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UniCredit Factoring

UniCredit Factoring

Report and Financial Statements 2025


UniCredit
Factoring

Corporate Officers and General Management

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Orazio Antonio Totaro	Vice Chairman
Daniela Ferrari	Chief Executive Officer
Erminio Chiappelli	Directors
Chiara Francesca Capelli	
Elena Grisi	
Gianfranco Sansone	
Scipione Maggi	Secretary to the Board of Directors

Board of Statutory Auditors

Andrea Grosso	Chairman
Cecilia Andreoli	Standing Auditors
Barbara Aloisi	
Alberto Caprari	Alternate Auditors
Elisa Menicucci	

General Management

Luca Alfonso Maria Milanesi	Head of the Sales structure
Enrico Ubaldi	Head of the Business Services & Process Excellence structure
Alessia Grosso	Head of the Risk Management structure
Antonio Mangini	Head of the Finance structure
Antonio Russo	Compliance Officer
Elisa Severini	Head of the People & Culture structure
Scipione Maggi	Legal Contact
Stefano Sala	Head of the Internal Controls structure
Filippo Meraviglia Mategazza	Head of Internal Audit
KPMG S.p.A.	**Independent Auditor**

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: 58,075,174 euros
Registered offices at Via Livio Cambi, 5, Milan
Tel. +39 02 366 71181 - Fax +39 02 366 71143
Economic Administrative Register (REA) no. 840973
Registered in the Milan-Monza-Brianza-Lodi Companies Register
Tax code and VAT registration no. 01462680156
Entered in the Register of Financial Intermediaries pursuant to Article 106 TUB, under no. 42
E-mail: info.ucfactoring.it@unicreditgroup.eu
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Directors’ Report on Operations

Results summary

In 2025 the Italian economy recorded moderate growth. According to the preliminary estimate of the National Institute of Statistics (Istat), Gross Domestic Product (GDP) rose by +0.7% on the previous year. The international backdrop was shaped by the April 2 announcement of a general increase in US tariffs, followed by the partial suspension of April 9. These announcements generated nervousness and high volatility on the markets, with repercussions on global trade, which made a generally less favorable contribution to euro-area growth. In the fourth quarter, national GDP rose by +0.3% quarter on quarter and +0.8% year on year, with a positive contribution from domestic demand (net of inventories) and a negative contribution from net exports. On the supply side, value added increased in agriculture and industry, and more modestly in services. In December 2025 the unemployment rate fell to 5.6%, a record low for the most recent time series; contractual wage dynamics at year-end gradually supported real income in a context of low inflation. Disinflation consolidated, with the Harmonized Index of Consumer Prices (HICP) showing a change of +1.2% year on year in December 2025 and +1.7% as an annual average; the Consumer Price Index for the whole nation (NIC) recorded +1.5%. Regulated energy prices acted as a brake, with partial increases in transport services and food in the final months of the year. The European Central Bank (ECB) cut the rate on the central bank deposit facility to 2.00% (from June 11, 2025), subsequently keeping it unchanged. The transmission to bank rates began to ease funding costs and, consequently, the cost of credit. The trend in lending to non-financial companies in Italy remained broadly stable, with slight signs of weakness owing to still-subdued demand; growth in lending to households (especially mortgages) strengthened instead, favored by the fall in rates, which drove a progressive pick-up in applications. In the eurozone Bank Lending Survey (BLS), supply standards in the second-fourth quarter of 2025 were on average stable (with slight tightening at year-end). Corporate loan demand showed a slight recovery, driven by needs for inventories and working capital, refinancing/restructuring and the fall in rates, with support particularly evident in Italy. Investment was supported by projects under the National Recovery and Resilience Plan (NRRP)/Recovery and Resilience Facility (RRF), especially in non-residential construction and infrastructure, while the residential sector remained weak owing to the phasing-out of tax credits; in the final part of the year, a recovery in industry and the customary resilience of services were observed.

The shift to demand-driven growth and the normalization of supply chains increased short-term cash needs; the BLS questionnaires point precisely to inventories/working capital and refinancing among the drivers of credit demand, with falling rates as an enabling factor (in Italy more than elsewhere). Factoring captured these needs thanks to its flexibility and its ability to pull the supply chain. Many companies optimized their cash cycle through advances, reducing capital absorption and mitigating counterparty risk. Average collection times (Days Sales Outstanding, DSO) were already high in 2024 (~84.4 days): this consolidated the use of factoring as a cash stabilizer and “collection insurer” on an industrial scale.

In this context, and amid a persistently high level of competition in the short-term lending segment with constant pressure on margins, our Company confirmed its second place in the market in terms of both turnover share (16.8%) and total-receivables share (16%), maintaining its market shares compared with the previous year and continuing to pursue criteria of maximizing risk-adjusted profitability in selecting its receivables portfolios.

As of December 31, the organizational structure had a headcount of 199 Full Time Equivalents (FTEs), a decrease of 19 FTEs compared with the end of the previous year. This net change resulted from the combined effect of 10 arrivals and 29 departures. It should also be noted that the reduction in headcount is also the result of a broader simplification effort that involved the entire structure, benefiting, among other things, from the progress of Digital Factoring, the transfer of the contracts relating to the Legal service and the centralization of part of Compliance activities.

In the market context described, the Company closed its annual accounts with revenues down in 2024. Operating income stood at 135.4 million, down 17.2% on the previous year. Operating costs also decreased compared with 2024, bringing the cost/income ratio to 32.8% from 29% the previous year. Provisions for loan write-downs and for the provision for risks and charges, amounting to 20.5 million and 3.9 million respectively, brought profit before tax to 66.5 million, while net profit, after taxes of 28 million, came to 38.5 million, compared with 74.7 million the previous year (-48.5%).

The main profitability and operating-efficiency indicators show a trend broadly consistent with the operating framework, reflecting a management balance in line with the dynamics of the reporting period. As regards asset-risk indicators, there was an increase in the share of non-performing loans in the total, particularly in the unlikely-to-pay category, which rose from 0.05% to 0.25%. Bad loans remained broadly stable at 0.3%, while the share of past-due loans decreased from 0.25% to 0.23%. Coverage remained particularly high for bad loans (97.81%), including partial write-offs, while coverage of unlikely-to-pay exposures decreased (from 80.39% to 61.89%).

Equity stood at 873 million, corresponding — after deducting 95% of the profit for which distribution as a dividend is proposed — to Common Equity Tier 1 capital of 837 million, up slightly by 0.2% on December 2024. Given that total risk-weighted assets decreased by 9.8%, the Company's CET 1 ratio increased from 22.75% to 25.28%.

Main Company data

OPERATING DATA

	Financial year		Amount	
	2025	2024	change	%
Turnover	48,557	48,594	-37	-0.1%
Outstanding	11,709	11,624	+85	+0.7%

INCOME STATEMENT

(€ million)

	Financial year		Amount	
	2025	2024	change	%
Operating income	135	164	-28	-17.2%
of which: - net interest	*97*	*115*	-18	-15.7%
- net fees and commissions	*33*	*38*	-6	-14.5%
Operating costs	-44	-47	+3	-6.4%
Operating profit (loss)	91	116	-25	-21.6%
Net operating profit (loss)	71	118	-48	-40.3%
Net profit	**39**	**75**	**-36**	**-48.5%**

BALANCE SHEET AMOUNTS

(€ million)

	Amounts as at		Amount	
	12.31.2025	12.31.2024	change	%
Total assets	10,314	10,174	+140	+1.4%
Loans	10,238	10,067	+171	+1.7%
Equity	873	887	-14	-1.6%

OPERATING STRUCTURE

	Data as at		Amount	
	12.31.2025	12.31.2024	change	%
Number of employees (Full Time Equivalent)	199	218	-19	-8.8%

PROFITABILITY INDICES

	Financial year		Amount	
	2025	2024	change	%
ROE	4.6%	9.2%		-50%
Cost/Income	32.8%	29.0%		13%

RISK INDICES

	Data as at		Amount	
	12.31.2025	12.31.2024	change	%
Net bad loans / Receivables	0.03%	0.03%	0.00%	-
Net non-performing loans / Loans	0.51%	0.33%		55%

PRODUCTIVITY INDICES

(€ million)

	Financial year		Amount	
	2025	2024	change	%
Turnover per employee	232.8	206.1	26.7	+12.9%
Operating income per employee	0.65	0.69	-0.04	-6.4%

CAPITAL RATIOS

(€ million)

	Data as at		Amount	
	12.31.2025	12.31.2024	change	%
Tier 1 capital	837	835	+2	0.2%
Total RWA	3,310	3,668	-358	-9.8%
CET 1	25.28%	22.75%	2.53%	11%

Note: Values in millions of euros unless otherwise stated

External scenario

Macroeconomic picture

In the closing stretch of 2025, the global economy continued to expand, albeit at a moderate pace and with uneven trends. In the United States, real GDP grew by +4.4% annualized in the third quarter, supported above all by consumption (+3.5% over the period), with positive contributions also from exports and public spending; the figure was revised upward in January 2026 by the U.S. Bureau of Economic Analysis (BEA). The main advanced economies continued to show a mixed picture: in Europe services held up while manufacturing remained weak; in China foreign demand supported activity, against still-selective domestic demand conditioned by the real-estate sector. The global outlook was affected by trade tensions and the new US tariffs announced on April 2, 2025 (with a three-month partial suspension and a 10% rate for all partners except China on April 9), which heightened uncertainty. On the energy front, the average price of Brent in 2025 stood at around $69/barrel; for 2026 the main sources indicate a more relaxed environment, with annual averages in the $58–63/barrel range according to EIA estimates (STEO Feb. 2026) and the Eurosystem's technical assumptions (Dec. 2025). For 2027 the same EIA forecasts further normalization toward ~$53/barrel. For European natural gas (TTF), the ECB's technical assumptions place the 2025 average at ~€36.5/MWh, with a downward profile in 2026 (~€29.6/MWh) and 2027 (~€27.5/MWh); spot quotations at the start of 2026 hover around €30–33/MWh. [eia.gov], [rigzone.com], [ecb.europa.eu]

In the eurozone, after a modest start to the year, growth showed signs of improvement: in the third quarter of 2025 GDP rose by +0.3% q/q (+1.4% y/y), with a rebound in gross fixed investment (+0.9% q/q) and public spending (+0.7% q/q), a modest contribution from private consumption (+0.2% q/q) and a negative contribution from the external channel (exports +0.7%, imports +1.3%). Among the main countries, Spain (+0.6% q/q) and France (+0.5% q/q) led the trend, while Germany and Italy remained almost stationary in the quarter. Inflation continued to recede: the flash reading of the Harmonized Index of Consumer Prices (HICP) for December 2025 was 2.0% y/y (subsequently 1.9% in the final reading), with core inflation around 2.3% and services around 3.4%.

Against this background, the Governing Council of the European Central Bank (ECB), at its meeting of December 18, 2025, left rates unchanged: deposit facility 2.00%, main refinancing operations 2.15% and marginal lending 2.40%. The December projections indicate average HICP of 2.1% in 2025 and 1.9% in 2026, with GDP of 1.4% and 1.2% respectively. The transmission of monetary easing is visible in bank rates: in December 2025 the average cost of borrowing for companies was around 3.5%, while for household mortgages it stood at around 3.3%; growth in lending to the private sector shows a gradual recovery, with year-on-year changes close to +3% for both households and non-financial companies. The findings of the Bank Lending Survey (BLS) for the fourth quarter of 2025 indicate broadly stable supply criteria (with slight tightening for corporate loans at the euro-area level) and a slight recovery in loan demand, especially for working capital and refinancing.

For Italy, 2025 GDP is estimated to grow by +0.7% year on year; in the fourth quarter output rose by +0.3% q/q (+0.8% y/y), supported by domestic demand (net of inventories) and with a negative contribution from net exports.

Note: Values in millions of euros unless otherwise stated

Banking

In 2025, growth in lending to the private sector remained weak in the main countries of the UniCredit perimeter (Austria, Germany, Italy), although showing signs of gradual improvement in the second half of the year. At euro-area level, year-on-year loan growth rose toward +3% y/y at year-end for both households and non-financial companies, after the low reached at the end of 2023-beginning of 2024.

In Italy, lending to non-financial companies showed a still-weak profile in the first half of 2025, with year-on-year changes close to zero and at times negative but easing compared with 2024; in the second half of the year, “on-trend” indicators and surveys confirm a slight recovery in demand, consistent with the fall in rates and with working-capital needs.

The EY European Bank Lending Economic Forecast estimates indicate, for 2025, a recovery in corporate lending in the euro area (+3.1%) and a gradual improvement in Italy after the 2024 contraction, with a return to positive rates over the following two years thanks to falling rates and cooling inflation.

Lending to households in Italy showed a slight recovery over the course of 2025, in line with the euro-area picture; at year-end, year-on-year growth in household lending was +3% y/y in the area and in Italy, supported by the decline in mortgage rates.

In Germany, lending to the private sector remained in moderate expansion but at a subdued pace, consistent with an economy in slow recovery after the 2024 recession. At the end of 2025, the cost of borrowing for companies was aligned with area levels (around 3.5–4.0% for new disbursements, with limited dispersion among the main countries). ECB data (Monetary Financial Institution Interest Rates) and the other main providers indicate, in December 2025, values of around 3.5% in the euro area, with Italy at 3.5%, Austria at 3.7% and Germany at 4.0% for the average rate on new corporate lending.

On the bank-funding front, deposits returned to more vigorous growth in 2025. In the euro area, in December, balances show year-on-year rates of +3.0% for household deposits and +4.0% for those of non-financial companies; the loan-to-deposit ratio remains at prudent levels (around 94% in the third quarter).

In Italy, statistics and sector notes point to a progressive increase in household and business deposits over the year, consistent with the decline in rates and the improvement in real income (evidence in line with the ECB European sector accounts and with ABI data).

The European Central Bank's (ECB) easing measures supported the recovery in credit demand and set in motion a pass-through to bank rates. The deposit facility was brought to 2.00% from June 11, 2025, and then kept unchanged in December; rates on new corporate lending in the area fell toward 3.5% at year-end (from far higher levels in 2023), while mortgages for home purchase followed a downward trend: in Italy the average rate on new mortgage transactions was 3.2% in May-June 2025 (ABI).

Funding rates showed stability: for time deposits in Italy, 2.3% in May 2025, with area averages just above 2%; this favored a moderate narrowing of the bank spread (net interest margin) over the year, thanks to lending rates falling faster than deposit rates.

On the financial markets, 2025 was characterized by a cautious-constructive approach: operators priced in a path of stable or slightly falling rates in Europe and the US; the ECB's December Economic Bulletin notes the resilience of the area's economy and an inflation picture approaching target, factors that supported assets, albeit amid geopolitical risks and uncertainties over international trade.

Note: Values in millions of euros unless otherwise stated

The factoring market

At the end of 2025, the market recorded a cumulative turnover of approximately 289 billion euros, substantially at the same levels as the close of last year (+0.2% y/y change) but, once the component of purchases of tax credits arising from building bonuses is sterilized, a business now exhausted owing to legislative decrees relating to the so-called “Super Bonus” during 2024, which effectively blocked the assignment by companies to banks or financial intermediaries, it actually grew by 3.8%. The value of outstanding receivable balances, the so-called total receivables (montecrediti), amounted, as at December 31, 2025, to 71.35 billion euros, up 1% on the same period of the previous year. The percentage share of advances relative to total receivables as at December 31, 2025 reached almost 83.8%, broadly in line with the previous year.

In 2025, without-recourse transactions consolidated and confirmed their predominance in the Italian factoring market, with a share of approximately 83%, compared with a with-recourse share of the remaining 17%. The development of Supply Chain Finance transactions declined in 2025 compared with traditional factoring: at the end of 2025, reverse factoring and confirming volumes together reached 8.48 billion euros (-5.67% versus 2024). However, the dynamics are different between the components of this operation. The turnover generated by these transactions also reduced its penetration of the factoring market, standing at around 9% of total turnover. The majority of the volumes of this business originated from reverse factoring arrangements set up by supply-chain lead companies, with 21.96 billion euros of turnover in the year, and as at December 31, 2025 were down on the previous year (-8%). Confirming programs, activated by 1,066 supply-chain leader companies during 2025, continued to show lively growth, and the number of agreements activated by buyers grew by double digits and by over 29% compared with the 2024 total. In volume terms, buyers' issuance of payment mandates to the factor reached 8.63 billion euros. In the Assifact statistics, confirming transactions fall within the SCF perimeter and contribute to turnover when the mandate translates into payment/financing by the factor; mandates merely loaded but not settled are not counted in turnover.

In recent years, the trend in turnover volumes has followed that of GDP, to which it is linked by a stable ratio of around 13%. 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.

In 2025 too, the Italian factoring market remained highly competitive and concentrated, with the top four competitors holding a market share of turnover of around 57.4% (data as at November 2025).

Company activities

UniCredit Factoring is the Italian company of the UniCredit Group specializing in the without-recourse and with-recourse purchase of trade receivables assigned by clients who, in addition to optimizing their capital structure, can benefit from a range of related services such as the collection, management and insurance of the receivables themselves; to fund its lending activities, it raises funding from the Parent Company's treasury. It operates with a lean structure supported by Parent Company functions through outsourcing/contract-transfer agreements. It operates in close connection with the Bank's commercial network in Italy, in particular using space specifically made available in certain of the Bank's branches.

During 2025 the Company completed its first synthetic SRT (Significant Risk Transfer) transaction on trade-receivables portfolios (ARTS Factoring 2025), structured in STS (Simple, Transparent and Standardised) form by means of a financial guarantee and a deed of pledge with a leading market counterparty acting as guarantor. The regulatory steps were completed and the necessary approvals obtained from the internal authorizing committees of the Company and of the Group in order to reach closing in November, subject to approval by the Board of Directors.

Note: Values in millions of euros unless otherwise stated

The transaction provides for a maximum amount of securitizable receivables (Target Reference Obligation Nominal Amount) of €800 million, with a maximum guarantee term of 24 months and a monthly replenishment mechanism. The eligibility criteria of the reference receivables portfolio, observed at the closing of the transaction and to be observed during the replenishment phases, concern: credit status, performing; currency of denomination, euro; maximum overdue, 30 days; probability-of-default measure (managerial estimate), less than or equal to 4%; residual maturity of the receivable, less than or equal to 365 days; no capital relief coverage; concentration limit per group, less than or equal to 2%. The tranching of the structure comprises a junior component (8%, €64 million) and a mezzanine component (4%, €32 million) guaranteed by institutional investors, plus a senior component (88%) retained by UniCredit Factoring; retention is ensured pursuant to Regulation (EU) 2402/2017 (≥ 5% on an on-going basis). Amortization is sequential starting from the senior tranche, with losses absorbed starting from the junior tranche.

The consideration paid to investors as remuneration for risk coverage (5.80% overall on the Junior and Mezzanine tranches) was among the most competitive on the market for similar transactions. The transaction was an efficient capital-optimization tool, consistent with the Group's strategy, making it possible to generate broadly positive Economic Value Added and to mitigate Risk Weighted Assets, at the close of the year, by 522 million euros.

Organizational structure

During 2025, the Company's organizational structure was revised in line with the following objectives:

- to align the Company's operating model with that adopted by the Parent Company;
- to make the operating model more consistent with the actual corporate organization;
- to improve efficiency in carrying out the activities of the various units;
- to close the findings that emerged during audits;
- to optimize and strengthen commercial relations with clients through the evolution of the service model of the commercial functions;
- to rationalize and simplify the overall number of organizational units.

In particular, the Board of Directors approved, on:

January 27, 2025: the creation of the Sicily Area and the renaming of the South and Sicily Area as the South Area;

March 25, 2025: the renaming of the “Large Corporate & Public Sector Underwriting” unit as “SRM” and of the “Assignor Underwriting” unit as “Credit Hub”;

April 23, 2025: the elimination of the “Security” unit and the introduction of the “Chief Security Officer” (CSO), with the activities previously assigned to the “Security” unit placed in “Staff” to the Head of the “Business Services & Process Excellence” unit;

December 22, 2025: the cancellation of the Process Excellence unit, whose activities were absorbed by Business Services & Process Excellence; of the Finalization Operational Excellence and Operational Support & Suppliers Management units, whose activities passed to Business Support; and of the Center-North Debtors and Center-South Debtors units, whose tasks and responsibilities are merged into Debtors Management.

Furthermore, on June 25, 2025, the centralized service model for legal activities was adopted, whereby UniCredit provides services functional to fulfilling the unit's mission, established as a “technical” unit in place of the previous “standard” one, together with the simplification and standardization of the “Compliance” mission, in line with what UniCredit's “Group Compliance” function has recommended to the Group's Italian companies.

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 at the end of January 2026.

Workforce

UniCredit Factoring's workforce as at December 31, 2025 was 199 Full Time Equivalents (FTEs), a decrease of 19 FTEs compared with the end of the previous year.

Specifically, against 10 new arrivals from the Group, 29 staff left. In line with the strategy pursued by the Group in recent years, UniCredit Factoring again directed its actions toward the simplification of processes and the enhancement of operating efficiency, drawing increasingly on synergies with UniCredit S.p.A., the adoption of new technologies and the overall review of activities thanks to the implementation of a new platform. This process brought about a further reduction in headcount, managed through voluntary departures and by favoring redeployment opportunities within the Group.

