865	867,202,525	824,321,018	36,681	36,681	16,617,585	16,617,585	1,172,125,130	1,129,692,434
– Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-performing assets secured by:	-	-	-	-	4,369,735	4,369,735	-	-	-	-	1,002,508	1,002,508
– Assets acquired under finance leases	-	-	-	-	-	-	-	-	-	-	-	-
– Receivables for factoring	-	-	-	-	3,936,581	3,936,581	-	-	-	-	1,002,508	1,002,508
– Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
– Pledges	-	-	-	-	-	-	-	-	-	-	-	-
– Personal guarantees	-	-	-	-	433,154	433,154	-	-	-	-	-	-
– Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total	25,028,451	25,024,937	396,416,360	396,416,360	1,982,345,102	1,939,463,595	36,681	36,681	529,933,509	529,933,509	2,301,329,275	2,258,896,579

VE = financial statements value of exposures

VG = fair value of guarantees

The table shows the guarantees received against performing and non-performing assets.

In compliance with the regulations regarding the sale of loans outside the scope of the Law 52/91, "receivables for factoring" do not include "other assignments". The amounts are classified by type of guarantee and by sector of economic activity of the guaranteed party. Should the guarantee's value surpass that of the guaranteed asset, the guaranteed asset's value is shown in the "guarantee value" column.

Loans acquired via without recourse factoring, when guaranteed, are indicated in the appropriate technical sections of the guarantees.

In cases of multiple underlying guarantees, the advances given to the Assignors for the sale of credit on a with recourse basis, and for the loans acquired via without recourse factoring, were prioritized in the following order:

- 1) mortgages;
- 2) pledges;
- 3) receivables for factoring;
- 4) personal guarantees.

Section 8 *Tangible assets*

The account of the asset related to item 80 is illustrated in this section.

8.1 Tangible assets used for business purposes: breakdown of assets measured at cost

Assets/Amounts	31 December 2025	31 December 2024
1. Owned assets	258,659	357,928
a) land	-	-
b) buildings	-	-
c) furniture	12,604	16,295
d) electronic equipment	179,401	216,012
e) other	66,654	125,621
2. Rights of use acquired through leases	14,853,500	16,135,232
a) land	-	-
b) buildings	14,750,783	16,013,206
c) furniture	-	-
d) electronic equipment	-	-
e) other	102,717	122,026
Total	15,112,159	16,493,160
Of which: obtained through enforcement of guarantees received	-	-

Regarding the sub-item "Rights of use acquired through leases", it should be pointed out that the category "buildings" mainly includes, for Euro 14,707,368, the amount of rights of use relative to property lease contracts with Banca Popolare di Sondrio and Sinergia Seconda s.r.l., belonging to the BPER Banca Group.

8.6 Tangible assets used for business purposes: changes in the year

	Land	Buildings	Furniture	Electronic Equipment	Other	Total
A. Gross opening balance	-	20,095,827	396,062	333,240	741,971	21,567,100
A.1 Total net impairment	-	4,082,621	379,767	117,228	494,324	5,073,940
A.2 Net opening balances	-	16,013,206	16,295	216,012	247,647	16,493,160
a) Adjustment of opening balances (IAS 8)	-	-	-	-	-	-
B. Increases	-	-	-	18,505	81,532	100,037
B.1 Purchases	-	-	-	18,505	270	18,775
B.2 Capitalised improvement expenses	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Reclassified from property held for investment	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	81,262	81,262
C. Decreases	-	1,262,423	3,691	55,116	159,808	1,481,038
C.1 Disposals	-	-	-	-	19,873	19,873
C.2 Depreciation	-	1,262,423	3,691	55,116	106,994	1,428,224
C.3 Impairment recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Reclassified to:	-	-	-	-	-	-
a) property, plant and equipment held for investment purposes	-	-	-	-	-	-
b) Assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	32,941	32,941
D. Net closing balance	-	14,750,783	12,604	179,401	169,371	15,112,159
D.1 Total net impairment	-	5,345,044	350,992	172,143	428,488	6,296,667
D.2 Closing gross amount	-	20,095,827	363,596	351,544	597,859	21,408,826
E. Valuation at cost	-	14,750,783	12,604	179,401	169,371	15,112,159

The table below pertains solely to what is recorded in compliance with the IFRS 16 accounting standard.

	Land	Buildings	Furniture	Electronic Equipment	Other	Total
A. Gross opening balance	-	20,095,827	-	-	184,229	20,280,056
A.1 Total net impairment	-	4,082,621	-	-	62,203	4,144,824
A.2 Net opening balances	-	16,013,206	-	-	122,026	16,135,232
a) Adjustment of opening balances (IAS 8)	-	-	-	-	-	-
B. Increases	-	-	-	-	81,262	81,262
B.1 Purchases	-	-	-	-	-	-
B.2 Capitalised improvement expenses	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive changes in fair value recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Reclassified from property held for investment	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	81,262	81,262
C. Decreases	-	1,262,423	-	-	100,571	1,362,994
C.1 Disposals	-	-	-	-	-	-
C.2 Depreciation	-	1,262,423	-	-	67,630	1,330,053
C.3 Impairment recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value recognised in:	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Reclassified to:	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	32,941	32,941
D. Net closing balance	-	14,750,783	-	-	102,717	14,853,500
D.1 Total net impairment	-	5,345,044	-	-	104,569	5,449,613
D.2 Closing gross amount	-	20,095,827	-	-	207,286	20,303,113
E. Valuation at cost	-	14,750,783	-	-	102,717	14,853,500

Section 9 Intangible assets

The account of the asset related to item 90 is illustrated in this section.

9.1 "Intangible assets": breakdown

Items/Valuation	31 December 2025		31 December 2024	
	Assets evaluated at cost	Assets evaluated at FV	Assets evaluated at cost	Assets evaluated at FV
1. Goodwill	-	-	-	-
2. Other intangible assets				
Of which: software	-	-	-	-
2.1 owned	58,698	-	113,665	-
- generated internally	-	-	-	-
- others	58,698	-	113,665	-
2.2 Rights of use acquired through leases	-	-	-	-
Total 2	58,698	-	113,665	-
3. Assets related to finance leases				
3.1 Unoptioned goods	-	-	-	-
3.2 Assets withdrawn following settlements	-	-	-	-
3.3 Other assets	-	-	-	-
Total 3	-	-	-	-
Total (1+2+3)	58,698	-	113,665	-

9.2 Intangible assets: changes in the year

	Total
A. Opening balance	113,665
B. Increases	-
B.1 Purchases	-
B.2 Write-backs	-
B.3 Positive changes in fair value	-
- equity	-
- booked to income statement	-
B.4 Other changes	-
C. Decreases	54,967
C.1 Disposals	-
C.2 Depreciation	54,967
C.3 Value adjustments	-
- net equity	-
- income statement	-
C.4 Negative changes in fair value	-
- equity	-
- booked to income statement	-
C.5 Other changes	-
D. Closing balance	58,698

Section 10 Tax assets and tax liabilities

Deferred tax assets and tax liabilities are recognised under the "balance sheet liability method" as set out by IAS 12, in line with the specific instructions from the Bank of Italy.

10.1 "Tax assets: current and deferred": breakdown

Name	Total 31 December 2025	Total 31 December 2024
Current tax assets	-	-
Deferred tax assets (balancing entry in shareholders' equity)	99,444	123,165
Deferred tax assets (balancing entry in income statement)	7,602,562	5,662,735
Total	7,702,006	5,785,900

Deferred tax assets pertain to taxes resulting from expenses allocated to the income statement and balance sheet, with their deductibility postponed to future years as per the current tax regulations. The deferred tax assets listed are chiefly associated with the surplus write-downs on loans that have not yet been deducted, as stipulated by the Decree Law 83/2015 and subsequent amendments for an amount equal to Euro 5.3 million, to provisions for staff for Euro 2.2 million, to other provisions for risks for Euro 0.1 million and for the remaining portion to changes in the actuarial profit/loss of pension funds that occurred during the year.

DTAs associated with receivables write-downs recorded in the financial statements until the financial year ended on 31/12/2014, along with 25% of the write-downs related to the 2015 financial year, comply with the requirements of Italian Law no. 214 dated 22 December 2011. Consequently, they are eligible for conversion into tax credits in the event of a civil law loss, a tax loss under IRES, or a negative net production value for IRAP, ensuring their recoverability.

The residual tax assets that cannot be transformed have been recognised after verifying their recoverability by performing the so-called probability test.

Pursuant to paragraph 47 of IAS 12, following the two-percentage-point increase in the IRAP rate introduced by paragraph 74 of Law No. 199 of 30 December 2025 for the financial years 2026, 2027 and 2028, the DTAs relevant for IRAP purposes, for which the related reversal is expected in those financial years, have been adjusted. The effect recognised in the financial statements, which relates solely to DTAs recognised through the income statement, amounts to Euro 0.1 million.

10.2 "Tax liabilities: current and deferred": breakdown

Name	Total 31 December 2025	Total 31 December 2024
Current tax liabilities	721,606	583,203
Deferred tax liabilities (balancing entry in shareholders' equity)	55,023	1,281,875
Deferred tax liabilities (balancing entry in income statement)	99,444	113,471
Total	876,073	1,978,549

As of 31 December 2025, current tax liabilities reflect the amounts due to the Treasury for IRAP and the additional IRES, net of any prepayments made during the year, while deferred tax liabilities at 31 December 2025 refer to:

- the measurement of equity securities recognised under item 30 of the Assets, 'Financial assets measured at fair value through other comprehensive income' (relevant for IRES and IRAP purposes);
- the mismatch between the tax and accounting provisions for employee termination indemnities (for IRES purposes only).

The deferred tax liabilities recognised for IRAP purposes (amounting to Euro 44 thousand) have not been subject to any rate adjustment, as the year in which the recognised valuation reserve will be extinguished/reversed cannot be predicted.

10.3 Change in deferred tax assets (balancing entry in income statement)

	31 December 2025	31 December 2024
1. Opening balance	5,662,735	10,285,873
2. Increases	2,224,137	265,464
2.1 Deferred tax assets recognised in the year	2,100,894	265,464
a) relating to previous years	-	1,819
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) others	2,100,894	263,645
2.2 New taxes or increases in tax rates	123,243	-
2.3 Other increases	-	-
3. Decreases	284,310	4,888,602
3.1 Deferred tax assets derecognised in the year	284,310	4,888,602
a) reversals	284,310	4,888,602
b) written down as no longer recoverable	-	-
c) due to changes in accounting policies	-	-
d) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
a) transformation into tax credits as per the Law 214/2011	-	-
b) Other	-	-
4. Closing balance	7,602,562	5,662,735

The amount of Euro 0.1 million recognised under 'Increases - Item 2.2' is due to the two-percentage-point increase in the IRAP (Regional Business Tax) rate introduced by Article 74 of Law No. 199 of 30 December 2025, and relates to temporary differences that are expected to reverse in FYs 2026, 2027 and 2028.

10.3.1 Change in deferred taxes pursuant to the Law 214/2011 (balancing entry in the income statement)

	31 December 2025	31 December 2024
1. Opening balance	5,233,683	9,750,060
2. Increases	41,239	-
3. Decreases	-	4,516,377
3.1 Reversals	-	4,516,377
3.2 Transformation into tax credits	-	-
a) resulting from operating losses	-	-
b) resulting from tax losses	-	-
3.3 Other decreases	-	-
4. Closing balance	5,274,922	5,233,683

10.4 Changes in deferred tax liabilities (balancing entry in income statement)

	31 December 2025	31 December 2024
1. Opening balance	113,471	112,206
2. Increases	1,248,221	501,265
2.1 Deferred tax liabilities recognised in the year	-	1,265
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) others	-	1,265
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	1,248,221	500,000
3. Decreases	1,262,248	500,000
3.1 Deferred tax liabilities derecognised in the year	1,262,248	500,000
a) reversals	1,262,248	500,000
b) due to changes in accounting policies	-	-
c) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	99,444	113,471

10.5 Changes in deferred tax assets (balancing entry in shareholders' equity)

	31 December 2025	31 December 2024
1. Opening balance	123,165	115,415
2. Increases	-	10,961
2.1 Deferred tax assets recognised in the year	-	10,961
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) others	-	10,961
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	23,721	3,211
3.1 Deferred tax assets derecognised in the year	23,721	3,211
a) reversals	23,721	3,211
b) written down as no longer recoverable	-	-
c) due to changes in accounting policies	-	-
d) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	99,444	123,165

This table comprises deferred tax assets on actuarial gains/losses from the valuation of the Severance Indemnity Fund.

10.6 Changes in deferred tax liabilities (balancing entry in shareholders' equity)

	31 December 2025	31 December 2024
1. Opening balance	1,281,875	1,748,221
2. Increases	21,369	33,654
2.1 Deferred tax liabilities recognised in the year	-	-
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) others	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	21,369	33,654
3. Decreases	1,248,221	500,000
3.1 Deferred tax liabilities derecognised in the year	-	-
a) reversals	-	-
b) due to changes in accounting policies	-	-
c) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	1,248,221	500,000
4. Closing balance	55,023	1,281,875

Section 12 *Other assets*

The account of the asset related to item 120 is illustrated in this section.

12.1 "Other assets": Composition

	31 December 2025	31 December 2024
Receivables from the Treasury (not classifiable as tax assets)	132,974	126,899
Receivable from Banca Popolare di Sondrio Spa for tax consolidation	12,551,795	8,085,500
Purchase of tax credits	-	2,033,490
Work in Progress	2,727,450	6,015,008
Security Deposits	18,857	18,857
Advances to suppliers	2,220	2,803
Prepayments and accrued income not attributable to own items	642,697	711,161
Other items	162,268	217,625
Total	16,238,261	17,211,343

The item "Receivables from Treasury" refers to the virtual stamp duty.

The "Work in Progress" item solely comprises items undergoing the crediting process, associated with portfolio management concerning payments from assigned Debtors. These transactions are credited to Customer counterparties at different times compared to the credits provided by the presenting banks according to the accounting date.

With regard to the receivable from Banca Popolare di Sondrio S.p.A. for National Tax Consolidation, as per the regulations set out in Articles 117 to 129 of the TUIR, the Company makes advance tax payments to the Bank.

LIABILITIES

Section 1 Financial liabilities measured at amortised cost

The account of liabilities related to item 10 is illustrated in this section.

1.1 Financial liabilities measured at amortised cost: breakdown of debts by merchandise category

Items	31 December 2025			31 December 2024		
	to banks	to financial companies	to customers	to banks	to financial companies	to customers
1. Loans	4,719,308,365	-	-	4,669,550,221	-	-
1.1 Repurchase agreements	-	-	-	-	-	-
1.2 Other loans	4,719,308,365	-	-	4,669,550,221	-	-
2. Lease payables	866,334	-	14,295,962	1,104,933	-	15,276,024
3. Other payables	4,226,936	29,477,875	20,468,357	4,838,230	14,582,313	13,095,020
Total	4,724,401,635	29,477,875	34,764,319	4,675,493,384	14,582,313	28,371,044
Fair value - level 1	-	-	-	-	-	-
Fair value - level 2	-	-	-	-	-	-
Fair value - level 3	4,724,401,635	29,477,875	34,764,319	4,675,493,384	14,582,313	28,371,044
Total fair value	4,724,401,635	29,477,875	34,764,319	4,675,493,384	14,582,313	28,371,044

The fair value of payables to credit institutions, financial institutions, and clients is assumed to be the nominal value, as they are financial liabilities payable on demand and short-term.

Payables for lease are given by the present value of lease payments due that are unpaid at that date and recognised in accordance with IFRS 16.

The item "Other payables" to financial institutions and customers mainly encompasses payables for factoring concerning receivables from assigned Debtors listed in the financial statements and occasional and temporary inventories in favour of customers.

In detail, the payable to banks refers to:

Technical form	Amount
Payables to BPER Banca Spa	801,763
Payables to Banca Popolare di Sondrio Spa	4,355,192,174
Sight deposits in current accounts	80,779,850
Hot money at maturity	225,000,000
Accrued liabilities on hot money	34,164
Foreign currency advances	61,253,010
Accrued liabilities for foreign currency advances	55,149
Commissions to be recognised	735,044
Supplier invoices and supplier invoices to be received	550,481
Total	4,724,401,635

1.5 Payables for lease

Financial outflows for leasing.

Liabilities / Values	Lease Liability Value 01/01/2025	Financial flows	Interest	Other Changes	Book Value as of 31/12/2025
Properties	16,260,162	(1,378,231)	177,895	-	15,059,826
Cars	120,795	(70,641)	3,866	48,450	102,470
Other types	-	-	-	-	-
Total	16,380,957	(1,448,872)	181,761	48,450	15,162,296

As of 31/12/2025, the weighted average of the lessee's weighted marginal lending rate, applied to the lease liabilities reported in the statement of financial position, is 1.16%.

The amounts reported pursuant to paragraphs 39 and B11 of IFRS 7 "Financial instruments" represent non-discounted cash flows.

Analysis of lease liability maturities.

Liabilities / Residual Duration	within 1 year	over 1 year and up to 5 years	over 5 years up to 10 years	over 10 years
Properties	1,307,961	5,013,660	4,602,636	5,248,370
Cars	47,602	58,548	-	-
Other types	-	-	-	-
Total	1,355,563	5,072,208	4,602,636	5,248,370

Section 6 Tax liabilities

The detail of this Section has been provided in Section 10 of the assets.

Section 8 *Other liabilities*

The account of liabilities related to item 80 is illustrated in this section.

8.1 "Other liabilities": breakdown

	31 December 2025	31 December 2024
Taxes to be paid	570,266	666,799
Payables to Banca Popolare di Sondrio for tax consolidation	15,053,233	8,739,625
Payables to personnel	426,871	415,354
Payables to social security institutions	553,432	557,900
Suppliers	152,783	565,107
Invoices to be received	274,964	382,834
Miscellaneous credit items being settled	14,169,425	22,938,615
Payables to directors and auditors	36,608	34,112
Other items	6,686,086	9,434,911
Total	37,923,668	43,735,257

The item 'Miscellaneous credits being settled' primarily includes amounts received from debtors, to be reallocated to their respective credit positions, as well as sums relating to a case currently being processed (approximately Euro 5.3 million).

The item "Other items" is composed as follows:

- Euro 6,500,724 for deferred income due to the allocation on an accrual basis in relation to the duration of the underlying credit of the commissions invoiced to customers;
- Euro 185,362 for residual items.

Section 9 *Provision for employee severance pay*

The account of liabilities related to item 90 is illustrated in this section.

9.1 Termination indemnities: changes in the year

	31 December 2025	31 December 2024
A. Opening balance	1,898,442	1,856,691
B. Increases	53,790	95,211
B.1 Provision for the year	53,790	64,359
B.2 Other increases	-	30,852
C. Decreases	243,166	53,460
C.1 Payments made	150,166	53,460
C.2 Other decreases	93,000	-
D. Closing balance	1,709,066	1,898,442

The provision for termination indemnities required under Italian regulations amounts to Euro 1,745,914. In reference to the international accounting standards IAS/IFRS, the actuarial simulations were carried out according to the Projected Unit Credit Method.

The Projected Unit Credit Method lays down that the costs to be incurred during the year to build up the termination indemnity are determined according to the proportion of services rendered during the same period. According to the accrued benefits method, the company's obligation to the individual employee is based on the services already rendered at the

measurement date and on the salary earned at the date of termination of employment (for companies with an average number of employees in 2006 of less than 50).

