GENERAL FINANCE

2025 FINANCIAL STATEMENTS

GENERAL INDEX

CORPORATE BODIES

Board of Directors

Name and surname	Office
Maurizio Dallocchio(*)(**)(****)	Chairperson
Paolo Alberto De Angelis(*)(***)	Deputy Chairperson
Massimo Gianolli(***)	Chief Executive Officer
Leonardo Luca Etro(*)(**)(****)	Director
Maria Luisa Mosconi(*)(***)	Director
Ivonne Forno(*)(**)(****)	Director
Marta Bavasso(*)(**)(****)	Director
Gabriele Albertini (*)(**)(****)	Director
Federica Casalvolone (*)(**)(****)	Director

(*) *Independent Director pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance (TUF).*
(**) *Independent Director pursuant to Article 2 of the Corporate Governance Code.*
(***) *Executive Director.*
(****) *Non-executive Director.*

Board of Statutory Auditors

Name and surname	Office
Gianluca Bolelli	Chairperson
Paolo Francesco Maria Lazzati	Standing Auditor
Maria Enrica Spinardi	Standing Auditor
Stefania Rusconi	Alternate Auditor
Luca Zambanini	Alternate Auditor

Independent Auditors

Deloitte & Touche S.p.A.

Manager responsible for preparing the Company's financial reports

Ugo Colombo

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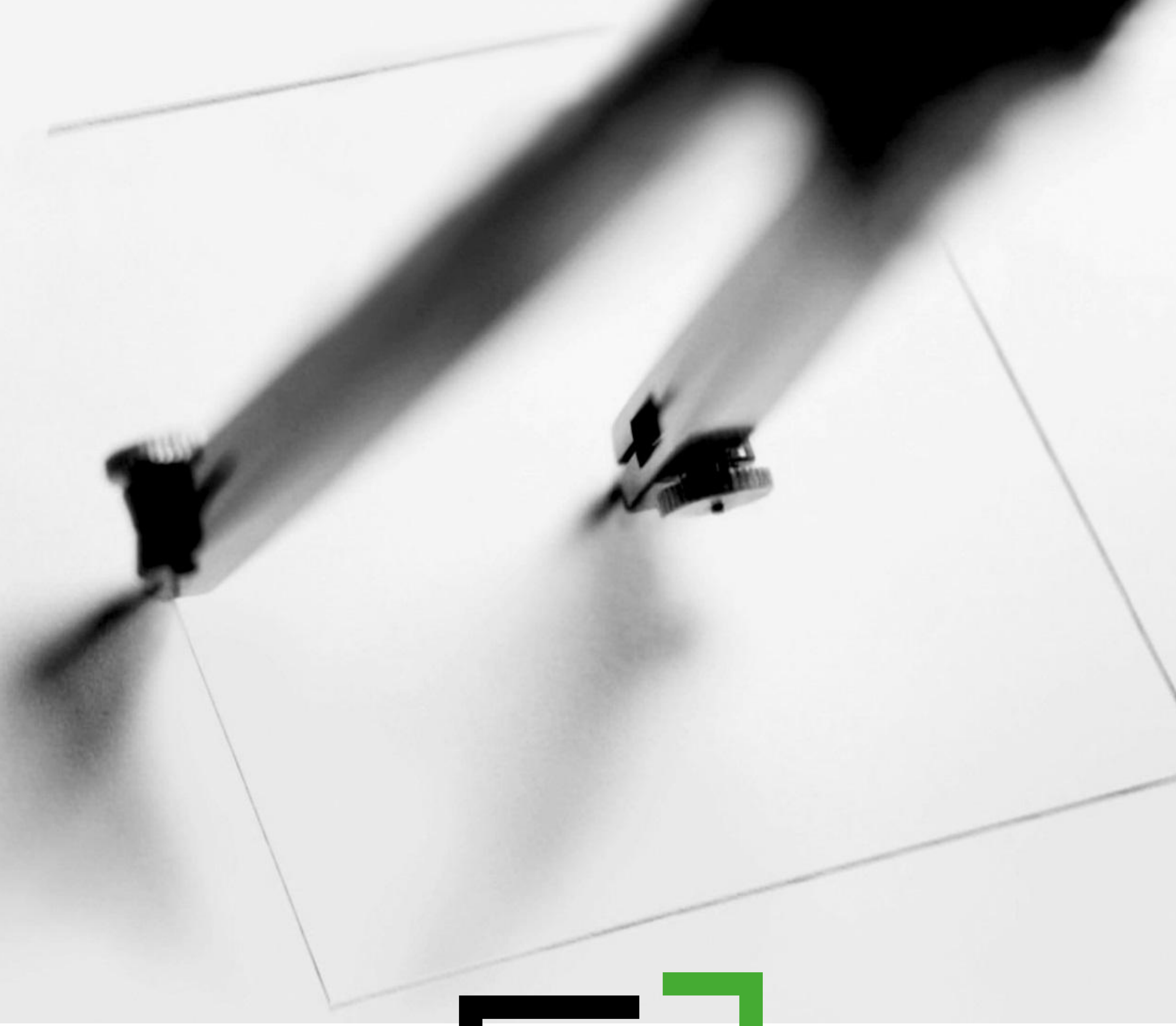


REPORT ON OPERATIONS

Report of the Board of Directors on operations for the year ended 31 December 2025 (Article 2428 of the Italian Civil Code)

Dear Shareholders,

The financial statements as at 31 December 2025, submitted for your approval, were prepared by the Directors in compliance with the international accounting standards issued by the International Accounting Standards Board (IASB), approved by the European Commission pursuant to EU Regulation no. 1606 of 19 July 2002, taking into account the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) in force at the reporting date.

They have been drafted in compliance with the layouts and instructions issued by the Bank of Italy on 17 November 2022 on the “financial statements of IFRS intermediaries other than banking intermediaries”, in execution of the provisions of Art. 9 of Italian Legislative Decree no. 38/2005 as amended, as well as in consideration of the additional specific provisions regarding the determination of non-performing items, contained in Circular no. 217 of 5 August 1996 and subsequent updates.

The financial statements as at 31 December 2025 are composed of the following documents: Balance Sheet and Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders’ equity, Statement of Cash Flows and Notes.

Since Generalfinance S.p.A. (the “Company” or “Generalfinance”), has been a company with shares listed on the Euronext STAR Milan market as from 29 June 2022, the "Report on corporate governance and ownership structures" drawn up pursuant to Article 123-bis of the Consolidated Law on Finance is added to the report on operations. In addition, the Company provides the public with a “Report on the remuneration policy and the remuneration paid”, according to the methods established by CONSOB with regulations.

The evaluations and judgements of the Directors were formulated in the assumption of the company as a going concern, in the light of the positive historical – also confirmed by the results of the 2025 financial statements – and forward-looking income and financial data entered by the Company and in respect of the general principles of correct representation of events and prudent evaluation of data, in the context of the current economic-financial scenario.

In particular, 2025 financial year, in which the Company celebrated its forty-third year since its establishment, closed with a net profit of EUR 28,756,157.
The main reference indicators, as with the trend in economic and equity aggregates, the significant capital resources and available liquidity reserves make it possible to reasonably exclude the current and future risk of an interruption to business continuity and confirm the Company's capacity to produce positive results and generate cash flows from ordinary operations. This conclusion was reached by also considering the analysis of the current and potential future impacts of the current and future macroeconomic and geopolitical context on the Company’s financial situation and economic results on the basis of the evidence currently available and of the scenarios that can be predicted at present, albeit fully aware that it is not possible to determine such impacts with reasonable certainty.

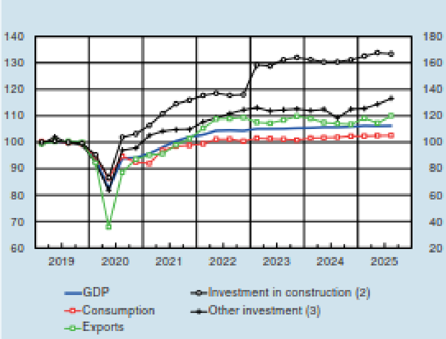
THE MACROECONOMIC CONTEXT AND THE FACTORING MARKET IN 2025[1]

Macroeconomic context

After falling slightly in the spring, Italy's GDP returned to mild growth in the summer (by 0.1% on the previous quarter). One contributory factor was the sharp rise in exports – part of which attributable to temporary factors such as the sale of maritime transport equipment – against a more moderate growth in imports.

Net of significant destocking, the contribution from domestic demand was positive: investment in capital goods, intellectual property products and non-residential construction continued to expand, partly driven by the tax incentives and other measures connected with the NRRP. Household consumption continued to grow marginally, in spite of further rises in real income. Concerns about the economic outlook are reflected in households' propensity to save, which remains higher than it was before the pandemic.

GDP and its main demand components (1)
(quarterly data; indices: 2019=100)



Source: Based on Istat data.
(1) Chain-linked volumes; adjusted for seasonal and calendar effects. – (2) Right-hand scale. – (3) Includes investment in plant, machinery and arms (which also include transport equipment), as well as cultivated biological resources and intellectual property products.

On the supply side, value added rose in services, with a substantial distribution across service sectors. The most significant contribution to growth in the first nine months of the year came from business services, which are benefiting from the demand generated by the digital and energy transition. Value added instead contracted in industry excluding construction, where it returned to its end-2024 levels, and in construction, where the decline in the residential sector was only partly offset by an increase in the execution of civil engineering projects.

Based on Bank of Italy's estimates, GDP continued to expand in the fourth quarter, driven by a further increase in the service sector and by a recovery in industry.

GDP and its main components (1)
(percentage changes on previous period and percentage points)

	2024	2024	2025		
		Q4	Q1	Q2	Q3
GDP	0.7	0.2	0.3	-0.1	0.1
Imports of goods and services	-0.4	0.2	1.1	0.4	1.2
National demand (2)	0.6	0.3	0.0	0.6	-0.3
National consumption	0.6	0.4	0.1	0.1	0.1
Household spending (3)	0.6	0.4	0.2	0.1	0.1
General government spending	1.0	0.4	-0.3	0.2	0.2
Gross fixed investment	0.5	1.9	1.0	1.5	0.6
Construction	1.5	1.0	1.7	1.5	-0.5
Capital goods (4)	-0.8	3.0	0.2	1.5	1.9
Change in inventories (5)	..	-0.4	-0.3	0.2	-0.6
Exports of goods and services	..	-0.3	2.2	-1.7	2.6
Net exports (6)	0.1	-0.1	0.4	-0.7	0.5

Source: Istat.
(1) Chain-linked volumes; the quarterly data are seasonally and calendar adjusted. – (2) Includes the item 'changes in inventories, including valuables'. – (3) Includes non-profit institutions serving households. – (4) Include investment in plant, machinery and arms (which also include transport equipment), cultivated biological resources and intellectual property products. – (5) Includes valuables; contributions to GDP growth on previous period; percentage points. – (6) Difference between exports and imports; contributions to GDP growth on previous period; percentage points.

Source: Bank of Italy, Economic Bulletin no. 1/2026

[1] *This chapter cites and/or reports extensive excerpts from "Economic Bulletin no. 1/2026" of the Bank of Italy and Assifact, statistical circular 60-24 "Factoring in figures – Summary of data for September 2025"*

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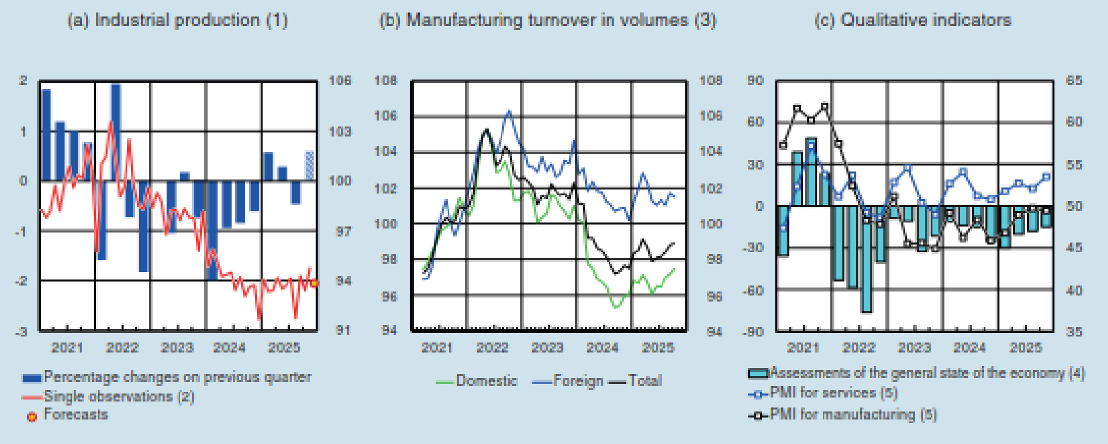
Consumer confidence indicators point to the continuation of a very cautious stance regarding personal financial conditions and the general macroeconomic outlook, suggesting still moderate growth in private consumption. Bank of Italy's assessments suggest investment grew further, albeit more modestly than in the previous period, with favourable financial conditions and the tax incentives and other provisions connected with the NRRP contributing to the increase. The data on foreign trade in goods indicate that the contribution from foreign demand was almost nil. According to the macroeconomic projections published by Bank of Italy in December, GDP appears to have grown by 0.6% in 2025 and is set to grow at the same pace in 2026, to then pick up slightly in 2027-28.

Firms

Industrial activity declined in the summer months. Contributory factors were the drop in energy production, which returned to lower levels than those recorded during the 2022 energy crisis, and the waning of foreign demand, which in the first part of the year had been boosted by the frontloading of sales to the United States, in view of the expected increase in tariffs.

The production of capital goods instead continued to expand, fuelled by the positive trend in investment. Growth continued in the pharmaceutical sector and in the production of electronic equipment; the manufacturing of transport equipment recovered, compared with the previous quarter, but is still in sharp decline compared with the same period in 2024 and around one third below its pre-pandemic level. This sector's performance reflects a number of structural difficulties, some of which stem from the crisis in the automotive industry in Germany.

Industrial production, manufacturing turnover and qualitative indicators for industry and services
(quarterly data, unless otherwise specified)



Sources: Based on data from Banca d'Italia, Istat, Standard & Poor's Global Ratings and Terna.
(1) Data adjusted for seasonal and calendar effects. The yellow dot indicates the forecast for December 2025, the last bar represents the forecast for the fourth quarter of 2025. – (2) Monthly data. Index: 2021=100. Right-hand scale. – (3) Monthly data, volumes, 3-month moving average ending in the reference month. – (4) Balance, in percentage points, of the responses 'better' and 'worse' to the question on the general state of the economy (see "Survey on Inflation and Growth Expectations", Banca d'Italia, Statistics Series, 14 January 2026). – (5) Average quarterly data. Diffusion indices for economic activity in the sector. Right-hand scale.

Source: Bank of Italy, Economic Bulletin no. 1/2026

In November, production grew by 1.5% on the previous month. According to Bank of Italy's estimates, the recovery in activity continued over the autumn months as a whole, after the decline in the summer.

According to the Survey on Inflation and Growth Expectations conducted by Bank of Italy in November and December, firms' assessments of the general state of the economy have improved slightly compared with the summer, and their assessments of the demand for their products were more favourable, as were their short-term expectations regarding their own business conditions. However, the purchasing managers' index (PMI) for the manufacturing sector remained close to the threshold indicating stable activity, on average in the fourth quarter, and the confidence indicators in Istat's surveys are still substantially below their historical average.

Looking ahead, manufacturing activity could be affected in many sectors by intensifying competition from China, in a context of trade flows originating in China being rerouted to countries other than the United States.

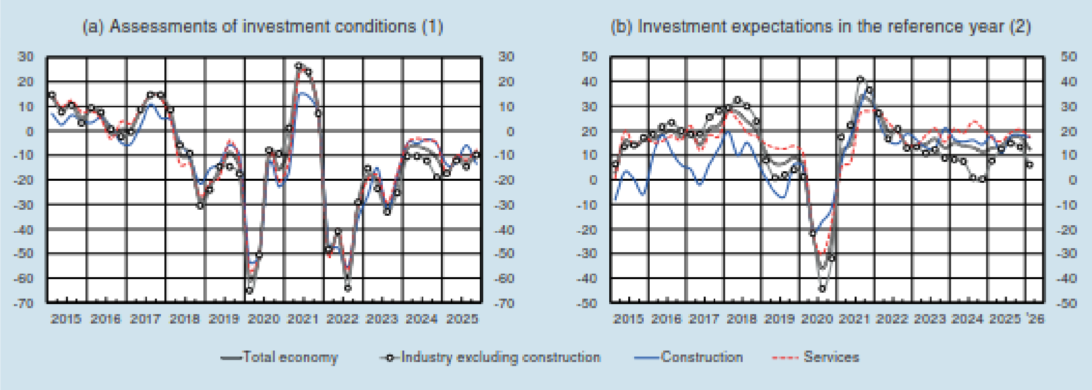
Growth in value added in the service sector was widespread over the third quarter, and the positive trend in business advisory services and information and communication services, spurred by the ongoing digital and energy transition, was confirmed. Economic activity in these sectors continued to expand in the autumn months. Thanks to the positive trend in tourism, growth also appears to have been strong in the transport, hospitality and catering sectors, as suggested by Istat's business confidence surveys and Confcommercio's household consumption indicators. The PMI indices for activity in services signalled a rise, confirming it stands above the expansion threshold, especially as far as the new orders component is concerned. Similar conclusions can be drawn both from Istat's surveys, according to which expectations regarding orders reached their highest level since January 2024, and from Bank of Italy's survey, which indicated a sharp rise in the positive balance between the share of firms reporting an expansion in demand and that indicating a decrease.

After four consecutive quarters of expansion, activity in construction declined in the summer months, when the moderate increase in the non-residential sector was insufficient to offset the sharp decline in residential construction. Qualitative indicators for the autumn months instead point to a return to growth in the sector as a whole. In Istat's surveys, the assessments regarding orders and construction plans point to a reduction in activity in the housing sector, while they are more positive for other civil engineering works. In Bank of Italy's surveys, the share of firms which gave favourable assessments for demand was much higher than those that recorded a decline, both in the fourth quarter of 2025 and in the current quarter.

In the summer months, total investment grew at a more moderate pace than in the previous quarters. The contraction in investment in residential construction reflects a correction, after two quarters of marked increase. Investment in machinery and equipment was on a robust expansionary path for the second consecutive quarter, alongside the slower but stable pace of investment in intangibles. Spending on transport equipment rose significantly to reach its highest level since the end of 2023; this outcome was driven, quite plausibly, by incentives for firms and general government to renew their vehicle fleets.

The latest data indicate that non-construction investment continued to increase in the last three months of 2025, owing to favourable financing conditions and to the tax incentives and measures connected with the NRRP. Data from the Italian Leasing Association (Assilea) indicate there was a sharp increase in lease contracts signed over the third quarter for the purchase of capital goods, which was partly a reflection of the incentives provided for in the Transition 4.0 and 5.0 plans. Our surveys indicate that just under one third of industrial firms with at least 50 employees had sought these incentives in late 2025 or planned to do so.

Firms' assessments of investment conditions and expectations for investment expenditure
(quarterly data; percentage points)



Source: 'Survey on Inflation and Growth Expectations', Banca d'Italia, Statistics Series, 14 January 2026.
(1) Balance of opinion between positive and negative assessments compared with the previous quarter. – (2) Balance between expectations of an increase and of a decrease compared with the previous year. The first expectations for the reference year are surveyed in the fourth quarter of the preceding year.

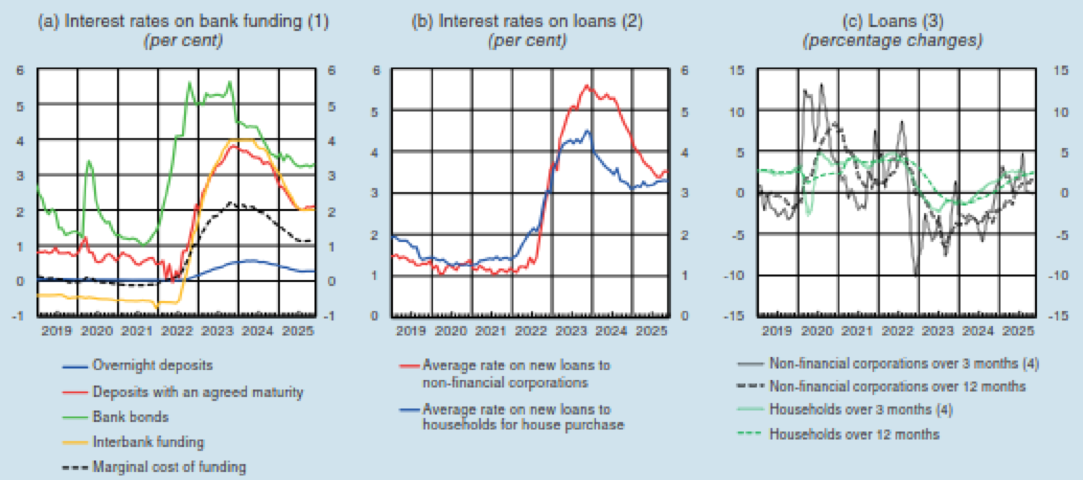
Source: Bank of Italy, Economic Bulletin no. 1/2026

Expenditure on transport equipment also benefited from tax incentives for electromobility. Forward-looking assessments of orders and production for firms in the capital goods sector continued to improve. Bank of Italy's sample surveys indicate that fixed investment should also continue to expand in 2026 as a whole.

Credit and financing conditions

The marginal cost of bank funding remained unchanged at 1.1% between August and November, reflecting broad stability across all components. The twelve-month change in bank funding increased (from 4.1 to 4.7%), mainly benefiting from an acceleration in net liabilities vis-à-vis non-residents and a smaller decline in liabilities vis-à-vis the Eurosystem. Growth in deposits by residents did not record any significant changes; the deceleration in the components held by households and financial corporations was partly offset by an acceleration in those held by non-financial corporations and general government.

Bank funding costs, lending rates and credit developments in Italy
(monthly data)



Sources: Based on data from Banca d'Italia, Bloomberg and ICE Bank of America Merrill Lynch.
(1) The marginal cost of funding is calculated as the weighted average of the costs of banks' various funding sources, using their respective outstanding amounts as weights. This is the cost that a given bank would incur to increase its balance sheet by one unit, drawing on funding sources in proportion to the composition of its liabilities at that time. – (2) Average values. Rates on loans refer to euro-denominated transactions and are collected and processed in accordance with the Eurosystem's harmonized methodology. – (3) Includes bad debts, repos and loans not reported in banks' balance sheets because they have been securitized. The percentage changes are net of reclassifications, exchange rate variations, value adjustments, and other variations not due to transactions. 3-month percentage changes are annualized. – (4) Data are seasonally adjusted following a methodology that is in accordance with the guidelines of the European Statistical System.

