



Setting the benchmark for excellence

2024 Financial Statements

Report and Financial Statements 2024

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Head of the Legal structure
Head of the Internal Controls structure

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Head of Internal Audit
Independent Auditor

(1) Appointed by the Ordinary Shareholders' Meeting of UniCredit Factoring SpA on November 25, 2024

UNICREDIT FACTORING S.p.A.

Sole-shareholder company owned by the UniCredit Group Registered in the Official List of Banking Groups under No. 2008.1

Share capital: 414,348,000 euros paid in full

Legal reserve: 54,340,569 euros

Registered offices at Via Livio Cambi, 5, Milan

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Economic Administrative Register (REA) no. 840973

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Directors' Report on Operations

Results summary

The Italian economy showed signs of slowing down in 2024. In the third quarter, Gross Domestic Product remained unchanged from the previous quarter, mainly due to a decrease in exports and investments. In the fourth quarter, economic activity remained weak, impacted by persistent weakness in the manufacturing sector and a slowdown in services. In the construction sector, the boost provided by the works of the National Recovery and Resilience Plan (NRRP) counteracted the contraction in activity in the residential sector. Domestic demand was held back by a slowdown in household spending and continued unfavorable investment conditions. For the whole of 2024, Istat forecasts a GDP growth of 0.5% with a positive contribution from net foreign demand and a negative contribution from domestic demand. On the employment front, a lively dynamic was recorded in 2024, with an increase in work units equal to 1.2% higher than GDP growth. The unemployment rate fell to 6.5%, down from 7.5% in 2023. As regards inflation, in December 2024 the harmonised index of consumer prices increased by 1.4% on an annual basis with an average annual rate of 1%, sharply decreasing from 5.7% in 2023.

The cut in official rates is being passed on to the cost of bank funding and credit in line with historical patterns. Loans to non-financial corporations further contracted. Italian banks interviewed in September in the Euro Area Bank Lending Survey reported a further slight decline in corporate loan demand in the third quarter, mainly due to increased recourse to self-financing; at the same time they reported unchanged offer criteria at restrictive levels. According to preliminary data published by the Commercial Credit and Factoring Observatory (Credifact) on December 31, 2024, factoring continues to be a fundamental pillar for companies, supporting their short-term financial needs and guaranteeing the continuity of their operations. It enables them to absorb imbalances in the management of working capital and activates a chain of sectoral resilience in a complex economic and regulatory context.

In this context, despite the consistently high level of competition in the short-term lending segment and constant pressure on margins, our company maintained its second-place position in terms of both turnover share (16.8%) and total receivables (16.4%). Although market shares decreased compared to the previous year, the company continued to prioritise criteria for maximising risk-adjusted profitability when selecting credit portfolios.

The year-end workforce amounted to 218 full-time equivalents, a decrease (-35 FTE) since the end of the previous year. This net change is the combined effect of 12 entries and 47 exits.

In the market context described, the Company closed the annual accounts with revenues decreasing compared to 2023. Operating income amounted to 163.5 million, a decrease of 2.4% compared to the previous year. Operating costs increased compared to 2023 due to the intercompany component linked to ICT services which brought the cost/revenue ratio to 29% compared to 27.6% in the previous year. The positive balance of both the provision for bad debts and the provision for risks and charges brought gross profit to 116.3 million, while net profit, after tax equal to 41.6 million, is equal to 74.7 million, compared to 77.4 million in the previous year (-2.1%).

Considering the reference scenario, the main income and efficiency indicators reflect good performance quality. As regards asset risk indicators, there was a sharp decrease in the incidence of impaired loans on total loans, particularly in the category of past due loans. In detail, bad loans, in contrast to the overall decrease in credit, went from 0.02% to 0.03%, unlikely to pay went from 0.08% to 0.05% and past-due loans went from 0.64% to 0.25%. Hedging is confirmed to be particularly high both for non-performing loans (98.13%), including the partial write-offs, and for probable defaults (80.39%).

Shareholders' equity stood at 887 million. After deducting 70% of the profit to be distributed as dividends, representing Tier 1 capital of 835 million, up by 2.7% in December 2023. Considering that total risk-weighted assets decreased by 6.2%, the company's CET 1 ratio increased from 20.78% to 22.75%.

Main Company data

OPERATING DATA

	Financial year		Amount	
	2024	2023	change	%
Turnover	48,594	54,617	-6,023	-11.0%
Outstanding	11,624	13,382	-1,757	-13.1%

INCOME STATEMENT

(€ million)

	Financial year		Amount	
	2024	2023	change	%
Operating income	164	168	-4	-2.4%
of which: - net interest	115	120	-6	-4.7%
- net fees and commissions	38	40	-2	-4.7%
Operating costs	-47	-46	-1	+2.5%
Operating profit (loss)	116	121	-5	-4.3%
Net operating profit (loss)	118	114	+4	+3.5%
Net profit	75	77	-3	-3.5%

BALANCE SHEET AMOUNTS

(€ million)

	Amounts as at		Amount	
	12.31.2024	12.31.2023	change	%
Total assets	10,174	11,611	-1,437	-12.4%
Loans	10,067	11,504	-1,437	-12.5%
Equity	887	867	+20	+2.3%

OPERATING STRUCTURE

	Data as at		Amount	
	12.31.2024	12.31.2023	change	%
Number of employees (Full Time Equivalent)	218	253	-35	-13.8%
Number of trading points	13	13	-	-

PROFITABILITY INDICES

	Financial year		Amount	
	2024	2023	change	%
ROE ¹	9.2%	9.8%	-0.6	-0.6
Cost/Income	29.0%	27.6%	+1.4	+1.4

RISK INDICES

	Data as at		Amount	
	12.31.2024	12.31.2023	change	%
Net bad loans / Receivables	0.03%	0.02%	+0.00	+0.00
Net non-performing loans / Loans	0.33%	0.74%	-0.41	-0.41

PRODUCTIVITY INDICES

(€ million)

	Financial year		Amount	
	2024	2023	change	%
Turnover per employee	206.1	197.4	8.7	+4.4%
Operating income per employee	0.69	0.61	0.09	+14.5%

CAPITAL RATIOS

(€ million)

	Data as at		Amount	
	12.31.2024	12.31.2023	change	%
Tier 1 capital	835	812	+22	2.7%
Total RWA	3,668	3,910	-242	-6.2%
CET 1	22.75%	20.78%	1.98%	1.98%

¹ Equity used in the report is that at the end of the period (excluding profit for the period)

External scenario

Macroeconomic picture

Global economic activity continued to expand into 2024, albeit with differing trends across regions. Consumption continues to support growth in the United States; In other advanced countries, persistent weakness in manufacturing has been accompanied by signs of a slowdown in services. In China, domestic demand is still affected by the real estate market crisis. The global economic outlook is weighed down by international tensions and uncertainty over the economic policies that will be undertaken by the new US administration. Since last autumn, oil prices have increased slightly, as have natural gas prices, after strong fluctuations.

Euro area GDP, supported in the summer by temporary factors, slowed in the autumn months: activity, still weak in industry, also lost momentum in services. On the demand side, the contribution of consumption and investments has weakened. In the third quarter of 2024, in fact, euro area GDP accelerated to 0.4 percent, from 0.2 percent in the previous period. The higher growth is partly attributable to strong expansion in Ireland (with a contribution of 0.1 percentage points), due to a sharp but temporary increase in investment in intellectual property. Among major countries, GDP stagnated substantially in Germany and Italy, while it rose at high rates in Spain; In France, activity benefited from increased demand linked to the Olympic Games. Available indicators point to only modest growth in euro area GDP in the fourth quarter, consistent with the fading of the temporary factors that had supported activity during the summer months.

Inflation remained around 2 percent, despite the still high dynamics of the services component, supported by items whose prices adjust with greater delay. In December, the ECB Governing Council cut the deposit facility rate again by 25 basis points to 3 percent, 100 basis points lower than at the end of 2023. The previous reductions are being reflected in the cost of credit. In the autumn months, the interest rate on new loans to non-financial corporations and that on new mortgages to households for house purchases fell (to 4.5 and 3.5 percent, from 5.0 and 3.7 percent, respectively). The decline is in line with that of risk-free benchmark rates and the reduction in the cost of bank funding. Credit dynamics to non-financial corporations in the euro area remain weak overall; In November it strengthened only slightly, standing at 1.8 percent over the three months and 1.0 percent on an annual basis. Among the main countries, the growth of financing to businesses remains more sustained in France, while remaining negative or at least contained in Germany, Spain and Italy. These trends continue to reflect modest, albeit slightly recovering, credit demand and supply criteria that remain at restrictive levels.

Banking

In 2024, growth in loans to the private sector remained weak in the main reference countries of the UniCredit Group (Austria, Germany and Italy), and in particular in Italy where loans to non-financial corporations remained in negative territory, still showing a contraction of around 2.0% on an annual basis. Loan demand was mainly held back by weak fixed investment dynamics. Lending to households showed a gradual recovery, before essentially stabilizing at the end of 2024, compared to a reduction of more than 1% in December 2023. In Germany, lending to the private sector showed modest expansion, decelerating from 1% year-on-year growth at the end of 2023, in a context where the German economy was in recession in 2024 and there was a significant decline in fixed investment.

As regards bank funding at system level, the growth of deposits by households and non-financial corporations in the euro area has recovered the slowdown observed in 2023. The increase in deposits was also supported by a recovery in sight deposits. This was particularly true in Italy, where the growth rate of deposits of households and non-financial corporations interrupted a slowdown, also thanks to an improvement in real disposable income and household savings. In Germany, the stock of deposits of both households and non-financial corporations continued to grow at a decent pace, again supported by the recovery in sight deposits.

The reduction in key interest rates by the Central Bank is gradually being transmitted to bank interest rates in the three reference countries of the UniCredit group. Interest rates on bank loans to non-financial corporations fell below 5% in Germany and Italy, one percentage point below last year's peak and the lowest level since April 2023, while they fell slightly above 4% in Austria. Interest rates on mortgages for home purchases also followed a downward trend, falling well below 4% in all of the Group's reference countries. In the face of a stabilization of the interest rates applied to bank deposits, the banking spread (i.e. the difference between the average interest rate applied to loans and the average rate applied to deposits) showed a moderate decrease during 2024.

During 2024, market movements reflected a constructive approach by investors supported by the expectation of a process of interest rate reduction by the main central banks. A good market performance characterized the second part of the year in particular despite an intensification of geopolitical risks, also due to the worsening of the conflict in the Middle East, and the wait for the outcome of the American elections in November, which was received positively overall by the financial markets.

The factoring market

At the end of 2024, the market recorded a cumulative turnover of approximately 289 billion euros, substantially at the same levels as the end of last year (-0.4% var. y/y) but, by sterilizing the component of purchases of tax credits deriving from building bonuses, an operation now exhausted due to legislative decrees relating to the so-called "Super Bonus" during 2024 which effectively blocked the transfer for companies to banks or financial intermediaries, it actually showed growth of 1%. The value of outstanding credit balances, the so-called credit balance, amounts, as of December 31, 2024, to 70.66 billion euros, an increase of 0.52% compared to the same period of the previous year. The percentage share of advances compared to the total receivables at December 31, 2024 reaches almost 84%, up compared to the previous year (+ 7% var. y/y), a sign of an increase in the need, on the part of companies, for additional incoming cash flows to meet the financing needs of working capital.

In 2024, without recourse transactions show a consolidation and confirm their preponderance in the Italian factoring market with a share of approximately 81%, compared to a with recourse share of the remaining 19%. The trend in without recourse turnover showed growth especially during the first half of 2024, compared to the second half of the year where the sharp decrease in purchases of tax credits deriving from building bonuses due to the aforementioned regulatory change had a significant impact. While with recourse volumes showed a constant decline compared to the previous year. The development of operations attributable to Supply Chain Finance showed a trend in 2024 substantially in line with traditional factoring. At the end of 2024, reverse factoring and confirming volumes will reach a total of 28.03 billion euros and will increase by +0.89% compared to 2023. However, the dynamics are different between the components of this operation. The turnover generated by these operations confirms a stable penetration in the factoring market at around 10% of the overall turnover. The majority of the volumes of this operation originate from reverse factoring agreements, established by the lead companies, with 23.87 billion euros of turnover in the year, and at December 31, 2024 they are substantially at the same levels compared to the previous year (+0.03%). The confirming programs, activated by 826 leading companies in the supply chain during 2024, show continued lively growth and the number of agreements activated by buyers is growing by double digits and by over 15% compared to the total for 2023. In terms of volumes, the issuance of payment mandates to the factor by buyers reached 6.89 billion euros, of which 4.16 billion euros were subject to assignment and advancement of credit by suppliers with a turnover transformation rate of approximately 60%.

In recent years, the dynamics of sales volumes have followed the trend of GDP, to which they are linked by a stable ratio of around 15%. The dynamics of interest rates influence the speed of rotation of portfolios of assigned invoices and monetary policies and the type of growth scenarios influence the ease of access to traditional bank credit. Factoring becomes a distinctive and complementary solution for access to new liquidity and diversification of the risk assumed by the lender on subjects with a better risk profile.

The Italian factoring market remains highly competitive and concentrated again in 2024, with the top three competitors holding a market share on turnover of around 60.5% (data as of November 2024).

Company activities

UniCredit Factoring is an Italian company of the UniCredit Group, specializing in the recourse and non-recourse acquisition of trade receivables assigned by customers who can not only optimize their financial structure but can also benefit from a series of related services such as the collection, management and insurance of receivables.

The Company is active on the Italian market and also cross-border. For both types of operation, it uses Group banks and has forged a strong collaboration between its own commercial network and that of the Group.

Organizational structure

During 2024, the organizational structure of the Company was amended in line with the following rationales:

- alignment with the Client Solutions operating model;
- greater focus on product specialization;
- rationalization and simplification of the overall number of facilities.

it also took into account the use of support from the Parent Company with specific outsourcing contracts.

In particular, the "Marketing" structure (with its "Client Management & Business Development" and "Products Development" substructures), previously reporting to the "Sales & Marketing" structure, has been replaced by a new structure, called "Products", reporting to the Chief Executive Officer. The activities carried out by the "Marketing" department have been partially integrated into the new "Products" department, which focuses on product specialization.

The "Sales & Marketing" structure was renamed "Sales" and retained only the sales structures that reported to it. This change focused its commercial function.

In this context, the "Account Management" substructure acquired some activities previously carried out by "Client Management & Business Development" and absorbed the "Supply Chain Finance Sales" structure (also previously allocated to "Sales & Marketing"), responsible for the management of Supply Chain Finance programs and its activities.

As regards the main ICT initiatives, to support the organizational structure, we highlight the activation of the new Underwriting application (PEF), with the adoption of the Group decision-making engine, starting from April 2024. Starting in August 2024, this has enabled the automation of the process of approving credit requests and determining levels of decision-making power.

Starting from May 2024, the third and final phase of the Digital Factoring project has started, which includes the updating, within the company's legacy ICT architecture, of the back-end applications with optimization of core processes and reduction of operational risk related to obsolescence. The release is expected by the year 2025.

Workforce

UniCredit Factoring's workforce stood at 218 Full Time Equivalents (FTEs) at December 31, 2024, a decrease of 35 FTEs compared to the end of the previous year.

Specifically, against 12 new entries into the Group, 47 members of staff left. In line with the Group's strategy in recent years, UniCredit Factoring has pursued the objective of simplifying processes and increasing efficiency, leveraging more on synergies with UniCredit SpA, implementing new technologies and redesigning activities. The plan involved a reduction in staff by accommodating redundancy and finding redeployment solutions within the group.

Composition by age, pay level and gender

With reference to the distribution by age group, there is a decrease in line with the overall reduction in the company's FTEs. The average age of the population remains 49.14 years.

BREAKDOWN BY AGE GROUP

	12.31.2024		12.31.2023		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Up to 30 years	5	2.2%	5	1.7%	-0	-3.0%
From 31 to 40 years	18	8.3%	25	12.1%	-7	-27.8%
From 41 to 50 years	91	41.9%	103	40.6%	-12	-11.2%
Over 50 years	104	47.6%	120	45.6%	-16	-13.5%
Total	218	100.0%	253	100.0%	-35	-13.8%

In terms of contractual classification across the Company, there was a decrease in all categories in line with the FTE trend.

BREAKDOWN BY CATEGORY

	12.31.2024		12.31.2023		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Executives	9	3.9%	11	4.3%	-2	-22.3%
Management - 3rd and 4th grade	73	33.5%	81	32.0%	-8	-9.9%
Management - 1st and 2nd grade	69	31.7%	75	29.6%	-6	-7.8%
Professional areas	67	30.9%	86	34.0%	-19	-21.6%
Total	218	100.0%	253	100.0%	-35	-13.8%

As regards the composition by activity of the personnel of the entire Company, there was a reduction in particular in the staff dedicated to Core Activity (-20.4% compared to 2023).

BREAKDOWN MEN/WOMEN

	12.31.2024		12.31.2023		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Women	85	38.7%	100	39.5%	-15	-15.5%
Men	134	61.3%	153	60.5%	-19	-12.7%
Total	218	100.0%	253	100.0%	-35	-13.8%

Finally, the breakdown of the workforce between women and men is shown below, which shows a decrease in the number of women and men in line with the decrease in the total number of FTEs in the company.

BREAKDOWN BY ACTIVITY

	12.31.2024		12.31.2023		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Business	87	39.8%	88	34.8%	-1	-1.5%
Core Activity	131	60.2%	165	65.2%	-34	-20.4%
Total	218	100.0%	253	100.0%	-35	-13.8%

Performance management

In UniCredit Factoring, people are the main corporate resource, bringing with them their different experiences and technical-professional skills. The mission remains to create a just environment and provide the tools that enable people to achieve challenging goals. For this reason, we evaluate and promote development through a rigorous evaluation process based on our Values and our strategic vision with a great attention to feedback on predefined performance objectives and expected behaviors.

Employee development

Ensuring the development of all staff is an important driver of UniCredit Factoring's strategy; for this reason, during 2024 we continued to invest with the aim of:

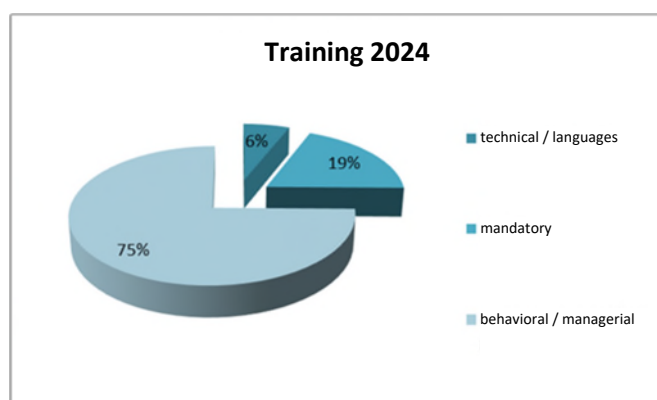
- ensuring the continuous training and updating of personnel in service by developing their specific skills in the world of factoring—technical, linguistic, behavioral, and managerial—in line with the evolution of the context.
- supporting new hires in developing the skills needed to carry out new activities and in integrating into the company;
- meeting the training needs identified with Managers, highlighted in UniCredit Performance Management and reported directly by people.

Various opportunities have been made available to staff, including reconfirmed language training with the goFLUENT language school, sector courses in collaboration with partners such as Assifact, managerial development initiatives (e.g., the Mentoring Program), and knowledge-sharing sessions on topics related to corporate strategy, culture, and more specialized content (e.g., traceability of financial flows and due diligence/KYC).

In close collaboration with the Client Solutions department, the training courses included in the "Client Solutions Learning Architecture" training offer were proposed to UniCredit Factoring colleagues. These English-language training curricula are intended to increase the professionalism of all employees on the topics of Core Banking Skills, Effective Communication, and Managerial Skills. In addition, training and development initiatives were implemented for new recruits, through the Graduate Program, and for talented individuals through the Talent Campus.

Below is a percentage distribution of the hours of training divided between:

- Behavioral/Managerial: 6%
- Compulsory: 19%
- Specialization/Linguistics: 75%



Diversity and inclusion

In line with the Group's commitment to promoting Diversity, Equity and Inclusion, essential for creating value for our people, customers, communities and shareholders, the process aimed at fostering a work environment with equal opportunities for people of all ages, genders and cultural backgrounds.

In line with our Group-wide commitment to reduce the gender pay gap, we also focused on the gender pay gap in 2024.

Flexibility and Work Life Balance

During 2024, UniCredit Factoring continued to demonstrate a strong focus on the personal and family needs of colleagues, ensuring maximum availability and flexibility to meet their needs wherever possible.

Work Life Balance initiatives aim to ensure:

- a better work/life balance;
- the opportunity to choose different workplaces (home/office).

In particular, during 2024, six part-time contracts that had expired were renewed.

In line with the Group, all staff will continue to have the option of two smart working days per week in 2024, as per the Agile Working Agreement.

Marketing

In 2024, innovations were implemented in the supply chain finance area to support high-standing customers and facilitate their access to credit through interaction with Fintech companies.

Regarding communication activities, UniCredit Factoring participated in a UniCredit media plan created by Il Sole 24 Ore in 2024. The plan consisted of a series of podcasts entitled "Business Challenges," ranging from working capital management to the latest technological innovations in the payments sector.

In spring, the UniCredit Tower hosted AITI Treasury Lab, an event in collaboration with AITI (Associazione Italiana Tesorieri d'Impresa) and dedicated to payments and working capital issues.

Also in 2024 UniCredit Factoring hosted Assifact, on the occasion of the annual Observatory, an event dedicated to the comparison between operators in the sector to examine the evolution of the national and international economic situation, market trends and scenarios and emerging risks and opportunities for factoring.

During the year, a listening survey was conducted among UniCredit Factoring customers using the Instant Feedback methodology. Short general questions were selected to understand the level of customer satisfaction with the UniCredit Smart Factor platform. During the survey, customers were also asked a number of questions to test their level of satisfaction with our company. The NPS (Net Promoter Score) index slightly decreased, in line with the trend of the same index of Corporate Italy.

Finally, in the last quarter of the year, UniCredit Factoring launched a major billboard advertising campaign at Linate Airport, a major transportation hub with high daily traffic of business passengers. The advertising space was used for two different creative concepts: one promoted UniCredit Factoring's expertise in accounts receivable management, while the other highlighted its Supply Chain Finance solutions (accounts payable).

Turnover and total receivables

Based on the data referring to 2024 provided by the trade association Assifact, the cumulative turnover of the sector reported a limited decrease compared to the same period in 2023 of 0.40%, while total receivables also saw a limited increase of 0.52% compared to the same period of the previous year.

The market is proving to be highly competitive and concentrated. In fact, the top four competitors control nearly three-fifths of the market in terms of turnover.

The Company acquired a total turnover of 48.6 billion during the year, a decrease of 11% compared to 2023, maintaining second place in the industry ranking with a market share (November) of 16.9%.

Also in terms of outstanding, the company ranks second in the sector with a decrease of 28.6% compared to the end of 2023, with a market share (November data) of 16.74%.

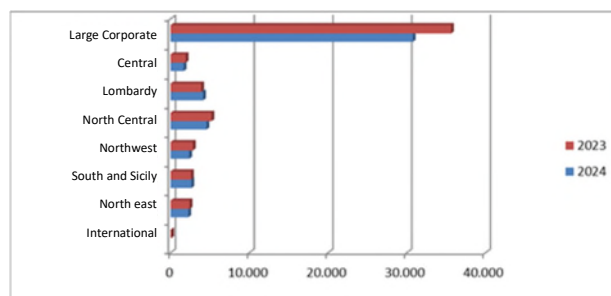
As can be seen from the following table, the component of non-recourse transactions in 2023 increased both in terms of turnover, settling at 91.6% of the total, and in terms of outstanding (91.9% of the total). Conversely, with-recourse transactions decreased in terms of turnover, representing 8.4% of the total, and in terms of outstanding, representing 8.1% of the total. In absolute terms, the change in turnover saw a decrease of 4,852 million in non-recourse assignments and 1,170 million in with recourse assignments.

	12.31.2024		12.31.2023		Amount	
	amount	comp. %	amount	comp. %	absolute	%
Turnover	48,594	100.0%	54,617	100.0%	-6,023	-11.0%
of which without recourse	44,489	91.6%	49,341	90.3%	-4,852	-9.8%
of which with recourse	4,105	8.4%	5,275	9.7%	-1,170	-22.2%
Outstanding	11,624	100.0%	13,382	100.0%	-1,757	-13.1%
of which without recourse	10,686	91.9%	12,218	91.3%	-1,532	-12.5%
of which with recourse	938	8.1%	1,163	8.7%	-225	-19.4%

The share of turnover on Domestic operations decreased (-16.2%). The export component, on the other hand, increased to 5,389 million, which in terms of share corresponds to 11.1% of the total.

	12.31.2024		12.31.2023		Amount	
	amount	comp. %	amount	comp. %	absolute	%
Turnover	48,594	100.0%	54,617	100.0%	-6,023	-11.0%
Domestic	42,383	87.2%	50,572	92.6%	-8,189	-16.2%
Import	822	1.7%	689	1.3%	+132	+19.2%
Export	5,389	11.1%	3,355	6.1%	2,034	+60.6%

Lastly, it should be noted that almost all the commercial areas except Lombardy and South/Sicily recorded a decrease compared to the previous year, with the Large Corporate Area alone representing 63.5% of the overall turnover.



As regards the overall outstanding, the overall expired quota is in line with the previous year (1,874 million) and is under constant and careful monitoring. However, it should be noted that the overdue amount relating to trade receivables only, net of recovery positions, shows a significant reduction of 269 million compared to the previous year.

This result was achieved by Debtors Management, which, with the close cooperation and synergy of the Sales structure, has put in place actions that have yielded significant results on the market in terms of average collection times, through:

- expanding the management and monitoring of due and past-due loans;
- continuing the recognition and analysis of longer past-due loans by fine-tuning recovery actions (Old Credit Project);
- extending the controls on the operational management of assigned receivables;
- control and management of past due for more than 90 days, with the aim of preventing them from deteriorating;
- continuous and careful monitoring, as well as recovery of significant tax credit positions.

The set of actions described above also contributed to reducing the risk levels of the outstanding portfolio, also thanks to:

- a consolidated and more effective synergy and collaboration developed with the other corporate structures and Control Functions,
- the use of control and guidance tools/reports (dashboard, past due exclusion reasons, new definition of default (NDOD) report, revenue agency report).

Below is a breakdown of outstanding by sector and area of debtor activity. The reduction in receivables related to financial companies accounts for the largest share in absolute value (-1000 million).

TOTAL OUTSTANDING BY BUSINESS SECTOR OF BORROWER

(€ million)

	12.31.2024		12.31.2023		Amount	
	amount	comp. %	amount	comp. %	absolute	%
GENERAL GOVERNMENT	2,669	23.0%	2,972	22.2%	-302	-10.2%
FINANCIAL COMPANIES	949	8.2%	1,949	14.6%	-1,000	-51.3%
NON-FINANCIAL COMPANIES	6,667	57.4%	7,179	53.7%	-512	-7.1%
HOUSEHOLDS	8	0.1%	8	0.1%	+0	+0.2%
NON-PROFITS FOR HOUSEHOLDS	36	0.3%	47	0.4%	-11	-22.4%
REST OF THE WORLD	1,294	11.1%	1,226	9.2%	+68	+5.6%
Total loans	11,624	100%	13,381	100.0%	-1,757	-13.1%

The composition by area of debtor activity relates only to 'non-financial companies' and 'manufacturing groups'.

TOTAL OUTSTANDING BY BUSINESS BRANCH OF BORROWER

(€ million)

	12.31.2024		12.31.2023		Amount	
	amount	comp. %	amount	comp. %	absolute	%
AGRI. PROD, FORESTRY, FISHING	29	0.44%	15	0.21%	+14	+89.7%
ENERGY	859	12.87%	797	11.08%	+63	+7.9%
MINERALS, IRON METALS AND OTHERS	208	3.12%	216	3.00%	-8	-3.6%
MINERALS AND NON-METAL, MINERAL-BASED PRODUCTS	85	1.27%	108	1.50%	-23	-21.4%
CHEMICALS	71	1.07%	74	1.03%	-3	-3.7%
METAL PRODUCTS EXC. MACHINERY	288	4.31%	451	6.27%	-163	-36.2%
ELECTRICAL MACHINERY AND SUPPLIES	89	1.33%	95	1.33%	-7	-7.1%
TRANSPORT MEANS	1,192	17.86%	1,388	19.31%	-196	-14.1%
FOODSTUFFS, BEVERAGES, TOBACCO	272	4.08%	324	4.51%	-52	-16.1%
TEXTILES, LEATHER, FOOTWEAR, CLOTHING	48	0.72%	59	0.82%	-11	-18.6%
PAPER, PRINTING PRODUCTS, PUBLISHING SECTOR	77	1.15%	98	1.36%	-21	-21.1%
RUBBER, PLASTIC	29	0.44%	26	0.37%	+3	+10.6%
OTHER INDUSTRIAL PRODUCTS	41	0.61%	47	0.66%	-7	-13.9%
BUILDING AND PUBLIC WORKS	72	1.08%	126	1.75%	-54	-42.9%
COMMERCIAL SERVICES, RECOVERIES, REPAIRS	2,043	30.62%	2,100	29.22%	-57	-2.7%
HOTEL AND PUBLIC AGENCY SERVICES	6	0.10%	7	0.09%	-0	-5.8%
INTERNAL TRANSPORT SERVICES	134	2.01%	138	1.92%	-4	-2.7%
TRANSPORT-RELATED SERVICES	394	5.90%	368	5.12%	+26	+7.0%
COMMUNICATIONS	233	3.50%	278	3.86%	-44	-15.9%
OTHER SALES-BASED SERVICES	490	7.34%	457	6.36%	+33	+7.3%
TOTAL NON-FINANCIAL CORPORATIONS AND PRODUCER HOUSEHOLDS	6,675	100.00%	7,188	100.00%	-513	-7.1%

Receivables

Receivables at book value amounted to 10,067 million euro, down 12.5% since the end of the previous year, in line with the budget. Loans and advances to customers accounted for 99% of the total, while loans and advances to financial institutions decreased to 0.6% and loans and advances to credit institutions increased to 0.5%.