Breakdown 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 workforce is 49.9

BREAKDOWN BY AGE GROUP

	12.31.2025		12.31.2024		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Up to 30 years	5	2.4%	5	2.2%	+0	+0.0%
From 31 to 40 years	16	8.0%	18	8.3%	-2	-11.4%
From 41 to 50 years	78	39.2%	91	41.9%	-13	-14.7%
Over 50 years	100	50.3%	104	47.6%	-4	-3.6%
Total	**199**	**100.0%**	**218**	**100.0%**	**-19**	**-8.8%**

As regards the contractual classification across the entire Company, there was a decrease in all categories, in line with the FTE trend.

BREAKDOWN BY CATEGORY

	12.31.2025		12.31.2024		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Executives	8	4.0%	9	3.9%	-1	-6.4%
Management - 3rd and 4th grade	68	34.2%	73	33.5%	-5	-6.9%
Management - 1st and 2nd grade	65	32.7%	69	31.7%	-4	-6.0%
Professional areas	58	29.1%	67	30.9%	-9	-14.0%
Total	**199**	**100.0%**	**218**	**100.0%**	**-19**	**-8.8%**

As regards the breakdown by activity carried out by the personnel of the entire Company, there was a reduction in particular in the staff dedicated to Core Activity (-24.7% compared with 2024).

BREAKDOWN BY ACTIVITY

	12.31.2025		12.31.2024		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Business	100	50.3%	87	39.8%	+13	+15.3%
Core Activity	99	49.7%	131	60.2%	-32	-24.7%
Total	**199**	**100.0%**	**218**	**100%**	**--19**	**-8.8%**

Finally, the breakdown of personnel between women and men is shown below, recording a decrease in both the female population (-14.8% compared with 2024) and the male population (-4.9% compared with 2024), consistent with the decrease in the company's FTEs.

BREAKDOWN BY MEN/WOMEN

	12.31.2025		12.31.2024		Amount	
	FTE	comp. %	FTE	comp. %	absolute	%
Women	72	36.2%	85	38.7%	-13	-14.8%
Men	127	63.8%	134	61.3%	-7	-4.9%
Total	**199**	**100.0%**	**218**	**100.0%**	**-19**	**-8.8%**

Note: Values in millions of euros unless otherwise stated

Performance management

At UniCredit Factoring, people are recognized as the main driver of value, thanks to the wealth of their experience and skills. The commitment is to ensure a fair and inclusive environment, capable of giving people the tools they need to tackle and achieve challenging objectives. With this in mind, professional growth is supported and enhanced through a rigorous appraisal process, founded on the Group's Values and aligned with the strategic vision, with particular attention to continuous feedback on performance objectives and expected behaviors.

During the year, UniCredit Factoring further consolidated its Performance Management model, strengthening the connection between individual contribution and the company's strategic priorities. The transparent definition of objectives and ongoing dialogue between managers and staff made it possible to promote a culture geared toward results, accountability and constant improvement.

In line with the People & Culture guidelines, initiatives continued aimed at spreading a culture of continuous feedback as a fundamental lever for professional development and alignment with UniCredit's Values — initiatives designed to strengthen objective, inclusive and growth-oriented appraisal skills.

Employee development

During 2025, UniCredit Factoring continued to invest significantly in the training and development of its people, recognizing continuous learning as a key element in supporting business growth and ensuring a solid, competent organization able to meet market challenges. The training offering was strengthened through paths dedicated to developing factoring-specific technical skills, risk management, regulatory developments and digital skills, as well as programs aimed at strengthening soft skills. The professional growth of people continues to represent a strategic pillar. To this end, a wide range of training opportunities was made available during the year:

- language training through the goFLUENT language school;
- sector-specific paths developed in partnership with Assifact;
- managerial development paths, such as “Unlocking your managerial potential”;
- Knowledge Sharing sessions dedicated to corporate Strategy and to specialist content (e.g. Customer Identification and Due Diligence: the new features of UCF's new Anti-Money Laundering Consolidated Act).

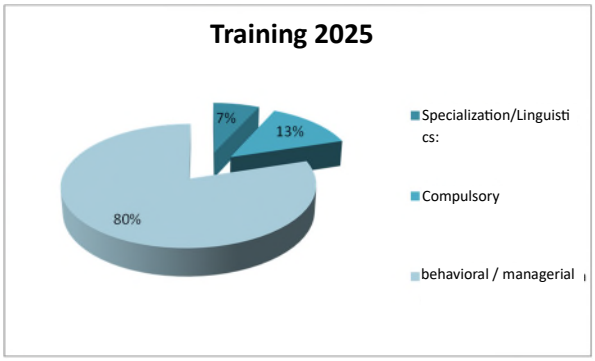
In addition, in close coordination with the Client Solutions area, UniCredit Factoring colleagues were able to access the paths included in the “Client Solutions Learning Architecture” offering, a series of English-language training curricula to strengthen professionalism and cross-functional skills in Core Banking Skills, effective communication and managerial abilities.

Growth programs dedicated to talent also continued, with the aim of feeding an internal pipeline of skills able to meet the Division's future needs. These initiatives were enriched by individual-development tools such as mentoring, coaching and job-rotation opportunities, aimed at enhancing people's potential and facilitating cross-functional learning experiences.

Overall, UniCredit Factoring's commitment in the field of training and development helped strengthen people's preparedness, promote a culture of continuous improvement and support a dynamic, inclusive and growth-oriented professional environment.

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

- Behavioral/Managerial: 7%
- Compulsory: 13%
- Specialization/Linguistics: 80%



Diversity and inclusion

UniCredit Factoring promotes an inclusive and respectful working environment in which diversity represents a value and a fundamental element for the growth of the organization. In line with the Group's commitment to promoting Diversity, Equity and Inclusion, regarded as essential levers for generating value for our people, clients, communities and shareholders, in 2025 the company continued to foster an open professional environment based on equal opportunities.

During the year, particular attention was also paid to the issue of gender pay equality. In line with the commitments made at Group level, UniCredit Factoring continued its initiatives aimed at monitoring and progressively reducing the Gender Pay Gap, with the objective of ensuring pay equity and an increasingly transparent and inclusive remuneration system.

These activities form part of the broader path of awareness-raising, training and dissemination of a corporate culture that values individual differences, fosters people's well-being and strengthens the sense of belonging to the organization.

Flexibility and Work Life Balance

During 2025, UniCredit Factoring confirmed a strong focus on the personal and family needs of its people, adopting a flexible, listening-oriented approach aimed at ensuring, where possible, the utmost availability and flexibility with respect to individual needs. The initiatives dedicated to Work-Life Balance were designed to foster a better balance between personal and working time and to offer greater autonomy in choosing the place of work, allowing colleagues to alternate effectively between working from home and being in the office.

Marketing

During 2025, as part of communication initiatives, the “Sfide d'impresa” initiative, already carried out in 2024, was re-proposed. This is a series of podcasts produced by Il Sole 24 Ore, in which UniCredit Factoring took part with an episode dedicated to Supply Chain Finance solutions, presented from the client's point of view.

During the year, collaboration with Assifact was also strengthened.

- June 2025 UniCredit Factoring took part in the event “The technological evolution of working-capital management, digital platforms and Supply Chain Finance”, with a presentation delivered together with a client.

- October 2025: UniCredit Factoring hosted, at UniCredit's Tower Hall, the presentation of the Assifact research “The role of factoring in supporting the internationalization of businesses”. The meeting explored the role of international factoring as a strategic lever for accessing new markets, managing risk and financing exports.

Finally, at year-end, the homepage of the unicreditfactoring.it website was renewed, adapting the creative concept used for the 2024 billboard advertising campaign. The website accessibility project is also currently under way, with completion expected in 2026.

Turnover and total receivables

On the basis of the 2025 data provided by the trade association Assifact, cumulative turnover for the sector was almost stable compared with 2024 (289.1 billion euros), while total receivables saw a modest increase of 1% compared with 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 an overall turnover flow of 48.6 billion during the year, in line with 2024, maintaining second place in the sector ranking with a market share of 16.8%.

In terms of outstanding as well, the Company ranked second in the sector, with a slight decline of 1% compared with the same month of 2024, and a market share of 16.4%.
As shown in the following table, the without-recourse component in 2024 increased both in terms of turnover, reaching 92.8% of the total, and in terms of outstanding (92.4% of the total). Conversely, with-recourse transactions decreased, representing 7.2% of the total in terms of turnover and 7.6% of the total in terms of outstanding. In absolute terms, turnover was broadly in line with 2024, standing at 48,557 million.

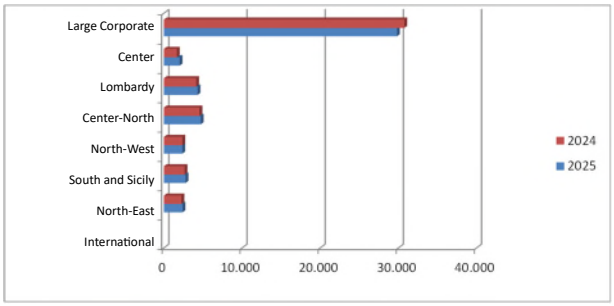
	12.31.2025		12.31.2024		Amount	
	amount	comp. %	amount	comp. %	absolute	%
Turnover	**48,557**	**100.0%**	**48,594**	**100.0%**	**-37**	**-0.1%**
of which without recourse	45,043	92.8%	44,489	91.6%	+554	+1.2%
of which with recourse	3,514	7.2%	4,105	8.4%	-591	-14.4%
Outstanding	**11,709**	**100.0%**	**11,624**	**100.0%**	**+85**	**+0.7%**
of which without recourse	10,824	92.4%	10,686	91.9%	+138	+1.3%
of which with recourse	885	7.6%	938	8.1%	-53	-5.6%

The share of turnover on Domestic transactions decreased (-4.8%). The Export component, by contrast, increased to 7,262 million, which in terms of share corresponds to 15% of the total.

Note: Values in millions of euros unless otherwise stated

	12.31.2025		12.31.2024		Amount	
	amount	comp. %	amount	comp. %	absolute	%
Turnover	**48,557**	**100.0%**	**48,594**	**100.0%**	**-37**	**-0.1%**
Domestic	40,334	83.1%	42,383	87.2%	-2,049	-4.8%
Import	961	2.0%	822	1.7%	+139	+16.9%
Export	7,262	15.0%	5,389	11.1%	+1,873	+34.8%

Finally, it should be noted that all commercial Areas recorded an increase compared with the previous year, with the Large Corporate Area — although slightly down — accounting on its own for 61.6% of total turnover.



As regards total outstanding, the overall past-due share increased compared with the previous year (2,103 million versus 1,874 million) and is under constant, careful monitoring. It should be noted that the past-due amount relating to trade receivables alone, net of positions under recovery, stood at 1,094 million, slightly up on the previous year (1,014 million).

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, careful monitoring, as well as the 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).

Note: Values in millions of euros unless otherwise stated

Below is a breakdown of outstanding by sector and area of debtor activity. The contraction in the outstanding of non-financial companies was more than offset by the increase in that of General Government entities and the rest of the world.

TOTAL OUTSTANDING BY BUSINESS SECTOR OF BORROWER

(€ million)

	12.31.2025		12.31.2024		Amount	
		comp. %	amount	comp. %	absolute	%
GENERAL GOVERNMENT	2,828	24.2%	2,669	23.0%	+159	+6.0%
FINANCIAL COMPANIES	957	8.2%	949	8.2%	+8	+0.8%
NON-FINANCIAL COMPANIES	6,342	54.2%	6,667	57.4%	-324	-4.9%
HOUSEHOLDS	8	0.1%	8	0.1%	-0	-1.5%
NON-PROFITS FOR HOUSEHOLDS	43	0.4%	36	0.3%	+7	+19.2%
REST OF THE WORLD	1,530	13.1%	1,294	11.1%	+236	+18.2%
Total loans	**11,709**	**100%**	**11,624**	**100.0%**	**+85**	**+0.7%**

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

TOTAL OUTSTANDING BY BUSINESS BRANCH OF BORROWER

(€ million)

	12.31.2025		12.31.2024		Amount	
	amount	comp. %	amount	comp. %	absolute	%
AGRI. PROD,FORESTRY,FISHING	48	0.75%	29	0.44%	+19	+64.4%
ENERGY	781	12.30%	859	12.87%	-78	-9.1%
MINERALS,IRON METALS AND OTHERS	202	3.18%	208	3.12%	-6	-3.0%
MINERALS AND NON-METAL, MINERAL-BASED PRODUCTS	59	0.93%	85	1.27%	-26	-30.1%
CHEMICALS	62	0.97%	71	1.07%	-9	-13.3%
METAL PRODUCTS EXC. MACHINERY	366	5.76%	288	4.31%	+78	+27.2%
ELECTRICAL MACHINERY AND SUPPLIES	70	1.11%	89	1.33%	-18	-20.8%
TRANSPORT MEANS	1,102	17.35%	1,192	17.86%	-90	-7.6%
FOODSTUFFS, BEVERAGES, TOBACCO	272	4.29%	272	4.08%	+0	+0.0%
TEXTILES, LEATHER, FOOTWEAR, CLOTHING	41	0.64%	48	0.72%	-7	-15.2%
PAPER, PRINTING PRODUCTS, PUBLISHING SECTOR	41	0.64%	77	1.15%	-36	-46.9%
RUBBER, PLASTIC	41	0.64%	29	0.44%	+12	+40.9%
OTHER INDUSTRIAL PRODUCTS	49	0.76%	41	0.61%	+8	+19.3%
BUILDING AND PUBLIC WORKS	58	0.91%	72	1.08%	-14	-19.5%
COMMERCIAL SERVICES, RECOVERIES, REPAIRS	2,030	31.97%	2,043	30.62%	-13	-0.7%
HOTEL AND PUBLIC AGENCY SERVICES	11	0.18%	6	0.10%	+5	+76.9%
INTERNAL TRANSPORT SERVICES	108	1.70%	134	2.01%	-26	-19.7%
TRANSPORT-RELATED SERVICES	298	4.69%	394	5.90%	-96	-24.3%
COMMUNICATIONS	218	3.43%	233	3.50%	-16	-6.6%
OTHER SALES-BASED SERVICES	478	7.54%	490	7.34%	-12	-2.4%
TOTAL NON-FINANCIAL CORPORATIONS AND PRODUCER HOUSEHOLDS	**6,350**	**100.00%**	**6,675**	**100.00%**	**-325**	**-4.9%**

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

Note: Values in millions of euros unless otherwise stated

Receivables

The total carrying amount of receivables stood at 10,238 million euros, an increase of 171 million (+1.7%) compared with December 31, 2024. This positive trend is mainly attributable to the growth in exposures to credit and financial institutions, while exposures to customers were substantially stable.

LOANS (€ million)

	12.31.2025		12.31.2024		Change vs. 2/31/2024	
	amount	comp. %	amount	comp. %	absolute	%
receivables from credit institutions	159	1.5%	46	0.5%	+113	+244.1%
receivables from financial institutions	115	1.1%	60	0.6%	+56	+93.2%
loans and receivables with customers	9,964	97.3%	9,962	99.0%	+3	+0.0%
Total loans	**10,238**	**100.0%**	**10,067**	**100.0%**	**+171**	**+1.7%**
of which:						
with-recourse advances	*508*	*5.0%*	*404*	*4.0%*	*+104*	*+25.7%*
with-recourse advances (ex-formal non-recourse)	*822*	*8.0%*	*928*	*9.2%*	*-106*	*-11.4%*
advances on contracts	*51*	*0.5%*	*123*	*1.2%*	*-72*	*-58.4%*
non-recourse receivables	*8,026*	*78.4%*	*7,513*	*74.6%*	*+513*	*+6.8%*
deferred receivables + debtor financing	*727*	*7.1%*	*932*	*9.3%*	*-205*	*-22.0%*
Non-Performing loans	*53*	*0.5%*	*33*	*0.3%*	*+20*	*+60.3%*
other loans and receivables	*51*	*0.5%*	*134*	*1.3%*	*-83*	*-62.0%*

Receivables from customers represent by far the predominant component of the portfolio, equal to 97.3% of the total, slightly down on the 99.0% at the end of 2024, though remaining substantially unchanged in absolute terms (9,964 million euros versus 9,962 million). Receivables from credit institutions show a significant increase, standing at 159 million euros (1.5% of the total) versus 46 million at the end of 2024, while receivables from financial institutions grew to 115 million euros (1.1%), from 60 million in the previous year.

In terms of product type, there was an increase in with-recourse advances, which reached 508 million euros (5.0% of the total), up 104 million (+25.7%) on December 31, 2024. The with-recourse advance component (formerly formal without-recourse), by contrast, decreased, standing at 822 million euros (8.0%), down both in absolute terms (-106 million) and in incidence (-1.2 percentage points).

Without-recourse receivables show significant growth, reaching 8,026 million euros, an increase of 513 million (+6.8%) on the end of 2024; their share of total receivables rises to 78.4%, confirming the strengthening of the without-recourse-oriented operating model. Conversely, there was a contraction in deferred receivables and financing to assigned debtors, which fell to 727 million euros (7.1%) from 932 million at the end of 2024 (-205 million; -22.0%). Advances on contracts also show a significant reduction, standing at 51 million euros (0.5%), versus 123 million at the end of 2024.

Non-performing loans stood at 53 million euros, up 20 million on December 31, 2024; however, their share of total receivables remained contained, at 0.5%, confirming an overall high credit-quality profile. Other receivables were down, standing at 51 million euros (0.5%), versus 134 million at the end of the previous year.

GEOGRAPHICAL AREA	AMOUNT
north-west	3,195
north-east	937
center	4,037
south	553
islands	225
outside italy	1,290
TOTAL	**10,237**

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

Note: Values in millions of euros unless otherwise stated

The overall coverage ratio of non-performing loans, including write-offs, decreased, falling from 83.18% to 76.54%. This trend is mainly attributable to the change in the composition of the non-performing-loan portfolio, which over the year recorded a significant increase in unlikely-to-pay exposures, characterized by a lower level of coverage than bad loans.

In detail, the coverage ratios of the individual categories remain overall high and consistent with the expected riskiness of the exposures: bad loans have a coverage ratio of 93.55%, broadly in line with the end-2024 figure (94.72%), confirming the prudential approach in valuing higher-risk exposures. Unlikely-to-pay exposures show a coverage ratio of 61.89%, down from 80.39% the previous year, following the significant increase in gross volumes due mainly to one large position entering this category. Non-performing past-due loans maintain contained coverage (5.96%), consistent with the predominantly temporary nature of such positions.

In terms of breakdown, there was a reduction in the relative weight of non-performing past-due loans, whose nominal value remained stable at around 25.5 million euros, while the unlikely-to-pay component grew significantly, rising from a share of 0.27% to 0.65% of total receivables in terms of nominal value. This development contributed to the reduction in the overall coverage level, although coverage levels remained consistent with the portfolio's risk profile.

NON-PERFORMING LOANS

(€ million)

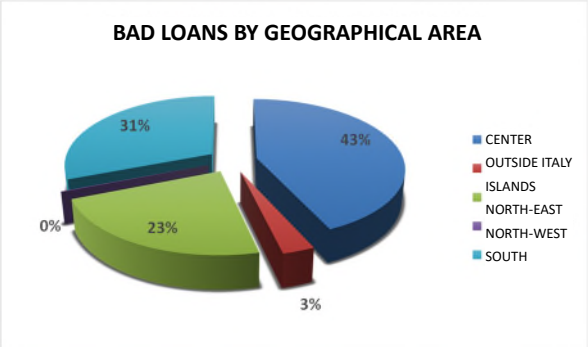
	Bad loans		Unlikely to pay	Past-Due Loans	Total non-performing	
	book value	incl. write-offs			book value	incl. write-offs
As at 12.31.2025						
Nominal value	44.5	131.0	67.6	25.5	**137.5**	**224.1**
as a percentage of total loans	*0.43%*		*0.65%*	0.25%	***1.33%***	
Write-downs	41.6	128.1	41.8	1.5	**85.0**	**171.5**
as a percentage of face value	*93.55%*	*97.81%*	*61.89%*	*5.96%*	***61.78%***	***76.54%***
Book value	2.9	2.9	25.8	23.9	**52.6**	**52.6**
as a percentage of total loans	*0.03%*		*0.25%*	*0.23%*	***0.51%***	
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	**71**	**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%***	

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

Note: Values in millions of euros unless otherwise stated

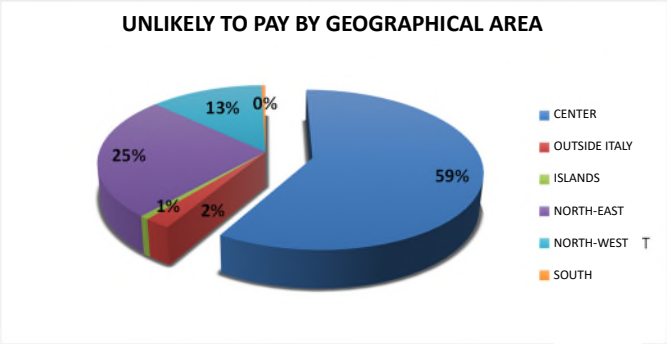
During 2025, 8 new positions were transferred to bad-loan status, for a total of 2.56 million euros, with provisions of around 2.27 million euros.

The breakdown of bad loans, gross of provisions, by geographical area shows a prevalence of positions relating to counterparties located in the Center and South Areas:



Unlikely-to-pay exposures show a marked increase between the end of 2024 and the end of 2025, from 0.05% to 0.25% of total net receivables.