In particular:

- the Defined Benefit Obligation (DBO) is the present value, calculated in demographic and financial terms, of the benefits to which the employee is entitled (termination indemnity payments) based on the length of service accrued, in accordance with IAS 19;
- the Service Cost is the present value, calculated in demographic and financial terms, of the benefits accrued by the employee during the reporting period alone;
- the Net Interest Cost represents the cost of the liability arising from the passage of time and is proportional to the interest rate used in the measurements and to the amount of the liability in the previous reporting period, taking into account any changes in the liability;
- Actuarial gains/(losses) measure the change in the liability over the period under review, resulting from:
 - discrepancies between the assumptions used in the calculation models and the actual trends of the variables being assessed;
 - changes in assumptions recorded during the period under review. Furthermore, in view of the changing nature of the key economic variables, the actuarial valuations were carried out under 'dynamic' economic conditions; this approach requires the formulation of economic and financial assumptions capable of summarising, over the medium to long term:
 - the average annual changes in inflation, naturally in compliance with current regulations and expectations regarding the overall macroeconomic environment;
 - the trend in expected interest rates on the financial market. With regard to the choice of the interest rate to be used in the simulations, it is important to bear in mind that IAS 19, in paragraphs 78 *et seq.*, requires that the rates used correspond to the maturity of the variables being measured.

It should also be noted that, in the course of the valuations, account was taken, based on the statistics provided by the company, of the probabilities of:

- resignations;
- requests for advances on termination indemnities.

With regard to advances, these are governed by the provisions of Article 2120 of the Italian Civil Code. Finally, the valuations take into account the annual tax of 17% on the revaluation of the employee severance indemnity provision.

The actuarial calculations were made on the following assumptions:

	31 December 2025	31 December 2024
Annual rate of increase in remuneration	0.25%	1.92%
Average annual rate of future inflation	2.00%	2025-2027: 1.80% 2028 - 1.90% NEXT: 2.00%
Average annual rate of increase in termination indemnities	EQUALISATION	EQUALISATION

Section 10 Provisions for risks and charges

The account of liabilities related to item 100 is illustrated in this section.

10.1 Provisions for risks and charges: breakdown

Items/Amounts	31 December 2025	31 December 2024
1. Provisions for credit risk related to commitments and financial guarantees given	571,630	526,455
2. Provisions on other commitments and other guarantees given	-	-
3. Pension and similar obligations	-	-
4. Other provisions for risks and charges	6,408,978	973,457
4.1 legal and tax disputes	-	-
4.2 personnel expenses	6,408,978	973,457
4.3. others	-	-
Total	6,980,608	1,499,912

The sub-item "1. Provisions for credit risk associated with commitments and financial guarantees issued" for stage 1 and stage 2 relate to value adjustments on commitments and "committed lines" offered to some high-standing customers, according to methodologies defined following the introduction of the IFRS 9 accounting standard, whereas adjustments for non-performing positions (stage 3) are applied individually.

The sub-item 'Personnel costs' includes an allocation of Euro 5,659,229 relating to the agreement reached between the Parent Company, BPER Banca, and the trade unions on 19 December 2025 for generational and professional turnover. This agreement is on a voluntary basis and also involves Factorit S.p.A.

10.2 Provisions for risks and charges: changes in the year

	Provisions on other commitments and other guarantees given	Pension and similar obligations	Other provisions for risks and charges	Total
A. Opening balance	-	-	973,457	973,457
B. Increases	-	-	6,263,015	6,263,015
B.1 Provision for the year	-	-	6,263,015	6,263,015
B.2 Changes due to the passage of time	-	-	-	-
B.3 Changes due to variations in the discount rate	-	-	-	-
B.4 Other changes	-	-	-	-
C. Decreases	-	-	827,494	827,494
C.1 Used in the year	-	-	774,772	774,772
C.2 Changes due to variations in the discount rate	-	-	-	-
C.3 Other changes	-	-	52,722	52,722
D. Closing balance	-	-	6,408,978	6,408,978

10.3 Provisions for credit risk related to commitments and financial guarantees given

	Provisions for credit risk related to commitments and financial guarantees given				
	First stage	Second stage	Third stage	Impaired purchased or originated	Total
Commitments to grant loans	467,690	101,726	2,214	-	571,630
Financial guarantees given	-	-	-	-	-
Total	467,690	101,726	2,214		571,630

Section 11 Shareholders'

The liability accounts related to items 110, 120, 130, 140, 150, 160 and 170 are illustrated in this section.

11.1 "Share capital": breakdown

Types	31 December 2025
1. Share capital	85,000,002
1.1 Ordinary shares	85,000,002
1.2 Other shares	-

The share capital consists of 85,000,002 shares with a nominal value of Euro 1.

11.2 Treasury shares: breakdown

At 31 December 2025, Factorit S.p.A. does not hold treasury shares.

11.3 Capital instruments: breakdown

At 31 December 2025, Factorit S.p.A. did not assign value to the capital instruments item.

11.4 Share premium accounts: breakdown

This reserve is equal to Euro 11,030,364.

11.5 Other information

Availability and distributability of shareholders' equity items.

Nature	Amount	Utilisation	Available share	Utilisation Summary	
				in the previous three financial years for coverage of losses	for other reasons
Share capital	85,000,002	-	-	-	-
Capital buffers:	11,030,364	-	11,030,364	-	-
Share premium reserve	11,030,364	A-B-C	11,030,364	-	-
Profit reserves:	178,315,017		178,315,017		
Legal reserve	17,000,000	B	17,000,000	-	-
Other reserves	161,315,017	A-B-C	161,315,017	-	-
Reserves - other:	9,169,202		9,169,202	-	-
Other	9,169,202	A-B-C	9,169,202	-	-
Valuation reserves:	509,780				
Reserves for actuarial gains (losses)	(262,171)	-	-	-	-
Equity securities	771,951	-	-	-	-
Total	284,024,365	-	198,514,583	-	-

Key: A: for capital increase; B: for coverage of losses; C: for distribution to shareholders.

The "Share premium accounts" may only be distributed in full if the legal reserve has reached one-fifth of the share capital (Art. 2431 of the Italian Civil Code).

It should be noted that the "Reserves - other" include: Euro 5,350,212 for the FTA reserve relating to the first IAS impact, Euro 4,215,490 for the reserve deriving from the first IFRS 9 impact, Euro 304,394 for the non-exercised stock option reserve, and Euro -700,894 for the actuarial reserve for the severance pay reform.

11.6 Breakdown of item 160 "Valuation reserves"

The item shows a negative balance of Euro 509,780 composed as follows:

- Euro -262,171 referring to the accounting of profits/losses relating to the actuarial valuation of the severance indemnity fund;
- Euro 771,951 relating to the valuation of equity securities as shown in table 3.1 of "Part B – Balance sheet information".

In compliance with art. 2427, paragraph 1, no. 22-septies of the Italian Civil Code, the proposed allocation of profit for the year ended 31 December 2025 is set out below:

Profit for the year	Euro	39,602,939
Profit carried forward to previous years	Euro	113,665
Profits to be allocated	Euro	39,716,604
of which:		
Euro 0.3261 dividend to each of the 85,000,002 shares outstanding	Euro	27,722,057
Profits carried over to extraordinary reserve	Euro	11,935,849
Profits carried forward	Euro	58,698

OTHER INFORMATION**1. Commitments and financial guarantees given (excluding those designated at fair value)**

	Nominal value on commitments and financial guarantees given				31 December 2025	31 December 2024
	First stage	Second stage	Third stage	Impaired purchased or originated		
Commitments to grant loans	527,049,566	3,002,512	4,032	-	530,056,110	556,555,906
a) Public administrations	11,114,156	-	-	-	11,114,156	6,570,270
b) Banks	188,401	-	-	-	188,401	377,353
c) Other financial corporations	7,809,737	-	-	-	7,809,737	4,462,826
d) Non-financial corporations	506,417,643	3,002,512	4,019	-	509,424,174	544,121,310
e) Families	1,519,629	-	13	-	1,519,642	1,024,147
Financial guarantees given	-	-	-	-	-	-
a) Public administrations	-	-	-	-	-	-
b) Banks	-	-	-	-	-	-
c) Other financial corporations	-	-	-	-	-	-
d) Non-financial corporations	-	-	-	-	-	-
e) Families	-	-	-	-	-	-

The table includes: the Assignor margins where the credit line has been communicated (including for the Confirming product), the commitment to conduct exclusively approved with recourse operations (formal without recourse), which refers to the difference between the total credits of the approved with recourse and the advance of the approved with recourse (recorded in the financial statements assets under the Assignor's name) and on the unused committed lines extended to high-standing clients.

PART C *Income statement information*

Section 1 *Interest*

The accounts related to items 10 and 20 are illustrated in this section.

1.1 Interest and similar income: breakdown

Items/Technical forms	Fixed-yield securities	Loans	Other transactions	31 December 2025	31 December 2024
1. Financial assets measured at fair value through profit or loss:	-	-	-	-	-
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3. Other financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-
3. Financial assets measured at amortised cost:	-	146,094,127	-	146,094,127	159,661,293
3.1 Loans and receivables with banks	-	2,954,276	-	2,954,276	691,648
3.2 Receivables from financial companies	-	33,079,418	-	33,079,418	34,893,448
3.3 Loans and receivables with customers	-	110,060,433	-	110,060,433	124,076,197
4. Hedging derivatives	-	-	-	-	-
5. Other assets	-	-	310,993	310,993	360,498
6. Financial liabilities	-	-	-	-	-
Total	-	146,094,127	310,993	146,405,120	160,021,791
of which: interest income on impaired financial assets	-	883,065	-	883,065	784,510
of which: interest income on leasing	-	-	-	-	-

The decrease in interest income reflects the fall in rates resulting from the European Central Bank's monetary policy, despite the substantial increase in the average capital employed during the year.

The item "other assets" is entirely attributable to the income from the purchase of tax credits related to the operating costs of cinemas, as per Article 8 of the "national tax credit production decree" or Article 31 of the "other tax credit decree".

1.2 Interest and similar income: other information

Interest income in foreign currency on financial assets for receivables from customers and financial institutions amounted to Euro 5,400,473 (Euro 5,655,730 in 2024).

1.3 Interest and similar income: breakdown

Items/Technical forms	Payables	Securities	Other transactions	31 December 2025	31 December 2024
1. Financial liabilities measured at amortised cost					
1.1 Due to banks	(89,480,922)	-	-	(89,480,922)	(115,236,015)
1.2 Payables to financial companies	-	-	-	-	-
1.3 Payables to customers	(158,648)	-	-	(158,648)	(168,242)
1.4 Securities issued					
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	-	-	-	-	-
5. Hedging derivatives	-	-	-	-	-
6. Financial assets	-	-	-	-	-
Total	(89,639,570)	-	-	(89,639,570)	(115,404,257)
of which: interest expense on lease payables	(181,761)	-	-	(181,761)	(176,794)

Interest expenses are down compared to last year in correlation with interest income.

Section 2 Commissions

The accounts related to items 40 and 50 are illustrated in this section.

2.1 Fee and commission income: breakdown

Detail	31 December 2025	31 December 2024
A. Leasing transactions	-	-
B. Factoring transactions	39,002,247	35,807,365
C. Consumer credit	-	-
D. Guarantees issued	-	-
E. Services of	-	-
- fund management for third parties	-	-
- foreign exchange brokerage	-	-
- product distribution	-	-
- other	-	-
F. Collection and payment services	-	-
G. Servicing for securitisation transactions	-	-
H. Other commissions (to be specified)	8,980,503	7,163,044
Total	47,982,750	42,970,409

It should be noted that one-off commissions are allocated according to the duration of the sold loans. As of 31 December 2025, the prepaid amount is equal to Euro 6,500,724. The amount within the sub-item "Other commissions" refers to fees received for transactions not covered by Law 52/91 (other financing, confirming transactions, VAT credit transfers).

2.2 Fee and commission expense: breakdown

Detail/Sectors	31 December 2025	31 December 2024
A. Guarantees received	(1,666,941)	(1,548,000)
B. Distribution of services from third parties	-	-
C. Collection and payment services	-	-
D. Other commissions	(3,894,011)	(3,844,988)
d.1 relationships with banks	(186,625)	(202,670)
d.2 brokerage activities	(2,871,230)	(2,791,225)
d.3 credit insurance premiums	(630,000)	(631,297)
d.4 other assets	(206,156)	(219,796)
Total	(5,560,952)	(5,392,988)

Similarly to what is outlined under item 40, the passive commissions linked to one-off active commissions are allocated following the same criterion. As of 31 December 2025, the prepaid amount is equal to Euro 243,435.

Section 3 *Dividends and similar income*

The accounts related to item 70 are illustrated in this section.

3.1 Dividends and similar income: breakdown

Items/Income	31 December 2025		31 December 2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	-	-	-
C. Financial assets measured at fair value through other comprehensive income	43,269	-	37,927	-
D. Equity investments	-	-	-	-
Total	43,269	-	37,927	-

Section 4 *Net trading income*

The accounts related to item 80 are illustrated in this section.

4.1 Net trading income: breakdown

Transactions/Income items	Gains (A)	Trading profits (B)	Losses (C)	Trading losses (D)	Profit (loss) [(A+B)(C+D)]
1. Financial assets held for trading	-	-	-	-	-
1.1 Fixed-yield securities	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-
1.3 UCI units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Fixed-yield securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	-	130,946	-	(495,570)	(364,624)
4. Derivatives	-	-	-	-	-
4.1 Financial derivatives	-	-	-	-	-
4.2 Credit derivatives, of which: natural hedges related to the fair value option	-	-	-	-	-
Total	-	130,946	-	(495,570)	(364,624)

Section 8 Net adjustments/write-backs for credit risk

The accounts related to item 130 are illustrated in this section.

8.1 Net adjustments/write-backs for credit risk related to financial assets measured at amortised cost: breakdown

The table shows the amounts charged to the income statement resulting from and in relation to the credit portfolio valuation process.

Transactions/ Income components	Value adjustments						Write-backs				31 December 2025	31 December 2024	
	First stage	Second stage	Third stage		Impaired purchased or originated		First stage	Second stage	Third stage	Impaired purchased			
			write-off	Other	write-off	Other							
A. Loans and receivables with banks	(30,516)	(1,433)	-	-	-	-	66,867	-	-	-	-	34,918	(49,448)
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	(30,516)	(1,433)	-	-	-	-	66,867	-	-	-	-	34,918	(49,448)
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Receivables from financial companies	(744,420)	(7,155)	-	-	-	-	361,143	7,155	-	-	-	(383,277)	(59,917)
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	(744,420)	(7,155)	-	-	-	-	316,363	7,155	-	-	-	(428,057)	(39,293)
- other receivables	-	-	-	-	-	-	44,780	-	-	-	-	44,780	(20,624)
C. Receivables from customers	(9,293,819)	(1,454,014)	-	(14,410,026)	-	-	7,675,271	255,506	790,147	-	-	(16,436,935)	(5,187,338)
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	(8,661,204)	(1,428,088)	-	(14,245,675)	-	-	7,018,647	245,185	691,277	-	-	(16,379,858)	(4,179,995)
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-	-
- loans on pledge	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(632,615)	(25,926)	-	(164,351)	-	-	656,624	10,321	98,870	-	-	(57,077)	(1,007,343)
Total	(10,068,755)	(1,462,602)	-	(14,410,026)	-	-	8,103,281	262,661	790,147	-	-	(16,785,294)	(5,296,703)

The deviation from the previous fiscal year is due to the significant increase in value recoveries on stage 3 (Euro 14.4 million), whereas for stages 1 and 2 the disparity between adjustments and value recoveries results in a negative balance of approximately Euro 3.2 million (around Euro 2.2 million in 2024).

With regard to the quantification of impairments in the performing loan portfolio, carried out in alignment with the current IFRS 9 methodological framework, the Company has updated quarterly both the point-in-time probability of default and the parametrisations of the forward-looking information used for constructing the term structures of the risk parameters, with specific focus on the use of more recent forecasts (2025Q2 Forecast Report) and on the modification of the set of macro-economic scenarios and the associated weighting factors (78% base - 17% favourable - 5% extreme) in order to ensure consistency with those adopted by the Parent Company.

It is recalled that in 2024, certain fine tunings were made to the methodological and procedural calculation framework, focusing particularly on components previously referred to as management overlay, in order to achieve, from a prudential standpoint, overall devaluation and coverage levels deemed most representative of the actual current and prospective risk profile of the portfolio. Specifically, it is therefore the case that:

- geo-sectoral multipliers are regarded as intrinsic components of the model-based computing framework and no longer merely supplementary or additional, due to the entirely data-driven approach used in their computation;
- the quantification of the so-called model-related A-IRB component, introduced in December 2023 and originally assessed semi-annually, is updated quarterly during each calculation cycle, thus becoming a fully integrated element within the model-based calculation framework.

Specifically, the application of geo-sectoral multipliers, calibrated through an 'inertial' methodology - that is, without introducing any changes to the calculation process, and by updating only the forecast values of the geo-sectoral decay rates used for their calibration (i.e., RdP 2025Q2), leads to an increase relative to the outcomes of the initial run of about Euro 0.6 million; the impact of this component is down (by about Euro -0.3 million) compared to that recorded in September.

With regard to the application of the so-called model-related A-IRB component, it should be noted that, following the significant increase in 'proxy PDs' over the past few quarters, for the first time, the impact analyses carried out as at the reference date of 30 September showed that the adoption of IFRS 9 PDs derived from A-IRB models, in place of those currently used within the calculation engine, would have resulted in an overall level of impairment lower than that actually recorded. Therefore, given the prudential nature of this component, which takes into account only the increases in ECL resulting from higher PD and LGD values, and not any reductions resulting from lower values, in this run, this component has no impact on impairment losses (Euro -0.9 million compared to September).

Finally, it is stressed that during this run, the so-called position-specific add-on was used, which allows for targeted intervention in the value of impairment losses and, consequently, in the coverage of individual positions within the performing loan portfolio, if the ECL calculated for these positions, even after the application of geosectoral multipliers and the model-related A-IRB component, results in coverage levels deemed insufficiently prudent by senior management. In particular, this option was exercised in relation to two counterparties for which, at present, it is believed that there may be issues with the collection of the financial exposure.

Section 10 Administrative expenses

The accounts related to item 160 are illustrated in this section.

10.1 Personnel expenses: breakdown

Items/Sectors	31 December 2025	31 December 2024
1. Employees	(19,922,052)	(14,572,166)
a) Wages and salaries	(9,746,769)	(9,897,742)
b) Social security contributions	(2,731,473)	(2,906,286)
c) Termination indemnities	-	-
d) Pension expenses	-	-
e) Provision for employee termination indemnities	(53,790)	(64,359)
f) Provision for pension and similar obligations:	-	-
- defined contribution	-	-
- defined benefits	-	-
g) Payments to external supplementary pension funds:	(968,668)	(955,740)
- defined contribution	(968,668)	(955,740)
- defined benefits	-	-
h) Other personnel benefits	(6,421,352)	(748,039)
2. Other personnel in activity	(63,021)	(51,611)
3. Directors and Statutory Auditors	(329,333)	(300,776)
4. Retired personnel	-	-
5. Recovery of expenses for employees seconded to other companies	913,358	956,143
6. Reimbursement of expenses for personnel on secondment to the Company	-	-
Total	(19,401,048)	(13,968,410)

The sub-item “Other personnel benefits” includes, in the amount of Euro 5,659,229, the provision for the voluntary redundancy incentive for the employees concerned, based on the agreement signed with the trade unions on 19 December 2025.

10.2 Average number of employees broken down by category

Staff	31 December 2025		31 December 2024	
	Medium	Punctual	Medium	Punctual
Employees	147	145	151	149
a) Managers	4	4	4	4
b) Officials	71	70	72	73
of which 3rd and 4th level	41	40	40	40
c) Other employees	72	71	75	72
Other personnel	3	2	2	3

The average total employee data does not include any weighting of part-time contracts.