Source: Bank of Italy, Economic Bulletin no. 1/2026

The cost of new loans to firms rose slightly between August and November (from 3.5 to 3.6%), returning to July levels; the increase was greater for new loans up to EUR 1 million and smaller for larger loans. The spread between the two rates remained narrow by historical standards. The average cost of new loans to households for house purchase, which typically have a long interest repricing period, remained unchanged at 3.3 per cent, in line with a broadly stable ten-year interest rate swap (IRS).

Since May 2024, just before the start of the monetary policy easing cycle, the average interest rates on loans to firms and to households for house purchase have declined by about 180 and by nearly 70 basis points respectively. In November 2025, growth in lending to non-financial corporations increased compared with August (1.8% year on year, from 1.2%): growth slowed for loans up to one year, it remained broadly stable for one- to five-year loans and turned less negative for those with maturities beyond five years.

Lending to large firms accelerated (2.4, from 1.7%), while the decrease in lending to small firms moderated (-6.5%, from -7.0%). Looking at the breakdown by economic sector, growth in lending to service firms strengthened, lending to construction firms turned positive for the first time since January 2023 and the contraction in lending to manufacturing firms eased.

Loans to households accelerated between August and November 2025 (2.3%, from 2.0%), reflecting stronger growth in loans for house purchase (3.3%, from 2.9%) and robust, steady growth in consumer credit (4.4%).

According to the Italian banks that took part in the latest euro-area bank lending survey (BLS) conducted between late September and early October 2025, both the credit standards for loans to firms and the general terms and conditions applied to these loans remained unchanged in the third quarter. Based on the banks' assessments, geopolitical uncertainty and trade tensions had no significant impact on their lending standards for firms. Firms' demand for credit increased slightly further, driven by reduced reliance on internal financing and by greater financing needs for both fixed investment and debt refinancing. Based on the results for the fourth quarter of the business surveys conducted by Istat and Bank of Italy, conditions for access to bank credit showed no significant change overall.

Credit standards on loans to households remained unchanged for loans for house purchase in the third quarter of 2025, while they tightened for consumer credit. Households' demand edged up for loans for house purchase and declined for consumer credit.

Growth in corporate bond issuance remained robust in November (at 5.3% year on year, from 7.7% in August), though it abated somewhat. Between October 2025 and early January 2026, yields on bonds issued by Italian non-financial corporations inched up (from 3.5 to 3.6%); since May 2024, the average yield has fallen by around 80 basis points. Net equity financing remained low.

Factoring market – last quarterly report

At the end of the third quarter of 2025, the factoring market recorded a turnover of over EUR 208 billion, up 3.75% compared to the previous year, net of purchases of tax credits related to building renovation bonuses. The pro soluto share accounts for 83% of the market.

Advances and outstanding amounts disbursed continued to grow, increasing by 6.31% year-on-year to EUR 50.37 billion, approximately EUR 3 billion higher than in September 2024.

Cumulative turnover from Supply Chain Finance transactions amounted to EUR 20.57 billion, showing a trend in line with the same period of 2024.

For 2025, industry operators expect volumes to grow by 4.36%, while for 2026 a growth rate of 3.20% is forecast (3.26% on average depending on the underlying scenario assumptions).

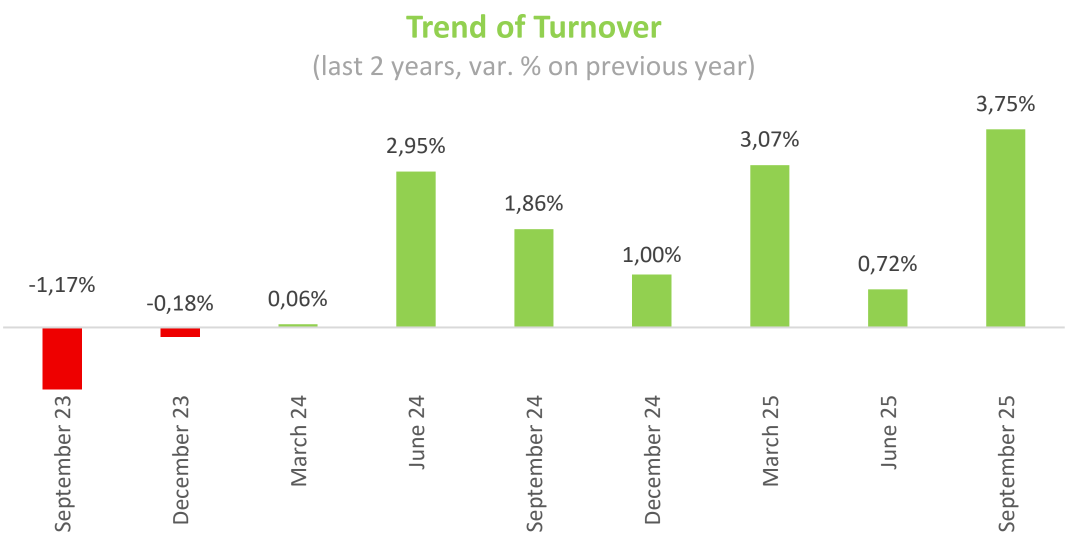
In the third quarter of the current year, international turnover returned to growth, recording an annual increase of 2.87% compared to the same period in 2024.

Trade receivables purchased as of September 30, 2025 from the Public Administration amounted to EUR 14.93 billion (+7.21% year-on-year). As of September 2025, outstanding receivables totaled EUR 7.78 billion, of which EUR 3.3 billion were overdue, reflecting the well-known long payment times of public entities.

Credit quality, with reference to gross exposures to private companies, remains very high, with non-performing exposures accounting for 2.35% of the total.

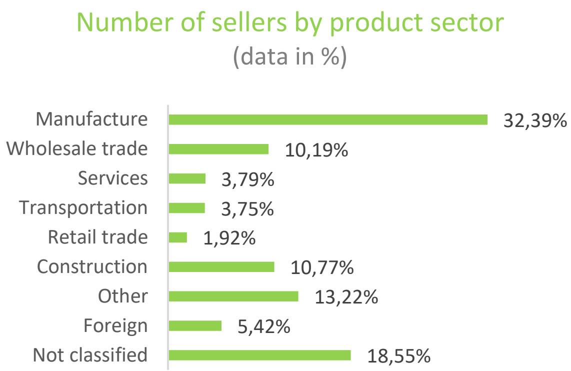
Data in thousands of Euro		**Share % of total**	**% change from previous year**
Cumulative Turnover	**208.207.882**		**3,75%**
With Recourse	36.065.641	17%	
Without Recourse	172.212.241	83%	
Outstanding	**61.971.893**		**4,85%**
With Recourse	14.015.046	23%	
Without Recourse	47.956.847	77%	
Exposures	**50.371.554**		**6,31%**
of which turnover from Supply Chain Finance operations	**20.573.367**	10%	**0,06%**

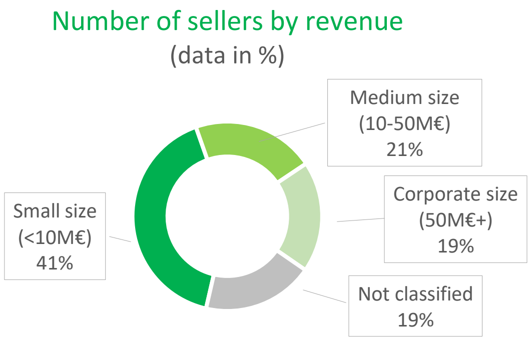
Source: Assifact, "Factoring in figures – summary of September 2025 data".



Source: Assifact, "Factoring in figures – summary of September 2025 data".
Note: The percentage change compared to the same month of the previous year of the Cumulative Turnover has been calculated excluding purchases of tax credits deriving from building (construction) bonuses.

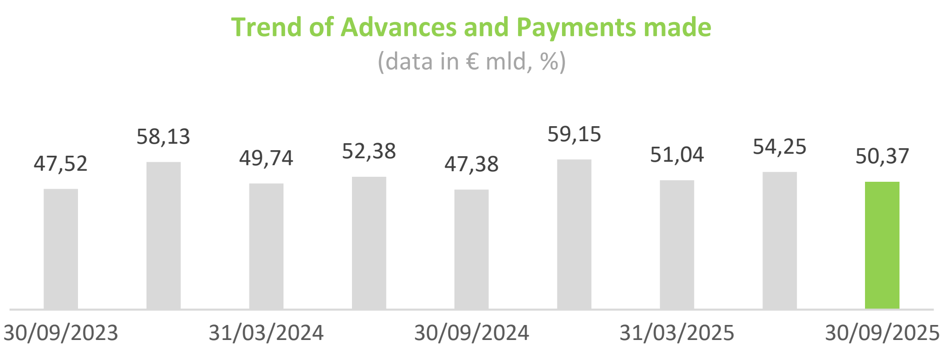
Approximately 31,800 companies use factoring services, 62% of which are small and medium-sized enterprises (SMEs). The manufacturing sector accounts for the largest share.





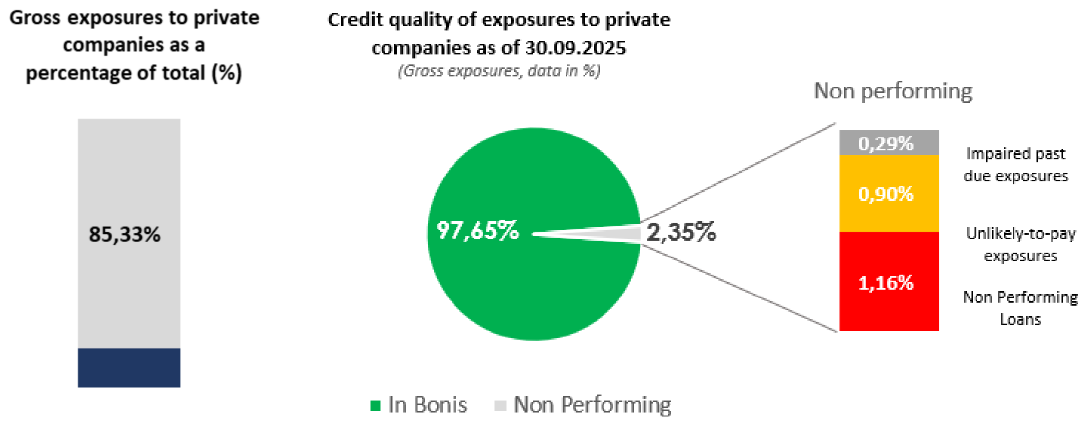
Source: Assifact, "Factoring in figures – summary of September 2025 data".

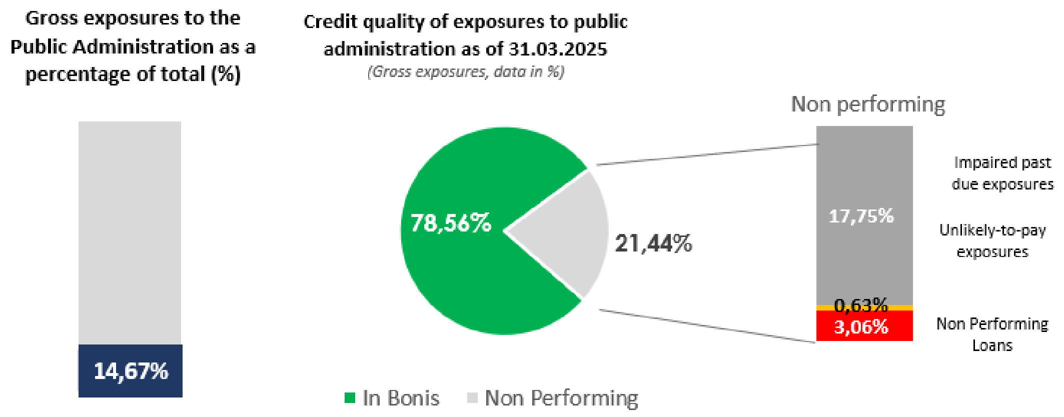
The stock of advances and amounts paid, totaling €50.4 billion, increased by approximately €3 billion compared to the same period of the previous year.



Source: Assifact, "Factoring in figures – summary of September 2025 data".

The prudential framework resulting from the application of the EBA definition of default, particularly with regard to the calculation of exposures past due by more than 90 days, highlights the well-known long payment times of the public sector. As a result, it leads to a significantly higher incidence of non-performing exposures toward the Public Administration (over 21%) compared to exposures to private companies (2.35%), a level that is not consistent with the underlying actual risk.





Source: Assifact, "Factoring in figures – summary of September 2025 data".

The harmonized European rules on the definition of default require that a debtor be classified as non-performing when significant obligations are more than 90 days past due.

The complexity of administrative procedures and Italian regulations makes payment times particularly long, averaging around 123 days, and creates specific challenges in applying the European prudential rules on the definition of default.

Although the European definition of default provides certain exceptions for Public Administration entities, these are not sufficient to capture all the complexities of Italian administrative processes. This results in a disproportionate classification of purchased trade receivables from the Public Administration as non-performing exposures (NPEs) compared to exposures to private counterparties.

The share of NPEs toward these entities is high enough to affect the overall market figure, despite the relatively limited weight of such exposures within the total factoring market.

This discrepancy is due more to regulatory rigidity and the lengthy administrative timelines typical of public bodies than to an actual increase in credit risk.

For a more accurate representation of credit quality in the factoring sector, data on NPEs toward the Public Administration and NPEs toward other counterparties are therefore reported separately.

Factoring market – monthly position in December 2025

Based on the latest available monthly report, turnover for 2025 amounts to approximately €289.1 billion, representing an increase of about 3.8% compared to the previous year (+0.2% year-on-year when including purchases of tax credits related to building renovation bonuses).

Outstanding receivables as of the reference date stand at approximately €71.4 billion, up 1% compared to the previous year, while advances amount to approximately €59.8 billion, also marking a 1% year-on-year increase.

Data in thousands of euro		**Share % of total**	**% change from previous year**
Cumulative Turnover	**289.104.851**		**3,83%**
With Recourse	49.240.022	17%	
Without Recourse	239.864.829	83%	
Outstanding	**71.348.034**		**0,99%**
With Recourse	14.652.960	21%	
Without Recourse	56.695.074	79%	
Exposures	**59.754.962**		**1,02%**
of which turnover from Supply Chain Finance operations	**27.387.540**	9%	**-2,27%**

Source: Assifact, "Factoring in figures – summary of September 2025 data".

REGULATORY FRAMEWORK. THE REGULATION OF FACTORING ACTIVITIES

The regulatory and supervisory framework reflects the evolving dynamics of the system, requiring banks and financial intermediaries to reassess their *business* models and strategies in order to manage new risks, new technologies, and more sustainable paradigms.

In 2025 as well, the sector was directly or indirectly affected by numerous regulatory measures at both national and European level.

Factoring originated and finds its full operational expression in the assignment and management of performing receivables, where it best fulfills its economic function. However, the issue of transferring *non-performing* receivables is also relevant to the sector.

In this context, the adoption of Legislative Decree No. 116 of July 30, 2024, implementing Directive (EU) 2021/2167 of the European Parliament and of the Council, known as the **"Secondary Market Directive" (SMD),** introduces new provisions on the management and purchase of non-performing exposures originated by banks and other authorized lenders.

The legislation — aimed at promoting the secondary market for non-performing loans while strengthening the protection of assigned debtors — defines the regulatory framework for managers and purchasers of such receivables and amends the Consolidated Banking Act (TUB), introducing the new category of "non-performing credit servicer," subject to authorization and supervision by the Bank of Italy. In essence, the purchase for consideration of non-performing exposures by credit purchasers does not constitute lending activity within the meaning of Art. 106 TUB. Conversely, the servicing of such receivables on behalf of purchasers is a reserved activity and may only be carried out by banks, financial intermediaries registered under Article 106 TUB, or non-performing credit servicers authorized by the Bank of Italy.

In order to implement Legislative Decree 116/2024, the Bank of Italy intervened during the year on several regulatory provisions. In addition to issuing, by measure of February 11, 2025, specific "Supervisory Provisions for the Management of Non-Performing Exposures," it amended the following regulations:

- The "Transparency of banking and financial transactions and services. Fairness in relations between intermediaries and customers" of July 29, 2009, introducing a dedicated section (VII-ter) for managers and purchasers of non-performing exposures to protect assigned debtors. On that occasion, the Bank of Italy also updated outdated regulatory references and removed provisions no longer applicable. In general, these entities must, in their dealings with debtors: act fairly, diligently, and transparently; provide accurate, clear, and non-misleading information; ensure the confidentiality of personal data; and communicate with debtors without harassment, coercion, or undue pressure. It should be noted that the non-performing credit servicer, or the bank or Article 106 TUB intermediary engaged by the credit purchaser for servicing activities, must individually notify the assigned debtor of the transfer.

- The "Out-of-court dispute resolution system for banking and financial transactions and services (Banking and Financial Ombudsman – ABF)," issued in 2009, in order to include non-performing credit servicers among the intermediaries required to adhere to the Banking and Financial Ombudsman.
- The "Central Credit Register. Instructions for credit intermediaries" (Circular No. 139 of February 11, 1991, updated to its 21st revision of February 11, 2025), in order to include within the Central Credit Register perimeter credit purchasers that rely, for servicing activities, on banks, supervised financial intermediaries, or registered non-performing credit servicers.

The Supervisory Provisions concerning the management of non-performing exposures consist of two main sections. The first section is specifically addressed to the new category of non-performing credit servicers and regulates, among other things, the authorization process for carrying out the activity, the scope of permitted activities, administrative and accounting organization, and the system of internal controls. The second section applies to banks and financial intermediaries registered under Article 106 of the Consolidated Banking Act (TUB) that carry out servicing activities on behalf of purchasers of non-performing exposures or that assign, or intend to assign, such exposures. With reference to this second section, the provisions mainly define reporting obligations toward the Bank of Italy, as well as disclosure requirements toward potential purchasers and supervisory authorities.

To date, however, this regulatory framework does not apply to Generalfinance, as the Company does not purchase non-performing exposures. Internal assessments have also confirmed the non-applicability of the regulation, considering that "servicing" refers to an activity performed on behalf of third parties (i.e., the original creditor) pursuant to a specific mandate. In the case of Generalfinance, by contrast, the Company collects receivables acquired through assignment, becoming their full legal owner. Consequently, the activity performed does not constitute servicing on behalf of third parties and therefore falls outside the scope of the relevant regulation.

On December 5, 2024, the Italian Chamber of Deputies definitively approved the bill converting the Fiscal Decree (Decree-Law No. 155 of October 19, 2024), containing urgent measures in economic and fiscal matters and in support of local authorities. The measure also addresses issues related to the National Recovery and Resilience Plan (**PNRR**) and payment delays by Public Administrations, introducing the obligation for public entities to adopt an annual schedule of payments and collections relating to the relevant financial year. In particular, it provides measures aimed at strengthening the structures responsible for paying commercial invoices and reducing payment times by Public Administrations.

The **Public Contracts Code** has also undergone certain supplementary and corrective amendments. In particular, Legislative Decree No. 209 of December 31, 2024 aims to rationalize and simplify the framework set out in the current Code, addressing issues that emerged in its practical application and introducing, among other measures, provisions on fair compensation, labor protections, digitalization, price revision, and Public-Private Partnerships (PPP). No amendments have been made to the rules governing the assignment of receivables arising from public procurement contracts, specifically Article 120 and Annex II.14, Article 6, which addresses the assignment of receivables under such contracts. It is nevertheless worth recalling the so-called PNRR Decree of March 2, 2024 (Decree-Law No. 19/2024, converted with amendments by Law No. 56 of April 29, 2024), which reduced from forty-five to thirty days from notification the period within which contracting authorities may refuse the assignment of receivables arising from procurement contracts, concessions, and design competitions.

Throughout 2025, monitoring activities on payment times continued, also in coordination with PNRR objectives and with the reporting mechanisms provided at European level. As of today, no further structural amendments have been introduced to the framework established by the aforementioned decree-law.

The process of defining the regulatory framework for **sustainable transition** continues, despite a recent slowdown by institutions. Following an intense wave of regulatory initiatives and significant acceleration in recent years, geopolitical and economic instability, the energy crisis, the difficulties faced by companies—especially SMEs—in complying with new regulatory obligations, and the need to safeguard and enhance the competitiveness of the European production system have led to a phase of reflection and recalibration. Large companies, as well as the banking and financial sector, continue to integrate ESG factors into their organizational and operational choices, governance structures, risk management policies, and *business* strategies.

This represents a substantial body of legislation. In line with the ongoing reflection at European level on the need to reduce the bureaucratic burden associated with achieving sustainability objectives and to strengthen the competitiveness of the EU production system, it is worth highlighting the publication, at the end of February 2025, of the European Commission's Proposal for a Directive of the European Parliament and of the Council known as the "Omnibus Simplification Package" (the "Proposal").

The Proposal aims to amend the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) with regard to certain obligations relating to corporate sustainability reporting and companies' due diligence duties, as well as certain auditing requirements. Its objective is to simplify the regulatory framework, reduce compliance costs, and allow more time for implementation, particularly for SMEs.

Among the proposed amendments, the Proposal seeks to reduce the scope of application of the CSRD and to ensure that sustainability reporting obligations imposed on large companies do not create excessive burdens for smaller companies within their value chains. It provides, inter alia, that mandatory reporting would apply only to companies with more than 1,000 employees and either a turnover exceeding €50 million or a balance sheet total exceeding €25 million. For companies with fewer than 1,000 employees that may nonetheless be affected (for example, as part of a value chain), a voluntary reporting standard ("VSME"), based on the EFRAG framework, is envisaged. The Proposal also provides for a two-year postponement of reporting obligations for companies currently within the scope of the CSRD that would otherwise have been required to report from 2026 or 2027. Regarding the CSDDD, the Proposal aims to limit due diligence obligations to direct business partners.

These initiatives led to the first major operational measure of the package, the so-called **"stop-the-clock" Directive** (Directive (EU) 2025/794), published in the Official Journal in April 2025. This directive effectively postpones the application of certain reporting obligations introduced by the CSRD and defers certain stages of implementation of the CSDDD. The decision granted companies additional time to comply and postponed some deadlines that were originally scheduled for the 2025–2026 period. EU Member States are required to transpose Directive 2025/794 by 31 December 2025. In practical terms, this has resulted in a postponement of the initial application deadlines for companies falling within the so-called subsequent "*waves*" after the first reporting wave, thereby shifting the operational timelines for certain large non-listed companies and many listed SMEs. At the same time, a review of the technical requirements and European Sustainability Reporting Standards (ESRS) was launched in order to make the requested disclosures more proportionate and more interoperable with other international standards. The European legislator's intention was therefore twofold: to defer deadlines and to initiate a process of simplification of the technical standards.