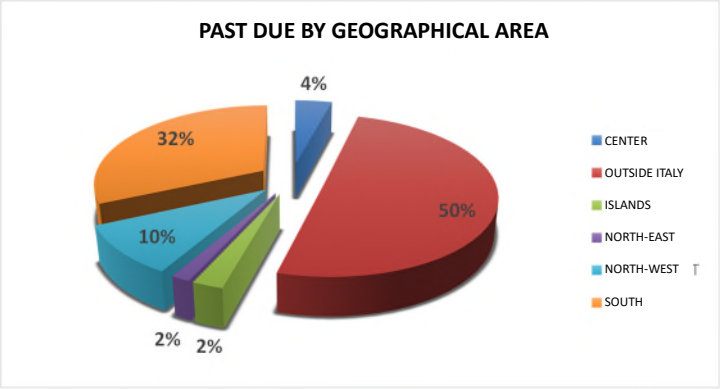
During 2025, 21 new positions were classified in the unlikely-to-pay category, for a total of 48.79 million. The breakdown by geographical area of total gross unlikely-to-pay exposures shows a clear prevalence of the Center and North-East Areas.



Gross non-performing past-due loans show a decrease between the end of 2024 and the end of 2025, from 26.1 million to 25.5 million. In percentage terms, after write-downs, they stood at 0.23% of total net receivables, down from the 0.25% recorded at the end of the previous year.

Note: Values in millions of euros unless otherwise stated

The geographical distribution of past-due receivables is concentrated mainly in the Center, South and North-East Areas.



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, the Company operates by aligning the repricing of asset items with that of liability items, including interest-bearing funding.

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.

The year 2025 was characterized by a significant contraction in revenues, mainly owing to the reduction in net interest margin and fees, in a context of pressure on rates and lower business volumes. Despite the discipline over operating costs, the Cost/Income ratio worsened as a result of the sharp fall in operating income.

CONDENSED INCOME STATEMENT (€ million)

	Financial year		Amount	
	2025	2024	change	%
Net interest	96.7	114.6	-17.9	-15.7%
Net fees and commissions	32.7	38.3	-5.5	-14.5%
Net result from trading and hedging	0.3	0.3	0.1	+27.7%
Net other expenses/income	5.7	10.4	-4.7	-45.0%
OPERATING INCOME	**135.4**	**163.5**	**-28.1**	**-17.2%**
Personnel costs	-24.0	-26.0	2.1	-7.9%
Other administrative expenses	-19.7	-20.6	1.0	-4.7%
Impairment/write-backs on intangible and tangible assets	-0.7	-0.8	0.0	-4.2%
Operating costs	**-44.4**	**-47.4**	**3.1**	**-6.4%**
OPERATING PROFIT (LOSS)	**91.1**	**116.1**	**-25.0**	**-21.6%**
Net write-downs on loans	-20.5	2.1	-22.6	n.s.
NET OPERATING PROFIT (LOSS)	**70.6**	**118.2**	**-47.6**	**-40.3%**
Net provisions for risks and charges	-3.9	1.6	-5.5	n.s.
Integration costs	-0.1	-3.4	3.3	-96.1%
PROFIT BEFORE TAXES	**66.5**	**116.3**	**-49.9**	**-42.9%**
Income tax for the year	-28.0	-41.6	13.7	-32.8%
NET PROFIT	**38.5**	**74.7**	**-36.2**	**-48.5%**

Reclassified operating income stood at 135.4 million, down 17.2% on 2024.Contributing to this result were net interest margin at 96.7 million (-15.7%) and net fees and commissions at 32.7 million (-14.5%).Other income fell by 4.7 million, standing at 5.7 million (-45.0%).
On the cost side, personnel costs decreased by 7.9%, with a headcount on average 27 FTEs lower than in the same period of 2024, while other administrative expenses fell by 4.7%.
Overall, operating costs stood at 44.4 million, a decrease of 6.4%.
Operating profit fell to 91.1 million, down 21.6%, and the cost/income ratio (Cost/Income) stood at 32.8%.

Net write-downs on loans amounted to -20.5 million, worsening from the positive figure of 2.1 million of write-backs in 2024. Profit before tax, taking into account net provisions for risks and charges (-3.9 million) and integration costs (-0.1 million), came to 66.5 million, down 42.9% on the 116.3 million of the previous year. Net profit for the year stood at 38.5 million, down 48.5% on 2024, partly as a result of the higher effective tax rate, which rose to 42.1%. The increase in taxation is due to higher current taxes determined in the tax return for the 2024 tax period, with reference to certain taxable-income components for which a more prudent tax treatment was adopted than the accrual-based estimate made at the close of 2024. For the items added back to taxation for which the tax was also already paid during 2025, assessments are under way to ascertain whether what was prudentially paid is actually due.

Note: Values in millions of euros unless otherwise stated

Equity and capital ratios

Equity, taking into account the profit for the period and the dividends that will be proposed for distribution, thus came to 873 million, compared with 887 million at the end of 2024. Own Funds, after deducting 95% of the net profit to be distributed, stood at 837 million, versus 835 million in December 2024 (the profit distributed in 2024 was 70%).

Total risk-weighted assets show a decrease of 9.8% compared with December 2024, due mainly to the benefit arising from a synthetic securitization completed in November 2025 through the “ARTS Factoring 2025” financial guarantee for a value of 800 million euros (Target Reference Obligation Nominal Amount). Without this benefit, risk-weighted assets would have increased by 164 million, in line with the increase in volumes. The CET 1 ratio, which also coincides with the Total Capital ratio, increased and stood at 25.28%, up from 22.75% in December 2024, against a minimum of 6.0% permitted under current regulations.

EQUITY AND CAPITAL RATIOS

(€ million)

	12/31/2025	12/31/2024	Change vs. 2/31/2024	
			change	%
Equity	873	887	-14	-1.6%
Period profit to distribute (-)	37	52	-16	-30.2%
Negative/positive features	0	0	+0	0.0%
Common Equity Tier 1 Capital	837	835	+2	0.2%
Total own funds	837	835	+2	0.2%
Total RWA	3,310	3,668	-358	-9.8%
CET 1*	25.28%	22.75%	2.5%	11.1%
Total Capital ratio	25.28%	22.75%	2.5%	11.1%

Note: Values in millions of euros unless otherwise stated

Other information

Application for registration on the new Single Register of Financial Intermediaries

Since May 9, 2016, the Company has been entered in the Single Register of Financial Intermediaries pursuant to the amended Article 106 TUB.

Auditing

Audit controls in the Company are managed by the Internal Audit function, which carries out independent and objective assurance and advisory work in order to assess, add value to and contribute to the improvement of the Company's Internal Control System. The activities of the Internal Audit function are outsourced to UniCredit S.p.A. under an intragroup outsourcing contract effective from February 7, 2022.

The new organizational model provides for the presence at UniCredit Factoring of a Chief Audit Executive — head of the Internal Audit function, appointed by the Board of Directors of UniCredit Factoring — who, in order to carry out audit activities, draws on staff with adequate professional skills from the Parent Company under a partial outsourcing contract.

Corporate responsibility: Italian Legislative Decree no. 231/2001

In 2025, the Supervisory Body — established pursuant to Legislative Decree 231/01 on the administrative liability of legal persons, companies and associations, including those without legal personality — continued its work of monitoring the adequacy of, and compliance with, the Organization and Management Model. The Supervisory Body, entrusted to the Board of Statutory Auditors, carried out its verification work with the collaboration of the Internal Audit function.

Environment and health and safety at work

For 2025 as well — in line with the Group — the company continued its risk-assessment activities through the application of specific policies to safeguard 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 performance of fitness-for-work examinations and workplace inspections by the specifically appointed competent company doctors, and the related drafting of health protocols;

- information and training activities through specific training modules on health and safety, emergency management, first aid and work-related stress;

- monitoring of employees' compliance with health and safety procedures and regulations in the workplace.

All employees have various channels available (e.g. e-mail, the Remedy ticketing tool) to report any hazards/malfunctions in the workplace. The reports are then handled, according to competence, by the various company functions.

In addition, during 2025 the activities to update the 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 at December 31, 2025, the Company held financial derivative instruments of limited amount to hedge 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

It should be noted that, pursuant to Articles 2497 et seq. of the Italian Civil Code, the Company is subject to the direction and coordination of UniCredit S.p.A.; the Notes to the Financial Statements (Part D - Other information - Section 6) report the dealings with the entity that exercises direction and coordination and with the other companies subject to it, and the annexes to the Notes include a summary table of the Parent Company's main data.

The Company has joined the Group tax consolidation scheme.

Registered offices

in Via Livio Cambi, Milan, no. 5.

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

In 2026, moderate growth is expected in the euro area, with GDP rising by 1.2% and inflation receding further (1.9% on average), consistent with the Eurosystem's December 2025 projections; the expected path of price stabilization and unchanged official rates in the short term supports a gradual improvement in financial conditions. For Italy, estimates indicate GDP of +0.6% in 2026 and average inflation of 1.4%, with domestic demand acting as the driver and a still-contained contribution from the external channel.

In domestic factoring, after 2025 closed with total turnover of €290 billion (+3.83% y/y), expectations for 2026 remain positive. Market indications converge on growth of around 3% (range 3.1–3.3%), supported by working-capital needs and by supply that favors instruments involving the transfer/mitigation of commercial credit risk. A degree of uncertainty nonetheless remains, connected with developments in international trade policy.

In this scenario, the Company expects a push on commercial volumes, with the ambition of growing compared with the year just ended by increasing market shares while preserving portfolio quality and adequately remunerating capital. Operationally, this will translate into: strengthening the Group's bank-factory model; continuing digitalization programs by leveraging the tools and platforms now operational following the rollout of projects launched in previous years (Digital Factoring); and optimizing capital (insurance policies and synthetic securitizations). Consistent with the Group's strategic direction, the Company will continue to develop the ARTS Factoring 2025 transaction (synthetic SRT/STS securitization), maximizing its effects in terms of easing credit RWAs and origination capacity in higher-value segments, as well as assessing further initiatives on the eligible perimeter of the portfolio.

Commercial profitability is expected to recover gradually, albeit in a more competitive pricing environment functional to achieving commercial targets. In parallel, preparatory activities will be carried out for the International Factoring project in Germany, for operational launch in 2027, with the aim of combining the Group's commercial proximity through the local network with the operational scalability of the Company's digital platform, remotely, with positive effects on overall commercial volumes and revenues.

Milan, February 18, 2026

The Chief Executive Officer	For the Board of Directors
Daniela Ferrari	Chairman: Ezio Bassi

Proposals to the Shareholders’ Meeting

Dear Shareholders,

The financial statements, accompanied by the Directors' Report on Operations, which we now submit for your approval, have been audited by KPMG S.p.A. in accordance with the Shareholders' Meeting resolution of April 14, 2021.

We also propose to allocate the net profit for the year, amounting to 38,500,517 euros (with a dividend payout ratio of 94.9%), as follows:

legal reserve (5.1%)	euros	1,964,017
to shareholders at the rate of 0.455 euros per share	euros	36,536,500.

Milan, February 18, 2026

The Chief Executive Officer

Daniela Ferrari

For the Board of Directors

Chairman: Ezio Bassi

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Balance Sheet

	Assets	12/31/2025	12/31/2024
10.	Cash and cash balances	9,419,493	20,955,074
	a) Cash	292	292
	b) Current accounts and on demand deposits with central banks	0	0
	c) Current accounts and on demand deposits with banks	9,419,201	20,954,782
20.	Financial assets measured at fair value through profit or loss	526,266	437,683
	c) other financial assets mandatorily at FV	526,266	437,683
30.	Financial assets measured at fair value through other comprehensive income	7,280,539	7,280,539
40.	Financial assets measured at amortized cost	10,238,061,653	10,067,456,341
	a) loans and receivables with banks	158,612,566	46,095,136
	b) receivables from financial companies	115,066,592	59,547,976
	c) loans and receivables with customers	9,964,382,495	9,961,813,229
50.	Hedging derivatives	89,104	401,846
60.	Changes in fair value of portfolio hedged items (+/-)	-864,753	-1,719,070
80.	Property, plant and equipment	6,053,801	6,612,467
90.	Intangible assets	0	0
100.	Tax assets	14,595,453	13,545,086
	a) current	-	0
	b) deferred	14,595,453	13,545,086
120	Other assets	38,864,413	58,595,494
	Total assets	**10,314,025,969**	**10,173,565,460**

	Liabilities and equity	12/31/2025	12/31/2024
10.	Financial liabilities measured at amortized cost	9,037,383,851	8,776,359,467
	a) payables	9,037,383,851	8,776,359,467
40.	Hedging derivatives	2,326,778	2,429,595
60.	Tax liabilities	9,705,922	17,772,196
	a) current	9,705,922	17,772,196
80.	Other liabilities	375,205,979	476,014,168
90.	Provisions for employee severance pay	967,173	1,119,850
100.	Provisions for risks and charges:	15,327,452	12,986,320
	a) commitments and guarantees given	31,503	82,968
	b) post-retirement benefit obligations	234,811	2,396,258
	c) other provisions for risks and charges	15,061,138	10,507,094
110.	Capital	414,348,000	414,348,000
140.	Share premium	951,314	951,314
150.	Reserves	423,279,202	400,942,713
160.	Valuation reserves	(3,970,219)	(4,050,252)
170.	Profit (Loss) for the period (+/-)	38,500,517	74,692,089
	Total liabilities and equity	**10,314,025,969**	**10,173,565,460**

[Euro]

Note: Amounts expressed in euros unless otherwise stated

Income Statement

ITEMS		December 2025	December 2024
10.	Interest and similar income	262,711,490	364,031,143
	of which interest income calculated using the effective interest method	253,716,705	352,391,454
20.	Interest expense and similar charges	(166,045,338)	(249,417,398)
30.	**NET INTEREST MARGIN**	**96,666,152**	**114,613,745**
40.	Fees and commissions income	67,700,727	69,806,304
50.	Fees and commissions expenses	(34,973,546)	(31,545,353)
60.	**NET FEES AND COMMISSIONS**	**32,727,181**	**38,260,951**
70.	Dividends and similar income	12,457	10,919
80.	Gains and losses on trading	231,353	51,940
	Gains and losses on financial assets/liabilities measured at fair value through profit or loss	88,582	*197,208*
110.	fair value through profit or loss b) other financial assets mandatorily at FV	88,582	*197,208*
120.	**OPERATING INCOME**	**129,725,725**	**153,134,763**
130.	Net adjustments/writebacks for credit risk of:	(20,520,254)	2,073,308
	a) financial assets measured at amortized cost	*(20,520,254)*	*2,073,308*
160.	Administrative costs:	(43,765,125)	(50,098,361)
	a) personnel costs	*(24,101,535)*	*(29,467,961)*
	b) other administrative expenses	*(19,663,590)*	*(20,630,400)*
170.	Net provisions for risks and charges	(3,937,892)	1,608,527
	a) commitments and guarantees given	51,465	181,194
	b) other net provisions	(3,989,357)	1,427,333
180.	Net value adjustments/write-backs on property, plant and equipment	(724,410)	(756,272)
190.	Net value adjustments/write-backs on intangible assets	0	0
200.	Other income and operating expenses	5,703,880	10,374,687
210.	**OPERATING COSTS**	**(42,723,547)**	**(38,871,419)**
260.	**PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES**	**66,481,924**	**116,336,652**
270.	Income tax expense on continuing operations	(27,981,407)	(41,644,563)
280.	**PROFIT (LOSS) FROM CONTINUING OPERATIONS AFTER TAXES**	**38,500,517**	**74,692,089**
300.	**PROFIT (LOSS) FOR THE PERIOD**	**38,500,517**	**74,692,089**

[Euro]

Note: Amounts expressed in euros unless otherwise stated

Statement of comprehensive income

ITEMS		December 2025	December 2024
10.	**Profit (Loss) for the period**	38,500,517	74,692,089
	Other comprehensive income after tax not reclassified to profit or loss	-	-
20.	Equity instruments at fair value through other comprehensive income		*0*
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	80,033	*(133,940)*
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 equity securities) measured at fair value	-	-
150.	Non current assets and disposal groups classified as held for sale	-	-
160.	Share of the valuation reserves of equity investments measured at	-	-
170.	**Total other income components after tax**	**80,033**	***(133,940)***
180.	**Total comprehensive income (Item 10+170)**	**38,580,550**	**74,558,149**

[Euro]

Note: Amounts expressed in euros unless otherwise stated

Statement of changes in Equity as at December 31, 2025

	BALANCE AS AT 12.31.2024	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2025	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE YEAR							COMPREHENSIVE INCOME 12.31.2025	SHAREHOLDERS' EQUITY 12 31 2025
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS							
							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	400,942,713	-	400,942,713	22,336,489	-	-	-	-	-	-	-			**423,279,202**
b) others	-	-	-	-	-	-	-	-	-	-	-	-		-
Valuation reserves	*(4,050,252)*	-	*(4,050,252)*	-	-	-	-	-	-	-	-	-	80,033	**(3,970,219)**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) for the period	74,692,089	-	74,692,089	*(22,336,489)*	*(52,355,600)*	-	-	-	-	-	-	-	38,500,517	**38,500,517**
Equity	886,883,864	-	886,883,864	-	*(52,355,600)*	-	-	-	-	-	-	-	38,580,550	**886,883,864**

[Euro]

Statement of changes in Equity as at December 31, 2024

	BALANCE AS AT 12.31.2023	CHANGE IN OPENING BALANCE	BALANCE AS AT 01.01.2024	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES DURING THE YEAR							COMPREHENSIVE INCOME 12.31.2024	SHAREHOLDERS' EQUITY 12.31.2024
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	SHAREHOLDERS' EQUITY TRANSACTIONS							
							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)0**
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]

Note: Amounts expressed in euros unless otherwise stated

Cash Flow Statement - Direct Method

	12.31.2025	12.31.2024
A. OPERATING ACTIVITIES		
1. OPERATIONS	**27,991,316**	**51,745,702**
- interest income collected	230,803,289	345,098,975
- interest expense paid	(173,661,394)	(267,394,020)
- net fees and commissions	30,740,547	36,683,371
- personnel costs	(23,965,085)	(26,020,415)
- other costs	(19,663,590)	(20,630,400)
- other revenues	12,769,323	12,947,708
- taxes and duties	(29,031,774)	(28,939,517)
2. LIQUIDITY GENERATED/ABSORBED BY FINANCIAL ASSETS	**(178,757,694)**	**1,435,859,286**
- other financial assets mandatorily at FV	(1)	1,641,916
- financial assets measured at fair value through other comprehensive income	-	-
- financial assets measured at amortized cost	(197,947,199)	1,436,673,267
- other assets	19,189,506	(2,455,897)
3. LIQUIDITY GENERATED/ABSORBED BY FINANCIAL LIABILITIES	**191,586,397**	**(1,420,917,341)**
- financial liabilities measured at amortized cost	261,024,384	(1,680,054,877)
- Debt securities in issue	-	-
- other liabilities	(69,437,987)	259,137,536
NET CASH GENERATED/ABSORBED BY OPERATING ACTIVITIES	**40,820,019**	**66,687,647**
B. INVESTING 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	(52,355,600)	(54,202,500)
NET CASH GENERATED/ABSORBED BY FINANCING ACTIVITIES	**(52,355,600)**	**(54,202,500)**
NET CASH GENERATED/ABSORBED DURING THE YEAR	**(11,535,581)**	**12,485,147**

[Euro]

RECONCILIATION

	12.31.2025	12.31.2024
Cash and cash equivalents at the beginning of the period	20,955,074	8,469,927
Total net cash generated/absorbed during period	(11,535,581)	12,485,147
Cash and cash equivalents at the end of period	9,419,493	20,955,074

Note: Amounts expressed in euros unless otherwise stated

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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, 2025, 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. as at December 31, 2025 were prepared, as indicated above, in conformity with the International Accounting Standards (IAS/IFRS) endorsed by the European Commission.

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 as at December 31, 2025 have been prepared clearly and give a true and fair representation of the Company's assets, financial position, economic result for the year, changes in equity and cash flows.

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 require any adjustment to the results presented in the financial statements as at December 31, 2025.

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 18, 2025.

During 2025, the following amended accounting standard came into force:

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, mandatory for periods beginning on or after January 1, 2025.

The entry into force of this amendment to the accounting standard did not have a significant impact on the balances recognized in the Balance Sheet and Income Statement.

As at December 31, 2025, according to the published evidence, the following document is endorsed for application from 2025:

Amendments to IAS 21 – Lack of Exchangeability, applicable from January 1, 2025.

Finally, as at December 31, 2025, the IASB has issued the following accounting standards, interpretations or amendments of existing standards, whose application is nonetheless 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).

Amendments to IAS 21 – Translation into a Hyperinflationary Presentation Currency (issued on November 13, 2025)

Amendment to IFRS 16

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

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.

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. Gains and losses on trading', including gains and losses on derivatives relating to financial assets and/or liabilities designated at fair value and other financial assets mandatorily measured 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 the deterioration of own credit standing, if the designation of the liabilities at fair value creates or amplifies the accounting mismatch in the income statement pursuant to 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 measured at fair value".

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, as regards interest accrued on interest-bearing instruments, it is recognized in the income statement using the amortized-cost method under item “10. Interest income and similar income” where positive, or under 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 value adjustments/write-backs for credit risk relating to: b) financial assets measured at fair value through other comprehensive income”, with a matching entry in the statement of comprehensive income, and also reported 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 derecognition”; this item does not include the impact of contractual modifications on the amount of expected losses, which must be recognized under item “130. Net value adjustments/write-backs 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 IFRS 9, 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 de-recognize 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 write-downs to be applied to receivables are based on discounting the expected cash flows of principal and interest, net of recovery costs and any advances received; in determining the present value of the flows, the fundamental elements are the identification of estimated collections, their timing and the discount rate to be applied.