10.3 Other administrative expenses: breakdown

	31 December 2025	31 December 2024
Expenses related to buildings:	(339,699)	(323,822)
- leases and local maintenance	(316,840)	(301,023)
- energy, water and heating	(22,859)	(22,799)
Indirect taxes and dues	(843,537)	(1,069,890)
Postal, telephone, printing, and other office expenses	(177,698)	(168,919)
Maintenance and fees for furniture, machines and plants	(578,398)	(533,576)
Professional services and consultancy	(254,873)	(409,078)
Legal costs	(254,037)	(397,232)
Advertising, representation and gifts	(39,701)	(58,414)
Insurance	(40,174)	(73,410)
Transport, rentals and travel	(360,696)	(406,951)
EAD services outsourced to Group Companies	(818,402)	(740,811)
Outsourced EAD services	(15,189)	(17,118)
Services received from third parties	(102,869)	(91,647)
Membership fees	(86,664)	(71,404)
Services outsourced to Group Companies	(297,500)	(260,000)
Services outsourced to other parties	(50,656)	(95,093)
Other miscellaneous costs and expenses	(393,651)	(309,900)
Total	(4,653,744)	(5,027,265)

Section 11 *Net accruals to provisions for risks and charges*

The accounts related to item 170 are illustrated in this section.

11.1 Net accruals for credit risk related to commitments to grant funds and financial guarantees given: breakdown

	Provisions	Reallocations of surpluses	31 December 2025	31 December 2024
Net accruals for credit risk related to commitments to grant funds and financial guarantees given	(243,976)	198,801	(45,175)	362,304

The table outlines the value of accruals/recoveries made throughout the year concerning the commitments solely linked to "approved with recourse" operations (formal without recourse), i.e., the difference between the credit amount of the approved with recourse and the corresponding advance (the latter documented in the balance sheet assets on behalf of the Assignor). These commitments pertain to "committed lines" extended to certain esteemed Clients and already undertaken commitments within the framework of confirming operations.

11.3 Net accruals to other provisions for risks and charges: breakdown

	Provisions	Reallocations of surpluses	31 December 2025	31 December 2024
Net accruals to other funds for risks and charges:	-	-	-	-
a) litigation	-	-	-	-
b) others	-	-	-	-

Section 12 *Net value adjustments/write-backs to tangible assets*

The accounts related to item 180 are illustrated in this section.

12.1 Net adjustments/write-backs on tangible assets: breakdown

Assets/Income component	Amortisation (a)	Impairment adjustments (b)	Write-backs of value (c)	Net Net (a+b-c)
A. Tangible assets				
A.1 For business purposes	(1,428,224)	-	-	(1,428,224)
- Owned	(98,171)	-	-	(98,171)
- Rights of use acquired through leases	(1,330,053)	-	-	(1,330,053)
A.2 Investment property	-	-	-	-
- Owned	-	-	-	-
- Rights of use acquired through leases	-	-	-	-
A.3 Inventories	-	-	-	-
Total	(1,428,224)	-	-	(1,428,224)

Section 13 *Net value adjustments/write-backs to intangible assets*

The accounts related to item 190 are illustrated in this section.

13.1 Net adjustments/write-backs on intangible assets: breakdown

Assets/Income component	Amortisation (a)	Impairment adjustments (b)	Write-backs (c)	Profit (loss) (a+b-c)
1. Intangible assets other than goodwill	(54,967)	-	-	(54,967)
of which: software	-	-	-	-
1.1 owned	(54,967)	-	-	(54,967)
1.2 Acquired under finance leases	-	-	-	-
2. Assets related to finance leases	-	-	-	-
3. Assets granted under operating lease	-	-	-	-
Total	(54,967)	-	-	(54,967)

Section 14 *Other operating income and expenses*

The accounts related to item 200 are illustrated in this section.

14.1 Other operating expenses: breakdown

	31 December 2025	31 December 2024
- contingent liabilities for operating losses	-	(4,785,800)
- contingent liabilities - other	(514)	(3,598)
- other	(912)	(1,112)
Total	(1,426)	(4,790,510)

14.2 Other operating income: breakdown

	31 December 2025	31 December 2024
- recovery of taxes	133,686	132,526
- recovery of expenses	96,653	189,444
- revenues from IT services rendered	269,492	290,368
- other	229,872	196,599
Total	729,703	808,937

The sub-item "Others" includes Euro 55,556 in revenues from activities related to factoring and other disposals.

Section 15 *Gains (losses) on sales of investments*

The accounts related to item 250 are illustrated in this section.

18.1 Net gains (losses) on sales on investments: breakdown

	31 December 2025	31 December 2024
1. Properties	-	-
1.1 Gains from disposals	-	-
1.2 Losses on disposal	-	-
2. Other assets	30,497	7,523
2.1 Gains from disposals	30,497	7,904
2.2 Losses on disposal	-	(381)
Profit (loss)	30,497	7,523

The item "Other assets" includes what is accounted for in respect of sales of company-owned cars.

Section 19 *Current operating income taxes*

The account relating to item 270 "Income taxes for the year from current operations" is illustrated in this section.

Taxes pertaining to the period represent a reasonable estimate of the tax burden for the year, determined based on the tax regulations in effect at the financial statements date.

From the 2019 tax period onwards, Factorit, as a consolidated entity, opted to participate in the "National tax consolidation", as outlined in Articles 117 - 129 of the TUIR.

Banca Popolare di Sondrio Spa (consolidating entity) and the following tax consolidation companies jointly exercised this option:

- Factorit S.p.A.
- Banca della Nuova Terra S.p.A.
- Pirovano S.p.A.
- Immobiliare Borgo Palazzo S.r.l.
- Immobiliare San Paolo S.r.l.
- Rent2Go S.r.l.
- Sinergia Seconda S.r.l.

By virtue of this option, the total income or tax losses of the individual companies – along with the withholding taxes incurred – are transferred to the parent company, which determines a single taxable income and, consequently, a single tax liability.

19.1 Income taxes: breakdown

	31 December 2025	31 December 2024
1. Current taxes (-)	(20,842,982)	(13,222,291)
2. Change in current taxes of previous years (+/-)	(12,469)	(1,139)
3. Decrease in current taxes for the year (+)	-	-
3.bis Decrease in current taxes for the year for tax credits pursuant to Law No. 214/2011	-	-
4. Change in deferred tax assets (+/-)	1,939,827	(4,623,138)
5. Change in deferred tax liabilities (+/-)	1,262,248	498,735
6. Taxes for the year	(17,653,376)	(17,347,833)

Current taxes include IRES with a rate of 24.0%, additional IRES with a rate of 3.5%, and IRAP with a rate of 5.57%. Deferred tax assets and liabilities are posted considering the tax rates expected to be applicable in the year in which the asset is realised or the liability settled, based on tax laws in force at the close of the financial year.

19.2 Reconciliation of theoretical tax expense and actual tax expense in the financial statements

IRES (corporate income taxes)	Tax rate in %	
Pre-tax profit (loss) from continuing operations	57,256,315	
Theoretical IRES tax expense at the current rate	15,745,487	27.50%
Temporary differences (+/-)	5,424,257	
Unrelated temporary differences and components of gross profit (+/-)	-	
Permanent differences (+/-)	208,757	
Unrelated permanent differences and components of gross profit (+/-)	149,452	
Utilisation of prior tax losses	-	
IRES taxable income	63,038,781	
Current IRES tax charge	17,335,665	30.28%
Current IRES taxes recognised in equity	- 41,099	
Change in IRES DTA/DTL related to changes in taxable income for the period	-1,491,672	
Actual IRES tax expense	15,802,894	27.60%
IRAP (Regional business tax)		
Pre-tax profit (loss) from continuing operations	57,256,315	
Income statement items not relevant for IRAP (Regional Business Tax) purposes	5,845,521	
Theoretical tax expense at the current rate	3,514,772	5.57%
Temporary differences (+/-)	-	
Unrelated temporary differences and components of gross profit (+/-)	-	
Permanent differences (+/-)	604,015	
Unrelated permanent differences and components of gross profit (+/-)	1,263,794	
IRAP taxable income	64,969,645	
Current IRAP tax charge	3,618,809	5.73%
Current IRAP taxes recognised in equity	-70,392	
Change in IRAP DTA/DTL related to changes in taxable income for the period	-	
Actual IRAP tax expense	3,548,417	5.62%
IRES and IRAP not for the year and other taxes		
Change in deferred tax assets due to transfer of ACE surplus to the National Compensation Fund	-	
Income from transfer of ACE surplus to the CNM	-	
Changes in IRES/IRAP DTA/DTL not related to changes in the taxable amount for the period	- 1,710,404	
Current IRES tax relating to previous financial years	-3,529	
Current IRAP tax relating to previous financial years	15,998	
Actual tax expense for other taxes	-1,697,935	-2.97%
Total actual tax expense	17,653,376	30.83%

21.2 Other information

Analytical breakdown of interest expenses and similar charges.

Technical form	Amount
Current account overdrafts	(4,997,819)
Advances subject to collection	(293,702)
Hot money	(79,388,520)
Advance payments in foreign currency	(4,777,768)
Interest on payables for lease	(181,761)
Total	(89,639,570)

PART D Other information

Section 1 Specific references on the operations performed

B. FACTORING AND ASSIGNMENT OF RECEIVABLES

B.1 - GROSS VALUE AND BOOK VALUE

B.1.1 - Factoring transactions

Items/Amounts	31 December 2025			31 December 2024		
	Gross value	Adjustments of value	Net value	Gross value	Adjustments of value	Net value
1. Performing	4,493,087,535	11,581,089	4,481,506,446	4,537,734,923	8,432,237	4,529,302,686
- exposures to Assignors (with recourse)	1,749,649,135	4,674,182	1,744,974,953	1,900,572,427	3,983,736	1,896,588,691
- assignments of future loans	228,659,168	1,815,202	226,843,966	237,892,075	654,562	237,237,513
- others	1,520,989,967	2,858,980	1,518,130,987	1,662,680,352	3,329,174	1,659,351,178
- exposures to assigned Debtors (without recourse)	2,743,438,400	6,906,907	2,736,531,493	2,637,162,496	4,448,501	2,632,713,995
- purchases below the nominal value	-	-	-	-	-	-
- others	2,743,438,400	6,906,907	2,736,531,493	2,637,162,496	4,448,501	2,632,713,995
2. Non-performing	31,577,716	16,000,648	15,577,068	10,811,337	5,945,168	4,866,169
2.1 Bad loans	1,470,775	1,406,569	64,206	2,055,159	2,055,159	-
- exposures to Assignors (with recourse)	702,285	638,079	64,206	1,148,714	1,148,714	-
- assignments of future loans	-	-	-	-	-	-
- others	702,285	638,079	64,206	1,148,714	1,148,714	-
- exposures to assigned Debtors (without recourse)	768,490	768,490	-	906,445	906,445	-
- purchases below the nominal value	-	-	-	-	-	-
- others	768,490	768,490	-	906,445	906,445	-
2.2 Unlikely-to-pay loans	29,909,569	14,566,373	15,343,196	7,538,341	3,719,512	3,818,829
- exposures to Assignors (with recourse)	17,396,708	10,917,286	6,479,422	5,694,367	2,216,281	3,478,086
- assignments of future loans	7,524,234	5,113,108	2,411,126	3,885,067	1,445,418	2,439,649
- others	9,872,474	5,804,178	4,068,296	1,809,300	770,863	1,038,437
- exposures to assigned Debtors (without recourse)	12,512,861	3,649,087	8,863,774	1,843,974	1,503,231	340,743
- purchases below the nominal value	-	-	-	-	-	-
- others	12,512,861	3,649,087	8,863,774	1,843,974	1,503,231	340,743
2.3 Non-performing past due exposures	197,372	27,706	169,666	1,217,837	170,497	1,047,340
- exposures to Assignors (with recourse)	1,984	278	1,706	-	-	-
- assignments of future loans	-	-	-	-	-	-
- others	1,984	278	1,706	-	-	-
- exposures to assigned Debtors (without recourse)	195,388	27,428	167,960	1,217,837	170,497	1,047,340
- purchases below the nominal value	-	-	-	-	-	-
- others	195,388	27,428	167,960	1,217,837	170,497	1,047,340
Total	4,524,665,251	27,581,737	4,497,083,514	4,548,546,260	14,377,405	4,534,168,855

To complete, the following table provides details of advances relating to assignments of loans not included within the scope of Law 52/91.

Item/Values	31 December 2025			31 December 2024		
	Value Gross	Adjustments of value	Value Net	Value Gross	Adjustments of value	Value Net
1. Performing assets	274,463,471	975,248	273,488,223	192,038,473	797,208	191,241,265
2. Non-performing assets	-	-	-	254,120	196,157	57,963
2.1 Bad loans	-	-	-	36,257	36,257	-
2.2 Unlikely-to-pay loans	-	-	-	217,863	159,900	57,963
2.3 Non-performing past due exposures	-	-	-	-	-	-
Total	274,463,471	975,248	273,488,223	192,292,593	993,365	191,299,228

B.2 – BREAKDOWN BY RESIDUAL LIFE

For loans overdue with respect to the invoice due date, those performing are placed in the "on demand" category, while non-performing loans are classified by their estimated maturity date for the purposes of financial statement assessments.

B.2.1 – With recourse factoring operations: advances and "credits"

Time band	31 December 2025		31 December 2024	
	Advances	Credit amounts	Advances	Credit amounts
- on demand	273,145,008	340,983,950	318,024,108	373,957,148
- up to 3 months	1,027,629,689	1,287,034,142	1,194,782,189	1,438,959,747
- over 3 months up to 6 months	260,876,362	284,171,768	305,781,487	288,647,032
- 6 months to 1 year	154,427,044	187,633,916	68,465,259	135,056,755
- over 1 year	35,442,184	27,897,476	13,013,734	48,068,376
- unspecified duration	-	-	-	-
Total	1,751,520,287	2,127,721,252	1,900,066,777	2,284,689,058

The table provides a breakdown of the values indicated in the previous table B.1, with reference solely to the credits owed by Assignors, excluding transactions not falling within the scope of Law 52/91.

The distribution of with recourse advances has been conventionally carried out in proportion to the maturity dates of the related credit amounts.

In addition, note that as of 31 December 2025, the total credit related to assignments of receivables carried out outside of L.52/91 amounts to Euro 112,938,317.

B.2.2 – without recourse factoring operations: exposures

Time band	Exposures	
	31 December 2025	31 December 2024
- on demand	50,685,066	67,291,179
- up to 3 months	1,705,701,684	1,558,754,411
- over 3 months up to 6 months	359,150,448	270,051,883
- 6 months to 1 year	171,682,082	272,257,565
- over 1 year	458,343,947	465,747,040
- unspecified duration	-	-
Total	2,745,563,227	2,634,102,078

The table reports the book value of exposures related to receivables acquired through without recourse factoring transactions and those acquired not at nominal value, divided by residual

life band. It is important to specify that the total credits related to assignments of receivables carried out outside of Law 52/91 as of 31 December 2025 amount to Euro 172,876,249.

B.3 - OTHER INFORMATION

B.3.1 – Turnover of receivables subject to factoring operations

	31 December 2025	31 December 2024
1. Without recourse transactions	9,306,505,224	8,596,559,573
- of which purchases below the nominal value	-	-
2. With recourse transactions	10,005,350,650	11,148,563,295
Total	19,311,855,874	19,745,122,868

The table presents the nominal value of receivables obtained during the year (turnover) for factoring transactions. The data differs from that indicated in the Directors' Report because, in this table, the 'formal' without recourse is included within the with recourse transactions.

The table below shows the details of the turnover for "Other disposals".

	31 December 2025	31 December 2024
- Without recourse	108,631,466	115,329,633
- With recourse	341,372,179	181,280,072
Total	450,003,645	296,609,705

B.3.2 – Collection services

The Company did not carry out collection-only services in the financial years 2025 and 2024.

B.3.3 – Nominal value of contracts for the acquisition of future receivables

	31 December 2025	31 December 2024
- Flow of contracts for the purchase of future receivables during the year	2,100,263,603	2,046,123,900
- Amount of receivables outstanding at the end of the financial year	1,225,975,316	1,070,588,220

D. – GUARANTEES ISSUED AND COMMITMENTS**D.1 – VALUE OF GUARANTEES (REAL OR PERSONAL) ISSUED AND COMMITMENTS**

	31 December 2025	31 December 2024
1) Guarantees issued of a financial nature on first demand	-	-
a) Banks	-	-
b) Financial corporations	-	-
c) Customers	-	-
2) Other guarantees issued of a financial nature	-	-
a) Banks	-	-
b) Financial corporations	-	-
c) Customers	-	-
3) Guarantees issued of a commercial nature	-	-
a) Banks	-	-
b) Financial corporations	-	-
c) Customers	-	-
4) Irrevocable commitments to make loans	357,362,145	388,198,614
a) Banks	188,401	377,353
i) for certain use	-	-
ii) for uncertain use	188,401	377,353
b) Financial corporations	578,845	4,462,264
i) for certain use	-	4,009,585
ii) for uncertain use	578,845	452,679
c) Customers	356,594,899	383,358,997
i) for certain use	39,870,912	44,443,038
ii) for uncertain use	316,723,987	338,915,959
5) Commitments underlying credit derivatives: protection sales	-	-
6) Assets pledged as collateral for third-party obligations	-	-
7) Other irrevocable commitments	-	-
a) to provide guarantees	-	-
b) others	-	-
Total	357,362,145	388,198,614

The table highlights the commitment to conduct only approved "with recourse operations" (formal without recourse), which refers to the difference between the total credits of the approved with recourse and the advance of the approved with recourse (recorded in the financial statements as assets in the Assignor's name), on the committed lines extended to high-standing clients and on the commitments to pay regarding the Confirming product.

For Euro 317,491,233, these are irrevocable commitments for uncertain use, as the commitment to disburse funds is optional; in this case, it is not certain if and to what extent the actual disbursement of funds will take place.

D.2 – FINANCING RECORDED IN THE FINANCIAL STATEMENTS DUE TO ENFORCEMENT

There are no amounts.

Section 3 *Information on risks and related hedging policies*

3.1 – CREDIT RISKS

QUALITATIVE INFORMATION

1. General aspects

The purpose of the factoring activity is the assignment of receivables of a commercial nature, either with recourse or without recourse.

A distinctive characteristic of the transaction is the tripartite nature of the contract, due to the involvement of the Client company (Assignor) that holds the credit subject to assignment, the Assigned Debtor, and the Factor, who interposes as a financial subject in the existing supply relationship between the two previous entities.

To this end, one aspect to consider is the intensity of the relationship between the Factor and the Client, usually based on a continuous and lasting relationship over time. Moreover, the relevance of the relational aspect can also be perceived in the relationship between the Factor and the assigned Debtor, in cases of a notified assignment of the receivable.

From the perspective of the underlying services, this product allows for the combination of several elements, either wholly or partially, including credit management, assurance of the solvency of the assigned Debtor, and the disbursement of advances to the Assignor for receivables obtained in assignment.

The guidelines regarding risk assumption and management contribute to the formulation of orientation and guidelines with which to align the definition of strategic objectives and the overall business planning of the Company in the medium-term. These guidelines are defined by the Board of Directors and express Factorit's strategic attitude towards credit risk, as well as being the foundation of decision-making processes regarding risk governance. They are linked to company operations through the establishment of risk-taking objectives determined by the RAF (Risk Appetite Framework) and the adoption of consistent risk management policies, which are usually updated annually depending on the materiality of the risk itself.

In implementing its strategic objectives, the Company pursues a policy based on balance and prudence, characterised by a limited and conscious assumption of risk, followed by lines of action aimed at directing operational activity towards lines of development that are considered less risky.

In general, the operational activity carried out by the Company is based on the principles of:

- cautious attitude towards the assumption of the risks associated with lending and confirmation that they are closely monitored throughout the credit "life cycle";
- rigorous preliminary investigation of credit line requests, aimed at understanding the effective degree of risk of the counterparties by analysing their ability to generate wealth, not only now, but also in the future;
- inadmissibility of all credit line transactions that involve taking risks that are not consistent with the Group's risk objectives and the rejection of those likely to compromise its profitability and stability;
- adequate remuneration for the risk assumed on the basis of the type of credit facility granted and the adoption of prudent provisioning policies;
- systematic and shared use of rating models in credit management processes, favouring selective, efficient and predictive assessment of the customer's creditworthiness and probability of default;

- intensification of risk identification, monitoring and management to safeguard the quality of credit assets from deterioration risks, with the aim of progressively limiting the cost of risk and the levels of non-performing loans;
- carefully monitoring the risks related to an excessive concentration of the lending portfolio, also through the imposition of limits on exposure to larger counterparties and economic sectors with a more pronounced risk profile.