Beyond the temporal postponement, the Omnibus package has proposed—and partly legitimized—a narrowing of the CSRD's scope by raising the size thresholds below which reporting obligations would be less stringent or deferred. In summary, the discussions and proposed amendments included higher thresholds (for example, 1,000 employees as the primary criterion, combined with turnover or balance sheet limits) and strengthened voluntary or simplified standards for smaller companies. The practical effect of this approach would be a potential reduction in the number of companies immediately subject to CSRD obligations compared to the original framework.

The Omnibus package has had significant practical and political relevance. On the one hand, it has been welcomed by segments of industry concerned about excessive compliance burdens and the need to safeguard competitiveness. On the other hand, it has been criticized by observers and NGOs who fear a weakening of transparency and corporate accountability objectives, with the risk of creating "information gaps" along value chains and slowing progress toward more ambitious climate and social goals. International and specialized media have closely followed the debate, highlighting both the short-term benefits for businesses and the potential long-term risks to regulatory safeguards.

From an operational standpoint, as of the end of 2025 the landscape is characterized by three main elements: the postponement of certain deadlines (the "stop-the-clock" mechanism), the revision and simplification of the ESRS through EFRAG, and a redefinition of the scope of application of the CSRD and CSDDD which, if transposed by Member States as proposed, will reduce the number of entities immediately subject to mandatory requirements and introduce voluntary or simplified standards for smaller companies. The next phase concerns the transposition of the "stop-the-clock" Directive by Member States, the adoption of any delegated acts, and the finalization of the simplified ESRS, all of which will determine the actual timelines and practical impacts across sectors.

In this regard, it should be noted that the Company has not prepared a non-financial statement pursuant to Article 2, paragraph 1 of Legislative Decree No. 254 of 30 December 2016, as it has had an average number of employees below the 500-unit threshold required by the decree and has also not exceeded the relevant revenue threshold.

Within this framework, the original CSRD timeline for listed SMEs (so-called "wave 3"), which would have required them to begin publishing a sustainability report in 2027 with reference to the 2026 financial year, has been postponed to 2028 as a result of the "Stop-the-Clock" Directive. Subject to further regulatory amendments currently under discussion, the Company will therefore be required to publish its first sustainability statement in 2029, based on data for the 2028 financial year, in accordance with the simplified ESRS standards dedicated to listed SMEs.

It should also be noted that, as part of the Omnibus Package, a revision of the CSRD scope of application is under consideration. The proposal currently being assessed would raise the size thresholds, including increasing the employee criterion to 1,000 employees. If confirmed in the final text, listed SMEs below that threshold could be exempted from mandatory reporting requirements and remain subject only to a voluntary simplified disclosure regime.

As Generalfinance currently has fewer than 90 employees, the Company could potentially fall within the scope of this exemption. However, its actual applicability will depend on the outcome of the European legislative process and subsequent transposition at national level.

Notwithstanding the above, since 2023 the Company has voluntarily initiated specific projects—supported by an external consultant—to report on the non-financial aspects of its activities (in social, environmental, and governance areas), taking due account of its limited size and the nature of the financial services it provides, in accordance with the principle of proportionality.

In line with this initiative, in August 2023 the Company published its first Sustainability Report. The preparation of this report continued in 2024 and 2025, with the aim of providing *stakeholders* with a transparent account of environmental, social, and governance performance, analyzing and illustrating management policies, achieved results, current and potential risks, and key business-related indicators. To ensure the quality of the information disclosed and alignment with national and EU best practices, the Company prepared the Sustainability Report in accordance with the reporting principles and disclosure requirements defined by the Global Reporting Initiative (GRI).

From a prudential regulation perspective, **CRR III (Regulation (EU) 2024/1623)** entered into force on January 1st, 2025, representing a significant revision of the European prudential *framework*. The *Capital Requirements* Regulation introduces fundamental changes to banking regulation aimed at strengthening the stability of the European financial system. Among the most relevant innovations are: the introduction of the *output floor*, which establishes a minimum threshold for capital requirements calculated using internal models; the enhanced revision of the standardized approach for credit risk, increasing risk sensitivity and, consequently, the credit conversion factors for certain exposures; amendments to the treatment of off-balance-sheet exposures for credit risk measurement purposes; and changes related to the management of environmental, social, and governance (ESG) risks.

As a regulation, the new *framework* is directly applicable to entities within the scope of EU banking legislation, namely banks and banking groups. With regard to its extension to supervised financial intermediaries, the Bank of Italy announced — by note of 4 December 2024, subsequently renewed by note of 24 December 2025[2]—that it is assessing the opportunity and extent of any amendments to the supervisory provisions applicable to such intermediaries, in particular Circular No. 288/2015. This assessment is intended to determine whether specific treatments should be maintained or introduced in light of the characteristics of intermediaries registered under Article 106 TUB. In any event, any revision of the supervisory provisions is envisaged within a timeframe that, according to the initial communication, would occur after 1 January 2026 and is therefore still pending.

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[2] https://www.dirittobancario.it/art/intermediari-finanziari-riapertura-termini-per-adesione-al-crr3/

However, the Bank of Italy has authorized, on a transitional basis and as of 1 January 2025 (a deadline now reopened from 1 January 2026), supervised intermediaries concerned—particularly those belonging to banking groups—to apply voluntarily the new CRR3 rules.
This option is intended to avoid the costs and complexities associated with the so-called "dual-track" approach, i.e., the simultaneous application of existing rules on an individual basis and updated European rules on a consolidated basis. Even in the case of voluntary application of the new provisions, the Bank of Italy confirms that the specific treatment for purchased trade receivables may be adopted. This allows, for *pro-solvendo* operations and in compliance with the operational requirements, the exposure to be attributed to the assigned debtors rather than to the assignor.

Regulatory and supervisory authorities continue to be particularly active, promoting a process of harmonization and strengthening of the regulatory framework applicable to credit and financial intermediaries.

It is worth noting an ongoing broad debate at the European level—including the **Omnibus Simplification Package** for sustainability matters—on the need to promote regulation that ensures an appropriate balance between regulatory objectives and the need to support business development and competitiveness. In the banking sector, in particular, stability should be pursued without excessively affecting support for enterprises and the economy; in practice, regulation should strengthen bank–enterprise relationships and facilitate access to credit for Italian companies. Within this context, the issue of applying the **harmonized definition of *default*** to exposures toward assigned debtors arising from trade receivable assignments—particularly those involving Public Administration entities—remains open.

In this regard, it should be noted that on 2 July 2025, the EBA launched a consultation paper presenting a draft update of guidelines on the definition of default under the Capital Requirements Regulation (CRR). The draft proposes, in summary:

i) Maintaining the 1% net present value (NPV) loss threshold in cases of debt restructuring, considering it already sufficiently flexible and consistent with accounting principles.

ii) Evaluating the possibility of reducing the *probation period* from one year to three months for certain exposures with forbearance; however, this change was not included in the draft.

iii) For non-recourse factoring agreements (*pro soluto*), increasing the "past due" day threshold from 30 to 90 days to better reflect the economic reality of purchased receivables.

The draft also includes technical updates to align with the new CRR III framework, such as removing obsolete references (e.g., the 180-day "past due" threshold). The document is currently under public consultation, with the deadline for submitting comments on 15 October 2025. After the consultation closes, the EBA will review the feedback and prepare the final version of the guidelines, to be adopted in accordance with CRR III[3] procedures.

The succession of supplementary and amending measures to the Bank of Italy's secondary legislation—related to necessary alignment with European regulations on credit activity access and prudential supervision—continued during the reporting period under review.

For **financial intermediaries**, by way of example and not exhaustively, the following should be noted:

- **Circular No. 288 of 3 April 2015**, containing the new Supervisory Provisions for financial intermediaries, which governs financial activity from the perspective of eligibility and authorization for registration in the Single Register to prudential supervision rules, organizational requirements, and internal controls. This Circular reached its *7th update* on 10 September 2024, which amended Chapter 9 of Title IV regarding "Counterparty risk and credit valuation adjustment risk," extending the European rules on counterparty risk introduced by Regulation (EU) No. 2019/876 (CRR2) to financial intermediaries under Article 106 of the TUB.
- **Circular No. 154 of 22 November 1991**, on "Supervisory reporting of credit and financial institutions: data collection schemes and instructions for submitting information flows," was *updated* for the 77th time in 2023 to modify reporting schemes and the corresponding coding system in line with the prudential

[3] https://www.assifact.it/fact-news/factoring-e-definition-of-default-una-cifra-che-cambia-tutto/

reporting regulations implementing Regulation (EU) 2024/1988. At the same time, measures introduced by Law No. 21 of 5 March 2024 (the so-called Capital Law), simplifying the supervisory regime for externally managed SICAVs and SICAFs, were incorporated and communicated to the system by the Bank of Italy on 30 October 2024. From a technical perspective, XML format has been adopted for all reporting by OICR3. For ease of reference, the changes introduced, their effective dates, and previous amendments are detailed in the annex, with corrections to prior updates provided in the "Errata Corrige" section. These reporting changes are effective from 31 December 2025.

- **Central Credit Register ("Centrale dei Rischi" – CR) reporting**, under Circular No. 139 of 11 February 1991, now at its *21st update*, establishes participation in the CR for purchasers of non-performing exposures pursuant to Article 114.1, paragraph 1, letter e) of the Consolidated Banking Act (TUB) who use, for credit management, intermediaries supervised by the Bank of Italy, namely:
    - Banks registered under Article 13 TUB;
    - Intermediaries registered under Article 106 TUB;
    - Non-performing credit servicers registered under Article 114.5 TUB.

  This provision implements Article 114.3, paragraph 7 of the TUB, in line with the transposition of the Secondary Market Directive (Directive (EU) 2021/2167).

  Participation in the CR is also envisaged for non-performing credit servicers under Article 114.1, paragraph 1, letter c) TUB, when they purchase non-performing exposures for their own account. Purchasers of non-performing exposures may request exemption from reporting receivables related to an assignment operation if none of the receivables were reported in the CR in the previous reporting cycle before the transfer date.

  The reporting obligation for new participants takes effect from the accounting date of June 2025 and must be submitted by 25 July 2025.

The following regulatory frameworks continue to operate without modifications:

- **Instructions regarding "Financial Statements of IFRS Intermediaries other than Banks"**, issued by the Bank of Italy on 17 November 2022, which remained unchanged during the reporting period;
- **Circular No. 217 of 5 August 1996**, containing reporting schemes and compilation rules for regulatory reporting, which reached its 23rd update on 28 November 2023 and was not amended during the reporting period;
- **Circular No. 115 of 7 August 1990, "Instructions for the compilation of consolidated supervisory reports"**, maintained at its 28th update, aimed at: 1) Updating the "General Instructions" section to align the recipients of reporting provisions for SIM groups with the provisions of Article 11, paragraph 1-bis of the TUF regarding SIM groups; 2) Renaming Section III as "Non-harmonized Reports – Prudential SIM Groups."
- **Reporting of historically recorded losses on *defaulted* positions**, under Bank of Italy Circular No. 284 of 18 June 2013 (1st update 20 December 2016), which feeds a data archive on credit recovery activities performed by supervised intermediaries (banks and financial institutions). This information allows for the calculation of historically recorded loss rates on non-performing positions and is particularly relevant for IFRS 9 impairment purposes, which requires the estimation of expected credit losses, as well as for the adoption of advanced internal models for calculating the capital requirement for credit risk.

The regulatory framework for anti-money laundering (AML) and counter-terrorist financing (CTF) is also undergoing significant evolution. Notably, the legislative process for the *European Anti-Money Laundering Package* **("AML Package")** was completed with the issuance of the following measures on 31 May 2024:

i) Regulation (EU) 2024/1620 (AMLAR), establishing the European Authority for combating money laundering and terrorist financing;
ii) Regulation (EU) 2024/1624 (AMLR – also known as the single *rulebook*), governing the prevention of the use of the financial system for money laundering or terrorist financing;
iii) Directive (EU) 2024/1640 (AMLD), establishing the mechanisms that Member States must implement to prevent the use of the financial system for money laundering or terrorist financing.

To define how credit and financial institutions and supervisory authorities should comply with the obligations of the anti-money laundering and counter-terrorist financing (AML/CFT) regime under the new EU framework, the European Banking Authority (EBA) launched a public consultation on 6 March 2025. This consultation covered four draft Regulatory Technical Standards (RTS), which set out the operational modalities. The RTS were officially issued on 30 October 2025 and cover, among other things, governance systems, risk management policies, enhanced due diligence, and reporting flows to supervisory authorities, marking the start of the gradual operational alignment of intermediaries with the new *European Single Rulebook*[4].

Law No. 220/2015 prohibits any financial activity, direct or indirect, that could support the production, use, storage, or trade of anti-personnel mines, cluster munitions, or submunitions. In July 2024, Bank of Italy, COVIP, IVASS, and the MEF issued instructions for strengthened controls over intermediaries to prevent financing of companies producing anti-personnel mines, munitions, or cluster submunitions. These enhanced controls include, among other measures, the adoption of appropriate procedural safeguards to ensure compliance with the financing ban, enhanced due diligence on investment and financing supply chains, and continuous monitoring to ensure that no funds are indirectly or directly allocated to companies involved in prohibited weapon production. Supervisory authorities continue to monitor the effective implementation of internal controls and their coordination with international sanctions mechanisms (cf. introduction of Article 25-octies.2 in Legislative Decree No. 231 of 8 June 2001).

From an operational perspective, it is worth noting the new ATECO 2025 classification, effective 1 January 2025 and operational from 1 April 2025. This new classification affects approximately 3.7 million companies and includes a recoding of economic activities to align with the *NACE Statistical Classification of Economic Activities in the European Community*, a restructuring with aggregation of certain categories, and greater granularity for some activities. This has clear implications for financial statement preparation and, above all, for regulatory reporting, which requires updating and harmonizing company data.

During 2025, the Financial Intelligence Unit (UIF) for Italy consulted on updated instructions for the submission of Suspicious Transaction Reports (SOS), adopted pursuant to Articles 6(4)(e), 35, and 47 of Legislative Decree No. 231 of 21 November 2007, and under the UIF's mandate provided by Article 11 of Legislative Decree No. 109 of 22 June 2007.

Following the consultation, on 18 December 2025, the UIF issued the final updated SOS instructions, modifying the informational content of the reports, the record structure, and transmission procedures via the Infostat-UIF system, with the aim of enhancing data quality and improving the effectiveness of financial analysis in line with the prevailing anti-money laundering framework. The new instructions will become operational on 1 July 2026.

Finally, regarding ICT governance, attention should also be paid to several digital and *cybersecurity-related* regulations that have been introduced:

DORA

An area that experienced significant regulatory developments during the reporting period is the digital operational resilience of the financial sector. After a two-year transitional period, **Regulation (EU) 2022/2554**, known as the *Digital Operational Resilience Act (DORA),* became applicable on 17 January 2025. The Regulation aims to strengthen the digital operational resilience of credit and financial institutions by imposing requirements and technical standards regarding ICT risk management, incident reporting, operational resilience testing, and the management of third-party service providers.

To align national legislation with the provisions of Regulation (EU) 2022/2554 and to transpose Directive (EU) 2022/2556 on digital operational resilience for the financial sector, Legislative Decree No. 23 of 10 March 2025 was issued. The decree confirmed the exemption for Article 106 intermediaries until 1 January 2027. It defines requirements for governance and ICT risk management applicable to financial institutions, specifying both the powers

[4] https://www.dirittobancario.it/art/aml-package-i-nuovi-progetti-eba-di-standard-tecnici-per-amla/

of the relevant DORA supervisory authorities (Bank of Italy, Consob, IVASS, and COVIP) and the procedures for reporting significant ICT incidents.

During 2025, the **European Commission**, on the proposal of the *European Supervisory Authorities* **(EBA, ESMA, and EIOPA)**, adopted the *Regulatory Technical Standards* **(RTS)** and *Implementing Technical Standards* **(ITS)** required under Articles 15, 16, 20, 28, and 41 of DORA. These standards cover:

- Criteria for ICT incident classification and materiality thresholds;
- Content, format, and timing of initial, intermediate, and final notifications of major incidents;
- A standardized model for the ICT third-party provider information register;
- Minimum requirements for the ICT risk management framework and operational resilience testing.

These technical standards were published in the Official Journal of the European Union in the last quarter of 2025, initiating the full operational phase of the harmonized European reporting system[5].

Bank of Italy issued communications and implementation clarifications to supervised intermediaries, including:

- Guidance on the organizational placement of ICT risk control functions and independence of control functions;
- Operational instructions for submitting the third-party ICT provider information register[6];
- Clarifications on reporting flows for major ICT incidents and significant cyber threats, in coordination with GDPR obligations and the national transposition of Directive NIS2.

To date, the regulatory framework is largely defined at both primary and secondary levels. Supervisory attention focuses on the effective implementation of organizational safeguards, the quality of reporting, and the management of contractual relationships with critical ICT providers, in preparation for full application to Article 106 intermediaries from 2027[7].

<u>AI Act</u>

The **Artificial Intelligence Regulation** (AI Act) proposed by the European Union is a pioneering framework aimed at regulating the use of artificial intelligence (AI) to ensure safety, fundamental rights, and transparency.

The primary objectives of the Regulation are to: Ensure that AI systems are safe and respect fundamental human rights; Promote trust in the AI sector; Encourage innovation while ensuring AI technologies are developed and used ethically and responsibly. AI systems are classified according to the risks they pose to individuals' rights and freedoms. Specifically, systems are categorized based on potential risk into: (a) Unacceptable risk; (b) High risk; (c) Low or minimal risk.

The Regulation entered into force on 1 August 2024 and will be fully applicable from 2 August 2026, with certain exceptions. Provisions banning the use of high-risk AI systems and those concerning digital literacy became effective on 2 February 2025. Penalties for violations apply from 2 August 2025, alongside rules for general-purpose AI models and obligations for AI providers.

At the national level, **Law No. 132 of 23 September 2025**, published in the *Gazzetta Ufficiale* No. 223 on 25 September 2025 and effective from 10 October 2025, establishes general principles and delegates powers to the Government regarding AI, aiming to create a national regulatory framework integrated and coordinated with EU legislation (specifically Regulation (EU) 2024/1689 on AI). The law:

- Promotes the correct, transparent, safe, responsible, and human-centered use of AI systems;
- Ensures oversight of economic and social risks and the impact of AI systems on fundamental rights;
- Establishes criteria on transparency, proportionality, safety, personal data protection, non-discrimination, and sustainability.

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[5] https://www.dirittobancario.it/art/dora-nuovi-rts-sulla-notifica-degli-incidenti-ict-gravi/ ; https://www.dirittobancario.it/art/dora-e-subappalto-di-servizi-ict-a-supporto-di-funzioni-essenziali-importanti/

[6] https://www.bancaditalia.it/media/notizia/comunicazione-al-mercato-relativa-alle-tempistiche-per-la-trasmissione-annuale-dei-registri-delle-informazioni-ai-sensi-di-dora/

[7] https://www.dirittobancario.it/art/banca-ditalia-sullattuazione-del-regolamento-dora/

The law delegates the Government to adopt, within 12 months of entry into force, one or more implementing legislative decrees to:

- Align national legislation with the EU AI Regulation;
- Specify rules concerning unlawful development or use of AI systems and related sanctions;
- Regulate legal regimes, rights, and obligations related to the use of data and algorithms.

OPERATING PERFORMANCE AND RESULT

Activities related to *Funding* and Capital Raising

During the financial year, the Company continued activities aimed at strengthening and expanding the availability of funding to support the development of its core business, with the objective of:

i) diversifying funding sources,
ii) optimizing the cost of funding; and
iii) increasing counterbalancing capacity, with the aim of supporting the growth of loans to customers, in line with the guidelines of the 2025-2027 Industrial Plan.

Placement of a Private Placement Bond

On 14 April 2025, Generalfinance S.p.A. successfully completed the placement of a senior unsecured bond loan for a total amount of €50 million, reserved exclusively for qualified investors.
The bond, with a maturity of three years (April 2028) and an early repayment option by Generalfinance after two years from issuance, pays a fixed annual interest rate of 5.5% and was subscribed by leading Italian and foreign institutional investors, confirming market confidence in the Company's solidity and growth prospects. The bond is listed on Euronext Access Milan.

On 25 September 2025, Generalfinance successfully completed the private placement of a new senior unsecured bond loan for a total amount of €30 million, intended exclusively for qualified investors. The new bonds will be consolidated and form a single series with the outstanding bonds denominated "*EUR 50,000,000 Senior Unsecured Non-Convertible Notes due 2028*" issued by the Company on 17 April 2025.
The new bond therefore has the same terms and conditions as the previous one, providing – in particular – a maturity in April 2028 and a fixed annual coupon of 5.5%, with the option for Generalfinance to redeem early starting from 17 April 2027. The bond was issued at a price equal to 100.50% of its nominal value – with an effective cost at maturity of the new loan therefore equal to approximately 5.3% – and was subscribed by leading institutional investors, both Italian and foreign, confirming market confidence in the Company's solidity and growth prospects. The new bonds, with an issuance date on 29 September 2025, were admitted to trading on Euronext Access Milan.
Following *settlement*, the new bond was converted and consolidated under the ISIN code of the original bond loan (IT0005645558).
The transaction was structured with the support of Equita SIM, as "Arranger" and "Lead Manager." Legance – *Avvocati Associati* Law Firm assisted the Company as legal counsel, while The Bank of New York Mellon SA/NV – Milan Branch acted as "Paying Agent" and "Account Bank."

Tier 2 Bond Placement

On 21 October, Generalfinance successfully completed the placement, through Goldman Sachs International, of a callable subordinated "Tier 2" bond for a total amount of €30 million, reserved exclusively for qualified investors. The bonds have been admitted to trading on the multilateral trading facility "Global Exchange Market" of Euronext Dublin. The subordinated bonds, with a maturity of ten years and three months (January 2036) and an early repayment option by Generalfinance after five years from issuance, pay a fixed annual coupon of 6.875% for the first five years and three months and, if the bonds are not redeemed early, provide for a rate reset for the subsequent five years, in line with market practice for this type of bonds.