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: these identify the area of formally non-performing receivables, consisting of exposures to customers in a state of insolvency, even if not judicially established, or in comparable situations. These are measured on a specific basis.

Unlikely to pay: these represent on- and off-balance-sheet exposures for which the conditions for classifying the debtor among bad loans are not met, and for which it is assessed as unlikely that, without actions such as the enforcement of guarantees, the debtor will be able to fully meet (in terms of principal and/or interest) its credit obligations. 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.

- Non-performing past-due and/or overdrawn exposures: these represent on-balance-sheet exposures, other than those classified among bad loans or unlikely-to-pay, that, at the reporting date, are past due or overdrawn by more than 90 days on a material obligation, as required by EBA Guidelines 2016/07 of September 28, 2016 "Guidelines on the application of the definition of default under Article 178 of Regulation (EU) no. 575/2013" transposed into Bank of Italy Circular 288 "Supervisory provisions for financial intermediaries", applied by the UniCredit Group from 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).

Non-performing past-due and/or overdrawn exposures are measured on a flat-rate basis using historical/statistical data, applying, where available, the riskiness measured by the appropriate risk factor used for the purposes of Regulation (EU) no.

575/2013 (CRR) on prudential requirements for credit institutions and investment firms ("loss given default" or LGD - Loss Given Default).

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 IFRS 9, adopted with effect from July 1, 2025 with reference to specific hedge relationships, a financial derivative instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk-management objectives, the strategy for carrying out the hedge and the methods that will be used to verify 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 considered highly effective if, at the inception of the hedge and in subsequent periods, it is expected to be highly effective. The hedge is assessed on a continuity basis; it must therefore prospectively remain highly effective for all the reporting 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 supplementary pension reform under Legislative Decree no. 252 of December 5, 2005, the TFR (employee severance indemnity) accrued up to December 31, 2006 (or up to the date of the employee's choice — between January 1, 2007 and June 30, 2007 — in the case of allocation of the severance indemnity to Supplementary Pension schemes) remains in the company and continues to be treated as a "defined-benefit post-employment benefit" and is therefore subject to actuarial valuation, albeit with a simplification in the actuarial assumptions, which do not take account of forecasts of future salary increases.

The TFR portions accrued from January 1, 2007 (the date of application of Legislative Decree no. 252) (or from the date between January 1, 2007 and June 30, 2007) allocated, at the employee's choice, to supplementary pension schemes or left in the company and paid by it (in the case of companies with more than 50 employees) to the INPS Treasury fund, have instead been treated as 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 previous years, to the extent that they have not been paid, are recognized as a liability; any excess over 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 income”, at the time of their actual collection; compensatory interest accruing on tax credits is recognized on an accrual basis solely on the basis of documented information that gives the credit certainty and enforceability.

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 cash flows and the adoption of market parameters for discounting: the discount rate or margin reflects the credit and/or funding spread required by the market for instruments with similar risk and liquidity profiles, in order to define 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

This section relates solely to recurring fair-value measurements carried out pursuant to IFRS 13; for assets/liabilities carried at amortized cost, fair value is provided only for disclosure purposes in A.4.5.4, and the related classification in the hierarchy (Level 1/2/3) does not entail sensitivity-analysis obligations, as these are not recurring measurements.

Instrument classes and fair value hierarchy.
The Participating Financial Instruments (SFPs) issued by the Segregated Asset of Astaris (formerly Astaldi) fall within this scope; they are recognized among FVOCI equity instruments and classified as Level 3 owing to the use of unobservable inputs (realization timing and amounts, legal/contractual factors, any haircuts applied). Fair value is determined through Discounted Cash Flow of the distribution flows expected to the SFPs over the liquidation horizon (currently expected up to 2028) and discounted at a rate consistent with the Group's cost of equity (CoE) for Italy, in line with the UniCredit S.p.A. valuation proposal – June 2023 (which has remained unchanged).

Valuation techniques and significant unobservable inputs (Level 3).

- *Technique*: Discounted Cash Flow of distributions to the SFPs, after the waterfall priorities (super-senior debt and costs).
- Main inputs: (i) the timetable and amount of distributable flows (2024–2028); (ii) the discount rate (CoE) – indicative range 10.7%–11.7%; (iii) execution and legal risks on the foreign assets within the perimeter; (iv) any prudential haircuts on realizable values.
- Sensitivity analysis: the fair value of the SFPs, in application of IFRS 13 for recurring Level 3 measurements, is sensitive to:
    - Changes in the discount rate (CoE): an increase in the CoE reduces fair value; a decrease increases it (consistent with the duration of the flows concentrated in the medium term).
    - Time delays in distributions (e.g. a 12-month postponement): these entail a reduction in present value.
    - Haircuts on the expected realizable/distribution values: the impact is proportional to the reduction in the flows.
- Economic effects of changes: these fall within OCI (without recycling), as this is FVOCI equity; any dividends qualifying as a return on investment are recognized in the income statement.

Processes and checks:

The measurement is overseen by governance processes that provide for: the use of management information of the Segregated Asset (disposal plans and costs), verification of the DCF model used with reference to the Group's CoE as the discount rate, and confirmation of the Level 3 classification given the relevance of unobservable inputs. In the absence of facts or circumstances that alter flows, timing or discount parameters, the Company keeps the assumptions unchanged; any updates are incorporated in accordance with the recurring-measurement criteria set out in IFRS 13.

Transfers within the fair-value hierarchy. During the period there were no transfers between levels of the hierarchy.

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**: the fair value of instruments classified in this level is determined on the basis of quoted prices observed on active markets;
- **level 2**: the fair value of instruments classified in this level is determined on the basis of valuation models that use inputs observable on active markets;
- **level 3**: the fair value of instruments classified in this level is determined on the basis of valuation models that predominantly 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 must be measured through a comparable approach or through the use of a pricing model, the hierarchy-attribution process will assign Level 2 or Level 3, depending on the observability of all the significant inputs used in the valuation.

Quantitative information

A.4.5 Fair value hierarchy

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

	12/31/2025				12/31/2024			
ASSETS AND LIABILITIES MEASURED AT FAIR VALUE	**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	526	-	-	526	438	-	-	438
a. Financial assets designated at fair value	-	-	-	-	-	-	-	-
b. Financial assets measured at fair value	-	-	-	-	-	-	-	-
c. Other financial assets mandatorily at FV	526	-	-	526	438	-	-	438
2. Financial assets measured at fair value through other comprehensive income	-	-	7,281	7,281	-	-	7,281	7,281
3. Hedging derivatives	-	89	-	89	-	402	-	402
4. Property plant and equipment	-	-	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-	-	-
Total assets	**526**	**89**	**7,281**	**7,896**	**438**	**402**	**7,281**	**8,120**
1.Financial liabilities held for trading	-	-	-	-	-	-	-	-
2. Financial liabilities at fair value	-	-	-	-	-	-	-	-
3. Hedging derivatives	-	2,327	-	2,327	-	2,430	-	2,430
Total liabilities	**-**	**2,327**	**-**	**2,327**	**-**	**2,430**	**-**	**2,430**

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	**438**	**-**	**-**	***438***	**7,281**	**402**	**6,612**	**-**
2. Increases	**89**	**-**	**-**	**89**	**-**	**-**	**441**	**-**
2.1. Purchases	-	-	-	-	-	-	-	-
2.2. Profits recognized in:	89	-	-	89	-	-	-	-
2.2.1 Income Statement	89	-	-	89	-	-	-	-
of which: Capital gain	-	-	-	-	-	-	-	-
2.2.2 Equity	-	-	-	-	-	-	-	-
2.3. Transfers from other portfolios	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	441	-
3 Decreases	**-**	**-**	**-**	**-**	**-**	**313**	**1,000**	**-**
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	*724*	-
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	-	-	-	-	-	313	276	-
4 Closing balance	**526**	**-**	**-**	**526**	**7,281**	**89**	**6,054**	**-**

Note: Values in thousands of euros unless otherwise stated

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	**-**	**-**	**2,430**
2. Increases	**-**	**-**	**-**
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	-	-	-
3 Decreases	**-**	**-**	**103**
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	-	-	103
4 Closing balance	**-**	**-**	**2,327**

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*	12.31.2025				12.31.2024			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Assets measured at amortized cost	10,238,062	-	-	10,238,062	10,067,456	-	-	10,067,456
2. Equity investments in subsidiaries, jointly controlled entities and associates	-	-	-	-	-	-	-	-
3. Property, plant and equipment held for investment purposes	-	-	-	-	-	-	-	-
4. Non current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	**10,238,062**	**-**	**-**	**10,238,062**	**10,067,456**	**-**	**-**	**10,067,456**
1. Financial liabilities measured at amortized cost	9,037,384	-	-	9,037,384	8,776,359	-	-	8,776,359
2. Liabilities referrable to disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	**9,037,384**	**-**	**-**	**9,037,384**	**8,776,359**	**-**	**-**	**8,776,359**

The items in this table are carried at amortized cost; the FV – Level 1/2/3 column represents only the classification, pursuant to IFRS 13, of the fair value estimated for disclosure purposes. 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

Assets **65**

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Section 2 - Financial assets at fair value through profit or loss - Item 20 65

Section 3 - Financial assets at fair value through other comprehensive income - Item 30 66

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Section 8 – Property, plant and equipment – Item 80 72

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Section 10 - Tax assets and liabilities (asset item 100 and liability item 60) 75

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Liabilities **78**

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Section 4 - Hedging derivatives - Item 40 79

Section 6 - Tax liabilities - Item 60 79

Section 8 – Other liabilities – Item 80 80

Section 9 - Severance pay - Item 90 80

Section 10 – Provisions for risks and charges – Item 100 82

Section 11 - Shareholders' equity - Items 110, 120, 130, 140, 150, 160 and 170 83

Assets

Section 1 - Cash and cash balances - Item 10

Breakdown of item 10 'Cash and cash liabilities'

ITEMS/VALUES	12.31.2025	12.31.2024
1.1 Cash and cash balances	9,419	20,955
a) Cash	-	-
b) Current accounts and on demand deposits with central banks	-	
c) Current accounts and on demand deposits with banks	9,419	20,955
Total	**9,419**	**20,955**

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	12.31.2025			12.31.2024		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**-**	**-**	**-**	-	-	-
1.1. Structured securities	-	-	-	-	-	-
1.2. Other debt securities	-	-	-	-	-	-
2. Equity instruments	526	-	-	438	-	-
3. UNITS IN INVESTMENTS FUNDS						
4. Loans	-	-	-	-	-	-
4.1 Reverse repos	-	-	-			-
4.2 Other	-	**-**	**-**	-		-
Total	**526**	**-**	**-**	438	-	**-**

The increase in the Loans item is attributable to the listing of WeBuild shares

Note: Values in thousands of euros unless otherwise stated

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

Items/Values	12.31.2025	12.31.2024
1. Debt securities	**-**	**-**
2. Equity instruments	**526**	**438**
a) general government entities	-	**-**
b) banks	-	**-**
c) other financial companies, of which: insurance companies	-	**-**
d) non-financial companies	526	438
3. UNITS IN INVESTMENTS FUNDS		
4. Loans	-	-
Total	**526**	**438**

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	12.31.2025			12.31.2024		
	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 comprises participating financial instruments that were allocated to the Company as part of a receivership procedure, at the end of which creditors were presented with a composition proposal pursuant to Article 4-bis, paragraph 4, of Law no. 166 of July 5, 2004, following recognition of the Company as an unsecured creditor.

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

Items/Values	12.31.2025	12.31.2024
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

Items/Values	Gross amount				Total accumulated impairments			Total partial write-offs (disclosure purposes)
	First Stage	of which: Low credit-risk instruments	or second stage	Third stage	First Stage	Second Stage	Third Stage	
Debt securities	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Total (12.31.2025)	7,281	**-**	**-**	**-**	-	**-**	**-**	**-**
Total (12.31.2024)	7,281	**-**	**-**	**-**	-	**-**	**-**	**-**
of which: purchased or originated impaired financial assets	-	-	-	-	-	-	-	-

Note: Values in thousands of euros unless otherwise stated

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

BREAKDOWN	12/31/2025						12/31/2024					
	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. Maturity Deposits	-	-	-	-	-	-	-	-	-	-	-	-
2. Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans	**156,320**	**-**	**-**	**-**	**-**	**156,320**	**44,710**	**-**	**-**	**-**	**-**	**44,710**
3.1 Reverse repos	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	***156,320***	**-**	**-**	**-**	**-**	***156,320***	***44,710***	**-**	**-**	**-**	**-**	***44,710***
- with recourse	130,894	-	-	-	-	130,894	21,927	-	-	-	-	21,927
- without recourse	25,426	-	-	-	-	25,426	22,783	-	-	-	-	22,783
3.4 other loans	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
- Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
5. Other assets	**2,293**	**-**	**-**	**-**	**-**	**2,293**	**1,386**	**-**	**-**	**-**	**-**	**1,386**
Total book value	**158,613**	**-**	**-**	**-**	**-**	**158,613**	**46,095**	**-**	**-**	**-**	**-**	**46,095**

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

Note: Values in thousands of euros unless otherwise stated

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

BREAKDOWN	31 12 2025						12.31.2024					
	Book value			Fair value			Book value			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. Loans	**115,041**	**-**	**-**	**-**	**-**	**115,041**	**59,539**	**-**	**-**	**-**	**-**	**59,539**
1.1 Reverse repos	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	115,039	-	-	-	-	115,039	59,539	-	-	-	-	59,539
- with recourse	69,659	-	-	-	-	69,659	55,883	-	-	-	-	55,883
- without recourse	45,380	-	-	-	-	45,380	3,657	-	-	-	-	3,657
1.4 Other loans	2	-	-	-	-	2	-	-	-	-	-	-
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- structured securities	-	-	-	-	-	-	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets *	**26**	**-**	**-**	**-**	**-**	**26**	**9**	**-**	**-**	**-**	**-**	**9**
Total book value	**115,067**	**-**	**-**	**-**	**-**	**115,067**	**59,548**	**-**	**-**	**-**	**-**	**59,548**

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

BREAKDOWN	12.31.2025						12.31.2024					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	of which: purchased or originat	L1	L2	L3	First and second stage	Third stage	of which: purchased or originated	L1	L2	L3
1. Loans	**9,911,787**	**52,566**	**-**	**-**	**-**	**9,963,488**	**9,928,990**	**32,793**	**-**	**-**	**-**	**9,960,064**
1.1 Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
of which: without final purchase option	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	9,047,552	51,590	-	-	-	9,098,277	8,812,299	31,020	-	-	-	8,841,600
- with recourse	1,544,532	25,673	-	-	-	1,570,205	2,005,932	6,567	-	-	-	2,012,499
- without recourse	7,503,020	25,917	-	-	-	7,528,072	6,806,367	24,453	-	-	-	6,829,101
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 *	864,235	976	-	-	-	865,211	1,116,691	1,773	-	-	-	1,118,463
of which: from the enforcement of guarantees and commitments	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- structured securities	-	-	-	-	-	-	-	-	-	-	-	-
- other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	29	**-**	**-**	**-**	**-**	**29**	**30**	**-**	**-**	**-**	**-**	**30**
Total book value	**9,911,816**	**52,566**	**-**	**-**	**-**	**9,963,517**	**9,929,020**	**32,793**	**-**	**-**	**-**	**9,960,094**

*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 andvances to customers

TYPE OF TRANSACTIONS/VALUES	12.31.2025			12.31.2024		
	Book value			Book value		
	First and second stage	Third stage	of which: purchased or originated	First and second stage	Third stage	of which: purchased or originated
1. Debt securities	-	-	-	-	-	-
2. Loans to	10,026,828	52,566	-	9,988,530	32,792	-
a) General government entities	2,141,688	11,144	-	1,902,839	19,144	-
c) Other financial companies	115,012	-	-	59,509	-	-
c) of which insurance companies	142	-	-	588	-	-
d) Non-financial companies	7,010,488	41,234	-	7,272,004	13,548	-
e) Households	759,640	188	-	754,178	100	-
3. Other assets	55	-	-	39	-	-
Total	**10,027,025**	**52,566**	-	**9,989,157**	**32,792**	-

Note: Values in thousands of euros unless otherwise stated

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

Items/Values	Gross amount					Total accumulated impairments				
	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	Total partial write-offs (disclosure purposes)
Debt securities										
Loans	9,464,933		735,851	137,521	-	4,986	10,301	84,956	-	85,498
Total (12.31.2025)	**9,464,933**	**-**	**735,851**	**137,521**	**-**	**4,986**	**10,301**	**84,956**	**-**	**85,498**
Total (12.31.2024)	9,353,359	-	708,387	103,612	-	5,543	21,539	70,820	-	91,298
of which: purchased or originated impaired financial assets	x	x				x				

4.6 - Financial assets measured at amortized cost: guaranteed assets

BREAKDOWN	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:	**131,090**	**131,090**	**113,525**	**113,525**	**6,815,600**	**6,815,600**
- Assets held under finance lease	-	-	-	-	-	-
- Receivables for factoring *	130,894	130,894	62,994	62,994	1,544,533	1,544,533
- Mortgages	-	-	-	-	-	-
- Collateral	-	-	-	-	-	-
- Personal guarantees	196	196	50,531	50,531	5,271,067	5,271,067
- Credit derivatives	-	-	-	-	-	-
2. Non-performing assets guaranteed by:	**-**	**-**	**-**	**-**	**25,673**	**25,673**
- Assets held under finance lease	-	-	-	-	-	-
- Receivables for factoring *	-	-	-	-	25,673	25,673
- Mortgages	-	-	-	-	-	-
- Collateral	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-
Total	**131,090**	**131,090**	**113,525**	**113,525**	**6,841,273**	**6,841,273**

BREAKDOWN	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**

CA = carrying amount of exposures

VG = guarantees' fair value

* Guaranteed factoring receivables include advances on with-recourse transactions and without-recourse receivables backed by sureties 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	12.31.2025				12.31.2024			
	Fair value			NV	Fair value			NV
	L1	L2	L3		L1	L2	L3	
A Financial derivatives	-	89	-	4,368	-	402	-	12,374
1 Fair value	-	89		4,368	-	402		12,374
2 Cash flows	-	-	-	-	-	-	-	-
3 Foreign investments	-	-	-	-	-	-	-	-
Total A	-	**89**	-	**4,368**	-	**402**	-	**12,374**
B Credit Derivatives	-	-	-	-	-	-	-	-
1 Fair value	-	-	-	-	-	-	-	-
2 Cash flows	-	-	-	-	-	-	-	-
Total B	-	-	-	-	-	-	-	-
Total	-	**89**	-	**4,368**	-	**402**	-	**12,374**

5.2 - Breakdown of item 50 ‘Hedging derivatives’:covered portfolios and by type of hedging

Transactions/Type of hedge	Fair Value						Cash flows		Net investment in foreign subsidiaries
	Specific								
	debt securities and interest rates risk	equity instruments and equity indices risk	currencies and gold	credit	goods	others	Generic	Specific	Generic	
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
2. Financial assets measured at amortized cost		-	-	-			-	-	-	-
3. Portfolio	-	-	-	-	-		89	-	-	-
4. Other transactions	-	-	-	-	-		-	-	-	-
Total assets	-	-	-	-	-		**89**	-	-	-
1. Financial liabilities	-	-	-	-	-		-	-	-	-
2. Portfolio	-	-	-	-	-		-	-	-	-
Total liabilities	-	-	-	-	-		-	-	-	-
1. Expected transactions	-	-	-	-	-		-	-	-	-
2. Financial assets and liabilities portfolio	-	-	-	-	-		-	-	-	-

Note: Values in thousands of euros unless otherwise stated

Section 6 – Change in fair value of financial assets subject to macro-hedging - Item 60

6.1 - Breakdown of item 60 'Changes in fair value of portfolio hedged items':breakdown by hedged portfolios

CHANGES IN VALUE OF HEDGED ASSETS	12.31.2025	12.31.2024
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	**(865)**	**(1,719)**
2.1 of specific portfolios:	(865)	(1,719)
a) financial assets measured at amortized cost	(865)	(1,719)
b) Financial assets measured at fair value through other comprehensive income	-	0
2.2 total	-	0
Total	**(865)**	**(1,719)**

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	12.31.2025	12.31.2024
1. Owned	**-**	**-**
a) land	-	-
b) buildings	-	-
c) office furniture and fittings	-	-
d) electrical system	-	-
e) other	-	-
2 Rights of use purchased under leasing	6,054	6,612
a) land	-	-
b) buildings	5,866	6,215
c) office furniture and fittings	-	-
d) electrical system	-	-
e) other	188	397
Total	**6,054**	**6,612**

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.

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:breakdown

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	**-**	**6,215**	**-**	-	**397**	**6,612**
A.1 Total net reduction in value	-	-	-	**-**	-	**-**
Settlement of opening balances (gross values)		-			-	**-**
A.2 Net opening balance	-	**6,215**	**-**	**-**	**397**	**6,612**
B. Increases	-	286	-	-	155	**441**
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	-	286		-	155	**441**
C. Decreases	-	**(635)**	**-**	-	**(364)**	**(999)**
C.1 Sales	-	-	-	-	-	0
C.2 Depreciation	-	(623)	-		(101)	**(724)**
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 end equipment held for investment	-	-	-	-	-	-
b) non-current assets and disposal groups held for sale	-	-	-	-	-	-
C.7 Other changes	-	(12)	-	-	(263)	**(275)**
D. Closing net balance	-	5,866	**-**	**-**	**188**	**6,054**
D.1 Net total value decrease	-	-	-	-	-	-
D.2 Closing gross balance	-	5,866	**-**	**-**	**188**	**6,054**
E. Measurement at cost	-	5,866	**-**	**-**	**188**	**6,054**

The depreciation rate used for furniture and fittings is 12%.