LOANS (€ million)

	12.31.2024		12.31.2023		Change vs. 2/31/2023	
	amount	comp. %	amount	comp. %	absolute	%
receivables from credit institutions	46	0.5%	27	0.2%	+19	+68.5%
receivables from financial institutions	60	0.6%	103	0.9%	-44	-42.4%
loans and receivables with customers	9,962	99.0%	11,374	98.9%	-1,412	-12.4%
Total loans	10,067	100.0%	11,504	100.0%	-1,437	-12.5%
of which:						
with-recourse advances	404	4.0%	437	3.8%	-32	-7.4%
with-recourse advances (ex-formal non-recourse)	928	9.2%	1,167	10.1%	-239	-20.5%
advances on contracts	123	1.2%	84	0.7%	+40	+47.4%
non-recourse receivables	7,513	74.6%	8,778	76.3%	-1,265	-14.4%
deferred receivables + debtor financing	932	9.3%	883	7.7%	+50	+5.7%
Non-Performing loans	33	0.3%	85	0.7%	-52	-61.4%
other loans and receivables	134	1.3%	71	0.6%	+62	+87.5%

With recourse and formal non-recourse advances saw decreases of -32 million and -239 million, respectively. Meanwhile, the with recourse component increased slightly in terms of share (+0.2 points); the formal non-recourse component decreased by 0.9 points compared to last year. Non-recourse receivables decreased in absolute terms (-1.265 million) but remained almost constant in terms of share at 74.6% compared to 76.3% last year.

The share of deferred receivables and debtor financing increased and stood at 9.3% against 7.7% of the previous year, advances on contracts and other receivables also increased reaching 1.2% and 1.3% respectively compared to 0.7% and 0.6% of the previous year. There was a decrease both in absolute terms (-52 million) and in percentage terms (-61.4%) in non-performing loans, which amounted to 33 million.

The decrease affected all categories of non-performing loans in particular, past due loans represented the largest portion and went from 73.4 million in December 2023 to 24.7 million in December 2024, bad loans went from 2.8 million in December 2023 to 2.6 million euro in December 2024, and finally, likely to default loans went from 8.9 million in December 2023 to 5.4 million in December 2024. As a proportion of total loans on the balance sheet, net non-performing loans thus decreased to 0.33% from 0.74% at the end of 2023.

The distribution of loans by geographical area shows a prevalence of counterparties located in the north-west and center

GEOGRAPHICAL AREA	AMOUNT
north west	3,403
north east	903
north central	3,881
south	554
islands	208
outside italy	1,118
TOTAL	10,067

The coverage ratio for impairment losses on receivables, including write-offs, significantly increased (from 67.93% to 83.18%). Specifically, the coverage ratios of the three categories of non-Performing loans remain almost at the same levels as in 2023, but the composition of these loans sees a significant decrease in past due loans, which are those that have a lower coverage rate than non-performing and unlikely-to-pay loans. This different composition has actually increased the level of total coverage.

NON-PERFORMING LOANS

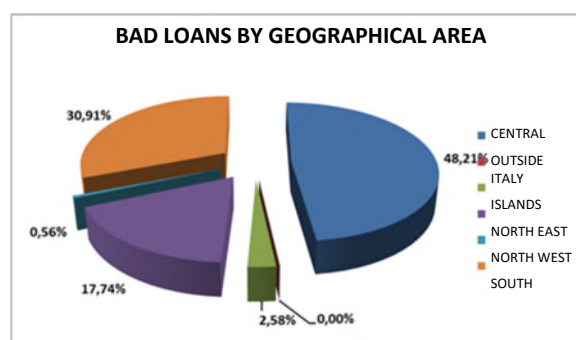
(€ million)

	Bad loans		Unlikely to pay	Past-Due Loans	Total non-performing	
	book value	incl. write-offs			book value	incl. write-offs
As at 12.31.2024						
Nominal value	50.0	141.3	27.6	26.1	103.6	194.9
as a percentage of total loans	0.49%		0.27%	0.26%	1.02%	
Write-downs	47.3	138.6	22.2	1.3	70.8	162.1
as a percentage of face value	94.72%	98.13%	80.39%	5.08%	68.35%	83.18%
Book value	2.6	2.6	5.4	24.7	32.8	32.8
as a percentage of total loans	0.03%		0.05%	0.25%	0.33%	
As at 12.31.2023						
Nominal value	63.2	146.9	40.5	77.8	181.5	265.2
as a percentage of total loans	0.54%		0.35%	0.67%	1.56%	
Write-downs	60.4	144.1	31.6	4.4	96.5	180.2
as a percentage of face value	95.61%	98.11%	78.08%	5.68%	53.14%	67.93%
Book value	2.8	2.8	8.9	73.4	85.0	85.0
as a percentage of total loans	0.02%		0.08%	0.64%	0.74%	

Bad loans at book value increased from 0.02% to 0.03% in relation to the total receivables.

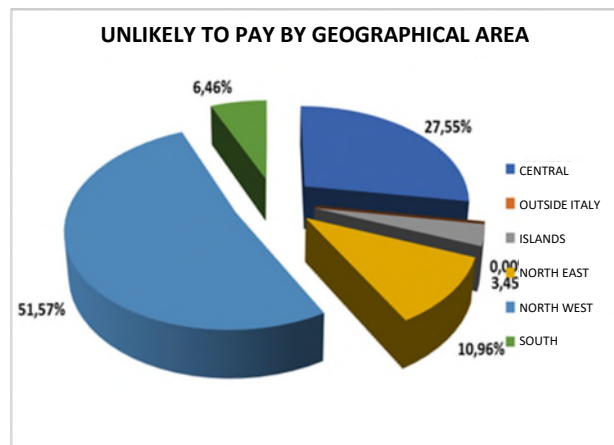
In 2024, 11 new positions were transferred to bad loan status, totalling 8,3 million euros, with provisions of around 7.8 million euros being made.

The breakdown of bad loans, inclusive of provisions, by geographical area shows a prevalence of positions with parties in Central and Southern Italy Areas:

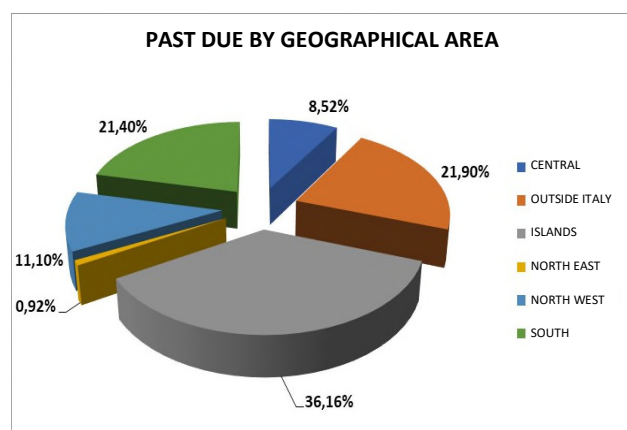


Unlikely-to-pay positions fell between the end of 2023 and the end of 2024 from 0.08% to 0.05% in relation to total net receivables.

In 2024, 10 new positions were transferred to unlikely to pay status, totalling 2.7 million. The breakdown of gross unlikely-to-pay loans by geographical area shows a clear prevalence in the North-West and North-East.



Gross impaired past-due loans showed a slight reduction between the end of 2023 and the end of 2024, from 78 million to 26 million in absolute terms and, after write-downs, standing at 0.25% of the total net receivables, compared to 0.64% at the end of the previous year. Past-due loans by geographical area show a clear predominance in the Islands area and abroad.



Risk management and control methods

The Risk Management Department is responsible for controlling the processes used to measure, monitor, govern and control risks by ensuring the optimal composition of the portfolio and limiting the related costs.

In line with the parent company's organizational model, the Company has designed its organizational structure by separating the processes for the acquisition and management of assigning customers from those for debtor management, and by entrusting the Risk Management Department with the responsibility for decision-making – this department is also responsible for systematic monitoring and for risk measurement.

Powers to grant finance, which are the responsibility of the Board of Directors, are partly delegated to the Credit Committee and the CEO, below whom there is a system of delegated roles for individual teams in the Division.

The system of powers and delegated powers is periodically reviewed and is adjusted to reflect changes in the market and the company's structural requirements.

With regard to market risks relating to the commercial portfolio, the characteristics of the product which typically generates short-term exposures and the operating methods implemented allow for maintaining low levels. In Asset & Liability Management, we operate by aligning the repricing of assets with that of liabilities, including onerous financing.

The rates risk relating to definitive acquisitions, which are by nature fixed-rate transactions, beyond the short-term is usually hedged by fixed-rate funding transactions with the same duration. For some transactions, derivative instruments were entered into in the past to hedge interest rate risk. Since July 2018, no OTC derivative contracts have been entered into to hedge interest rate risk.

In the same way, the liquidity profile is managed using the maturity matching approach of lending and funding flows.

The foreign currency receivables in the Company's assets are financed with liabilities in the same currency. This minimizes the exchange risk.

For more detailed information about risks and hedging policies, see the Notes (Part D – Section 3).

Income Statement and Shareholders' Equity

Income statement

The Income Statement set out below follows the reclassification scheme adopted by the Group. In this scheme, integration charges, which are included in personnel costs, are highlighted in a specific item under operating profit.

CONDENSED INCOME STATEMENT

(€ million)

	Financial year		Amount	
	2024	2023	change	%
Net interest	114.6	120.2	-5.6	-4.7%
Net fees and commissions	38.3	40.2	-1.9	-4.7%
Net result from trading and hedging	0.3	0.8	-0.6	-69.1%
Net other expenses/income	10.4	6.4	4.0	+63.1%
OPERATING INCOME	163.5	167.6	-4.1	-2.4%
Personnel costs	-26.0	-26.6	0.6	-2.1%
Other administrative expenses	-20.6	-18.7	-1.9	+10.0%
Impairment/write-backs on intangible and tangible assets	-0.8	-0.9	0.2	-17.1%
Operating costs	-47.4	-46.2	-1.2	+2.5%
OPERATING PROFIT (LOSS)	116.1	121.4	-5.3	-4.3%
Net write-downs on loans	2.1	-7.2	9.3	n.s.
NET OPERATING PROFIT (LOSS)	118.2	114.2	4.0	+3.5%
Net provisions for risks and charges	1.6	0.1	1.5	n.s.
Integration costs	-3.4	-2.1	-1.3	+61.0%
PROFIT BEFORE TAXES	116.3	112.1	4.2	+3.8%
Income tax for the year	-41.6	-34.7	-7.0	+20.0%
NET PROFIT	74.7	77.4	-2.7	-3.5%

Reclassified operating income amounted to 163.5 million, a decrease of 2.4% compared to 2023. Contributing to this result was the net interest margin, at 114.6 million (-4.7%), net commission at 38.3 million (-4.7%). Other income increased by 4 million to 10.4 million.

On the cost side, personnel costs decreased by 2.1% with an average workforce of 27 FTE lower than in the same period of 2023. Other administrative expenses increased by 10% compared to last year mainly in the intercompany component related to ICT services. Overall, operating costs amounted to 47.4 million, an increase of 2.5%. The operating result decreased by 5.3 million in absolute value (-4.3%), and the ratio between costs and revenues stood at 29%.

Net write-backs on loans amounted to 2.1 million, up by 9.3 million in absolute value compared to 2023.

Profit before taxes, taking into account the release of the provision for risks and charges in the amount of 1.6 million and integration costs of 3.4 million, amounted to 116.1 million, compared to 112.1 million in the previous year, an increase of 3.8%.

Net profit for the year stood at 74.7 million, down 2.7 million compared to 2023, also due to the elimination of the tax deduction for reinvested earnings (ACE) and the transfer to the income statement of the tax component of the IFRS 15 and IFRS 9 FTA Reserves.

Equity and capital ratios

Equity, taking into account the profit for the period and the dividends that will be proposed for distribution, amounted to 887 million, compared to 867 million at the end of 2023. Own Funds, after deducting 70% of the net profit to be distributed, stood at 835 million, compared to 812 million in December 2023.

Total risk-weighted assets showed a decrease of 6.2% compared to December 2023 due to the combined effect of the reduction in lending volumes and a different portfolio mix, with a decrease in exposures to the Public Administration. The CET 1 ratio, which also coincides with the Total Capital ratio, was on the rise and stood at 22.75% from 20.78% in December 2023, compared to a minimum of 6.0%.

EQUITY AND CAPITAL RATIOS

	12/31/2024	12/31/2023	(€ million)	
			Change vs. 2/31/2023	
			change	%
Equity	887	867	+20	2.3%
Period profit to distribute (-)	52	54	-2	-3.4%
Negative/positive features	0	0	+0	0.0%
Common Equity Tier 1 Capital	835	812	+22	2.7%
Total own funds	835	812	+22	2.7%
Total RWA	3,668	3,910	-242	-6.2%
CET 1*	22.75%	20.78%	2.0%	9.5%
Total Capital ratio	22.75%	20.78%	2.0%	9.5%

* the difference with table '4.2.2.2 Quantitative disclosure, Part D Other disclosures' is due to a different calculation of operational risk assets compared to capital requirements

Other information

Application for registration on the new Single Register of Financial Intermediaries

Since 05.09.2016, the Company has been registered on the new Single Register of Financial Intermediaries, in accordance with the reformed Article 106 TUB.

Auditing

Audit controls in the Company are managed by the Internal Audit function which carries out an independent and objective assurance and consultancy activity, in order to evaluate, add value and contribute to the improvement of the Company's Internal Control System. Starting from 2022, the activities of the Internal Audit function are partially outsourced to UniCredit S.p.A. on the basis of an intercompany outsourcing contract which took effect from February 7, 2022.

The new organizational model provides for the presence at UniCredit Factoring of a Chief Audit Executive – in charge of the internal audit function, appointed by the Board of Directors of UniCredit Factoring – who, by means of a partial outsourcing contract, relies on staff with adequate professional skills to carry out the audit activities coming from the Parent Company.

Corporate responsibility: Italian Legislative Decree no. 231/2001

In 2024 the Supervisory Body continued its work on supervising adequacy and compliance with the Organizational and Management Model, which was set up in accordance with Decree 231/01 regarding the corporate responsibility of companies, legal entities and associations including those without legal status. The supervisory body performed its activities with the collaboration of Internal Audit.

Environment and health and safety at work

Also for 2024, the company continued its risk assessment activities, in line with the Group, by applying specific policies to ensure the protection of personnel in all workplaces.

Through an effective corporate system for the identification, assessment, prevention, protection against and timely elimination of risks and hazards, all elements are continuously monitored and analyzed, as follows:

- compliance with technical and structural regulations on equipment, workplaces, chemical, physical and biological agents;
- risk assessment activities and preparation of any necessary prevention and protection measures;
- organizational activities related to emergency management, first aid, contract management, regular safety meetings, consultation with worker safety representatives (RLS), and formal joint management-worker committees;
- health surveillance activities, through the carrying out of fitness examinations by specially appointed company doctors, and the drafting of health protocols;

- information and training activities through specific training modules on health and safety, emergency management, first aid and work-related stress;
- supervising employees' compliance with safe working procedures and instructions.

All employees have various channels (e.g. e-mail, ticket remedy tool) to report any hazards/malfunctions at work. The reports are then managed by the competent function.

Furthermore, during the year 2024, activities to update the previous work-related stress assessment began.

Related-party transactions

With regard to relations with the parent company and other companies in the UniCredit Group, see the Notes (Part D – Other information – Section 6 – Related-party transactions).

Treasury shares and parent-company shares in the portfolio

The Company does not hold, nor has it held during the year, any own treasury shares or shares of the parent company.

Research and development

No investments were made in research and development during the year.

Financial Instruments

As of December 31, 2024 the company does have hedging derivatives to cover interest rate risk. More information about the policy of managing financial risks and the composition of the derivatives portfolio can be found in the Notes.

In addition, from this report onwards, there are equities and shareholdings recognized in Financial assets measured at fair value through other comprehensive income and in the item Financial assets measured at fair value with impact on the income statement, which the Company obtained as a result of a transaction to restructure the debt of a lending counterparty in composition with creditors proceedings.

Management and coordination by the Parent Company

As required by Articles 2497 et seq of the Italian civil code, please note that the Company is subject to direction and coordination by UniCredit S.p.A.; Part D - Other information – Section 6 of the Notes contains details of relations with the entity exercising management and coordination and with the other companies it manages. The annexes to the Notes contain a schedule of the key data for the parent company.

The Company has joined the Group tax consolidation scheme.

Registered offices

Via Livio Cambi, 5, Milan.

Secondary offices

The Company does not have any secondary offices.

Events after year-end and outlook

Subsequent Events

No significant events have occurred after the reporting date that would have an impact on the financial statements.

Outlook

According to the estimates of the Bank of Italy, within the framework of the Eurosystem coordinated exercise, the year 2024 is expected to close with a GDP increase of 0.5%, with an acceleration towards 1% per year in the following three years, supported by the consolidation of domestic consumption and the recovery of exports. Investments will be affected by the reduction of incentives for residential construction, but will benefit from projects linked to the National Recovery and Resilience Plan (NRRP) and the gradual decrease in financing costs. Inflation will remain low, reaching 1.1% in 2024, 1.5% in the following two years and 2% in 2027. This increase will be mainly attributable to the reduction in the negative impact of energy prices. Core inflation will fall from 2.2% in 2023 to just over 1.5% in the three-year period 2025-2027, with pressures from labor costs largely offset by corporate profit margins. Employment will continue to grow, although at a slower rate than output. The unemployment rate, currently at 6.1%, will remain stable until 2027, ensuring a relatively solid labor market.

Italian companies will continue to reduce their debt, a process that began with the Eurozone debt crisis and was only temporarily interrupted in 2020-2021 thanks to subsidized loans guaranteed by the government. A reduction in loans to companies of 3.4% is estimated for 2024 (the most significant contraction among the major economies of the Eurozone), which will then start growing again in the following years (2.4 in 2025 and 2.7 in 2026).

In anticipation of a return to a less restrictive monetary policy, a natural recovery in credit to households and businesses is also expected. In parallel, higher volumes of loans, combined with an inflationary context still above the warning levels and an uncertain and volatile macroeconomic scenario, could require greater attention from banks towards credit quality, on which the first signs of a new deterioration were found in the first part of 2024. Overall, the outlook remains positive and thanks to the progressive improvement of some fundamentals of the Italian economy, in 2025 - for the first time since 2018 - no contractions are expected in the various credit categories. This forecast offers banks an opportunity to rebalance business priorities. The necessary focus placed in recent years on improving asset quality and capital ratios has created a solid foundation on which the banking sector can now build a more growth-focussed agenda. In the coming years, in fact, attention could be focused even more on transformative technology, innovation and sustainability.

As far as the factoring sector in particular is concerned, the expectations of operators are positive, forecasting a growth rate of around 3.8% for both turnover and lending in 2025.

In this scenario, the Company confirms that it will still pursue the strategic objectives of portfolio quality, market leadership and return on capital, in collaboration with the Parent Company's network and benefiting from the development and rationalisation projects already underway, including Digital Factoring.

Milan, February 13, 2024

The Chief Executive Officer

Daniela Ferrari

For the Board of Directors

Chairman: Ezio Bassi

Proposals to the Shareholders' Meeting

The financial statements and the directors' Report on Operations, which we now submit for your approval, have been audited by KPMG S.p.A in accordance with the meeting resolution passed on April 14, 2021.

We also propose the distribution of profits for the year, equal to 74,692,089 euros, with a dividend payout ratio of 70%, as follows:

legal reserve (5%)	euros	3,734,605
other reserves	euros	18 601 884
to shareholders at the rate of 0.652 euros per share	euros	52,355,600.

Milan, February 13, 2025

The Chief Executive Officer

Daniela Ferrari

For the Board of Directors

Chairman: Ezio Bassi

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Balance Sheet

Assets		12/31/2024	12/31/2023
10.	Cash and cash balances	20,955,074	8,469,927
20.	Financial assets measured at fair value through profit or loss	437,683	2,079,599
	c) other financial assets mandatorily at FV	437,683	2,079,599
30.	Financial assets measured at fair value through other comprehensive income	7,280,539	7,280,539
40.	Financial assets measured at amortized cost	10,067,456,341	11,504,369,254
	a) loans and receivables with banks	46,095,136	27,351,416
	b) receivables from financial companies	59,547,976	103,405,438
	c) loans and receivables with customers	9,961,813,229	11,373,612,400
50.	Hedging derivatives	401,846	1,610,628
60.	Changes in fair value of portfolio hedged items (+/-)	-1,719,070	-3,787,777
80.	Property, plant and equipment	6,612,467	8,172,228
90.	Intangible assets	0	0
100.	Tax assets	13,545,086	26,250,132
	a) current	-	0
	b) deferred	13,545,086	26,250,132
120.	Other assets	58,595,494	56,999,522
Total assets		10,173,565,460	11,611,444,052

Liabilities and equity		12/31/2024	12/31/2023
10.	Financial liabilities measured at amortized cost	8,776,359,467	10,456,414,344
	a) payables	8,776,359,467	10,456,414,344
40.	Hedging derivatives	2,429,595	1,828,888
60.	Tax liabilities	17,772,196	14,815,209
	a) current	17,772,196	14,815,209
80.	Other liabilities	476,014,168	237,383,892
90.	Provisions for employee severance pay	1,119,850	1,308,382
100.	Provisions for risks and charges:	12,986,320	33,165,122
	a) commitments and guarantees given	82,968	264,162
	b) post-retirement benefit obligations	2,396,258	171,001
	c) other provisions for risks and charges	10,507,094	32,729,959
110.	Capital	414,348,000	414,348,000
140.	Share premium	951,314	951,314
150.	Reserves	400,942,713	377,737,647
160.	Valuation reserves	(4,050,252)	(3,916,312)
170.	Profit (Loss) for the period (+/-)	74,692,089	77,407,566
Total liabilities and equity		10,173,565,460	11,611,444,052

[Euro]

Income Statement

ITEMS	12/31/24	12/31/23
10. Interest and similar income	364,031,143	355,898,666
of which interest income calculated using the effective interest method	352,391,454	347,853,114
20. Interest expense and similar charges	(249,417,398)	(235,675,345)
30. NET INTEREST MARGIN	114,613,745	120,223,321
40. Fees and commissions income	69,806,304	71,003,727
50. Fees and commissions expenses	(31,545,353)	(30,834,342)
60. NET FEES AND COMMISSIONS	38,260,951	40,169,385
70. Dividends and similar income	10,919	108,500
80. Net profit (loss) from trading	51,940	(98,261)
Gains and losses on financial assets/liabilities at fair value through profit or loss	197,208	831,223
b) other financial assets mandatorily at FV	197,208	831,223
120. OPERATING INCOME	153,134,763	161,234,168
130. Net adjustments/writebacks for credit risk of:	2,073,308	(7,195,747)
a) financial assets measured at amortized cost	2,073,308	(7,195,747)
160. Administrative costs:	(50,098,361)	(47,459,824)
a) personnel costs	(29,467,961)	(28,712,765)
b) other administrative expenses	(20,630,400)	(18,747,059)
170. Net provisions for risks and charges	1,608,527	74,062
a) commitments and guarantees given	181,194	120,978
b) other net provisions	1,427,333	(46,916)
180. Net value adjustments/write-backs on property, plant and equipment	(756,272)	(795,293)
190. Net value adjustments/write-backs on intangible assets	0	(116,955)
200. Other income and operating expenses	10,374,687	6,359,624
210. OPERATING COSTS	(38,871,419)	(41,938,386)
260. PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES	116,336,652	112,100,035
270. Income tax expense on continuing operations	(41,644,563)	(34,692,469)
280. PROFIT (LOSS) FROM CONTINUING OPERATIONS AFTER TAXES	74,692,089	77,407,566
300. PROFIT (LOSS) FOR THE PERIOD	74,692,089	77,407,566

[Euro]

Statement of comprehensive income

ITEMS	12/31/24	12/31/23
10. Profit (Loss) for the period	74,692,089	77,407,566
Other comprehensive income after tax not reclassified to profit or loss	-	-
20. Equity instruments at fair value through other comprehensive income	-	(2,863,436)
30. Financial liabilities measured at fair value through profit or loss (changes in own credit rating)	-	-
40. Hedging of equity instruments at fair value through other comprehensive income	-	-
50. Property, plant and equipment	-	-
60. Intangible assets	-	-
70. Defined benefit plans	(133,940)	(75,621)
80. Non-current assets held for sale	-	-
90. Portion of valuation reserve for equity investments valued using the equity method	-	-
Other comprehensive income after tax that may be reclassified to profit or loss	-	-
100. Hedges of foreign investments	-	-
110. Exchange rate differences	-	-
120. Cash flow hedges	-	-
130. Hedging instruments (not designated)	-	-
140. Financial assets (other than securities) measured at fair value with impact on comprehensive income	-	-
150. Non current assets and disposal groups classified as held for sale	-	-
160. Share of valuation reserves of equity investments accounted for using equity method	-	-
170. Total other income components after tax	(133,940)	(2,939,057)
180. Total comprehensive income (Item 10+170)	74,558,149	74,468,509

[Euro]

Statement of changes in Equity as at December 31, 2024

	BALANCE AS AT 31.12.2023	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2024	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN RESERVES	CHANGES DURING THE YEAR SHAREHOLDERS' EQUITY TRANSACTIONS					COMPREHENSIVE INCOME 12.31.2024	SHAREHOLDERS' EQUITY 12.31.2024
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS		ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	EXTRAORDINARY DISTRIBUTION OF DIVIDENDS	CHANGES IN EQUITY INSTRUMENTS	OTHER CHANGES		
Capital	414,348,000	-	414,348,000	-	-	-	-	-	-	-	-	-	414,348,000
Share premium	951,314	-	951,314	-	-	-	-	-	-	-	-	-	951,314
Reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-
a) income	377,737,647	-	377,737,647	23,205,066	-	-	-	-	-	-	-	-	400,942,713
b) others	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves	(3,916,312)	-	(3,916,312)	-	-	-	-	-	-	-	-	(133,940)	(4,050,252)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) for the period	77,407,566	-	77,407,566	(23,205,066)	(54,202,500)	-	-	-	-	-	-	74,692,089	74,692,089
Equity	866,528,215	-	866,528,215	-	(54,202,500)	-	-	-	-	-	-	74,558,149	886,883,864

[Euro]

Statement of changes in Equity as at December 31, 2023

	BALANCE AS AT 12.31.2020	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2023	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN RESERVES	CHANGES DURING THE YEAR SHAREHOLDERS' EQUITY TRANSACTIONS					COMPREHENSIVE INCOME 12.31.2023	SHAREHOLDERS' EQUITY 12.31. 2023
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS		ISSUE OF NEW SHARES	ACQUISITION OF TREASURY SHARES	EXTRAORDINARY DISTRIBUTION OF DIVIDENDS	CHANGES IN EQUITY INSTRUMENTS	OTHER CHANGES		
Capital	414,348,000	-	414,348,000	-	-	-	-	-	-	-	-	-	414,348,000
Share premium	951,314	-	951,314	-	-	-	-	-	-	-	-	-	951,314
Reserves:	-	-	-	-	-	-	-	-	-	-	-	-	-
a) income	358,414,280	-	358,414,280	19,323,367	-	-	-	-	-	-	-	-	377,737,647
b) others	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves	(977,255)	-	(977,255)	-	-	-	-	-	-	-	-	(2,939,057)	(3,916,312)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) for the period	64,371,666	-	64,371,666	(19,323,367)	(45,048,299)	-	-	-	-	-	-	77,407,566	77,407,566
Equity	837,108,005	-	837,108,005	-	(45,048,299)	-	-	-	-	-	-	74,468,509	866,528,215

[Euro]

Cash Flow Statement - Direct Method

	12.31.2024	12.31.2023
A. OPERATING ACTIVITIES		
1. OPERATIONS	51,745,702	145,929,682
- interest income collected	345,098,975	377,763,935
- interest expense paid	(267,394,020)	(209,906,780)
- net fees and commissions	36,683,371	39,981,287
- personnel costs	(26,020,415)	(26,571,881)
- other costs	(20,630,400)	(18,845,320)
- other revenues	12,947,708	7,978,376
- taxes and duties	(28,939,517)	(24,469,935)
2. LIQUIDITY GENERATED/ABSORBED BY FINANCIAL ASSETS	1,435,859,286	928,559,992
- other financial assets mandatorily at FV	1,641,916	596,733
- financial assets measured at fair value through other comprehensive income	-	4,278,256
- financial assets measured at amortized cost	1,436,673,267	903,799,151
- other assets	(2,455,897)	19,885,852
3. LIQUIDITY GENERATED/ABSORBED BY FINANCIAL LIABILITIES	(1,420,917,341)	(1,053,127,120)
- financial liabilities measured at amortized cost	(1,680,054,877)	(956,719,807)
- Debt securities in issue	-	-
- other liabilities	259,137,536	(96,407,313)
NET CASH GENERATED/ABSORBED BY OPERATING ACTIVITIES	66,687,647	21,362,554
B. INVESTMENT ACTIVITIES		
1. CASH GENERATED BY:		
- sales of property, plant and equipment		
- sales of intangible assets	-	-
- sales of business units	-	-
2. CASH ABSORBED BY:		
- purchases of property, plant and equipment	-	-
NET CASH GENERATED/ABSORBED BY INVESTMENT ACTIVITIES	-	-
C. FUNDING ACTIVITIES		
- distribution of dividends and other allocations	(54,202,500)	(45,048,299)
NET CASH GENERATED/ABSORBED BY FINANCING ACTIVITIES	(54,202,500)	(45,048,299)
NET CASH GENERATED/ABSORBED DURING THE YEAR	12,485,147	(23,685,745)

[Euro]

RECONCILIATION

	12.31.2024	12.31.2023
Cash and cash equivalents at the beginning of the period	8,469,927	32,155,672
Total net cash generated/absorbed during period	12,485,147	(23,685,745)
Cash and cash equivalents at the end of period	20,955,074	8,469,927

Notes to the Financial Statements

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Part A - Accounting policies

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A.1 - General information

Section 1 - Declaration of compliance with international accounting standards

These financial statements have been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretations, endorsed by the European Commission up to December 31, 2024, as required by European Union Regulation no. 1606/2002, transposed in Italy by Legislative Decree 38 of February 28, 2005.

The financial statements were prepared according to the models in the Bank of Italy's measure of November 17, 2022, 'Financial statements of IFRS intermediaries other than banking intermediaries', which fully replaced the guidelines annexed to the instructions in its measure of October 29, 2021.

Section 2 - Preparation Criteria

The financial statements of UniCredit Factoring S.p.A. at December 31, 2024 were prepared, as indicated above, in conformity with the International Accounting Standards (IAS/IFRS) endorsed by the European Union.

The financial statements comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement, and the Notes, accompanied by the Directors' Report on Operations. The financial situation is presented in euros, apart from the Notes which are prepared in thousands of euros, and corresponds to the company accounts, which fully reflect the operations carried out during the period.

The accounts are drafted on a going concern basis and correspond to the principles of accrual, relevance and materiality, and the prevalence of economic substance over legal form. The information in the Cash Flow Statement is given in accordance with the cash principle.

Costs and revenues, assets and liabilities are not offset against each other, except where required by an accounting standard and/or its interpretation, in order to make the financial statements clearer and more communicative.

The financial statements and Notes show the corresponding comparisons with the previous year.

The financial statements to December 31, 2024 have been drafted clearly and provide a true and fair representation of the Company's assets, financial position, economic result for the year, shareholders' equity and cash flow.