2. Credit risk management policies

a) The main risk factors

The risk evaluation of a factoring operation should take into account a variety of factors such as the solvency of the Assignor and the Assigned Debtors, the level of fragmentation of the assigned portfolio, the characteristics of the underlying commercial relationship, the duration of the loans sold, and the repayment capacity of the Assignor in case of advance disbursements.

According to the definition reported in the Company's "Risk Map", credit risk is understood as the risk that a credit-granted counterparty is unable to meet its obligations on time and in full, or that a change in its creditworthiness generates a corresponding change in the economic or market value of the position.

In the case of factoring, a counterparty's ability to fulfil payment obligations is assessed based on the Assignor's ability to convert their sales into cash flows, the turnover rate of trade receivables and payables, and the specific characteristics of the supply relationship concerning its short-term substitutability.

In the broadest sense, credit risk includes various types of risk. In particular, with specific reference to Factorit's operations, the following types of risk appear to be predominant and relevant:

- credit risk and recovery: the risk that a counterparty which has been granted credit is unable to meet its obligations on time and in full, or that the amount recovered after liquidating the assets of an insolvent counterparty is lower than originally estimated;
- concentration risk (single credit user): risk deriving from exposures to individual counterparties - including central counterparties - and groups of connected counterparties, or deriving from the application of credit risk mitigation techniques (including those connected to indirect exposures).

b) The risk management, measurement, and control systems adopted and the organisational structures in charge

The process of managing credit risk relies on methodologies, procedures, organisational structures, and tools that ensure understanding of both its scale and evolving dynamics at all times. In this sense and in compliance with Group current regulations and inspired by best practices, Factorit develops a structured system for detecting and managing credit risk and promotes its use in the context of operational, management and control processes.

From a regulatory standpoint, Factorit measures credit risk through the regulatory requirement determined according to the approaches prescribed by the applicable supervisory legislation and calculated using the Standardised Method.

Credit risk management for customer exposures is supported not only by measuring the RWA and Capital Requirement but also by specialised measurement systems based on different components.

Among the measurement systems used, the following are particularly noteworthy:

- rating system – AIRB risk parameters (PD and LGD): internally developed, it provides accurate, consistent, and differentiated quantitative estimates of both counterparty risk and the specific risk of transactions;
- primary, complementary, and operational indicators of the Risk Appetite Framework: indicators defined within the Risk Appetite Framework and aimed at defining risk appetite and the limits to taking on risks;
- second level checks on credit processes: assessments based on specific risk indicators (KRIs - Key Risk Indicators), referring to the various dimensions of the credit process (classification, provisioning, monitoring, recovery, and pricing), accompanied by a portfolio selection determined by criteria for adequacy of risk coverage levels and segmented by relevant dimensions (such as counterparty, technical forms, etc.).

Factorit employs a monitoring system that forms part of an array of methodologies, procedures, tools, and organisational structures, proficient in detecting, efficiently and swiftly, the credit risk profile trends, segmented into its various components, for the Company's entire loan portfolio. The monitoring phase develops according to the following guidelines:

1. first-level safeguards adopted in the credit process;
2. carrying out quarterly and *ad hoc* analyses focused on monitoring specific risk profiles through the evaluation of portfolio composition and a series of indicators that depict risk phenomena, which can be analysed at a summary level and according to various disaggregation criteria;
3. monitoring of the indicators and limits defined in the Risk Appetite Statement;
4. second-level checks on credit business processes;
5. consistency checks with RAF indicators for each new credit issuance that can be classified as a "major operation" under specific internal regulations, due to its significant unit size and the risk profile inherent to it.

The Risk Control Function collaborates in defining and implementing relevant credit risk governance policies, overseeing the credit risk management and control process, and preparing established information flows to improve the management of said risk, consequently aiding the Company's decision-making processes. These flows also aim to ensure that corporate bodies and business control functions have full knowledge and manageability of risk factors.

Organisational aspects adopted in the credit process

The "Credit Process Guidelines", approved by the Board of Directors, regulate Factorit's credit governance and management process in accordance with the existing credit regulations at Banca Popolare di Sondrio. This framework acts as the foundational model for the regulations of the Group Companies, establishing standardised criteria and methodologies for credit management while accommodating any unique aspects stemming from distinct loan varieties and the nature of the counterparties.

The complex process of credit governance and management, in line with Banca Popolare di Sondrio's credit policy, is mainly divided into the following major phases:

- investigation;
- resolution;
- disbursement;
- review of credit lines;
- monitoring;
- management of non-performing loans.

Investigation

The investigation is aimed at ascertaining and evaluating the prerequisites of the operation, including:

- the creditworthiness of the requesting counterparty is evaluated by gathering and analysing information essential for assigning a rating to counterparties that are within the AIRB perimeter;
- the characteristics of the loans sold;
- the solvency of the assigned Debtors;
- the gathering of information necessary for evaluating the counterparty's compliance with credit policies;
- the asset risk, meaning the interaction of individual names within the assigned portfolio, whose risk profile is determined by the concentration and nature of the Debtors;
- the concentration of risk;
- the consistency between the return on the transaction and the risk assumed;
- the profitability of the transaction;
- any guarantees.

The investigative procedure involves the Commercial department and the Credit Service, ensuring the principle of role opposition throughout the different stages of the process.

Resolution

The resolution phase consists of a series of activities aimed at formulating, based on the outcomes of the inquiry and any other considerations, the decision to assume or not assume a credit risk.

The strategic oversight body can approve factoring transactions for any amount and can delegate some of its powers to other internal bodies, either individual or collective, that are authorised to do so. The overall structure of powers and responsibilities, as well as the decision-making mechanisms in force at Factorit, is governed by the internal regulatory framework "*Delegation System*" approved by the Board of Directors.

Thresholds are also established beyond which a prior opinion from Banca Popolare di Sondrio is mandatory.

The following elements are taken into consideration:

- amount of credit line requested;
- creditworthiness of the counterparty;
- adequacy of the technical form;
- adequacy of guarantees;
- concentration of risks.

Credit disbursement

Credit lines approved are made operational by the Credit Secretariat only after the provisions of the resolution have been fulfilled. At this stage, every aspect related to the characteristics of the contract and the loans sold is evaluated.

In particular, prior to the activation of the credit lines, the formal and substantial compliance with the contractual arrangement for the agreed technical form and any specifically introduced clauses is checked.

Disbursement is initiated at the Client's request, typically following the transfer and a comprehensive evaluation by the Manager of the relationship. This evaluation examines existing credit lines, assesses the loans sold with input from the Debtors, and evaluates any alerts concerning the parties involved (Assignor and Debtors), involving inquiries with the Bank of Italy's Risk Centre as well.

Revision

Individual credit exposures are reviewed periodically to check whether the conditions identified during the assessment still persist.

The review of a credit line is carried out by the Credit Service and is activated:

- on a time basis, i.e. at fixed deadlines or according to defined intervals;
- upon notification by the credit monitoring office, which also uses automatic risk indicator systems;
- on the initiative of the organisational unit that manages the relationship.

Monitoring

Credit risk management is observed at all stages that characterise the credit relationship and, in particular, through effective monitoring aimed at making timely assessments by the Management Offices and the Credit Service regarding any anomalies and critical issues detected.

Ongoing surveillance of risk positions makes it possible to highlight potential indicators of deteriorating creditworthiness, with the aim of defining actions targeted at ensuring the maintenance of portfolio quality.

The Company's credit monitoring model, constantly updated, presents financial, trend, and data Early Warning (EW) indicators sourced from external sources, exhibiting a strong predictive capacity and partially coherent with what is adopted by Banca Popolare di Sondrio.

The phase of identifying Customers who present a potential risk aggravation can therefore be activated:

1. upon a proposal made by the Commercial Department, the Debtor Management Office, the Credit Department, or the Anti-Money Laundering Department;
2. upon the occurrence of specific presumptive events of a possible aggravation of the degree of risk of the position.

If the Commercial Service or the Debtors Management Department identify factors that could indicate a potential increase in risk (even in the absence of explicit signs of anomaly), they are required to propose classifying the position as Supervisory W1 and W2 and, in cases of greater and significant criticality, to propose transferring the management of the counterparty to the Credit Recovery and Litigation Department. A similar activity can be conducted by the Credit Service during the report review process.

Positions that are characterised by significant risk are subject to appropriate analysis by the relevant Functions (Credit Service, Management Divisions and Credit Monitoring Department) and, if concrete signs of criticality are found, the Credit Monitoring Department, based on their severity, will place them under observation (Watchlist).

Even some predefined EW Indicators automatically determine the immediate classification of the counterparty under surveillance.

Conversely, the Debt Collection and Disputes Office (Legal Service, Credit Recovery and Litigation) are still responsible for the potential classification of positions among "non-performing" counterparties (Unlikely-to-pay and Non-performing).

c) The methods for measuring expected losses

Classification of financial instruments

For the measurement of expected losses, the impairment model requires the classification of financial instruments within the scope of the accounting standard IFRS 9 into three stages. The three stages reflect the levels of deterioration, both current and prospective, in credit quality; specifically, the first two stages, which apply to performing counterparties, divide exposures into those for which a significant increase in credit risk (SICR) has not been detected since initial recognition (stage 1) and those that have experienced it (stage 2) yet are not considered non-performing exposures (stage 3).

For the purpose of evaluating the significant increase in credit risk (stage 2), the specific characteristics of the financial assets held, and the relevant context are considered. In particular, these include:

- positions classified in the Watchlist through the monitoring process;
- positions classified in Forborne performing;
- financial assets that have an overdue of more than 30 days (figure calculated at Group level by the "mode" engine in light of the introduction of the new Past Due EBA);

while financial assets overdue within 30 days are excluded, as considering the unique nature of factoring activities involving trade receivables, it is likely that a payment delay on the invoice's due date is not indicative of any current or future financial difficulty for the party involved.

Finally, with regard to non-performing counterparties, or the identification of stage 3, all exposures in Past Due, Probable Default and Non-performing status are included.

Positions classified in various stages and non-performing are highlighted by the information system across different management phases to monitor their exposures and ensure activities aimed at managing credit risk.

Expected loss

The expected credit loss (ECL) represents an estimate of potential losses arising from the (potential) occurrence of a state of insolvency, which is quantified based on the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) parameters with reference to a time horizon that depends on the staging assigned to individual positions. More precisely, the impairment period is equivalent to one year for positions classified as stage 1 and to the remaining contractual life for positions classified as stage 2.

In particular, in line with the guidelines set by Banca Popolare di Sondrio, the Company has implemented a similar valuation model for all performing loans within stage 1 and stage 2, where the sole differentiating factor is the time frame of the credit duration and, consequently, the estimation of the expected loss.

In this model, the parameters mentioned above are calculated, which, when applied to individual exposures, determine the expected loss:

- PD (Probability of Default) – probability of insolvency, a parameter that expresses in percentage terms the probability of a counterparty migrating from a 'performing' status to an 'insolvent' one within a one-year time horizon, or a shorter period if the

expected remaining life is less than 12 months (stage 1), or over the entire remaining life of the credit (stage 2). The parameter is calculated by taking into account forward-looking factors, particularly with reference to the implementation of various macroeconomic scenarios, based on a specific model adopted by Banca Popolare di Sondrio;

- LGD (Loss Given Default) – a rate of loss in the event of default, a parameter that expresses in percentage terms the incidence of the loss, net of recoveries, relative to the amount of exposure gone into default, determined based on historical recovery data observed from cases classified as Bad Loans and Unlikely to Pay. In the expected loss, legal expenses incurred and the discount factors applied to recoveries are also taken into account.

For non-performing positions, namely in stage 3, the expected loss estimate is calculated on either a flat-rate or analytical basis, as better described in paragraph "3. *Non-performing credit exposures*".

Assessment of the significant increase in SICR credit risk

Even during the current year, the risk control actions in place continued in the light of the current and prospective context in which the company is operating; despite the fact that the effects of the Covid-19 pandemic can be considered substantially absorbed, the events that occurred in the immediate post-pandemic context – such as, by way of example but not limited to, the escalation of the Russian-Ukrainian conflict, the energy and inflationary crisis, tensions on production chains, the rapid and significant increase in interest rates, the Israeli-Palestinian conflict, the hotspots of conflict that increasingly affect different geographical areas of the planet, as well as the geopolitical tensions directly or indirectly related to them – create a general macroeconomic and geopolitical landscape still characterized, in both current and prospective terms, by a not negligible uncertainty.

Transactions without notification (so-called "not notification") have been carefully managed and, where it was deemed necessary to protect existing and prospective risks, transformed into notified transactions. Within the framework of Groups with a distribution network (such as car importers with related "dealer" assigned Debtors), substantial interventions were agreed upon by the Assignors and carefully assessed by Factorit. This resulted in widespread extensions of the maturities of the receivables that had already been assigned, thereby supporting the product inventories.

The Company has refrained from instituting extraordinary support actions for Customers as a consequence of the crisis.

Upon fully evaluating these preliminary considerations, the assessment of an actual significant increase in credit risk, which determines the staging, occurs at the individual relationship level, considering the time duration between the credit's origination date and the reporting date and employing "absolute" indicators and triggers, such as forbearance status or the inclusion on the watchlist¹.

Measurement of expected losses

As outlined in "Section 4 Other Aspects" within "Part A – Accounting Policies", the determination of expected losses on performing loans involves significant elements of

¹Given the typically brief nature of these relationships and the current unavailability of rating parameters for determining collective write-downs, it is believed that these criteria enable comprehensive analyses, and it is deemed unnecessary to consider the so-called relative staging criteria based on metrics derived from PD term structures.

judgement, particularly concerning the model used for measuring losses and the relevant risk parameters, the triggers considered indicative of significant credit deterioration, and the selection of macroeconomic scenarios. Specifically, the inclusion of forward-looking factors requires generating macroeconomic forecasts, selecting scenarios and their related probabilities, and defining a model capable of expressing the relationship between these macroeconomic factors and the default rates of the exposures under evaluation. The Company, through Banca Popolare di Sondrio, carries out this activity with the support of a specialised external firm, Prometeia, which provides the necessary software for processing. The company procedures require that the relevant departments prudently reassess the values automatically determined through the use of the developed calculation algorithms and associated risk factors, balancing the need for timely updates and reassessment of counterparty risk levels with the need for stability and robustness of the estimates. In the face of substantial evidence of an expected risk escalation not captured by the evaluation models, they can integrate the findings by applying temporary incremental correction factors.

It is emphasised that, on the occasion of the run as at 31 December 2025, the usual updates were made to the modelling and management overlay layers that contribute to the determination of the collective provisions, with the aim of ensuring that the overall impairment and coverage levels are fully aligned with the actual current and prospective risk profile of the portfolio, specifically:

- The so-called geo-sectoral layer, which is updated according to 'inertial' logic and contributes approximately Euro 0.6 million to the final level of provisions;
- The so-called model-related A-IRB layer, which was updated according to 'inertial' principles and had a zero impact in the calculation cycle in question, primarily due to the most recent developments affecting the proxy PDs used as a starting point in the calculation process²;
- The position-specific add-on, an overlay component applied, in accordance with the instructions of senior management, to two specific counterparties, which contributes approximately Euro 1.8 million to the final level of provisions.

Regarding the explicit incorporation of scenario-dependent aspects into models for determining collective write-downs, the macro-economic scenarios utilised provide projections of the evolutionary trends of dozens of macro-economic variables. These projections are developed over multi-year time horizons and are typically updated on a quarterly basis under market conditions considered standard³ and are subject to specific analysis and discussion, also with the support of Banca Popolare di Sondrio. The scenarios examined address different degrees of adverse/favourable conditions affecting the overall macroeconomic situation.

For the purposes of estimating devaluations, a basic scenario has historically been considered, defined according to the "central" evolutionary trend of the macro-economic variables with respect to their value observed at the initial moment of the estimate and that should therefore be configured as the one whose realisation is generally considered to be more probable and possible, and two scenarios so-called - "adverse" and "favourable" - that

² More specifically, the recent and significant increase observed with regard to these parameters would have led, for the first time since the introduction of this layer and contrary to its prudential nature, to the adoption of IFRS 9 PDs derived from the A-IRB models, which would have resulted in an overall level of write-downs lower than that generated by the PDs currently used within the calculation engine. Therefore, based on this evidence, a zero impact, rather than a negative impact, was assigned to this methodological component.

³ These estimates are, however, subject to *ad-hoc* updates should the provider identify elements of atypicality and/or particular turbulence in the general macroeconomic context.

address outcomes deemed somewhat plausible and not extreme in the macroeconomic context identified. The importance of the above scenarios in the final determination of the write-downs is defined using an appropriate set of weighting coefficients that, in general, reflect the estimated severity assigned to each scenario by the external provider, as adjusted after specific internal analysis and processing by Banca Popolare di Sondrio.

In order to guarantee optimal monitoring of these aspects in view of the particular importance acquired by the same, the Company, through the support of Banca Popolare di Sondrio, has continued to carry out periodic *ad-hoc* analyses of both a qualitative and quantitative nature in this area, also by conducting regular benchmarking analyses with other available information sources, namely both alternative providers and publications of the main domestic and foreign bodies and institutions of established reputation (so-called third party data).

With regard, on the other hand, to the choice of scenarios to be used in calculating the write-downs and the calibration of the weighting coefficients assigned to them, when calculating the write-downs at the end of FY 2025, the Company adopted the parametrisations in use at Banca Popolare di Sondrio, in order to accelerate the process of converging the parametrisations of the forward-looking information (FLI) in use at the two institutions:

- a **baseline scenario**, corresponding to the equivalent scenario issued by the official supplier on the occasion of the June Forecast Report (RdP 2025Q2), to which a probability coefficient of 78% is assigned;
- a **favourable scenario**, corresponding to the equivalent scenario issued by the official supplier on the occasion of the June Forecast Report (RdP 2025Q2), to which a probability coefficient of 17% is attributed;
- an **extremely adverse scenario**, being the same as the one issued by the official supplier on the occasion of the June Forecast Report (RdP 2025Q2), to which a probability of 5% is attributed.

Table 1 shows the evolutionary dynamics of the main macro-economic variables (gross domestic product, unemployment, and inflation) for each of the above scenarios over a three-year forecast horizon.

Macroeconomic variable	Scenario Base			Scenario Extreme adverse			Scenario Favourable		
	2026	2027	2028	2026	2027	2028	2026	2027	2028
Italy's GDP (% on an annual basis)	0.7%	0.5%	0.6%	-1.4%	0.0%	0.1%	1.5%	0.9%	1.1%
Italy's unemployment	6.0%	5.8%	5.7%	6.9%	7.8%	8.6%	5.6%	5.2%	4.7%
Italy's inflation (% on an annual basis)	1.8%	2.1%	2.0%	2.6%	2.6%	1.7%	1.8%	1.8%	1.5%

Table 1 – Annual forecasts for the main macro-variables

In order to quantify the variability to which the final write-downs are subject, given all the scenario-dependent factors considered explicitly in its methodological framework, the Company has also carried out, in accordance with sector best practices and the most recent recommendations of the Supervisory Authorities⁴, specific sensitivity analyses on the level of write-down of its performing exposures, the results of which are summarised in the tables below.

⁴ See for example the paper ESMA32 -63 - 791 of 22 October 2019.

In particular, **Table 2** analyses by operational macro-segment and stage the different levels of write-down corresponding to the three scenarios identified – baseline, adverse and extreme – used to calculate the official amount, as well as the weighted outcome determined after applying the probabilities indicated above.