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: Breakdown

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 - Breakdown of item 100 'Tax assets:current and deferred'

TAX ASSETS	12.31.2025	12.31.2024
a) current*	-	-
b) deferred	14,595	13,545
Total	**14,595**	**13,545**

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

TAX LIABILITIES	12.31.2025	12.31.2024
a) current *	9,706	17,772
IRAP payments on account	*(6,606)*	*(5,403)*
IRES payments on account	*(6,628)*	*(2,838)*
Others	*(224)*	*(263)*
Provisions for IRES	*19,197*	*20,605*
Provisions for IRAP	*3,967*	*5,671*
Positive tax effect FTA IFRS 9 and 15	*0*	*0*
b) deferred	-	-
Total	**9,706**	**17,772**

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	
	2025	2024
1. Opening balance	**13,545**	**26,118**
2. Increases	**3,095**	**1,383**
2.1 Deferred tax assets recognized during the year	2,637	1,383
a) for prior years	-	-
b) due to changes in accounting policies	-	-
c) writebacks	2,637	1,383
d) other	-	-
2.2. New taxes or increases in tax rates	334	-
2.3 Other increases	124	-
3. Decreases	**(2,045)**	**(13,956)**
3.1 Deferred tax assets cancelled in the year	(2,045)	(13,956)
a) reversals	(2,045)	(13,956)
b) write-downs due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other		0
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	0
a) transformation into tax credits pursuant to Law no. 214/2011	-	0
b) others		-
4. Closing balance	**14,595**	**13,545**

Note: Values in thousands of euros unless otherwise stated

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

ITEMS	changes in	
	2025	2024
1. Opening balance	**9,685**	**16,688**
2. Increases	**269**	**-**
3. Decreases	**-**	**(7,003)**
3.1 Reversals	-	(7,003)
3.2 Transformations into tax credits	-	-
a) arising from losses for the period	-	-
(a) arising from tax losses	-	-
3.3 Other decreases		
4. Closing balance	**9,954**	**9,685**

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	
	2025	2024
1. Opening balance	**-**	**132**
2. Increases	**-**	**-**
2.1 Deferred tax assets recognized during the year	-	-
a) for prior years		-
b) due to changes in accounting policies	-	-
c) other		-
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		0
4. Closing balance	**-**	**-**

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

The company has no deferred taxes.

Section 12 – Other assets – Item 120

12.1 - Breakdown of item 120 'Other assets'

ITEMS	12.31.2025	12.31.2024
Effects credited to customers awaiting bank collection *	15,051	20,914
Receivables from tax authorities	37	37
Guarantee deposits	114	114
Transitory items	124	1,188
Leasehold improvements		-
IRES tax credit		-
Specific items not attributable to other items **	2,398	14,560
Other***	21,140	21,782
Total	**38,864**	**58,595**

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

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

*** This item mainly comprises prepaid expenses relating to insurance and sureties.

Liabilities

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

1.1 - Breakdown by groups of payables

ITEMS	12.31.2025			12.31.2024		
	WITH BANKS	WITH FINANCIAL COMPANIES	WITH CUSTOMERS	WITH BANKS	WITH FINANCIAL COMPANIES	WITH CUSTOMERS
1. Loans	8,621,209	-	-	8,345,325	-	-
1.1 Reverse repos	-	-	-	-	-	-
1.2 Other loans	8,621,209	-	-	8,345,325	-	-
2. Lease payables	5,336	-	346	5,647	-	561
3. Other liabilities	3,200	44,291	363,002	8,759	54,525	361,542
Total	**8,629,745**	**44,291**	**363,348**	**8,359,731**	**54,525**	**362,103**
Fair Value - level 1	**-**	**-**	**-**	**-**	**-**	**-**
Fair Value - level 2	**-**	**-**	**-**	**-**	**-**	**-**
Fair Value - level 3	**8,629,745**	**44,291**	**363,348**	**8,359,731**	**54,525**	**362,103**
Total Fair Value	**8,629,745**	**44,291**	**363,348**	**8,359,731**	**54,525**	**362,103**

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	12.31.2025	12.31.2024
Up to 1 year	25	36
From over 1 year to 2 years	83	68
From over 2 years to 3 years	383	296
From over 3 years to 4 years	101	524
From over 4 years to 5 years	1,251	71
Over 5 years	4,293	5,758
Total payments to be made for the Lease	6,137	6,752
	-	-
Non accrued financial gains (-) (Discount effect)	(455)	(544)
	-	-
LEASE PAYABLES	**5,682**	**6,208**

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	12.31.2025				12.31.2024			
	Fair value			NV	Fair value			NV
	L1	L2	L3		L1	L2	L3	
A Financial derivatives	-	2,327	-	42,858	-	2,430	-	63,714
1 Fair value	-	2,327		42,858	-	2,430	-	63,714
2 Cash flows	-	-	-	-	-	-	-	-
3 Foreign investments	-	-	-	-	-	-	-	-
Total A	-	**2,327**	-	**42,858**	-	**2,430**	-	**63,714**
B Credit Derivatives	-	-	-	-	-	-	-	-
1 Fair value	-	-	-	-	-	-	-	-
2 Cash flows	-	-	-	-	-	-	-	-
Total B	-	-	-	-	-	-	-	-
Total	-	**2,327**	-	**42,858**	-	**2,430**	-	**63,714**

4.2 - Breakdown of item 50 ‘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 share indexes	currencies and gold	credit	goods	others				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
2. Financial assets measured at amortized cost	-	-	-	-	-	-	-	-	-	-
3. Portfolio	-	-	-	-	-	-	-	-	-	-
4. Other transactions	-	-	-	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	-	-	-	-
1. Financial liabilities	-	-	-	-	-	-	-	-	-	-
2. Portfolio	-	-	-	-	-	-	2,327	-	-	-
Total liabilities	-	-	-	-	-	-	**2,327**			
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 - Breakdown of item 80 'Other liabilities'

ITEMS	12.31.2025	12.31.2024
Liabilities for Equity Settled Share Based Payments	570	371
Payables due to employees	11,896	13,478
Payables due to other staff	2,078	3,484
Payables due to Directors and Statutory Auditors	379	331
Available amounts to be paid to others*	334,200	423,102
Items being manufactured		-
Trade payables	4,836	11,526
Other current liabilities	16,633	19,128
Other tax entries	516	527
Outstanding transitory items	4,098	4,067
Total	**375,206**	**476,014**

* 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	changes in	
	2025	2024
A. Opening balance	1,120	1,308
B. Increases	**35**	45
B1. Allocation in the year	35	44
B2. Other increases	-	1
C. Decreases	**(188)**	(233)
C1. Severance payments	(78)	(185)
C2. Other decreases	(110)	(48)
D. Final balance	**967**	**1,120**

Note: Values in thousands of euros unless otherwise stated

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	2025	2024
Discount rate for determining the defined benefit obligation	3.80%	3.20%
Expected inflation rate for determining the defined benefit obligation	1.45%	1.45%

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	2025	2024
Present value of defined benefit obligations – SEVERANCE PAY	967	1,120
Unrecognized actuarial gains (losses)	-	-
Net liability	967	1,120

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 supplementary pension reform under Legislative Decree no. 252 of December 5, 2005, the TFR portions accrued up to December 31, 2006 remain in the company, while the TFR portions accruing from January 1, 2007 were allocated, at the employee's choice (exercised by June 30, 2007), to supplementary pension schemes or to the INPS Treasury Fund.

The result is that:

- the severance pay provision accrued up to December 31, 2006 (or until the date of the option – falling between January 1, 2007 and June 30, 2007 – adopted by the employees if the 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 January 1, 2007 (or from the date of the option – falling between January 1, 2007 and June 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 entail an increase in the liability of 20,702 euros (+2.14%); an equivalent increase in the rate, by contrast, a reduction in the liability of 20,120 euros (-2.08%). A change of -25 basis points in the inflation rate would entail a reduction in the liability of 12,830 euros (-1.33%); an equivalent increase in the rate, by contrast, an increase in the liability of 13,025 euros (-1.35%).

Section 10 – Provisions for risks and charges – Item 100

10.1 - Provisions for risks and charges:breakdown

Items / Values	12.31.2025	12.31.2024
1. Provisions for credit risk relating to commitments and financial guarantees given	32	83
2. Provisions relating to Other commitments and guarantees issued		
3. Provisions for company pension	235	2,396
4. Other provisions for risks and charges	**15,060**	**10,507**
4.1 legal and tax disputes	4,343	4,288
4.2 personnel expenses	2,643	2,079
4.3 other	8,074	4,140
Total	**15,327**	**12,986**

The Company is currently involved in defensive lawsuits and clawback actions, with an overall risk of approximately 77.7 million euros covered by provisions of 10 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	**83**	**2,396**	**10,507**	**12,986**
B. Increases	**-**	**-**	**8,707**	**8,707**
B.1 Allocation in the year			8,623	8,623
B.2 Changes due to passage of time				-
B.3 Changes due to changes in discount rate			84	84
B.4 Other increases				-
C. Decreases	**(51)**	**(2,161)**	**(4,154)**	**(6,366)**
C.1 Amounts used in the year				0
C.2 Changes due to changes in discount rate			(4)	(4)
C.3 Other changes	(51)	(2,161)	(4,150)	(6,362)
D. Closing balances	**32**	**235**	**15,060**	**15,327**

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	32	-		32
2. Financial guarantees issued				-
Total	32	-	-	32

Note: Values in thousands of euros unless otherwise stated

10.5 - Pensions and post-retirement defined-benefit obligations

ITEMS	12.31.2025	12.31.2024
Provisions for company pension - Executive leaving incentive	235	2,396
Total	**235**	**2,396**

10.6 - Provisions for risks and charges:other provisions

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 - Breakdown of item 110 'Share Capital'

TYPE	12/31/2025	12/31/2024
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 - Breakdown of item 140 'Share premium reserve'

TYPE	12/31/2025	12/31/2024
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	**54,341**	**118**	**185**	**342,249**	**396,893**
B. Increases	**3,735**	**-**	**-**	**18,681**	**22,416**
B1. Profit attribution	3,735		-	18,601	22,336
B2. Other increases	-	-	-	80	80
C. Decreases	**-**	**-**	**-**	**-**	**-**
C1. Uses	-	-	-	-	-
- to cover losses	-	-	-	-	-
- distribution	-	-	-	-	-
- capitalization	-	-	-	-	-
C2. Other decreases	-	-	-		0
D. Closing balances	**58,076**	**118**	**185**	**360,930**	**419,309**

'Other Reserves' are mainly forms of undistributed profits.

Analysis of the breakdown of equity with reference to its availability and distributability (Article 2427, no. 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	**419,310**		**361,681**		
- Statutory reserve	*185*	A, B, C	185		
- Legal reserve	*58,076*	B	-		
- FTA reserve	*(447)*		-		
- Other reserves *	*361,378*	A, B, C	361,378		
- Previous year profits	*118*	A, B, C	118		
Profit for the year	***38,501***		**-**		
Total	**873,109**	**-**	**361,681**		

Key:
A: for capital increase
B: to cover losses
C: for distribution to shareholders

Other information

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

ITEMS	NOMINAL VALUE OF COMMITMENTS AND GUARANTEES GIVEN			12/31/2025	12/31/2024
	FIRST STAGE	SECOND STAGE	THIRD STAGE	TOTAL	TOTAL
Other commitments to disburse funds	**9,657,204**	**269,224**	**114,795**	**10,041,223**	**8,656,309**
a) General government entities	396,332	15,709	12,845	424,886	305,183
b) Banks	571,075			571,075	361,829
c) Other financial companies	1,940,013	-		1,940,013	1,717,915
d) Non-financial corporations	6,694,404	253,437	101,950	7,049,791	6,069,321
e) Households	55,380	78		55,458	202,060
Financial guarantees issued	**-**	**-**	**-**	**-**	**-**
a) General government entities	-	-	-	-	-
b) Banks	-	-	-	-	-
c) Other financial companies	-	-	-	-	-
d) Non-financial corporations	-	-	-		
e) Households	**-**	**-**	**-**		

Note: Values in thousands of euros unless otherwise stated

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 - Breakdown of item 10 'Interest and similar income'

ITEMS/TYPE	DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	2025	2024
1. Financial assets measured at fair value through profit or loss					
1.1 Financial assets held for trading	-	-	-	-	-
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3. Other financial assets mandatorily at FV	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-
3. Financial assets measured at amortized cost	**-**	**261,348**	**-**	**261,348**	**360,984**
3.1 Loans and receivables with banks	-	2,332	-	2,332	2,525
3.2 Loans and receivables with financial institutions	-	7,931	-	7,931	4,021
3.3 Loans and receivables with customers	-	251,085	-	251,085	354,438
4. Hedging derivatives	-	**1,363**	-	1,363	3,047.00
5. Other assets	-	-	-	-	-
6. Financial liabilities	-	-	-	-	-
Total	-	**262,711**	**-**	262,711	**364,031**
of which: interest income on impaired financial assets	-	-	-	224	
of which: interest income on leases	-	-	-	-	-

Interest income, other than that recognized under the Write-backs item, accruing in 2025 on exposures classified as non-performing loans as at December 31, amounted to 0.2 million euros.

Interest income decreased as a result of lower market rates on the balance-sheet structure, pricing pressure and the contraction in average volumes. Also worth noting is the halving of the extraordinary component deriving from collections of interest on tax receivables.

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

ITEMS/TYPE	LOANS	SECURITIES	OTHER	2025	2024
1. Financial liabilities measured at amortized cost					
1.1 Liabilities to banks	(165,473)	-	-	(165,473)	(248,685)
1.2. Deposits from financial institutions	-	-	-	-	-
1.3. Deposits from customers	-	-	-	-	-
1.4. Debt securities in issue	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	-	-	(119)	(119)	(162)
5. Hedging derivatives	-	-	(453)	(453)	(570)
6. Financial assets	-	-	-	-	-
Total	**(165,473)**	**-**	**(572)**	**(166,045)**	**(249,417)**
of which: interest expense on leases	-	-	(119)	*(119)*	(162)

Interest expense decreased, consistent with the fall in average volumes and rates.

Note: Values in thousands of euros unless otherwise stated

Section 2 - Commission - Items 40 and 50

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

BREAKDOWN	2025	2024
1. Financial leasing operations	-	-
2. Factoring transactions	66,114	68,349
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 of costs from customers for arranging credit-line applications, account-keeping charges, etc.	1,587	1,457
Total	**67,701**	**69,806**

Fee and commission income decreased, attributable to the different composition of transactions, despite unchanged turnover

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

BREAKDOWN	2025	2024
1. Guarantees received	(21,088)	(17,502)
2. Distribution of third-party services	-	-
3. Collection and payment services	(368)	(522)
4. Other fees and commissions	(13,518)	(13,521)
4.1 Commissions	(3,443)	(3,781)
4.2 Cost of credit reinsurance	(10,075)	(9,740)
Total	**(34,974)**	**(31,545)**

Fee and commission expense increased, mainly owing to the component relating to intragroup guarantees received, in turn influenced by the increase in covered volumes. The slight increase in insurance costs is mainly attributable to the launch, in November, of a synthetic securitization transaction.

Section 3 – Dividends and similar income – Item 70

3.1 - Breakdown of dividends and similar income

Items/Proceeds	2025		2024	
	Dividends	Similar proceeds	Dividends	Similar proceeds
A Financial assets held for trading	-	-	-	-
B Other financial assets mandatorily measured at fair value	12	-	11	-
C Financial assets measured at fair value through other comprehensive income	-	-	-	-
D Shareholdings	-	-	-	-
Total	**12**	**-**	**11**	**-**

Section 4 – Gains and losses on trading – Item 80

4.1 - Breakdown of item 80 'Gains and losses on trading'

Transaction/Income item	2025i				
	Capital gain (A)	Trading Profits (B) (B)	Losses (C)	Trading losses (D)	Net Profit (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-
1.2 Equities	-	-	-	-	-
1.3 Units in investments funds	-	-	-	-	
1.4 Loans	-	-	-	-	-
1.5 Other assets	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-
3. Financial assets and liabilities:exchange differences:	-	231	-	-	231
4. Financial derivatives		-	-	-	-
4.1 Financial derivatives	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	-	-	-	-	-
Total	**-**	**231**	**-**		**231**

Note: Values in thousands of euros unless otherwise stated

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:breakdown of other financial assets mandatorily at FV

Transaction/Income item	2025i				
	Capital gain (A)	Trading Profits (B) (B)	Losses (C)	Trading losses (D)	Net Profit (loss) [(A+B) - (C+D)]
1. Financial assets	**-**	**89**	**-**	**-**	**89**
1.1 Debt securities	-	-	-	-	-
1.2 Equities	-	-	-	-	-
1.3 Units in investments funds	-	-	-	-	-
1.4 Loans	-	89	-	0	89
2. Financial assets and liabilities:exchange differences	**-**	**0**	**-**	**-**	**-**
Total	**-**	**89**	**0**	**0**	**89**

Note: Values in thousands of euros unless otherwise stated

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

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

ITEMS/IMPAIRMENT	Write-downs						Writebacks						2025	2024
	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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Receivables from financial companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans and receivables with customers	**(922)**	**(570)**	**(770)**	**(27,717)**	**-**	**-**	**2,426**	**52**	**-**	**6,981**	**-**	**-**	**(20,520)**	**2,073**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring*	(922)	(570)	(770)	(27,717)			2,426	52	-	6,981	-		(20,520)	2,073
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-	0	-
- pledge loans	-	-	-	-	-	-	-	-	-	-	-	-	0	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	**(922)**	**(570)**	**(770)**	**(27,717)**	**-**	**-**	**2,426**	**52**	**-**	**6,981**	**-**	**-**	**(20,520)**	**2,073**

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

Section 10 – Administrative costs – Item 160

10.1 - Personnel costs:breakdown

ITEM/SECTOR	2025	2024
1. Employees	**(19,851)**	**(24,994)**
a) salaries and wages	*(13,363)*	*(14,232)*
b) social security costs	*(4,312)*	*(4,799)*
c) staff severance pay	*(92)*	*(109)*
d) pensions	-	-
e) allocation to staff severance pay	*(67)*	*(77)*
f) provisions for retirements and similar provisions	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external pension funds	*(1,098)*	*(976)*
- defined contribution	*(1,098)*	*(976)*
- defined benefit	-	-
h) other employee benefits	*(919)*	*(4,801)*
2. Other working staff	**-**	**-**
3. Directors and Statutory Auditors	**(383)**	**(365)**
4. Employees on sabbatical	**-**	**-**
5. Recovery of expenses for employees seconded to other companies	**1,100**	**908**
6. recovery of expenses for employees seconded to the companies *	**(4,968)**	**(5,017)**
Total	**(24,102)**	**(29,468)**

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

Personnel costs decreased as a result of the average reduction of 27 FTEs year on year.

10.2 Average number of employees by category

Employees	2025	2024
Executives	2.4	2.8
Middle managers	118.7	133.4
Remaining employees	56.0	77.5
Total employees	**177.2**	**213.8**
Other personnel	102.0	52.2
Total	**279.2**	**266.0**

Secondments are included in the other staff.

10.3 - Other administrative expenses – Breakdown

CATEGORIES OF COSTS	2025	2024
1) Indirect taxes and duties	**(435)**	**(564)**
1a. Paid:	(435)	(564)
1b. Not paid:	-	-
2) Guarantee fee for DTA conversion	**(50)**	(112)
3) Miscellaneous costs and expenses	**(19,179)**	**(19,954)**
a) advertising marketing and communication	**(12)**	**(113)**
b) expenses related to credit risk	**(1,208)**	**(1,058)**
c) indirect expenses related to personnel	**(210)**	**(200)**
d) Information & Communication Technology expenses	**(10,682)**	**(10,586)**
Hardware costs: rental and maintenance	0	0
Software expenses:hire and maintenance	-	-
ICT communication systems	(44)	(266)
ICT Services: external staff / outsourced services	(10,598)	(10,293)
Financial information providers	(40)	(27)
e) consulting and professionals services	**(399)**	**(664)**
Consulting	(181)	(209)
Legal expenses	(218)	(455)
f) real estate expenses	**(456)**	**(764)**
Premises rentals	(20)	(19)
Users	(125)	(120)
Other real estate expenses	(311)	(625)
g) operating costs	**(6,212)**	**(6,569)**
Surveillance and security services	(84)	(94)
Money counting services and transport	-	-
Insurance Companies	(157)	(240)
Postage and transport of documents	(67)	(64)
Printing and stationery	0	0
Administrative and logistic services	(5,779)	(6,088)
Association dues and fees	(122)	(79)
Other administrative expenses - Other	(3)	(4)
Total (1+2)	**(19,664)**	**(20,630)**

Total administrative expenses show an overall reduction of around 1 million euros compared with 2024. Indirect taxes and DTA guarantee fees decreased significantly; likewise, within “sundry costs and expenses”, the contraction was driven above all by the reduction in property costs, consultancy, legal expenses and marketing expenses.