In these financial statements there are no derogations from the IAS/IFRS accounting standards.

Risk and uncertainty relating to the use of estimates

The IFRS require that Management provides valuations, estimates and projections with a bearing on the application of the accounting standards and the carrying amounts of assets, liabilities, expenses and revenues. Estimates and related projections based on experience and other factors judged to be reasonably included were used to estimate the carrying value of assets and liabilities not readily obtainable from other sources.

The Company has considered the effects of these uncertainties on the value of financial assets recognized on the Company's balance sheet and for all estimation processes.

The estimates and assumptions are regularly reviewed. Any changes resulting from these reviews are recognized in the period in which the review was carried out, provided the change only concerns that period. If the revision concerns both current and future periods it is recognized accordingly in both current and future periods.

The risk of uncertainty in estimation essentially relates to the assessment of:

- the quantification of losses due to impairment in the value of receivables;
- severance pay and other employee benefits;
- the provisions for risks and charges;
- financial instruments;
- deferred tax assets.

Section 3 - Subsequent Events

No significant events have occurred after the reporting date that would make it necessary to change any of the information given in the Accounts as at December 31, 2024.

Section 4 - Other aspects

These accounts are audited by the company KPMG S.p.A. pursuant to Legislative Decree no. 39 of January 27, 2010 and in implementation of the Shareholders' Meeting resolution of April 14, 2021.

The draft financial statements of the Company were approved and authorized for publication by the Board of Directors on February 13, 2024.

In 2024, the following accounting standards, amendments or interpretations of existing accounting standards came into force:

- amendments to IFRS 16 Leases: leasing liabilities in Sale and Leaseback transactions (EU Reg. 2023/2579);
- amendments to IAS 1 Presentation of financial statements: Classification of liabilities as current or non-current and Classification of liabilities as current or non-current - Deferral of the effective date and Non-current liabilities with covenants (EU Reg. 2023/2822);
- amendments to IAS 7 Financial Statements and IFRS 7 Financial Instruments: additional information: Financing agreements for supplies (EU Reg. 2024/1317).

The entry into force of these new accounting principles, amendments or interpretations has not had a significant impact on the balances reported in the Balance Sheet and Income Statement.

As of December 31, 2024, the following documents applicable to financial statements starting from January 1, 2025 have been approved by the European Commission:

- amendments to IAS 21 Effects of changes in exchange rate: absence of exchangeability (EU Reg. 2024/2862).

Finally, as at December 31, 2024, the IASB has issued the following accounting standards, interpretations or amendments of existing standards, whose application is subject to completion of the endorsement process by the competent bodies of the European Union:

- IFRS 18 Presentation and Disclosure of Financial Statements (issued April 9, 2024);
- IFRS 19 Subsidiaries without public responsibility: Information (issued on May 9, 2024);
- amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7) (issued on May 30, 2024);
- annual Improvements Volume 11 (issued July 18, 2024);
- Contracts for Electricity from Natural Sources – Amendments to IFRS 9 and IFRS 7 (issued December 18, 2024).

Amendment to IFRS 16

With reference to leasing contracts, it is specified that the practical expedient provided for in Regulation (EU) no. 1434/2020 was not applied, as there were no changes in the duration of the existing contracts.

A.2 - Main Items of the Financial Statements

Below are the criteria adopted for the valuation of the main items.

1) Cash and cash balances

Legal tender currencies are classified in this category, including foreign banknotes and divisional coins as well as "demand" credits (current accounts and sight deposits) from banks.

Balances in bank current accounts and sight deposits, as well as the liquidity available in company accounts, were valued at nominal value.

2) Financial assets measured at fair value through profit or loss

a) *Financial assets held for trading*

A financial asset is classified as held for trading if:

- it is acquired principally for the purpose of selling it in the near term;
- it is part of a portfolio of financial instruments that are managed together and for which there is a strategy of short-term profit-taking;
- it is a derivative contract not designated under hedge accounting, including derivatives with positive fair value embedded in financial liabilities other than those measured at fair value with recognition of income effects through profit or loss.

Like other financial instruments, on initial recognition, at settlement date, a held-for-trading financial asset is measured at its fair value, usually equal to the amount paid, excluding transaction costs and income, which are recognized in profit and loss even when directly attributable to the financial assets. Trading book derivatives are recognized at trade date.

After initial recognition these financial assets are measured at their fair value through profit or loss.

A gain or loss arising from sale or redemption or a change in the fair value of a HFT financial asset is recognized in profit or loss in item 80. Net trading result', including gains and losses on derivatives relating to financial assets and/or liabilities designated at fair value and other financial assets designated at fair value. If the fair value of a financial instrument falls below zero, which may happen with derivative contracts, it is recognized in item '20. Financial liabilities held for trading'.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (usually called the 'underlying');

- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative is separated from financial liabilities other than those measured at fair value through profit or loss and from non-financial instruments, and is recognized as a derivative, if:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured entirely at fair value through profit or loss.

When an embedded derivative is separated, the host contract is recognized according to its accounting classification.

b) Financial assets designated at fair value

A non-derivative financial asset can be designated at fair value if said designation avoids accounting mismatches that arise from measuring assets and associated liabilities according to different measurement criteria.

FiaFV are accounted for in a similar manner to 'HfT financial assets', however gains and losses, whether realized or unrealized, are recognized in item 110. Gains and losses on other financial assets/liabilities at fair value through profit or loss: (a) financial assets and liabilities designated at fair value'; this item also includes changes in the fair value of 'financial liabilities designated at fair value' attributable to deteriorations in their creditworthiness, if the designation of liabilities at fair value creates or increases the accounting asymmetry in the income statement under IFRS 9.

c) Other financial assets mandatorily at FV

A financial asset is classified as financial asset mandatorily at fair value if it does not meet the conditions, in terms of business model or cash flow characteristics, for being measured at amortized cost or at fair value through other comprehensive income. Specifically, the following assets have been classified in this portfolio:

- debt instruments, securities and loans for which the business model is neither held to collect nor held to collect and sell but which are not part of the trading book;
- debt instruments, securities and loans with cash flows that are not solely payment of principal and interest;
- units in investment funds;
- equity instruments not held for trading, for which the Group does not apply the option granted by the standard of valuing these instruments at fair value through other comprehensive income.

FiaFV are accounted for in a similar manner to 'HfT financial assets', however gains and losses, whether realized or unrealized, are recognized in item 110. Gains and losses on other financial assets/liabilities at fair value through profit or loss: b) other financial assets mandatorily at FV'.

3) Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

- its business model is held to collect and sell;
- the relative cash flows represent only the payment of principal and interest.
- Equity instruments not held for trading, for which the Group does not apply the option granted by the standard of valuing these instruments at fair value through other comprehensive income are also classified in this category.

On initial recognition, at settlement date, a financial asset is measured at fair value, which is usually equal to the consideration paid, plus transaction costs and revenues directly attributable to the instrument.

After initial recognition, the interests accrued on interest-bearing instruments are recorded in the income statement according to the amortized cost criterion in the item '10. Interest and similar income' where positive or in item '20. Interest expense and similar charges' where negative.

The gains and losses arising from changes in fair value are recognized in the Statement of comprehensive income and shown under item 160. 'Valuation reserves' in equity.

These instruments are tested for impairment as illustrated in the specific section 16 - Other information – Impairment.

These impairment losses are recognized in the income statement under item '130. Net adjustments/writebacks for credit risk relating to: b) Financial assets measured at fair value through other comprehensive income', with a contra-entry in other comprehensive income and also recognized under item '160. 'Valuation reserves' in equity.

In the event of disposal, the profits and losses are recorded through P&L under item '100. Gains/(losses) on disposal or repurchase of: b) Financial assets measured at fair value through other comprehensive income.

The amounts deriving from the adjustment made to the book values of financial assets, considered gross of the related total value adjustments, so as to reflect the changes made to the contractual cash flows that do not give rise to derecognition, are recorded in the income statement under item '140. Gains/losses from contractual modifications without cancellations'; this item does not include the impact of contractual amendments on the amount of expected losses, which is recognized under item '130. Net adjustments/writebacks for credit risk relating to: b) Financial assets measured at fair value through other comprehensive income.

This item may also include cash credit exposures that are impaired upon initial recognition. These exposures are classified as 'Purchased Originated Credit Impaired' (POCI).

The amortized cost and the interest income generated by these assets are calculated by considering, in the estimate of future cash flows, the expected credit losses over the entire residual duration of the asset.

This expected credit loss is subject to periodic review thus determining the recognition of impairment or write-backs.

With regard to equity instruments, the gains and losses arising from changes in fair value are recognized in the Statement of comprehensive income and shown under item 160. 'Valuation reserves' in equity.

In the event of disposal, the accumulated profits and losses are recorded in item 150. Reserves.

In accordance with the provisions of IFRS9, no impairment losses on equity instruments are recognized in the income statement. Only dividends are reported in the income statement under item '50. Dividends and similar income'.

4) Financial assets measured at amortized cost

The receivables are non-derivative financial assets with customers, finance companies and banks, with fixed or determinable payments that are not quoted in an active market.

The first recognition takes place on the date of sale following the signing of the contract (in the case of a without recourse assignment) and coincides with the date of payment, for with-recourse receivables.

The receivable will be recognized on the basis of its fair value, equal to the amount lent (with recourse), or the value of the receivable acquired (without recourse).

After the initial recognition at fair value, including the costs of the transaction which are directly attributable to the acquisition of the financial asset, the receivables are measured at amortized cost, if necessary adjusted to take into account any reductions and/or write-downs resulting from the valuation process.

Put simply, factoring operations consist of exposures to assignors that represent loans paid against non-recourse assignments, and exposures to assigned debtors representing the value of receivables acquired in without-recourse assignments.

For the purposes of IFRS 9, these operations entail, for the assigning and factoring companies, an assessment of whether or not the derecognition conditions required by this international accounting standard have been met.

In accordance with the general principle of prevalence of economic substance over legal form, a company can derecognize a financial asset only if, as a result of a sale, it has transferred the risks and benefits connected to the sold asset.

IFRS 9 provides that a company can only derecognize a financial asset if:

- it has transferred the financial asset, and with that, all the risks and contractual rights to cash flows deriving from that asset essentially expire;
- the benefits of owning the asset no longer exist.

To assess the effective transfer of risks and benefits there is a need to compare the exposure of the assigning company to the changes in the current value or cash flows generated by the transferred financial asset before and after the sale.

The assigning company essentially maintains all the risks and benefits when the exposure to the 'variability' of the present value of the net future cash flows of the asset does not change significantly, following its transfer. Conversely, there is a transfer when the exposure to this variability is no longer significant.

The most common ways in which a financial instrument is transferred can have very different accounting effects:

- in the case of a without-recourse assignment (without any guarantee restriction), the sold assets can be derecognized from the assignor's financial statements;
- in the case of a with-recourse assignment it should be considered that in most cases, the risk of the sold asset remains with the vendor, and therefore the assignment does not meet the requirements for derecognition of the sold asset.

The Company has included among its receivables those acquired on a without recourse basis after checking that there are no contractual clauses that would invalidate the transfer of all risks and benefits. With regard to the with-recourse portfolio, the receivables are recognized and maintained on the financial statements limited only to the amounts paid to the assignor by way of advance.

More specifically:

- a) receivables assigned on a with-recourse and 'legal' without-recourse basis (with no derecognition by the assignor) are recognized, limited to the amounts paid to the assignor by way of advance including interest and fees, and first recognition takes place on the basis of the amount anticipated to the assignor for the assignment of receivables,
- b) receivables definitively acquired on a without recourse basis with the substantial transfer of the risks and benefits, and maturity receivables paid on maturity are recognized as to the amount of the transferred invoices (with derecognition by the assignor), and first recognition takes place at the purchase consideration (equivalent to fair value),
- c) loans paid for future receivables not subject to assignments, and instalment loans is recognized as to the value equal to the amount of the finance, inclusive of interest and fees.

On each reporting date, if there is objective evidence of a loss in value of receivables, the amount of the loss is measured as the difference between the book value of the asset and the present value of the estimated future cash flows, discounted at the original effective interest rate. In particular: the criteria for determining the impairment losses on receivables are based on the discounting of the expected cash flows of capital and interest, net of any recovery costs and advances received; in determining the present value of future cash flows, the basic requirement is the identification of estimated collections, the timing of payments and the discount rate used.

A loan or receivable is deemed impaired when it is considered that it will probably not be possible to recover all or part of the amounts due for the principal and/or interest, according to the contractual terms, or equivalent value. Derecognition of a loan or receivable in its entirety is made when the loan or receivable is deemed to be irrecoverable or is written off.

According to the Bank of Italy regulations, impaired exposures are classified into the following categories:

- **Bad loans:** this refers to receivables that are formally recognized as non-performing, consisting of exposures to insolvent borrowers (even if the insolvency has not been recognized in a court of law) and to borrowers in a similar situation. These are measured on a specific basis.
- **unlikely to pay positions:** refers to on-balance and off-balance sheet exposures that do not meet the criteria for classification as bad loans, and for which it is considered unlikely that the debtor will be able to fully repay the capital and/or interest on its finance without actions such as the enforcement of guarantees. This assessment takes place independently of any unpaid or past-due amounts or instalments.

Classification under unlikely to pay is not necessarily linked to the presence of specific anomalies (non-repayment) but rather to the presence of indications of situation of risk of default by the borrower (for example, a crisis in the industry sector that the borrower operates in).

Unlikely to pay are assessed analytically, except for those that are automatically classified as unlikely to be recoverable as a result of propagation from other legal entities in the Group.

- **- Past-due and/or unauthorised exposures:** These are on-balance sheet exposures other than those classified among bad loans or unlikely-to-pay positions, which on the reporting date have been past-due or unauthorized for more than 90 days on a major obligation, as prescribed by EBA Guidance 2016/07 of 09/28/2016 'Guidance on the application of the definition of default pursuant to Article 178 of Regulation (EU) no. 575/2013' implemented in Bank of Italy Circular 288 'Supervisory Provisions for Financial Intermediaries', applied by UniCredit Group as of January 1, 2021. Following the entry into force of the aforementioned Guidelines, the Company equipped itself with a UniCredit Group-wide calculation engine for the identification of positions to be classified as impaired past due and/or in arrears (Past Due) under the new criteria introduced. In addition, the Company has updated its regulations and internal processes in order to comply with the new guidelines. Past-due and/or unauthorized impaired exposures are calculated with respect to the individual counterparty (assignor and/or debtor).

Past-due and/or unauthorized impaired exposures are valued at a flat rate on a historical/stochastic basis by applying where available the risk rating referred to Loss Given Default (LGD) under Regulation (EU) no. 575/2013 (CRR) on prudential requirements for credit institutions and investment firms.

The valuation of performing loans relates to portfolios of assets for which there are no objective loss factors. With the introduction of IFRS 9, the valuation requires the use of a model based on the expected losses on the loans, instead of the one based on losses already incurred, required by IAS 39. The new model requires the company to consider the expected losses, and any changes in those expected losses, on each reporting date in order to reflect changes in the credit risk arising since the initial recognition of the asset. There is thus no longer any need for an event that casts doubt on the recoverability of the loan before recognizing a loss on it.

5) Property, plant and equipment

'Assets used in the business' are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

The item includes: plant and machinery, furniture and fittings.

Property, plant and equipment are initially recognized at cost, including the costs necessary for commissioning the asset for its intended use (including all the costs directly connected to the asset becoming operational, and to the non-recoverable taxes and duties on its purchase). This value is then increased by the costs incurred from which it is expected that future benefits will be enjoyed. The costs of ordinary maintenance carried out on the asset are recognized on the income statement when they arise. Conversely, the cost of extraordinary maintenance from which future economic benefits are expected are capitalized as an increase in the value of the assets they refer to.

After initial recognition, an item of property, plant and equipment is measured at cost, less any accumulated depreciation and any cumulative impairment losses. The depreciable value, which is equal to cost less the residual value (in other words the amount normally expected from disposal, less the expected costs of disposal if the asset is already in the conditions or of an age expected at the end of its useful life), is distributed systematically throughout the asset's useful life, using the straight line method as the depreciation principle.

The practice normally adopted is to consider the residual value of depreciated assets as equal to zero.

The useful life, which is periodically reviewed in order to identify any estimates that may differ significantly from the previous ones, is defined as:

- the period of time for which it is expected that an asset can be used by the company;
- the quantity of products or similar items that the company expects to obtain from using the asset.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any value adjustment is recognized in the Income Statement item 'Impairment/write-backs on property, plant and equipment'.

If the value of a previously impaired asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognized on the prior-year impairment.

A tangible asset is derecognized from the Balance Sheet at the time of disposal, full amortization, or if no future economic benefits are expected from its use. Any difference between the disposal value and the book value is taken to profit and loss under the item 'Gains (losses) on disposals of investments'.

Property, plant and equipment also includes assets used by the Company as lessee under operating leases (hire), in application of IFRS 16, based on the right of use model.

6) Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance which is expected to be used during more than one period and from which future economic benefits are probable.

The asset is identifiable if:

- it is separable, in other words it can be separated or de-assembled and sold, transferred, given under license, leased or exchanged;
- it derives from contractual or other legal rights regardless of whether those rights can be transferred or separated from other rights and obligations.

The asset can be controlled by the company as a result of past events on the assumption that through its use, the company will receive economic benefits. The company has control of an asset if it has the power to use the future economic benefits deriving from that asset and it can also limit access to those benefits by third parties.

An intangible asset is recognized as such if, and only if:

- it is probable that the company will receive future economic benefits from that asset;
- the cost of the asset can be reliably measured. The item mainly includes software.

Intangible assets are initially recognized at cost. Any costs after initial recognition are only capitalized if they can generate future economic benefits and only if those costs can be reliably determined and allocated to the asset.

The cost of an intangible asset includes:

- the purchase price, including any non-recoverable taxes and duties on purchases, after deducting trade discounts and allowances;
- any direct cost of preparing the asset for use.

After initial recognition, an intangible asset with a defined useful life is measured at cost, less any accumulated amortization and any impairment losses.

The amortization is calculated systematically throughout the best estimate of the useful life of the asset, using the straight line method.

If there is objective evidence that an asset has been impaired, the carrying amount of the asset is compared with its recoverable value, equal to the greater of its fair value less selling cost and its value in use, i.e. the present value of future cash flows expected to originate from the asset. Any value adjustment is recognized in the profit and loss item 'Cost of asset disposals'.

If the value of a previously impaired intangible asset is restored, its increased carrying amount cannot exceed the net carrying amount it would have had if there had been no losses recognized on the prior-year impairment.

An intangible asset is derecognized from the balance sheet at the time of disposal, or if no future economic benefits are expected from its use. Any difference between the disposal value and the book value is taken to profit and loss under the item 'Gains on disposals of investments'.

7) Liabilities and Securities in Issue

These items are initially recognized at their fair value, which generally corresponds to the price received, net of the transaction costs directly attributable to the financial liability. After initial recognition, these instruments are measured at amortized cost using the effective interest method.

Payables from factoring operations represent the reserve payable to the assignors, resulting from the difference between the value of the receivables acquired on a without-recourse basis, and the advance paid out.

Financial liabilities are derecognized when they have expired or are extinguished.

Financial liabilities with an original term of less than 12 months are recognized at the nominal amount, as the application of amortized cost does not entail any significant changes.

Pursuant to IFRS 16, in force as of January 1, 2019, the item also includes lease payables, which the Company must pay as a lessee.

8) Hedging operations

Hedging operations are intended to neutralize the losses recognizable on a certain element or group of elements attributable to a certain risk, by means of the profits recognizable on a certain element or group of elements in the event that risk actually arises. The hedging instruments used by the Company are designated as hedging of the fair value of a recognized asset.

Hedging derivatives, like all derivatives, are initially recognized and then measured at fair value and are classified in the balance sheet assets under item '50 Hedging derivatives', and under liabilities item '40 Hedging derivatives'.

In the case of macro hedges, the adjustment of the financial assets' value is classified in balance sheet item 60 'Changes in fair value of portfolio hedged items' and financial liabilities under item 50 'Changes in value of portfolio hedged financial liabilities'. A positive change must not be offset against a negative one.

Under IAS 39, a derivative financial instrument is designated as a hedge for all hedging relationships when the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the strategy for undertaking the hedge and the methods that will be used to assess its prospective and retrospective effectiveness. It is therefore necessary to assess, both at the inception of the transaction and throughout its life, whether the hedging relationship is highly effective in offsetting changes in the fair value or expected cash flows of the hedged item. Generally, a hedge is highly effective if it is expected to be highly effective at the inception of the hedge and in subsequent periods and its retrospective results (the ratio of changes in the value of the hedged item to changes in the value of the hedging derivative) are within a specified range (80%-125%). Hedging is assessed on the basis of a continuity criterion; it must therefore prospectively remain highly effective for all the reference periods for which it was designated. The effectiveness assessment is carried out at each balance sheet or interim reporting date. If the effectiveness of the hedge is not confirmed, the hedging relationship is discontinued and the hedging derivative is reclassified as a trading instrument.

In the case of generic hedge/asset (liability) portfolio transactions, IAS 39 requires that not only a single financial asset or liability, but also a monetary amount included in a multiplicity of financial assets and liabilities or portions thereof (from a partial term hedge perspective) be designated as fair value hedges of interest rate risk, so that a set of derivative contracts can be used to reduce the exposure of the hedged items (defined as the amount of) to changes in market interest rates.

9) Employee severance pay provision

The severance pay provision for Italy-based employee benefits is to be construed as a 'post-retirement defined benefit'. It is therefore recognized on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. These benefits are determined by an independent actuary, using the Unit Credit Projection Method. This method distributes the cost of the benefit evenly over the employee's working life. The liability is determined as the present value of average future payments adjusted according to the ratio of years of service to total years of service at the time of payment of the benefit.

Following the pension reforms in Legislative Decree no. 252 of December 5, 2005, severance pay instalments accrued to 12.31.2006 (or to the date between 01.01.2007 and 06.30.2007 on which the employee opted to devolve their severance pay to a supplementary pension fund) stay with the employer and are considered a post-employment defined benefit plan, therefore incurring actuarial valuation, though with simplified actuarial assumptions, i.e. forecast future pay rises are not considered.

Severance pay instalments accrued since 01.01.2007 (date of Law 252's coming into effect) (or since the date between 01.01.2007 and 06.30.2007) are, at the employee's discretion, either paid into a pension fund or left in the company and (where the company has in excess of 50 employees) paid into an INPS Treasury fund by the employer, and are considered a defined-contribution plan.

Costs relating to severance pay accruing in the year are recognized on the income statement and include the interest cost on the obligation already existing on the date of the reform. The amounts accrued in the year and paid to the supplementary pension plans or the INPS Treasury Fund are recognized under 'Employee Severance Pay Provision'.

The introduction of 19R from January 1, 2013, relating to the treatment of 'post-employment benefits including severance pay' resulted in the elimination of the 'corridor method' optional accounting treatment, with the Defined Benefit Obligations being presented on the balance sheet based on the relative actuarial valuation and recognition of related actuarial gains and losses in a contra entry of valuation reserve.

10) Provisions for risks and charges

Provisions for risks and charges are recognized on the account if, and only if:

- there is a current obligation (legal or implied) as a result of a past event;
- it is probable that an outflow of resources designed to produce economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the outstanding obligation at the reporting date, and reflects risks and uncertainties that inevitably characterize a multitude of facts and circumstances.

Provisions are reviewed periodically and adjusted to reflect the current best estimate. If, after review, it becomes clear that it is possible or unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are used only for expenses for which they were originally recognized.

No provision is made for potential liabilities which are unlikely to arise, although a description of the nature of the liabilities is given in any case.

11) Current and deferred taxation

Current taxes for the year and for prior years, where unpaid, are recognized as liabilities; any surplus paid in terms of an advance on the amount due, is recognized as an asset.

The current tax liabilities/assets for the current year and for prior years are determined at the value expected to be paid/recovered from the tax authorities, applying the current tax rates and regulations.

A deferred tax liability is recorded for all temporary taxable differences.

For all deductible temporary differences, an advance tax asset is recorded if it is likely that future taxable income will be earned against which the advance temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities are constantly monitored and are quantified at the tax rates expected to be applicable in the year in which the tax assets will be realized or the tax liability will be discharged, taking into account the current tax regulations. The deferred tax assets and deferred tax liabilities are not discounted nor offset, unless an accounting standing explicitly requires offsetting.

12) Share-based payments

Equity-settled payments made to employees in consideration of services rendered, using equity instruments of the Parent Company comprise:

- the right to subscribe to paid capital increases (stock options in the strict sense);
- rights to receive shares on achieving quantity and quality targets (performance shares);
- restricted shares.

Considering the difficulty of reliably measuring the fair value of the services rendered against equity-settled payments, reference is made to the fair value of the instruments themselves, measured at the date of the allocation.

The fair value of share-based payments is recognized as a cost on the income statement under 'Personnel costs', as a contra entry to 'Other liabilities', according to the accruals principle in proportion to the period in which the service was rendered.

13) Revenues

Revenues are the pre-tax flows of financial benefits deriving from ordinary business operations.

- Revenues from contractual obligations with customers are only recognized if all the following criteria have been met:
- the parties to the contract have approved it, and have committed to fulfilling their respective obligations;
- the company can identify the rights of each of the parties, regarding the goods or services to be transferred;
- the company can identify the terms of payment, regarding the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the company's future cash flows will change after the contract);
- it is probable that the company will receive the price to which it is entitled, in exchange for the goods or services transferred to the customer. In assessing the likelihood of receiving the amount, the company only has to take into account the customer's capacity and intention to pay the price when due.

The price for the contract, which has to be likely to be received, is allocated to the individual contractual obligations.

The revenues are recognized according to the time when the obligations are fulfilled, on a single occasion or alternatively throughout the period required for the fulfilment of each obligation.

Late payment interest is recognized in item '10. Interest income and similar revenues' at the time of receipt, apart from legal interest accruing on tax credits, which is recognized on an accruals basis.

14) Foreign currency transactions

A foreign currency transaction is recognized at the spot exchange rate of the transaction date.

Foreign currency monetary assets and liabilities are translated at the closing rate of the period.

Exchange differences arising from the settlement of transactions at rates different from those of the transaction date, and unrealized exchange rate differences on foreign currency assets and liabilities not yet settled, other than assets and liabilities designated as measured at fair value and hedging instruments, are recognized in profit and loss item 80 'Net profit from financial activities'.

A.4 - Information on fair value

Qualitative information

This section presents a disclosure on fair value as required by IFRS 13.

The fair value is the amount that may be received from the sale of an asset or paid to transfer a liability, in an ordinary transaction between main market counterparties on the measurement date (exit price).

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

The only assets or liabilities measured at fair value on a recurring basis held by the Company are:

- hedging derivatives (Interest Rate Swaps);
- listed shares and participatory financial instruments issued by a counterparty and assigned to the company as part of a debt restructuring in a composition plan.

Regarding hedging derivatives, which are not traded on an active market, mark to model valuation techniques are used, which are based on inputs for which there is an active market.

In particular, the discounted cash flow valuation technique is used. This involves estimating the future cash flows that are expected to occur over the life of an instrument. The model requires the estimation of the cash flow and the adoption of market's parameters for the discounting: discount rate or discount margin reflects the credit and / or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a 'present value'. The fair value of the contract is given by the sum of the present values of future cash flows.

Listed equities are measured at mark to market, i.e. at the last available quoted price on the market on the reference date.

With regard to unlisted participative financial instruments (PFIs), the valuation is not based on data from active markets, but uses the latest available book value of the counterparty's equity, suitably discounted to reflect a proper assessment of the risks inherent in the instrument.

For items not measured at fair value on a recurring basis, the discounted cash flow technique is also used to estimate the fair value of shares in issue. For sight or short-term payables and receivables, which are essentially equal to the total of the corresponding items, the book value is considered to be an adequate approximation of their fair value. For medium/long-term payables and receivables, the book value is calculated by using a risk-adjusted present value model.

A.4.2 Valuation processes and sensitivity

The Company does not hold assets or liabilities measured at fair value on a recurring or non-recurring basis (level 3) that require reporting.

A.4.3 - Fair value hierarchy

The IFRS 13 principle establishes a fair value hierarchy according to the observability of the input used in the valuation techniques adopted for valuations.

The fair value hierarchy level associated to assets and liabilities is set as the minimum level among all significant valuation inputs used.

A valuation input is not considered significant for the fair value of an instrument if the remaining inputs are able to explain the major part of the fair value variance itself over a period of three months.

Specifically, three levels are envisaged:

- **level 1:** fair value for instruments classified within this level is determined according to the quoted prices on active markets;
- **level 2:** fair value for instruments classified within this level is determined according to the valuation models which use observable inputs on active markets;
- **level 3:** fair value for instruments classified within this level is determined according to valuation models which prevalently use significant inputs not observable on active markets.

Financial instruments are classified to a certain fair value level according to the observability of the input used for the valuation.

Level 1 (quoted prices in active markets): quoted prices (unadjusted) in active markets are available for identical assets or liabilities that the entity has the ability to access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis.

Level 2 (observable inputs): inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs are observable if they are developed on the basis of publicly available information about actual events or transactions and reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3 (unobservable inputs): inputs other than the ones included in level 1 and level 2, not directly observable on the market for the evaluation of asset and liability, or used for the definition of significant adjustments to fair value. Unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

When Fair Value is measured directly taking into consideration an observable price and quoted on an active market, the hierarchy attribution process will assign Level 1. When fair value has to be measured either via Comparable approach or via Mark-to-Model approach, the hierarchy attribution process will assign Level 2 or Level 3, depending on the observability of all the significant input parameters.