Securitization Program

On 16 December 2025, Generalfinance announced the entry of UniCredit as a new senior investor in the securitization transaction launched by the Company in 2021, alongside BNP Paribas, Intesa Sanpaolo, and Banco BPM. UniCredit – through UniCredit Bank GmbH – will subscribe senior class securities up to a maximum of €100 million, with an initial commitment of €50 million, as part of the commercial loan securitization program. This program involves the revolving sale of performing commercial loan portfolios – originated from Generalfinance's factoring activities – to an Italian special purpose vehicle (General SPV S.r.l.) established under the Italian securitization law (Law No. 130/99). The loan purchases are financed through the issuance of three classes of asset-backed securities (ABS) with different levels of subordination, in particular:

a) *Senior securities*: -Up to €150 million of Class A1 senior securities, subscribed by BNP Paribas through the conduit Matchpoint Finance LTD, with a commitment of €75 million; -Up to €100 million of Class A2 senior securities, subscribed by Intesa Sanpaolo through the conduit Duomo Funding PLC, with a commitment of €75 million; -Up to €70 million of Class A3 senior securities, subscribed by Banco BPM, with a commitment of €70 million; -Up to €100 million of Class A4 senior securities, to be subscribed by UniCredit Bank GmbH, with a commitment of €50 million.
b) *Mezzanine securities* (Classes B1, B2, B3, and B4): Partly paid, subscribed and retained by Generalfinance, with the possibility of future placement with institutional investors.
c) *Junior securities* (Class J): Partly paid, fully subscribed and retained by Generalfinance, also to comply with the regulatory retention rule.

The securitization transaction does not result in the deconsolidation of the loans to customers, which therefore remain recorded on the Factor's balance sheet.

Within the securitization transaction:

- Generalfinance acts as Sub-Servicer;
- BNP Paribas acts as Arranger in structuring the securitization and as Programme Agent;
- Zenith Service performs the roles of Master Servicer, Representative of the Noteholders, Computation Agent, and Corporate Servicer;
- The Bank of New York SA/NV, Milan Branch acts as Account Bank and Paying Agent.

"Re-Factoring" Contracts

On 26 June 2025, Generalfinance entered into a new financing agreement with Intesa Sanpaolo, in the technical form of receivables reassignment ("Re-factoring") on a pro soluto IAS-compliant basis, for a maximum ceiling of €20 million. The transaction is part of the consolidated relationship with the Intesa Sanpaolo Group and aligns with Generalfinance's strategic objectives.

Plafond Factoring – Cassa Depositi e Prestiti

On 20 August 2025, Generalfinance announced the signing of a new financing agreement with Cassa Depositi e Prestiti (CDP), under the €1 billion CDP plafond dedicated to factoring, provided for by the agreement signed between CDP and Assifact to support SMEs and Mid-Cap companies.

This agreement will allow Generalfinance to access, through CDP funding, an initial financing of €7.5 million, dedicated to the purchase of commercial receivables assigned by its clients, under competitive conditions. Through this initiative, Generalfinance aims to strengthen the availability of credit to support the liquidity of SMEs and mid-sized enterprises.

Update on the Leali Steel S.p.A. Bankruptcy Litigation

As recalled in the Half-Year Report as of 30 June 2025, on 25 July 2025 Generalfinance announced that the Civil Court of Trento, within the revocatory action brought against the Company by the bankruptcy estate of Leali Steel S.p.A., in which "Roma 2014 S.r.l." intervened as the assignee under the bankruptcy composition with creditors, declared the assignments carried out within the factoring relationship between Leali Steel S.p.A. and Generalfinance unenforceable against the bankruptcy estate and the assignee. As a consequence, the Court ordered the Company to pay Roma 2014 S.r.l. an amount of approximately €9.3 million (in addition to interest and legal costs, estimated at approximately €4.7 million).

Generalfinance, considering the grounds of the first-instance judgment to be seriously flawed, filed an appeal before the Court of Appeal of Trento and, on 31 July, served the notice of appeal on the counterparties requesting the full reversal of the ruling. At the same time, the Company also filed an application for the suspension of the enforceability of the judgment.

As a consequence of this request, urgent proceedings were initiated and were decided by the Court of Appeal of Trento through an order dated 22 August, by which the Court granted the suspension of the enforceability of the challenged judgment, noting that "the grounds set out in support of the appeal lead to the conclusion that the legal requirements for suspension are met." At the hearing held on 3 March 2026, the Court of Appeal of Trento, having concluded the evidentiary phase, reserved its decision.

In light of the favorable suspension order, the Company, supported by its legal advisors, will continue to pursue the proceedings on the merits before the Court of Appeal of Trento with the aim of obtaining a full reversal of the first-instance judgment, while confirming that the risk of an adverse outcome remains "remote". Consequently, in line with IAS/IFRS, the Company has deemed it unnecessary to recognize any specific provisions in relation to this litigation.

Opening of a branch in Spain

Following the approval for the opening of a branch in Spain, granted by Bank of Italy in December 2024, Generalfinance officially launched its internationalization project during 2025, starting with a market – the Spanish one – exhibiting dynamics similar to the Italian market, including legal protections in the *distressed financing* sector.

The branch, located in Madrid, in the Azca area – the city's financial district – aims to build a *network* within the *restructuring* sector with the main players active in the Spanish market, similarly to the Italian operations, which continue to maintain operational control and risk management.

The start of operations of this first foreign branch, which in 2025 recorded €39.4 million in turnover and €34.8 million in disbursements, aligns with Generalfinance's objectives of expanding its presence internationally, as outlined in the *2025-2027 Industrial Plan*.

This represents a strategic step to consolidate Generalfinance's presence in new markets and strengthen its position in the factoring sector, with particular focus on distressed and high-risk companies.

Share capital – Transactions affecting the corporate structure

The Company's share capital currently amounts to EUR 4,202,329.36 and is divided into 12,635,066 ordinary shares without nominal value, pursuant to paragraph 3 of Art. 2346 of the Italian Civil Code and Art. 5 of the current Articles of Association.

Based on the information available to the Company, as at 31 December 2025 it is broken down as follows:

- **GGH – Gruppo General Holding S.r.l. (GGH)**, which holds approximately 41.375% of the share capital (roughly 57.710% of the voting rights taking into account the increased voting rights acquired);
- **Investment Club S.r.l. (IC)**, which holds approximately 9.555% of the share capital (approximately 11.207% of the voting rights taking into account the increased voting rights acquired);
- **BFF Bank S.p.A. (BFF)**, which holds approximately 8.021% of the share capital (approximately 3.730% of the voting rights);
- **First4Progress 1 S.r.l. (**formerly **First4Progress S.p.A.) (F4P)**, which owns approximately 4.907% of the share capital (approximately 6.845% of the voting rights, taking into account the increased voting rights acquired);
- **Banca del Ceresio SA (BS)**, which holds approximately 4.773% of the share capital (approximately 5.922% of the voting rights, taking into account the increased voting rights acquired);
- (free float) **market**, which overall holds approximately 31.369% of the share capital (approximately 14.586% of total voting rights).

The shares, all ordinary and traded on Euronext STAR Milan, have equal rights, both administrative and financial, as established by law and by the Articles of Association, except for the provisions of the latter regarding increased voting rights, as specified below. The shares are indivisible, registered and freely transferable by an act *inter vivos* and transmissible on death. The legislation and regulations in force from time to time regarding representation, legitimate entitlement and circulation of equity investments set forth for financial instruments traded on regulated markets are applied to the shares. The shares are issued in dematerialised form.

Pursuant to Article 127-quinquies of Italian Legislative Decree no. 58 of 24 February 1998 (**TUF, Consolidated Law on Finance**), two voting rights are assigned to each share, belonging to the same party, based on a right in rem that gives a legitimate entitlement to exercise the voting right (full ownership with voting right or bare ownership with voting right or usufruct with voting right) for a continuous period of at least 24 months certified by the continuous registration, for a period of at least 24 months, in the duly established list kept by the Company. In addition, to the extent permitted by the law currently in force, each share owned by the same party, based on a right in rem that legitimately entitles to exercise the voting right, is assigned one additional vote at the due date of each period of twelve months following the accrual of the twenty-four month period referred to above up to a total maximum of ten voting rights per share.

As at 31 December 2025, the shareholders GGH - Gruppo General Holding S.r.l., Investment Club S.r.l., Firt4Progress 1 S.r.l. and Banca del Ceresio SA acquired the increased voting rights, with respect to the shares for which, on that date, the thirty-six-month period of uninterrupted registration in the Special List had been ascertained. On the same date, no shareholder accrued the enhanced voting right increase.

The current **composition of the Company's share capital**, with respect to which there have been no changes, is shown below.

	Share capital		
	EUR	**No. of shares**	**Nominal value per share**
Total	4,202,329	12,635,066	(*)
of which: ordinary shares (regular dividend entitlement)	*4,202,329*	*12,635,066*	*(*)*

(*) Shares with no nominal value.

The **total amount of voting rights as at 31 December 2025** is shown below, as well as following the accrual of enhanced double voting rights for certain shareholders (1 October 2025).

	as at 30 September 2025		as at 31 December 2025	
	No. of shares	**No. of voting rights**	**No. of shares**	**No. of voting rights**
Total ordinary shares	12,635,066	19,530,005	12,635,066	27,174,211
of which:				
Ordinary shares without increased voting rights	*5,740,127*	*5,740,127*	*4,990,860*	*4,990,860*
Ordinary shares with increased voting rights	*6,894,939*	*13,789,878*	*7,644,206*	*22,183,351*

By virtue of the above, as at today's date, the voting rights that can be exercised by shareholders are as follows:

Shareholder	**Shares held**	**% share capital**	**% voting rights**
GGH – Gruppo General Holding S.r.l.	5,227,750	41.375	57.710
Investment Club S.r.l.	1,207,267	9.555	11.207
BFF Bank S.p.A.	1,013,470	8.021	3.730
First4Progress 1 S.r.l.	620,000	4.907	6.845
Banca del Ceresio SA	603,028	4.773	5.922
Market	3,963,551	31.369	14.586
Total	**12.635.066**	**100,00**	**100,00**

On March 2, 2023, GGH established a pledge in favor of Banca Nazionale del Lavoro S.p.A. over 1,100,000 shares. It is also noted that, in connection with a loan granted to it by Crédit Agricole Italia S.p.A., on February 12, 2025, GGH granted the aforementioned institution security in the form of a pledge over no. 396,825 Generalfinance shares.

It is specified that, in both cases, the pledge does not entail any limitation on the rights of the pledgor, as, by way of derogation from Article 2352 of the Italian Civil Code, the voting rights attached to the pledged shares continue to be duly exercised by GGH, both in ordinary and/or extraordinary shareholders' meetings. Likewise, GGH retains the right to receive any amounts due from Generalfinance in relation to the pledged shares.

It should be noted that, as of the date of this report, the Company does not hold any treasury shares in its portfolio..

PERFORMANCE INDICATORS (Art. 2428, Paragraph 2)

Generalfinance closed 2025 financial year with a net profit of EUR 28.8 million (+36% over 2024) and further growth in core business (distressed financing). Turnover – including advance orders and contracts – reached EUR 3,871 million (+28%) with EUR 3,013 million disbursed (+26%).

In order to provide a clear and immediate view of the Company's economic performance, the following tables show some indicators for the year, compared with the figures for the previous year.

The main economic and financial data and some operating indicators are presented below, with comments on their performance in the following paragraphs.

Main reclassified income statement figures *(in thousands of Euro)*

	Year 2025	Year 2024	Change
Net interest income	18,048	12,376	46%
Net fee and commission income	48,689	36,379	34%
Net interest and other banking income	**66,833**	**48,819**	**37%**
Operating costs	(20,392)	(16,043)	27%
Pre-tax profit from current operations	**43,479**	**31,541**	**38%**
Profit for the year	**28,756**	**21,099**	**36%**

Key balance sheet data *(in thousands of Euro)*

	Year 2025	Year 2024	Change
Financial assets measured at amortised cost	668,859	614,946	9%
Financial liabilities measured at amortised cost	673,072	635,239	6%
Shareholders' equity	98,379	80,088	23%
Total assets	842,137	769,705	9%

Main performance indicators

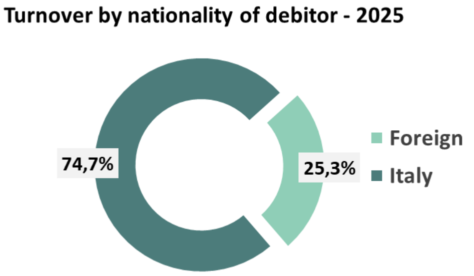
	Year 2025	Year 2024
Cost/Income ratio	31%	33%
ROE	41%	36%
Net interest income/Net interest and other banking income	27%	25%
Net fee and commission income/Net interest and other banking income	73%	75%

Notes:
- Cost/Income Ratio calculated as the ratio between Operating costs and Net interest and other banking income
- ROE calculated as the ratio of Net profit to Shareholders' equity at the end of the period, excluding profit for the year

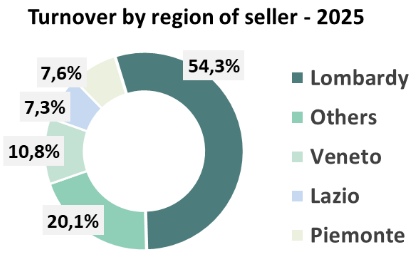
TURNOVER

Turnover has grown constantly in recent years, rising from approximately EUR 2,009 million in 2022 to roughly EUR 3,871 million in 2025, recording a significant increase in particular in the last financial year (+28%).

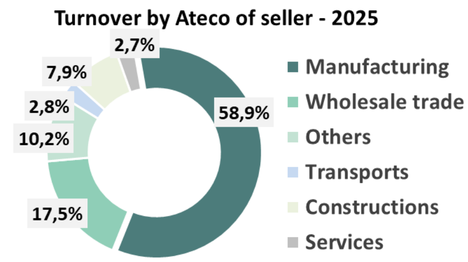
A look at the disaggregation by nationality of the transferred debtors shows a relative weight of International Factoring of roughly 25% of business volumes, with significant diversification by country, reflecting the high level of service that the Company is able to provide to export-oriented customers.



A look at the Transferors' registered offices show that the Company has a deeply rooted presence in the North of the country, with a strong focus on Lombardy (54.3% of turnover), Veneto (10.8%) and Piemonte (7.6%); followed by Lazio (7.3%). Overall, these four regions account for approximately 80% of turnover, highlighting the strong presence of Generalfinance in the most important and productive areas of the country.

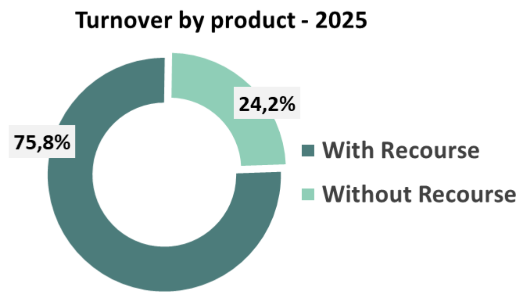


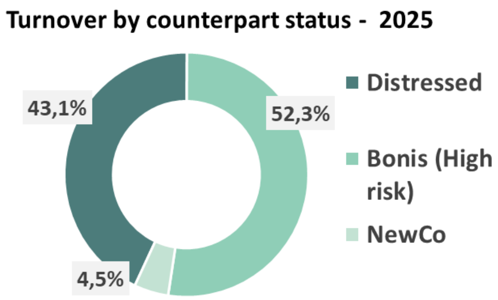
At sector level, manufacturing represents the most important portion of turnover, with approximately 59%; this positioning is consistent with the "DNA" of Generalfinance as a reference factor for manufacturing SMEs affected by turnaround processes.



The activity is mainly represented by factoring with recourse – including transactions involving future receivables and contracts – which accounts for approximately 76% of volumes, while the without recourse portion accounts for around 24%, up compared to the previous year.

Lastly, as of the reference date, turnover was generated for 52.3% by 'bonis (high risk)' assignors, for 43.1% by 'distressed' assignors – involved in restructuring and financial turnaround processes pursuant to the Italian Code of Business Crisis and Insolvency – and for 4.5% by NewCos, confirming the Company's positioning in the complex situations segment.





ECONOMIC RESULTS

The **net interest income** stood at EUR 18.0 million, up (+46%) compared to 2024 and thanks mainly to the growth in loans disbursed.

Net fee and commission income amounted to EUR 48.7 million, up compared to EUR 36.4 million in 2024 (+34%). The trend in fee and commission income was affected by the highly positive trend in turnover (+28% year on year), reflecting the excellent commercial and operating performance of the Company during the year.

Net interest and other banking income amounted to EUR 66.8 million (+37%), while net value adjustments on loans amounted to EUR 2.9 million, determining a cost of risk, calculated by correlating the adjustments with the annual disbursement, equal to 10 basis points.

Operating costs amounted to EUR 20.4 million (+27% compared to 2024).

At the end of the year, Generalfinance had 87 employees, compared to 77 at the end of 2024.

Taking into account the tax item of approximately EUR 14.7 million, the net result for the period was roughly EUR 28.8 million, compared to EUR 21.1 million recorded in 2024.

BALANCE SHEET AGGREGATES AND *ASSET QUALITY* DATA

Financial assets measured at amortised cost – represented largely by net loans to customers – stood at EUR 669 million, up by 9% compared to 31 December 2024, due mainly to the increase in the flow of loans disbursed, which rose from EUR 2,394 million in 2024 to EUR 3,013 million in 2025 (+26%). The overall disbursement percentage (average between recourse and non-recourse) – the ratio of disbursement to turnover for the year – decreased from 79% in 2024 to 78% in 2025; the average days of credit increased from 79 in 2024 to 83 in 2025.

Within the aggregate, gross **non-performing loans** totalled EUR 7.4 million, with a gross NPE ratio of approximately 1.1%, compared to 0.9% in 2024. The coverage of non-performing loans stood at around 38%.

Cash and cash equivalents – largely represented by on demand loans to banks – amounted to EUR 122.6 million, while total balance sheet assets amounted to EUR 842.1 million, compared to EUR 769.7 million at the end of 2024.

Financial assets measured at *fair value* with impact on the Income Statement amount to €8.3 million and are mainly represented by units of UCITS investing in trade receivables, with a residual investment duration of approximately 3 years.

Property, plant and equipment – operating properties and rights of use relating to property and operating assets – amounted to EUR 5.9 million, an increase compared to the amount in the previous year (EUR 6.5 million in 2024).

Intangible assets – mainly represented by the proprietary IT platform – amounted to EUR 3.8 million, compared to EUR 3.3 million in 2024.

Financial liabilities measured at amortised cost, equal to EUR 673.1 million, are made up of payables of EUR 519.6 million and securities issued of EUR 153.5 million.

Payables are mainly represented by the pool loan (EUR 261 million) stipulated with some Italian banks, in addition to the other bilateral lines with banks and factoring companies, which was renewed for a further 3 years in December 2024. In addition, the item includes the payable to the special purpose entity (EUR 158,6 million) related to the securitisation transaction in progress.

The **securities** consist of the senior bond issued during 2025, as well as three subordinated bonds issued — including the latest one, amounting to €30 million, placed in 2025 — in addition to the outstanding financial bills as of the balance sheet date.

SHAREHOLDERS' EQUITY AND *CAPITAL RATIOS*

Shareholders' equity as at 31 December 2025 amounted to EUR 98.4 million, compared to EUR 80.1 million as at 31 December 2024.

Generalfinance's **capital ratios**, calculated on a pro forma basis and including the 2025 net profit after dividend distribution (with a *pay-out ratio* of approximately 60%), stand at the following levels:

- 13.1% CET1 ratio;
- 13.1% TIER1 ratio;
- 18.5% Total Capital ratio.

The **capital ratios** of Generalfinance, determined for supervisory reporting purposes and including the net profit for the first half of 2025 after dividend distribution (with *a pay-out ratio* of approximately 60%), stand at the following levels:

- 12.0% CET1 ratio;
- 12.0% TIER1 ratio;
- 17.4% Total Capital ratio.

These ratios are well above the minimum regulatory requirements established by Bank of Italy's Circular 288 of 2015.

Research and development activities (Art. 2428, paragraph 3, no. 1 of the Italian Civil Code)

The Company does not carry out "research and development" pursuant to article 2428, paragraph 3, no. 1 of the Italian Civil Code. However, it is useful to point out that for the 2025-2027 period, consistently with the investment policies set out in the Business Plan, further development is expected in the proprietary IT platform, especially in the ICT infrastructure*, cyber security, digital transformation* and *business intelligence* domain.

Treasury shares/shares or units of parent companies (Art. 2428, paragraph 3, nos. 3 and 4 of the Italian Civil Code)

To date, the Company does not hold treasury shares – directly or indirectly – nor did it, over the course of 2024 – directly or indirectly – purchase or dispose of treasury shares.

OTHER ASPECTS

Third Pillar Disclosure

It should be noted that the Third Pillar disclosure relating to 2024, prepared in accordance with the provisions of Bank of Italy Circular no. 288, is available on the Generalfinance website at the following address: https://investors.generalfinance.it/en/public-disclosure/. Public disclosures relating to previous years are available at the same address.

As of today, the 2025 Pillar 3 disclosure is under preparation and is expected to be finalized by April 2026.

Internal Control System

The internal control system ("**ICS**") consists of the set of rules, functions, structures, resources, processes and procedures aimed at ensuring, in compliance with sound and prudent management, the achievement of the following objectives:

- verification of the implementation of company strategies and policies;
- safeguarding the value of assets and protection against losses;
- effectiveness and efficiency of business processes;
- reliability and security of company information and IT procedures;
- prevention of the risk of involvement, even involuntary, in illegal activities (with particular reference to those connected with money laundering, usury and financing of terrorism);
- compliance of transactions with the law and supervisory regulations, as well as internal policies, regulations and procedures.

It is structured as follows:

- third-level internal audit function (Internal Audit);

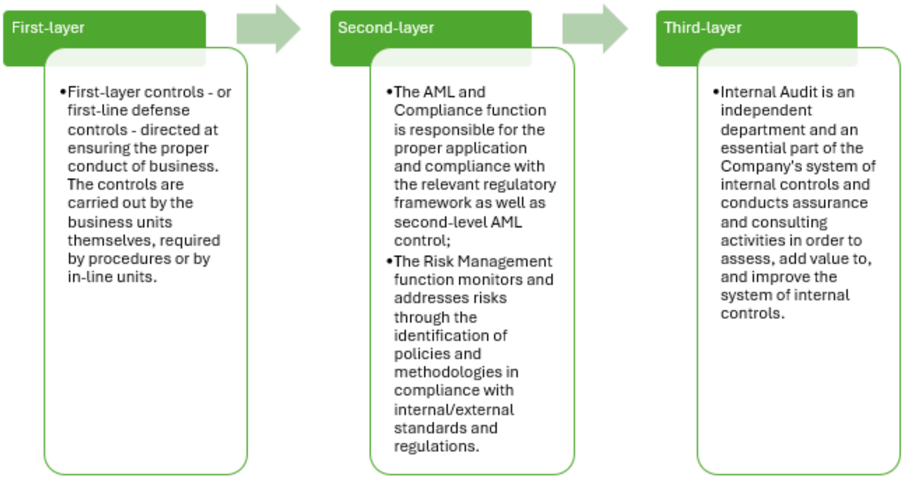
- second-level control function with specialised activities on risk management issues (Risk Management);
- second-level control function with specialised activities on anti-money laundering and regulatory compliance issues (AML and Compliance). The Head of the Anti-Money Laundering Function is also granted the mandate for the Reporting of Suspicious Transactions ("SOS"), pursuant to Art. 35 of Italian Legislative Decree no. 231 of 21 November 2007.