Note: Values in thousands of euros unless otherwise stated

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	2025	2024
- Provisions for commitments on committed lines	0	0
- Write-backs on provisions for risks and charges commitments	51	181
Total	**51**	**181**

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

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

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

NET OTHER PROVISIONS FOR RISKS AND CHARGES	2025	2024
- Provisions for clawbacks	-	(12)
- Provisions for lawsuits	(6,264)	(116)
- Other provisions	(81)	(83)
- Write-backs on provision for risks and charges	2,356	1,638
Total	**(3,989)**	**1,427**

Refer to table 10 in the liabilities on the balance sheet (Breakdown 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:breakdown

Asset/income item	2025				2024			
	AMORTIZATION (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	(724)	-	-	(724)	(756)	-	-	(756)
A.1 for operations	(724)	-	-	(724)	(756)	-	-	(756)
- owned	-	-	-	-	-	-	-	-
- rights of use acquired through leases	(724)	-	-	(724)	(756)	-	-	(756)
A.2 Held for investment	-	-	-	-	-	-	-	-
- owned	-	-	-	-	-	-	-	-
- Rights of use acquired through leases	-	-	-	-	-	-	-	-
A.3 Inventories	-	-	-	-	-	-	-	-
Total	**(724)**	**-**	**-**	**(724)**	**(756)**	**-**	**-**	**(756)**

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

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

The company does not have this type of value adjustments

Note: Values in thousands of euros unless otherwise stated

Section 14 - Other operating income and expenses - Item 200

14.1 - 'Other operating expenses:breakdown

Other operating expenses:breakdown	2025	2024
- miscellaneous losses	(9)	-
- management charges	(421)	(872)
Total other operating expenses	**(430)**	**(872)**

14.2 "Other operating income:breakdown"

OTHER OPERATING INCOME	2025	2024
- customer legal costs	335	214
- mixed use company car	22	35
- rental income	5	0
- insurance indemnity	41	1,538
- misc. income	5,731	9,460
Total other operating income	**6,134**	**11,247**

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

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

ITEM/WRITE-DOWNS AND WRITE-BACKS	2025	2024
1. Current tax	(23,164)	(26,276)
2. Adjustment to current tax of prior years	(5,867)	(2,797)
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	-	0
4. Change in prepaid tax	1,050	(12,572)
5. Change in deferred tax	-	0
Taxes pertaining to the year	**(27,981)**	**(41,645)**

19.2 Reconciliation between theoretical tax charges and effective expense

ITEM/WRITE-DOWNS AND WRITE-BACKS	2025	2024
Profit (Loss) before tax from continuing operations	66,482	116,337
Theoretical applicable tax rate	27.5%	27.5%
Theoretical tax	(18,283)	(31,993)
Tax effects derived from:		
+ Non-taxable income - permanent differences	13	13
- Non-deductible costs for tax purposes - permanent differences	(232)	(374)
- IRAP	(4,046)	(6,494)
+ Recognition of deferred tax assets		
+/- Other differences	(5,433)	(2,797)
Income tax posted to the income statement	**(27,981)**	(41,645)
Income tax expense on continuing operations	(27,981)	(41,645)
Difference		

Note: Values in thousands of euros unless otherwise stated

Section 21 – Income statement: other information

21.1 Breakdown of interest income and commission income

VOCI/CONTROPARTI	INTERESSI ATTIVI			COMMISSIONI ATTIVE			2025	2024
	BANCHE	SOCIETA' FINANZIARIE	CLIENTELA	BANCHE	SOCIETA' FINANZIARIE	CLIENTELA		
1. Leasing finanziario	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- beni immobili	-	-	-	-	-	-	-	-
- beni mobili	-	-	-	-	-	-	-	-
- beni strumentali	-	-	-	-	-	-	-	-
- beni immateriali	-	-	-	-	-	-	-	-
2. Factoring	**3.695**	**7.931**	**251.085**	**557**	**3.256**	**63.888**	**330.412**	**433.837**
- su crediti correnti	740	1.460	55.175	334	1.955	31.040	*90.704*	110.072
- su crediti futuri	-	-	4.003	-	27	3.706	*7.736*	*9.720*
- su crediti acquistati a titolo definitivo	674	6.314	156.517	223	1.184	16.857	*181.769*	*243.044*
- su crediti acquistati al di sotto del valore originario	-	-	-	-	-	-	-	-
- per altri finanziamenti	2.281	157	35.390	-	90	12.285	*50.203*	*71.001*
3. Credito al consumo	**-**	**-**	**-**	**-**		**-**	**-**	**-**
- prestiti personali	-	-	-	-	-	-	-	-
- prestiti finalizzati	-	-	-	-	-	-	-	-
- cessione del quinto	-	-	-	-	-	-	-	-
4. Prestiti su pegno	-	-	-	-	-	-	-	-
5. Garanzie e impegni	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- di natura commerciale	-	-	-		-	-	-	-
- di natura finanziaria	-	-	-	-	-	-	-	-
Totale	**3.695**	**7.931**	**251.085**	**557**	**3.256**	**63.888**	**330.412**	**433.837**

ITEM/COUNTERPARTY	INTEREST INCOME			FEES AND COMMISSIONS INCOME			2025	2024
	BANK	FINANCIAL COMPANIES	CUSTOMERS	BANK	FINANCIAL COMPANIES	CUSTOMERS		
1. Finance leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- fixed assets	-	-	-	-	-	-	-	-
- movable property	-	-	-	-	-	-	-	-
- capital goods	-	-	-	-	-	-	-	-
- intangible assets	-	-	-	-	-	-	-	-
2. Factoring	**3,695**	**7,931**	**251,085**	**557**	**3,256**	**63,888**	**330,412**	**433,837**
- on current receivables	740	1,460	55,175	334	1,955	31,040	*90,704*	110,072
- on future receivables	-	-	4,003	-	27	3,706	*7,736*	*9,720*
- on receivables acquired on a permanent basis	674	6,314	156,517	223	1,184	16,857	*181,769*	*243,044*
- receivables purchased below original value	-	-	-	-	-	-	-	-
- for other financing	2,281	157	35,390	-	90	12,285	*50,203*	*71,001*
3. Consumer loans	**-**	**-**	**-**	**-**		**-**	**-**	**-**
- personal loans	-	-	-	-	-	-	-	-
- special-purpose loans	-	-	-	-	-	-	-	-
- loans against wages	-	-	-	-	-	-	-	-
4. Pledge loans	-	-	-	-	-	-	-	-
5. Guarantees and commitments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- trade	-	-	-		-	-	-	-
- financial	-	-	-	-	-	-	-	-
Total	**3,695**	**7,931**	**251,085**	**557**	**3,256**	**63,888**	**330,412**	**433,837**

Note: Values in thousands of euros unless otherwise stated

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

ITEMS/VALUES	12.31.2025			12.31.2024		
	GROSS AMOUNT	WRITE-DOWNS	NET VALUE	GROSS AMOUNT	WRITE-DOWNS	NET VALUE
1. Performing exposures	**9,329,986**	**11,075**	**9,318,911**	**8,939,455**	**22,905**	**8,916,550**
- exposure to assignors (with recourse)	1,755,573	10,488	1,745,085	2,094,202	10,460	2,083,742
- assignments of future receivables	*57,934*	*115*	57,819	134,262	*116*	*134,146*
- other	*1,697,639*	*10,373*	1,687,266	1,959,940	*10,344*	*1,949,596*
- exposures to assigned debtors (non-recourse)	7,574,413	*587*	7,573,826	6,845,253	12,445	6,832,808
2. Non-Performing exposures	**128,067**	**76,478**	**51,589**	**93,001**	**61,982**	**31,019**
2.1 Bad loans	44,392	41,529	2,863	**49,591**	**46,960**	**2,631**
- exposure to assignors (with recourse)	40,769	38,095	2,674	45,072	42,588	2,484
- assignments of future receivables	2,151	2,043	108	2,097	2,042	55
- other	*38,618*	*36,052*	2,566	*42,975*	*40,546*	*2,429*
- exposures to assigned debtors (non-recourse)	3,623	3,434	189	4,519	4,372	147
- purchases below nominal value	-	-	-	-	-	-
- other	*3,623*	*3,434*	189	*4,519*	*4,372*	*147*
2.2 Unlikely to pay	**58,356**	**33,439**	**24,917**	**18,463**	**13,753**	**4,710**
- exposure to assignors (with recourse)	41,007	23,591	17,416	10,166	6,580	3,586
- assignments of future receivables	697	592	105	1,029	409	620
- other	*40,310*	*22,999*	17,311	*9,137*	*6,171*	*2,966*
- exposures to assigned debtors (non-recourse)	17,349	9,848	7,501	8,297	7,173	1,124
- purchases below nominal value	-	-	-	-	-	-
- other	*17,349*	*9,848*	7,501	*8,297*	*7,173*	*1,124*
2.3 Non-performing past due exposures	**25,319**	**1,510**	**23,809**	**24,947**	**1,269**	**23,678**
- exposure to assignors (with recourse)	6,133	551	5,582	546	49	497
- assignments of future receivables	-	-	-	-	-	-
- other	6,133	*551*	5,582	*546*	*49*	*497*
- exposures to assigned debtors (non-recourse)	19,186	959	18,227	24,401	1,220	23,181
- purchases below nominal value	-	-	-	-	-	-
- other	*19,186*	*959*	18,227	*24,401*	*1,220*	*23,181*
Total	**9,458,053**	**87,553**	**9,370,500**	**9,032,456**	**84,887**	**8,947,569**

Note: Values in thousands of euros unless otherwise stated

Other assignments

ITEMS/VALUES	12.31.2025			12.31.2024		
	GROSS AMOUNT	WRITE-DOWNS	NET VALUE	GROSS AMOUNT	WRITE-DOWNS	NET VALUE
1. Performing exposures	**482,832**	**46**	**482,786**	**727,667**	**70**	**727,597**
- exposure to assignors (with recourse)	25,048	39	25,009	45,648	38	45,610
- assignments of future receivables	-	-	-	-	-	-
- other	*25,048*	*39*	*25,009*	*45,648*	*38*	*45,610*
- exposures to assigned debtors	457,784	*7*	457,777	682,019	*32*	*681,987*
2. Non-Performing exposures	**20**	**2**	**18**	**260**	***260***	**-**
2.1 Bad loans	-	-	-	260	*260*	-
- exposure to assignors (with recourse)	-	-	-	260	*260*	-
- assignments of future receivables	-	-	-	-	-	-
- other	-	-	-	*260*	*260*	-
- 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	20	2	18	-	-	-
- exposure to assignors (with recourse)	20	2	18	-	-	-
- assignments of future receivables	20	2	18	-	-	-
- other	-	-	-	-	-	-
- exposures to assigned debtors	-	-	-	-	-	-
- purchases below nominal value	-	-	-	-	-	-
- other	-	-	-	-	-	-
Total	**482,852**	**48**	**482,804**	**727,927**	**330**	**727,597**

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	
	12.31.2025	12.31.2024	12.31.2025	12.31.2024
- on demand	403,644	476,486	767,448	965,184
- up to 3 months	440,930	520,501	1,484,844	1,686,845
- from 3 to 6 months	551,796	651,373	439,306	399,111
- from 6 months to 1 year	317,357	374,627	418,133	363,532
- over 1 year	57,030	67,322	58,578	137,471
- indeterminate duration				
Total	**1,770,757**	**2,090,309**	**3,168,309**	**3,552,143**

Other assignments

MATURITY RANGES	ADVANCES		TOTAL RECEIVABLES	
	12.31.2025	12.31.2024	12.31.2025	12.31.2024
- on demand	25,027	45,610	24,603	45,050
Total	**25,027**	**45,610**	**24,603**	**45,050**

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	
	12.31.2025	12.31.2024
- on demand	1,192,808	523,495
- up to 3 months	4,262,533	3,967,344
- from 3 to 6 months	607,795	622,987
- from 6 months to 1 year	654,345	607,665
- over 1 year	882,262	1,135,769
- indeterminate duration		
Total	**7,599,743**	**6,857,260**

Other assignments

MATURITY RANGES	EXPOSURES	
	12.31.2025	12.31.2024
- on demand	457,777	681,987
Total	**457,777**	**681,987**

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	12.31.2025	12.31.2024
1. Non-recourse transactions	39,332,701	37,701,424
- of which purchases below nominal value		
2. With recourse transactions*	9,223,943	10,892,589
TOTAL	**48,556,645**	**48,594,013**

* This figure includes 5,709,924 thousand euros for 2025 and 6,787,630 thousand euros for 2024 of without-recourse contracts that did not pass the recognition test under IFRS 9.

The turnover relating to other assignments amounts to 1,070,115 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	12.31.2025	12.31.2024
Flow of contracts for purchase of future receivables for the year	21,115,502	21,647,575
Amount of existing contracts at the closing date of year	14,459,128	14,430,856

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

ITEM	12.31.2025	12.31.2024
Margin	1,993,581	1,687,540

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 given and commitments

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

TRANSACTIONS	12.31.2025	12.31.2024
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	1,105,368	1,358,090
a) Banks	-	-
i) certain to be called on	-	-
ii) not certain to be called on	-	-
b) Financial institutions	647,893	932,532
ii) certain to be called on	647,893	932,427
ii) not certain to be called on	-	105
c) Customers	457,475	425,558
ii) certain to be called on	27,439	111,181
ii) not certain to be called on	430,036	314,377
5) Commitments underlying credit derivatives: sales of protection	-	-
6) Assets used to guarantee others' obligations	-	-
7) Other irrevocable commitments		
a) to issue guarantees		
b) others	-	-
Total	**1,105,368**	**1,358,090**

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 Aspects

Factoring offers multiple services to meet businesses' needs for cash flow management, to guarantee assigned trade receivables and finance then 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 assuming a risk, the factoring company assesses two counterparties, the assignor supplier and the assigned debtor, both of which are analyzed to qualify their credit profile; the assumption of risk on such counterparties may take various operational configurations depending on the type of product requested and the assessment of the assignor/debtor.

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.

In the with-recourse contract, the risk is diversified: the factor becomes the holder of the receivable from the assigned debtor, which represents the main source of repayment and serves as security for any advance granted 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 Credit 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:

- 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;
- support the implementation of Group policies;
- provide systematic reports to Top Management and the Board of Directors;
- 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;
- support Management in measuring and managing the cost of risk;
- 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 Tableau de Bord" presented to the Board of Directors and containing the analysis of: i) total receivables and underlying loans, with particular focus on their composition (type of assignment, presence of notification and acknowledgment, etc.) that defines their level of riskiness and its trend; ii) credit quality and provisions to cover the risk of loss; iii) concentration risk;

the "strategy monitoring" and the "Risk Appetite Framework": presented to the Risk Committee, they allow an assessment of the trend in the credit risks assumed by the Company and the possible definition of corrective action in the event of approaching or breaching the limit thresholds defined in the "risk appetite" Framework 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): for shared customers the Company uses the same models and parameters as UniCredit S.p.A.; for non-shared customers the Company uses Cluster PDs (averages), differentiated according to the type of Counterparty (Large Corporate, Multinational, Banks, Corporate, Small Business, Residual);

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 credit exposures relate mainly to corporate counterparties and may be supported by "personal" guarantees (typically: sureties from individuals or companies) and, less frequently, "collateral" guarantees (typically: pledges over sums or receivables) provided by natural and legal persons (owners, family members, the parent).

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 with *capital relief* effects, taken out in order to benefit from the Risk Weight of the insurance company in place of the assigned debtor up to the ceiling granted to it (Allianz Trade on the commercial portfolios and Swiss Re on the portfolios of credit-card holders with Nexi as assignor);

"ARTS Factoring 2025" synthetic securitization by means of a financial guarantee with the provision of *cash collateral* on commercial portfolios;

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. The assessment is based on a series of elements such as: the situation and outlook of the national and international economic scenario, at the macroeconomic level and for individual sectors of activity; 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 direct risks only (with-recourse assignor lines and without-recourse debtors), where the total amount of the applicant's commitments (single counterparty/economic group) toward all the Entities belonging to the Group exceeds the amount thresholds defined by the Parent Company and approved by the competent bodies of the Entities; for UniCredit Factoring, this threshold is set at 75 million euros in the case of total risks within the UniCredit Group's "Region Italy", or at individual level at 10% of 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 2025, 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.

In total, 12 requests were granted for 2025, for an overall amount of 12 million euros. Of these, 76% are deferments of up to 30 days, none between 31 and 60 days, and 24% over 60 days.

As at December 31, 2025, 1 position with a residual amount of 0.1 million euros was still outstanding and 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 measured at amortized cost	2,868	25,763	23,935	948,767	9,236,729	10,238,062
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					526	526
5. Financial instruments classified as held for sale					-	
Total as at 12/31/2025	**2,868**	**25,763**	**23,935**	**948,767**	**9,244,536**	**10,245,869**
Total as at 12/31/2024	**2,641**	**5,408**	**24,743**	**569,674**	**9,472,709**	**10,075,175**

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 measured at amortized cost	137,522	84,956	52,566	86,538	10,200,782	15,287	10,185,495
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	-	-	-	-	526	-	526
5. Financial instruments classified as held for sale	-	-	-	-	-	-	-
Total as at 12/31/2025	**137,522**	**84,956**	**52,566**	**86,538**	**10,208,589**	**15,287**	**10,193,302**
Total as at 12/31/2024	103,612	70,820	32,792	92,022	10,069,465	27,082	10,042,383

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 measured at amortized cost	234,644	49,042	26,038	7,750	86,396	556,852	50,130	3,003	84,489
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
3. Financial instruments classified as held for sale	-	-	-	-	-	-	-	-	-
Total as at 12/31/2025	**234,644**	**49,042**	**26,038**	**7,750**	**86,396**	**556,852**	**50,130**	**3,003**	**84,489**
Total as at 12/31/2024	333,601	90,225	31,935	2,276	66,535	45,102	20,647	1,211	10,935

Note: Values in thousands of euros unless otherwise stated

4 - Financial assets, commitments to disburse funds, and financial guarantees issued: changes in total value adjustments and total provisions

CAUSATIONS/RISK STAGES	Total accumulated impairments												of which: impaired financial assets purchased or originated	Total provisions for commitments to disburse funds and financial guarantees issued			Total
	First stage assets				Second stage assets				Third stage assets								
	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		first stage	second stage	third stage	
Opening balance	5,543	-	2,923	2,620	21,538	-	20,774	764	70,820	-	70,820	-	-	83	-	-	**97,985**
Increases from financial assets acquired or originated																	-
Cancellations other than write-offs																	-
Net value adjustments/write-backs for credit risk (+/-)	(557)			(557)	243		67	176	20,922		20,922			(52)	0	(0)	20,556
Contract changes without cancellation	-																-
Changes in estimation methodology	-																-
Write-off	-				(11,481)		(11,481)		(6,623)		(6,623)						(18,104)
Other changes	-				-			-	(163)		(163)						(163)
Closing balances	**4,986**	**-**	**2,923**	**2,063**	**10,300**	**-**	**9,360**	**940**	**84,956**	**-**	**84,956**	**-**	**-**	**31**	**0**	**- 0**	**100,274**
Withdrawals from write-offs on financial assets																	-
Write-offs recognized directly in the income statement																	-

Note: Values in thousands of euros unless otherwise stated

5 - Financial assets, loan commitments and financial guarantees issued: transfers between credit risk stages (gross and nominal values)

Portfolios/risk stages	Gross values / nominal value					
	Transfers between first and second stage		Transfers between second and third stage		Transfers between first and third stage	
	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 measured at amortized cost	68,906	403,105	65,116	8,688		-
2. Financial assets measured at fair value through other comprehensive income						
3. Financial instruments classified as held for sale						
4. Commitments to lend funds and financial guarantees given						
Total as at 12/31/2025	68,906	403,105	65,116	8,688	-	-
Total as at 12/31/2024	389,247	545,677	17,705	13,171	-	29,295

6 - Loans to customers, banks and financial companies

6.1 - On- and off-balance sheet credit exposures to banks and financial 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	-	27,412	4	27,408	-
- of which: forborne exposures	-	-	-	-	-
e) Other performing exposures	-	249,415	3,144	246,271	-
- of which: forborne exposures	-	-	-	-	-
Total A	**-**	**276,828**	**3,149**	**273,679**	-
B. OFF-BALANCE SHEET EXPOSURES	-	-	-	-	-
a) Non-Performing	-	-	-	-	-
b) Performing	-	647,892	12	647,880	-
Total B	**-**	**647,892**	**12**	647,880	-
Total (A+B)	**-**	**924,719**	**3,161**	**921,559**	**-**

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 - Cash credit exposures to banks and financial companies: dynamics of gross non-performing exposures

There are no exposures of this type.