Part A - Accounting policies

Quantitative information

TAV A.4.5.1

Financial assets and liabilities measured at fair value on a recurring basis: fair value levels breakdown

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE	12/31/2024				12/31/2023			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
1. Financial assets measured at fair value through profit or loss	438	-	-	438	2,080	-	-	2,080
a. Financial assets designated at fair value	-	-	-	-	-	-	-	-
b. Financial assets measured at fair value	-	-	-	-	-	-	-	-
c. other financial assets mandatorily at FV	438	-	-	438	2,080	-	-	2,080
2. Financial assets measured at fair value through other comprehensive income	-	-	7,281	7,281	-	-	7,281	7,281
3. Hedging derivatives	-	402	-	402	-	1,611	-	1,611
4. Property, plant and equipment	-	-	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-	-	-
Total assets	438	402	7,281	8,120	2,080	1,611	7,281	10,971
1. Financial liabilities held for trading	-	-	-	-	-	-	-	-
2. Financial liabilities at fair value	-	-	-	-	-	-	-	-
3. Hedging derivatives	-	2,430	-	2,430	-	1,829	-	1,829
Total liabilities	-	2,430	-	2,430	-	1,829	-	1,829

TAV A.4.5.2

Change for the year in financial 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, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) Financial assets designated at fair value	of which: c) other assets				
1 Opening balance	2,080	-	-	2,080	7,281	1,611	8,172	-
2. Increases	157	-	-	157	-	-	1,285	-
2.1. Purchases	-	-	-	-	-	-	-	-
2.2. Profits recognized in:	157	-	-	157	-	-	-	-
2.2.1 Income Statement	157	-	-	157	-	-	-	-
of which: Capital gain	-	-	-	-	-	-	-	-
2.2.2 Equity	-	-	-	-	-	-	-	-
2.3. Transfers from other portfolios	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	1,285	-
3 Decreases	1,799	-	-	1,799	-	1,209	2,845	-
3.1. Sales	1,799	-	-	1,799	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.2. Losses recognized in:	-	-	-	-	-	-	-	-
3.2.1 Income Statement	-	-	-	-	-	-	-	-
of which: Capital loss	-	-	-	-	-	-	-	-
3.2.2 Shareholders' Equity	-	-	-	-	-	-	-	-
3.4. Transfers from other portfolios	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	1,209	2,845	-
4 Closing balance	438	-	-	438	7,281	402	6,612	-

TAV A.4.5.3

Annual changes in financial liabilities at fair value (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	hedging derivatives
1 Opening balance	-	-	1,829
2. Increases	-	-	601
2.1. Issues	-	-	-
2.2. Losses recognized in:	-	-	-
2.2.1 Income Statement	-	-	-
of which: Capital loss	-	-	-
2.2.2 Equity	-	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	601
3 Decreases	-	-	-
3.1. Redemptions	-	-	-
3.2. Buybacks	-	-	-
3.3. Profits recognized in:	-	-	-
3.3.1 Income Statement	-	-	-
of which: Capital gain	-	-	-
3.3.2 Shareholders' Equity	-	-	-
3.4. Transfers from other portfolios	-	-	-
3.5. Other decreases	-	-	-
4 Closing balance	-	-	2,430

TAV A.4.5.4

Financial assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis

FINANCIAL ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	12.31.2024				12.31.2023			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Assets measured at amortized cost	10,067,456	-	-	10,067,456	11,504,369	-	-	11,504,369
2. Shareholdings in subsidiaries, jointly controlled entities and associates								
3. Property, plant and equipment held for investment	-	-	-	-	-	-	-	-
4. Non-current assets and disposal groups held for sale	-	-	-	-	-	-	-	-
Total	10,067,456	-	-	10,067,456	11,504,369	-	-	11,504,369
1. Financial liabilities measured at amortized cost	8,776,359	-	-	8,776,359	10,456,414	-	-	10,456,414
2. Liabilities referable to disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	8,776,359	-	-	8,776,359	10,456,414	-	-	10,456,414

The fair value of short-term or sight receivables and payables is assumed to be equal to the book value.

Key:

CA = Carrying Amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

A.5 Disclosures on “day one profit/loss”

The Company does not carry out any transactions that require the recognition of ‘day one profit/loss’.

Part B - Information on the Balance Sheet

Part B - Information on the Balance Sheet

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Assets

Section 1 - Cash and cash balances - Item 10

Composition of Item 10 "Cash and cash balances"

ITEMS/VALUES	12.31.2024	12.31.2023
1.1 Cash and cash balances	20,955	8,470
a) Cash	-	-
b) Current accounts and on demand deposits with central banks	-	-
c) Current accounts and on demand deposits with banks	20,955	8,470
Total	20,955	8,470

Section 2 - Financial assets at fair value through profit or loss - Item 20

2.6 - Other financial assets mandatorily at FV: breakdown by product

Items/Values	12.31.2024			12.31.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	-	-	-	-	-	-
1.1. Structured securities	-	-	-	-	-	-
1.2. Other debt securities	-	-	-	-	-	-
2. Equity instruments	-	-	-	-	-	-
3. Units in investment funds	-	-	-	-	-	-
4. Loans	438	-	-	2,080	-	-
4.1 Reverse repos	-	-	-	-	-	-
4.2 Other	438	-	-	2,080	-	-
Total	438	-	-	2,080	-	-

The decrease in the Loans item is attributable to the sale of WeBuild shares

Part B - Information on the Balance Sheet

2.7 - Other financial assets mandatorily at FV: composition by borrowers/issuers

Items/Values	12.31.2024	12.31.2023
1. Debt securities	-	-
2. Equity instruments	438	2,080
a) general government entities	-	-
b) banks	-	-
c) other financial companies of which: insurance companies	-	-
d) non-financial corporations	438	2,080
3. Units in investment funds	-	-
4. Loans	-	-
Total	438	2,080

Section 3 - Financial assets at fair value through other comprehensive income - Item 30

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

Items/Values	12.31.2024			12.31.2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	-	-	-	-	-	-
1.1. Structured securities	-	-	-	-	-	-
1.2. Other debt securities	-	-	-	-	-	-
2. Equity instruments	-	-	7,281	-	-	7,281
3. Loans	-	-	-	-	-	-
Total	-	-	7,281	-	-	7,281

The portfolio consists of participatory financial instruments that the composition procedure of a Company that is our client assigned to the company following its recognition as an unsecured creditor.

Part B - Information on the Balance Sheet

3.2 - Financial assets measured at fair value through other comprehensive income: composition by borrowers/issuers

Items/Values	12.31.2024	12.31.2023
1. Debt securities	-	-
2. Equity instruments	7,281	7,281
a) general government entities	-	-
b) banks	-	-
c) other financial companies of which: insurance companies	-	-
d) non-financial corporations	7,281	7,281
3. Loans	-	-
a) general government entities	-	-
b) banks	-	-
c) other financial companies of which: insurance companies	-	-
d) non-financial companies	-	-
e) Households	-	-
Total	7,281	7,281

3.3 - Financial assets measured at fair value through other comprehensive income: gross value and total accumulated impairments

The Company does not hold this type of financial asset

Section 4 - Financial assets measured at amortized cost - Item 40

4.1 - Financial assets measured at amortized cost: breakdown by product of loans and advances to banks

COMPOSITION	12/31/2024						12/31/2023					
	Carrying values			Fair value			Carrying values			Fair value		
	First and second stage	Third stage	of which purchased or originated	L1	L2	L3	First and second stage	Third Stage	of which purchased or originated	L1	L2	L3
1. Deposits and current accounts	-	-	-	-	-	-	-	-	-	-	-	-
2. Loans	44,710	-	-	-	-	44,710	22,096	-	-	-	-	22,096
2.1 Reverse repos	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
2.3 Factoring	44,710	-	-	-	-	44,710	22,096	-	-	-	-	22,096
- with recourse	21,927	-	-	-	-	21,927	2,135	-	-	-	-	2,135
- without recourse	22,783	-	-	-	-	22,783	19,961	-	-	-	-	19,961
2.4 other loans	-	-	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
- Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
4. Other assets	1,386	-	-	-	-	1,386	5,255	-	-	-	-	5,255
Total book value	46,095	-	-	-	-	46,095	27,351	-	-	-	-	27,351

The fair value of short-term or sight receivables is assumed to be equal to the book value.

L1 = Level 1

L2 = Level 2

L3 = level 3

Part B - Information on the Balance Sheet

4.2 - Financial assets measured at amortized cost: trade composition of loans and receivables with financial companies

COMPOSITION	12.31.2024						12.31.2023					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3
1. Loans	59,539	-	-	-	-	59,539	103,366	-	-	-	-	103,366
1.1 Reverse repos	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	59,539	-	-	-	-	59,539	103,366	-	-	-	-	103,366
- with recourse	55,883	-	-	-	-	55,883	90,587	-	-	-	-	90,587
- without recourse	3,657	-	-	-	-	3,657	12,779	-	-	-	-	12,779
1.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- structured securities	-	-	-	-	-	-	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	9	-	-	-	-	9	39	-	-	-	-	39
Total book value	59,548	-	-	-	-	59,548	103,405	-	-	-	-	103,405

4.3 - Financial assets valued at amortized cost: breakdown by product of loans and advances to customers

COMPOSITION	12.31.2024						12.31.2023					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3
1. Loans	9,928,990	32,793	-	-	-	9,960,064	11,288,540	85,043	-	-	-	11,369,795
1.1 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
of which: without the option of final purchase	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	8,812,299	31,020	-	-	-	8,841,600	9,887,773	81,292	-	-	-	9,965,278
- with recourse	2,005,932	6,567	-	-	-	2,012,499	2,111,214	17,492	-	-	-	2,128,706
- without recourse	6,806,367	24,453	-	-	-	6,829,101	7,776,559	63,800	-	-	-	7,836,572
1.3 Consumer credit (including revolving cards)	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Pledge loans	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Loans granted in relation to payment services	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other loans *	1,116,691	1,773	-	-	-	1,118,463	1,400,767	3,751	-	-	-	1,404,517
of which: from the enforcement of guarantees and commitments	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- structured securities	-	-	-	-	-	-	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	30	-	-	-	-	30	29	-	-	-	-	29
Total book value	9,929,020	32,793	-	-	-	9,960,094	11,288,569	85,043	-	-	-	11,369,824

*The other loans consist of invoices issued for amounts receivable from debtors who have been granted extended terms of payment, finance to debtors on operations with payment on maturity, and assignments of receivables not covered by Law 52/91 on Factoring, in particular, the acquisition of revenue agency receivables.

4.4 - Financial assets valued at amortized cost: breakdown by borrowers/issuers of loans and advances to customers

TYPE OF TRANSACTIONS/VALUES	12.31.2024			12.31.2023		
	Book value			Book value		
	First and second stage	Third stage	Of which: purchased or originated impaired	First and second stage	Third stage	Of which: purchased or originated impaired
1. Debt securities	-	-	-	-	-	-
2. Loans to	9,988,530	32,792	-	11,391,906	85,043	-
a) General government entities	1,902,839	19,144	-	2,122,676	24,061	-
c) Other financial companies	59,509	-	-	103,337	-	-
c) of which insurance companies	588	-	-	1,479	-	-
d) Non-financial corporations	7,272,004	13,548	-	7,628,807	60,787	-
e) Households	754,178	100	-	1,537,086	195	-
3. Other assets	39	-	-	68	-	-
Total	9,929,060	32,792	-	11,288,637	85,043	-

Part B - Information on the Balance Sheet

4.5 Financial assets valued at amortized cost: gross value and total accumulated impairments

Items/Values	Gross amount					Total accumulated impairments				Total partial write-offs (disclosure purposes)
	First stage	of which: Low credit-risk instruments	Second Stage	Third Stage	purchased or originated impaired	First Stage	Second Stage	Third Stage	purchased or originated impaired	
Debt securities										
Loans	9,353,359		708,387	103,612	-	5,543	21,539	70,820	-	91,298
Total (12.31.2024)	9,353,359	-	708,387	103,612	-	5,543	21,539	70,820	-	91,298
Total (12.31.2023)	10,392,275	-	1,032,249	181,496	-	2,996	2,203	96,453	-	83,714
of which: purchased or originated impaired financial assets	x	x				x				

4.6 - Financial assets measured at amortized cost: guaranteed assets

COMPOSITION		12.31.2024					
GUARANTEED		LOANS AND RECEIVABLES WITH BANKS		RECEIVABLES FROM FINANCIAL COMPANIES		LOANS AND RECEIVABLES WITH CUSTOMERS	
		CA	VG	CA	VG	CA	VG
1. Performing assets guaranteed by:		22,133	22,133	49,277	49,277	6,941,194	6,941,194
- Assets held under finance lease		-	-	-	-	-	-
- Receivables for factoring *		21,927	21,927	44,827	44,827	2,005,932	2,005,932
- Mortgages		-	-	-	-	-	-
- Collateral		-	-	-	-	-	-
- Personal guarantees		206	206	4,450	4,450	4,935,262	4,935,262
- Credit derivatives		-	-	-	-	-	-
2. Non-performing assets guaranteed by:		-	-	-	-	6,567	6,567
- Assets held under finance lease		-	-	-	-	-	-
- Receivables for factoring *		-	-	-	-	6,567	6,567
- Mortgages		-	-	-	-	-	-
- Collateral		-	-	-	-	-	-
- Personal guarantees		-	-	-	-	-	-
- Credit derivatives		-	-	-	-	-	-
Total		22,133	22,133	49,277	49,277	6,947,761	6,947,761

COMPOSITION		12.31.2023					
GUARANTEED		LOANS AND RECEIVABLES WITH BANKS		RECEIVABLES FROM FINANCIAL COMPANIES		LOANS AND RECEIVABLES WITH CUSTOMERS	
		CA	VG	CA	VG	CA	VG
1. Performing assets guaranteed by:		2,730	2,730	89,239	89,239	7,570,146	7,570,146
- Assets held under finance lease		-	-	-	-	-	-
- Receivables for factoring *		2,135	2,135	82,675	82,675	2,111,214	2,111,214
- Mortgages		-	-	-	-	-	-
- Collateral		-	-	-	-	-	-
- Personal guarantees		595	595	6,564	6,564	5,458,932	5,458,932
- Credit derivatives		-	-	-	-	-	-
2. Non-performing assets guaranteed by:		-	-	-	-	17,492	17,492
- Assets held under finance lease		-	-	-	-	-	-
- Receivables for factoring *		-	-	-	-	17,492	17,492
- Mortgages		-	-	-	-	-	-
- Collateral		-	-	-	-	-	-
- Personal guarantees		-	-	-	-	-	-
- Credit derivatives		-	-	-	-	-	-
Total		2,730	2,730	89,239	89,239	7,587,638	7,587,638

CA = carrying amount of exposures

VG = guarantees' fair value

* Guaranteed factoring loans include advances on with-recourse operations and without-recourse receivables backed by guarantees and/or eligible insurance policies. The value of guarantees for with-recourse operations is equal to the Total Receivables up to the amount of the advance.

Section 5 – Hedging derivatives – Item 50

5.1 - Hedging derivatives: breakdown by hedged risk and fair value hierarchy

Notional value/Levels of fair value	12.31.2024				12.31.2023			
	Fair value			NV	Fair value			NV
	L1	L2	L3		L1	L2	L3	
A Financial derivatives	-	402	-	12,374	-	1,611	-	60,733
1 Fair value	-	402	-	12,374	-	1,611	-	60,733
2 Cash flows	-	-	-	-	-	-	-	-
3 Foreign investments	-	-	-	-	-	-	-	-
Total A	-	402	-	12,374	-	1,611	-	60,733
B Credit Derivatives	-	-	-	-	-	-	-	-
1 Fair value	-	-	-	-	-	-	-	-
2 Cash flows	-	-	-	-	-	-	-	-
Total B	-	-	-	-	-	-	-	-
Total	-	402	-	12,374	-	1,611	-	60,733

5.2 - Hedging derivatives: composition for covered portfolios and by type of hedging

Transactions/Type of hedge	Fair Value							Cash flows		Net investment in foreign subsidiaries
	Specific						Generic	Specific	Generic	
	debt securities and interest rates risk	equity instruments and equity indices risk	currencies and gold	credit	goods	other s				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
2. Financial assets valued at amortized cost	-	-	-	-	-	-	-	-	-	-
3. Portfolio	-	-	-	-	-	-	402	-	-	-
4. Other transactions	-	-	-	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	402	-	-	-
1. Financial liabilities	-	-	-	-	-	-	-	-	-	-
2. Portfolio	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-
1. Expected transactions	-	-	-	-	-	-	-	-	-	-
2. Financial assets and liabilities portfolio	-	-	-	-	-	-	-	-	-	-

Section 6 – Changes in fair value of portfolio hedged items – Item 60

6.1 - 'Changes in fair value of portfolio hedged items': breakdown by hedged portfolios

CHANGES IN VALUE OF HEDGED ASSETS	12.31.2024	12.31.2023
1. Positive adjustments	-	-
1.1 of specific portfolios:	-	-
a) financial assets measured at amortized cost	-	-
b) Financial assets measured at fair value through other comprehensive income	-	-
1.2 total	-	-
2. Negative adjustments	(1,719)	(3,788)
2.1 of specific portfolios:	(1,719)	(3,788)
a) financial assets measured at amortized cost	(1,719)	(3,788)
b) Financial assets measured at fair value through other comprehensive income	-	0
2.2 total	-	0
Total	(1,719)	(3,788)

Section 8 – Property, plant and equipment – Item 80

8.1 - Property, plant and equipment used in the business - breakdown of assets carried at cost

Assets/values	12.31.2024	12.31.2023
1. Owned	-	-
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	-	-
d) electrical system	-	-
e) other	-	-
2 Rights of use purchased under leasing	6,612	8,172
a) land	-	-
b) buildings	6,215	7,909
c) office furniture and fittings	-	-
d) electrical system	-	-
e) other	397	263
Total	6,612	8,172

8.2 - Property, plant and equipment held for investment: breakdown of assets carried at cost

The Company does not hold this type of property, plant and equipment.

Part B - Information on the Balance Sheet

8.3 - Property, plant and equipment held for own use: breakdown of revalued assets

The Company does not hold this type of property, plant and equipment.

8.4 - Property, plant and equipment held for investment: breakdown of assets designated at fair value

The Company does not hold this type of property, plant and equipment.

8.5 Inventories of property, plant and equipment governed by IAS 2: composition

The Company does not hold this type of property, plant and equipment

8.6 - Property, plant and equipment: change for the year

	Land	Buildings	Furniture	Electrical system	Others	Total
A. Gross opening balance	-	7,909	-	-	263	8,172
A.1 Total net reduction in value	-	-	-	-	-	-
Settlement of opening balances (gross values)	-	-	-	-	-	-
A.2 Net opening balance	-	7,909	-	-	263	8,172
B. Increases	-	955	-	-	330	1,285
B.1 Purchases	-	-	-	-	-	-
B.2 Capitalized expenses for improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Increases in fair value:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfer from properties held for investment	-	-	-	-	-	-
B.7 Other increases	-	955	-	-	330	1,285
C. Decreases	-	(2,649)	-	-	(196)	(2,845)
C.1 Sales	-	0	-	-	-	0
C.2 Depreciation	-	(630)	-	-	(126)	(756)
C.3 Impairment losses recognized through:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Reduction of fair value:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange differences	-	-	-	-	-	-
C.6 Transfer to:	-	-	-	-	-	-
a) property, plant and equipment held for investment	-	-	-	-	-	-
b) non-current assets and disposal groups held for sale	-	-	-	-	-	-
C.7 Other changes	-	(2,019)	-	-	(70)	(2,089)
D. Closing net balance	-	6,215	-	-	397	6,612
D.1 Net total value decrease	-	-	-	-	-	-
D.2 Closing gross balance	-	6,215	-	-	397	6,612
E. Measurement at cost	-	6,215	-	-	397	6,612

The depreciation rate used for furniture and fittings is 12%. The other changes are due to a renegotiation of the lease agreement for the Via Livio Cambi 5 Milan office.

8.7 - Property, plant and equipment held for investment: change for the year

The Company does not hold this type of property, plant and equipment.

8.8 Inventories of property, plant and equipment governed by IAS 2: change for the year

The company has no commitment to purchase property, plant and equipment.

8.9 - Commitments to purchase property, plant and equipment

The company has no commitment to purchase property, plant and equipment

Section 9 – Intangible assets – Item 90

9.1 - Intangible assets: Composition

9.2 - Intangible assets: change for the year

9.3 - Intangible assets: other information

The company has no intangible assets

Section 10 - Tax assets and liabilities (asset item 100 and liability item 60)

10.1 - Composition of item 100 'Tax assets: current and deferred'

TAX ASSETS	12.31.2024	12.31.2023
a) current*	-	-
b) deferred	13,545	26,250
Total	13,545	26,250

10.2 - Composition of item 60 'Tax liabilities: current and deferred'

TAX LIABILITIES	12.31.2024	12.31.2023
a) current	17,772	14,815
IRAP payments on account	(5,403)	(5,324)
IRES payments on account	(2,838)	(2,954)
Others	(263)	(231)
Provisions for IRES	20,605	19,764
Provisions for IRAP	5,671	5,242
Positive tax effect FTA IFRS 9 and 15	-	(1,682)
b) deferred	-	-
Total	17,772	14,815

UniCredit Factoring S.p.A. is part of the UniCredit Group tax consolidation scheme. In accordance with IAS 12, fiscal assets/liabilities of the same type are offset.

10.3 - Deferred tax assets: annual changes (balancing P&L)

ITEMS	changes in	
	2024	2023
1. Opening balance	26,118	36,369
2. Increases	1,383	854
2.1 Deferred tax assets recognized during the year	1,383	854
a) for prior years	-	8
b) due to changes in accounting policies	-	-
c) writebacks	1,383	-
d) other	-	846
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	(13,956)	(11,105)
3.1 Deferred tax assets cancelled in the year	(13,956)	(11,105)
a) reversals	(13,956)	(11,105)
b) write-downs due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
a) transformation into tax credits pursuant to Law No.214/2011	-	-
b) others	-	-
4. Closing balance	13,545	26,118

Part B - Information on the Balance Sheet

10.3.1 - Deferred tax assets (Italian Law 214/2011): annual changes

ITEMS	changes in	
	2024	2023
1. Opening balance	16,688	25,272
2. Increases	-	-
3. Decreases	(7,003)	(8,584)
3.1 Reversals	(7,003)	(7,398)
3.2 Transformations into tax credits	-	-
a) arising from losses for the period	-	-
(a) arising from tax losses	-	-
3.3 Other decreases		(1,186)
4. Closing balance	9,685	16,688

10.4 - Deferred tax liabilities: annual changes (balancing the income statement)

The company has no deferred taxes.

10.5 - Deferred tax assets: annual changes (balancing Net Equity)

ITEMS	changes in	
	2024	2023
1. Opening balance	132	104
2. Increases	-	28
2.1 Deferred tax assets recognized during the year	-	28
a) for prior years	-	-
b) due to changes in accounting policies	-	-
c) other	-	28
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	(132)	-
3.1 Deferred tax assets cancelled in the year	(132)	-
a) reversals	(132)	-
b) write-downs due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	-	132

10.6 - Deferred tax liabilities: annual changes (balancing Net Equity)

The company has no deferred taxes.

Section 12 – Other assets – Item 120

12.1 - Composition of item 120 'Other assets'

ITEMS	12.31.2024	12.31.2023
Effects credited to customers awaiting bank collection *	20,914	8,671
Receivables from tax authorities	37	37
Guarantee deposits	114	114
Transitory items	1,188	1,382
Leasehold improvements	-	-
Items deemed not attributable to other items**	14,560	28,316
Other***	21,782	18,480
Total	58,595	57,000

* These are assets resulting from the subject-to-collection crediting of bills to customers, awaiting settlement by the bank.

** This item relates to the accrual of statutory interest on acquired tax receivables

*** This item includes amounts invoiced in advance both by other Group companies and by third parties.

Liabilities

Section 1 – Financial liabilities measured at amortized cost – Item 10

1.1 - Composition by groups of payables

ITEMS	12.31.2024			12.31.2023		
	WITH BANKS	WITH FINANCIAL COMPANIES	WITH CUSTOMERS	WITH BANKS	WITH FINANCIAL COMPANIES	WITH CUSTOMERS
1. Loans	8,345,325	-	-	9,804,508	-	-
1.1 Reverse repos	-	-	-	-	-	-
1.2 Other loans	8,345,325	-	-	9,804,508	-	-
2. Lease payables	5,647	-	561	7,192	-	591
3. Other liabilities	8,759	54,525	361,542	14,359	205,973	423,791
Total	8,359,731	54,525	362,103	9,826,059	205,973	424,382
<i>Fair Value - level 1</i>	-	-	-	-	-	-
<i>Fair Value - level 2</i>	-	-	-	-	-	-
<i>Fair Value - level 3</i>	8,359,731	54,525	362,103	9,826,059	205,973	424,382
Total Fair Value	8,359,731	54,525	362,103	9,826,059	205,973	424,382

The fair value of short-term or sight payables is assumed to be equal to the book value.

Deposits from banks mainly consist of funding through the Parent Company. This item also includes the loans received from the participation in pool operations with UniCredit S.p.A.

Trade payables and amounts payable to finance companies ('Other liabilities') mainly represent the difference between the Total Receivables and the share of payments already advanced to assignors in relation to without-recourse operations and the debt exposure to customers.

1.5 - Amounts payable under finance leases

maturity ranges	12.31.2024	12.31.2023
Up to 1 year	36	894
From over 1 year to 2 years	68	51
From over 2 years to 3 years	296	4
From over 3 years to 4 years	524	445
From over 4 years to 5 years	71	417
Over 5 years	5,758	7,027
Total payments to be made for the Lease	6,752	8,839
	-	-
Non accrued financial gains (-) (Discount effect)	(544)	(1,056)
	-	-
LEASE PAYABLES	6,208	7,783

Section 4 - Hedging derivatives - Item 40

4.1 - Hedging derivatives: breakdown by type of hedge and by hierarchical level

Notional value/Levels of fair value	12.31.2024				12.31.2023			
	Fair value			NV	Fair value			NV
	L1	L2	L3		L1	L2	L3	
A Financial derivatives	-	2,430	-	63,714	-	1,829	-	24,470
1 Fair value	-	2,430	-	63,714	-	1,829	-	24,470
2 Cash flows	-	-	-	-	-	-	-	-
3 Foreign investments	-	-	-	-	-	-	-	-
Total A	-	2,430	-	63,714	-	1,829	-	24,470
B Credit Derivatives	-	-	-	-	-	-	-	-
1 Fair value	-	-	-	-	-	-	-	-
2 Cash flows	-	-	-	-	-	-	-	-
Total B	-	-	-	-	-	-	-	-
Total	-	2,430	-	63,714	-	1,829	-	24,470

4.2 - Hedging derivatives: breakdown by hedged portfolios and type of hedging

Transactions/Type of hedge	Fair Value							Cash flows		Net investment in foreign subsidiaries
	Specific						Generic	Specific	Generic	
	debt securities and interest rates risk	equity instruments and equity indices risk	currencies and gold	credit	goods	others				
1. Available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
2. Loans and receivables	-	-	-	-	-	-	-	-	-	-
3. Financial assets held to maturity	-	-	-	-	-	-	-	-	-	-
4. Portfolio	-	-	-	-	-	-	-	-	-	-
5. Other transactions	-	-	-	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	-	-	-	-
1. Financial liabilities	-	-	-	-	-	-	-	-	-	-
2. Portfolio	-	-	-	-	-	-	2,430	-	-	-
Total liabilities	-	-	-	-	-	-	2,430	-	-	-
1. Expected transactions	-	-	-	-	-	-	-	-	-	-
2. Financial assets and liabilities portfolio	-	-	-	-	-	-	-	-	-	-

Section 6 - Tax liabilities - Item 60

For this item, see Section 10 – Tax assets and liabilities.

Section 8 – Other liabilities – Item 80

8.1 - Composition of item 80 'Other liabilities'

ITEMS	12.31.2024	12.31.2023
Liabilities for Equity Settled Share Based Payments	371	365
Payables due to employees	13,478	15,613
Payables due to other staff	3,484	1,985
Payables due to Directors and Statutory Auditors	331	339
Available amounts to be paid to others*	423,102	190,764
Items being manufactured	-	-
Trade payables	11,526	3,129
Other current liabilities	19,128	20,693
Other tax entries	527	364
Outstanding transitory items	4,067	4,132
Total	476,014	237,384

* This item includes collections from debtors, mainly in the final days of the year, to reallocate the related credit positions.

Section 9 - Severance pay - Item 90

9.1 - Provisions for employee severance pay: change for the year

ITEMS	2024	2023
A. Opening balance	1,308	1,685
B. Increases	45	192
B1. Allocation in the year	44	62
B2. Other increases	1	130
C. Decreases	(233)	(569)
C1. Severance payments	(185)	(558)
C2. Other decreases	(48)	(11)
D. Final balance	1,120	1,308

Part B - Information on the Balance Sheet

9.2 - Other Information

The provision for severance pay is included in defined benefit plans and is thus determined using the actuarial methodology described in the Accounting Policies section. Actuarial assumptions and the reconciliation of the present value of provisions to the liability entered in the balance sheet are provided below.

PRINCIPAL ACTUARIAL ASSUMPTIONS	2024	2023
Discount rate for determining the defined benefit obligation	3.20%	3.45%
Expected inflation rate for determining the defined benefit obligation	1.45%	1.75%

Amounts in € thousands

RECONCILIATIONS OF PRESENT VALUES OF PROVISIONS TO PRESENT VALUE OF PLAN ASSETS AND TO ASSETS AND LIABILITIES RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	2024	2023
Present value of defined benefit obligations – SEVERANCE PAY	1,120	1,308
Unrecognized actuarial gains (losses)	-	-
Net liability	1,120	1,308

The provision for employee severance pay is to be construed as a 'post-retirement defined benefit'. It is therefore recognized on the basis of an actuarial estimate of the amount of benefit accrued by employees discounted to present value. These benefits are determined by an independent actuary, using the Unit Credit Projection Method.

Following the reforms to supplementary pensions in legislative decree no. 252 of December 5, 2005, post-employment benefits accruing up to 12.31.2006 remain with the company, while the severance pay accruing from January 1, 2007 can be allocated either to supplementary pension schemes or transferred to the INPS pension fund, at the employee's discretion (by 06.30.2007).

The result is that:

- the severance pay provision accrued up to 12.31.2006 (or until the date of the option – falling between 01.01.2007 and 06.30.2007 – adopted by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund) continues to be a 'defined-benefit' plan and therefore subject to actuarial valuation, although based on simplified actuarial assumptions which no longer take account of estimated future pay rises,
- the amounts accrued from 01.01.2007 (or from the date of the option – falling between 01.01.2007 and 06.30.2007 – by the employees if they decided to transfer their employee severance pay provision to a supplementary pension fund), were considered as a 'defined-contribution' plan (as the Company's liability ceases at the time it pays the employee severance pay provision accrued to the pension fund chosen by the employee) and therefore the related cost for the period is equal to the amounts paid to the Supplementary Pension fund or the INPS Treasury fund,
- The costs of severance pay accruing during the year are entered on the income statement in item 110 a) 'Personnel costs', and include interest accrued in the year (interest cost) on the obligation already existing as at the date of the Reform and the accrued instalments for the year paid into the supplementary pension scheme or to the Treasury Fund of INPS,
- actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of the obligation at the end of the period, are recognized in equity as part of the valuation reserves,
- a change of -25 basis points in the discount rate would result in an increase in liabilities of 24,832 euro (+2.22%); an equivalent increase in the rate, on the other hand, would result in a reduction in liabilities of 24,235 euros (-2.16%). A change of -25 basis points in the inflation rate would result in a reduction in liabilities of 15,310 euro (-1.37%); an equivalent increase in the rate, on the other hand, would result in an increase in liabilities of 15,546 euro (+1.39%).