To ensure effectiveness of their action, the control functions are guaranteed with direct access to all useful information for the performance of their duties.

Each head of the second- and third-level control functions has adequate professional requirements and is placed in an adequate hierarchical-functional position: the heads of the risk control and compliance functions report directly to the Chief Executive Officer; the Head of the internal audit function, on the other hand, reports directly to the body with strategic supervision function. No control function head has direct responsibility in operational areas subject to control.

The control functions produce periodic reports in relation to the activities carried out and, at least annually, a report on the activities carried out during the previous year intended for the Board of Directors.

The levels of the internal control system can be summarised as follows:



The Company's internal control system is completed by:

- the Board of Directors, which assesses the adequacy of the ICS and plays a strategic steering role, dealing with - among other things - approving the Risk Appetite Statement, aimed at formalising the risk objectives and risk appetite objectives in line with the strategic and operational planning and establishes their respective internal limits (*Risk Tolerance* and *Risk Capacity*);
- the Chief Executive Officer, as responsible for the functionality of the internal control and risk management system;
- the Board of Statutory Auditors, required to ascertain the effectiveness of all the structures and functions involved in the internal control system, the correct performance of the tasks and their adequate coordination, and promote the corrective actions of the deficiencies and irregularities identified;
- the Control, Risk and Sustainability Committee, which has the task of supporting the assessments and decisions of the Board of Directors relating to the internal control and risk management system, as well as promoting the continuous integration of national and international best practices in the Company's corporate governance;
- the Supervisory Body, which monitors the effectiveness and adequacy of the organisation and management model;
- the independent auditors, which verifies the regular keeping of the company accounts and the correct recognition of the operating events in the accounting records, and that the financial statements present a true and fair view of the equity and financial situation and the economic result.
- the Company's Financial Reporting Manager, who, on the basis of the provisions of the Consolidated Law on Finance, prepares adequate administrative and accounting procedures for the preparation of the financial statements and, where envisaged, the consolidated financial statements, as well as any other financial communication.

Supervisory Body pursuant to Italian Legislative Decree no. 231 of 8 June 2001.

The Supervisory Body envisaged by no. 1 of letter "b" of Art. 6 of Italian Legislative Decree no. 231/2001 ("*Regulation of the administrative liability of legal persons, companies and associations, including those without legal status, pursuant to Art. 11 of Italian Law no. 300 of 29 September 2000*") ("**SB**") whose functions are mainly those of supervising the functioning and observance of the Organisation, management and control model ("**Model**") adopted by the Company and of ensuring its updating.

Taking into account the dimensional characteristics of Generalfinance and its operations, the related *corporate governance* rules, the need to achieve a fair balance between costs and benefits, the Company has established a collective Supervisory Body. It consists of two members, one a member of the Board of Statutory Auditors, with the functions of Chairperson, and the other internal, belonging to the Legal and Corporate Affairs Department.

The current composition of the SB is as follows:

- Maria Enrica Spinardi (Chairperson);
- Margherita De Pieri (Legal and Corporate Affairs Department).

To complete the regulatory framework outlined by the Model, the Company has adopted (since 2010) the Code of Ethics in order to highlight and disseminate the values, principles and rules of conduct that inspire the Company and to share them with all its stakeholders.

Update of the Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 on the administrative liability of companies and entities

During the financial year, the Company monitored, with the support of the Supervisory Body, compliance with the provisions set out in the Organizational, Management and Control Model and in the Code of Ethics, which was updated in the fourth quarter of 2025 in order to align it with the most recent case law developments and to integrate the catalogue of predicate offences with the new offences introduced by the legislator.

With reference to offences related to anti-money laundering matters, it should be noted that Legislative Decree No. 211/2025, entitled "*Implementation of Directive (EU) 2024/1226 of the European Parliament and of the Council of 24 April 2024 on the definition of criminal offences and penalties for the violation of European Union restrictive measures, amending Directive (EU) 2018/1673*", was published in Official Gazette No. 6 of 9 January 2026.

The Decree introduces into Legislative Decree 231/2001 the new Article 25-octies.2, "**Offences relating to the violation of European Union restrictive measures**", which extends the catalogue of predicate offences to include the following new offences against the foreign policy and common security of the European Union:

- "Violation of European Union restrictive measures" (Article 275-*bis*, paragraphs one, two and five of the Criminal Code);
- "Violation of information obligations imposed by a European Union restrictive measure" (Article 275-*ter*, paragraphs one and two of the Criminal Code);
- "Violation of the conditions of authorization to carry out activities" (Article 275-*quater*, paragraph one of the Criminal Code);
- new paragraph 1-*bis* of Article 12 "Provisions against illegal immigration" of Legislative Decree 286/1998.

In relation to these offences, the new Article 25-*octies*.2 of Legislative Decree 231/2001 provides for the following sanctioning framework:

- a pecuniary sanction ranging from 1% to 5% of the entity's total global turnover (from 0.5% to 1% in the case of Article 275-*ter*, paragraphs one and two of the Criminal Code) in the financial year preceding the one in which the offence was committed or, if lower, in the financial year preceding the application of the pecuniary sanction;
- where it is not possible to determine the entity's total annual global turnover, a pecuniary sanction ranging from €3 million to €40 million (€1 million to €8 million in the case of Article 275-*ter*, paragraphs one and two of the Criminal Code);
- disqualification sanctions pursuant to Article 9, paragraph 2, for a duration of not less than two years and not more than six years, if the offence was committed by a so-called "top-level" person, and for a duration of not less than one year and not more than three years, if the offence was committed by a so-called "subordinate" person.

The Legislative Decree entered into force on 24 January 2026.

Whistleblowing rules

In accordance with the provisions of Italian Legislative Decree no. 24/2023, the Company governs a specific whistleblowing policy, which provides for a reporting system with high levels of confidentiality and which allows employees, collaborators, customers and suppliers to report to the Company or to the Supervisory Body (depending on competence) any unlawful conduct, irregularities or violations of the law.
The whistleblowing platform and the related documents are accessible on the institutional website at the following link: https://generalfinance.net/organisation-model-231/.

In 2025, the persons in charge of managing the whistleblowing system did not receive any reports.

Out-of-court settlement of disputes relating to banking and financial transactions and services

The Company punctually fulfils the disclosure obligations envisaged by the provisions on Transparency of banking and financial services (Sect. II, Par. 2 of the "*Provisions on transparency of banking and financial transactions and services. Correctness of relations between intermediaries and customers*") by making the required documentation available in electronic form on its website, on the Generalweb company portal and, in paper form, at the Milan and Biella offices. These also include (as required by the Measure of the Governor of the Bank of Italy of 9 February 2011 – Section XI, paragraph 3) the periodically updated report on complaints management.

Generalfinance adheres to the out-of-court dispute resolution system established at the Banking and Financial Arbitrator. In this regard, it should be noted that, during the year 2025, the Company received two communications classified as "complaints" which were handled by the Complaints Office in compliance with the reference regulations.

During the same period, the Company did not receive notification of any appeals to the Banking and Financial Arbitrator, or to another alternative dispute resolution body or to the ordinary judicial authority as a result of complaints lodged by customers, nor procedures originating from appeals filed by customers to the Banking and Financial Arbitrator.

Protection of health and safety at work

The Company constantly monitors and protects the health of employees and their safety in the workplace, assisted by an external consultant, who has been appointed as Head of the Company Prevention and Protection Service ("**RSPP**"). In addition to the obligations required for the RSPP function, they also provide specific technical support and consultancy to ensure compliance with the reference regulations and the fulfilment of the obligations envisaged therein.
With regard to health surveillance, the Company complies with the provisions set forth in the Guidelines on the Training of Managers, Supervisors and Employers/RSPP (Articles 34 and 37 of Italian Legislative Decree no. 81/2008), approved on 25 July 2012 by the State-Regions Conference. All employees regularly undergo regular medical check-ups and, in the event of new hires, pre-employment check-ups. In addition, mandatory training is carried out in a timely manner for new hires, as well as the usual refresher courses for first aid and fire-fighting personnel.

During the 2025 financial year, no other significant events occurred, except for the appointment of the Workers' Safety Representative.

Training activities

For Generalfinance, training plays an important role in the context of strategic planning as it contributes to the progressive development of the technical-professional and managerial skills of all personnel. For this reason, the Company periodically provides its employees and associates with training and refresher courses, not only to fulfil specific regulatory duties, but also sessions dedicated to specific topics related to the core business, aimed at training internal staff and the acquisition and development of new and more specialised skills.
A crucial role is also played by the training and updating of the members of the top management on issues that typically relate to the activities of banking and financial intermediaries (such as, for example, anti-money laundering and combating of terrorism, usury, credit quality, etc.) but also to issues of general interest such as, for example, environmental sustainability and ESG issues.
In said context, training courses are provided both with the help of internal teachers, and through external structures, and by allowing staff to take part in courses, conferences, training sessions organised by trade associations or other public or private bodies of high standing.

The most significant training initiatives conducted in 2025 included courses on factoring regulations, corporate crisis, anti-money laundering and counter-terrorism, privacy and data protection, IT security and cyber risk (for the latter, using the gamification method provided through *Laborplay*).

With reference to the issue of out-of-court settlement of disputes relating to banking and financial transactions and services, in addition to participating in specific sessions held by the Head of the function on particular issues concerning the Company's current activities, the staff of the Complaints Office is updated regularly through the provision and illustration of the regular communications sent by the Banking and Financial Conciliator (association to which the Company belongs) containing regulatory and organisational information, as well as the review of the case law of the territorial Boards and the Board of Coordination of the Banking and Financial Arbitrator.

Protection of personal data

The Company has implemented a programme to align all safeguards relating to personal data protection with Regulation (EU) 2016/679 (the "**Regulation**" or "**GDPR**"). As part of the GDPR compliance activities, LTA (a privacy consultancy firm) was appointed as Data Protection Officer (DPO), in the person of Dr. Luigi Recupero, pursuant to a formal appointment dated 15 October 2021. Both appointments were renewed during 2025.

During the year, ordinary compliance activities implemented in phase 1 (Record of Processing Activities, appointment of authorised persons, appointment of external data processors) were subject to continuous monitoring and updating.

It should be recalled that in October 2024 an internal audit was carried out regarding the appointment of external data processors pursuant to Article 28 GDPR, in order to verify the correctness of the methodology adopted (with particular reference to the assessment of appointments already included in contracts compared to those prepared by MUA), the evaluations performed and the proper countersigned receipt of the relevant documentation.

To date, the Company's perimeter includes 37 external data processors, some of which are connected to more than one processing activity; 3 of them are no longer active. The audit did not reveal any critical issues. During the audit, it was noted that two appointment letters had not been countersigned despite two reminders having been sent; the related reasons are currently being further investigated. It was also decided to include in the 2025 timeline the sampling of suppliers to be verified with regard to compliance with the measures prescribed in their respective appointment letters. The audit concluded with the sharing of the outcomes of the post-contractual DORA assessment, which resulted in the need to appoint new entities (approximately 20) as external data processors. In January 2025, the DPO team completed the contractual analysis aimed at verifying the need for such appointments, following which in-depth *assessments* were carried out and the relevant appointments as Data Processor and/or External System Administrator were sent.

During 2025, the Company did not become aware of any *data breaches*.

In 2025, GDPR compliance activities were carried out in connection with the opening of the Spanish branch.

In this regard, it should be noted that the DPO issued an opinion concluding that the Spanish *branch* does not qualify as an autonomous data controller (given the absence of separate legal personality); therefore, Generalfinance qualifies as data controller also for the processing activities carried out in Spain. This approach was also confirmed by Studio Legale Maio, whose privacy department provided support for the main compliance activities indicated by the DPO and currently in progress, including:

- notification of Generalfinance's DPO also to the Spanish Data Protection Authority;
- monitoring of any measures issued by the Spanish Data Protection Authority and of national legislation concerning the types of activities carried out by Generalfinance within the relevant jurisdiction;
- amendment of Generalfinance's Record of Processing Activities pursuant to Article 30 GDPR by adding the processing activities carried out by the Spanish branch, ensuring that they are clearly identifiable within the register;
- revision of appointment letters in accordance with Spanish regulatory specificities.

In parallel with the review of the contractual set, the privacy notice addressed to assignors and the *privacy* clauses of the CAT 5 agreement were promptly revised.

In addition, a Data Protection Impact Assessment (DPIA) was carried out for the Spanish branch's data processing activities for anti-money laundering purposes, in compliance with Articles 32 and 32 bis of Spanish Law 10/2010 of 28 April on the prevention of money laundering and terrorist financing.

During the first half of the year, the update of the Record of Processing Activities in the Company's capacity as Data Controller was initiated through in-depth interviews with the various Owners and the administration of dedicated questionnaires. The assessment was completed and the results were formalised in the DPO team's report dated 28 November 2025. Based on the findings, a review was initiated to update, where necessary, the relevant privacy notices, to be followed by an update of the appointments of authorised persons; at the DPO's discretion, an audit on the Data Controller may be scheduled in 2026 in relation to the critical issues that emerged during the update.

In parallel, an audit was carried out on an external data processor, Exprivia, Generalfinance's FEI, also following the notification of a data breach in 2024. The audit was completed without any particular anomalies being identified (the detailed findings were formalised in the DPO's report dated 6 October 2025, which expressed an overall adequacy assessment).

The Compliance Department, also supported where required by the ICT Department, maintains ongoing information flows with the DPO, with particular reference to operationally critical issues (especially those interconnected with other regulatory areas, such as employment law) or significant measures issued by the Data Protection Authority.

Lastly, the DPO was also involved with reference to the AI systems adopted, in order to assess the related data protection profiles.

Digital Omnibus

During 2025, the European Commission presented the so-called "Digital Omnibus", a package of measures aimed at streamlining and coordinating the EU digital regulatory framework, with particular reference to the interaction between the *Digital Services Act, the Digital Markets Act, Regulation* (EU) 2022/2554 (DORA), the AI Act, the Data Act and Regulation (EU) 2016/679 (GDPR).

As of today, the Digital Omnibus has not introduced new autonomous substantive obligations, but has mainly affected the coordination of the application of the various regulations, with the objective of reducing overlaps, duplication of reporting requirements and inconsistencies among competent authorities. In particular, the initiative has focused on aligning incident notification obligations, integrating registers and documentary evidence required under the different regulations and strengthening the principle of proportionality for smaller operators.

For financial intermediaries, the main impact concerns the coordination between incident reporting obligations under DORA and *data breach* obligations pursuant to the GDPR, as well as the interaction between AI systems potentially qualifying as "high-risk" and ICT governance safeguards. Accordingly, there remains a need for continuous monitoring of delegated acts and implementing guidelines adopted by the competent European Authorities.

Climate risk and non-financial *disclosure*

The Company has not prepared the non-financial statement as it is not required to do so at present, as it does not meet the size requirements set out in the relevant regulations.

However, in 2025 the Company voluntarily approved its second Sustainability Report (for the financial year 2024). The document presents the management policies, the results achieved, the current and potential risks and the relevant indicators for the Company's business, with reference extended to the three-year period 2021-2023. It was drawn up in line with Italian and European best practices, in compliance with the reporting principles and with the disclosure requirements defined by the *Global Reporting Initiative* (GRI), a non-profit organisation created with the aim of providing practical support in the reporting of *sustainability performance* to companies and institutions of any size, for the purpose of measuring the environmental, social and economic impact generated by their activities.

With reference to the specific issue of climate risk (physical risk and transaction risk) following a specific analysis conducted as part of the preparation of the Sustainability Report – considering the nature of its transactions, i.e. disbursement of trade receivables with recourse and, to a lesser extent, without recourse, whose average duration is less than 80 days on average, as well as the limited number of real estate units with which it carries out its activities – the Company believes it is exposed to a limited degree.

Related party transactions (Art. 2428, paragraph 3, no. 2)

For more information on the terms of transactions carried out with related parties, please refer to the appropriate section of the Notes, Part D – Other Information.

Concentration of risk and regulatory capital

During the 2025 financial year, the Company and its control functions continued to monitor compliance with the parameters established by current regulations on risk concentration and regulatory capital. Further details are specified in the Notes, Part D – Other Information, to which reference should be made for any information in this regard.

Impacts arising from the Russia–Ukraine conflict

With reference to the ESMA public statement "Implications of Russia's invasion of Ukraine on half-yearly financial reports" dated 14 March 2022 and CONSOB's communication of 19 March 2022 ("*Conflict in Ukraine: CONSOB reminders to supervised issuers regarding financial reporting and compliance with the restrictive measures adopted by the European Union against Russia, as well as obligations of online portal managers*"), the Company – as part of the continuous monitoring of its loan portfolio – has paid particular attention, from a geopolitical perspective, to developments in the conflict between Ukraine and Russia, which resulted in the invasion of Ukrainian territory by Russia beginning on 24 February 2022 and in the adoption of economic sanctions by the European Union, Switzerland, Japan, Australia and NATO countries against Russia and Belarus and certain individuals from those countries.

Since February 2022, the conflict and the sanctions have had significant adverse repercussions on the global economy, also taking into account the negative effects on commodity costs (with particular reference to electricity and gas prices and availability), as well as on financial markets.

In this context, it should be noted that Generalfinance's direct presence in the Russian/Ukrainian/Belarusian market (areas directly affected by the conflict) is extremely limited, as the Company maintains factoring relationships exclusively with assignors operating in Italy.

As at 31 December 2025, Generalfinance has an extremely limited exposure (approximately EUR 30,000) towards assigned debtors having their registered office in Russia, Ukraine and Belarus. Since the invasion of Ukraine, the Company has suspended credit facilities relating to assigned debtors operating in countries directly involved in the conflict.

Impacts arising from U.S. tariffs

During the financial year, the introduction of customs tariffs by the United States of America generated tensions in international markets, with repercussions on global trade flows and certain production supply chains. However, the direct impact on Generalfinance's operations has been extremely limited, given the predominantly domestic nature of its portfolio and its specialization in factoring services mainly aimed at Italian SMEs.

With reference to 2025, turnover generated from assigned debtors resident in the United States amounts to approximately €53 million (equal to about 1.4% of Generalfinance's total turnover), while exposure to such debtors amounts to approximately €7 million (equal to about 1% of total gross exposure), confirming that the factoring activity carried out is primarily concentrated on European counterparties and markets.

The Company continues to monitor developments in the macroeconomic environment in order to adjust its investment and risk management strategies, while not detecting any significant effects on its growth dynamics or credit quality.

As at 31 December 2025, Generalfinance has an extremely limited exposure (approximately EUR 30,000) towards assigned debtors having their registered office in Russia, Ukraine and Belarus. Since the invasion of Ukraine, the Company has suspended credit facilities relating to assigned debtors operating in countries directly involved in the conflict.

Impacts arising from the conflict in the Middle East

Towards the end of February 2026, the international geopolitical environment has been characterized by significant tensions in the Middle East, which have led to increased volatility in global markets. This situation has resulted in a rise in commodity prices, particularly energy commodities, with consequent pressure on procurement costs.

The increase in commodity prices has had an impact on operating costs and, consequently, on the financial results for the year. A high degree of uncertainty remains regarding the evolution of the geopolitical context and commodity markets, which could affect future results.

The Company will continue to closely monitor developments in these external factors in order to assess their effects on its economic, equity and financial performance.

Audit Firm pursuant to Legislative Decree No. 39 of 7 January 2010

The financial statements are subject to statutory audit by Deloitte & Touche S.p.A. for the nine-year period 2017–2025.

Considering that the mandate granted by the Shareholders' Meeting of 8 March 2022 to Deloitte & Touche S.p.A. will expire upon the approval of the financial statements for the year ended 31 December 2025, the Shareholders' Meeting held on 5 April 2024 resolved – following a reasoned proposal by the Board of Statutory Auditors (issued pursuant to Article 13, paragraph 1, of Legislative Decree No. 39/2010) – to grant to EY S.p.A., with registered office in Milan, Via Meravigli No. 12 ("EY S.p.A."), the engagement for the statutory audit of the accounts for nine financial years starting from the financial year 2026 and expiring upon the Shareholders' Meeting called to approve the financial statements as at 31 December 2034, under the terms and conditions set out in the engagement proposal submitted by the aforementioned audit firm.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR (Art. 2428, Paragraph 3, No. 5)

Bond Issues

On 15 January 2026, Generalfinance successfully completed a *private placement* of additional unsecured notes for a total amount of EUR 20 million, reserved exclusively for qualified investors.

The new notes will be consolidated and will form a single series with the notes currently outstanding, namely the "EUR 50,000,000 *Senior Unsecured Non-Convertible Notes due 2028*" issued by the Company on 17 April 2025 and the "EUR 30,000,000 *Senior Unsecured Non-Convertible Notes due 2028*" issued by the Company on 29 September 2025. The new notes therefore have the same terms and conditions as the previous bond issues, providing – in particular – for maturity in April 2028 and a fixed annual coupon of 5.5%, with an option for Generalfinance to redeem them early starting from 17 April 2027.

The notes were issued at a price equal to 100.65% of their nominal value and were subscribed by leading institutional investors, confirming the market's confidence in the Company's solidity and growth prospects. The new notes, with an issue date of 20 January 2026, have been admitted to trading on Euronext Access Milan.

Update of the "M2G Mission to Grow – Roadmap for 2025–2027" Business Plan

Based on the 2025 results, which were significantly above the original Business Plan approved during 2025, the Board of Directors, on today's date, approved an upward revision of the forward-looking estimates through 2027 (the "Business Plan Update").

The updated projections confirm a path of sustained growth in the main economic and financial indicators, accompanied by a further strengthening of profitability, operating efficiency and capital solidity, against a stable risk profile.

The development plan remains fully confirmed and is based in particular on five strategic pillars:

1. **Consolidation in the "Special Situation" factoring market**, with a particular focus on the Italian "Distressed" segment, strengthening leadership in factoring for companies undergoing turnaround or financial distress (a segment in which Generalfinance had an approximately 10% share of the potential distressed factoring market at the end of 2025), with turnover in Italy growing (CAGR 2024–2027 equal to 18%).
2. **Development of the "Retail" market** through the establishment of a new commercial division focused on the development of factoring products specifically dedicated to small business customers.
3. **International expansion**, with entry into the Spanish and Swiss markets.
4. **Diversification of funding sources**, with stable and diversified credit/funding lines to support growth.
5. **Sustainability integrated into the plan**, strengthening the commitment to support companies – mainly manufacturing and commercial businesses in special situations – together with their local supply chains, as well as the digitalisation of processes, in order to foster "low cost" growth.