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

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	**44,465**	**-**	41,598	2,868	86,538
- of which: forborne exposures	2,422	-	2,084	338	-
b) Unlikely to pay	67,604	-	41,841	25,763	-
- of which: forborne exposures	3,544	-	2,769	775	-
c) Non-performing past due exposures	25,452	-	1,517	23,935	-
- of which: forborne exposures	-	-	-	-	-
d) Performing past-due exposures	-	931,310	9,951	921,359	-
- of which: forborne exposures	-	2	-	2	-
e) Other performing exposures	-	8,992,647	2,190	8,990,457	-
- of which: forborne exposures	-	-	-	-	-
Total A	**137,522**	**9,923,957**	**97,097**	**9,964,382**	**86,538**
B. OFF-BALANCE SHEET EXPOSURES	-	-	-	-	-
a) Non-Performing	390	-	-	390	-
b) Performing	-	9,403,816	19	9,403,796	-
Total B	**390**	**9,403,816**	**19**	9,404,186	-
Total (A+B)	**137,912**	**19,327,773**	**97,116**	**19,368,569**	**86,538**

Note: Values in thousands of euros unless otherwise stated

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	**49,965**	**27,579**	**26,068**	**103,612**
- of which: transferred exposures not derecognized				
B. Increases	**2,684**	**49,825**	**14,346**	**66,855**
B.1 transfers from Performing loans	1,336	49,638	14,346	65,320
B.2 entries from impaired financial assets acquired or originated				-
B.3 transfers from other Non-Performing exposure	1,348	187	-	1,535
B.4 contractual amendments without cancellation				-
B.5 other increases				-
C. Decreases	**(8,183)**	**(9,800)**	**(14,962)**	**(32,945)**
C.1 transfers to Performing loans	0	0	(8,688)	(8,688)
C.2 write-off	(2,346)	(4,861)	0	(7,207)
C.3 receipts	(5,837)	(3,591)	(6,087)	(15,515)
C.4 gains on disposal				-
C.5 losses on disposals				-
C.6 transfers to other Non-Performing exposures	0	(1,348)	(187)	(1,535)
C.7 contractual amendments without cancellation				-
C.8 other reductions				0
D. Final Gross Exposure	**44,465**	**67,605**	**25,452**	**137,522**
- of which: transferred exposures 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	**10,747**	**0**
- of which: transferred exposures not derecognized		
B. Increases	**1,097**	**2**
B.1 transfers from Performing not forborne	1,097	2
B.2 transfers from Performing forborne		x
B.3 transfers from Non performing forborne exposures	x	
B.4 other increases		
C. Decreases	**(5,878)**	**0**
C.1 transfers to Performing not forborne	x	0
C.2 transfers to Performing forborne		x
C.3 Transfers to Non performing forborne exposures	x	
C.4 write-off	(4,262)	
C.5 recoveries	(964)	
C.6 gains on disposal		
C.7 losses on disposal		
C.8 other reductions	(652)	
D. Final Gross Exposure	**5,966**	**2**
- of which: transferred exposures not derecognized		

Note: Values in thousands of euros unless otherwise stated

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	**47,324**	**1,997**	**22,171**	**7,363**	**1,325**	**0**
- of which: transferred exposures not derecognized						
B. Increases	**2,539**	**151**	**26,224**	**97**	**962**	**-**
B.1 value adjustments from impaired financial assets acquired or originated		x		x		x
B.2 other value adjustments	1,301	151	26,224	97	962	
B.3 losses on disposal						
B.4 transfers from other Non-Performing exposure	1,238					
B.5 contractual amendments without cancellation		x		x		x
B.6 other increases		0				
C. Decreases	**(8,265)**	**(64)**	**(6,554)**	**(4,691)**	**(770)**	**0**
C.1. write-backs from valuation	(5,890)	(64)	(322)	(322)	(770)	
C.2 write-backs from recoveries						
C.3 Gains on disposal						
C.4 write-off	(2,346)		(4,861)	(4,262)		
C.5 transfers to other categories of impaired exposures			(1,238)			
C.6 contractual amendments without cancellation		x		x		x
C.7 other decreases	(29)		(134)	(108)		
D. Final overall adjustments	**41,598**	**2,084**	**41,841**	**2,769**	**1,517**	**0**
- of which: transferred exposures 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	229,123	1,764,768	2,272,577	595,075	47,298	40,701	5,388,763	**10,338,305**
- First stage	*208,711*	*1,733,031*	*2,200,708*	*580,571*	*32,972*	*3,255*	*4,705,684*	**9,464,932**
- Second stage	*20,412*	*31,737*	*63,047*	*14,504*	*14,326*	*614*	*591,211*	**735,851**
- Third stage	-	-	*8,822*	-	-	*36,832*	*91,868*	**137,522**
- Purchased or originated impaired	-	-	-	-	-	-	-	**-**
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								**-**
- Purchased or originated impaired								
C. Financial instruments classified as held for sale	-	-	-	-	-	-	-	**-**
- First stage								
- Second stage								
- Third stage								
- Purchased or originated impaired								
Total (A + B + C)	**229,123**	**1,764,768**	**2,272,577**	**595,075**	**47,298**	**40,701**	***5,396,043***	**10,345,585**
D. Commitments to lend funds and financial guarantees given	126,349	1,734,516	1,479,029	722,950	146,837	25,630	*5,805,914*	**10,041,225**
- First stage	*118,780*	*1,675,829*	*1,433,483*	*697,594*	*134,394*	*9,302*	*5,587,822*	**9,657,204**
- Second stage	*7,569*	*58,687*	*32,701*	*25,356*	*12,443*	-	*132,470*	**269,226**
- Third stage			*12,845*		-	*16,328*	*85,622*	**114,795**
- Purchased or originated impaired								
Total (D)	**126,349**	**1,734,516**	**1,479,029**	**722,950**	**146,837**	**25,630**	**5,805,914**	**10,041,225**
Total (A + B + C)	**355,472**	**3,499,284**	**3,751,606**	**1,318,025**	**194,135**	**66,331**	**11,201,957**	**20,386,810**

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

Where two ECAI ratings exist for the same position, the one corresponding to the higher weighting factor is taken; where three or more ratings exist, the two ratings corresponding to the lowest weighting factors are considered, using the worse of the two, if they differ.

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

Rating class	Standard & Poor's	Fitch	Cerved

Note: Values in thousands of euros unless otherwise stated

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	2,577,717
CREDIT INSTITUTIONS	729,688
NON-FINANCIAL COMPANIES	14,101,495
FINANCIAL COMPANIES	2,055,067
INSURANCE COMPANIES	-
OTHER	815,285
total	**20,279,253**

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

	TOTAL
NORTH-WEST	8,278,585
NORTH-EAST	1,978,659
CENTER	6,418,853
SOUTH	1,363,268
ISLANDS	475,933
OUTSIDE ITALY	1,763,955
TOTAL	**20,279,253**

9.3 - Large exposures

a) Nominal amount:	18,916,501
b) Amount post CRM and exemptions pursuant to Article 400 CRR:	2,716,085
c) Number:	30

10 - Credit Risk Measurement and Management models and methods

Analytical write-downs are carried out precisely on the basis of the loss forecasts made from time to time; for other positions in default for which analytical write-downs cannot be applied, a statistical approach is used (specific write-downs on a flat-rate basis); and finally, for non-default positions, write-downs are calculated on the basis of the Expected Loss valuation models used by the Parent Company in compliance with IFRS 9 criteria, adapted to the specific features of the factoring business.

3.2 Market risks

3.2.1 Interest rate risk

QUALITATIVE INFORMATION

1. General Aspects

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 former measures the change in net interest margin over the following 12 months, in the absence of new business, as forward interest rates for the main currencies vary within a range of +100bps to -100bps, and has a monetary trigger; the latter, comprising two interest-rate shock scenarios (SOT NII Parallel Up and SOT NII Parallel Down), always considers the change in net interest margin over a 12-month horizon of assets, liabilities, derivatives and off-balance-sheet positions, the largest negative value of which is compared with UCF's TIER 1 against a trigger and/or limit percentage.
- "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:

- definitive and/or discounted receivables-purchase transactions: these are fixed-rate transactions with a defined, albeit uncertain, duration, since the maturity of the transaction includes an estimated period of delay in collecting the invoices relative to their natural maturity;
- standard transactions (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	Indefinite duration
1. Assets	563,656	7,781,638	292,583	168,740	587,342	264,000	-	7,807
1.1 Debt securities		-	-	-	-	-	-	-
1.2 Loans	563,656	7,781,638	292,583	168,740	587,342	264,000	-	-
1.3 Other assets		-	-	-	-	-	-	7,807
2. Liabilities	686,523	5,711,528	830,043	790,707	504,716	240,348	-	-
2.1 Payables	686,523	5,711,528	830,043	790,707	504,716	240,348		-
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		42,858	-	-	-	-	-	-
3.4 Short Positions		-	16,788	26,070			-	-

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	Indefinite duration
1. Assets	15,037	247,735	4,403	100	5,575	-	-	-
1.1 Debt securities		-	-	-	-	-	-	-
1.2 Loans	15,037	247,735	4,403	100	5,575	-	-	-
1.3 Other assets		-	-	-	-	-	-	
2. Liabilities	3,504	265,671	4,344	-	-	-	-	-
2.1 Payables	3,504	265,671	4,344				-	-
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 at December 31, 2025, 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) is approximately +6.8 million and -15.8 million, equal to -1.88% relative to UCF's TIER 1.

The Basis Point Value Sensitivity, which measures the change in the present value of interest-rate positions resulting from an instantaneous 1bp shock, is -24,416, equal to 24% of the monitoring limit.

The Economic Value New Supervisory Outlet sensitivity, which considers how different interest-rate-change scenarios affect the economic value of future cash flows from assets, liabilities and off-balance-sheet instruments, is between +2.8 million and -4.7 million, equal to -0.55% relative to UCF's TIER 1.

Note: Values in thousands of euros unless otherwise stated

3.2.2 - Price Risk

QUALITATIVE INFORMATION

1. General Aspects

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 Aspects

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. As at December 31, 2025, the Company's open foreign-exchange positions did not give rise to any capital absorption.

QUANTITATIVE INFORMATION

1. Distribution by currency of assets, liabilities and derivatives

ITEMS	CURRENCIES							
	US DOLLARS	GBP STERLING	CANADIAN DOLLARS	SWEDISH KRONA	NORWEGIAN KRONE	POLISH ZLOTY	RUMANIAN RON	OTHER CURRENCIES
1. Financial assets	229,279	29,863	6,305	1,190	293	4,909	2,238	212
1.1 Debt securities	-	-	-	-	-	-	-	-
1.2 Equities	-	-	-	-	-	-	-	-
1.3 Loans and receivables	229,279	29,863	6,305	1,190	293	4,909	2,238	188
1.4 Other financial assets	-	-	-	-	-	-		24
2. Other assets	-	-	-	-	-	-	-	-
3. Financial liabilities	229,897	29,476	6,190	1,110	267	4,855	2,233	186
3.1 Payables	1,496	106	-		-	347	-	8
3.2 Debt securities			-	-	-		-	-
3.3 Other financial liabilities	228,401	29,370	6,190	1,110	267	4,508	2,233	178
4. Other liabilities	-	-	-	-	-	-	-	-
5. Derivative instruments	-	-	-	-	-	-	-	-
5.1 Long positions	-	-	-	-	-	-	-	-
5.2 Short Positions	-	-	-	-	-	-	-	-
Total assets	**229,279**	**29,863**	**6,305**	**1,190**	**293**	**4,909**	**2,238**	**212**
Total liabilities	**229,897**	**29,476**	**6,190**	**1,110**	**267**	**4,855**	**2,233**	**186**
Difference (+/-)	**(618)**	**387**	**115**	**80**	**26**	**54**	**5**	**26**

Note: Values in thousands of euros unless otherwise stated

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 arise from inadequate or non-compliant internal processes, personnel, information or telecommunication systems, systemic events or other external events: internal or external fraud, inadequate employment practices or workplace safety, customer complaints, product distribution, fines or penalties for failure to comply with regulatory provisions or obligations, damage to company assets, disruptions to information or communication systems, and process execution.

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

- map business processes (including the mappings 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;
- calculate the capital requirement for operational risk by applying the new standardized approach ("Standardised Measurement Approach" – SMA), which determines the requirement on the basis of the Business Indicator (BI), multiplied by the regulatory percentage brackets provided for. The Basic method (BIA), which provided for the application of a fixed coefficient of 15% to operating income, has been abolished.

QUANTITATIVE INFORMATION

With effect from January 1, 2025, the Company adopted the revised standardized approach for operational risk under CRR3 (Reg. (EU) 2024/1623), which replaces the previous methods. The Pillar 1 capital requirement is determined on the basis of the three-year Business Indicator (BI) (calculated according to the "interest, leases and dividends", "Services" and "Financial" components by means of *mapping* with Financial Reporting - FINREP) and the coefficients set out in the Business Indicator Component (BIC); consistent with the European choice, the Internal Loss Multiplier (ILM) is equal to 1. The Company has therefore abandoned the Basic Indicator Approach and aligned its policies, controls and calculation processes with the new BI/BIC metric.

The capital absorption quantified using the revised standardized approach, corresponding to 12% (BIC) applied to the Business Indicator, is 22.4 million at the end of 2025, in line with the figure recorded at the end of 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.

It should be noted that UniCredit Factoring carries out its funding solely through the Parent Company, from which its liquidity risk is also monitored, in particular on the Maturity Match Gap metric. In fact, the Company falls within the perimeter of the Regional Liquidity Center Italy, which manages liquidity risk at a centralized level and accesses capital markets also on behalf of the banks/product 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:

Time deposits (from one month and over): these are the main form of funding and financing;

Very short-term deposits (from overnight to one month): these are the instruments used to cover daily liquidity needs 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 flow (disbursements, collections, opening and closing of deposits, 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	Indefinite duration
On-balance sheet assets	1,560,781	243,625	1,318,243	1,641,095	2,137,049	880,865	1,010,226	474,165	206,103	294,140	7,807
A.1 Government securities	-	-	-	-	-	-	-				
A.2 Other debt securities						-	-				
A.3 Loans	1,560,781	243,625	1,318,243	1,641,095	2,137,049	880,865	1,010,226	474,165	206,103	294,140	
A.4 Other assets											7,807
On-balance-sheet liabilities	380,142	1,503,384	2,070,009	858,694	1,496,665	888,150	820,908	350,062	154,727	240,429	-
B.1 Liabilities with					-	-	-				
- banks	325,477	1,500,000	2,017,558	735,000	1,413,000	830,000	790,694	349,987	154,727	240,348	
- financial institutions	-			44,291							
- customers	54,665	3,384	52,451	79,403	83,665	58,150	30,214	75		81	
B.2 Debt securities	-				-		-	-			
B.3 Other liabilities											
Off-balance sheet transactions				-	-	-	-	-			
C.2 Cash settled financial derivatives											
- Positive differentials	(89)	-	-	-		(1,014)	(1,313)	-			-
- Negative differentials	2,327		-			-	89				
C.4 Irrevocable commitments to disburse funds											
- Long positions					(1,105,368)						
- Short positions					1,105,368						
C.5 Financial guarantees issued											
C.5 Financial guarantees received	(1,206,127)				(205,645)	(176,822)	(2,995,812)	(4,220,119)	(6,041,206)		

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	Indefinite duration
On-balance sheet assets	27,512	110,609	23,993	41,234	56,712	6,585	791	-	-	5,575	-
A.1 Government securities	-	-	-	-	-	-	-				
A.2 Other debt securities						-	-				
A.3 Loans	27,512	110,609	23,993	41,234	56,712	6,585	791		-	5,575	
A.4 Other assets											
On-balance-sheet liabilities	2,794	140,242	27,798	16,862	81,774	4,673	71	-	-	-	-
B.1 Liabilities with					-	-	-				
- banks	2,246	140,242	27,797	16,653	81,676	4,340	-	-	-	-	
- financial institutions											
- customers	548	-	1	209	98	333	71				
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											
C.5 Financial guarantees received											

Quantitative information

3.5 DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

3.5.2 Hedging derivatives:end-of-period notional values

UNDERLYING ASSETS/TYPES OF DERIVATIVES	AMOUNTS AS AT 12.31.2025				AMOUNTS AS AT 12.31.2024			
	OVER THE COUNTER				OVER THE COUNTER			
	CENTRAL COUNTERPARTIES	WITHOUT CENTRAL COUNTERPARTIES		ORGANIZED MARKETS	CENTRAL COUNTERPARTIES	WITHOUT CENTRAL COUNTERPARTIES		ORGANIZED MARKETS
		WITH OFFSET AGREEMENTS	WITHOUT OFFSET AGREEMENTS			WITH OFFSET AGREEMENTS	WITHOUT OFFSET AGREEMENTS	
1. Debt securities and interest rates			**42,858**				**63,714**	
a) Options								
b) Swaps			42,858				63,714	
c) Forward								
d) Futures								
e) Other								
2. Equity instruments and share indexes								
a) Options								
b) Swaps			42,858				63,714	
c) Forward								
d) Futures								
e) Other								
3. Currencies and gold								
a) Options								
b) Swaps			42,858				63,714	
c) Forward								
d) Futures								
e) Other								
4. Goods								
5. Others								
Total			**42,858**				**63,714**	

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	16,788	26,070	-	42,858
A.2 Financial derivatives on equity securities and indices				
A.3 Financial derivatives on currencies and gold				
A.4 Financial derivatives on commodities				
A.5 Other financial derivatives				
Total (12.31.2025)	**16,788**	**26,070**		**42,858**
Total 12.31.2024	**20,855**	**42,859**		**63,714**

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							"Generic hedges: Book value"
	Book value	Net positions: carrying amount of the 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)	
FAIR VALUE HEDGES OF ASSETS								
Financial assets measured at fair value with impact on other income components - hedging of:		**-**						**2,327**
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		-						2,327
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								

Note: Values in thousands of euros unless otherwise stated

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 measure of capital subject to monitoring is that defined by EU Regulation no. 575/2013 of June 26, 2013 (CRR) and by the Bank of Italy in Circular no. 288 of April 3, 2015 and subsequent updates, on the "Supervisory Provisions for Financial Intermediaries", which requires intermediaries that do not raise savings from the public to maintain a capital requirement for credit and counterparty risk 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:breakdown

VALUE/ITEM	12/31/2025	12/31/2024
1. Capital	414,348	414,348
2. Share premium	951	951
3. Reserves	423,279	400,943
- from profits	423,279	400,943
a) legal	*58,076*	*54,341*
b) statutory	*185*	*185*
c) treasury shares	-	-
d) other	*365,018*	*346,417*
- other	-	-
4. (Treasury shares)	-	-
5. Valuation reserves	(3,970)	(4,050)
- Equity instruments designated at fair value with impact on overall profitability	(3,970)	(4,050)
- Hedging of equity instruments at fair value through other comprehensive income	-	-
- Financial assets (other than equity securities) measured at fair value through other 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. Net Profit (Loss) for the year	38,501	74,692
Total	**873,109**	**886,884**

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

ASSETS/VALUES	12/31/2025		12/31/2024	
	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities				0
2. Equity instruments				0
3. Loans		(3,970)		(4,050)
Total	0	(3,970)	0	(4,050)

Note: Values in thousands of euros unless otherwise stated

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			(4,050)
2. Increases	**-**	**-**	**80**
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			80
3. Decreases	**-**	**-**	**-**
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			
4. Closing balances	**-**	**0**	**(3,970)**

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.

Own funds as at December 31, 2024 are determined in accordance with the rules set out in EU Regulation no. 575/2013 of June 26, 2013 (CRR) and by the Bank of Italy in Circular no. 288 of April 3, 2015 and subsequent updates, on the “Supervisory 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

	12.31.2025	12.31.2024
A. Tier 1 capital before the application of prudential filters	**836,537**	**834,528**
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)	*836,573*	834,528
D. Items to be deducted from Tier 1 capital		
E. Total Tier 1 capital (TIER 1) (C – D)	**836,573**	**834,528**
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. Items to be deducted from total Tier 1 and Tier 2 capital		
N. Regulatory capital (E + L – M)	***836,573***	**834,528**

Note: Values in thousands of euros unless otherwise stated

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	
	12.31.2025	12.31.2024	12.31.2025	12.31.2024
A. RISK ASSETS				
A.1 Credit and counterparty risk	**20,369,472**	**18,840,306**	**2,935,939**	**3,262,234**
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			176,156	195,734
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			**176,156**	**195,734**
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk weighted assets			2,935,939	3,262,234
C.2 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)			28.49%	25.58%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)			28.49%	25.58%

Note: Values in thousands of euros unless otherwise stated

Section 5 - Breakdown of comprehensive income

	ITEMS	12/31/2025	12/31/2024
10.	**Net profit (loss)**	38,501	74,692
Other comprehensive income not reclassified to profit or loss			
20.	**Equity instruments designated at fair value with impact on overall profitability:**		
	a) fair value changes		-
	b) transfers to other equity components		
30.	**Financial liabilities designated at fair value through profit or loss (changes in creditworthiness):**		
	a) fair value changes		
	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**	80	(134)
80.	**Non current assets and disposal groups classified as held for sale**		
90.	**net**		
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) fair value changes		
	b) reclassification through profit or loss		
	c) other changes		
120.	**Exchange differences:**		
	a) fair value changes		
	b) reclassification through profit or loss		
	c) other changes		
130.	**Cash flow hedges:**		
	a) fair value changes		
	b) reclassification through profit or loss		
	c) other changes		
	of which: result of net positions		
140.	**Hedging instruments (non-designated items):**		
	a) changes in value		
	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) fair value changes		
	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) fair value changes		
	b) reclassification through profit or loss		
	c) other changes		
170.	**Portion of valuation reserve from investments valued at equity:**		
	a) fair value changes		
	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**	80	(134)
200.	**Total comprehensive income (Item 10+190)**	**38,581**	**74,558**

Note: Values in thousands of euros unless otherwise stated

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, in addition to the Chief Executive Officer and the other members of the Board of Directors, the members of the Board of Statutory Auditors.