Section 10 – Provisions for risks and charges – Item 100

10. 1 - Provisions for risks and charges: composition

Items / Values	12.31.2024	12.31.2023
1. Provisions for credit risk relating to commitments and financial guarantees given	83	264
2. Provisions relating to other commitments and guarantees issued		
3. Provisions for company pension	2,396	171
4. Other provisions for risks and charges	10,507	32,730
4.1 legal and tax disputes	4,288	30,736
4.2 personnel expenses	2,079	1,994
4.3 other	4,140	
Total	12,986	33,165

During 2024, the Provision for risks and charges for two positions was transferred to the provision for bad debts for positions classified as performing. The Company is currently involved in lawsuits and revocation proceedings for a total risk of approximately 73.9 million euros, which is covered by provisions of 4.3 million euros. This amount represents the best estimate of the costs that the Company, having consulted its lawyers, expects to incur in the event of litigation, where the loss in court is estimated to be probable. The Provision for personnel costs relates to the variable discretionary pay component.

10. 2 - Provisions for risks and charges: change for the year

	Provisions relating to Other commitments and guarantees issued	Company pension funds	Other provisions for risks and charges	Total
A. Opening balance	264	171	32,730	33,165
B. Increases	-	2,225	2,203	4,428
B.1 Allocation in the year		2,225	2,062	4,287
B.2 Changes due to passage of time				-
B.3 Changes due to changes in discount rate				-
B.4 Other increases			141	141
C. Decreases	(181)	0	(24,426)	(24,607)
C.1 Amounts used in the year			(1,620)	(1,620)
C.2 Changes due to changes in discount rate				-
C.3 Other changes	(181)		(22,806)	(22,987)
D. Closing balance	83	2,396	10,507	12,986

During 2024, two positions of the Provision for risks and charges were transferred to the provision for bad debts for positions classified as performing.

10. 3 - Provisions for credit risk relating to commitments and financial guarantees given

	Provisions for credit risk relating to commitments and financial guarantees given			
	First Stage	Second Stage	Third Stage	Total
1. Other commitments to disburse funds	83	-		83
2. Financial guarantees issued				-
Total	83	-	-	83

Part B - Information on the Balance Sheet

10.5 - Pensions and post-retirement defined-benefit obligations

ITEMS	12.31.2024	12.31.2023
Provisions for company pension - Executive leaving incentive	2,396	171
Total	2,396	171

10.6 - Provisions for risks and charges: other provisions - other

The company does not have this type of provision for risks and charges.

Section 11 - Shareholders' equity - Items 110, 120, 130, 140, 150, 160 and 170

11.1 - Composition of item 110 'Share Capital'

TYPE	12/31/2024	12/31/2023
1. Capital	414,348	414,348
1.1 Ordinary shares	414,348	414,348
1.2 Other shares	-	-

There are 80,300,000 ordinary shares.

11.4 - Composition of item 140 'Share premium reserve'

TYPE	12/31/2024	12/31/2023
1. Share premium reserve	951	951
1.1 Share Premiums from the capital increase of 1997	951	951

11.5 - Other Information

ITEMS	LEGAL RESERVE	RETAINED EARNINGS	STATUTORY RESERVE	OTHER RESERVES	TOTAL
A. Opening balance	50,470	118	185	323,049	373,822
B. Increases	3,871	-	-	19,334	23,205
B1. Profit attribution	3,871	-	-	19,334	23,205
B2. Other increases	-	-	-	-	-
C. Decreases	-	-	-	(134)	(134)
C1. Uses	-	-	-	-	-
- to cover losses	-	-	-	-	-
- distribution	-	-	-	-	-
- capitalization	-	-	-	-	-
C2. Other decreases	-	-	-	(134)	(134)
D. Closing balance	54,341	118	185	342,249	396,893

'Other Reserves' are mainly forms of undistributed profits.

Part B - Information on the Balance Sheet

Analysis of composition of shareholders' equity with reference to availability and possibility of distribution (Art. 2427, para. 7 bis)

NATURE/DESCRIPTION	AMOUNT	POSSIBILITY OF USE	AVAILABLE PORTION	OVERVIEW OF USES OF THE THREE PREVIOUS YEARS	
				FOR LOSS COVERAGE	FOR OTHER REASONS
Capital	414,348		-		
Capital reserve:	951		-		
- Share premium	951	B	-		
Profit reserve	396,894		343,000		
- Statutory reserve	185	A, B, C	185		
- Legal reserve	54,341	B	-		
- FTA reserve	(447)		-		
- Other reserves	342,697	A, B, C	342,697		
- Previous year profits	118	A, B, C	118		
Profit for the year	74,692		-		
Total	886,884	-	343,000		

Key:

A: for Capital increase B: to cover losses C: for dividend distributions

Other information

1. Commitments and financial guarantees given (other than those designated at fair value)

ITEMS	NOMINAL VALUE OF COMMITMENTS AND GUARANTEES GIVEN			12/31/2024	12/31/2023
	FIRST STAGE	SECOND STAGE	THIRD STAGE	TOTAL	TOTAL
1. Other commitments to disburse funds	8,591,124	9,936	55,248	8,656,309	3,405,445
a) General government entities	286,960	-	18,223	305,183	235,713
b) Banks	361,829	-	-	361,829	4,405
c) other financial companies	1,717,915	-	-	1,717,915	1,313,222
d) Non-financial corporations	6,022,360	9,936	37,025	6,069,321	1,850,711
e) Households	202,060	-	-	202,060	1,394
2. Financial guarantees issued	-	-	-	-	-
a) General government entities	-	-	-	-	-
b) Banks	-	-	-	-	-
c) other financial companies	-	-	-	-	-
d) Non-financial companies	-	-	-	-	-
e) Households	-	-	-	-	-

Part C - Information on the Income Statement

Part C - Information on the Income Statement

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Section 1 - Interest - Items 10 and 20

1.1 - Composition of item 10 'Interest and similar income'

ITEMS/TYPE	DEBT SECURITIES	LOANS	OTHER TRANSACTION S	2024	2023
1. Financial assets measured at fair value through P&L					
1.1 Financial assets held for trading	-	-	-	-	-
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-
amortized	-	360,984	-	360,984	355,899
3.1 Loans and receivables with banks	-	2,525	-	2,525	5,290
3.2 Loans and receivables with financial institutions	-	4,021	-	4,021	69,292
3.3 Loans and receivables with customers	-	354,438	-	354,438	281,317
4. Hedging derivatives	-	3,047	-	3,047	-
5. Other assets	-	-	-	-	-
6. Financial liabilities	-	-	-	-	-
Total	-	364,031	-	364,031	355,899
of which: interest income on impaired financial assets	-	-	-	534	887

Interest income other than that recognized in the item Write-backs, accruing in 2024 against exposure classified in non-performing loans amounted to 0.5 million euros as at December 31.

Despite the decrease in volumes and the contraction of the ECB refinancing rate, interest income recorded an increase due both to the repricing of economic conditions to customers and to the extraordinary component deriving from the collection of interest on tax credits.

1.3 - Composition of item 20 'Interest expenses and similar charges'

ITEMS/TYPE	LOANS	SECURITIES	OTHER	2024	2023
1. Financial liabilities measured at amortized cost					
1.1 Liabilities to banks	(248,685)	-	-	(248,685)	(234,517)
1.2. Deposits from financial institutions	-	-	-	-	-
1.3. Deposits from customers	-	-	-	-	-
1.4. Debt securities	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	-	-	(162)	(162)	(221)
5. Hedging derivatives	-	-	(570)	(570)	(937)
6. Financial assets	-	-	-	-	-
Total	(248,685)	-	(732)	(249,417)	(235,675)
of which: interest expense on leases	-	-	(162)	(162)	(45)

Interest expense increased compared to last year mainly due to a significant credit transfer operation that started during the year. Net of this operation, interest expense decreased in line with the drop in volumes and rates.

Section 2 - Commission - Items 40 and 50

2.1 - Composition of item 40 'Fee and commission income'

BREAKDOWN	2024	2023
1. Financial leasing operations	-	-
2. Factoring transactions	68,349	69,500
3. Consumer loans	-	-
4. Guarantees given	-	-
5. Services of:	-	-
- fund management for third parties	-	-
- foreign exchange intermediation	-	-
- product distribution	-	-
- other	-	-
6. Collection and payment services	-	0
7. Servicing securitization transactions	-	-
8. Other fees and commissions: recovery client expenses credit preparation, account fees etc.	1,457	1,504
Total	69,806	71,004

Fee and commission income decreased, although to a lesser extent than the drop in turnover, due to the effect of repricing to customers

2.2 - Composition of item 50 'Fee and commission expense'

BREAKDOWN	2024	2023
1. Guarantees received	(17,502)	(20,396)
2. Distribution of third-party services	-	-
3. Collection and payment services	(522)	(680)
4. Other fees and commissions	(13,521)	(9,758)
4.1 Commissions	(3,781)	(1,096)
4.2 Cost of credit reinsurance	(9,740)	(8,662)
Total	(31,545)	(30,834)

Fees and commissions expenses are slightly up due to the combined effect of the decrease in the component relating to guarantees received within the group linked to the drop in volumes and the increase in insurance costs due to a greater use of coverage. It should also be noted that the commissions in 2024 did not benefit from any extraordinary effect as in 2023.

Section 3 – Dividends and similar income – Item 70

3.1 - Composition of dividends and similar income

Items/Proceeds	2024		2023	
	Dividends	Similar proceeds	Dividends	Similar proceeds
A Financial assets held for trading	-	-	-	-
B Other financial assets mandatorily measured at fair value	11	-	109	-
C Financial assets measured at fair value through other comprehensive income	-	-	-	-
D Shareholdings	-	-	-	-
Total	11	-	109	-

Section 4 - Net trading result - Item 80

4.1 - Composition of item 80 'Net trading result'

Transaction/Income item	2024			
	Gains (A)	Trading Profits (B)	Trading losses (D)	Net Profit (loss) [(A+B) - (C+D)]
1. Financial assets	-	-	-	-
1.1 Debt securities	-	-	-	-
1.2 Equities	-	-	-	-
1.3 Units in investments funds	-	-	-	-
1.4 Loans	-	-	-	-
1.5 Other assets	-	-	-	-
2. Financial liabilities	-	-	-	-
2.1 Debt securities	-	-	-	-
2.2 Payables	-	-	-	-
2.3 Other liabilities	-	-	-	-
3. Financial assets and liabilities: exchange differences	-		52	52
4. Derivative instruments	-	-	-	-
4.1 Financial derivatives	-	-	-	-
4.2 Credit derivatives	-	-	-	-
of which: natural hedges related to the fair value option	-	-	-	-
Total	-		52	52

Section 7 - Gains and losses on other financial assets/liabilities at fair value through profit or loss - Item 110

7.2 - Net change in value of other financial assets/liabilities at fair value through profit or loss: composition of other financial assets mandatorily at FV

Transaction/Income item	2024				Net Profit (loss) [(A+B) - (C+D)]
	Gains (A)	Trading Profits (B)	Losses (C)	Trading losses (D)	
1. Financial assets	-	197	-	-	197
1.1 Debt securities	-	-	-	-	-
1.2 Equities	-	-	-	-	-
1.3 Units in investments funds	-	-	-	-	-
1.4 Loans	-	197	-	0	197
2. Financial assets and liabilities: exchange differences	-	0	-	-	-
Total	-	197	0	0	197

Section 8 - Net adjustments/Writebacks for credit risk - Item 130

8.1 - 'Impairment losses/write-downs on loans and receivables'

ITEMS/IMPAIRMENT	Write-downs						Writebacks						2024	2023
	First stage	second stage	Third stage		purchased or originated impaired		First stage	or second stage	Third stage		purchased or originated impaired			
			Write Off	Other	Write Off	Other			Write Off	Other	Write Off	Other		
1. Loans and receivables with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables purchased or originated impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other loans and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Receivables from financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables purchased or originated impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other loans and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans and receivables with customers	(3,195)	(483)	(547)	(5,395)	-	-	648	1,921	-	9,124	-	-	2,073	(7,196)
Receivables purchased or originated impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other loans and receivables	(3,195)	(483)	(547)	(5,395)	-	-	648	1,921	-	9,124	-	-	2,073	(7,196)
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring*	(3,195)	(483)	(547)	(5,395)	-	-	648	1,921	-	9,124	-	-	2,073	(7,196)
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- pledge loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(3,195)	(483)	(547)	(5,395)	-	-	648	1,921	-	9,124	-	-	2,073	(7,196)

The stage three value adjustments are mainly attributable to positions on recourse assignors.

Section 10 - Administrative costs - Item 160

10.1 - Personnel costs: composition

ITEM/SECTOR	2024	2023
1. Employees	(24,994)	(23,875)
a) salaries and wages	(14,232)	(14,938)
b) social security costs	(4,799)	(4,851)
c) staff severance pay	(109)	(105)
d) pensions	-	-
e) allocation to staff severance pay	(77)	(98)
f) provisions for retirements and similar provisions	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds	(976)	(770)
- defined contribution	(976)	(770)
- defined benefit	-	-
h) other employee benefits	(4,801)	(3,113)
2. Other working staff	-	-
3. Directors and Statutory Auditors	(365)	(372)
4. Employees on sabbatical	-	-
5. Recovery of expenses for employees seconded to other companies	908	859
6. recovery of expenses for employees seconded to the companies *	(5,017)	(5,325)
Total	(29,468)	(28,713)

* The item 'Reimbursement of costs for employees seconded to the Company' mainly relates to the cost of seconded personnel.

Personnel costs net of the component relating to the extraordinary cost deriving from the extension of the redundancy incentive plan decreased due to the average reduction in FTE from 270,1 in 2023 to 266 in 2024.

10.2 Average number of employees by category

Employees	2024	2023
Executives	2.8	3.2
Middle managers	133.4	137.0
Remaining employees	77.5	79.0
Total employees	213.8	219.2
Other personnel	52.2	50.9
Total	266.0	270.1

Secondments are included in the other staff.

Part C - Information on the Income Statement

10.3 - Other administrative expenses – Breakdown

CATEGORIES OF COSTS	2024	2023
1) Indirect taxes and duties	(564)	(560)
1a. Paid:	(564)	(560)
1b. Not paid:	-	-
2) Guarantee fee for DTA conversion	(112)	(190)
3) Miscellaneous costs and expenses	(19,954)	(17,997)
a) advertising marketing and communication	(113)	(209)
b) expenses related to credit risk	(1,058)	(2,506)
c) indirect expenses related to personnel	(200)	(356)
d) Information & Communication Technology expenses	(10,586)	(6,380)
Hardware costs: equipment and maintenance	0	(16)
Software expenses: equipment and maintenance	-	-
ICT communication systems	(266)	(308)
ICT services: external personnel/outourced services	(10,293)	(6,014)
Financial information providers	(27)	(42)
e) consulting and professionals services	(664)	(343)
Consulting	(209)	(167)
Legal expenses	(455)	(176)
f) real estate expenses	(764)	(818)
Premises rentals	(19)	(30)
Users	(120)	(202)
Other real estate expenses	(625)	(586)
g) operating costs	(6,569)	(7,385)
Surveillance and security services	(94)	(83)
Money counting services and transport	-	-
Insurance Companies	(240)	(157)
Postage and transport of documents	(64)	(75)
Printing and stationery	0	0
Administrative and logistic services	(6,088)	(6,963)
Association dues and fees	(79)	(106)
Other administrative expenses - Other	(4)	(1)
Total (1+2)	(20,630)	(18,747)

The increase in administrative costs is mainly attributable to those relating to information communication technology in application of the cost allocation criteria implemented by the Parent Company.

Section 11 - Net provisions for risks and charges - Item 170

11.1 - Net provisions for credit risk relating to commitments to disburse funds and financial guarantees given: breakdown

PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES GIVEN	2024	2023
- Provisions for commitments on committed lines	0	0
- Write-backs on provisions for risks and charges commitments	181	121
Total	181	121

11.2 - Net provisions relating to Other commitments and guarantees issued: composition

There are no provisions relating to other commitments and guarantees issued.

11.3 - Net allocations to Other provisions for risks and charges: composition

NET OTHER PROVISIONS FOR RISKS AND CHARGES	2024	2023
- Provisions for clawbacks	(12)	7
- Provisions for lawsuits	(116)	(5)
- Other provisions	(83)	(744)
- Write-backs on provision for risks and charges	1,638	695
Total	1,427	(47)

Refer to table 10 in the liabilities on the balance sheet (Composition of item 100 'Provision for risks and charges') and to the financial report.

Section 12 - Net value adjustments/write-backs on property, plant and equipment - Item 180

12.1 - Net value adjustments/write-backs on property, plant and equipment: composition

Asset/income item	2024				2023			
	DEPRECIATION (a)	IMPAIRMENT LOSSES (b)	WRITE-BACKS (c)	NET RESULT (a+b-c)	AMORTIZATION (a)	IMPAIRMENT LOSSES (b)	WRITE-BACKS (c)	NET RESULT (a+b-c)
A. Property plant and equipment	(756)	-	-	(756)	(795)	-	-	(795)
A.1 Owned	-	-	-	0	(4)	-	-	(4)
- for operations	-	-	-	0	(4)	-	-	(4)
- for investment	-	-	-	-	0	-	-	0
- inventories	-	-	-	-	-	-	-	-
A.2 Purchased under finance lease	(756)	-	-	(756)	(791)	-	-	(791)
- for operations	(756)	-	-	(756)	(791)	-	-	(791)
- for investment	-	-	-	-	-	-	-	-
A.3 Granted under operating leases	-	-	-	-	-	-	-	-
Total	(756)	-	-	(756)	(795)	-	-	(795)

Section 13 - Net value adjustments/write-backs on intangible assets - Item 190

13.1 Composition of item 190 'Net value adjustments/write-backs on intangible assets'

The company does not have this type of value adjustments

Section 14 - Other operating income and expenses - Item 200

14.1 - 'Other operating expenses: breakdown

Other operating expenses: composition	2024	2023
- miscellaneous losses	-	-
- management charges	(872)	(562)
Total other operating expenses	(872)	(562)

14.2 "Other operating income: breakdown

OTHER OPERATING INCOME	2024	2023
- customer legal costs	214	197
- mixed use company car	35	40
- rental income	0	0
- insurance indemnity	1,538	227
- misc. income	9,460	6,458
Total other operating income	11,247	6,922

Section 19 - Income tax for the year on continuing operations - Item 270

19.1 - Composition of item 270 'Income tax for the year on continuing operations'

ITEM/WRITE-DOWNS AND WRITE-BACKS	2024	2023
1. Current tax	(26,276)	(26,421)
2. Adjustment to current tax of prior years	(2,797)	1,980
3. Reduction of current tax for the year	-	-
3.bis Reduction of current tax for the year for tax credits according to Law No. 214/2011	-	-
4. Change in deferred tax assets	(12,572)	(10,251)
5. Change in deferred tax liabilities	-	-
Taxes pertaining to the year	(41,645)	(34,692)

19.2 Reconciliation between theoretical tax charges and effective expense

ITEM/WRITE-DOWNS AND WRITE-BACKS	2024	2023
Profit (Loss) before tax from continuing operations	116,337	112,100
Theoretical applicable tax rate	27.5%	27.5%
Theoretical tax	(31,993)	(30,828)
Tax effects derived from:		
+ Non-taxable income - permanent differences	13	38
- Non-deductible costs for tax purposes - permanent differences	(374)	796
- IRAP	(6,494)	(5,242)
+ Recognition of deferred tax assets		(1,120)
+/- Other differences	(2,797)	1,662
Income tax posted to the income statement	(41,645)	(34,692)
Income tax expense on continuing operations	(41,645)	(34,692)
Difference		-

The effective tax rate in 2024 was 35.8% compared to 30.9% in the previous year also due to the elimination of the tax deduction for reinvested earnings (ACE) and the transfer to the income statement of the tax component of the IFRS 15 and IFRS 9 FTA Reserves.

Section 21 - Income statement - Other information

21.1 Breakdown of interest income and commission income

ITEM/COUNTERPARTY	INTEREST INCOME			FEES AND COMMISSIONS INCOME			2024	2023
	BANK	FINANCIAL COMPANIES	CUSTOMERS	BANK	FINANCIAL COMPANIES	CUSTOMERS		
1. Finance leases	-	-	-	-	-	-	-	-
- fixed assets	-	-	-	-	-	-	-	-
- movable property	-	-	-	-	-	-	-	-
- capital goods	-	-	-	-	-	-	-	-
- intangible assets	-	-	-	-	-	-	-	-
2. Factoring	2,525	4,021	357,485	528	2,740	66,538	433,837	426,903
- on current receivables	-	2,814	71,875	-	2,167	33,216	110,072	128,597
- on future receivables	-	-	5,369	-	27	4,324	9,720	6,821
- on receivables acquired on a permanent basis	659	702	223,301	182	48	18,152	243,044	220,912
- receivables purchased below original value	-	-	-	-	-	-	-	-
- for other financing	1,866	505	56,940	346	498	10,846	71,001	70,573
3. Consumer loans	-	-	-	-	-	-	-	-
- personal loans	-	-	-	-	-	-	-	-
- special-purpose loans	-	-	-	-	-	-	-	-
- loans against wages	-	-	-	-	-	-	-	-
4. Pledge loans	-	-	-	-	-	-	-	-
5. Guarantees and commitments	-	-	-	-	-	-	-	-
- trade	-	-	-	-	-	-	-	-
- financial	-	-	-	-	-	-	-	-
Total	2,525	4,021	357,485	528	2,740	66,538	433,837	426,903

Part D - Other information

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Section 1 - Specific references to activities carried out

B. Factoring and assignment of receivables

B.1 Gross value and book value

B.1.1 Factoring operations Factoring and assignment of receivables

ITEMS/VALUES	12.31.2024			12.31.2023		
	GROSS AMOUNT	WRITE-DOWNS	NET VALUE	GROSS AMOUNT	WRITE-DOWNS	NET VALUE
1. Performing exposures	8,939,455	22,905	8,916,550	10,018,212	4,978	10,013,234
- exposure to assignors (with recourse)	2,094,202	10,460	2,083,742	2,206,902	2,966	2,203,936
- assignments of future receivables	134,262	116	134,146	91,704	262	91,442
- other	1,959,940	10,344	1,949,596	2,115,198	2,704	2,112,494
- exposures to assigned debtors (non-recourse)	6,845,253	12,445	6,832,808	7,811,310	2,012	7,809,298
2. Non-performing assets	93,001	61,982	31,019	166,952	85,660	81,292
2.1 Bad loans	49,591	46,960	2,631	59,261	56,572	2,689
- exposure to assignors (with recourse)	45,072	42,588	2,484	54,973	52,534	2,439
- assignments of future receivables	2,097	2,042	55	5,333	5,262	71
- other	42,975	40,546	2,429	49,640	47,272	2,368
- exposures to assigned debtors (non-recourse)	4,519	4,372	147	4,288	4,038	250
- purchases below nominal value	-	-	-	-	-	-
- other	4,519	4,372	147	4,288	4,038	250
2.2 Unlikely to pay	18,463	13,753	4,710	30,902	24,719	6,183
- exposure to assignors (with recourse)	10,166	6,580	3,586	19,550	16,648	2,902
- assignments of future receivables	1,029	409	620	813	474	339
- other	9,137	6,171	2,966	18,737	16,174	2,563
- exposures to assigned debtors (non-recourse)	8,297	7,173	1,124	11,352	8,071	3,281
- purchases below nominal value	-	-	-	-	-	-
- other	8,297	7,173	1,124	11,352	8,071	3,281
2.3 Non-performing past due exposures	24,947	1,269	23,678	76,789	4,369	72,420
- exposure to assignors (with recourse)	546	49	497	13,349	1,199	12,150
- assignments of future receivables	-	-	-	-	-	-
- other	546	49	497	13,349	1,199	12,150
- exposures to assigned debtors (non-recourse)	24,401	1,220	23,181	63,440	3,170	60,270
- purchases below nominal value	-	-	-	-	-	-
- other	24,401	1,220	23,181	63,440	3,170	60,270
Total	9,032,456	84,887	8,947,569	10,185,164	90,638	10,094,526

Other assignments

ITEMS/VALUES	12.31.2024			12.31.2023		
	GROSS AMOUNT	WRITE-DOWNS	NET VALUE	GROSS AMOUNT	WRITE-DOWNS	NET VALUE
1. Performing exposures	727,667	70	727,597	985,288	35	985,253
- exposure to assignors (with recourse)	45,648	38	45,610	9,718	20	9,698
- assignments of future receivables	-	-	-	-	-	-
- other	45,648	38	45,610	9,718	20	9,698
- exposures to assigned debtors	682,019	32	681,987	975,570	15	975,555
2. Non-performing assets	260	260	-	1,740	1,704	36
2.1 Bad loans	260	260	-	1,740	1,704	36
- exposure to assignors (with recourse)	260	260	-	1,740	1,704	36
- assignments of future receivables	-	-	-	-	-	-
- other	260	260	-	1,740	1,704	36
- exposures to assigned debtors	-	-	-	-	-	-
- purchases below nominal value	-	-	-	-	-	-
- other	-	-	-	-	-	-
2.2 Unlikely to pay	-	-	-	-	-	-
- exposure to assignors (with recourse)	-	-	-	-	-	-
- assignments of future receivables	-	-	-	-	-	-
- other	-	-	-	-	-	-
- exposures to assigned debtors	-	-	-	-	-	-
- purchases below nominal value	-	-	-	-	-	-
- other	-	-	-	-	-	-
2.3 Restructured exposures	-	-	-	-	-	-
- exposure to assignors (with recourse)	-	-	-	-	-	-
- assignments of future receivables	-	-	-	-	-	-
- other	-	-	-	-	-	-
- exposures to assigned debtors	-	-	-	-	-	-
- purchases below nominal value	-	-	-	-	-	-
- other	-	-	-	-	-	-
2.3 Non-performing past due exposures	-	-	-	-	-	-
- exposure to assignors (with recourse)	-	-	-	-	-	-
- assignments of future receivables	-	-	-	-	-	-
- other	-	-	-	-	-	-
- exposures to assigned debtors	-	-	-	-	-	-
- purchases below nominal value	-	-	-	-	-	-
- other	-	-	-	-	-	-
Total	727,927	330	727,597	987,028	1,739	985,289

B.1.2 Acquisitions non-performing loans other than factoring.

The Company does not carry out this type of operation.

B.2 Distribution according to residual life

Past-due receivables, if not impaired, are classified in the 'on demand' category, while if impaired they are classified according to the estimated expiry date, for the balance sheet valuations.

B.2.1 With-recourse factoring operations: advances and 'Total Receivables'

MATURITY RANGES	ADVANCES		TOTAL RECEIVABLES	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
- on demand	476,486	506,375	965,184	1,082,193
- up to 3 months	520,501	553,150	1,686,845	1,837,315
- from 3 to 6 months	651,373	692,232	399,111	471,781
- from 6 months to 1 year	374,627	398,126	363,532	351,914
- over 1 year	67,322	71,544	137,471	250,608
- indeterminate duration				
Total	2,090,309	2,221,427	3,552,143	3,993,811

Other assignments

MATURITY RANGES	ADVANCES		TOTAL RECEIVABLES	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
- on demand	45,610	9,734	45,050	10,515
Total	45,610	9,734	45,050	10,515

Other assignments are made up of tax receivables that are by nature repayable on demand.

B.2.2 Without-recourse factoring operations: exposures

MATURITY RANGES	EXPOSURES	
	12.31.2024	12.31.2023
- on demand	523,495	641,514
- up to 3 months	3,967,344	4,658,111
- from 3 to 6 months	622,987	725,386
- from 6 months to 1 year	607,665	658,895
- over 1 year	1,135,769	1,189,193
- indeterminate duration		
Total	6,857,260	7,873,099

Other assignments

MATURITY RANGES	EXPOSURES	
	12.31.2024	12.31.2023
- on demand	681,987	975,555
Total	681,987	975,555

Other assignments are made up of tax receivables that are by nature repayable on demand

B.2.3 - Acquisitions non-performing loans other than factoring

The Company does not carry out this type of operation.

B.3 Other information

B.3.1 Turnover of receivables in factoring operations

ITEM	12.31.2024	12.31.2023
1. Non-recourse transactions	37,701,424	42,273,810
- of which purchases below nominal value		
2. With recourse transactions *	10,892,589	12,342,729
TOTAL	48,594,013	54,616,539

* This figure includes 6,787,630 thousand euros for 2024 and 7,067,301 thousand euros for 2023, for non-recourse contracts that did not pass the IFRS 9 recognition test.

The turnover from other assignments was 967,629 thousand euros.

B.3.2 - Collection services

There are no receivables for which collection-only services are provided.

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

ITEM	12.31.2024	12.31.2023
Flow of contracts for purchase of future receivables for the year	21,647,575	21,551,245
Amount of existing contracts at the closing date of year	14,430,856	14,563,379

Margin between the limit granted to customers, and receivables acquired on a with recourse basis

ITEM	12.31.2024	12.31.2023
Margin	1,687,540	1,166,321

The value in the table represents the difference between the loan granted to the assignor and the Total Receivables relating only to with-recourse operations.

D. Guarantees and commitments

D.1 Value of real or personal guarantees issued, and of commitments

TRANSACTIONS	12.31.2024	12.31.2023
1) Financial guarantees given on first demand	-	-
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
2) Other financial guarantees given	-	-
a) Banks	-	-
b) Financial institutions	-	-
c) Customers	-	-
3) Commercial guarantees given to	-	-
a) Banks *	-	-
b) Financial institutions	-	-
c) Customers	-	-
4) Other irrevocable commitments to disburse funds	1,358,090	1,823,035
a) Banks	-	-
i) certain to be called on	-	-
ii) not certain to be called on	-	-
b) Financial institutions	932,532	1,310,197
ii) certain to be called on	932,427	1,309,721
ii) not certain to be called on	105	476
c) Customers	425,558	512,838
ii) certain to be called on	111,181	104,553
ii) not certain to be called on	314,377	408,285
5) Underlying obligations for credit derivatives: sales of protection	-	-
6) Assets used to guarantee others' obligations	-	-
7) Other irrevocable commitments	-	-
a) to issue guarantees	-	-
b) others	-	-
Total	1,358,090	1,823,035

The irrevocable commitments to loan funds for uncertain use consists of the non-advanced part of the without recourse contracts that do not pass the IFRS 9 derecognition test, and the unused part of the committed lines. In this last case, they are only used after a receivables assignment is presented.

D.2 - Loans recognized after enforcement

Not Present.

Section 3 - Information on risks and relative hedging policies

3.1 - Credit risk

QUALITATIVE INFORMATION

1. General information

Factoring offers multiple services to meet businesses' needs for cash flow management, to guarantee assigned trade receivables and finance them if necessary.

The credit risk borne by the factor only shares some of the characteristics typical of the credit risk associated with banking.

While in banking, the similar technique of providing advances on invoices consists of the granting of cash credit mainly on the basis of the customer's credit rating, factoring operations are also based on the characteristics of the receivables to be acquired, the profile of individual debtors, and their mode of operation.