Main updated targets of the 2025–2027 Plan:

- Cumulative turnover 2025–2027: ~Euro 14 billion
- Cumulative net profit 2025–2027: ~Euro 98 million (vs ~Euro 84 million under the initial Business Plan, +17%)
- Expected net profit in 2027: ~Euro 37 million (vs ~Euro 32 million under the initial Business Plan, +15%)
- Shareholder return: ~Euro 52 million in dividends for the three-year period 2025–2027 (vs ~Euro 42 million under the initial Business Plan, +24%)
- Expected ROE in 2027: ~38% (vs ~34% under the initial Business Plan, +410 bps)
- Expected Total Capital Ratio in 2027: ~16% (vs ~13% under the initial Business Plan, +290 bps)
- Approximately 110 employees (FTEs) by 2027, with a significant strengthening of operational, commercial and internal control functions.

Following the close of the 2025 financial year, no further facts, events or circumstances have occurred that would materially modify the information presented in these Financial Statements, such as to render the current financial position materially different from that approved by the Company's governing bodies and, consequently, such as to require adjustments to the Financial Statements or additional disclosures in the Notes.

Company use of financial instruments (Art. 2428, paragraph 3, no. 6-bis)

In execution of an issuance programme approved by the Board of Directors on 21 September 2021, during 2025 the Company continued the activities aimed at strengthening and expanding the availability of funding to support the development of its core business. Details are provided both in the Report on Operations (sections "Business Performance and Results" and "Significant Events after the Reporting Date") and in the Notes to the Financial Statements under "Financial Liabilities measured at amortised cost".

Registered office and list of the Company's secondary offices (Art. 2428, last paragraph)

The Company has its registered office in Milan, at Via Giorgio Stephenson no. 43/A.
The administrative offices are instead located in the Biella properties, in Via Carso no. 36 and Via Piave no. 22.

BUSINESS OUTLOOK (Art. 2428, Paragraph 3, No. 6)

The positive trend in commercial activity recorded in 2025 – trend in *turnover*, loans disbursed, revenues and profitability– and the favourable reference context for Generalfinance's activities allows us to look at the Company's economic and financial performance in 2026 with optimism. In fact, the Company expects further growth in profits compared to those achieved in 2025 and in line with the objectives defined in the Strategic Plan.

In particular, for 2026 the Company expects turnover of approximately Euro 4.5 billion, a gross operating income of approximately Euro 75 million and net profit of Euro 32 million.

PROPOSALS TO THE SHAREHOLDERS' MEETING

Dear Shareholders,
The Financial Statements as at 31 December 2025, which are currently being reviewed and approved, show a net profit of EUR 28,756,157.

The Board of Directors, in light of the accounting results and the significant strengthening of the Company's capital position during 2025 – also following the issuance of the Euro 30 million subordinated bond, without prejudice in any event to the ongoing objective of strengthening capital ratios in line with the Company's multi-year strategic targets – believes that the conditions are met to submit the following proposal for the allocation of the net profit for the year:

- to the Shareholders, a **cash dividend** (gross of withholding taxes) of **Euro 1.36 for each ordinary share**, with ex-dividend date on 10 April 2026.
  Pursuant to Article 83-terdecies of the Consolidated Law on Finance, entitlement to receive the dividend is determined on the basis of the accounting records referred to in Article 83-*quater*, paragraph 3, of the Consolidated Law on Finance, at the end of the accounting day of 21 April 2026 (*so-called record date*).

Payment will be made from 22 April 2026 through the authorised intermediaries with which the shares are registered in the Monte Titoli system. Based on the share price as at 4 February 2026, the **dividend yield is equal to 5.7%**. The total amount of dividends therefore amounts **to Euro 17,183,689.76**, corresponding to a **payout ratio** of approximately 60%.

- to **reserves** – in particular to the Extraordinary Reserve – the remaining amount of Euro 11,572,467.24, considering that the Legal Reserve has already reached the limit provided for by Article 2430 of the Italian Civil Code.

Milan, March 5th 2026

on behalf of the Board of Directors
the Chairperson, Mr. Maurizio Dallocchio

GENERAL
FINANCE

FINANCIAL STATEMENTS

BALANCE SHEET

(values in euro)

	Asset items	12/31/2025	12/31/2024
10.	Cash and cash equivalents	122,614,557	122,398,342
20.	Financial assets measured at fair value through profit or loss	8,254,763	8,145,408
	c) other financial assets mandatorily measured at fair value	*8,254,763*	*8,145,408*
40.	Financial assets measured at amortised cost	668,858,544	614,945,539
	a) loans to banks	*464,732*	*17,169*
	b) receivables from financial companies	*29,369*	*57,587*
	c) loans to customers	*668,364,443*	*614,870,783*
50.	Hedging derivatives	717,458	0
70.	Equity investments	0	0
80.	Property, plant and equipment	5,947,875	6,477,209
90.	Intangible assets	3,771,814	3,260,736
	- of which goodwill	*0*	*0*
100.	Tax assets	10,576,893	7,342,424
	a) current	*9,979,114*	*6,866,662*
	b) deferred	*597,779*	*475,762*
120.	Other assets	21,395,377	7,134,863
Total assets		**842,137,281**	**769,704,521**

	Liabilities and shareholders' equity items	12/31/2025	12/31/2024
10.	Financial liabilities measured at amortised cost	673,071,823	635,239,008
	a) payables	*519,578,194*	*558,396,802*
	b) securities issued	*153,493,629*	*76,842,206*
40.	Hedging derivatives	335,466	10,411,242
60.	Tax liabilities	14,901,932	10,411,242
	a) current	*14,844,419*	*10,361,986*
	b) deferred	*57,513*	*49,256*
80.	Other liabilities	52,705,935	42,207,360
90.	Employee severance indemnity	1,716,029	1,550,314
100.	Provisions for risks and charges	1,027,373	208,695
	b) pension and similar obligations	*218,408*	*186,116*
	c) other provisions for risks and charges	*808,965*	*22,579*
110.	Share capital	4,202,329	4,202,329
140.	Share premium reserve	25,419,745	25,419,745
150.	Reserves	39,848,867	29,236,823
160.	Valuation reserves	151,625	129,856
170.	Profit (loss) for the year	28,756,157	21,099,149
Total liabilities and shareholders' equity		**842,137,281**	**769,704,521**

INCOME STATEMENT

(values in euro)

	Items		2025		2024
10.	Interest income and similar income		44,925,293		39,688,416
	of which: interest income calculated using the effective interest method		*43,318,245*		39,688,416
20.	Interest expense and similar charges		(26,877,417)		(27,312,830)
30.	**Net interest income**		**18,047,876**		**12,375,586**
40.	Fee and commission income		55,251,863		41,149,967
50.	Fee and commission expense		(6,562,973)		(4,771,009)
60.	**Net fee and commission income**		**48,688,890**		**36,378,958**
70.	Dividends and similar income		129,714		98,166
80.	Net profit (loss) from trading		(1,852)		(519)
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss		(31,274)		(33,324)
	b) other financial assets mandatorily measured at fair value	*(31,274)*		*(33,324)*	
120.	**Net interest and other banking income**		**66,833,354**		**48,818,867**
130.	Net value adjustments/write-backs for credit risk of:		(2,947,723)		(1,166,541)
	a) financial assets measured at amortised cost	*(2,947,723)*		*(1,166,541)*	
150.	**Net profit (loss) from financial management**		**63,885,631**		**47,652,326**
160.	Administrative expenses		(20,090,795)		(16,178,319)
	a) personnel expenses	*(10,881,082)*		*(9,095,838)*	
	b) other administrative expenses	*(9,209,713)*		*(7,082,481)*	
170.	Net provisions for risks and charges		(32,304)		222,093
	b) other net provisions	*(32,304)*		*222,093*	
180.	Net value adjustments/write-backs on property, plant and equipment		(1,087,898)		(942,476)
190.	Net value adjustments/write-backs on intangible assets		(805,463)		(672,747)
200.	Other operating income and expenses		1,624,763		1,528,907
210.	**Operating costs**		**(20,391,697)**		**(16,042,542)**
220.	Gains (Losses) on equity investments		(15,375)		(68,750)
260.	**Pre-tax profit (loss) from current operations**		**43,478,559**		**31,541,034**
270.	**Income taxes for the year on current operations**		**(14,722,402)**		**(10,441,885)**
280.	**Profit (loss) from current operations after tax**		**28,756,157**		**21,099,149**
300.	**Profit (loss) for the year**		**28,756,157**		**21,099,149**

STATEMENT OF COMPREHENSIVE INCOME

(values in Euro)

	Asset items	2025	2024
10.	**Profit (loss) for the year**	**28,756,157**	**21,099,149**
	Other income components net of taxes without reversal to the income statement		
20.	Equity securities designated at fair value through other comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	21,769	10,073
80.	Non-current assets and disposal groups	-	-
90.	Portion of valuation reserves of equity-accounted investments	-	-
	Other income components net of taxes with reversal to the income statement		
100.	Hedging of foreign investments	-	-
110.	Exchange rate differences	-	-
120.	Cash flow hedging	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (other than equity instruments) measured at fair value through other comprehensive income	-	-
150.	Non-current assets and disposal groups	-	-
160.	Portion of valuation reserves of equity-accounted investments	-	-
170.	**Total other income components net of taxes**	**21,769**	**10,073**
180.	**Comprehensive income (Item 10 + 170)**	**28,777,926**	**21,109,222**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 12/31/2025

(values in Euro)

	Balance as at 12/31/2024	Change in opening balances	Balance as at 01/01/2025	Allocation of previous year's result		Changes in the year						Comprehensive income for 2025	Shareholders' equity as at 12/31/2025
							Shareholders' equity transactions						
				Reserves	Dividends and other allocations	Changes in reserves	New shares issued	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Other changes		
Share capital	4,202,329	-	4,202,329	-	-	-	-	-	-	-	-	-	**4,202,329**
Share premium reserve	25,419,745	-	25,419,745	-	-	-	-	-	-	-	-	-	**25,419,745**
Reserves													
a) of profits	28,897,305	-	28,897,305	10,612,044	-	-	-	-	-	-	-	-	**39,509,349**
b) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	**339,518**
Valuation reserves	129,856	-	129,856	-	-	-	-	-	-	-	-	21,769	**151,625**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Profit (loss) for the year	21,099,149	-	21,099,149	(10,612,044)	(10,487,105)	-	-	-	-	-	-	28,756,157	**28,756,157**
Shareholders' equity	**80,087,902**	**-**	**80,087,902**	**-**	**(10,487,105)**	**-**	**-**	**-**	**-**	**-**	**-**	**28,777,926**	**98,378,723**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 12/31/2024

(values in Euro)

	Balance as at 12/31/2023	Change in opening balances	Balance as at 01/01/2024	Allocation of previous year's result		Changes in the year						Comprehensive income for 2024	Shareholders' equity as at 12/31/2024
							Shareholders' equity transactions						
				Reserves	Dividends and other allocations	Changes in reserves	New shares issued	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Other changes		
Share capital	4,202,329	-	4,202,329	-	-	-	-	-	-	-	-	-	**4,202,329**
Share premium reserve	25,419,745	-	25,419,745	-	-	-	-	-	-	-	-	-	**25,419,745**
Reserves													
c) of profits	21,284,601	-	21,284,601	7,612,704	-	-	-	-	-	-	-	-	**28,897,305**
d) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	**339,518**
Valuation reserves	119,783	-	119,783	-	-	-	-	-	-	-	-	10,073	**129,856**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Profit (loss) for the year	15,067,393	-	15,067,393	(7,612,704)	(7,454,689)	-	-	-	-	-	-	21,099,149	**21,099,149**
Shareholders' equity	**66,433,369**	**-**	**66,433,369**	**-**	**(7,454,689)**	**-**	**-**	**-**	**-**	**-**	**-**	**21,109,222**	**80,087,902**

STATEMENT OF CASH FLOWS (indirect method)

(values in Euro)

A. OPERATING ACTIVITIES	Amount	
	12/31/2025	12/31/2024
1. Management	**52,149,945**	**37,809,550**
- profit (loss) for the year (+/-)	28,756,157	21,099,149
- gains/losses on financial assets held for trading and on other financial assets/liabilities	31,275	102,074
- gains/losses on hedging activities (-/+)	-	-
- net value adjustments for credit risk (+/-)	3,050,933	1,166,541
- net value adjustments to property, plant and equipment and intangible assets (+/-)	1,893,358	1,615,223
- net provisions for risks and charges and other costs/revenues (+/-)	1,232,866	(574,278)
- unpaid taxes, duties and tax credits (+/-)	14,722,402	10,358,621
- net value adjustments to discontinued operations net of tax effect (+/-)	-	-
- other adjustments (+/-)	2,462,954	4,042,220
2. Liquidity generated/absorbed by financial assets	**(71,808,700)**	**(168,507,903)**
- financial assets held for trading		-
- financial assets designated at fair value		-
- other financial assets mandatorily measured at fair value	(78,080)	(8,155,758)
- financial assets measured at fair value through other comprehensive income		-
- financial assets measured at amortised cost	(50,862,072)	(154,332,941)
- other assets	(20,868,548)	(6,019,204)
3. Cash flow generated/absorbed by financial liabilities	**32,249,318**	**242,184,500**
- financial liabilities measured at amortised cost	32,690,813	224,195,256
- financial liabilities held for trading		-
- financial liabilities designated at fair value		-
- other liabilities	(441,495)	17,989,244
Net cash flow generated/absorbed by operating activities	**12,590,562**	**111,486,147**
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by	**320,760**	**32,578**
- sales of equity investments	191,045	6,250
- dividends collected on equity investments	129,715	-
- sales of property, plant and equipment	-	26,328
- sales of intangible assets	-	-
- sales of business units	-	-
2. Liquidity absorbed by	**(2,206,777)**	**(3,305,617)**
- purchases of equity investments	(331,675)	(62,500)
- purchases of property, plant and equipment	(558,562)	(2,430,511)
- purchases of intangible assets	(1,316,540)	(812,606)
- purchases of business units		-
Net cash flow generated/absorbed by investment activities	**(1,886,017)**	**(3,273,039)**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes	(10,487,105)	(7,454,689)
Net cash flow generated/absorbed by funding activities	**(10,487,105)**	**(7,454,689)**
NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR	**217,440**	**100,758,419**

RECONCILIATION	Amount	
	12/31/2025	12/31/2024
Cash and cash equivalents at the beginning of the year	122,399,568	21,641,149
Total net cash flow generated/absorbed during the year	217,440	100,758,419
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at the end of the year	**122,617,008**	**122,399,568**

GENERAL FINANCE

NOTES

PART A – ACCOUNTING POLICIES

A.1 – GENERAL PART

Section 1 – Statement of compliance with International Accounting Standards

The financial statements of Generalfinance S.p.A. as at 31 December 2025 were prepared in accordance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), approved by the European Commission pursuant to EU Regulation no. 1606 of 19 July 2002, taking into account the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRC) in force at the reporting date.

The financial statements were prepared according to the formats and instructions issued by the Bank of Italy on 17 November 2022 in compliance with the provisions of Art. 9 of Italian Legislative Decree no. 38/2005 as amended. The legislation also refers to specific provisions on the determination of non-performing items contained in Circular no. 217 of 5 August 1996 and subsequent updates.

The financial statements, accompanied by the related Report on Operations, consist of the following documents:

- Balance Sheet;
- Income Statement;
- Statement of Comprehensive Income;
- Statement of changes in Shareholders' equity;
- Statement of Cash Flows;
- Notes.

The financial statements are also completed by the relative comparative information as required by IAS 1 and are prepared on a going concern basis, measured by taking into account present and future income and financial prospects.

The amounts shown in the financial statements and in the tables of the Notes are expressed in Euro.

Section 2 – General drafting principles

These financial statements, drawn up in units of Euro, are based on the application of the following general drafting principles set forth in IAS 1.

1) Going concern. The financial statements have been prepared on a going concern basis: therefore, assets, liabilities and "off-balance sheet" transactions are measured according to operating values. In this regard, the main reference indicators, as with the trend in economic and equity aggregates, the significant capital resources and available liquidity reserves make it possible to reasonably exclude the current and future risk of an interruption to business continuity and confirm the Company's capacity to produce positive results and generate cash flows from ordinary operations. This conclusion was reached by also considering the analysis of the current and potential future impacts of the current and future macroeconomic and geopolitical context on the Company's financial situation and economic results on the basis of the evidence currently available and of the scenarios that can be predicted at present, albeit fully aware that it is not possible to determine such impacts with reasonable certainty.

2) Accrual principle. Costs and revenues are recognised, regardless of the time of their monetary payment/collection, by period of economic accrual and according to the correlation criterion.

3) Consistency of presentation. Presentation and classification of items are kept constant over time in order to ensure comparability of information, unless their change is required by an International Accounting Standard or an interpretation or it makes the representation of values more appropriate, in terms of significance and reliability. If a presentation or classification criterion is changed, the new one is applied – where possible – retroactively; in this case, the nature and reason for the change are also indicated, as well as the items concerned. In the presentation and classification of the items, the formats represented by the Bank of Italy in the instructions for "Financial statements of IFRS intermediaries other than banking intermediaries" are adopted as represented in the regulations issued on 17 November 2022.

4) Aggregation and relevance. All significant groupings of items with a similar nature or function are reported separately. The elements of a different nature or function, if relevant, are presented separately.

5) Prohibition of offsetting. Assets and liabilities, costs and revenues are not offset against each other, unless this is required or permitted by an International Accounting Standard or an interpretation or by the schedules prepared by the Bank of Italy and represented in the instructions for "The financial statements of IFRS intermediaries other than banking intermediaries".

6) Comparative information. The comparative information of the previous year is reported for all the data contained in the financial statements, unless an International Accounting Standard, an interpretation or the instructions prepared by the Bank of Italy for Financial Intermediaries prescribe or allow otherwise. Information of a descriptive nature or comments is also included, when useful for understanding the data.

As mentioned above, these financial statements were prepared on the basis of international accounting standards approved by the European Commission; in addition, to support their application, the ESMA (European Securities and Markets Authority) documents were used and in particular the document published on 24 October 2024, the public statement "*European common enforcement priorities for 2025 corporate reporting*" which refers to the application of specific provisions in the IFRS, also requiring the provision of specific information in the event of certain transactions.

In preparing the financial statements, account was also taken, where applicable, of the communications of the Supervisory Bodies (Bank of Italy, ECB, EBA, CONSOB, ESMA) and the interpretative documents on the application of IAS/IFRS, through which recommendations were provided on the information to be disclosed in the financial statements, on certain aspects of greater importance in the accounting field, or on the accounting treatment of particular transactions.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2025

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Company starting from 1 January 2025:

- On 15 August 2023, the IASB issued an amendment entitled "*Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*". The document requires an entity to identify and apply a consistent methodology in order to assess whether a currency can be exchanged into another currency and, where this is not possible, to determine the exchange rate to be used and the related disclosures to be provided in the notes to the financial statements.

  The adoption of these amendments had no impact on the Company's financial statements.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET MANDATORY AND NOT ADOPTED EARLY BY THE COMPANY AS AT 31 DECEMBER 2025

As at the date of this document, the competent bodies of the European Union have completed the endorsement process necessary for the adoption of the amendments and standards described below; however, they are not yet mandatorily applicable and have not been early adopted by the Company as at 31 December 2025:

- On 30 May 2024, the IASB issued the document entitled "*Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7*". The document clarifies certain issues identified during the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG targets (i.e. *green bonds*). In particular, the amendments aim to:
  - clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance (ESG) targets and the criteria to be applied in performing the SPPI test *assessment*;
  - specify that the settlement date of liabilities through electronic payment systems is the date on which the liability is extinguished. However, entities are permitted to adopt an accounting policy allowing the derecognition of a financial liability before cash is delivered on the settlement date, provided certain specific conditions are met.

  With these amendments, the IASB has also introduced additional disclosure requirements, in particular with regard to investments in equity instruments designated at FVOCI.
  The amendments will apply to financial statements for financial years beginning on or after 1 January 2026, with early application permitted.

  The Directors do not expect the adoption of these amendments to have a significant impact on the Company's financial statements.

- On 18 December 2024, the IASB issued an amendment entitled "*Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7*". The document aims to support entities in reporting the financial effects of contracts for the purchase of electricity generated from renewable sources (often structured as *Power Purchase Agreements*).

Under such contracts, the quantity of electricity generated and purchased may vary based on uncontrollable factors such as weather conditions. The IASB introduced targeted amendments to IFRS 9 and IFRS 7. The amendments include:

- clarification regarding the application of the "own use" requirements to this type of contract;
- criteria permitting the designation of such contracts as hedging instruments; and
- new disclosure requirements enabling users of financial statements to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendment will apply from 1 January 2026, with early application permitted.

The Directors do not expect the adoption of this amendment to have a significant impact on the Company's financial statements.

- On 18 July 2024, the IASB issued a document entitled "*Annual Improvements Volume 11*". The document includes clarifications, simplifications, corrections and amendments aimed at improving the consistency of several IFRS Accounting Standards. The standards amended are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and the related IFRS 7 Implementation Guidance;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

  The amendments will apply to financial statements for financial years beginning on or after 1 January 2026.

  The Directors do not expect the adoption of these amendments to have a significant impact on the Company's financial statements.

<u>IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION</u>

As at the date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and standards described below.

- On 9 April 2024, the IASB issued a new standard, **IFRS 18 Presentation and Disclosure in Financial Statements**, which will replace IAS 1 – *Presentation of Financial Statements*.

  The new standard aims to improve the presentation of financial statements, with particular reference to the statement of profit or loss. Specifically, the new standard requires entities to:
  - classify income and expenses into three new categories (operating section, investing section and financing section), in addition to the existing categories of income taxes and discontinued operations already included in the statement of profit or loss;
  - present two new subtotals: operating profit and profit before interest and taxes (i.e. EBIT).

  The new standard also:
  - requires enhanced disclosures regarding management-defined performance measures;
  - introduces new criteria for the aggregation and disaggregation of information; and
  - introduces certain amendments to the statement of cash flows, including the requirement to use operating profit as the starting point for the preparation of the statement of cash flows under the indirect method and the removal of certain existing classification options (such as interest paid, interest received, dividends paid and dividends received).

  The new standard will become effective from 1 January 2027, with early application permitted.

  The Directors are currently assessing the possible effects of the introduction of this new standard on the Company's financial statements.