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	2025	2024
a) short-term employee benefits	710	801
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	**710**	**801**

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;

Note: Values in thousands of euros unless otherwise stated

- the Parent Company manages personnel administration, tax consultancy, mailing activities, activities relating to legal and regulatory compliance and third-level controls, the soft-collection activity aimed at recovering overdue and unpaid receivables, back-office activities, technological outsourcing and operational activities relating to procurement, and Legal activities. 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, 2025, as well as the key financial data for the year, separately for the different types 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 12.31.2025			
	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	9,419	-	-	-
Financial assets measured at amortized cost with companies	-	-		-
Financial assets measured at amortized cost with Customers	-	-	-	-
Other assets	9,369	-	-	-
Total assets	**18,788**	**-**	**-**	**-**
Payables to credit agencies	8,626,707	-	-	-
Securities and financial liabilities	-	-	-	-
Other liabilities	24,169	209	-	-
Total liabilities	**8,650,877**	**209**	-	-
Guarantees given and commitments				
INCOME STATEMENT				
Interest and similar income	2,282	0	-	-
Interest expense and similar charges	(147,857)	0	-	-
Fees and commissions income	-	3.76	-	-
Fees and commissions expenses	(21,200)	(38)	-	-
Administrative expenses: other personnel costs	(3,109)	11	(710)	-
Administrative expenses: other administrative expenses	(13,472)	77	-	-
other operating income	-	0		
Total income statement	**(183,357)**	**54**	**(710)**	**-**

It should finally be noted, for the purposes of the provisions in force, that in 2025 no atypical and/or unusual transactions were carried out either with related parties or with parties other than related parties whose significance/materiality could give rise to doubts as to the safeguarding of the company's assets.

Note: Values in thousands of euros unless otherwise stated

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 leases, of 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 gave rise to the recognition of depreciation of 0.7 million, of which:

- 0.6 million relating 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 delivery of shares
- **Cash-Settled Share Based Payment (**Cash-Settled SBP), which provide for the payment of cash commensurate with the economic value of UniCredit ordinary shares (so-called “phantom shares”).

The category, Equity-Settled SBPs, includes the following allocations of:

Group Executive Incentive System (Bonus Pool) which offers selected Group executives and key personnel identified on the basis of regulatory requirements a bonus structure consisting of immediate payments (following performance appraisal) and deferred payments, in cash and in UniCredit ordinary shares, over a period of between 1 and 8 years. This payment structure ensures alignment with shareholders' interests and is subject to verification of company malus clauses (which apply where specific profitability, capital and liquidity thresholds are not met at Group and/or country/division level), individual malus clauses and clawback clauses (where legally enforceable), as established by the plan rules (both represent non-market vesting conditions);

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 managing non-compliance breaches, as well as their related impact on the remuneration components, through the application of malus and clawback clauses.

Employee Share Ownership Plan (U-Share) which offers Group employees who meet the requirements the opportunity to purchase UniCredit ordinary shares with the following benefits: a discount equal to 20% of the investment, net of the necessary rounding, which will be paid by purchasing, on the Participant's behalf, “Discount Shares” and “Matching Shares” (or, for both, rights to receive them), to be regarded as granted free of charge, subject to the Lock-up Period. The granting of the free shares is subject to compliance with the “vesting” conditions established by the Plan Rules.

The second category, Cash-Settled SBP, includes the following grants of:

Group Executive Incentive System (Bonus Pool) which offers selected Group executives and key personnel of the subsidiary AO UniCredit Bank, identified on the basis of regulatory requirements, a bonus structure consisting of immediate payments (determined on the basis of performance appraisal) and deferred payments, in cash and in phantom shares (i.e. "Share Appreciation Rights" linked to UniCredit's share value), over a period of between 1 and 6 years. This payment structure ensures alignment with shareholders' interests and is subject to verification of company malus clauses (which apply where specific profitability, capital and liquidity thresholds are not met at Group and/or country/division level), individual malus clauses and claw-back clauses (where legally enforceable), as established by the plan rules (both represent non-market vesting conditions).

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.

For the Cash-Settled SBP category, the cash amount delivered to beneficiaries is based on the economic value of the phantom shares, which is equal to the average of the official market price of the UniCredit ordinary share in the month preceding the Board's resolution to make payment of each installment, once the mandatory retention period has elapsed. In the financial statements, during the vesting period, the economic value of the Cash-Settled SBP plans is equal to the price of the UniCredit ordinary share at each reporting date, reduced by the present value of future dividends.

For both categories, the balance-sheet and income-statement effects will be spread over the duration of the plans.

Group Executive Incentive System "Bonus Pool 2024" – Shares

The plan is structured in clusters, each of which may present three to six installments of payments in shares or phantom shares, deferred according to the time interval defined by the plan rules.

In addition, in line with the Remuneration Policy presented to the Shareholders' Meeting in April 2024, which anticipated the intention to implement a corrective action on the method of determining the share price, the Board of Directors decided to grant all GMRTs receiving variable remuneration in shares, including the Chief Executive Officer and Executives with strategic responsibilities, as part of the 2024 Bonus Pool, a "one-off share-award", i.e. a one-time share grant, to manage the unexpected consequences, in the transition year, of the change in methodology indicated above, which consisted of moving the price determination from ex-ante and adjusted for missed dividends to ex-post, without any adjustment for missed dividends.

The one-off grant, limited to 2024 as a transition year, is paid entirely in shares as variable remuneration and complies with the variable-to-fixed regulatory limits. Deferrals are subject to the ordinary malus and clawback provisions set out in the regulations.

Furthermore, considering the change in methodology for determining the share price indicated above, which provides, in addition to moving the price determination from ex-ante to ex-post, also for the elimination of adjustments for missed dividends received, from the 2024 incentive system onward, all GMRTs receiving variable remuneration in shares, including the Chief Executive Officer and Executives with strategic responsibilities, will be granted a "dividend

equivalent", i.e. a share allocation calculated on the basis of the dividends not received on the shares during the retention period.

Group Executive Incentive System "Bonus Pool 2025" – Shares and Phantom Shares

The new 2025 incentive system is based on a bonus-pool approach, aligned with regulatory requirements and market practice, which defines:

- the link between profitability, risk and remuneration through the direct connection of the bonus pools with company results, the cost of capital and the risk profiles relevant to the Group, as defined in the risk-appetite framework;
- the definition of the bonus pools on the basis of Group performance, with a cascading breakdown to the Divisions according to risk-weighted performance indicators, and distributed to employees according to individual performance;
- the allocation of bonuses to beneficiaries identified as Group Material Risk Takers on the basis of the criteria provided by the regulatory provisions of CRD V and Delegated Regulation (EU) 923/2021, and to other specific roles, on the basis of local regulatory requirements;
- a payment structure spread over a maximum period of 7 years and composed of a mix of cash, phantom shares and shares, aligned with the most recent regulatory requirements of Directive 2013/36/EU (CRD IV) and subsequent updates.

Economic and equity effects will be recognized on a basis of instrument vesting period.

The plan is structured in clusters, each of which may present three to six installments of deferred payments in shares or phantom shares, according to the time interval 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.

Employee Share Ownership Plan (U-Share 2025)

In execution of the U-Share Plan for 2025, Discount Shares (or rights to receive them) were granted to Group participants in July 2025 in respect of services rendered during the plan's vesting period. The unit fair value was measured at the end of the Subscription Period on the basis of the price of the shares purchased on the market.

For the Matching Shares, to date only a cash amount has been quantified, which will be converted into a number of shares at the end of the vesting period and subject to verification of compliance with the conditions set out in the Plan Rules.

The following table shows the valuations and parameters relating to the Discount Shares (or rights to receive them) for the U-Share plan approved in 2025.

Discount Share ESOP (U-Share) Measurement – 2025

	DISCOUNT SHARES
Date of grant of the free shares to Group employees	July 24, 2025
Beginning of vesting period	July 24, 2025
End of vesting period	January 24, 2027
Unit fair value of free shares [€]	**58.04**

Economic and equity effects will be recognized on a basis of instrument vesting period.

The UniCredit ordinary shares relating to the U-Share plan are not included in the movements shown in the tables below, as they were sourced on the market.

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 December 31, 2024

amounts in millions of euro

Assets	
Cash and cash balances	13,223
Financial assets held for trading	46,265
Loans and receivables with banks	19,843
Loans and receivables with customers	159,558
Other financial assets	137,322
Hedging instruments	-351
Property, plant and equipment	3,632
Goodwill	-
Other intangible assets	1,707
Tax assets	8,502
Non current assets and disposal groups classified as held for sale	39
Other assets	7,771
Total assets	**397,510**
Liabilities and equity	
Liabilities to banks	36,909
Deposits from customers	201,008
Debt securities in issue	47,061
Financial liabilities held for trading	38,052
Other financial liabilities	11,034
Hedging instruments	-4,341
Tax liabilities	9
Liabilities included in disposal groups classified as held for sale	0
Other liabilities	10,050
Equity:	57,728
- capital and reserves	*49,622*
- net profit	*8,106*
Total liabilities and equity	**397,510**

Note: Values in thousands of euros unless otherwise stated

UniCredit S.p.A.

Reclassified Income Statement -Year 2024

amounts in millions of euro

Net interest	6,052
Dividends	5,054
fees and commissions	4,371
Gains and losses on trading	502
Other expenses/income	789
OPERATING INCOME	**16,768**
Personnel costs	-3,136
Other administrative expenses	-1,500
Recovery of expenses	97
Amortization, depreciation and impairment losses on intangible and tangible assets	-691
Operating costs	**-5,229**
OPERATING PROFIT (LOSS)	**11,539**
Net write-downs on loans and provisions for guarantees and commitments	-486
NET OPERATING PROFIT (LOSS)	**11,054**
Net provisions for risks and charges	-243
of which: systemic charges	-255
Integration costs	-534
Net income from investments	-669
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**9,607**
Income tax for the year	-1,500
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**8,106**
Profit (loss) after tax from discontinued operations	0
Goodwill impairment	0
NET PROFIT (LOSS)	**8,106**

Note: Values in thousands of euros unless otherwise stated

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

Note: Values in thousands of euros unless otherwise stated

Disclosure of independent auditors' fees

Pursuant to the provisions of Article 149-duodecies of the Consob Issuers' Regulation, the following table provides information on the fees paid to the independent auditor KPMG S.p.A. and to the companies belonging to 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. By way of example and not exhaustively, this could include services such as: accounting, tax, legal and administrative due diligence, agreed-upon procedures and advisory services to the manager in charge, and support for new projects.

The fees shown in the table, pertaining to the 2025 financial year, are the contracted amounts, inclusive of any indexation (they do not include out-of-pocket expenses, any supervisory contribution, or VAT).

SERVICE TYPE	SERVICE PROVIDER	SERVICE RECIPIENT	COMPENSATION (EURO)
Audit:			
-Financial Statements	Deloitte & Touche S.p.A.	UniCredit Factoring S.p.A.	91
-Limited review procedures on the half-yearly financial statements	Deloitte & Touche S.p.A.	UniCredit Factoring S.p.A.	15
Certification services	Deloitte & Touche S.p.A.	UniCredit Factoring S.p.A.	24
Tax consultancy services	Deloitte & Touche S.p.A.	UniCredit Factoring S.p.A.	-
Other services			-
Total			**130**

***** The attestation services relate to the audit of the Reporting Package for the purpose of including the company's data in the UniCredit Group's interim management report as at September 30, 2025, to the signing of tax returns, and to the translation of the audit report for inclusion in the English-language financial-statements file.

Note: Values in thousands of euros unless otherwise stated

Report of the Board of Statutory Auditors

Report of the Board of Statutory Auditors
on the Financial Statements as at 31 December 2025
pursuant to Article 2429, paragraph 2, of the Italian Civil Code
Ordinary Shareholders' Meeting of 26 March 2026

To the Shareholder:
pursuant to and for the purposes of Article 2429, paragraph 2, of the Italian Civil Code, we report on the supervisory activities carried out during the financial year ended 31 December 2025, noting that audit of the accounts was carried out by the auditing firm KPMG S.p.A. by virtue of the appointment conferred by the shareholders' meeting resolution of 14 April 2021 for the nine-year period 2022-2030 and that this board of statutory auditors was appointed by the ordinary shareholders' meeting on 25 March 2025 for the three-year period 2025-2027.

Summary and results of supervisory activities
During the 2025 financial year:

- we monitored compliance with the law, the Articles of Association and the principles of proper administration;
- we attended all meetings of the Board of Directors and obtained information from the directors on the general performance of the company and its foreseeable development, on existing risks and on the most significant transactions carried out by UniCredit Factoring S.p.A. ("Company" or "UCF"). We can confirm that the transactions of major economic, financial and equity significance approved and implemented during the financial year comply with the law and the Articles of Association and do not appear to be manifestly imprudent, risky, in potential conflict of interest or in contrast 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, following preliminary investigations by the Audit Committee, examined the reports of the control functions (Compliance, Risk Management and Internal Audit) on matters within their competence, to assess the effectiveness of the internal control system;
- We held fifteen meetings, three of which were jointly with the Audit Committee, and we always attended these meetings.
- We acquired knowledge of and monitored, to the extent of our competence, the Company's organisational structure and its functioning, which were found to be appropriate to the size of the company and its business model in its various stages of development.
- we found that the Company had subjected the Internal Control System on Financial Reporting to the analyses and verifications required by the provisions of Law 262/2005. We have taken note of the Reports on the status of the Internal Control System on Financial Reporting to Unicredit S.p.A., most recently for the period from 1 July 2025 to 31 December 2025, in which the Local Manager in charge considers that, based on the verifications carried out, the administrative and accounting procedures are adequate and effectively applied;
- we have monitored, to the extent of our competence, the adequacy and functioning of the administrative and accounting system, as well as the reliability of the latter in correctly representing management events, by acquiring information from the heads of the functions and the person in charge of the statutory audit of the accounts, and in this regard we have no comments to report;
- we have maintained a constant and effective exchange of information with the Internal Audit Department during the reporting period. In particular, we have received and

discussed the audit reports issued with the internal audit department, while also keeping the Internal Audit Department periodically updated on the status of implementation of corrective actions. Based on the information acquired and the results of the Internal Audit activity carried out in 2025, included in the Function's annual report (Integrated Audit Report 2025), the overall assessment of the Internal Control System (ICS) is confirmed by the Internal Audit Function as Mostly Adequate.

ICT, Planning and Human Resources

Among the main ICT initiatives supporting the organisational structure, the completion of the Digital Factoring project is worth mentioning. In 2025, development of the third and final part of the project was completed, with release scheduled for the first quarter of 2026. This involves updating the company's legacy ICT architecture and back-end applications, optimising core processes and reducing the operational risk associated with obsolescence.

This is a decisive innovation in the process of streamlining, simplifying and digitising UCF, which began in 2021.

In parallel with the third phase of the project, several activities have been launched to review UCF's processes and products, with the aim of:

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

In 2025, the Factoring GDPR RTBF project was launched and completed with the aim of strengthening the process of anonymising/deleting the personal data of customers, employees and third parties who have acquired the right to be forgotten. The processes of the systems involved are as follows:

- Anti-Money Laundering/Financial Sanctions tools (Fircosoft, ALA);
- the Aramis tool for calculating risks and regulatory capital, which was found to be deficient following an Internal Audit inspection;
- the K4F Economic Groups register, containing individuals and sole proprietorships that are not UCF customers and are no longer part of economic groups;
- the passive cycle supplier management tool.

The Company expects these projects to have a positive impact on its internal control system. In this regard, the Board of Statutory Auditors has closely monitored the progress of the projects through dedicated meetings with the Project Leaders and the UCF staff involved.

Finally, it is worth mentioning the International Factoring project which, as part of commercial development initiatives, involves the definition of an operating model that will enable UCF to expand its business in Germany by leveraging the digital platform developed in Italy combined with the commercial network of UniCredit GmbH.

The Company's operating structure consists of 199 full-time equivalent (FTE) employees at the end of 2025 (218 as at 31 December 2024), a decrease of 19 FTEs.
In line with the Group's strategic guidelines, UniCredit Factoring S.p.A. has pursued a path of process simplification and operational efficiency enhancement, leveraging synergies with UniCredit S.p.A., the introduction of new technologies and the overall review of activities made possible by the new Digital Factoring platform. These measures led to further rationalisation of

the workforce, managed through voluntary departures and promoting internal redeployment opportunities, with a net effect of -19 FTEs, resulting from 10 new hires and 29 departures. Despite the overall reduction in resources, the organisational structure is adequate in relation to the level of skills available and the efficiency targets set out in the multi-year plan, albeit with the necessary ongoing monitoring of workloads, considering the recently completed digitisation process.

In line with the Group's broader strategy of rationalising and simplifying activities and processes, with a view to greater agility, efficiency and synergy at a global level, the company has decided to centralise legal activities within the Parent Company. This decision involved maintaining a legal presence within the company entrusted to a technical structure, identifying a 'Legal Contact Person' ('RTO') and signing a contract with UniCredit SpA for the provision of 'Corporate Law' and 'Advisory' legal services.

Notes to the financial statements and exchanges of information with auditors
The Notes to the Financial Statements confirm that:
- the Company has not issued any loans or guarantees in favour of directors and auditors;
- for the purposes of the provisions in force, no atypical or unusual transactions were carried out in the 2025 financial year which, due to their significance and relevance, could give rise to doubts regarding the safeguarding of the company's assets, either with related parties or with parties other than related parties.

UniCredit Factoring S.p.A. belongs to the UniCredit Group and is subject to the management and coordination of UniCredit S.p.A. Relations with Group companies and information on transactions with other related parties are clearly indicated in the financial statements and, in particular, in the Notes to the Financial Statements and in the Management Report, in accordance with current legislation and regulations. In this regard, we have no atypical or unusual transactions to report.

In the 2025 financial year, no complaints were received pursuant to Article 2408 of the Italian Civil Code, nor were any reports made by third parties.

We obtained confirmation of the statutory audit of the accounts through meetings and exchanges of information, pursuant to Article *2409-septies* of the Italian Civil Code, with representatives of KPMG S.p.A., who illustrated the planning of the activities, the checks carried out and the related results. The audit did not reveal any reprehensible facts or aspects that required further investigation.

Supervisory Body pursuant to Legislative Decree 231/2001
We performed the functions of Supervisory Body pursuant to Legislative Decree no. 231/2001. The Supervisory Body reported on the activities carried out during the financial year ended 31 December 2025 without reporting any critical issues, highlighting an overall satisfactory situation and substantial alignment with the provisions of the Company's Organisation, 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 31 December 2025 prepared by the administrative body, which consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the

Cash Flow Statement, the Notes to the Financial Statements and accompanied by the Management Report, made available in accordance with Article 2429 of the Italian Civil Code and approved at the board of directors' meeting on 18 February 2026. The draft financial statements show a profit for the year of €38,500,517 (€74,692,089 as at 31 December 2024) and shareholders' equity of €873,108,814 (€886,883,864 as at 31 December 2024).

The Board of Directors proposes to allocate the net profit for the year with €1,964,017 to the legal reserve and €36,536,500 to the shareholder at €0.455 per share.
As we are not responsible for the statutory audit of the financial statements, we have reviewed the general layout and its overall compliance with the law in terms of its formation and structure, and we have no comments to report in this regard.

We highlight that:

- the financial statements adopted comply with IAS-IFRS international accounting standards and the provisions of the Italian Civil Code;
- the financial statements have been prepared in accordance with the formats contained in the instructions of the Governor of the Bank of Italy dated 17 November 2022, "The financial statements of IFRS intermediaries other than banking intermediaries", which have completely replaced those attached to the instructions of the Bank of Italy dated 29 October 2021;
- the Notes to the Financial Statements indicate the valuation criteria used, which comply with the law;
- The Notes confirm that the financial statements have been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretative documents approved by the European Commission until 31 December 2025, as required by European Union Regulation No. 1606/2002, implemented in Italy by Legislative Decree No. 38 of 28 February 2005; the Notes to the Financial Statements and the Directors' Report contain the information required by law and are formulated clearly and completely; the Directors' Report provides adequate information on the main risks and uncertainties of an organisational and functional nature;
- the financial statements reflect the facts and information of which we are aware because of the performance of our duties and participation in the meetings of the corporate bodies.

With regard to the financial statements as at 31 December 2025, the independent auditors KPMG S.p.A. issued the "Independent Auditors' Report" on 5 March 2026, pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010 ("Report"), expressing an unqualified opinion, confirming that the financial statements provide a true and fair view of the Company's financial position as at 31 December 2025, of the results of operations and cash flows for the year then ended, in accordance with the International Financial Reporting Standards adopted by the European Union. In the Report, the independent auditors also confirmed their independence from the Company, in accordance with the rules and principles of ethics and independence applicable to the auditing of financial statements under Italian law, and also expressed their opinion on the consistency of the management report with the financial statements as at 31 December 2025, pursuant to Article 14, paragraph 2, letter e) of Legislative Decree No. 39/2010.

Conclusions

Taking into account the report of the independent auditors KPMG S.p.A., which issued an unqualified opinion, we have no comments to bring to the attention of the Ordinary Shareholders' Meeting regarding the approval of the financial statements for the year ended 31 December 2025, as prepared by the directors, and the proposed allocation of the profit for the year drawn up by the board of directors.

Milan, 6 March 2026

On behalf of the Board of Statutory Auditors:

Andrea Grosso (Chairman)



External Auditors’ Report

KPMG S.p.A.
Revisione e organizzazione contabile
Via Giovanni Battista Pirelli, 38
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(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 2025, 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 2025 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.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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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;

- 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 2025 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 2025.

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, 5 March 2026

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:

a) *to approve the financial statements as at 12.31.2025 as proposed;*
b) *to approve the allocation of the profit for 2025, equal to 38,500,517 euros, in the following terms:*
   - *1,964,017 euros to the Legal Reserve;*
   - *36,536,500 euros to shareholders, at 0.455 euros per share*

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 subject to mandatory payment terms, such as those operating in the agricultural/food sector and 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 works for condominiums and that wish to benefit from the advance of tax credits relating to Ecobonus, Sismabonus and Superbonus 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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