Management macro-segment	Stage	Bas. scen. [€/1,000]	Extr. adv. scenario [€/1,000]	Fav. scen. [€/1,000]	Weight. scen. [€/1,000]
Healthcare	Stage 01	0.0	0.0	0.0	0.0
	Stage 02	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
Other	Stage 01	0.0	0.0	0.0	0.0
	Stage 02	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
Commerce	Stage 01	4,717.2	5,516.4	4,311.6	4,688.2
	Stage 02	643.4	767.8	583.1	639.4
	Total	5,360.6	6,284.2	4,894.7	5,327.6
Agriculture / Industry / Services	Stage 01	6,439.6	7,404.8	6,004.3	6,413.9
	Stage 02	49.4	54.0	47.0	49.2
	Total	6,489.0	7,458.8	6,051.2	6,463.1
Construction	Stage 01	219.1	250.0	205.1	218.2
	Stage 02	1,296.4	1,462.8	1,222.5	1,292.2
	Total	1,515.5	1,712.8	1,427.6	1,510.4
Central Administration	Stage 01	130.4	177.3	116.2	130.4
	Stage 02	0.0	0.0	0.0	0.0
	Total	130.4	177.3	116.2	130.4
PopSo Guaranteed	Stage 01	0.0	0.0	0.0	0.0
	Stage 02	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
Total	Stage 01	11,506.3	13,348.4	10,637.2	11,450.7
	Stage 02	1,989.2	2,284.6	1,852.6	1,980.8
	Total	13,495.6	15,633.0	12,489.7	13,431.4

Table 2 - Write-downs [in €/thousand] at 31 December 2025 for the performing positions of the Company's portfolio associated with different macro-economic scenarios

Dually, **Table 3** provides a representation of the value of write-downs that would be obtained in correspondence of four different choices of probabilistic⁵ coefficients regarding the official one adopted.

Management macro-segment	Stage	Weight. scen. 1 [€/1,000]	Weight. scen. 2 [€/1,000]	Weight. scen. 3 [€/1,000]	Weight. scen. 4 [€/1,000]
Healthcare	Stage 01	0.0	0.0	0.0	0.0
	Stage 02	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
Other	Stage 01	0.0	0.0	0.0	0.0
	Stage 02	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
Commerce	Stage 01	4,707.9	4,728.2	4,667.9	4,748.5
	Stage 02	642.6	645.6	636.4	648.6
	Total	5,350.5	5,373.8	5,304.3	5,397.1
Agriculture / Industry / Services	Stage 01	6,440.4	6,462.1	6,392.1	6,483.9
	Stage 02	49.3	49.4	49.1	49.5
	Total	6,489.7	6,511.6	6,441.2	6,553.4
Construction	Stage 05	219.1	219.8	217.5	220.5
	Stage 02	1,296.8	1,300.5	1,288.5	1,304.2
	Total	1,515.9	1,520.3	1,506.0	1,524.7
Central Administration	Stage 01	132.0	132.7	129.6	133.4
	Stage 02	0.0	0.0	0.0	0.0
	Total	132.0	132.7	129.6	133.4
PopSo Guaranteed	Stage 01	0.0	0.0	0.0	0.0
	Stage 02	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
Total	Stage 01	11,499.3	11,542.8	11,407.2	11,586.2
	Stage 02	1,988.7	1,995.5	1,973.9	2,002.4
	Total	13,488.0	13,583.3	13,381.2	13,588.6

Table 3 - Write-downs [in €/thousands] at 31 December 2025 for the performing positions of the Company's loan portfolio associated with different weightings of the macro-economic scenarios

Lastly, see "Part A – Accounting policies" for information about the determination of expected losses on stage 3 exposures i.e. non-performing loans. More specifically, the expected losses on non-performing loans at 31 December 2025 are determined analytically with reference to expected recoveries, which are discounted using the original effective interest rates over the collection period. Given that the expected recoveries are determined with reference to the specific circumstances of each debtor, it is not considered meaningful to analyse the sensitivity of the expected losses.

⁵ The values of the weighting factors for the baseline, adverse and favourable scenarios are 68%-10%-22% (alternative weighted scenario 1), 73%-10%-17% (alternative weighted scenario 2), 73%-5%-22% (alternative weighted scenario 3), and 78%-10%-22% (alternative weighted scenario 4), respectively.

d) Credit risk mitigation techniques

The Company mitigates exposure to credit risk, in its various forms, through the adoption of strategies, safeguards, and management initiatives aimed at limiting and, where possible, containing the highest level of risk assumed.

Should any critical issues be identified during the credit risk identification and assessment processes or during the regular monitoring of related exposure, specific interventions are initiated or targeted. These interventions aim to prevent and mitigate the detected risks, addressing events that could potentially harm the company's profitability and assets. In the case of such events occurring, the interventions aim to limit negative impacts.

As part of the company's activities, the adoption of safeguards contributes to the prevention and mitigation of credit risk such as:

- the increase in the number of intermediated business relationships;
- the acquisition and management of guarantees or of credit insurance coverage;
- the presence of mitigation clauses in "without recourse" relationships aimed at guaranteeing a credit risk profile considered acceptable for the Company, in line with its risk appetite;
- preventive measures to limit particularly concentrated exposures, leading to an intensification of controls and risk analyses to be carried out before the execution of the transactions;
- actions to correct the risk profile, to be implemented in the event of an increase in the levels of risk assumed, with the aim of bringing the amount of exposure back down below the limits of acceptability and restoring a situation in line with the Bank's risk appetite.

3. Non-performing loans

The technical and organisational procedures used in the management and control of anomalous receivables are structured according to the level of anomaly in the position.

With regard to non-compliance, a monitoring of final results and trends is carried out in order to:

- verify whether or not the state of economic-financial difficulty of the counterparties is reversible;
- assess the proposed repayment plans with respect to the respective capacities to meet these obligations within the specified time-frames, also considering any requests for relaxation of the terms applied to the cases under review;
- examine the outcome of the initiatives undertaken to normalise/recover the loans (repayment schedules, adjustments to the technical utilisation forms, etc.) as well as the reasons for their potential failure;
- determine the relevant loss forecasts, which, in the case of Unlikely-to-Pay exposures and Non-Performing Loans, are also prepared analytically, taking into account the reference economic and financial context.

Regarding doubtful loans, risk control is carried out through the following activities:

- for the new positions, urging their settlement;
- any assignment to debt collection companies;
- entrust new positions to external lawyers for the initiation of rigorous actions towards the assigned Debtors, the Assignors, and any guarantors;
- for positions already placed in recovery, verification of compliance by the counterparties with the commitments undertaken;
- periodic verification, through the analysis of individual positions, of the correctness of the classification and the estimation of expected losses.

Specifically, for exposures identified as Bad Loans and Unlikely to Pay, the Legal, Credit Recovery and Litigation Service, which is responsible for quantifying analytical loss forecasts, considers prospective recovery expectations in its evaluations. Furthermore, the Company has a procedure that allows recoverable amounts to be discounted according to the EIR rate of the transaction at the time of the first transition into Unlikely to Pay or Bad Loans.

For Past Due exposures, considering the historically low significance of this class, the Company utilises a unified parameter for the calculation of value adjustments on a lump-sum basis, calculated consistently with the model adopted for performing exposures. This parameter is subject to periodic review based on the changes in these exposures, considering a time frame of 7 years.

4. Financial assets subject to trade renegotiation and exposures subject to forbearance

The provision to a Debtor who is experiencing or is on the verge of experiencing difficulties in fulfilling their financial commitments is governed by the "*Credit Process Guidelines*", approved by the Board of Directors.

For an exposure to be recognised as forborne, it is essential that, based on specific evaluations by the Credit Service (for performing exposure) or the Legal Service, Credit Recovery, and Litigation (for non-performing exposures), both of the following conditions are satisfied:

- the exposure is subject to the granting of tolerance measures (so-called forbearance measures) in favour of the counterparty;
- the counterparty benefiting from the concession is in a situation of *financial difficulty* or is at any rate close to it.

A granting therefore occurs in conjunction with one of the following actions:

- modification of the terms or previous contractual conditions that the counterparty is presumed to be unable to comply with and which would not have been granted if the party had not been in financial difficulties;
- full or partial refinancing of a contract relating to a "problematic" loan, which would not have been granted if the counterparty had not been in financial distress.

The identification of potential forborne loans is made regardless of the classification of the counterparty and is therefore conducted with reference to both performing and non-performing exposures.

The verification of forbearance granting is carried out at the level of the individual factoring relationship, i.e. Assignor with recourse or Debtor without recourse. Consequently, only those exposures involving a concession towards the counterparty are regarded as forborne exposures, while other relationships remain unchanged and unrenegotiated.

In view of the above, the anticipated losses on positions with concessions are estimated in relation to the financial instrument's classification, which could fall under stage 2 (forborne performing) or stage 3 (forborne non-performing).

Supervisory expectations on climate and environmental risks

In 2025, Factorit finalised its 'Climate and Environmental Risk Management Plan', excluding certain activities that were discontinued following the change in the corporate structure resulting from the Public Tender Offer (PTO) through which the BPER Banca Group acquired control of the Banca Popolare di Sondrio Group, in particular those activities relating to the definition of the Company's individual climate strategy, which will have to be aligned with the framework in use at the new Parent Company, BPER.

During this financial year, the main measures taken to finalise the action plan's work-streams focused on *i)* consolidating the integration of ESG factors into credit processes, in particular into the granting, decision-making, pricing and credit policy-making processes; *ii)* updating the analysis of the relevance and materiality of the impacts of climate and environmental risk factors on the traditional risks considered material for the Company; *iii)* improving the monitoring of ESG risk factors by introducing new indicators within the Risk Appetite Framework; *iv)* enhancing senior management reporting with new perspectives on climate and environmental risks within the quarterly risk dashboard; and *v)* integrating ESG data into the IT architecture to support internal analyses and processes, together with the associated data quality framework.

QUANTITATIVE INFORMATION

1. Distribution of financial assets by portfolio and credit quality (book values)

Portfolios/ quality	Bad loans	Unlikely-to-pay loans	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	64,206	15,343,206	175,921	97,526,369	5,004,186,408	5,117,296,110
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-
5. Financial assets held for sale	-	-	-	-	-	-
31 December 2025	64,206	15,343,206	175,921	97,526,369	5,004,186,408	5,117,296,110
31 December 2024	-	3,960,890	1,047,340	70,280,213	4,954,194,649	5,029,483,092

2. Distribution of financial assets by portfolio and credit quality (gross and net values)

Portfolios/ quality	Non-performing		Partial total		Performing		Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	write-off	Gross exposure	Total value adjustments	
1. Financial assets measured at amortised cost	37,162,654	21,579,321	15,583,333	4,755,522	5,114,575,220	12,862,443	5,101,712,777
2. Financial assets measured at fair value through other comprehensive Income	-	-	-	-	-	-	-
3. Financial assets designated at fair value	-	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-	-
5. Financial assets held for sale	-	-	-	-	-	-	-
Total 31/12/2025	37,162,654	21,579,321	15,583,333	4,755,522	5,114,575,220	12,862,443	5,101,712,777
Total 31/12/2024	16,622,115	11,613,885	5,008,230	6,455,215	5,034,243,687	9,768,825	5,024,474,862
Portfolios/ quality	Assets with poor credit quality			Other assets			Total
1. Financial assets held for trading	-			-			-
2. Hedging derivatives	-			-			-
31 December 2025	-			-			-
31 December 2024	-			-			-

3. Distribution of financial assets by past due categories (carrying amount)

Portfolios/ risk stages	First stage			Second stage			Third stage			Impaired purchased or originated		
	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	Up to 30 days	From over 30 days to 90 days	Over 90 days	Up to 30 days	From over 30 days to 90 days	Over 90 days	Up to 30 days	From over 30 days to 90 days	Over 90 days
1. Financial assets measured at amortised cost	80,396,599	-	-	3,914	17,125,856	-	42,748	8,519,965	3,104,991	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
31 December 2025	80,396,599	-	-	3,914	17,125,856	-	42,748	8,519,965	3,104,991	-	-	-
31 December 2024	28,043,889	-	-	2,473,764	39,762,560	-	53,535	74,949	1,839,522	-	-	-

4. Financial assets, commitments to grant funds and financial guarantees given: analysis of total value adjustments and total provisions (carrying amount)

Causes/stages of risk	Total value adjustments														
	First stage assets				Second stage assets				Third stage assets						
	Receivables from banks and central banks on demand financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	Receivables from banks and central banks on demand financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	Receivables from banks and central banks on demand financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs
Total opening adjustments	- 9,552,961	-	-	-	- 9,552,961	- 215,864	-	-	-	- 215,864	- 11,613,885	-	-	-	- 11,613,885
Increases in financial assets purchased or originated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition other than write-offs	- 7,398,285	-	-	-	- 7,398,285	- 141,749	-	-	-	- 141,749	-	-	-	-	- 680,859
Net adjustments/write-backs for credit risk (+/-)	- 9,361,713	-	-	- 9,361,713	- 1,341,691	-	-	-	- 1,341,691	-	- 14,392,698	-	-	-	- 14,392,698
Contractual amendments without derecognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	- 3,816,155	-	-	-	- 3,816,155
Other changes	- 69,527	-	-	- 69,527	- 225	-	-	-	- 225	-	69,752	-	-	-	69,752
Final overall inventories	- 11,446,862	-	-	- 11,446,862	- 1,415,581	-	-	-	- 1,415,581	-	- 21,579,321	-	-	-	- 21,579,321
Recoveries from collection on financial assets subject to write-offs	-	-	-	-	-	-	-	-	-	-	91,961	-	-	-	91,961
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Causes/stages of risk	Total value adjustments		Total provisions for commitments to grant loans and financial guarantees given					Total			
	Financial assets impaired purchased or originated		Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	First stage		Second stage	Third stage	Commitments to grant funds and fin. guarantees given impaired acquired or originated
	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income									
Total opening adjustments	-	-	-	-	-	-	321,579	3,860	201,016	-	21,909,165
Increases in financial assets purchased or originated	-	-	-	-	-	-	-	-	-	-	-
Derecognition other than write-offs	-	-	-	-	-	-	-	-	-	-	-
Net adjustments/write-backs for credit risk (+/-)	-	-	-	-	-	-	146,111	97,866	-198,802	-	-8,220,893
Contractual amendments without derecognition	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-3,816,155
Other changes	-	-	-	-	-	-	-	-	-	-	-
Final overall inventories	-	-	-	-	-	-	467,690	101,726	2,214	-	35,013,394
Recoveries from collection on financial assets subject to write-offs	-	-	-	-	-	-	-	-	-	-	91,961
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-

For the sub-item concerning "commitments and other financial guarantees given", it should be noted that adjustments are due both to commitments to disburse "approved with recourse" transactions (formal without recourse), meaning the difference between the total receivables of the approved with recourse and the respective advance (the latter recognised within the financial statements assets of the Assignor), as well as commitments related to "committed lines" provided to certain high-standing customers.

5. Financial assets, commitments to grant funds and financial guarantees given: transfers between the various stages of credit risk (gross and nominal values)

Portfolios/risk stages	Gross values/nominal value					
	Transfers between first and second stage		Transfers between second and third stage		Transfers between first and third stage	
	First stage to second stage	Second stage to first stage	Second stage to third stage	Third stage to second stage	First stage to third stage	Third stage to first stage
1. Financial assets measured at amortised cost	22,859,554	37,893,974	188,161	-	24,586,058	3,830,844
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-
4. Commitments to grant loans and financial guarantees given	2,031,883	-	-	-	2,220	316,424
Total 31/12/2025	24,891,437	37,893,974	188,161	-	24,588,278	4,147,268
Total 31/12/2024	58,560,810	7,174,759	-	276	8,262,490	148

6. Credit exposures to customers, banks, and financial companies

6.1 Credit exposures and off-financial statements exposures to banks and financial companies: gross and net values

Exposure types/values	Gross exposure			Total value adjustments and provisions			Net exposure	Partial total write-off
	First stage	Second stage	Third stage	Impaired purchased or originated	Third stage	Impaired purchased or originated		
A. Credit exposures for cash								
A.1 on demand	1,458,904	-	-	-	-	-	1,458,904	-
a) Non-performing	-	-	-	-	-	-	-	-
b) Performing	1,458,904	-	-	-	-	-	1,458,904	-
A.2 other	534,740,358	478,328	-	797,599	1,433	-	534,419,654	-
a) Bad loans	-	-	-	-	-	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-
b) Unlikely-to-pay	-	-	-	-	-	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-
c) Non-performing past due exposures	-	-	-	-	-	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-
d) Performing past due exposures	4,565,076	478,328	-	19,399	1,433	-	5,022,572	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-
e) Other performing exposures	530,175,282	-	-	778,200	-	-	529,397,082	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-
Total A	536,199,262	478,328	-	797,599	1,433	-	535,878,558	-
B. Off-balance sheet credit exposures								
a) Non-performing	-	-	-	-	-	-	-	-
b) Performing	7,998,138	-	-	1,810	-	-	7,996,328	-
Total B	7,998,138	-	-	1,810	-	-	7,996,328	-
Total A+B	544,197,400	478,328	-	799,409	1,433	-	543,874,886	-

Off-balance sheet credit exposures include not only commitments on the part of without recourse loans not yet advanced, but also credit margins granted to customers.