When the risk is accepted, the factoring company will evaluate two parties: the assigning supplier and the assigned debtor, whose credit profiles will both be analyzed; The acceptance of risk on these parties may take various configurations, depending on the type of product requested and the assessment of the customer/assignor.

When the factor advances the receivables to the assignor, it is exposed by the amount equal to the agreed advance, which cannot exceed the total receivables assigned.

In a with recourse (pro soluto) contract, the factoring company guarantees the assignor against the default by the assigned debtor, except in cases explicitly governed by the contract. The factor agrees to pay the amount of the assigned receivables after a specified number of days after the receivables become due, except in the case of definitive acquisition, where the payment (discount) takes place at the same time as the assignment.

Depending on the chosen modus operandi, the factoring company will have greater protection if the credit acquisition process is accompanied by:

- notification to the debtor that the receivables have been assigned;
- recognition by the debtor that the receivables have been assigned;
- certification by the public administration of the assigned receivables;
- the acquisition of trade receivables, compared to other types of receivable;
- the acquisition of receivables that are due and payable or about to fall due, compared to the financing of future receivables;
- the presence of a restricted current account, for operations where notifications are not given on a continuous basis.

A with-recourse contract with the provision of finance and/or guarantee services, exposes the factor to credit risk, against the assigned debtors.

With a with-recourse contract, the risk is diversified: the factor becomes the owner of the claim against the assigned debtor, who is the principal source of repayment and guarantees any advance paid to the assignor. If the debtor does not pay, the factor can claim the payment from the assignor (right of recourse).

When the factor only provides a management service, it is not exposed to any risk.

In general, when a factor provides a finance and/or guarantee service, the possibility of recording a loss is determined primarily by the downgrading of the credit rating of the parties and the resulting risk of non-payment by the assigned debtor (in the case of without recourse or with recourse assignments) or the risk of non-repayment of the amount advanced by the assignor, in the case of the with recourse operation.

When the factor provides its services as part of a pre-existing commercial relationship between the assignor and the debtor, the credit risk is characterized by the following main factors, linked to the debtor:

- the risk of dilution if the debtor refuses to pay because of events related to how the underlying supply contract was fulfilled (for example, set-offs, allowances, or disputes about product quality or promotional discounts);
- the risk of payment being made later than the real or contractual expiry date (the due date was negotiated when the trade receivables were acquired) applies in certain sectors hit by the economic crisis, or to some agencies of the Italian public administration. The risk of late payment also includes the risk of administrative time-barring, which happens when funds allocated in the State Budget are not spent by the public administrations within a certain period of time;
- the risk of set-off, which is particularly high in operations with the Public Administration, or in reverse factoring transactions where the debtor can make set-offs between its own payables and receivables.

2. Credit Risk Management Policies

a) General information

Credit risk management is based on consolidated processes and structures led by competent, expert staff.

The origination process starts with the Sales Division, which is tasked with developing and managing relations with assignors either by carrying out regular visits, or distance checks. One of their tasks is to identify any signs of potential downgrading of the assignor's credit rating and to prevent potential losses.

The assignors and debtors are assessed using Group methods which involve analyzing financial statements, the central risk register, and using the business and other information available to the UniCredit Group. UniCredit Factoring does not have its own rating models, however, for customers it shares with the UniCredit Group, the counterparty's rating is calculated by the parent company and is input into the assignor's and debtor's online files. This is a fundamental part of the assessment process.

When the assignor and debtor risks are accepted, their credit risk is assessed by the Credit Underwriting structure, which has separate technical teams for granting finance to assignors and debtors.

The Debtors Management structure manages relations on an ongoing basis, checking the receivables assigned as well as any reports or actions, to ensure that payments are made promptly (checks on due dates and payment reminders).

The Risk Management Division also incorporates:

- Credit Monitoring, which maintains the quality of the finance portfolio by carrying out regular monitoring so that systematic intervention can take place if there is any deterioration in the risk profile of an assignor or a debtor. This activity is done before the default arises, when there is still a possibility that the assignor or debtor will be able to meet their commitments, and when the position is transferred to the appropriate risk status to ensure better management;

- Special Credit, which is responsible for ensuring the management and monitoring of accounts such as Unlikely to Pay, Bad Loan and accounts covered by restructuring plans. It identifies and implements the most effective solutions to maximize the recovery of the debt, and proposes the necessary provisions to cover forecast losses;
- the Credit, Financial & Non-Financial Risks Office, with the task of:
 - o analyze, assess, measure and monitor the typical risks of the company's activities (credit, operational, reputational and market-related) in order to determine their economic and financial impact;
 - o support the implementation of Group policies;
 - o provide systematic reports to Top Management and the Board of Directors;
 - o establish and monitor the 'Risk Appetite', together with the Parent Company and its guidelines, to ensure the company can pursue its strategic objectives and business plan, taking into account the interests of its customers and shareholders; compatibly with its Risk-Taking Capacity and it also sets the Tier 1 capital requirements and other requirements;
 - o support Management in measuring and managing the cost of risk;
 - o carry out second level checks.

b) the risk management, measurement and control systems and departments responsible for them

Measurement and reporting involves the issue of periodic, systematic reports and specific estimates to support various types of decision.

The most important of these reports are the following:

- the 'Credit Dashboard' which is presented to the Board of Directors and contains an analysis of: i) total receivables and underlying invested assets, with a particular focus on the types of assignments, notifications, acknowledgements etc., which define the level of risk and the related dynamics; ii) the quality of credit and provisions to cover the risk of loss; iii) concentration risk;
- 'Strategies monitoring' and the 'Risk Appetite Framework': presented to the Risk Committee. They assess the trend in credit risk accepted by the Company and define any corrective actions to be taken if the risk appetite thresholds are approached or overrun, and/or the guidelines contained in the credit and business strategies, whose targets and prudential limits are approved in advance by the Board of Directors;
- the reporting of operational losses and the monitoring of operational risk indicators;
- the monitoring of interest rate and liquidity risk presented to the Risk Committee.

c) Methods of measurement of expected losses

PD, LGD and EAD and calibration of internal models.

At present, the company shares the entire IT architecture with UniCredit S.p.A. in order to guarantee standardized calculations within the UniCredit Group and to exploit the related synergies.

In this regard regarding:

- exposure at Default (EAD) no internal model is used (Standardized approach);

- the Probability of Default (PD), the Company uses the same models and parameters as UniCredit S.p.A. for shared customers; for non-shared customers, the Company uses Cluster PDs (medium), differentiated on the basis of the type of counterparty (Large Corporate, Multinational, Banks, Corporate, Small Business, Other);
- Loss Given Default (LGD), the Company uses the same parameters as UniCredit S.p.a for both central and local Public Administration counterparties, while it has adopted a managerial model for remaining counterparties, in order to make the risk parameter more consistent with the business model, which focuses on two main categories of counterparties: Assignor and Debtor.

This model has been recalibrated in order to incorporate the new EBA regulations and its stability is verified on a periodic basis.

Expected credit losses (ECLs) are restated as necessary for financial reporting purposes to reflect changes in the credit risk associated with the financial instrument since initial recognition.

The new provisions are designed to facilitate more timely recognition of loan losses, which consists of determining provisions based on the estimated ECL over a 12-month time horizon, applicable to all credit exposures (so-called Stage 1). In addition, all credit exposures for which a significant deterioration has been identified require the recognition of estimated ECLs over a reference time horizon over the entire duration (hereinafter 'lifetime ECLs' or Stage 2 credit) associated with the exposures.

While credit exposures classified as Level 3 ('Stage 3' credit) are similar to those under IAS 39 for incurred losses that are recognized analytically, the Stage 1 and 2 classification of credit exposures effectively replaces credit exposures measured using a 'collective' approach as was the case under the previous standard.

The Group guidelines establish full alignment between the definitions of default, impaired and non-performing with the aim of achieving a uniform approach to the classification of exposures, both for supervisory reporting purposes and for financial statement disclosures. And consequently:

- Stages 1 and 2 include only financial assets classified as performing.
- Stage 3 includes only financial assets classified as non-performing.
- a 12-month ECL is created for financial instruments allocated to Stage 1.
- a lifetime ECL is calculated for financial instruments allocated to Stage 2.

Classification to Stage 2 is carried out when the same triggers used by UniCredit S.p.a. are activated, the main ones of which are:

- past due for more than 30 days
- downgrading of the internal rating assigned to the counterparty, beyond the thresholds established by the Company
- Potential deterioration in creditworthiness detected during monitoring of the internal performance ratio (internal performance classification)
- forbearance events.

d) the risk mitigation techniques used for the purposes of IFRS 7, para. 35Kb).

The management of guarantees is an integral part of the credit process. The primary purpose of guarantee contracts is to maximize the net discounted value of the recoverable amounts, by reducing the potential loss (LGD) if the account is transferred to debt recovery. Although the guarantees are an essential element of the terms and conditions of the finance agreement (especially for longer-term operations), they are only collected as a form of support for the finance, and cannot under any circumstances replace the customer's objective capacity to fulfil its obligations.

The risk mitigation techniques take into account the aspects specific to factoring, which distribute the risk between the customer/assignor and the assigned debtor in different ways depending on the service.

UniCredit Factoring's exposures mainly relate to business counterparties, and can be supported by 'personal' guarantees (usually: bank guarantees from private individuals or businesses), or less frequently 'secured' guarantees (usually: pledges on cash sums or receivables) issued by individuals or companies (owners, family members or the parent company).

Personal guarantees are usually given by the owners of the businesses using the finance, or by their family members.

The guarantees acquired by the Company also include:

- guarantees given by the parent company to cover exposures to assignors or debtors for amounts exceeding 25% of the company's regulatory capital, in order to respect the legal limits on 'large risks' (see following paragraph). The Company will periodically review the guaranteed positions and ensures that the guarantees are adjusted, to reflect changes in the risk (increase or reduction);
- credit insurance policies to mitigate the credit risk resulting from a default by a private debtor assigned on a non-recourse basis; as of 2021, this instrument has been enhanced by entering into a contract that, in addition to expanding the scope of insured debtors, provides for the insurance company's Risk Weight to replace that of the assigned debtor up to the ceiling granted to it. The company was therefore able to benefit from a Risk Weight of the insurance company (20% at the financial statements date) for a significant share of the without recourse portfolio. The same policy was renewed for 12 months in November 2024;
- guarantees given by banks.

Concentration and large exposure risk

Concentration risk is the risk of having a high level of exposure towards individual parties, groups of related parties, parties in the same economic sector or that exercise the same activity or belong to the same geographical area. This risk has to be limited and monitored in relation to the capital, total assets or overall risk level, in order to avoid undermining the solidity of the company or its capacity to continue its core business.

This issue is regulated in Part 4 of Regulation EU 575/13 (CRR). In this area, the rules on large exposures relate to the total exposures (on-and off- balance sheet) towards an individual customer or group of related customers, which exceeds 10% of the entity's own funds, and with a limit of 25% of the eligible capital, the calculation of which takes into account the exemptions provided for by the regulation.

The regulation covers the measurement, management and monitoring of concentration risks at sector level, and also in terms of individual names or economic groups.

Initially, the parent company at consolidated level, and the UniCredit Group companies individually, carry out a self-assessment of the minimum financial resources the Company/Group requires in order to cover the risks it is taking on. This assessment is based on a series of factors such as: the situation and forecasts for the national and international economy, both at the macroeconomic level and for each sector of activity; the concentration of exposures. The ratio between the available financial resources and the internal capital defines the 'risk-taking capacity', which is a key element of the risk appetite framework and the definition of credit strategies.

In addition to credit strategies, to avoid excessive concentrations with a high level of risk, Group-level limits are set from time to time, either at sector level or on an individual basis.

In the case of individual concentration risk, the quantitative limits on credit exposures are calculated using the economic capital approach. They reflect, to a large extent, the risk level or rating of the counterparty or economic group in question. Compliance with these limits is monitored by the parent company's departments in collaboration with the companies' CRO (Chief Risk Office).

To guarantee the timely control of concentration risk at Group level, specific guidelines apply to the management of large credit facilities. A 'large- credit facility' is any direct or indirect commitment of credit.

For the direct risks only (finance to assignors on a with recourse basis and debtors on a without recourse basis), the total commitments of the applicant (the individual counterparty or economic group) towards all the Group companies exceeds the thresholds set by the parent company and approved by the relevant corporate bodies; for UniCredit Factoring: this threshold is set at 75 million euros for all risks in the Italy Region of the UniCredit Group, or at individual level, at 10% of the regulatory capital.

2.3 Methods of measuring expected losses

With regard to the classification process from Stage 1 to Stage 2, the classification triggers have been expanded in agreement with the Parent Company to make the staging process even more sensitive to deterioration in the creditworthiness of the customer portfolio. In addition, in relation to the ECL calculation process, the changes, in alignment with the Parent Company, mainly concerned the adjustment of the forward-looking scenarios. Furthermore, with reference to the Stage 2 classification, the concept of minimum time permanence has been introduced. According to this concept, transactions can return to Stage 1 only after having spent at least three months in Stage 2, starting from the assignment, in order to avoid undue volatility in the staging allocation due to an early transfer to Stage 1. This treatment applies to both quantitative and qualitative staging, except for Forborne cases, for which a dedicated regulatory trial period is provided.

During 2024, some requests to extend the deferment period continued; these requests are part of the normal operations of a factoring company and are granted following a specific request by the assigned debtor.

A total, for 2024, 11 requests were granted for a total amount of 10 million euros: 21% of these were further extensions of up to 30 days, 21% between 31 days and 60 days, and 58% over 60 days.

As at December 31, 2024, 4 positions with a residual amount of 1.2 million euros were still outstanding, which were being repaid on schedule

3. Impaired receivables

The Company has specific regulations that define both the performance statuses and risk statuses for assignors and debtors (performing, watch list, in repayment, debt recovery, past due, unlikely to pay, bad loan, with any indication of forborne exposures), and also the options available for changing the statuses and for making provisions and transitions to loss. These rules also govern the options available for approving repayment plans proposed by the assignors and assigned debtors, and for the acquisition of new guarantees.

QUANTITATIVE INFORMATION

1 - Breakdown of credit exposures by portfolio and credit quality (book value)

PORTFOLIOS/RISK STAGES	BAD LOANS	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES	PERFORMING PAST-DUE EXPOSURES	OTHER PERFORMING EXPOSURES	TOTAL
1. Financial assets valued at amortized cost	2,641	5,408	24,743	569,674	9,464,990	10,067,456
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	7,281	7,281
3. Financial assets designated at fair value						-
4. Other financial assets mandatorily at FV					438	438
5. Financial instruments classified as held for sale						-
Total as at 12/31/2024	2,641	5,408	24,743	569,674	9,472,709	10,075,175
Total as at 12/31/2023	2,771	8,879	73,393	596,340	10,832,347	11,513,730

2 - Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

PORTFOLIOS/RISK STAGES	Non-Performing				Performing		
	Gross exposure	Total accumulated impairments	Net exposure	Total partial write-offs	Gross exposure	Total accumulated impairments	Net exposure
1. Financial assets valued at amortized cost	103,612	70,820	32,792	92,022	10,061,746	27,082	10,034,664
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	7,281	-	7,281
3. Financial assets designated at fair value	-	-	-	-	-	-	-
4. Other financial assets mandatorily at FV	-	-	-	-	438	-	438
5. Financial instruments classified as held for sale	-	-	-	-	-	-	-
Total as at 12/31/2024	103,612	70,820	32,792	92,022	10,069,465	27,082	10,042,383
Total as at 12/31/2023	181,496	96,453	85,043	83,714	11,433,885	5,199	11,428,686

3 - Breakdown of financial assets by category of impairment (book values)

PORTFOLIOS/RISK STAGES	First stage			Second stage			Third stage		
	From 1 day to 30 days	From 30 to 90 days	More than 90 days	From 1 day to 30 days	From 30 to 90 days	More than 90 days	From 1 day to 30 days	From 30 to 90 days	More than 90 days
1. Financial assets valued at amortized cost	333,601	90,225	31,935	2,276	66,535	45,102	20,647	1,211	10,935
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Total as at 12/31/2024	333,601	90,225	31,935	2,276	66,535	45,102	20,647	1,211	10,935
Total as at 12/31/2023	270,169	51,658	16,256	34,984	134,129	89,145	58,237	2,713	24,093

4 - Financial assets, commitments to lend funds and financial guarantees given: trend in total value adjustments and total provisions

CAUSATIONS/RISK STAGES	Total accumulated impairments													Total provisions for commitments to disburse funds and financial guarantees issued			Total
	First stage assets				Second stage assets				Third stage assets				of which: purchased or originated impaired financial assets	first stage	second stage	third stage	
	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	of which: individual impairments	of which: collective impairments	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	of which: individual impairments	of which: collective impairments	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	of which: individual impairments	of which: collective impairments					
Opening balance	2,996	-	-	2,996	2,202	-	-	2,202	96,453	-	96,453	-	-	264	-	-	101,915
Increases from financial assets acquired or originated																	-
Cancellations other than write-offs																	-
Net adjustments/writebacks for credit risk (+/-)	2,547		2,923	(376)	(1,437)			(1,437)	(3,729)		(3,729)			(181)		-	(2,800)
Contract changes without cancellation																	-
Changes in estimation methodology																	-
Write-off									(21,517)		(21,517)						(21,517)
Other changes					20,773			-	(387)		(387)						20,386
Closing balances	5,543	-	2,923	2,620	21,538	-	-	765	70,820	-	70,820	-	-	83	-	-	97,984
Withdrawals from write-offs on financial assets																	-
Write-offs recognized directly in the income statement																	-

5 - Financial assets, commitments to lend funds and financial guarantees given: transfers between the various credit risk stages (gross and nominal amounts)

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	
	From first stage to second stage	From second stage to first stage	From second stage to third stage	From third stage to second stage	From first stage to third stage	From third stage to first stage
1. Financial assets valued at amortized cost	389,247	545,677	17,705	13,171		29,295
2. Financial assets measured at fair value through other comprehensive income						
3. Commitments to lend funds and financial guarantees given						
Total as at 12/31/2024	389,247	545,677	17,705	13,171	-	29,295
Total as at 12/31/2023	588,482	227,035	53,309	40,406	-	-

6 - Loans to customers, banks and financial companies

6.1 - On-and off-balance sheet exposures to customers, banks and finance companies: gross and net values

EXPOSURE TYPES/AMOUNTS	GROSS EXPOSURE		TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	PARTIAL AND TOTAL WRITE-OFFS
	NON-PERFORMING ASSETS	PERFORMING ASSETS			
A. ON-BALANCE-SHEET EXPOSURES:					
a) Bad loans	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
b) Unlikely to pay	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
c) Non-performing past due exposures	-	-	-	-	-
-of which: forborne exposures	-	-	-	-	-
d) Performing past-due exposures	-	23,052	-	23,052	-
-of which: forborne exposures	-	-	-	-	-
e) Other performing exposures	-	85,736	3,145	82,591	-
-of which: forborne exposures	-	-	-	-	-
Total A	-	108,789	3,146	105,643	-
B. OFF-BALANCE SHEET EXPOSURES	-	-	-	-	-
a) Non-Performing	-	-	-	-	-
b) Performing	-	932,427	52	932,375	-
Total B	-	932,427	52	932,375	-
Total (A+B)	-	1,041,215	3,197	1,038,018	-

The off-balance sheet exposures include commitments to lend funds according to formal without-recourse lines, and the margins on the revocable and irrevocable lines of credit

6.2 - On-balance sheet exposures to banks and finance companies: gross change in impaired exposures

There are no exposures of this type.

6.2 a - On-balance sheet exposures to banks and finance companies: changes by credit quality in gross forborne exposures

There are no exposures of this type.

6.3 - Impaired on-balance sheet exposures to banks and finance companies: change in overall impairments

There are no exposures of this type.

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

EXPOSURE TYPES/AMOUNTS	GROSS EXPOSURE		TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	PARTIAL TOTAL WRITE-OFFS
	NON-PERFORMING ASSETS	PERFORMING ASSETS			
A. ON-BALANCE-SHEET EXPOSURES:					
a) Bad loans	49,965	-	47,324	2,641	91,309
-of which: forborne exposures	2,335	-	1,999	336	1,246
b) Unlikely to pay	27,579	-	22,170	5,408	713
-of which: forborne exposures	8,412	-	7,362	1,050	52
c) Non-performing past due exposures	26,069	-	1,325	24,743	-
-of which: forborne exposures	-	-	-	-	-
d) Performing past-due exposures	-	567,738	21,116	546,622	-
-of which: forborne exposures	-	-	-	-	-
e) Other performing exposures	-	9,385,219	2,820	9,382,399	-
-of which: forborne exposures	-	-	-	-	-
Total A	103,612	9,952,958	94,756	9,961,813	92,022
B. OFF-BALANCE SHEET EXPOSURES	-	-	-	-	-
a) Non-Performing	35,630	-	-	35,630	-
b) Performing	-	7,688,252	31	7,688,221	-
Total B	35,630	7,688,252	31	7,723,851	-
Total (A+B)	139,242	17,641,210	94,788	17,685,664	92,022

6.5 - Credit exposures to customers: changes in gross impaired exposures

Breakdown - Category	Bad loans	Unlikely to pay	Non-Performing past due	Total non-performing assets
A. Opening gross exposure	63,216	40,502	77,778	181,496
- of which: exposures sold and not derecognized				
B. Increases	8,643	3,903	12,344	24,890
B.1 transfers from Performing loans	1,458	3,903	12,344	17,705
B.2 entries from impaired financial assets acquired or originated				-
B.3 transfers from other Non-Performing exposure	7,185	-	-	7,185
B.4 contractual amendments without cancellation				-
B.5 other increases	-	-	-	-
C. Decreases	(21,894)	(16,826)	(64,054)	(102,774)
C.1 transfers to Performing loans		-	(42,486)	(42,486)
C.2 write-off	(17,293)	(4,771)		(22,064)
C.3 receipts	(4,601)	(4,870)	(21,568)	(31,039)
C.4 gains on disposal				-
C.5 losses on disposals				-
C.6 transfers to other Non-Performing exposures		(7,185)	-	(7,185)
C.7 contractual amendments without cancellation				-
C.8 other reductions	-	-	-	-
D. Final Gross Exposure	49,965	27,579	26,068	103,612
- of which: exposures sold and not derecognized				

6.5 bis - On-balance-sheet exposures to customers: changes by credit quality in gross forborne exposures

Breakdown - Quality	Forborne exposures: non-performing	Forborne exposures: PERFORMING
A. Opening gross exposure	22,737	3,451
- of which: exposures sold and not derecognized		
B. Increases	796	0
B.1 transfers from Performing not forborne	517	
B.2 transfers from Performing forborne		x
B.3 transfers from Non performing forborne exposures	x	
B.4 other increases	279	
C. Decreases	(12,786)	(3,451)
C.1 transfers to Performing not forborne	x	(1,877)
C.2 transfers to Performing forborne		x
C.3 Transfers to Non performing forborne exposures	x	
C.4 write-off	(3,470)	
C.5 recoveries	(651)	(1,573)
C.6 gains on disposal		
C.7 losses on disposal		
C.8 other reductions	(8,665)	0
D. Final Gross Exposure	10,747	0
- of which: exposures sold and not derecognized		

6.6 - Impaired on-balance-sheet exposures to customers: change in overall impairments

Breakdown - Category	Bad loans		Unlikely to pay		Non-Performing past due	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Initial overall adjustments	60,410	434	31,623	16,773	4,420	0
- of which: exposures sold and not derecognized						
B. Increases	8,239	1,630	3,899	1,497	639	-
B.1 value adjustments from impaired financial assets acquired or originated		x		x		x
B.2 other value adjustments	1,404	51	3,899	1,497	639	
B.3 losses on disposal						
B.4 transfers from other Non-Performing exposure	6,835	1,579				
B.5 contractual amendments without cancellation		x		x		x
B.6 other increases		0				
C. Decreases	(21,326)	(66)	(13,351)	(10,907)	(3,734)	0
C.1. write-backs from valuation	(3,840)	(66)	(1,550)	(465)	(3,734)	
C.2 write-backs from recoveries						
C.3 Gains on disposal						
C.4 write-off	(17,293)	0	(4,771)	(3,470)		
C.5 transfers to other categories of impaired exposures			(6,835)	(6,779)		
C.6 contractual amendments without cancellation		x		x		x
C.7 other decreases	(192)	0	(194)	(194)		
D. Final overall adjustments	47,324	1,997	22,171	7,363	1,325	0
- of which: exposures sold and not derecognized						

7 - Classification of financial assets, commitments to disburse funds and financial guarantees issued on the basis of external and internal ratings

7.1 - Distribution of financial assets, commitments to disburse funds and financial guarantees issued by category of external rating (gross values)

Exposures	Rating classes						Without rating	Total
	class 1	class 2	class 3	class 4	class 5	class 6		
A. financial assets measured at amortized cost	268,630	1,619,173	2,831,292	714,524	133,725	373	4,499,740	10,067,457
- First stage	268,630	1,618,368	2,810,304	709,577	133,725	373	4,477,768	10,018,745
- Second stage	-	805	7,995	4,936	-	-	2,183	15,919
- Third stage	-	-	12,993	11	-	-	19,789	32,793
B. Financial assets measured at fair value through other comprehensive income							7,280	7,280
- First stage							7,280	7,280
- Second stage								-
- Third stage								-
Total (A+B)	268,630	1,619,173	2,831,292	714,524	133,725	373	4,507,020	10,074,737
of which: impaired financial assets purchased or originated								
C. Commitments to lend funds and financial guarantees given	175,569	969,152	1,731,716	496,775	126,951	2,484	5,153,578	8,656,226
- First stage	175,569	969,152	1,713,933	495,724	126,951	2,484	5,107,229	8,591,041
- Second stage	-	-	1,668	63	-	-	8,206	9,936
- Third stage	-	-	16,116	988	-	-	38,144	55,248
Total (C)	175,569	969,152	1,731,716	496,775	126,951	2,484	5,153,578	8,656,226
Total (A + B + C)	444,199	2,588,325	4,563,008	1,211,299	260,676	2,857	9,660,598	18,730,963

The following rating agencies are used: Standard & Poor's, Fitch and Cerved.

If there are ratings from two ECAI for the same position, the one corresponding to the higher weighting factor is used; where there are three or more ratings, the two ratings with the lower weighting factors are used, and if they are different, the worse of the two is utilized.

The classification of rating classes for the 3 rating agencies used, is as follows:

Rating class	Standard & Poor's	Fitch	Cerved
1	from AAA to AA-	from AAA to AA-	
2	from A+ to A-	from A+ to A-	from A1.1 to A3.1
3	from BBB+ to BBB-	from BBB+ to BBB-	B 1.1
4	from BB+ to BB-	from BB+ to BB-	from B1.2 to B2.2
5	from B+ to B-	from B+ to B-	C 1.1
6	CCC+ and lower	CCC+ and lower	from C1.2 to C2.1

7.2 - Distribution of financial assets, commitments to disburse funds and financial guarantees issued by category of internal rating (gross values)

This table has not been completed as the Company uses a standard method for calculating credit risk.

9 - Concentration of credit

9.1 - Breakdown of on-balance sheet and off-balance sheet credit exposures by counterparty's sector of activity

	TOTAL
GOVERNMENTS AND OTHER PUBLIC BODIES	2,227,166
CREDIT INSTITUTIONS	407,924
NON-FINANCIAL COMPANIES	13,354,842
FINANCIAL COMPANIES	1,777,412
OTHER	956,338
total	18,723,682

9.2 - Distribution of loans to customers by geographical area of counterparty

	TOTAL
NORTH WEST	7,530,862
NORTH EAST	1,811,682
CENTRAL	6,053,973
SOUTH	1,234,327
ISLANDS	414,319
OUTSIDE ITALY	1,678,519
TOTAL	18,723,682

9.3 - Large risks

a) Nominal amount:	16,892,852
b) amount post CRM and extensions ex Art. 400 CRR :	3,050,200
c) Number:	37

10 - Credit Risk Measurement and Management models and methods

Write-downs are made specifically, based on the loss forecasts made from time to time; For other positions in default, for which analytical write-downs cannot be made, a statistical approach is used (specific write-downs on a flat rate basis) and finally, for non-defaulted positions, the write-downs are calculated on the basis of loss valuation models used by the parent company in compliance with IFRS 9, adapted to the specific nature of factoring.

3.2 Market risks

3.2.1 Interest rate risk

QUALITATIVE INFORMATION

1. General information

In line with the Group regulations, the Company has adopted specific policies to cover interest rate risk for the banking book. It defines the principles, responsibilities and methodologies used to manage this risk.

The main measurements used to monitor interest rate risk and to determine the limits agreed with the Parent Company are the following:

- “Net Interest Income Sensitivity” and “Net Interest Income Supervisory Outlier Test” (SOT NII, included in the Risk Appetite Framework): the first calculates the change in net interest margin over the next 12 months in the absence of new operations, based on forward interest rates for the main currencies varying within a range of +100 bps to -100 bps. It has a monetary trigger. The second consists of two interest rate shock scenarios: SOT NII Parallel Up and SOT NII Parallel Down. These always consider the change in net interest margin over a 12-month horizon for assets, liabilities, derivatives, and off-balance sheet positions. The highest negative value is then compared with UCF's TIER1 with respect to a trigger percentage and/or limit.
- “Basis Point Value Sensitivity”, which measures the change in the present value of interest rate positions resulting from an instantaneous 1bp shock in interest rates, considers the present value of all future cash flows generated by existing assets, liabilities, and derivatives. A monitoring limit is set in absolute value and per bucket of sensitivities.
- “Economic Value New Supervisory Outlet” (included in the Risk Appetite Framework) examines how changes in interest rates affect the value of assets, liabilities and off-balance sheet instruments by affecting the economic value of future cash flows. The metric considers different rate curve stress scenarios (Parallel Up, Parallel Down, Flattening, Steepening, Short rates up, Short rates down) whose result (the worst and negative value) is compared with the UCF TIER1 with respect to a trigger and limit percentage.

For the purposes of managing liquidity and interest rate risk, the various technical forms of investment relate to the following two main types of operation:

- discounted or definitive acquisitions of receivables: these are fixed-rate operations with a defined duration, even if uncertain, as the expiry date includes an estimated delay for the collection of the invoices, after their natural due date;
- standard operations (with recourse and without recourse): these are revolving exposures, usually revocable under certain conditions, and they are usually regulated at variable rates determined monthly, based on the average values for the month, and are settled monthly or quarterly.

In principle:

- the first case is financed with fixed rate deposits with maturity;
- the second case is financed with term deposits whose duration is consistent with the average duration of the underlying invoices and whose repricing is consistent with that of the financing to the transferor.

This minimizes the interest rate risk, which in itself is limited, considering that these operations are almost all short-term, and also the liquidity risk.