- On 9 May 2024, the IASB issued a new standard, **IFRS 19 Subsidiaries without Public Accountability: Disclosures** (together with the Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures published on 21 August 2025). The new standard introduces certain simplifications regarding the disclosures required by IFRS Accounting Standards in the separate financial statements of a subsidiary that meets the following requirements:
  - it has not issued debt or equity instruments traded in a public market and is not in the process of issuing them;

    - its parent prepares consolidated financial statements in accordance with IFRS Accounting Standards.

  The new standard will become effective from 1 January 2027, with early application permitted.
  The Directors do not expect any impact on the Company's financial statements, as this standard applies only to the financial statements of subsidiaries whose parent prepares consolidated financial statements in accordance with IFRS.

- On 13 November 2025, the IASB issued a document entitled "Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21", which clarifies the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. An entity applies the amendments if:
    - its functional currency is that of a non-hyperinflationary economy and it translates its results and financial position into the currency of a hyperinflationary economy; or
    - it translates into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

  The amendments will apply to financial statements for financial years beginning on or after 1 January 2027.
  Since the Company does not prepare consolidated financial statements, this principle is not applicable.

- On 30 January 2014, the IASB issued ***IFRS 14 – Regulatory Deferral Accounts***, which permits only first-time adopters of IFRS to continue recognising amounts relating to rate-regulated activities ("*Rate Regulation activities*") in accordance with their previous accounting principles.
  As the Company is not a *first-time adopter*, this standard is not applicable.

Section 3 – Events after the reporting date

Subsequent to the close of the 2025 financial year, no events or circumstances have occurred that would materially modify the information presented in the Financial Statements, the Notes to the Financial Statements or the Report on Operations.

It is hereby noted that, pursuant to IAS 10, the date on which the Financial Statements were authorised for issue by the Company's Directors is 5 March 2026.

Section 4 – Other aspects

The financial statements of Generalfinance S.p.A. are subject to statutory audit pursuant to Legislative Decree No. 39 of 27 January 2010 by Deloitte & Touche S.p.A., which was appointed for the period 2017–2025 by the Shareholders' Meeting held on 15 February 2018, and whose appointment was subsequently confirmed by the Shareholders' Meeting of 8 March 2022 in connection with the acquisition of the legal *status* of a "Public Interest Entity" (PIE).

Risks and uncertainties associated with the use of estimates

The preparation of the financial statements requires the use of estimates and assumptions that may have significant effects on the values recorded in the balance sheet and in the income statement, as well as on the disclosure relating to contingent assets and liabilities reported in the financial statements.
The preparation of these estimates involves the use of available information and the adoption of subjective judgements, also based on historical experience, used in order to formulate reasonable assumptions for the recognition of operating events.
Due to their very nature, the estimates and assumptions used may vary from year to year, therefore it cannot be excluded that the current values recorded in the financial statements may differ significantly as a result of the change in the subjective judgements used.
The cases for which the use of subjective judgements was required in the preparation of these financial statements concern:

- the estimates and assumptions on the recoverability of deferred tax assets and liabilities;
- the quantification of impairment losses on financial assets measured at amortised cost;
- the determination of the *fair value* of financial assets designated at fair value;
- the determination of the *fair value* of hedging derivatives;
- the quantification of provisions for personnel and provisions for risks and charges.

With reference to certain cases indicated above and in consideration of the current financial and economic situation, it was deemed appropriate to provide adequate information in "Part D – Other information" regarding the reasons underlying the decisions made, the assessments carried out and the estimation criteria adopted in application of international accounting standards.

A.2 – PART RELATING TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

For some items of the balance sheet, the following points are illustrated:

- classification criteria;
- recognition criteria;
- measurement criteria;
- criteria for the recognition of income components;
- derecognition criteria.

1 – Financial assets measured at *fair value* through profit or loss ("FVTPL")

1.1 Classification criteria

Financial assets other than those classified under Financial assets measured at *fair value* through other comprehensive income and Financial assets measured at amortised cost are classified in this category.

In particular, this item includes:

a) financial assets held for trading, essentially represented by debt securities and equities and the positive value of derivative contracts held for trading;

b) financial assets designated at fair value, i.e. non-derivative financial assets thus defined at the time of initial recognition and if the conditions are met. An entity may irrevocably designate a financial asset as measured at fair value through profit or loss only if, by doing so, it eliminates or significantly reduces a measurement inconsistency;

c) financial assets mandatorily measured at fair value, represented by financial assets that do not meet the conditions, in terms of business model or characteristics of cash flows, for measurement at amortised cost or at fair value through other comprehensive income. In particular, this category includes:
   - debt instruments, securities and loans that do not present cash flows consisting only of the repayment of principal and interest consistent with a "basic lending arrangement", (so-called "SPPI test" not passed);
   - debt instruments, securities and loans whose business model is neither "Held to collect" (whose objective is to own assets aimed at collecting contractual cash flows) or "Held to collect and sell" (whose objective is to achieved through the collection of contractual cash flows and through the sale of financial assets);
   - the units of UCITS;
   - equity instruments for which the Company does not apply the option granted by the standard to measure these instruments at fair value through other comprehensive income.

   Derivative contracts also include those embedded in complex financial instruments, in which the host contract is not a financial asset that falls within the scope of application of IFRS 9, which are subject to separate recognition in the event that:
   - ✓ the economic characteristics and risks of the embedded derivative are not strictly related to the economic characteristics and risks of the host contract;
   - ✓ a separate instrument with the same conditions as the embedded derivative would meet the definition of a derivative;
   - ✓ the hybrid instrument to which they belong is not measured at fair value with the related changes in the income statement.

Reclassifications to other categories of financial assets are not permitted unless the entity changes its *business* model for the management of financial assets. In these cases, financial assets may be reclassified from the category measured at fair value through profit or loss into one of the other two categories envisaged by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through other comprehensive income). The transfer value is represented by the fair value at the time of reclassification and the effects of the reclassification operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value at the reclassification date and this date is considered as the initial recognition date for the allocation in the various stages of credit risk (*stage allocation*) for impairment purposes.

1.2 Recognition criteria

The initial recognition of financial assets takes place on the settlement date for debt and equity securities and on the date of subscription for derivative contracts. At the time of initial recognition, financial assets held for trading are recognised at a value equal to the price paid, i.e. the fair value of the instrument, without considering the transaction costs or income directly attributable to the instrument itself, which are allocated to the income statement.

1.3 Measurement criteria

Even after initial recognition, financial assets are measured at fair value and the effects of the application of this criterion are recognised in the income statement. The determination of the fair value of financial instruments classified in this portfolio is based on prices recorded in active markets, on prices provided by market operators or on internal valuation models, generally used in financial practice, which take into account all risk factors related to the instruments and which are based on data available on the market. For financial assets not listed on an active market, the cost criterion is used as an estimate of the fair value only on a residual basis and limited to a few circumstances, i.e. in the event of non-applicability of all the valuation methods mentioned above.

1.4 Criteria for the recognition of income components

The income components relating to "Financial assets held for trading" are allocated to the income statement item "Net profit (loss) from trading".

The income components relating to "Financial assets designated at *fair value*" and "Other financial assets mandatorily measured at fair value" are allocated to the income statement item "Net profit (loss) from other financial assets and liabilities measured at fair value through profit or loss".

1.5 Derecognition criteria

Financial assets are derecognised only if the sale entails the substantial transfer of all the risks and benefits associated with the assets. If part of the risks and rewards relating to the financial assets sold have been retained, they continue to be recognised in the financial statements, even if legal ownership of the assets has actually been transferred.

If it is not possible to ascertain the substantial transfer of risks and benefits, the financial assets are derecognised if no type of control has been maintained over them. Otherwise, the maintenance, even in part, of this control entails the maintenance in the financial statements of the assets to an extent equal to the residual involvement, measured by the exposure to changes in value of the assets sold and to changes in their cash flows. Lastly, as regards the transfer of collection rights, the financial assets sold are derecognised from the financial statements even when the contractual rights to receive the cash flows of the asset are maintained, but an obligation is assumed to pay those flows to one or more entities.

2 – Financial assets measured at amortised cost

2.1 Classification criteria

This category includes financial assets (in particular loans and debt securities) that meet both of the following conditions:

- ✓ the financial asset is held according to a business model whose objective is achieved through the collection of contractually envisaged cash flows ("Held to Collect" Business model), and
- ✓ the contractual terms of the financial asset envisage, on certain dates, cash flows consisting only of the repayment of principal and interest consistent with a "basic lending arrangement", in which the remuneration of the time value of money and credit risk represent the most significant elements (so-called "SPPI test" passed).

In particular, if they meet the technical requirements described above, this item includes:

a. loans to banks;
b. receivables from financial companies;
c. loans to customers;

mainly consisting of advances on demand disbursed to customers as part of factoring activities against the portfolio of loans and receivables received *pro solvendo* that remains recorded in the financial statements of the assigning counterparty, or loans and receivables acquired *pro soluto*, for the which the non-existence of contractual clauses that eliminate the conditions for their registration has been ascertained.

Reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for the management of financial assets. In these cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category measured at amortised cost to one of the other two categories envisaged by IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is represented by the fair value at the time of reclassification and the effects of the reclassification operate prospectively from the date of reclassification.

The gains or losses resulting from the difference between the amortised cost of the financial asset and the related fair value are recognised in the income statement in the event of reclassification under Financial assets measured at fair value through profit or loss and in shareholders' equity, in the appropriate valuation reserve, in the case of reclassification under Financial assets measured at fair value through other comprehensive income.

2.2 Recognition criteria

The first recognition of these financial assets takes place on the settlement date for debt securities and on the disbursement date for loans. Upon initial recognition, the assets are recognised at fair value, including transaction costs or income directly attributable to said asset. Costs that, despite having the aforementioned characteristics, are subject to reimbursement by the debtor counterparty or are included among the normal internal administrative costs are excluded. Repurchase agreements with forward repurchase or resale obligation are recorded in the financial statements as funding or lending transactions. In particular, spot sales and forward repurchases are recognised in the financial statements as payables for the spot amount received, while spot purchases and forward sales are recognised as receivables for the spot amount paid.

2.3 Measurement criteria

After initial recognition, the receivables are measured at amortised cost, equal to the initial recognition value decreased/increased by principal repayments, value adjustments/write-backs and amortisation calculated using the effective interest rate method. The effective interest rate is identified by calculating the rate that equals the present value of future flows of the receivable, for principal and interest, to the amount disbursed, including the costs/income related to the financial asset. This accounting method, using a financial method, makes it possible to distribute the economic effect of the costs/income over the expected residual life of the receivable. The amortised cost method is not normally used for receivables whose short duration makes the effect of discounting negligible.

These receivables – including almost all *factoring* advances disbursed by Generalfinance – are valued at purchase cost. A similar measurement criterion is adopted for receivables without a defined maturity or subject to revocation. At the end of each financial year or interim period, the estimate of the impairment of these assets is calculated, determined in compliance with the *impairment* rules of IFRS 9, applied at the level of each individual transferred debtor, based on the risk parameters represented by *probability of default (PD), loss given default (LGD) and exposure at default (EAD)*.

For further details, please refer to “Part D – Other information – Section 3 – Information on risks and related hedging policies*”.*

Impairment losses are recognised in the income statement under the item “Net value adjustments/write-backs for credit risk”, as are the recoveries of part or all amounts subject to previous write-downs. Write-backs are recorded against an improved quality of the exposure such as to lead to a decrease in the overall write-down previously recognised. In the explanatory notes, value adjustments on non-performing exposures are classified as analytical in the aforementioned income statement item. In some cases, during the life of the financial assets in question and, in particular, of the receivables, the original contractual conditions are subject to subsequent modification by the parties to the contract. When, during the life of an instrument, the contractual clauses are subject to change, it is necessary to verify whether the original asset must continue to be recognised in the financial statements or if, on the contrary, the original instrument must be *derecognised* from the financial statements and a new financial instrument recognised.

In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are “*substantial*”. The assessment of the “substantiality” of the change must be carried out considering both qualitative and quantitative elements. In some cases, in fact, it may be clear, without recourse to complex analyses, that the changes introduced substantially modify the characteristics and/or contractual flows of a given activity while, in other cases, further analyses will have to be carried out (including quantitative) to consider the effects of the same and verify the need to proceed with the derecognition of the asset and the recognition of a new financial instrument.

The (qualitative-quantitative) analyses aimed at defining the “substantiality” of the contractual changes made to a financial asset must therefore consider:

- the purposes for which the changes were made: for example, renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty:
    - the former, aimed at “retaining” the customer, involve a debtor who is not in a situation of financial difficulty. This case includes all the renegotiation transactions that are aimed at adjusting the cost of the debt to market conditions. These transactions involve a change in the original conditions of the contract, usually requested by the debtor, which concerns aspects related to the cost of the debt, with a consequent economic benefit for the debtor. In general, it is believed that, whenever the Company carries out a renegotiation in order to avoid losing its customer, this renegotiation must be considered as substantial since, if it were not carried out, the customer could obtain financing from another intermediary and the Company would suffer a decrease in expected future revenues;
    - the latter, carried out for “credit risk reasons” (forbearance measures), are attributable to the Company's attempt to maximise the recovery of the cash flows of the original loan. The underlying risks and benefits, subsequent to the amendments, are not substantially transferred and, consequently, the accounting representation that offers the most relevant information for the reader of the financial statements (except for what will be discussed later on objective elements), is that carried out through “modification accounting” – which involves the recognition in the income statement of the difference between the book value and the present value of the modified cash flows discounted at the original interest rate – and not through derecognition;
- the presence of specific objective elements that affect the substantial changes in the characteristics and/or the contractual flows of the financial instrument (such as, solely by way of example, the change in the type of counterparty risk to which one is exposed), which are believed to involve the derecognition in consideration of their impact (expected to be significant) on the original contractual flows.

2.4 Criteria for the recognition of income components

The allocation of income components to the relevant income statement items is based on the following:

a) interest income is allocated to the item “Interest income and similar income”;
b) fee and commission income relating to current operations is allocated to the item “Fee and commission income”;
c) *impairment* losses and write-backs for credit risk are allocated to the item “Net value adjustments/write-backs for credit risk of a) financial assets measured at amortised cost”.

2.5 Derecognition criteria

The full elimination of a receivable is carried out when it is considered irrecoverable with waiver of the legal right to recover the receivable by the Company. By way of a non-exhaustive example, this occurs in the presence of the closure of a bankruptcy procedure, death of the debtor without heirs, final judgement of non-existence of the credit, etc. As regards total or partial write-offs without waiver of the receivable, in order to avoid the maintenance in the financial statements of receivables that, although continuing to be managed by the collection structures, present marginal recovery possibilities, at least every six months, entities identify the positions to be subject to derecognition that simultaneously present the following characteristics: - full write-down of the receivable; - period of more than 2 years in the non-performing status - declaration of bankruptcy, or admission to compulsory administrative liquidation or other ongoing insolvency proceedings.

Derecognitions are charged directly to the item "net value adjustments for credit risk" for the residual portion not yet adjusted and are recognised as a reduction of the principal portion of the loan. Recoveries of part or entire amounts previously written down are recognised as a reduction of the same item "net value adjustments for credit risk". Financial assets sold or securitised are derecognised only when the sale has resulted in the substantial transfer of all related risks and benefits. Moreover, if the risks and benefits have been maintained, these financial assets continue to be recognised, even if their ownership has been legally transferred. Against the maintenance of the recognition of the financial asset sold, a financial liability is recognised for an amount equal to the consideration collected at the time of the sale of the financial instrument. If not all risks and benefits have been transferred, the financial assets are eliminated only if no type of control has been maintained over them. If, on the other hand, control has been maintained, the financial assets are shown in proportion to the residual involvement. Lastly, as regards the transfer of collection rights, the transferred receivables are derecognised from the financial statements even when the contractual rights to receive the cash flows of the asset are maintained, but an obligation is assumed to pay those flows to one or more entities.

3 – Equity investments

3.1 Classification criteria

The item includes interests held in direct subsidiaries and associates.

Companies in which the parent company, directly or indirectly, holds more than half of the voting rights or when, even with a lower share of rights, the parent company has the power to appoint the majority of the directors of the investee or to determine the financial and operating policies of the latter are considered subsidiaries.

Non-subsidiaries in which a significant influence is exercised are considered associates. It is presumed that the company exercises a significant influence in all cases in which it holds 20% or more of the voting rights (including "potential" voting rights) and, regardless of the share held, if it has the power to participate in the management and financial decisions of the investees, by virtue of particular legal ties, such as shareholders' agreements, whose purpose is for the parties in the agreement to ensure representativeness in the management bodies and safeguard the unity of direction of management, without however having control.

3.2 Recognition criteria

Equity investments are recognised on the settlement date. Upon initial recognition, the equity interests are recognised at cost, including costs or income directly attributable to the transaction.

3.3 Measurement criteria

In subsequent valuations, if there is evidence that the value of an equity investment may have suffered impairment, the recoverable value of the equity investment is estimated, taking into account the present value of the future cash flows that the equity investment may generate including the final disposal value of the investment.

3.4 Criteria for the recognition of income components

The allocation of income components to the relevant income statement items is based on the following:

a) if the recoverable amount is lower than the book value, the relative difference is recognised in the item "Gains (losses) on equity investments";
b) if the reasons for the loss in value are removed following an event occurring after the reduction in value, write-backs are recognised under the item "Gains (losses) on equity investments".

The verification of the existence of objective evidence of impairment is carried out at the end of each reporting period or half-yearly reporting period.

3.5 Derecognition criteria

Equity investments are derecognised when the contractual rights on the cash flows deriving from the assets themselves expire or when the equity investment is sold, transferring all the risks and rewards associated with it.

4 – Hedging derivatives

4.1 Classification criteria

Generalfinance applies the accounting standard "IFRS 9 – Financial Instruments" for the recognition, measurement and accounting presentation of hedging transactions (hedge accounting) and does not make use of the option to continue applying the provisions of IAS 39 with regard to *hedge accounting*.

Risk hedging transactions are aimed at neutralizing potential losses arising from exposure to specific risk factors identifiable on certain financial assets or liabilities recognized in the balance sheet, should such risks actually materialize.

The only hedging transactions entered into by the Company are *fair value hedges (micro hedges),* aimed at hedging exposure to changes in *fair value* attributable to interest rate risk on individual financial assets or liabilities, or portions thereof.

The following are not entered into:

- generic fair value hedges (macro hedges);
- cash flow hedges;
- hedges of investments in foreign entities.

The hedging instruments used consist exclusively of Interest Rate Swaps (IRS) entered into with banking counterparties, with a high *outstanding* amount.

4.2 Recognition Criteria

Hedging derivatives are initially recognized and subsequently measured at *fair value*.

A hedging relationship qualifies as such and is accounted for accordingly only if all of the following conditions are met:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship, the risk management objectives pursued and the strategy adopted in undertaking the hedge;
- the documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company assesses whether the hedging relationship meets the effectiveness requirements set out in IFRS 9;
- an economic relationship exists between the hedging instrument and the hedged item;
- the effect of credit risk does not dominate the value changes resulting from the hedged risk;
- the designated hedge ratio is consistent with the quantity actually used in the risk management strategy.

The hedging relationship is assessed on an ongoing basis in order to verify that the requirements for the application of *hedge accounting* continue to be met.

4.3 Measurement Criteria

Hedging derivatives are measured at *fair value*.

In the case of a *fair value* hedge, the change in the fair value of the hedged item, limited to the risk being hedged, is offset by the change in the fair value of the hedging instrument.

Hedge effectiveness depends on the extent to which changes in the fair value of the hedged item attributable to interest rate risk are offset by changes in the fair value of the hedging instrument.

Effectiveness is assessed:

- prospectively, at the time of designation of the hedging relationship, in order to demonstrate that the hedge is consistent with the risk management strategy;
- on an ongoing basis, in order to verify that the hedging relationship continues to meet the requirements set out in IFRS 9.

In accordance with IFRS 9, no rigid quantitative thresholds are applied for measuring effectiveness (such as the 80–125% range).

4.4 Criteria for the recognition of income components

The allocation of income components to the relevant Income Statement items is carried out as follows:

- changes in the fair value of the hedging instrument (IRS) are recognized in the Income Statement;
- changes in the fair value of the hedged item attributable to the hedged interest rate risk are recognized in the Income Statement, with a corresponding adjustment to the carrying amount of the hedged asset or liability.

Any difference between the changes in the fair value of the hedging instrument and the hedged item represents hedge ineffectiveness and is recognized in the Income Statement.

4.5 Derecognition Criteria

Fair value hedge accounting ceases prospectively in the following cases:

- the hedging instrument expires, is sold, terminated or exercised;
- the hedging relationship no longer meets the requirements set out in IFRS 9;
- the Company revokes the designation of the hedging relationship.

Upon termination of the hedging relationship:

- the derivative contract is reclassified among trading instruments;
- if the hedged asset or liability is measured at amortized cost, the cumulative adjustment to the carrying amount resulting from the hedge is recognized in the Income Statement over the remaining life of the hedged instrument, using the effective interest rate method.

5 – Property, plant and equipment

5.1 Classification criteria

The item includes both owned assets and rights of use relating to lease contracts.

Property, plant and equipment for business use include:

- land;
- real estate;
- furniture and furnishings;
- electronic office machines;
- plants;
- various equipment;
- cars;
- leasehold improvements.

These are physical assets held to be used in the production or supply of goods and services or for administrative purposes and which are deemed to be used for more than one period. This item also includes rights of use acquired through leasing and relating to the use of property, plant and equipment.

Pursuant to IFRS 16, a lease is a contract, or part of a contract, which, in exchange for a consideration, confers the right to control the use of a specified asset for a period of time; therefore, if long-term, the period of use of the asset will enjoy both of the following rights:

i. the right to obtain substantially all the economic benefits deriving from the use of the asset; and
ii. the right to decide on the use of the asset.

In the event of a change in the terms and conditions of the contract, a new assessment is made to determine whether the contract is or contains a *lease*.

Leasehold improvements are improvements and incremental expenses relating to identifiable and separable property, plant and equipment. These investments are generally incurred to make the properties rented from third parties suitable for use.

It should also be noted that the Company does not hold property, plant and equipment for investment purposes.

5.2 Recognition criteria

Property, plant and equipment are initially recognised at acquisition cost, including accessory charges incurred and directly attributable to the start-up of the asset or the improvement of its production capacity.

Expenses incurred subsequently are added to the carrying amount of the asset or recognised as separate assets if it is probable that they will enjoy future economic benefits in excess of those initially estimated and the cost can be reliably recognised; otherwise they are recognised in the income statement. According to IFRS 16, leases are accounted for on the basis of the *right-of-use* model, therefore, at the start date of the contract, the asset consisting of the right of use and the lease liability are recognised.