6.2 On-balance sheet credit exposures to banks and financial institutions: trend of gross non-performing exposures

Reasons/Categories	Bad loans	Unlikely-to-pay loans	Non-performing past due exposures
A. Opening gross exposure	-	-	-
- of which: exposures sold not derecognised	-	-	-
B. Increases	-	-	-
B.1 transfers from performing loans	-	-	-
B.2 transfers from impaired financial assets purchased or originated	-	-	-
B.3 transfers from other categories of impaired exposures	-	-	-
B.4 contractual amendments without derecognition	-	-	-
B.5 other increases	-	-	-
C. Decreases	-	-	-
C.1 transfers to performing loans	-	-	-
C.2 write-offs	-	-	-
C.3 collections	-	-	-
C.4 proceeds from disposals	-	-	-
C.5 losses on disposal	-	-	-
C.6 transfers to other categories of non-performing exposures	-	-	-
C.7 contractual amendments without derecognition	-	-	-
C.8 other decreases	-	-	-
D. Closing gross exposure	-	-	-
- of which: exposures sold not derecognised	-	-	-

6.2 bis Cash credit exposures to banks and financial companies: dynamics of gross exposures subject to concessions distinguished by credit quality

Reasons/Quality	Exposures subject to forbearance: non-performing	Exposures subject to forbearance: performing
A. Opening gross exposure	-	-
- of which: exposures sold not derecognised	-	-
B. Increases	-	-
B.1 reclassified from non-impaired exposures not subject to forbearance	-	-
B.2 reclassified from non-impaired exposures subject to forbearance	-	-
B.3 transfers from exposures subject to forbearance and non-performing	-	-
B.4 other increases	-	-
C. Decreases	-	-
C.1 reclassified to non-impaired exposures not subject to forbearance	-	-
C.2 transfers to performing loans subject to forbearance	-	-
C.3 transfers to loans subject to forbearance and non-performing	-	-
C.4 write-offs	-	-
C.5 collections	-	-
C.6 proceeds from disposals	-	-
C.7 losses on disposal	-	-
C.8 other decreases	-	-
D. Closing gross exposure	-	-
- of which: exposures sold not derecognised	-	-

6.3 On-balance sheet credit exposures to banks and financial institutions: trend in total write-downs

Reasons/Categories	Bad loans		Unlikely-to-pay loans		Non-performing past due exposures	
	Total	of which: exposures subject to forbearance	Total	of which: exposures subject to forbearance	Total	of which: exposures subject to forbearance
A. Total opening adjustments	-	-	-	-	-	-
- of which: exposures sold not derecognised	-	-	-	-	-	-
B. Increases	-	-	-	-	-	-
B.1 value adjustments from financial assets impaired acquired or originated	-	-	-	-	-	-
B.2 other adjustments	-	-	-	-	-	-
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfers from other categories of impaired exposures	-	-	-	-	-	-
B.5 contractual amendments without derecognition	-	-	-	-	-	-
B.6 other increases	-	-	-	-	-	-
C. Decreases	-	-	-	-	-	-
C.1 writebacks on valuation	-	-	-	-	-	-
C.2 writebacks due to collections	-	-	-	-	-	-
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	-	-	-	-	-	-
C.5 transfers to other categories of non-performing exposures	-	-	-	-	-	-
C.6 contractual amendments without derecognition	-	-	-	-	-	-
C.7 other decreases	-	-	-	-	-	-
D. Total closing adjustments	-	-	-	-	-	-
- of which: exposures sold not derecognised	-	-	-	-	-	-

6.4 On and off-balance sheet credit exposures to customers: gross and net values

Exposure types/values	Gross exposure					Total value adjustments and provisions					Partial total write-off	
	First stage	Second stage	Third stage	Impaired purchased or originated	First stage	Second stage	Third stage	Impaired purchased or originated	Net exposure			
A. On-balance sheet credit exposures												
a) Bad loans	-	-	1,480,433	-	-	-	1,416,227	-	64,206	-	-	2,039,482
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-	-	-	-	-
b) Unlikely-to-pay	-	-	35,477,576	-	-	-	20,134,370	-	15,343,206	-	-	2,716,040
- of which: exposures subject to forbearance	-	-	308,815	-	-	-	186,627	-	122,188	-	-	-
c) Non-performing past due exposures	-	-	204,645	-	-	-	28,724	-	175,921	-	-	-
- of which: exposures subject to forbearance	-	-	1,607	-	-	-	225	-	1,382	-	-	-
d) Performing past due exposures	76,129,723	16,717,443	-	-	-	278,802	64,567	-	92,503,797	-	-	45,752
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-	-	-	-	-
e) Other performing exposures	4,434,074,254	52,435,114	-	-	-	10,370,461	1,349,581	-	4,474,789,326	-	-	-
- of which: exposures subject to forbearance	-	-	-	-	-	-	-	-	-	-	-	-
Total A	4,510,203,977	69,152,557	37,162,654	-	-	10,649,263	1,414,148	21,579,321	4,582,876,456	-	-	4,801,274
B. Off-balance sheet credit exposures												
a) Non-performing	-	-	4,032	-	-	-	2,214	-	1,818	-	-	-
a) Performing	519,051,428	3,002,512	-	-	-	465,880	101,726	-	521,486,334	-	-	-
Total B	519,051,428	3,002,512	4,032	-	-	465,880	101,726	2,214	521,488,152	-	-	-
Total A+B	5,029,255,405	72,155,169	37,166,686	-	-	11,115,143	1,515,874	21,581,535	5,104,364,608	-	-	4,801,274

Off-balance sheet credit exposures include not only commitments on the part of without recourse loans not yet advanced, but also credit margins granted to customers.

6.5 Credit exposures to customers: trend of gross non-performing exposures

Reasons/Categories	Bad loans	Unlikely-to-pay loans	Non-performing past due exposures
A. Opening gross exposure	2,101,075	13,303,203	1,217,837
- of which: exposures sold not derecognised	-	-	-
B. Increases	3,345,407	45,603,075	204,645
B.1 transfers from performing loans	1,301,830	24,618,622	204,645
B.2 transfers from impaired financial assets purchased or originated	-	-	-
B.3 transfers from other categories of impaired exposures	2,003,225	-	-
B.4 contractual amendments without derecognition	-	-	-
B.5 other increases	40,352	20,984,453	-
C. Decreases	3,966,049	23,428,702	1,217,837
C.1 transfers to performing loans	-	-	8,239
C.2 write-offs	3,806,232	9,923	-
C.3 collections	159,817	21,413,969	1,209,598
C.4 proceeds from disposals	-	-	-
C.5 losses on disposal	-	-	-
C.6 transfers to other categories of non-performing exposures	-	2,003,225	-
C.7 contractual amendments without derecognition	-	-	-
C.8 other decreases	-	1,585	-
D. Closing gross exposure	1,480,433	35,477,576	204,645
- of which: exposures sold not derecognised	-	-	-

6.5 bis On-balance sheet credit exposures to customers: dynamics of gross exposures granted by credit quality

Reasons/Quality	Exposures subject to forbearance: non-performing	Exposures subject to forbearance: performing
A. Opening gross exposure	-	275
- of which: exposures sold not derecognised	-	-
B. Increases	310,422	-
B.1 inflows from performing exposures not subject to forbearance	310,422	-
B.2 inflows from performing exposures subject to forbearance	-	-
B.3 inflows from non performing exposures subject to forbearance	-	-
B.4 other increases	-	-
C. Decreases	-	275
C.1 outflows to performing exposure not subject to forbearance	-	-
C.2 outflows to performing exposures subject to forbearance	-	-
C.3 outflows to non-performing exposure subject to forbearance	-	-
C.4 write-offs	-	-
C.5 collections	-	275
C.6 proceeds from disposals	-	-
C.7 losses on disposal	-	-
C.8 other decreases	-	-
D. Closing gross exposure	310,422	-
- of which: exposures sold not derecognised	-	-

6.6 Non-performing on-balance sheet credit exposures to customers: dynamics of total impairment adjustments

Reasons/Categories	Bad loans		Unlikely-to-pay loans		Non-performing past due exposures	
	Total	of which: exposures subject to forbearance	Total	of which: exposures subject to forbearance	Total	of which: exposures subject to forbearance
A. Total opening adjustments	2,101,075	-	9,342,313	-	170,497	-
- of which: exposures sold not derecognised	-	-	-	-	-	-
B. Increases	3,281,201	-	12,632,595	186,627	28,724	225
B.1 value adjustments from financial assets impaired acquired or originated	-	-	-	-	-	-
B.2 other adjustments	1,816,869	-	12,564,439	186,627	28,718	225
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfers from other categories of impaired exposures	1,462,743	-	-	-	-	-
B.5 contractual amendments without derecognition	-	-	-	-	-	-
B.6 other increases	1,589	-	68,156	-	6	-
C. Decreases	3,966,049	-	1,840,538	-	170,497	-
C.1 writebacks on valuation	-	-	9,088	-	8,239	-
C.2 writebacks due to collections	159,817	-	358,784	-	162,258	-
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	3,806,232	-	9,923	-	-	-
C.5 transfers to other categories of non-performing exposures	-	-	1,462,743	-	-	-
C.6 contractual amendments without derecognition	-	-	-	-	-	-
C.7 other decreases	-	-	-	-	-	-
D. Total closing adjustments	1,416,227	-	20,134,370	186,627	28,724	225
- of which: exposures sold not derecognised	-	-	-	-	-	-

7. Classification of financial assets, commitments to grant funds, and financial guarantees provided based on external and internal ratings

Factorit utilises the external rating from ECAI Scope Rating AG for exposures within the Central Government and Central Bank portfolio.

Company	Class of merit	Rating	Italy rating as of 31/12/2025
Scope Rating AG	2	B	BBB+

Additionally, Factorit employs the external rating from the ECAI Cerved Rating Agency S.p.A. for exposures classified under the "company and other entities" portfolio. The valuations relate only to resident companies with an exposure of Euro 1.5 million or more.

Below are the weighting coefficients currently in force:

Class of merit	Weighting coefficient	Rating Class of Cerved Rating Agency
1	0.2	A1.1, A1.2, A1.3
2	0.5	A2.1 to A3.1
3	1	B1.1, B1.2
4	1	B2.1, B2.2
5	1.5	C1.1
6	1.5	C1.2 to C2.1

7.1 Distribution of financial assets, commitments to grant funds and financial guarantees given by external rating classes (gross amounts)

Exposures	External rating classes						Unrated	Total
	class 1	class 2	class 3	class 4	class 5	class 6		
A. Financial assets measured at amortised cost	34,362,146	744,700,979	562,094,745	493,853,891	172,129,364	1,438,651	3,143,158,100	5,151,737,876
- First stage	34,362,146	744,700,979	562,094,745	486,757,101	172,129,364	1,435,423	3,043,464,579	5,044,944,337
- Second stage	-	-	-	7,096,790	-	-	62,534,095	69,630,885
- Third stage	-	-	-	-	-	3,228	37,159,426	37,162,654
B. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
Total (A + B)	34,362,146	744,700,979	562,094,745	493,853,891	172,129,364	1,438,651	3,143,158,100	5,151,737,876
of which: financial assets impaired purchased or originated	-	-	-	-	-	-	-	-
C. Commitments to grant funds and financial guarantees given	2,358,662	84,335,130	176,878,722	69,564,250	5,684,502	1,774	191,233,070	530,056,110
- First stage	2,358,662	83,577,973	176,878,722	69,564,250	5,684,502	-	188,985,457	527,049,566
- Second stage	-	757,157	-	-	-	-	2,245,355	3,002,512
- Third stage	-	-	-	-	-	1,774	2,258	4,032
Total (C)	2,358,662	84,335,130	176,878,722	69,564,250	5,684,502	1,774	191,233,070	530,056,110
Total (A + B + C)	36,720,808	829,036,109	738,973,467	563,418,141	177,813,866	1,440,425	3,334,391,170	5,681,793,986

Off-balance sheet credit exposures include not only commitments on the part of without recourse loans not yet advanced, but also credit margins granted to customers.

9.2 Distribution of cash and off-balance sheet credit exposures by geographic area of the counterparty

Exposures/Geographical areas	ITALY		OTHER EU COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Exposure net	Total value write-downs	Exposure net	Total value write-downs	Exposure net	Total value write-downs	Exposure net	Total value write-downs	Exposure net	Total value write-downs
A. Cash exposures										
A.1 Bad loans	64,206	1,416,227	-	-	-	-	-	-	-	-
A.2 Unlikely-to-pay loans	6,823,241	17,819,167	8,519,965	2,315,203	-	-	-	-	-	-
A.3 Non-performing past due exposures	175,921	28,724	-	-	-	-	-	-	-	-
A.4 Other exposures	4,064,201,210	8,143,874	740,552,220	3,888,540	222,825,382	617,478	37,173,458	118,980	36,960,507	93,573
Total A	4,071,264,578	27,407,992	749,072,185	6,203,743	222,825,382	617,478	37,173,458	118,980	36,960,507	93,573
B. Off-balance sheet exposures										
B.1 Non-performing exposures	1,818	2,214	-	-	-	-	-	-	-	-
B.2 Other Exposures	486,690,429	405,913	40,067,360	157,389	1,234,894	677	782,957	4,274	707,022	1,163
Total B	486,692,247	408,127	40,067,360	157,389	1,234,894	677	782,957	4,274	707,022	1,163
Total 31/12/2025	4,557,956,825	27,816,119	789,139,545	6,361,132	224,060,276	618,155	37,956,415	123,254	37,667,529	94,736
Total 31/12/2024	4,528,231,220	18,551,671	959,209,577	3,102,342	42,016,013	114,670	29,461,514	67,913	31,052,820	72,569

9.2.1 Distribution of credit exposures by geographic area of the counterparty (Italy)

Credit Status	North-west Italy		North-east Italy		Central Italy		Southern Italy		Italian Islands	
	Exposure net	Total value adjustments	Exposure net	Total value adjustments	Exposure net	Total value adjustments	Exposure net	Total value adjustments	Exposure net	Total value adjustments
A. On-balance sheet exposures										
Bad loans	64,206	1,079,161	-	45,006	-	12,688	-	279,372	-	-
Unlikely-to-pay loans	3,631,761	5,477,732	217,234	964,666	213,840	5,778,099	2,736,273	5,478,106	24,132	120,564
Non-performing past due exposures	142,455	23,237	-	-	28,272	4,642	2,593	422	2,601	423
Other transactions	2,494,563,357	3,476,641	593,789,157	1,224,893	708,464,479	1,445,066	205,545,933	1,842,554	61,838,285	154,720
Total A	2,498,401,779	10,056,771	594,006,391	2,234,565	708,706,591	7,240,495	208,284,799	7,600,454	61,865,018	275,707
B. "Off-balance sheet" exposures										
Non-performing exposures	1,814	-	3	-	-	2,214	1	-	-	-
Performing exposures	238,222,386	149,802	94,572,003	91,418	121,699,193	130,047	21,017,844	27,025	11,179,003	7,621
Total B	238,224,200	149,802	94,572,006	91,418	121,699,193	132,261	21,017,845	27,025	11,179,003	7,621
(Total A+B) 31/12/2025	2,736,625,979	10,206,573	688,578,397	2,325,983	830,405,784	7,372,756	229,302,644	7,627,479	73,044,021	283,328
(Total A+B) 31/12/2024	2,583,286,852	6,599,700	686,129,070	2,570,425	965,472,138	6,586,064	200,512,703	2,621,225	92,830,457	174,257

9.3 Large exposure

	31 December 2025	31 December 2024
a) Amount (balance sheet value)	2,292,461,372	2,383,652,734
b) Amount (weighted value)	1,358,733,610	949,091,298
c) Number	33	31

In compliance with regulatory guidelines, the total amount and the number of counterparties whose risk position, measured by the "balance sheet value", exceeds 10% of Own Funds is presented.

Risks concerning individual customers are considered collectively when legal and/or economic connections exist between the clients themselves.

The item "Amount (weighted value)" represents the total of cash and off-balance sheet exposures to a client, weighted according to the rules specified by the prudential regulations, considering the nature of the debtor counterparty and any acquired guarantees.

10. Models and other methodologies for the measurement and management of credit risk

The company keeps its factoring management system updated with a computer application that enables daily monitoring of Large Exposures using estimated values.

11. Other quantitative information

The excess over the individual limit (25% of the eligible capital) is covered by guarantees provided by Banca Popolare di Sondrio.

As of 31 December 2025, this applied to four counterparties (major Groups or Companies) whose combined exposure amounted to 42.28% of the total Large Risks exposures.

3.2 - MARKET RISKS

Since Factorit does not hold assets in the trading portfolio, it is not exposed to the related interest rate and price risks.

It is subject only to interest rate risk on assets placed in the banking book and marginally to exchange rate risk. This scenario is monitored through the Group's consolidated metrics by contributing to daily management analyses, the former Banca Popolare di Sondrio Group's market risk capital requirement, and the capital requirement specified by the Fundamental Review of the Trading Book (FRTB), which are subject to parallel reporting at a consolidated level. Exchange rate risk also occasionally contributes to the individual market risk capital requirement when, as a result of the company's core business activities and not of trading activities, the exposure exceeds the relevant regulatory minimum threshold.

3.2.1 Interest rate risk

QUALITATIVE INFORMATION

1 – General aspects

The interest rate risk is caused by the different timing and methods used in repricing the interest rate on assets and liabilities. The presence of diversified fluctuations in interest rates leads to a variation in the expected net interest income, as well as a change in the present value of the assets and liabilities; this in turn alters the economic value of the shareholders' equity.

The high rate of turnover of the loans is accompanied by the presence of short-term funds so as to keep the conditions of lending and funding aligned with each other and with the prevailing market conditions from time to time.

QUANTITATIVE INFORMATION

1. Distribution by residual maturity (by repricing date) of financial assets and liabilities- Currency of denomination: EURO

Items/Remaining duration	On demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Unspecified Duration
1. Assets	625,439,293	3,540,804,643	259,334,392	91,308,426	403,312,573	414,009	-	-
1.1 Fixed-yield securities	-	-	-	-	-	-	-	-
1.2 Credits	625,439,293	3,540,804,643	259,334,392	91,308,426	403,312,573	414,009	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities	348,405,001	3,827,273,441	400,671,135	581,309	4,538,772	5,339,678	4,056,197	-
2.1 Payables	348,405,001	3,827,273,441	400,671,135	581,309	4,538,772	5,339,678	4,056,197	-
2.2 Fixed-yield securities	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

2. Distribution by residual contractual maturity of financial assets and liabilities - Currency of denomination: USD

Items/Remaining duration	On demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Unspecified duration
1. Assets	10,081,765	137,249,544	12,533,190	701,833	-	-	-	-
1.1 Fixed-yield securities	-	-	-	-	-	-	-	-
1.2 Credits	10,081,765	137,249,544	12,533,190	701,833	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities	9,988,745	91,317,654	58,307,019	510,014	-	-	-	-
2.1 Payables	9,988,745	91,317,654	58,307,019	510,014	-	-	-	-
2.2 Fixed-yield securities	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

3. Distribution by residual contractual maturity of financial assets and liabilities - Currency of denomination: GBP

Items/Remaining duration	On demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Unspecified Duration
1. Assets	6,260,952	17,835,755	492,688	-	-	-	-	-
1.1 Fixed-yield securities	-	-	-	-	-	-	-	-
1.2 Credits	6,260,952	17,835,755	492,688	-	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities	41,213	11,545,461	13,061,702	-	-	-	-	-
2.1 Payables	41,213	11,545,461	13,061,702	-	-	-	-	-
2.2 Fixed-yield securities	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

4. Distribution by residual contractual maturity of financial assets and liabilities - Currency of denomination: OTHERS

Items/Remaining duration	On demand	Up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Unspecified Duration
1. Assets	343,231	12,642,720	-	-	-	-	-	-
1.1 Fixed-yield securities	-	-	-	-	-	-	-	-
1.2 Credits	342,231	12,642,720	-	-	-	-	-	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities	6,241	5,302,518	7,697,731	-	-	-	-	-
2.1 Payables	6,241	5,302,518	7,697,731	-	-	-	-	-
2.2 Fixed-yield securities	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-
3.3 Long positions	-	-	-	-	-	-	-	-
3.4 Short positions	-	-	-	-	-	-	-	-

2. Models and other methodologies for the measurement and management of interest rate risk

The impact on future net interest margin over the twelve-month period resulting from an instantaneous and parallel variation, differentiated by currency of denomination, of interest rates, as indicated in the "parallel shock up" scenario described in the "Regulatory Technical Standards EBA/RTS/2022/10", is positive and amounts to Euro 1 million.

Future net interest income means the difference between future interest income and future interest expense, calculated on existing transactions and on transactions to be settled on the reference date, assuming constant volumes.

In the context of the "parallel shock down" scenario outlined in the "Regulatory Technical Standards EBA/RTS/2022/10", an alteration in interest rates over the course of twelve months would lead to a decrease in the margin of Euro 2 million.

3. Other quantitative information on interest rate risk

By simulating the effects of the "parallel shock up" and "parallel shock down" as described in the "Regulatory Technical Standards EBA/RTS/2022/10", characterised by an instantaneous and parallel movement, differentiated by denomination currency, of interest rates, the change in net asset value is estimated respectively as a reduction of Euro 9 million and an increase of Euro 10 million.

3.2.2 Price risk

QUALITATIVE INFORMATION

1. General aspects

The Company is not exposed to risks arising from price fluctuations.

3.2.3 Exchange risk

QUALITATIVE INFORMATION

1. General aspects

Exchange risk is marginal in Factorit, given the company's policy of systematic hedging of foreign currency amounts. This risk exists mainly, but for limited volumes, given the following aggregates:

- commissions and interest income not offset by interest expense expressed in currencies other than the euro;
- guarantees in foreign currency against transactions in euro.

The Company does not utilise internal measurement models; instead, it applies regulatory methodologies to monitor risk exposure and assess it on a quarterly basis.

The Company does not adopt internal measurement models; however, as previously mentioned, it contributes to the consolidated reporting of the exchange rate risk requirement according to the methodology of the Fundamental Review of the Trading Book.