QUANTITATIVE INFORMATION

1 - Breakdown by maturity (repricing date) of financial assets and liabilities

euro

Item/Residual maturity	On demand	Up to 3 months	Between 3 months and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Between 5 years and 10 years	more than 10 years	Indeterminate duration
1. Assets	313,065	7,447,638	347,957	189,580	779,423	316,606	-	7,719
1.1 Debt securities		-	-	-	-	-	-	-
1.2 Loans	313,065	7,447,638	347,957	189,580	779,423	316,606	-	-
1.3 Other assets		-	-	-	-	-	-	7,719
2. Liabilities	624,818	5,169,553	966,739	727,783	697,050	307,712	-	-
2.1 Payables	624,818	5,169,553	966,739	727,783	697,050	307,712	-	-
2.2 Debt securities		-	-	-	-	-	-	-
2.3 Other liabilities		-	-	-	-	-	-	-
3. Financial derivatives								
options								
3.1 Long positions		-	-	-	-	-	-	-
3.2 Short Positions		-	-	-	-	-	-	-
other derivatives								
3.3 Long positions		63,713	-	-	-	-	-	-
3.4 Short Positions		-	-	20,855	42,858	-	-	-

other currencies

Item/Residual maturity	On demand	Up to 3 months	Between 3 months and 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Between 5 years and 10 years	more than 10 years	Indeterminate duration
1. Assets	74,734	203,969	4,304	258	-	-	-	-
1.1 Debt securities		-	-	-	-	-	-	-
1.2 Loans	74,734	203,969	4,304	258	-	-	-	-
1.3 Other assets		-	-	-	-	-	-	-
2. Liabilities	3,245	275,995	3,465	-	-	-	-	-
2.1 Payables	3,245	275,995	3,465	-	-	-	-	-
2.2 Debt 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		-	-	-	-	-	-	-

Bad loans are classified according to the expected date of collection.

2 - Interest rate risk measurement and management models and methods Sensitivity analysis

As of December 31, 2024, the Supervisory Outlier Test sensitivity of the interest margin based on the two forward rate shock scenarios (SOT NII Parallel Up and SOT NII Parallel Down) was approximately + 11.4 million and - 24.2 million, equal to -2.92% compared to UCF's TIER1.

The Basis Point Value Sensitivity, which measures the change in the current value of interest rate positions resulting from an instant shock of 1bp of interest rates, was 10,209, equal to 10% of the monitoring limit.

The Economic Value New Supervisory Outlet sensitivity, which considers how different scenarios in interest rate changes affect the economic value of future cash flows from assets, liabilities and off-balance sheet instruments, was between +1.3 million and -2.7 million, equal to -0.33% compared to UCF's TIER1.

3.2.2 - Price Risk

QUALITATIVE INFORMATION

1. General information

Since 2020, the Company has held listed equity securities and PFIs of a former credit counterparty, following the completion of the debt restructuring of the counterparty as set out in the composition plan. The price risk is therefore linked to the fluctuation of market values on stock markets and, in the case of PFIs, the net equity value of the investee company.

3.2.3 - Exchange rate risk

QUALITATIVE INFORMATION

1. General information

The exchange risk expresses the risk of incurring losses due to fluctuations in currency rates.

The Company's policy on exchange risk provides that accounts assigned in foreign currencies must be advanced and financed in the same currency.

The asset coverage required for exchange risk is determined by applying a coefficient of 8% to the net open position in exchange foreign currencies, reduced by 25% for companies in a banking group. On December 31, 2024, the company's open exchange positions did not lead to any absorption of capital.

QUANTITATIVE INFORMATION

1. Distribution by currency of assets, liabilities and derivatives

ITEMS	CURRENCIES						
	USD	GBP STERLING	CANADIAN DOLLARS	SWEDISH KRONAS	NORWEGIAN KRONOR	ROMANIAN LEU	OTHER CURRENCIES
1. Financial assets	142,698	131,754	7,465	974	352	3,962	66
1.1 Debt securities	-	-	-	-	-	-	-
1.2 Equities	-	-	-	-	-	-	-
1.3 Loans and receivables	142,698	131,754	7,465	974	352	3,962	31
1.4 Other financial assets	-	-	-	-	-	-	35
2. Other assets	-	-	-	-	-	-	-
3. Financial liabilities	141,100	131,957	7,374	913	333	3,779	67
3.1 Payables	3,972	448	-	-	-	-	67
3.2 Debt securities	-	-	-	-	-	-	-
3.3 Other financial liabilities	137,128	131,509	7,374	913	333	3,779	-
4. Other liabilities	-	-	-	-	-	-	-
5. Derivatives	-	-	-	-	-	-	-
5.1 Long positions	-	-	-	-	-	-	-
5.2 Short Positions	-	-	-	-	-	-	-
Total assets	142,698	131,754	7,465	974	352	3,962	66
Total liabilities	141,100	131,957	7,374	913	333	3,779	67
Difference (+/-)	1,598	(203)	91	61	19	183	(1)

3.3 - Operational Risks

QUALITATIVE INFORMATION

1. General aspects, management processes and procedures for measuring the operational risk

In accordance with external and internal regulations, operational risk consists of the possibility of incurring losses due to errors, infringements, interruptions or damages resulting from internal processes, people, systems, or external events.

Operational events may be caused by inadequate or violated internal procedures, personnel, information or telecoms systems, systemic events or other external events: internal or external fraud, inadequate working practices or inadequate workplace security, customer complaints, product distribution, fines or penalties due to failure to comply with regulatory provisions, damage to company property, interruption to information or communication systems, execution of processes.

In order to measure and manage operational risk, the Company:

- carries out process mapping (including the maps required by Law 262/2005);
- implements IT procedures with automated controls, where possible, and red flag management systems;
- trains staff on how to identify operational risks;
- uses the Group tools and methods for Disaster Recovery, Business Continuity and Insurance Policies;
- records all operational loss events on the Group software program;
- calculates the capital requirement needed to cover operational risk using the 'Base' method, or by applying a regulatory coefficient of 15% of the average operating income over the past three years.

QUANTITATIVE INFORMATION

The capital absorption quantified using the Base method, corresponding to 15% of the average operating income over the past three years was 24.3 million at the end of 2024, in line with the previous year.

3.4 - Liquidity Risk

QUALITATIVE INFORMATION

1. General aspects, management processes and measurement methods for liquidity risk

The Company adopts the Liquidity Risk regulations implemented by the Parent Company with regard to governance aspects and the responsibilities of the individual functions.

UniCredit Factoring is only funded through the parent company, which also carries out liquidity risk monitoring, especially using the Maturity Match Gap metric. The Company falls within the Italy Regional Liquidity Center, which manages liquidity risk at central level, and accesses the capital markets on behalf of the banks and private companies within its perimeter.

Funding is carried out through the following methods, as part of an endowment and is periodically reviewed depending on the approved budgets and development plans, also taking into account the type of finance to be provided:

- **Term deposits (one month or beyond):** are the main form of funding and financing;

Part D - Other information

- **Very short-term deposits (overnight or up to 2 weeks):** these are the tools used to meet the daily liquidity requirements and to finance short-term fluctuations in lending;
- **Current account:** the current account with the bank is the channel through which all the company's operations are channeled (finance, receipts, deposits opened or closed, etc.). The unused credit margin is a readily available liquidity reserve which can also be used to cover unexpected liquidity requirements.

The Company's liquidity position does not have its own significant value, but should be seen within the consolidation area of the Group's Italy Regional Liquidity Center.

QUANTITATIVE INFORMATION

1. Breakdown by contractual residual maturity of financial assets and liabilities

EURO

Item/Residual maturity	On demand	Between 1 day and 7 days	between 7 and 15 days	between 15 days and 1 month	between 1 month and 3 months	between 3 months and 6 months	between 6 months and 1 year	between 1 year and 3 years	between 3 years and 5 years	more than 5 years	indeterminate duration
On-balance sheet assets	940,202	260,584	1,367,087	1,601,703	1,970,996	1,097,573	915,048	745,502	202,562	319,864	7,719
A.1 Government securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	940,202	260,584	1,367,087	1,601,703	1,970,996	1,097,573	915,048	745,502	202,562	319,864	-
A.4 Other assets	-	-	-	-	-	-	-	-	-	-	7,719
On-balance-sheet liabilities	332,306	1,303,157	1,019,201	1,269,536	1,828,656	985,580	747,582	509,757	187,307	307,754	-
B.1 Liabilities with	-	-	-	-	-	-	-	-	-	-	-
- banks	256,595	1,300,000	968,723	1,149,000	1,749,000	920,000	727,783	509,747	187,297	307,711	-
- financial institutions	-	-	-	54,525	-	-	-	-	-	-	-
- customers	75,711	3,157	50,478	66,011	79,656	65,580	19,799	10	10	43	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	-	-	-	-	-	-	-	-	-	-	-
C.2 Cash settled financial derivatives	-	-	-	-	(2,430)	-	-	(402)	-	-	-
- Positive differentials	-	-	-	-	(2,430)	-	-	(402)	-	-	-
- Negative differentials	-	-	-	-	402	-	951	1,479	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	(1,358,090)	-	-	-	-	-	-
- Short positions	-	-	-	-	1,358,090	-	-	-	-	-	-
C.5 Financial guarantees issued	1,109,757	39	1,780	-	4,287	413,850	6,075,883	1,073,490	1,073,490	77,996	-
C.5 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

OTHER CURRENCIES

Item/Residual maturity	On demand	Between 1 day and 7 days	between 7 and 15 days	between 15 days and 1 month	between 1 month and 3 months	between 3 months and 6 months	between 6 months and 1 year	between 1 year and 3 years	between 3 years and 5 years	more than 5 years	indeterminate duration
On-balance sheet assets	18,131	31,177	30,062	106,722	89,892	6,839	671	-	-	-	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-
A.3 Loans	18,131	31,177	30,062	106,722	89,892	6,839	671	-	-	-	-
A.4 Other assets	-	-	-	-	-	-	-	-	-	-	-
On-balance-sheet liabilities	2,940	51,135	37,394	104,654	85,644	3,756	-	-	-	-	-
B.1 Liabilities with	-	-	-	-	-	-	-	-	-	-	-
- banks	1,596	51,135	37,394	104,644	85,640	3,465	-	-	-	-	-
- financial institutions	-	-	-	-	-	-	-	-	-	-	-
- customers	1,344	-	-	10	4	291	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	-	-	-	-	-	-	-	-	-	-	-
C.2 Cash settled financial derivatives	-	-	-	-	-	-	-	-	-	-	-
- Positive differentials	-	-	-	-	-	-	-	-	-	-	-
- Negative differentials	-	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds	-	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-	-

Quantitative information

3.5.2 Hedging derivatives: end-of-period notional values

UNDERLYING ASSETS/TYPES OF DERIVATIVES	AMOUNTS AS AT 12.31.2024				AMOUNTS AS AT 12.31.2023			
	OVER THE COUNTER			ORGANIZED MARKETS	OVER THE COUNTER			ORGANIZED MARKETS
	CENTRAL COUNTERPARTIES	WITHOUT CENTRAL COUNTERPARTIES	WITHOUT OFFSET AGREEMENTS		CENTRAL COUNTERPARTIES	WITHOUT CENTRAL COUNTERPARTIES	WITHOUT OFFSET AGREEMENTS	
1. Debt securities and interest rates			63,714				85,203	
a) Options								
b) Swaps			63,714				85,203	
c) Forward								
d) Futures								
e) Other								
2. Equity instruments and share indexes								
a) Options								
b) Swaps								
c) Forward								
d) Futures								
e) Other								
3. Currencies and gold								
a) Options								
b) Swaps								
c) Forward								
d) Futures								
e) Other								
4. Goods								
5. Others								
Total			63,714				85,203	

3.5.3 Residual life of hedging derivatives: notional values

UNDERLYING/RESIDING LIFE	UP TO 1 YEAR	OVER 1 YEAR AND UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A.1 Financial derivatives on debt securities and interest rates	20,855	42,859	-	63,714
A.2 Financial derivatives on equity instruments and share indexes				
A.3 Financial derivatives on currencies and gold				
A.4 Financial derivatives on commodities				
A.5 Other financial derivatives				
Total 12.31.2024	20,855	42,859		63,714
Total 12.31.2023	21,490	62,713	1,000	85,203

3.5.4 Hedging derivatives: positive and negative gross fair value, change in the value used to detect the ineffectiveness of the hedge

There is no data to report in this section

3.5.5 Hedging instruments other than derivatives: breakdown by accounting portfolio and type of hedge as well as change in the value used to detect the ineffectiveness of the hedge

There is no data to report in this section

3.5.6 Hedging Instruments: Fair value hedges

		Specific hedges						
	Book value	"Net positions: book value of assets or liabilities (before offsetting) IFRS 9, 6.6.1"	Cumulative value of changes in the fair value of the hedged instrument	Hedging reserves	Termination of hedging: cumulative value of residual changes in fair value	Termination of hedging: cumulative residual value of hedging reserves (IFRS 7, paragraph 24C, letter b, iv)	Change in value used to calculate hedge effectiveness (IFRS 7, paragraph 24 B, letter a), iv)	"Generic hedges: Book value"
FAIR VALUE HEDGES								
ASSETS								2,831
Financial assets measured at fair value with impact on other income components - hedging of:								
Debt securities and interest rates								
Equity instruments and share indexes								
Exchange rates and gold								
Credit								
Commodity								
Other values								
Financial assets valued at amortized cost - hedging of								
Debt securities and interest rates								2,831
Equity instruments and share indexes								
Exchange rates and gold								
Credit								
Commodity								
Other values								
LIABILITIES								
Financial liabilities measured at amortized cost - hedging of								
Debt securities and interest rates								
Equity instruments and share indexes								
Exchange rates and gold								
Credit								
Commodity								
Other values								
CASH FLOW HEDGES								
Assets								
Debt securities and interest rates								
Equity instruments and share indexes								
Exchange rates and gold								
Credit								
Commodity								
Other values								
Liabilities								
Debt securities and interest rates								
Equity instruments and share indexes								
Exchange rates and gold								
Credit								
Commodity								
Other values								
HEDGING OF FOREIGN INVESTMENTS								
Portfolio - Assets								
Portfolio - Liabilities								

Section 4 - Information on Equity

4.1 - The Company's shareholders' equity

4.1.1 - QUALITATIVE INFORMATION

The company's shareholders' equity is the total funds allocated to the furtherance of the company object and to the control of the risks of the business. Adequate equity is thus a prerequisite for the growth of the Company, and ensures that it will remain solid and stable over time.

UniCredit Factoring, in line with Group policies, pays great attention to the management of capital, with a view to maximizing the returns to shareholders and to supporting the growth of lending.

The measurement of monitored capital is defined by Regulation EU 575/2013 of June 26, 2013 (CRR) and by the Bank of Italy in Circular 288 of April 3, 2015 as updated, on the 'Regulatory Provisions for Financial Intermediaries'. This provides that intermediaries not gathering savings from the public must maintain a capital requirement to cover credit and counterparty risk that is equal to 6% of the risk-weighted exposure.

From an organizational viewpoint, the monitoring of equity coefficients is done each month by the Finance Division, according to the final figures and on a forward-looking basis.

The management of capital is done in coordination with the counterparties of the parent company, leveraging on the one hand the dividends policy and the possible issue of subordinate loans and primary capital securities, and on the other, the subscription of guarantees with regulatory impact, in addition to the implementation of commercial policy guidelines.

4.1.2 - QUANTITATIVE INFORMATION

4.1.2.1 - The Company's equity: composition

VALUE/ITEM	12/31/2024	12/31/2023
1. Capital	414,348	414,348
2. Share premium	951	951
3. Reserves	400,943	377,738
- from profits	400,943	377,738
a) legal	54,341	50,470
b) statutory	185	185
c) treasury shares	-	-
d) other	346,417	327,083
- other	-	-
4. (Treasury shares)	-	-
5. Valuation reserves	(4,050)	(3,916)
- Equity instruments designated at fair value with impact on overall profitability	(4,050)	(3,916)
- Hedging of equity instruments at fair value through other comprehensive income	-	-
- Financial assets (other than securities) measured at fair value with impact on comprehensive income	-	-
- Property plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	-	-
- Hedging tools (non-designated items)	-	-
- Exchange differences	-	-
- Non-current assets and disposal groups held for sale	-	-
- Financial liabilities designated at fair value through profit or loss (change in creditworthiness)	-	-
- Special revaluation laws	-	-
- Actuarial gains (losses) on defined benefit plans	-	0
- Portion of valuation reserves for equity investments valued using the equity method	-	-
6. Equity instruments	-	-
7. Profit (loss) for the year	74,692	77,408
Total	886,884	866,529

4.1.2.2 - Reserves from valuation of financial assets designated at fair value through other comprehensive income: composition

ASSETS/VALUES	12/31/2024		12/31/2023	
	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities				0
2. Equity instruments				0
3. Loans		(4,050)		(3,916)
Total	0	(4,050)	0	(3,916)

4.1.2.3 - Reserves from valuation of financial assets designated at fair value through other comprehensive income: change for the year

	Debt securities	Equity instruments	Loans
Opening balance			(3,916)
2. Increases	-	-	-
2.1 Increases in fair value		x	
2.2 Value adjustments for credit risk		x	
2.3 Reversal to profit and loss of negative reserves from disposals			
2.4 Transfers to other components of equity (equity instruments)			
2.5 Other changes			
3. Decreases	-	-	(134)
3.1 Decreases in fair value			
3.2 Write-backs for credit risk			
3.3 Transfer to the income statement from positive reserves from disposals		x	
3.4 Transfers to other components of equity (equity instruments)			
3.5 Other changes			(134)
4. Closing balance	-	0	(4,050)

4.2 - Own funds and risk capital ratios

For quantitative information refer to consolidated Pillar III.

4.2.1 Own Funds

4.2.1.1 - QUALITATIVE INFORMATION

Own funds are the first line of defense against risks connected to the activities of financial intermediaries and are the main benchmark for prudential institutions and assessments by the regulators. The regulations establish the methods to be used in calculating own funds, the criteria and limits on its components.

The own funds as at December 31, 2024 were determined in accordance with Regulation EU 575/2013 of June 26, 2013 (CRR) and by the Bank of Italy in Circular 288 of April 3, 2015 as updated, on the 'Regulatory Provisions for Financial Intermediaries'.

Common Equity Tier 1 capital (CET 1) is the own funds of the Company and no deductions or prudential filters are applied. CET 1 includes all the profit for the year net of dividends to be distributed, in line with the distribution of profits as proposed by the Board of Directors to the shareholders' meeting.

Tier 2 capital is the hybrid capitalization instruments calculated net of the amortization shares in accordance with Regulation EU no. 575/2013 of June 26, 2013 (CRR).

4.2.1.2 - QUANTITATIVE INFORMATION

	12.31.2024	12.31.2023
A. Tier 1 capital before the application of prudential filters	834,528	812,326
B. Prudential filters of Tier 1 capital:		
B.1 Positive IAS/IFRS prudential filters (+)		
B.2 Negative IAS/IFRS prudential filters (-)		
C. Tier 1 capital gross of elements to be deducted (A + B)	834,528	812,326
D. Items to be deducted from Tier 1 capital		
E. Total Tier 1 capital (TIER 1) (C – D)	834,528	812,326
F. Tier 2 capital before the application of prudential filters		
G. Prudential filters of Tier 2 capital:		
G.1 Positive IAS/IFRS prudential filters (+)		
G.2 Negative IAS/IFRS prudential filters (-)		
H. Tier 2 capital gross of elements to be deducted (F + G)		
I. Items to be deducted from Tier 2 capital		
L. Total Tier 2 capital (TIER 2) (H – I)		
M. Elements to be deducted from the total Tier 1 and Tier 2 capital		
N. Regulatory capital (E + L – M)	834,528	812,326

4.2.2 - Capital adequacy

4.2.2.1 - QUALITATIVE INFORMATION

The level of capital adequacy is regularly monitored:

- based on the actual figures at the end of each month, by fully applying the rules on the preparation of interim reports to the supervisory body;
- on a forward-looking basis, generally every quarter, based on the trend and expected composition of the receivables and equity.

If intervention is considered necessary, the possible options are assessed with the Parent Company. These include an increase in capital, measures affecting the profit distribution policy, the issue of equity instruments included in the supplementary capital, and the assignment of receivables.

4.2.2.2 - QUANTITATIVE INFORMATION

CATEGORY/VALUES	NON WEIGHTED AMOUNTS		WEIGHTED AMOUNTS/REQUIREMENTS	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
A. RISK ASSETS				
A.1 Credit and counterparty risk	18,840,306	15,132,793	3,262,234	3,512,125
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			195,734	210,727
B.2 Requirement for the provision of payment services				
B.3 Requirement for issuing electronic money				
B.4 Specific prudential requirements				
B.5 Total prudential requirements			195,734	210,727
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk weighted assets			3,262,886	3,512,827
C.2 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)			25.58%	23.12%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)			25.58%	23.12%

Section 5 - Breakdown of comprehensive income

ITEMS		12/31/2024	12/31/2023
10.	Net profit (loss)	74,692	77,408
Other comprehensive income not reclassified to profit or loss			
20.	Equity instruments designated at fair value with impact on overall profitability: a) change in fair value b) transfers to other equity components		(2,863)
30.	Financial liabilities designated at fair value through profit or loss (changes in creditworthiness): a) change in fair value b) transfers to other equity components		
40.	Hedging of equity instruments designated at fair value with impact on other income components: a) change in fair value (hedged instrument) b) change in fair value (hedging instrument)		
50.	Property, plant and equipment		
60.	Intangible assets		
70.	Defined benefit plans	(134)	(76)
80.	Non current assets and disposal groups classified as held for sale		
90.	Share of valuation reserves of equity investments accounted for using equity method		
100.	Income taxes relating to other comprehensive income without reversal to the income statement		
Other comprehensive income that may be reclassified to profit or loss			
110.	Hedging of foreign investments: a) changes in fair value b) reclassification through profit or loss c) other changes		
120.	Exchange differences: a) changes in fair value b) reclassification through profit or loss c) other changes		
130.	Cash flow hedges: a) changes in fair value b) reclassification through profit or loss c) other changes of which: net position result		
140.	Hedging instruments (non-designated items): a) value changes b) reclassification through profit or loss c) other changes		
150.	Financial assets (other than securities) measured at fair value with impact on comprehensive income: a) changes in fair value b) reclassification through profit or loss - impairment write-downs - realized gains/losses c) other changes		
160.	Non-current assets and asset groups held for sale: a) changes in fair value b) reclassification through profit or loss c) other changes		
170.	Portion of valuation reserve from investments valued at equity: a) changes in fair value b) reclassification through profit or loss - impairment write-downs - realized gains/losses c) other changes		
180.	Income taxes relating to other comprehensive income with reversal to the income statement		
190.	Total other income components	(134)	(2,939)
200.	Total comprehensive income (Item 10+190)	74,558	74,469

Section 6 - Related-party transactions

The types of related party as defined in IAS 24 which are significant for UniCredit Factoring, include:

- parent company;
- companies controlled by the parent company;
- UniCredit Factoring's key management personnel and that of its parent company;
- close family members of key management personnel and companies controlled (or jointly controlled) by key management personnel or their close family members;
- pension funds for Group employees.

Key management personnel are persons having direct or indirect authority and responsibility for planning, directing, and controlling UniCredit Factoring's activities. This category includes not only the Chief Executive Officer and the other members of the Board of Directors but also the members of the Executive Committee.

6.1 - Information on remuneration of key management personnel

Below is the information about the remuneration paid to key management personnel of UniCredit Factoring, as required by IAS 24, in line with the Bank of Italy instructions.

Compensation of key management personnel	2024	2023
a) short-term employee benefits	801	786
b) post-retirement benefits	-	-
of which: under defined benefit plans	-	-
of which: under defined contribution plans	-	-
c) other long-term benefits	-	-
d) termination benefits	-	-
e) share-based payments	-	-
Total	801	786

6.2 - Loans and Guarantees to Directors and Statutory Auditors

The Company has not given loans or guarantees to Directors and Statutory Auditors.

6.3 - Information on transactions with related parties

To ensure constant compliance with the current provisions of laws and regulations on financial reporting with regard to related party transactions, UniCredit Factoring identifies all operations in this area.

In accordance with the instructions given by the Parent Company, the criteria for identifying transactions with related parties have been defined, in line with the Consob guidelines.

Individual transactions were carried out on the same terms as those applied to transactions entered into with independent third parties.

All intra-group transactions were based on assessments of mutual economic benefit, and the applicable terms and conditions were established in accordance with fair dealing criteria, with a view to the common goal of creating value for the entire Group.

The same principle was applied to intra-group services, as well as the principle of charging on a minimal basis for these services, solely with a view to recovering the respective production costs.

The following synergies have been activated and are producing positive results:

- the premises at Via Livio Cambi 5 in Milan, the company's head office, were leased from UniCredit, which also carries out ordinary and extraordinary maintenance for the property;
- the branches of UniCredit S.p.A. carry out business development on the company's behalf, based on the agreement signed in 2011 and subsequently extended in 2018, made between UniCredit Factoring S.p.A. and UniCredit S.p.A. (currently being renegotiated);
- the Parent Company manages personnel administration, tax consultancy, activities relating to mailing, activities relating to legal and regulatory compliance and third-level controls, the soft collection of outstanding, overdue receivables, and back-office activities, technological outsourcing and operational services relating to acquisitions. The sharing of these activities has allowed the company to benefit from specific levels of professional expertise.

The following table shows the outstanding assets, liabilities, guarantees and commitments as at December 31, 2024, as well as the key financial data for the year, for each group of related parties. The main item is represented by the loans and current accounts in euros and other foreign currencies, for funding operations.

Related-parties transaction

Amounts as at 12.31.2024				
	Parent company	Subsidiaries of the parent company	Key management personnel	other related parties
BALANCE SHEET AMOUNTS				
Financial assets valued at amortized cost with credit institutions	20,955	-	-	-
Financial assets valued at amortized cost with financial companies	-	-	-	-
Financial assets measured at amortized cost with Customers	-	-	-	-
Other assets	4,689	0	-	-
Total assets	25,644	0	-	-
Payables to credit agencies	8,353,849	-	-	-
Securities and financial liabilities	-	-	-	-
Other liabilities	30,572	97	-	-
Total liabilities	8,384,421	97	-	-
Guarantees given and commitments				
INCOME STATEMENT				
Interest and similar income	1,002	3,050	-	-
Interest expense and similar charges	(231,044)	(572)	-	-
Fees and commissions income	-	5.70	-	-
Fees and commissions expenses	(18,865)	(4)	-	-
Administrative costs: other personnel costs	(3,135)	(96)	(801)	-
Administrative costs: other administrative expenses	(13,633)	(393)	-	-
other operating income	-	-	-	-
Total income statement	(265,674)	1,991	(801)	-

For the purposes of the current provisions, in 2024 it should be noted that there were no atypical and/or unusual operations with related parties or non-related parties, whose significance could give rise to any doubt as to the security of the company's assets.

Section 7 - LEASING (LESSEE)

QUALITATIVE INFORMATION

In carrying out its activities, the Company signs leasing contracts, for which it accounts the relative right of use, relating to the following main types of property, plant and equipment:

- buildings;
- cars.

These contracts are accounted for in accordance with the provisions of IFRS 16, further detailed in Part A - Accounting Policies - Part A.2, relating to the main financial statement items to refer to.

The rights of use deriving from these leasing contracts are mainly used for the provision of services or for administrative purposes and accounted for using the cost method.

As permitted by the accounting principle, the Company has decided not to record any rights of use or lease payables for:

- short-term lease, less than 12 months; and
- leasing of goods with a low unit value. In this regard, an asset is considered to have a modest unit value if its fair value when new is less than or equal to 5,000 euros. This category mainly includes office machines (e.g. PCs, monitors, tablets, etc.) as well as fixed and mobile phones.

Lease payments arising from this type of activity are recorded under item 160. 'Administrative costs' on accruals basis.

QUANTITATIVE INFORMATION

The book value of the rights of use acquired under the lease is shown in part B - Information on the balance sheet - Assets, Section 8 - Property, plant and equipment - Item 80 of the assets in the Notes to the financial statements.

During the year, these rights of use led to the recognition of depreciation of 0.8 million of which:

- 0.7 million related to buildings;
- 0.1 million relating to cars.

With reference to leasing liabilities, the related book value is shown in part B - Information on the balance sheet - Liabilities - Section 1 - Financial liabilities measured at amortized cost - Liability item 10 of the Notes to the financial statements, to which reference should be made.

During the year, these lease payables resulted in the recognition of interest expense shown in Part C - Information on the Income Statement - Section 1 - Interest - Items 10 and 20 of the Income Statement in the Notes to the Financial Statements.

With reference to short-term leases and assets with a modest unit value, it should be noted that during the financial year lease payments of 0.1 million euros were recorded. It should be noted that this amount also includes VAT on lease payments not included in the calculation of the lease payable.

For the purposes of determining the duration of the lease, the Company considers the non-cancellable period, established by the contract, during which the lessee has the right to use the underlying asset as well as any renewal options where the lessee has reasonable certainty of renewal. In particular, with reference to contracts that provide for the lessee's right to tacitly renew the lease at the end of an initial period, the duration of the lease is determined taking into account elements such as the duration of the first period, the existence of any business plans for the disposal of the leased assets as well as any other circumstance indicative of the existence of reasonable certainty of renewal.

Therefore, the amount of cash flows not reflected in the calculation of lease payables, to which the Company is potentially exposed, is essentially due to the possible renewal of lease contracts and the consequent extension of the lease term not included in the original calculation of lease liabilities taking into account the information available and expectations existing at the start of the lease.

Section 8 - Other disclosures

Part I) Share-based payments based on own equity instruments

QUALITATIVE INFORMATION

1. Description of payment agreements based on own equity instruments

1.1 Outstanding instruments

As part of the medium/long-term incentive plans for employees of Group companies, the following plans are used:

- **Equity-Settled Share Based Payment** (Equity-Settled SBP), which provide for the payment of shares. The category, Equity-Settled SBPs, includes the following allocations of:
- **Group Executive Incentive System (Bonus Pool)** which offers eligible Group executives and key personnel, identified in accordance with the regulatory requirements, a bonus structure consisting of instant payments (following performance appraisals) and deferred payments made in cash or ordinary UniCredit shares, over a period of 1-7 years. This payment structure is aligned to shareholder interests, and is subject to checks on company malus clauses (where specific profitability, capital and liquidity thresholds are not met at both Group and country/division level), to individual and clawback clauses (where legally enforceable), according to the plan rules (both represent non-market vesting conditions);
- **Long Term Incentive 2017-2019** that offers to eligible executives and key players of the Group an incentive 100% based on ordinary UniCredit shares, subject to 3-years deferral and to malus and claw-back conditions, as legally enforceable, according to the plan rules. The plan is structured on a three-year performance period, aligned to the UniCredit strategic plan and provides for the allocation of an award based on gateway conditions linked to profitability, liquidity, capital and risk position and a set of performance conditions focused on Group targets, aligned with Transform 2019;
- **Long term incentive 2020-2023** which provides for the assignment of incentives in free ordinary shares, subject to the achievement of specific performance indicators linked to the Team 23 Strategic Plan. The plan is structured on a four-year performance period, aligned to the UniCredit strategic plan and envisages payment in 2024. The award is subject to deferral for four years following the performance period and to compliance during the performance period with minimum equity, capital and liquidity conditions, as well as a positive assessment of the Risk Appetite Framework. In line with Bank of Italy and EBA requirements and with the aim of further strengthening the governance architecture, the Plan sets rules for the management of non-compliance violations, as well as their relative impact on the remuneration components, through the application of malus and claw-back clauses.