QUANTITATIVE INFORMATION

1. Distribution of assets, liabilities and derivatives by foreign currency

Items	Currencies					
	US dollars	Pound Sterling	Japanese yen	Canadian Dollar	Swiss Franc	Other Currencies
1. Financial assets	160,566,332	24,589,395	1,137,396	257		11,848,298
1.1 Fixed-yield securities	-	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-	-
1.3 Credits	160,566,332	24,589,395	1,137,396	257	-	11,848,298
1.4 Other Financial Assets	-	-	-	-	-	-
2. Other assets	-	-	-	-	-	-
3. Financial liabilities	160,123,431	24,648,376	1,134,789	-	5	11,871,696
3.1 Payables	160,123,431	24,648,376	1,134,789	-	5	11,871,696
3.2 Fixed-yield securities	-	-	-	-	-	-
3.3 Other financial liabilities	-	-	-	-	-	-
4. Other liabilities	234,913	52,842	2,638	-	-	-
5. Derivatives	-	-	-	-	-	-
5.1 Long positions	-	-	-	-	-	-
5.2 Short positions	-	-	-	-	-	-
Total assets	160,566,332	24,589,395	1,137,396	257		11,848,298
Total liabilities	160,358,344	24,701,218	1,137,427	-	5	11,871,696
Net balance (+/-)	207,988	-111,823	-31	257	-5	-23,398

3.3 OPERATIONAL RISKS

QUALITATIVE INFORMATION

1. General aspects, management processes and measurement methods of operational risk

The operational risk represents the risk of suffering losses from the inadequacy or malfunctioning of procedures, human resources and internal systems, or from external events. This category also includes losses caused by fraud, human error, operational interruptions, system downtime, contractual non-performance and natural catastrophes; the scope of operational risk includes legal risks (including conduct risks) and IT risk, but excludes strategic and reputational risks.

The operational risk management model, adjusted based on a proportionality principle that considers the nature and scale of the company's business, is implemented in accordance with the Group's defined guidelines. The Risk Control Function, outsourced to Banca Popolare di Sondrio, is responsible for carrying out the operational risk management processes and reporting the relevant findings for the benefit of the competent corporate bodies and functions.

In particular, the Company's operational risk management system is structured as follows:

- a process of Loss Data Collection (LDC), designed for the accurate detection of risk events that generate losses (and associated recoveries) and the registration not only of monetary values, but also of qualitative information which, put briefly, specify when, how, where and why the event has occurred;

- an Operational Risk Self-Assessment process (RSA), aimed at investigating the perception of business experts regarding the potential risks in which the Company could incur in corporate operations, as well as to gather indications on the subject of interventions, proposed or implemented, for the prevention and/or mitigation of risk situations;
- a process for measuring operational risk that is focused on the adoption of the Standardised Approach (SA), under which the relevant capital requirement is calculated, in accordance with regulatory provisions, as a function of the company's operational size (the so-called Business Indicator), with the application of differentiated coefficients according to a tiered approach.

Overall, these processes assist monitoring of the historical and prospective exposure to operational risk and related trends, as well as the identification, guidance and control of coordinated action to prevent, mitigate and, if necessary, transfer risk (e.g. through the stipulation of insurance coverage).

During the year, the Company continued to ensure oversight of operational and IT risks by adopting management practices and technological infrastructures aimed at business continuity and preserving health and safety in the workplace; in this regard, the implementation of specific security standards and the enhancement of the IT infrastructure's processing capacity to manage remote working requirements are noteworthy.

Legal and non-compliance risks

Among the phenomena falling under the heading of operational risks, particular attention is paid to the analysis of economic events attributable to judicial or extra-judicial proceedings, not directly attributable to Debt Collection, which the Company has encountered in the course of its operations or which it has initiated in order to have its own rights recognised; this includes risks connected with legal disputes attributable to intentional violation and/or non-compliance with professional obligations, codes and internal rules of conduct for the protection of customers (conduct risks).

Given the peculiarity of these phenomena, the process of identifying, assessing, and monitoring such risks is carried out in collaboration with the company structure responsible for managing active/passive disputes.

Alongside these are the sanctioning risks associated with non-compliance with laws, regulations, self-regulatory codes, internal procedures and codes of conduct applicable to the company's business (non-compliance risks), the supervision of which is assigned to the Compliance Function, outsourced to Banca Popolare di Sondrio.

The monitoring of legal and non-compliance risks takes the form of recording and evaluating in prospective terms disbursements deriving from legal cases, extra-judicial proceedings or sanctioning procedures, including expenses for the services of external lawyers and any accounting provisions of a prudential nature allocated to the Provision for Risks and Charges, periodically adjusted based on the progress of the procedural process and new legislative and judicial orientations of particular relevance.

IT Risk

Particular attention is paid to the management of risks arising from breaches of confidentiality, lack of integrity and/or unavailability of ICT systems and data (also in the face of threats of a cybernetic nature or attributable to recourse to third parties), as well as failure to adapt and/or update information and communication technology.

Specific operational measures are adopted, in particular, to ensure the security of information and the protection of personal data, in compliance with privacy legislation, as well as to guarantee the capacity for technological change and to manage, in a logic of resilience, emergency situations and interruptions to business operations, through the definition of business continuity plans and the provision of disaster recovery measures aimed at allowing, in the event of a disaster, the timely recovery of systems and procedures.

The information sources deriving from the operational risk management system are integrated with the evidence deriving from the IT risk management model, which is based on dynamic processes of:

- identification of the perimeter of information technology resources that qualify as critical to the performance of the company's operations, taking into account business needs, technological evolution and potential vulnerabilities, as well as sector regulations;
- identification of risk scenarios (and corresponding ICT threats) potentially attributable to or manifesting in the functional, technical, and infrastructural characteristics of the company information system;
- assessment, both in terms of exposure to specific threats, and impact on different dimensions of analysis, of the Company's level of residual exposure to cyber risk, taking into account the level of maturity of the control oversights mitigating the potential risk.

QUANTITATIVE INFORMATION

As of 31 December 2025, the capital requirement to cover operational risk, calculated using the Standardised Approach (SA), is around Euro 11 million.

The operating losses recorded during the year as part of the Loss Data Collection process mainly consisted of disbursements for the payment of services rendered by external lawyers in an attempt to recover payment orders fraudulently executed during 2024 in connection with a cyber fraud event (Event Type 02 – External Fraud); also contributing to the total amount were losses relating to: (i) payments to external lawyers involved in managing disputes about contested improper operations (*Event Type 04 – Customers, products and professional practices*) and (ii) reimbursement of the counterparty's costs in relation to a settlement in employment law proceedings (*Event Type 03 – Employment and safety at work*).

3.4 LIQUIDITY RISK

QUALITATIVE INFORMATION

1. General aspects, management processes and methods of measuring liquidity risk

Liquidity risk is to be understood as the risk of not being able to meet payment commitments or failing to finance the balance sheet assets with the right timing. Such circumstances can occur due to the inability to raise funds or secure them at favourable costs (funding liquidity risk), or from the difficulty of liquidating assets incurring in capital losses (market liquidity risk).

In relation to these types of risk, Factorit has limited exposure, which is attributed, among other reasons, to the decision to prefer sustaining an appropriate balance in the maturity structure of assets and liabilities rather than focusing on maximising profitability levels.

Although funding is generally positioned at shorter-term maturities compared to loans, it is mainly sourced from Banca Popolare di Sondrio S.p.A., a leading institution whose liquidity risk profile is discussed in the relevant Annual Reports. Additionally, the monitoring of the balance by maturity for funding and loans is achieved through producing a dedicated maturity ladder (structural Maturity Ladder) designed to reveal any imbalances for each time frame; the comparison of cumulative cash inflows and outflows for the 3-month and 1-year time horizons is also summarised by two indicators that are subject to specific thresholds. The findings of the previously mentioned surveys, together with the status of credit lines available through Banca Popolare di Sondrio and the banking system, as well as the average funding rate for the quarter, are summarised in a specific monthly report known as the Financial Risk Book.

QUANTITATIVE INFORMATION

The tables below have been compiled in compliance with the supervisory instructions issued by the Bank of Italy. In particular, undiscounted cash flows were allocated to the relevant residual life bands while excluding any lump-sum write-downs.

1. Distribution by residual contractual maturity of financial assets and liabilities - Currency of denomination: EURO

Items/Time frames	On demand	Over 1 day to 7 days	Over 7 days to 15 days	Over 15 days to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Unspecified duration
Cash assets	458,313,462	139,028,261	507,715,780	750,461,304	1,472,015,583	633,110,585	408,736,382	530,338,869	33,537,768	416,773	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	458,313,462	139,028,261	507,715,780	750,461,304	1,472,015,583	633,110,585	408,736,382	530,338,869	33,537,768	416,773	-
A.4 Other Assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	347,568,477	309,547	3,700	3,300,286,704	526,680,686	401,500,465	581,309	2,288,501	2,250,270	9,395,872	-
B.1 Payables to	-	-	-	-	-	-	-	-	-	-	-
- Banks	310,557,519	31,361	-	3,300,000,000	525,032,328	400,037,033	74,374	266,271	247,232	177,732	-
- Financial companies	19,678,798	-	-	-	-	-	-	-	-	-	-
- Customers	17,332,160	278,186	3,700	286,704	1,648,358	1,463,432	506,935	2,022,230	2,003,038	9,218,140	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	48,291,876	6,207,849	9,879,155	51,878,969	95,516,674	89,279,083	46,918,577	-	-	-	-
C.1 Financial derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Positive differentials	-	-	-	-	-	-	-	-	-	-	-
- Negative differentials	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to make loans	48,291,876	6,207,849	9,879,155	51,878,969	95,516,674	89,279,083	46,918,577	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	48,291,876	6,207,849	9,879,155	51,878,969	95,516,674	89,279,083	46,918,577	-	-	-	
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

As for total cash liabilities, deposits with banks are represented by Euro 4,355,192,174 as payables to Banca Popolare di Sondrio.

As regards the item payables to customers, please note that the amounts shown in the time bands beyond one year primarily relate to real estate leases (recognised according to IFRS 16) entered into with the Group's companies.

2. Distribution by residual contractual maturity of financial assets and liabilities - Currency of denomination: USD

Items/Time frames	On demand	Over 1 day to 7 days	Over 7 days to 15 days	Over 15 days to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Unspecified duration
Cash assets	10,181,883	807,345	2,499,028	48,490,352	85,682,384	12,575,703	707,361	-	-	-	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	10,181,883	807,345	2,499,028	48,490,352	85,682,384	12,575,703	707,361	-	-	-	-
A.4 Other Assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	9,988,745	-	95	3,883,303	87,434,256	58,307,019	510,014	-	-	-	-
B.1 Payables to	-	-	-	-	-	-	-	-	-	-	-
- Banks	189,669	-	95	3,883,303	87,434,256	58,307,019	510,014	-	-	-	-
- Financial institutions	9,799,076	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	209,993	-	65,414	122,544	1,746,532	-	-	-	-	-	-
C.1 Financial derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Positive differentials	-	-	-	-	-	-	-	-	-	-	-
- Negative differentials	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to make loans	209,993	-	65,414	122,544	1,746,532	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	209,993	-	65,414	122,544	1,746,532	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

3. Distribution by residual contractual maturity of financial assets and liabilities - Currency of denomination: GBP

Items/Time frames	On demand	Over 1 day to 7 days	Over 7 days to 15 days	Over 15 days to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Unspecified duration
Cash assets	6,392,159	382,072	3,752,896	4,156,802	9,929,362	494,133	-	-	-	-	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	6,392,159	382,072	3,752,896	4,156,802	9,929,362	494,133	-	-	-	-	-
A.4 Other Assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	41,213	-	20,421	3,721,935	7,803,105	13,061,702	-	-	-	-	-
B.1 Payables to	-	-	-	-	-	-	-	-	-	-	-
- Banks	41,190	-	19,007	3,721,935	7,803,105	13,061,702	-	-	-	-	-
- Financial institutions	-	-	-	-	-	-	-	-	-	-	-
- Customers	23	-	1,414	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	824,192	427,562	493,256	3,400,299	1,959,038	44,242	-	-	-	-	-
C.1 Financial derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Positive differentials	-	-	-	-	-	-	-	-	-	-	-
- Negative differentials	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to make loans	824,192	427,562	493,256	3,400,299	1,959,038	44,242	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	824,192	427,562	493,256	3,400,299	1,959,038	44,242	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

4. Distribution by residual contractual maturity of financial assets and liabilities - Currency of denomination: OTHERS

Items/Time frames	On demand	Over 1 day to 7 days	Over 7 days to 15 days	Over 15 days to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Unspecified duration
Cash assets	346,859	176,010	407,574	1,420,118	10,662,459	-	-	-	-	-	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	346,859	176,010	407,574	1,420,118	10,662,459	-	-	-	-	-	-
A.4 Other Assets	-	-	-	-	-	-	-	-	-	-	-
Cash liabilities	6,241	-	-	-	5,302,518	7,697,731	-	-	-	-	-
B.1 Payables to	-	-	-	-	-	-	-	-	-	-	-
- Banks	6,241	-	-	-	5,302,518	7,697,731	-	-	-	-	-
- Financial institutions	-	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	16,017	-	-	-	80,873	-	-	-	-	-	-
C.1 Financial derivatives with exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-	-
- Positive differentials	-	-	-	-	-	-	-	-	-	-	-
- Negative differentials	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to make loans	16,017	-	-	-	80,873	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	16,017	-	-	-	80,873	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

Section 4 Equity information

4.1 The company's equity

4.1.1 Qualitative information

The company's equity constitutes the amount of internal resources dedicated to the achievement of the corporate purpose and to the management of the risks associated with the company's operations. An adequate capital endowment is therefore the prerequisite for the Company's development, ensuring its solidity and stability over time.

Factorit, in line with the Group's policies, strongly focuses on capital management to maximise returns for shareholders while supporting the growth of loans.

4.1.2 Quantitative information

4.1.2.1 Company equity: breakdown

Items/Amounts	31 December 2025	31 December 2024
1. Share capital	85,000,002	85,000,002
2. Share premiums	11,030,364	11,030,364
3. Reserves	187,484,219	175,745,938
- of profit	178,315,017	166,576,739
a) legal	17,000,000	16,448,874
b) statutory	-	-
c) treasury shares	-	-
d) others	161,315,017	150,127,862
- others	9,169,202	9,169,202
4. (Treasury shares)	-	-
5. Valuation reserves	509,780	160,921
- Equity securities designated at fair value through other comprehensive income	771,951	485,632
- Hedges of equity securities measured at fair value through other comprehensive income	-	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
- Property, equipment and investment property	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	-	-
- Hedging instruments (non-designated elements)	-	-
- Exchange rate differences	-	-
- Non-current assets and disposal groups held for sale	-	-
- Financial liabilities measured at fair value through profit or loss (changes in creditworthiness)	-	-
- Special revaluation laws	-	-
- Actuarial profits/losses related to defined-benefit pension plans	-262,171	-324,711
- Share of valuation reserves related to equity investments measured at equity	-	-
6. Equity instruments	-	-
7. Profit (loss) for the year	39,602,939	35,637,257
Total	323,627,304	307,574,482

4.1.2.2 Valuation reserve of financial assets measured at fair value through other comprehensive income: breakdown

Assets/Amounts	31 December 2025		31 December 2024	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Fixed-yield securities	-	-	-	-
2. Equity securities	771,951	-	485,632	-
3. Loans	-	-	-	-
Total	771,951	-	485,632	-

4.1.2.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: changes in the year

	Fixed-yield securities	Equity securities	Loans
1. Opening balance	-	485,632	-
2. Positive variations	-	286,319	-
2.1 Increases in fair value	-	286,319	-
2.2 Value adjustments for credit risk	-	-	-
2.3 Transfer to income statement of negative reserves from disposals	-	-	-
2.4 Transfer to other components of equity (equity securities)	-	-	-
2.5 Other changes	-	-	-
3. Negative changes	-	-	-
3.1 Reductions in fair value	-	-	-
3.2 Write-backs for credit risk	-	-	-
3.3 Transfer to income statement from positive reserves from disposal	-	-	-
3.4 Transfer to other components of equity (equity securities)	-	-	-
3.5 Other changes	-	-	-
4. Closing balance	-	771,951	-

The difference is due to the adjustment of the value, at the date of the 2025 note, of shares of Webuild S.p.A. (formerly Astaldi S.p.A.).

4.2. Own funds and regulatory capital ratios

4.2.1 Own funds

4.2.1.1 Qualitative information

1. Common Equity Tier 1 Capital (CET1).
2. Additional Tier 1 capital (Additional Tier 1 - AT1).
3. Tier 2 Capital (T2).

Own Funds constitute the primary defence against risks linked to the activities of financial intermediaries and serve as the principal reference parameter for prudential institutions and for assessments by supervisory authorities. The rules define the procedures for determining own funds and outline the criteria and limits for calculating the items they comprise.

Common Equity Tier 1 (CET 1) Capital consists predominantly of the Company's own resources, without any deductions or prudential filters applied.

4.2.1.2 Quantitative information

	31 December 2025	31 December 2024
A. Core equity before the application of prudential filters	291,141,638	282,628,402
B. Prudential filters of core equity:	-	-
B.1 Positive IAS/IFRS prudential filters (+)	-	-
B.2 Negative IAS/IFRS prudential filters (-)	-	-
C. Core equity before deductions (A + B)	291,141,638	282,628,402
D. Elements to be deducted from core equity	58,698	113,665
E. Total core equity (TIER 1) (C - D)	291,082,940	282,514,737
F. Additional equity before the application of prudential filters	-	-
G. Prudential filters of additional equity:	-	-
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	-	-
H. Additional equity before deductions (F + G)	-	-
I. Elements to be deducted from additional equity	-	-
L. Total additional equity (TIER 2) (H - I)	-	-
M. Elements to be deducted from additional equity	-	-
N. Supervisory equity (E + L - M)	291,082,940	282,514,737

It is specified that pursuant to art. 26 paragraph 2 of EU regulation no. 575/2013 (CRR) own Funds encompasses the portion of the profit for the first half of the year, which has not been distributed (totalling Euro 7.1 million); moreover, it is also noteworthy that this profit was verified by the independent auditors to ensure its inclusion in the prudential reports for the Supervisory Authority. For the allocation of the profit for the year, please refer to the "Directors' Report on Operations".

4.2.2 Capital adequacy

4.2.2.1 Qualitative information

The adequate consistency of Own Funds ensures compliance with the adequacy of the individual solvency ratio. This requirement is expressed as the ratio between Own Funds and the total of weighted assets, in relation to the degree of risk inherent in each of them.

As of 31 December 2025, credit risk, market risk and operational risk are the risks that contribute to risk-weighted assets.

To manage credit risk, the company has opted for the "standardised" approach, which involves the segmentation of the loan portfolio into sub-aggregates, considering the counterparty and the technical form, and the application of differentiated prudential treatments. The exposure risk weights are defined based on, where available, the ratings assigned to each counterparty by agencies specialising in credit rating assessment.

The company, in accordance with Banca Popolare di Sondrio, has recognised Cerved Rating Agency S.p.A. as an external credit assessment institution (ECAI) to determine the credit risk weighting in the Standardised Approach for the "corporate and other subjects" portfolio. The valuations of this agency are required for resident companies with an exposure of Euro 1.5 million or more.

Factorit has identified Scope Rating AG as the ECAI to use for determining risk-weighted assets related to exposures to Central Administrations, Territorial Authorities, Non-Profit Entities, Public Sector Bodies, and Regulated Intermediaries, and has promptly updated the changes in State ratings accordingly. In accordance with the terms of the regulations, Factorit communicated the change of the reference ECAI to the Supervisory Authority.

With reference to credit risk, the individual coefficient is 6%.

Regarding operational risk, Factorit has adopted the standardised approach, effectively applying a single weighting coefficient of 12% to what is termed the “Business Indicator”, given that the Business Indicator amount is less than Euro 1 billion and therefore falls entirely within the first weighting band provided for at the regulatory level.