In line with the Bank of Italy's circular 285 (dated December 17, 2013 and subsequent updates on the subject of 'Remuneration policies and practices'), equity-settled share-based payments, represented by deferred payments in UniCredit ordinary shares, are used for the settlement of the golden parachute (severance pay) for key personnel.

1.2 - Measurement model

1.2.1 - Group Executive Incentive System (Bonus pool)

The economic value of performance shares, for the Equity-Settled SBP category, is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period. The financial and economic effects will be distributed on the basis of the duration of the plans.

Group Executive Incentive System "Bonus Pool 2024" – Shares

The new Group Incentive System 2024 is based on a bonus pool approach, aligned with regulatory requirements and market practices, which defines:

- the system's sustainability, by linking it directly to business results and aligning it to relevant risk categories through specific indicators that reflect the risk appetite framework;
- the definition of a group-wide bonus pool, with subdivision according to the segments reported in the financial disclosure, based on the actual performance of each division adjusted according to quality and risk indicators and cost of capital;
- the allocation of bonuses to beneficiaries identified as executives and other key personnel on the basis of criteria laid down by the regulatory provisions of CRD V and Delegated Regulation (EU) 923/2021 of March 25, 2021, and to other specific roles, based on local regulatory requirements;
- a mixed shares/cash payment structure has been defined in accordance with the regulatory provisions of Directive 2013/36/EU (CRD IV) as amended and will be distributed in a period of up to 7 years.

All impacts on the income statement and P&L deriving from the plan will be booked during the vesting period.

The plan is divided into clusters, each of which may include three to six deferred share-based payment instalments according to the period defined by the plan rules.

Long Term Incentive Plan 2017-2019

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

The plan is divided into clusters, based on the type of beneficiary, each of which may include one to four deferred share-based payment instalments according to the period defined by the plan rules

Long Term Incentive Plan 2020-2023

The economic value of performance shares is measured considering the share market price at the grant date less the present value of the future dividends during the vesting period.

The plan is divided into clusters, based on the type of beneficiary, each of which may include one to five deferred share-based payment instalments according to the period defined by the plan rules.

QUANTITATIVE INFORMATION

2. OTHER INFORMATION

All Share-Based Payments granted after November 7, 2002 whose vesting period ends after January 1, 2005 are included within the scope of the IFRS 2.

Annexes to the Notes

UniCredit S.p.A.

Reclassified balance sheet as at 12.31.2023

amounts in millions of euro

Assets	
Cash and cash balances	12,301
Financial assets held for trading	15,384
Loans and receivables with banks	17,908
Loans and receivables with customers	172,661
Other financial assets	131,294
Hedging instruments	8,887
Property, plant and equipment	3,730
Goodwill	-
Other intangible assets	1,580
Tax assets	9,714
Non current assets and disposal groups classified as held for sale	299
Other assets	8,352
Total assets	382,110
Liabilities and equity	
Liabilities to banks	32,584
Deposits from customers	206,660
Debt securities in issue	46,557
Financial liabilities held for trading	14,311
Other financial liabilities	8,182
Hedging instruments	4,547
Tax liabilities	2
Liabilities included in disposal groups classified as held for sale	-
Other liabilities	8,964
Equity:	60,303
- capital and reserves	49,039
- net accounting profit	11,264
Total liabilities and equity	382,110

UniCredit S.p.A.

Reclassified Income Statement -Year 2023

amounts in millions of euro

Net interest	5,822
Dividends and other income from equity investments	3,069
Net fees and commissions	4,042
Net trading, hedging and fair value income	651
Net other expenses/income	910
OPERATING INCOME	14,494
Personnel costs	-3,052
Other administrative expenses	-1,945
Recovery of expenses	486
Amortization, depreciation and impairment losses on intangible and tangible assets	-685
Operating costs	-5,196
OPERATING PROFIT (LOSS)	9,298
Net write-downs on loans and provisions for guarantees and commitments	-177
NET OPERATING PROFIT (LOSS)	9,121
Net provisions for risks and charges	-495
of which: systemic expenses	-457
Integration costs	-541
Net income from investments	3,815
PRE-TAX RESULT	11,900
Income Tax	-636
NET RESULT FOR THE PERIOD	11,264
Goodwill impairment	0
NET PROFIT (LOSS)	11,264

Reconciliation of Income Statement and Reclassified Income Statement

	Items of the balance sheet
Net interest	Net interest margin
Dividends and other income from equity investments	item 50
Net fees and commissions	Net fees and commissions
Net result from trading and hedging	item 60
Net other expenses/income	item 160
OPERATING INCOME	Sum
Personnel costs	item 110 a) excluding integration charges
Other administrative expenses	item 110 b)
Impairment/write-backs on intangible and tangible assets	item 120
Operating costs	Sum
OPERATING PROFIT (LOSS)	Sum
Net write-downs on loans	item 100 a)
NET OPERATING PROFIT (LOSS)	Sum
Net provisions for risks and charges	item 150
Integration costs	of which item 110 a)
PROFIT BEFORE TAXES	Sum
Income tax for the year	item 190

Disclosure of independent auditors' fees

In accordance with Article 149-duodecies of the Consob Issuers' Regulation, the following table provides information on the fees paid to the independent auditors, KPMG S.p.A. and to companies in its network for the following services:

- Auditing services including:
 - auditing the businesses' annual accounts and providing a professional opinion;
 - auditing the interim accounts;
 - Quarterly account audits.
- Certification services, including services in which the independent auditor assesses a specific element, determined by another party that is responsible for it, according to appropriate criteria, in order to express an opinion which can give the recipient a degree of assurance in relation to that specific element.
- Other services, including secondary tasks which must be adequately specified. These services include but are not limited to: Accounting, tax, legal and administrative due diligence, agreed procedures and advisory services to the Financial Reporting Officer, assistance with new projects.

The amounts shown in the table, pertaining to 2024, are the contractualized values including any indexing (they do not include out-of-pocket expenses, regulatory contributions if necessary, and VAT).

SERVICE TYPE	SERVICE PROVIDER	SERVICE RECIPIENT	COMPENSATION (EURO/1000)
Audit:			
-Financial Statements	Kpmg S.p.A.	Unicredit Factoring S.p.A.	81
-Limited review procedures on the half-yearly financial statements	Kpmg S.p.A.	Unicredit Factoring S.p.A.	15
Certification services	Kpmg S.p.A.	Unicredit Factoring S.p.A.	24
Tax consultancy services	Kpmg S.p.A.	UniCredit Factoring S.p.A.	-
Other services			-
Total			120

* The certification services refer to the auditing of the Reporting Package for the purpose of the inclusion of the company's data in the UniCredit Group's interim report as at September 30, 2024, for the signing of tax returns, and to the translation of the audit report for inclusion in English translation of the financial statements.

Report of the Board of Statutory Auditors

**Report of the Board of Statutory Auditors
on the Financial Statements as at December 31, 2024 pursuant to Article 2429, paragraph 2 of
the Italian Civil Code**

Ordinary Shareholders' Meeting of March 25, 2025

Dear Shareholder,

in accordance with and pursuant to Article 2429, paragraph 2 of the Italian Civil Code, we report on the supervisory activity carried out during the financial year ended December 31, 2024, recalling that the statutory audit was carried out by KPMG S.p.A., by virtue of the mandate conferred by resolution of the Shareholders' Meeting of April 14, 2021 for the nine-year period 2022-2030 and that this Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting of April 7, 2022 for the three-year period 2022-2024.

Summary and results of the supervisory activity performed

During the 2024 financial year:

- we supervised compliance with the law, statutory provisions and observance of the principles of correct administration;
- we attended all the meetings of the Board of Directors and obtained information from the Directors on the general management and its outlook, on the existing risks and on the most significant transactions carried out by UniCredit Factoring S.p.A. (hereinafter also the “Company” or “UCF”). We can therefore confirm that the transactions of major economic, financial and equity significance approved and implemented during the year comply with the law and the Articles of Association and were not manifestly imprudent, risky, in potential conflict of interest or in conflict with the resolutions passed by the Shareholders’ Meeting or such as to compromise the integrity of the Company’s assets;
- the Board of Directors met regularly and, after preliminary review by the Audit Committee, reviewed the reports of the control functions (Compliance, Risk Management and Internal Audit) on matters within its remit in order to assess the functioning of the internal control system;
- we held 11 meetings, two of which jointly with the Audit Committee, whose meetings we always attended;
- within the scope of our competence, we acquired knowledge and supervised the Company's organizational structure and its functioning, which proved to be appropriate for the Company's size and business model in the various stages of its development;
- we found that the Company subjected the Internal Control System on Financial Reporting to the analyses and checks required by the regulatory provisions pursuant to Law 262/2005. We have therefore taken note of the Reports on the status of the Internal Control System on Financial Reporting of UniCredit Factoring S.p.A., most recently for the reference period July 1, 2024 - December 31, 2024, in which the Financial Reporting Officer believes that, on the basis of the checks carried out, the administrative and accounting procedures were adequate and effectively applied;
- we have monitored, within the limits of our competence, the adequacy and functioning of the administrative and accounting systems, as well as the reliability of the latter in presenting the management events correctly, by obtaining information from the heads of the functions and from the Independent Auditors appointed for the legal audit of the accounts, and have no observations to report;
- during the period under review, we maintained a continuous and effective exchange of information

with Internal Audit. In particular, we received and discussed the audit reports issued by the Internal Audit function and were regularly updated on the implementation of corrective actions. Based on the information acquired and the results of the Internal Audit activity carried out in 2024, included in the annual report of the Function (Integrated Audit Report 2024), the overall assessment of the Internal Control System (ICS) is confirmed by the Internal Audit Function as Mostly Adequate.

Organizational Structure, ICT and Human Resources

During 2024, the organizational structure of the Company was amended in line with the following rationales:

- alignment with the Client Solutions operating model;
- greater focus on product specialization;
- rationalization and simplification of the overall number of facilities.

Among the main ICT initiatives to support the organizational structure, it is worth mentioning the activation, as of April 2024, of the new Underwriting application (Electronic Credit Practice - PEF), with adoption of the Group's credit decision-making engine integrated with the management system (K4F) through a module that manages the investigation and resolution of credit facilities. This initiative enabled, as of August 2024, the automation of the approval process for credit applications and the determination of risk-weighted decision-making authority levels. This is a decisive innovation in UCF's path of efficiency, simplification and digitization, which started in 2021.

Thanks to the level of sophistication allowed by the decision engine, it was possible to implement an internal scoring model called the RID (Integrated Debtor Rating) for counterparties for which no rating is available.

May 2024 saw the start of the third and final phase of the Digital Factoring project, which includes the updating, within the company's legacy ICT architecture, of the back-end applications with optimization of core processes and reduction of operational risk related to obsolescence. The release is expected by the end of 2025.

In connection with the third phase of the project, some revision activities of UCF's processes and products were launched, aimed at:

- simplifying the structure of managed products without affecting the offer to customers;
- revising the structure of customer contracts by preparing a standard, modular contract format that can be used for all products offered to customers.

The completion of this project is also expected to have a positive impact on the internal control system. In this context, the Board of Statutory Auditors constantly monitored the development of the project through dedicated meetings with the Project Leader and the Head of Business Services & Process Excellence at UCF.

The Company's operating structure consisted of a workforce of 218 full-time equivalent- FTEs at the end of 2024 (253 at 12.31.2023), a decrease of -35 FTEs in addition to the -28 FTEs of the two previous years.

In line with the Group's strategy of recent years, UniCredit Factoring S.p.A. pursued the goal of simplifying processes and increasing efficiency, implementing new technologies and redesigning activities, exploiting synergies with UniCredit S.p.A.. The plan involved a reduction in staff by accommodating redundancy and finding redeployment solutions within the group.

The net change of -35 FTEs, resulting from 12 new hires and 47 exits, still allows for an adequate organizational structure, in relation to the level of professionalism of the workforce and the achievement of the efficiency objectives set out in the multi-year plan, although it requires continuous and careful monitoring in terms of workloads, also associated with the ongoing digitization process, especially in certain operational structures.

Notes and exchange of information with the Independent Auditors

The Notes to the Financial Statements confirm that:

- the Company has not given loans or guarantees to directors and statutory auditors;
- for the purposes of the current provisions, in 2024 there were no atypical or unusual operations with related parties or non-related parties, whose significance could give rise to any doubt as to the security of the company's assets.

UniCredit Factoring S.p.A. is part of the UniCredit Group and is subject to the control and coordination of UniCredit S.p.A.. Relations with the companies of the Group to which it belongs and information on transactions with other related parties are clearly disclosed in the financial statements and, in particular, in the Notes to the Financial Statements and in the Directors' Report on Operations, in accordance with the laws and regulations in force. In this regard, we have no atypical or unusual transactions to report.

In 2024, no complaints were received pursuant to Article 2408 of the Italian Civil Code, nor exposed by third parties.

We received feedback on the statutory auditing activities through meetings and exchange of information, pursuant to Article 2409-*septies* of the Italian Civil Code, with representatives of the Independent Auditors KPMG S.p.A., who illustrated the planning of activities, the audits performed and their results. The audit did not reveal any censurable facts or aspects for which it was necessary to proceed with specific investigations.

Supervisory Body pursuant to Legislative Decree 231/2001

We carried out the functions of Supervisory Body pursuant to Legislative Decree no. 231/2001. The Board of Directors reported on the activities carried out during the financial year ended December 31, 2024, without reporting any critical issues, highlighting an overall satisfactory situation and substantial compliance with the provisions of the Company's Organizational, Management and Control Model. No reports of misconduct were received through the dedicated channels.

Financial Statements

We have examined the draft financial statements for the year ended December 31, 2024 prepared by the administrative body, which are made up of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement, the Notes to the Financial Statements and accompanied by the Directors' Report on Operations, made available in accordance with Article 2429 of the Italian Civil Code and approved by the Board of Directors at its meeting on February 13, 2025. The draft financial statements show a profit for the year of 74,692,089 euros (77,407,566 as at 12.31.2023) and shareholders' equity of 886,883,864 euros (866,528,215 as at 12.31.2023).

The Board of Directors proposes to allocate the net profit for the year with the allocation of 3,734,605 euros to the legal reserve, 18,601,884 euros to other reserves and 52,355,600 euros to the shareholder at a rate of 0.652 euros per share.

As our responsibility does not extend to the statutory audit of the financial statements, we have reviewed the general presentation of the financial statements and their general compliance with the law as regards their preparation and structure and have no particular observations to report.

In particular, we note that:

- the financial statement formats adopted comply with international accounting standards IAS-IFRS and the provisions of the Italian Civil Code;
- The financial statements were prepared according to the models in the Bank of Italy's measure of November 17, 2022, 'Financial statements of IFRS intermediaries other than banking intermediaries', which fully replaced the guidelines annexed to the instructions in its measure of October 29, 2021;
- the assessment criteria followed and results compliant with the law have been indicated in the Notes to the Financial Statements;
- the Notes confirm that the financial statements were prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretations, endorsed by the European Commission up to December 31, 2024, as required by European Union Regulation no. 1606/2002, transposed in Italy by Legislative Decree 38 of February 28, 2005; the Notes to the Financial Statements and the Directors' Report on Operations contain the information required by law and are presented in a clear and complete manner; the Directors' Report on Operations provides adequate information on the main risks and uncertainties of an organizational and functional nature;
- the financial statements are based on facts and information that have come to our attention in the performance of our duties and in attending the meetings of the company's governing bodies.

In respect of the financial statements as at December 31, 2024, KPMG S.p.A. issued on February 24, 2025 the "External Auditors' Report" pursuant to Article 14 of Legislative Decree no. 39 of January 27, 2010 (the "Report"), in which it is confirmed that the financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union. In the Report, the Independent Auditors also confirmed their independence with respect to the Company, in accordance with the rules and principles on ethics and independence applicable to the audit of the financial statements in the Italian legal system and also expressed an opinion on the consistency of the Directors' Report on Operations with the financial statements as at December 31, 2024 pursuant to Article 14, paragraph 2, letter e), of Legislative Decree no. 39/2010.

Conclusions

Also taking into account the report of the independent auditors KPMG S.p.A., which expressed an unqualified opinion on the financial statements, we have no observations to make to the Ordinary Shareholders' Meeting regarding the approval of the financial statements for the year ended December 31, 2024 as drawn up by the Board of Directors and the proposal for the allocation of the profit for the year drawn up by the Board of Directors.

Finally, we remind you that, with the approval of the Financial Statements for the year ending December 31, 2024, the mandates of the Board of Directors and the Board of Statutory Auditors expire. The Shareholders' Meeting is then called upon to appoint the new corporate bodies.

Milan, Italy, March 6, 2025

The Board of Statutory Auditors:

Andrea Grosso (Chairman)



ANDREA GROSSO
LAWYER
03.07.2025
12:32:30
GMT+01:00

Elisa Menicucci (Statutory Auditor)



Digitally signed by: Menicucci Elisa
Signed on 07/03/2025 12:18
Certified Serial Number: 2629000
Valid from 07/18/2023 to 07/18/2026
InfoCamere Qualified Electronic Signature CA

Cecilia Andreoli (Statutory Auditor)



Digitally signed by:
Andreoli Cecilia
Signed on 03/06/2025 19:40
Certified Serial Number: 3302762
Valid from 02/15/2024 to 02/15/2027
InfoCamere Qualified Electronic Signature CA

External Auditors' Report



KPMG S.p.A.
Revisione e organizzazione contabile
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to articles 14 and 19-bis of Legislative decree no. 39 of 27 January 2010

*To the sole shareholder of
UniCredit Factoring S.p.A.*

Report on the audit of the financial statements

Opinion

We have audited the financial statements of UniCredit Factoring S.p.A. (the "company"), which comprise the balance sheet as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of UniCredit Factoring S.p.A. as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 43 of Legislative decree no. 136/15.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

Management and coordination

As required by the law, the company's directors disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of UniCredit Factoring S.p.A. does not extend to such data.



UniCredit Factoring S.p.A.
Independent auditors' report
31 December 2024

Responsibilities of the company's directors and 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 the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 43 of Legislative decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' 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 auditors' 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 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 ISA Italia, we exercise professional judgement 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 the directors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;



UniCredit Factoring S.p.A.
Independent auditors' report
31 December 2024

- 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 the appropriate level 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

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10

The company's directors are responsible for the preparation of the Directors' report on operations at 31 December 2024 and for the consistency of such report with the related financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the Directors' report on operations with the financial statements;
- express an opinion on the compliance of the Directors' report on operations with the applicable law;
- issue a statement of any material misstatements in the Directors' report on operations.

In our opinion, the Directors' report on operations is consistent with the company's financial statements at 31 December 2024.

Moreover, in our opinion the Directors' report on operations has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 24 February 2025

KPMG S.p.A.

(signed on the original)

Davide Gorno
Director of Audit

Resolution of Ordinary Shareholders' Meeting

The Shareholders' Meeting, with the favourable vote expressed by the sole shareholder UniCredit S.p.A., resolved:

- to approve the financial statements as at 12.31.2024 as proposed;
 - to approve the allocation of the profit for 2024, equal to €74,692,089, in the following terms:
 - 3,734,605 euros to the Legal Reserve;
 - 18,601,884 euros to Other Reserves;
 - 52,355,600 euros to shareholders at the rate of €0.652 per share.
 - to determine the number of members of the Board of Directors as seven (7);
 - to appoint Directors for the financial years 2025, 2026 and 2027 and then until the Shareholders' Meeting for the approval of the financial statements at December 31, 2027, the following persons:
 - Ezio BASSI called to hold the position of Chairman
 - Orazio Antonio TOTARO
 - Daniela FERRARI
 - Chiara Francesca CAPELLI
 - Erminio CHIAPPELLI
 - Elena GRISI
 - Gianfranco SANSONE
 - to establish the total annual remuneration due to the Board of Directors, for the activities carried out within it and for those related to the activities of the board committees, as follows:
 - Euro 165,000 (one hundred sixty-five thousand) as the total annual gross remuneration due to the Board of Directors, to be allocated by the Board itself, in addition to the additional benefit represented by the D&O Policy - Directors' Liability Insurance, for which the burden of payment of the premium shall be borne by the Company, with the only effects on the exponents being the pro-rata tax incidence of the aforesaid premium, where applicable;
 - Euro 300.00 (three hundred) gross as attendance fee to be paid to each Director for each Board meeting;
 - Euro 15,000 (fifteen thousand) and Euro 10,000 (ten thousand) as gross annual remuneration due, respectively, to the Chairman and to each member of the Audit Committee, if appointed.
1. to appoint as members of the Board of Statutory Auditors for the financial years 2025 - 2026 and 2027 and thus until the shareholders' meeting to approve the financial statements as at December 31, 2027 the following persons:
- Andrea GROSSO, called to hold the position of Chairman,
 - Barbara ALOISI, (Statutory Auditor)
 - Cecilia ANDREOLI, (Statutory Auditor)
 - Alberto CAPRARI (Alternate Auditor)
 - Elisa MENICUCCI (Alternate Auditor)
2. to determine:
- Euro 40,000.00 (forty thousand) and Euro 25,000.00 (twenty-five thousand) as the gross annual remuneration due, respectively, to the Chairman of the Board of Statutory Auditors and to each Standing Auditor, in addition to the additional benefit represented by the D&O Policy - Directors' Liability Insurance, for which the burden of payment of the premium shall be borne by the Company, with the only effects on the exponents being the pro-rata taxation of the aforesaid premium, where applicable;
 - Euro 300.00 (three hundred) gross fee to be paid to each member of the Board of Statutory Auditors for attending each meeting of the Board of Directors or of the Shareholders' Meeting, which does not include on the Agenda the approval of the annual financial statements and of the

Executive Committee, if any, as well as for attending each meeting of the Board of Statutory Auditors, with the exception of those called for periodic meetings, aimed at the control of extraordinary corporate transactions, the examination of complaints pursuant to Article 2408 of the Italian Civil Code, or in any event requested by a member of the administrative body, or by other bodies of the company, or by other bodies or Authorities;

- *Euro 7,000 (seven thousand) and Euro 4,000 (four thousand) gross annual remuneration due, respectively, to the Chairman of the Board of Statutory Auditors and to each Standing Auditor for the possible performance of the functions of the Supervisory Board pursuant to Legislative Decree no. 231/2001.*

Our products

Our products Assignment on a With Recourse basis

The product is aimed at companies that wish to liquidate their trade receivables, transferring them to a specialist operator, while maintaining the risk of debtor insolvency. In its recourse assignments, UniCredit Factoring acquires trade receivables due to the assignor from its debtors, taking care of their administration and collection. At the assignor's request, UniCredit Factoring can pay an advance on the amount due.

In with-recourse operations, the risk of insolvency of the debtor is borne by the assignor.

Assignment on a Without Recourse basis

The product is aimed at companies that wish to demobilize their trade receivables, transferring them to a specialized operator, which assumes the risk of debtors' insolvency.

In its non-recourse assignments, UniCredit Factoring acquires trade receivables due to the assignor from its debtors, taking care of the administration and collection. It bears the risk of the debtor's insolvency, under the conditions and limits stipulated in the contract. At the assignor's request, UniCredit Factoring can pay an advance on the amount due.

In this type of operation, however, the risk of insolvency of the debtor is transferred to UniCredit Factoring.

Maturity Assignment

The product is aimed at companies that wish to optimize their cash management by regularizing incoming flows.

In maturity assignments, UniCredit Factoring receives the trade receivables claimed by the assignor from its debtors, manages their administration, takes care of their collection and credits the assignor with the amount due on predetermined dates. At the assignor's request and if the receivable has been recognized, UniCredit Factoring may advance the consideration for the assigned receivables.

If required, UniCredit Factoring can also grant the debtor extended terms of payment without the cost being passed to the assignor.

With this type of operation, the risk of the debtor's insolvency may remain with the assigning company (with-recourse) or be borne by UniCredit Factoring (without-recourse).

Reverse factoring

The product is aimed at large companies ('Buyers') with a substantial and fragmented supplier portfolio who wish to streamline and rationalize the management of their purchasing cycle.

Reverse factoring allows:

- the Buyer's suppliers to access special lines of credit under special conditions, also benefiting from the Buyer's credit rating;
- the Buyer to benefit from greater loyalty among its suppliers, thus improving the quality and punctuality of consignments from its trade partners. The Buyer can also rely on standardized, simplified administration procedures for the payment of suppliers, by using UniCredit Factoring as a single partner for every phase of the process.

If required, UniCredit Factoring can also grant the 'Buyer' extended terms of payment without the cost being passed to the assignor.

Confirming

The product is aimed at medium and large companies ('Buyers') who wish to consolidate relations with the production chain and support it financially.

Confirming allows:

- the "Buyer" to benefit from a greater loyalty of its production chain and to simplify the management of payments to its suppliers thanks to the use of a highly digitalized platform;
- suppliers to access the electronic platform and request the discounting of receivables uploaded by the "Buyer".

Assignment of receivables to public bodies

The product is aimed at companies that wish to liquidate their trade receivables from debtors belonging to the public administration sector.

UniCredit Factoring receives receivables from the assignor, manages them administratively and takes care of their collection. At the assignor's request, UniCredit Factoring can pay an advance on the amount due.

With this type of operation the risk of the debtor's insolvency may remain with the assigning company (with-recourse) or be borne by UniCredit Factoring (without-recourse).

Assignment of import/export receivables

The product is aimed at companies that wish to obtain support with the management of their receivables from foreign counterparties.

With Export Factoring, UniCredit Factoring acquires the trade receivables of the Italian assignor, due from some of its foreign debtors, and takes care of the administration and collection.

With Import Factoring, UniCredit Factoring acquires the trade receivables of the foreign assignor, due from some of its Italian debtors, and takes care of the administration and collection. If required, the debtor may be granted extended terms of payment.

With both these types of operation, UniCredit Factoring provide its customers with its experience in the rating of foreign counterparties.

With both import and export operations, the risk of the debtor's insolvency may remain with the assigning company (recourse) or be borne by UniCredit Factoring (non-recourse). At the assignor's request, UniCredit Factoring can also pay an advance on the amount due.

These operations are global. The activity can be carried out either with the collaboration of factoring companies in the UniCredit Group, or through the corresponding companies in the Factors Chain International (FCI) network.

Outright purchase of receivables

The product is aimed at medium/large companies wishing to improve their net financial position, using a service that allows the deconsolidation of receivables from the financial statements in compliance with international accounting standards.

In this type of operation, the risk of insolvency of the debtor is transferred to UniCredit Factoring.

If required, UniCredit Factoring can also grant the debtor extended terms of payment without the cost being passed to the assignor.

Payment on maturity

The product is aimed at companies that want to regularize their cash flows and optimize management of their treasuries.

With transactions for payment on maturity, UniCredit Factoring receives the trade receivables claimed by the assignor from some of its debtors and, on the original due date of the receivable and on the debtor's recognition, makes the solvency payment to the assignor.

The special characteristic of this product is the transfer of the insolvency risk to UniCredit Factoring, thanks to the solvency payment. The risk of insolvency of debtors in the period prior to the solvency payment is transferred to UniCredit Factoring (non-recourse).

This product is particularly suited to companies that are subject to mandatory payment terms such as those in the agricultural or food industry, and which are subject to the rules of Article 62 of Decree Law 1/2012 (Law 27/2012).

Disposal of indirect tax credits

The product is aimed at companies that wish to release tax credits from indirect taxes claimed for reimbursement, whose payment times are generally longer than normal commercial practice.

UniCredit Factoring receives this kind of receivable, due to the assignor from the Revenue Agency, and takes care of their administration and collection. At the assignor's request, UniCredit Factoring, normally upon receipt of the notification report, may also advance the consideration for the assigned receivables or proceed with their purchase.

With this type of operation, the risk of the debtor's insolvency may remain with the assigning company (with-recourse) or be borne by UniCredit Factoring (without-recourse).

Disposal of direct tax credits

The product is aimed at companies that wish to liquidate tax credits from direct taxes, such as IRES and Robin Hood tax, requested for reimbursement from the Revenue Agency, whose payment times are generally longer than normal commercial practice.

UniCredit Factoring receives this kind of receivable, due to the assignor from the Revenue Agency, and takes care of their administration and collection. At the assignor's request, UniCredit Factoring, normally upon receipt of the notification report, may also advance the consideration for the assigned receivables or proceed with their purchase. With this type of operation, the risk of the debtor's insolvency may remain with the assigning company (with-recourse) or be borne by UniCredit Factoring (without-recourse).

Assignment of credits from incentives paid under Ministerial Decree of July 6, 2012

The product is aimed at companies wishing to liquidate receivables represented by the incentives regulated by the Ministerial Decree of July 6, 2012, provided by Gestore dei Servizi Energetici (GSE) for the production of electricity from renewable sources other than photovoltaics.

UniCredit Factoring acquires the credits due to the assignor from the GSE, and takes care of their administration and collection. At the assignor's request, UniCredit Factoring, normally upon receipt of the notification report, may also advance the consideration for the assigned receivables or proceed with their purchase.

With this type of operation, the risk of the debtor's insolvency may remain with the assigning company (with-recourse) or be borne by UniCredit Factoring (without-recourse).

White certificates

The product is aimed at distributors of electricity and natural gas, with more than 50,000 end customers who wish to liquidate receivables represented by the so-called 'White Certificates', recognized by Gestore dei Servizi Energetici (GSE) against the achievement of energy efficiency objectives.

UniCredit Factoring acquires the credits due to the assignor from the GSE, and takes care of their administration and collection. At the assignor's request, UniCredit Factoring can also pay an advance on the amount due or go ahead with acquiring them.

With this type of operation, the risk of the debtor's insolvency may remain with the assigning company (with-recourse) or be borne by UniCredit Factoring (without-recourse).

Condominiums energy redevelopment

The product is aimed at companies that carry out energy efficiency work for condominiums and who wish to benefit from the advance of tax credits related to Ecobonus, Sismabonus and Sismabonus 110%.

UniCredit Factoring receives the amount of the tax credit deriving from expenses incurred by condominiums for energy efficiency or earthquake-proofing work. At the request of the assignor, UniCredit Factoring can also assess whether to advance the consideration of the assigned receivables or proceed with their purchase.

With this type of operation, the risk of the debtor's insolvency may remain with the assigning company (with-recourse) or be borne by UniCredit Factoring (without-recourse).

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