4.2.2.2 Quantitative information

Categories/Values	Unweighted amounts		Weighted amounts/requirements	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
A. Risk activities				
A.1 Credit and counterparty risk	5,689,186,345	5,629,360,409	3,477,408,735	2,962,921,317
B. Regulatory capital requirements				
B.1 Credit and counterparty risk	-	-	208,644,524	177,775,279
B.2 Requirement for the provision of payment services	-	-	-	-
B.3 Requirement in respect of the issuance of electronic money	-	-	-	-
B.4 Specific prudential requirements	-	-	11,452,228	10,650,237
B.5 Total prudential requirements	-	-	220,096,752	188,425,516
C. Risk assets and supervisory ratios				
C.1 Risk-weighted assets	-	-	3,668,279,205	3,140,425,276
C.2 Core capital/risk-weighted assets (Tier 1 capital ratio)	-	-	7.935%	8.996%
C.3 Regulatory equity/risk-weighted assets (Total capital ratio)	-	-	7.935%	8.996%

The item "B4. Specific prudential requirements" includes the Operational Risk and Market Risk requirements.

The weighted credit and counterparty risk amount benefits from the utilisation of guarantees issued by Banca Popolare di Sondrio S.p.A. amounting to approximately Euro 930 million.

Section 5 Analytic statement of other comprehensive income

Items	31 December 2025	31 December 2024
10 Profit (Loss) for the year	39,602,939	35,637,257
Other income items without reversal to the income statement		
20 Equity securities measured at fair value through other comprehensive income:	307,688	544,329
a) change in fair value	307,688	544,329
b) transfer to other components of equity	-	-
70. Defined benefit plans	86,262	(39,858)
100 Income tax relating to other income components without reversal to the income statement	(45,091)	(25,903)
190 Total other income components	348,859	478,568
200 Other comprehensive income (Item 10+190)	39,951,798	36,115,825

Section 6 Transactions with related parties

6.1 Information on the remuneration of managers with strategic responsibilities

The total amount for directors and members of the supervisory bodies for the financial year 2025 is Euro 329,333.

6.2 Loans and guarantees issued in favour of directors and statutory auditors

Not present for FY 2025.

6.3 Information on transactions with related parties

6.3.1. Transactions with Parent and Associated Companies

Receivables from credit institutions

BPER Banca S.p.A.	Amount
Ordinary current accounts - Euro	1,480
Receivables for syndicated transactions	928,249
Total	929,729

Banca Popolare di Sondrio S.p.A.	Amount
Ordinary current accounts - Euro	207,933
Ordinary current accounts - Currency	15,375
Without recourse factoring receivables	558,805
Receivables for tax consolidation	12,551,795
Rights of use acquired through leases	859,678
Other assets	84,286
Prepaid guarantee fees	6,935
Total	14,284,807

Payables to credit institutions

BPER Banca S.p.A.	Amount
Payables for syndicated transactions	777,550
Invoices to be received	24,213
Total	801,763

Banca Popolare di Sondrio S.p.A.	Amount
Ordinary current accounts	221,368,517
Currency current accounts	667
Hot money	4,000,000,000
Foreign currency advances	126,487,673
Hot money accrual	4,148,317
Accrued liabilities for foreign currency advances	181,019
Commissions to be recognised	1,768,897
Payable to VAT group	3,170
Supplier invoices	267,432
Payable for stamp duty on electronic documents	17,912
Payables for syndicated transactions	103,318
Payables for tax consolidation	15,053,233
Lease payables	866,334
Total	4,370,266,489

Loans and receivables with customers

Sinergia Seconda S.r.l.	Amount
Rights of use acquired through leases	13,847,690
Total	13,847,690

Rent2go S.r.l.	Amount
Rights of use acquired through leases	102,717
Receivables for factoring	10,808
Total	113,525

Due to customers

Sinergia Seconda S.r.l.	Amount
Lease payables	14,149,537
Total	14,149,537

Rent2go S.r.l.	Amount
Lease payables	102,469
Total	102,469

Costs - credit institutions

BPER Banca S.p.A.	Amount
Fee and commission expense - expenses	392
Directors' emoluments	2,441
Total	2,833

Banca Popolare di Sondrio S.p.A.	Amount
Interest expense	78,421,361
Interest expenses related to payables for lease	23,113
Amortisation of rights of use acquired through leases	243,992
Fee and commission expense - expenses	38,454
Fee and commission expense - prov. Factoring	1,768,897
Fee and commission expense - guarantees	1,666,941
Passive rent charges (expenses)	8,353
Outsourced Functions	1,115,902
Directors' emoluments	16,345
Total	83,303,358

Revenues - credit institutions

BPER Banca S.p.A.	Amount
Interest income - ordinary current accounts	3,632
Total	3,632

Banca Popolare di Sondrio S.p.A.	Amount
Interest income - ordinary current accounts	146,147
Seconded personnel	718,366
Total	864,513

Costs - customers

Sinergia Seconda S.r.l.	Amount
Passive rent charges	260,073
Interest expenses related to payables for lease	154,485
Amortisation of rights of use acquired through leases	1,007,104
Total	1,421,662

Rent2go S.r.l.	Amount
Interest expenses related to payables for lease	3,865
Amortisation of rights of use acquired through leases	67,630
Other administrative expenses (vehicles)	63,940
Charges for early termination of IFRS16 contracts	130
Total	135,565

Revenues - customers

Rent2go S.r.l.	Amount
Fee and commission income	123,630
Seconded personnel	194,992
Other revenues	9,544
Total	328,166

Section 7 Leasing (lessee)

QUALITATIVE INFORMATION

Contracts that fall within the application of IFRS 16 can be grouped into due distinct categories:

- a) buildings, which are the most significant group;
- b) cars.

In accordance with IFRS 16, the rights held under licence agreements have been excluded from the scope of application of the standard. They continue to be recognised under IAS 38 – Intangible assets.

The lease contracts mainly relate to properties intended for the headquarters of the Company or its branches (contracts signed with Banca Popolare di Sondrio S.p.A. and Sinergia Seconda Srl) and generally have a duration of more than 48 months with renewal options. Lease instalments are revised annually from the second year of the contract to reflect 75% or 100% of the change in the consumer price index for the families of blue- and white-collar workers (FOI index). Car lease contracts typically have a three-year duration without renewal and/or purchase options, with monthly payments.

As indicated in paragraph 33 of IFRS 16 and considering that the contracts were arranged on market terms, no impairment has been identified that would require a reduction in the value of the right-of-use assets.

Part B of the Notes to the financial statements provides information about leased right-of-use assets (Tables 8.1 - 8.6 *Part B, Assets*) and payables for lease (Table 1.1 *Part B, Liabilities*). In particular, leased right-to-use assets total 14.8 million euro, while lease liabilities total 15.2 million euro.

Part C of the Notes to the financial statements contains the information on interest expenses on payables for lease. See that section for further details.

As indicated in *Part A* of the financial statements, the Company makes use of the exemptions allowed by IFRS 16 for short-term leases and leases of low-value assets, whose costs, excluding those related to leases with a duration of one month or less, amount to Euro 2,668 during 2025.

QUANTITATIVE INFORMATION

In accordance with paragraph 53 of IFRS 16, the table below provides quantitative information at the class level of assets consisting of the right of use:

Activities / Values	Right of Use Value 01/01/2025	Amortisation	Other Changes	Book Value as of 31/12/2025
Properties	16,013,206	(1,262,423)		14,750,783
Cars	122,026	(67,630)	48,321	102,717
Other types	-	-	-	-
Total	16,135,232	(1,330,053)	48,321	16,853,500

As regards the "Other changes", the impact is mainly linked to restatement of the right-of-use assets due to the ISTAT adjustments and to the opening and closing of contracts.

Section 8 Other informational details

In compliance with the disclosure obligations stipulated in Article 2497-bis of the Italian Civil Code, presented here is a summary of the latest approved financial statements of the Bank undertaking management and coordination activities.

	<i>(figures in thousands)</i>
Asset Items	31.12.2024
financial assets	111,428,171
- measured at fair value through profit or loss	1,255,116
- measured at fair value through other comprehensive income	5,482,634
- measured at amortised cost	104,690,421
equity investments, property, plant and equipment, and intangible assets	4,687,551
tax assets and other asset items	15,568,364
Total assets	131,684,086
Liabilities and equity items	31.12.2024
financial liabilities	116,496,427
- measured at amortised cost	113,628,470
- held for trading	252,346
- designated at fair value	2,615,611
other liabilities and provisions	4,585,359
equity	10,602,300
Total liabilities	131,684,086
Items	31.12.2024
net interest income	2,758,377
net fee and commission income	1,483,491
gains (losses) on financial transactions	238,686
net receipts from banking	4,480,554
net adjustments/write-backs for credit risk and changes due to contractual amendments	-249,043
financial income	4,231,511
operating costs	-2,554,352
other adjustments to/reversals of continuing operations	10,138
gross profit from continuing operations	1,687,297
income taxes for the year	-437,748
Profit (loss) for the year	1,249,549

In accordance with Article 149-duodecies of the Consob Issuers' Regulation, attached is the table outlining the fees pertaining to the financial year paid to the independent auditors for services provided. It should be noted that at the Shareholders' Meeting held on 29 September 2025, the Shareholders resolved to terminate the statutory audit engagement awarded to EY S.p.A. for the financial years 2017-2025 and appointed Deloitte & Touche spa for the nine-year period 2025-2033. Therefore, the fees relating to both companies for the periods in 2025 during which they carried out their respective activities are shown below.

Type of services (in euro)	Entity that provided the service	Remuneration
Audit services	EY S.p.A.	32,106
Audit services	Deloitte & Touche S.p.A.	65,000

The values expressed above do not include VAT and expenses.

**Report of the Board of Statutory Auditors
on the financial statements for the year ended 31 December 2025**

Shareholder,

In accordance with the provisions of Article 2429, paragraph 2, of the Italian Civil Code, and in compliance with the Articles of Association, the applicable provisions for companies registered in the Register of Financial Intermediaries pursuant to Article 106 of the Consolidated Banking Act (TUB), and the principles of conduct issued by the National Council of Chartered Accountants and Accounting Experts, in this Report, the Board of Statutory Auditors sets out the activities it carried out in 2025 to oversee compliance with the law, the Articles of Association and the principles of sound administration in the management of the Company, as well as the adequacy of the organisational structure and internal control systems.

1. Supervision of compliance with the Law and the Articles of Association

Regarding adherence to legal requirements and the Articles of Association, we wish to highlight that, during FY 2025, the Directors have operated in accordance with these regulations, adhering to correct principles of administration and economic rationality in the management of the company. No transactions have been carried out that are imprudent or detrimental to the Company, or that involve a potential conflict of interest or contravene the resolutions of the Shareholders' Meeting. We would also like to inform you that, at the operational level, we have not identified any conduct that deviates from or conflicts with the decisions taken by the Directors.

2. Supervision of compliance with the principles of proper administration

We attended all 10 (ten) meetings of the Board of Directors, as well as the Shareholders' Meetings (three), held during the year, and can therefore confirm that these meetings were convened and held in accordance with the rules governing their operation. We would also like to inform you that during FY 2025, the Board of Statutory Auditors met 17 (seventeen) times and attended, via remote participation, three training sessions organised by the new Parent Company, BPER, as part of the '2025–2026 Training Plan for

Representatives of BPER Group Banks', conducted by EY S.p.A. and aimed at exploring issues related to governance and the relevant supervisory expectations.

The Board of Statutory Auditors also performs the functions of the Supervisory Body pursuant to Legislative Decree 231/2001, as per art. 6, paragraph 4-bis of the same Legislative Decree and art. 23 of the Articles of Association. This enhances the Board's supervisory role in its dual capacity on commonly relevant issues and, particularly, on the risk of offences described in the relevant legislation. Inspections in this context have not detected any conduct that fails to comply with the principles and standards outlined in Model 231/2001.

3. Supervision of the adequacy of the organisational structure

We monitored the alignment of the organisational structure with the Company's operational requirements, as well as with those arising, initially, from its membership of the Banca Popolare di Sondrio Banking Group and, subsequently, from 18/7/2025, from its membership of the BPER Group; to the extent of our remit, we also monitored the activities carried out to implement the guidelines and directives of the new Parent Company.

In accordance with the provisions of Bank of Italy Circular 285/2013 on prudential supervision, with regard to the risk management measures relating to the use of information and communication technologies (ICT) and the security measures that banks are required to implement, the Company was involved by the Parent Company for the areas falling within its remit; furthermore, considering the allocation of responsibilities between the Risk Control Function and the Compliance Function as per their respective areas of expertise, the Company provided the Parent Company with input for the Bank's IT Risk Questionnaire 2025 and contributed to the preparation of the 'Summary Report on Cyber Risk – FY 2024'.

Also under the scope of the "Action Plan on Climate and Environmental Risks", ongoing activities have focused on gradually aligning with the Supervisory Authority's expectations, in accordance with the Parent Company's guidelines, while adhering to the principle of proportionality. The aforementioned Plan was completed, with the exception of certain activities within the 'Climate Strategy' work-stream, which were suspended in order to align the measures with the framework in force at the new Parent Company, BPER.

The regular professional development activities for all employees also continued, delivered using digital tools and offering training courses to enhance the employees'

understanding of regulatory and technical matters. In particular, internal training was provided on privacy, specific aspects of anti-money laundering and cybersecurity; this is favourably acknowledged by the Board of Statutory Auditors.

Overall, we have not identified any organisational shortcomings to bring to your attention.

4. Supervision of the adequacy of the system of internal controls

Regarding the supervisory activity over the adequacy of internal control systems, we have engaged the competent structures of the Company and the direct parent company Banca Popolare di Sondrio; with particular reference to the risks related to business activities and the effectiveness of the information system concerning financial reporting. In this regard, we can confirm that we have paid particular attention to the overall structure of the internal control system and its consistency with respect to, firstly, the provisions and guidelines issued by the direct parent company, Banca Popolare di Sondrio, and, secondly, the similar arrangements of the new parent company, BPER Banca, also taking into account the relevant regulations issued by the Supervisory Authority; as far as our sphere of competence is concerned, we have not found any critical issues to be brought to your attention.

With effect from 1 April 2025, the Company's Compliance Function, previously outsourced to Unione Fiduciaria S.p.A., was outsourced to the direct parent company, Banca Popolare di Sondrio, with a view to harmonising the non-compliance risk management model and standardising the processes and methodologies adopted at the level of the former Banca Popolare di Sondrio Group. The Board of Statutory Auditors, including through regular discussions with the Head of the Function, was able to ascertain the effectiveness of the solution adopted and did not identify any critical issues to report.

We also acknowledge that, throughout the year, the process of incorporating the regulations issued both by the direct parent company, Banca Popolare di Sondrio, and by the new Parent Company, BPER Banca, following the latter's assumption of the role of Parent Company, applicable to the banking group and pertinent to the Company, continued.

In the course of our work, we did not identify any atypical or unusual transactions with Group companies or with related parties.

In the Report on Operations and in the Notes to the Financial Statements, the Board of Directors has provided adequate information on the most significant economic, financial and capital transactions carried out by the Company during the financial year, including those with related parties. Among these transactions, it should be noted that, on 18 July 2025, as a result of the completion of the Public Tender Offer (PTO) it launched for the shares of Banca Popolare di Sondrio S.p.A., BPER Banca S.p.A. acquired a direct controlling interest in Factorit S.p.A., amounting to 58.49% of the share capital, and an indirect controlling interest amounting to 100% of the share capital, thereby confirming Factorit S.p.A.'s entry into the BPER Banca S.p.A. Banking Group; subsequently, at the Ordinary Shareholders' Meeting held on 18 November, the Shareholders' Meeting acknowledged the resignations of three directors, reduced the number of members of the Board of Directors from five to three, and appointed a new Director.

It is acknowledged that no events have occurred after the reporting date of the financial statements as at 31.12.2025 that could have an impact on the financial statements.

With regard to the proper keeping of the accounts and the correct presentation of management events in the financial statements, the audit function was performed by the independent auditors Deloitte & Touche S.p.A. (pursuant to Art. 2409 bis of the Italian Civil Code).

We discussed the results of the audit performed by the auditors with them and noted that no exceptions were identified with regard to the financial statements, nor were any findings made concerning the organisation and adequacy of the accounting systems in terms of presenting the results of operations properly.

However, we have overseen the structure and preparation of the financial statements with regard to both their compliance with the required accounting standards and the process of preparing the related financial information.

We can therefore certify that the financial statements that the Directors are submitting for your approval have been prepared in accordance with the specific provisions governing their preparation and that they have been drawn up in accordance with the IAS/IFRS adopted by the European Union. With regard to the presentation formats, the financial statements comply with the formal requirements applicable to credit and financial institutions.

With regard to the directors' report on operations, we note that the Independent Auditors have carried out the procedures set out in Auditing Standard (SA Italia) No. 720B, confirming that the directors' report on operations is consistent with Factorit S.p.A.'s financial statements as at 31 December 2025 and has been prepared in accordance with the law. The Independent Auditors confirm that, with regard to the declaration pursuant to Article 14, paragraph 2, point e), of Legislative Decree No. 39/2010, no matters have come to light that require your attention.

Finally, we declare that the Board of Statutory Auditors has not received any complaints from third parties, nor any reports pursuant to Article 2408 of the Italian Civil Code. We also declare that during the financial year, we did not issue, nor were we requested to issue, any opinions required by law. On 5 March 2025, the Board of Statutory Auditors issued its 'Reasoned proposal for the appointment of the independent auditors pursuant to Article 13 of Legislative Decree No. 39/2010 for the nine-year period from 2026 to 2034', to which reference should be made for a detailed explanation of the selection procedure followed and the reasons underlying the recommendation issued, and submitted to the shareholders at the Shareholders' Meeting of 16 April the proposal to appoint KPMG S.p.A. as independent auditors for the Company. Indeed, having implemented the directives issued in this regard by the former Parent Company, Banca Popolare di Sondrio, and motivated by the size the Group has attained, and in line with the practices currently in place at the leading banks in the system, the Company's Board of Directors decided to appoint the Independent Auditors one year in advance. Subsequently, on 16 September 2025, following the instruction received from the Company's new Parent Company, BPER Banca S.p.A., to *'use a single Group Auditor for all subsidiaries, as confirmed in the "Regulations on the Process for Appointing External Auditors and Their Networks" – last updated on 4 June 2024 – since the appointment of a single auditor for the statutory audit enables the entire Group to coordinate and streamline its activities, ensuring the adoption of consistent control procedures and practices'*, the Board of Statutory Auditors issued its *'Reasoned Proposal for the Appointment of the Statutory Auditor for the Period 2025–2033'*, to which reference should be made for a detailed explanation of the selection procedure followed and the reasons underlying the recommendation issued, submitting to the Shareholders at the Shareholders' Meeting of 29 September the proposal to appoint Deloitte & Touche S.p.A. as the Company's statutory auditor, as well as the 'Opinion of the

Board of Statutory Auditors on the Consensual Early Termination of the Current Statutory Audit Engagement between Factorit Spa and EY Spa and on the Consensual Termination of the Statutory Audit Engagement Resolved by the Shareholders' Meeting of 16 April 2025 for the Nine-Year Period 2026–2034 between Factorit Spa and KPMG Spa'.

In view of the above, and having acknowledged that the audit report issued by Deloitte & Touche S.p.A. contains no findings regarding the financial statements, nor any requests for further information in relation to the matters set out in detail by the Directors in the directors' report on operations and in the notes to the financial statements, and also taking into account that the Directors believe that the prospect of continuing the company's business is widely pursued, we express a favourable opinion, to the extent of our competence, on the approval of the financial statements for FY 2025 and on the proposal made by the Directors regarding the allocation of the net profit achieved.

Milan, 27 March 2026

THE BOARD OF STATUTORY AUDITORS

Laura Vitali

Daniele Morelli

Luigi Gianola

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 & 19- BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

**To the Shareholder of
Factorit S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Factorit S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2025, and the income statement and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Factorit S.p.A. for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2025.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10

The Directors of Factorit S.p.A. are responsible for the preparation of the report on operations of Factorit S.p.A. as at December 31, 2025, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on the compliance with the law of the report on operations;
- make a statement about any material misstatement in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Factorit S.p.A. as at December 31, 2025.

In addition, in our opinion, the report on operations is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Ceppi
Partner

Milan, Italy
March 26, 2026

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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