The initial measurement of the right-of-use asset is at cost, which includes:

a) the amount of the initial measurement of the lease liability;
b) payments due for the lease made on or before the start date net of lease incentives received;
c) the initial direct costs incurred by the lessee; and
d) the estimate of the costs that will be incurred for the dismantling and removal of the underlying asset and for the restoration of the site in which it is located or for the restoration of the underlying asset under the conditions envisaged by the terms and conditions of the lease.

For real estate *leases*, recognition as a lease takes place for each lease component, separating it from non-lease components; for vehicles, in application of the practical expedient envisaged by the standard, the non-leasing components are not separated from the leasing components.

Ordinary maintenance costs are recognised in the Income Statement on an accrual basis.

5.3 Measurement criteria

Recognition in the financial statements subsequent to the initial one is carried out at cost less any depreciation and any impairment losses. The depreciable amount is allocated systematically and on a straight-line basis over the entire useful life of property, plant and equipment. If there is evidence of impairment, property, plant and equipment are tested for impairment and any *impairment losses* are recorded. The subsequent write-backs may not, in any case, exceed the amount of the losses from impairment tests recorded previously.

With reference to the asset consisting of the right of use, accounted for on the basis of IFRS 16, after the initial recognition date, the asset is measured by applying the cost model.

Assets consisting of the right of use are amortised on a straight-line basis from the start date of the lease until the end of the lease term and are subject to an impairment test if impairment indicators emerge.

5.4 Criteria for the recognition of income components

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

a) periodic depreciation, impairment losses and write-backs are allocated to the item "Net value adjustments/write-backs on property, plant and equipment";
b) profits and losses deriving from disposal transactions are allocated to the item "Other operating income and expenses".

5.5 Derecognition criteria

Property, plant and equipment are derecognised from the financial statements at the time of their disposal or when their economic function has been fulfilled completely and no future economic benefits are expected.
The right of use deriving from lease contracts is eliminated from the balance sheet at the end of the lease term.

6 – Intangible assets

6.1 Classification criteria

The item includes intangible assets, identifiable even if they are not physical, which have the characteristics of multi-year use and an ability to produce future benefits.
The Company has no intangible assets with an indefinite useful life; they are represented solely by software, also produced internally, and user licenses.

6.2 Recognition criteria

Intangible assets are initially recognised at purchase/production cost, including accessory charges incurred and directly attributable to the commissioning or improvement of their production capacity.
Ordinary maintenance costs are recognised in the Income Statement on an accrual basis.

6.3 Measurement criteria

The posting in the financial statements subsequent to the initial one is carried out at cost less any amortisation and any impairment losses.
Amortisation is calculated on the basis of the best estimate of the useful life by using the straight-line distribution method.
Periodically, it is verified whether substantial changes have occurred in the original conditions that require changes to the initial amortisation plans.
If it is found that an individual asset may have suffered an impairment loss, it is subject to an impairment test with the recognition and recording of the related losses.

6.4 Criteria for the recognition of income components

The allocation of the income components to the relevant items of the Income Statement is based on the following: a) periodic amortisation, impairment losses and write-backs are allocated to the item "Net value adjustments/write-backs on intangible assets".

6.5 Derecognition criteria

Intangible assets are derecognised from the financial statements at the time of their disposal or when their capacity to produce future benefits is fully expended.

7 – Tax assets and tax liabilities

7.1 Classification criteria

The items include current and deferred tax assets and current and deferred tax liabilities.
Current tax assets include surpluses and payments on account, while current tax liabilities include payables to be paid for income taxes for the period.
Deferred tax items, on the other hand, represent income taxes recoverable in future periods in connection with deductible temporary differences (deferred assets) and income taxes payable in future periods as a result of taxable temporary differences (deferred liabilities).

7.2 Recognition, derecognition and measurement criteria

Income taxes are calculated on the basis of current tax rates.

Deferred tax assets are recognised, in accordance with the "balance sheet liability method", only on condition that there is full capacity to absorb the deductible temporary differences from future taxable income, while deferred tax liabilities are usually accounted for if of a significant amount.

7.3 Measurement criteria for income components

Tax assets and liabilities are recognised in the Income Statement under the item "Income taxes for the year on current operations", except in the case in which they derive from transactions whose effects are attributed directly to Shareholders' Equity; in this case, they are attributed directly to Shareholders' Equity.

8 – Financial liabilities measured at amortised cost

8.1 Classification criteria

Financial liabilities other than liabilities held for trading and liabilities designated at fair value are classified in this category.

The item includes payables to banks, payables to financial institutions, in relation to existing contracts, any amounts due to customers, payables recorded by the lessee as part of leasing transactions and securities issued, represented by bonds and commercial paper.

8.2 Recognition criteria

The aforementioned financial liabilities are initially recognised at their fair value which, as a rule, corresponds, for payables to banks and payables to financial institutions and securities issued, to the value collected by the Company, net of transaction costs directly attributable to the financial liability and, for those to customers, to the amount of the payable, given the short duration of the related transactions.

The initial measurement of the lease liability takes place at the present value of the payments due for the lease not paid at that date. The *lease* payments are discounted using the Company's marginal borrowing rate.

8.3 Measurement criteria

After initial recognition, these instruments are measured at amortised cost, using the effective interest method. The amortised cost method is not used for liabilities whose short duration makes the effect of discounting negligible.

After the effective date, the lease liability is measured:

a) increasing the book value to take into account the interest on the lease liability;
b) decreasing the book value to take into account the payments made for the lease;
c) restating the book value to take into account any new valuations or changes to the lease or the revision of payments due for the lease.

Interest on the lease liability and the variable payments due for the lease, not included in the measurement of the lease liability, are recognised in the income statement in the year in which the event or circumstance that triggers the payments occurs.

8.4 Criteria for the recognition of income components

The allocation of the income components in the relevant items of the Income Statement is based on the following:

a) interest expense is allocated to the item "Interest expense and similar charges";
b) fee and commission expense, if not included in the amortised cost, is allocated to the item "Fee and commission expense".

8.5 Derecognition criteria

Financial liabilities are derecognised from the financial statements when the related contractual rights have expired or are extinguished.

9 – Employee severance indemnity

9.1 Classification criteria

It reflects the liability to all employees relating to the indemnity to be paid at the time of termination of the employment relationship.

9.2 Measurement criteria

Based on the provisions of Italian Law no. 296 of 27 December 2006 (2007 Finance Act), since 1 January 2007 each employee has been asked to allocate their employee severance indemnity accruing to forms of supplementary pension or to maintain the employee severance indemnity with the employer. In the latter case, for workers of companies with more than 50 employees (therefore the company Generalfinance is excluded), the employee severance indemnity will be deposited by the employer to a fund managed by INPS (Italian national social security institute) on behalf of the State. Employees were asked to express their choice by 30 June 2007 (for those who were already in service on 1 January 2007), or within six months of being hired (if this took place after 1 January 2007).

In light of these new provisions, the bodies responsible for the technical and legal analysis of the matter established that the employee severance indemnity accrued from 1 January 2007 allocated to the INPS Treasury Fund and that for the Supplementary Pension Fund are to be considered as a defined contribution plan and, therefore, no longer subject to actuarial valuation. This approach concerns companies with an average number of employees for the year 2006 of more than 50 since the others (such as the company Generalfinance), if the employee chooses to keep the employee severance indemnity accruing in the company, effectively continue to maintain the employee severance indemnity in their own company fund.

The employee severance indemnity accrued as at 31 December 2006 instead remains a defined benefit plan or a defined benefit obligation and therefore, in compliance with the criteria laid down by IAS 19, the value of the obligation was determined by projecting to the future, based on actuarial assumptions, the amount already accrued to estimate the amount to be paid at the time of termination of the employment relationship and subsequently discounting it.

The determination was carried out by developing the portion of obligations accrued at the valuation date as well as the additional amounts accruing, in the event of the employee choosing to keep the employee severance indemnity accruing in the company, due to future provisions due for the continuation of the employment relationship.

The development plan was carried out by projecting the accrued value of the positions of the individual employees at the date of presumed termination of the relationship, taking into account demographic, economic and financial parameters regarding their employment.

The future value thus obtained was discounted according to a rate structure able to reconcile a logic of correspondence between the expiry of the outflows and the discount factors to be applied to them.

Lastly, the discounted benefits were re-proportioned on the basis of the seniority accrued at the valuation date with respect to the total seniority estimated at the time of payment.

The actuarial analysis was carried out through an assignment to a trusted actuary.

9.3 Criteria for the recognition of income components

The allocation of the income components to the relevant items of the Income Statement is based on the following:

a) provisions accrued against the employee severance indemnity provision were charged to the income statement under administrative expenses;

b) actuarial gains and losses deriving from adjustments of actuarial estimates were recorded as a contra-entry to shareholders' equity in compliance with the provisions of the new version of IAS 19 issued by the IASB in June 2011.

10 – Provisions for risks and charges

10.1 Classification and recognition criteria

Provisions for risks and charges express certain and probable liabilities as a result of a past event, the amount or time of payment of which is uncertain, although a reliable estimate of the amount of the disbursement can be made. On the other hand, the company does not make any provision for potential or unlikely risks.

10.2 Measurement criteria

The allocation to the provision for risks and charges represents the best estimate of the charges that are expected to be incurred by the Company to discharge the obligation.

10.3 Criteria for the recognition of income components

The allocation of the income components to the relevant items of the Income Statement is based on the following: a) Provisions for risks and charges are allocated to the item "Net provisions for risks and charges".

10.4 Derecognition criteria

The provisions are reviewed at each reporting date in order to reflect the best estimate of the liability. If the provision is used and the conditions for its maintenance are no longer met, it is derecognised from the financial statements.

Foreign currency transactions

No foreign currency transactions were carried out during the year.

Accounting for income and expenses

Costs are recognised in the income statement when there is a decrease in economic benefits that involves a decrease in assets or an increase in liabilities.
Revenues are recognised when they are received or when it is likely that they will be received and when they can be reliably quantified.

Treasury shares

The Company does not hold any treasury shares in its portfolio.

Share-based payments

The Company has no outstanding stock option plans in favour of its employees or Directors.

A.3 INFORMATION ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During the year, the Company did not carry out any transfers of financial assets between portfolios.

A.4 INFORMATION ON FAIR VALUE

Qualitative information

This section includes the disclosure on fair value as required by IFRS 13.

In accordance with the provisions of international accounting standards, the Company determines the *fair value* to the extent of the consideration with which two independent and knowledgeable market counterparties would be willing, at the reporting date, to conclude a transaction targeted at the sale of an asset or the transfer of a liability.

The international accounting standards reclassify the *fair value* of financial instruments on three levels based on the inputs recorded by the markets and more precisely:

- level 1: listed prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2: inputs other than the listed prices included in Level 1, directly or indirectly observable for the asset or liability. The prices of the assets or liabilities are derived from the market prices of similar assets or through valuation techniques for which all significant factors are derived from observable market data;
- level 3: unobservable inputs for the asset or liability. The prices of the assets or liabilities are inferred using valuation techniques that are based on data processed using the best information available on assumptions that market participants would use to determine the price of the asset or liability (therefore, it involves estimates and assumptions by management).

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

The Company's assets consist mainly of trade receivables sold without recourse and advances paid for trade receivables sold as part of the regulations set forth in Italian Law no. 52 of 21 February 1991.

The *fair value* measurement method most appropriate for transferred receivables and advances granted is to recognise the present value on the basis of discounted future cash flows, using a rate, normally corresponding to the effective rate of the relationship agreed with the transferring counterparty. This rate also takes into account the other components of the transaction cost.

It should also be noted that the receivables transferred and the advances granted normally have a short-term maturity and the rate of the relations tends to be variable.

For these reasons, it is possible to state that the *fair value* of the receivables is similar to the value of the transaction represented by the nominal amount of the receivables transferred in the case of a transaction without recourse or by the amount of the advances granted and therefore it is reclassified in the absence of external inputs only at level 3.

For the closed-ended reserved "Finint Special Credit Opportunity Fund" AIF and for the variable capital AIF arising from the assignment of receivables represented by invoices, "VER Capital Credit Partners IX – Trade Receivables", valuations are carried out at NAV, which is taken as a measure of fair value. The level within the fair value hierarchy is therefore classified as Level 3.

Derivative instruments, where not traded on regulated markets, are Over-The-Counter ("OTC") instruments, i.e., negotiated bilaterally with market counterparties, and their valuation is performed using specific valuation methodologies and input parameters (such as, for example, the timing of cash flows and interest rate curves), which are subject to verification and monitoring processes by the relevant corporate functions. For this reason, also with respect to the two IRS derivatives entered into by the Company, the level within the fair value hierarchy has been classified as Level 3.

Liabilities in the financial statements consist mainly of financial payables due to the banking system, which have the characteristic of short-term liabilities, whose *fair value* corresponds to the value of the amounts or provisions collected by the Company.

These items are placed hierarchically at the third level as they are governed by private contractual agreements agreed from time to time with the respective counterparties and, therefore, are not reflected in prices or parameters observable on the market.

A.4.2 Evaluation processes and sensitivity

The fair value of the financial assets measured at fair value, the receivables transferred and the advances granted may undergo changes due to any losses that may arise due to factors that determine their partial or total non-collectability.

As required by IFRS 13, the table below highlights, for financial assets measured at Level 3 fair value, the effects of changes in one or more of the significant "unobservable" inputs used in the valuation techniques applied to determine fair value.

It should be noted that the table reflects only the potential effects as of the reporting date.

Financial Asset	Unobservable Parameters	Sensitivity	Unobservable Parameters change
Reserved closed-end AIF	NAV	(6,634)	1%
Variable capital AIF	NAV	(75,684)	1%

A.4.3 *Fair value* hierarchy

The financial statements present financial assets measured at fair value on a recurring basis. These are financial assets measured at fair value through profit or loss – mandatorily measured at fair value, represented by minority interests in banks, financial companies, in a reserved closed-end alternative investment fund and in an alternative investment fund with variable capital.

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 level

Assets/Liabilities measured at fair value	Total 2025			Total 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	-	-	8,254,763	-	-	8,145,408
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	8,254,763	-	-	8,145,408
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedging derivatives	-	-	717,458	-	-	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**-**	**-**	**8,972,221**	**-**	**-**	**8,145,408**
1. Financial liabilities held for trading	-	-	-	-	-	-
2. Financial liabilities designated at fair value	-	-	335,466	-	-	-
3. Hedging derivatives	-	-	-	-	-	-
Total	**-**	**-**	**335,466**	**-**	**-**	**-**

During 2025, part of the units subscribed in the closed-end reserved alternative investment fund named "Finint Special Credit Opportunity Fund" was redeemed for an amount of Euro 191,045, and proceeds amounting to Euro 43,163 were distributed by the fund "VER Capital Credit Partners IX – Trade Receivables".

During the year, additional contributions were also made to the same fund in the amount of €331,675.

The *fair value* of the units of the funds "Finint Special Credit Opportunity Fund" and "VER Capital Credit Partners IX – Trade Receivables" was determined on the basis of the latest available update of the Net Asset Value (NAV) communicated by the respective asset management companies.

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

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, 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 financial assets mandatorily measured at fair value				
1. Opening balance	**8,145,408**	**-**	**-**	**8,145,408**	**-**	**-**	**-**	**-**
2. Increases	**332,016**	**-**	**-**	**332,016**	**-**	**-**	**-**	**-**
2.1. Purchases	331,675	-	-	331,675	-	717,458	-	-
2.2. Profits allocated to:	-	-	-	-	-	-	-	-
2.2.1. Income statement	-	-	-	-	-	-	-	-
of which capital gains	341	-	-	341	-	-	-	-
2.2.2. Shareholders' equity	-	X	X	-	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	**222,661**	**-**	**-**	**222,661**	**-**	**-**	**-**	**-**
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Refunds	191,045	-	-	191,045	-	-	-	-
3.3. Losses allocated to:	31,616	-	-	31,616	-	-	-	-
3.3.1. Income statement	31,616	-	-	31,616	-	-	-	-
of which capital losses	31,616	-	-	31,616	-	-	-	-
3.3.2. Shareholders' equity	-	X	X	-	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-
4. Closing balance	**8,254,763**	**-**	**-**	**8,254,763**	**-**	**717,458**	**-**	**-**

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

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	Total 12/31/2025				Total 12/31/2024			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	668,858,544	-	-	668,858,544	614,945,539	-	-	614,945,539
2. Property, plant and equipment held for investment purposes	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups	-	-	-	-	-	-	-	-
Total	**668,858,544**	**-**	**-**	**668,858,544**	**614,945,539**	**-**	**-**	**614,945,539**
1. Financial liabilities measured at amortised cost	673,071,823	-	-	673,071,823	635,239,008	-	-	635,239,008
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	**673,071,823**	**-**	**-**	**673,071,823**	**635,239,008**	**-**	**-**	**635,239,008**

BV = Book Value; L1 = Level 1; L2 = Level 2; L3 = Level 3

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

The Company does not carry out transactions involving losses/profits as established by IFRS 7, par. 28.

PART B – INFORMATION ON THE BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents – Item 10

Breakdown of item 10 "Cash and cash equivalents"

Items/Values	Total 12/31/2025	Total 12/31/2024
Cash	860	1,355
"On demand" loans to banks	122,613,697	120,395,453
"Term" loans to banks	-	2,001,534
Total	**122,614,557**	**122,398,342**

The amount of Euro 122,614,557 consists of temporary "on-demand" cash deposits held with credit institutions.
It should be noted that on 29 January 2019, concurrently with the execution of a medium/long-term loan agreement with a pool of banks – renewed in December 2024 – the Company entered into a specific pledge agreement pursuant to which the positive balance of the bank current accounts indicated therein was pledged as security for the debt arising from the loan granted by the pool of banks.

As at 31 December 2025, the positive balance of the current accounts subject to pledge amounts to Euro 14,136,165, while the outstanding amount of the medium/long-term loan with the pool of banks, including accrued interest expense, amounts to Euro 261,009,103.

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

2.6 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Values	Total 12/31/2025			Total 12/31/2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	**-**	**-**	**22,974**	**-**	**-**	**22,974**
3. UCITS units	**-**	**-**	**8,231,789**	**-**	**-**	**8,122,434**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	**-**	**-**	**8,254,763**	**-**	**-**	**8,145,408**

The amount classified in Level 3 of Equity securities refers to shares of "Banca di Credito Cooperativo di Milano" and shares of Rete Fidi Liguria, whose valuation is periodically verified on the basis of internal methodologies.

The amount classified in Level 3 of UCITS units refers to the investment funds mentioned above, whose valuation is based on the latest management statements received from the companies that established them.

2.7 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

Items/Values	Total 12/31/2025	Total 12/31/2024
1. Equity securities	**22,974**	**22,974**
of which: banks	2,974	2,974
of which: other financial companies	20,000	20,000
of which: non-financial companies	-	-
2. Debt securities	**-**	**-**
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which: insurance companies	-	-
d) Non-financial companies	-	-
3. UCITS units	**8,231,789**	**8,122,434**
4. Loans	**-**	**-**
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which: insurance companies	-	-
d) Non-financial companies	-	-
e) Households	-	-
Total	**8,254,763**	**8,145,408**

Section 4 – Financial assets measured at amortised cost – Item 40

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

Breakdown	Total 12/31/2025						Total 12/31/2024					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Purchased or Originated Impaired	L1	L2	L3	First and second stage	Third stage	Purchased or Originated Impaired	L1	L2	L3
1. Term Deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Current accounts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3. Loans	**464,732**	**-**	**-**	**-**	**-**	**464,732**	**17,169**	**-**	**-**	**-**	**-**	17,169
3.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	464,732	-	-	-	-	464,732	17,169	-	-	-	-	17,169
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	464,732	-	-	-	-	464,732	17,169	-	-	-	-	17,169
3.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
5. Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**464,732**	**-**	**-**	**-**	**-**	**464,732**	**17,169**	**-**	**-**	**-**	**-**	**17,169**

L1 = level 1; L2 = level 2; L3 = level 3

4.2 Financial assets measured at amortised cost: breakdown by type of loans to financial companies

Breakdown	Total 12/31/2025						Total 12/31/2024					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Purchased or Originated Impaired	L1	L2	L3	First and second stage	Third stage	Purchased or Originated Impaired	L1	L2	L3
1. Loans	**29,369**	**-**	**-**	**-**	**-**	**29,369**	**57,587**	**-**	**-**	**-**	**-**	**57,587**
1.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	29,369	-	-	-	-	29,369	57,587	-	-	-	-	57,587
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	29,369	-	-	-	-	29,369	57,587	-	-	-	-	57,587
1.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**29,369**	**-**	**-**	**-**	**-**	**29,369**	**57,587**	**-**	**-**	**-**	**-**	**57,587**

L1 = level 1; L2 = level 2; L3 = level

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

Breakdown	Total 12/31/2025						Total 12/31/2024					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Purchased or Originated Impaired	L1	L2	L3	First and second stage	Third stage	Purchased or Originated Impaired	L1	L2	L3
1. Loans	**663,759,630**	**4,604,813**	**-**	**-**	**-**	**668,364,443**	**610,846,274**	**4,024,509**	**-**	**-**	**-**	**614,870,783**
1.1 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
of which: without final purchase option	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	663,759,630	4,604,813	-	-	-	668,364,443	610,846,274	4,024,509	-	-	-	614,870,783
- with recourse	486,655,354	2,950,988	-	-	-	489,606,342	415,377,788	4,001,258	-	-	-	419,379,046
- without recourse	177,104,276	1,653,825	-	-	-	178,758,101	195,468,486	23,251	-	-	-	195,491,737
1.3 Consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Pledged loans	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Loans granted in relation to payment services provided	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
of which: from enforcement of guarantees and commitments	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**663,759,630**	**4,604,813**	**-**	**-**	**-**	**668,364,443**	**610,846,274**	**4,024,509**	**-**	**-**	**-**	**614,870,783**

L1 = level 1; L2 = level 2; L3 = level 3

4.4 Financial assets measured at amortised cost: breakdown by debtor/issuer of loans to customers

Type of transactions/Values	Total 12/31/2025			Total 12/31/2024		
	First and second stage	Third stage	Purchased or Originated Impaired	First and second stage	Third stage	Purchased or Originated Impaired
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
a) Public administrations	-	-	-	-	-	-
b) Non-financial companies	-	-	-	-	-	-
2. Loans to:	**663,759,630**	**4,604,813**	**-**	**610,846,274**	**4,024,509**	**-**
a) Public administrations	34,379,453	-	-	9,249,959	-	-
b) Non-financial companies	616,638,590	4,604,813	-	590,093,385	4,024,509	-
c) Households	12,741,587	-	-	11,502,930	-	-
3. Other assets	-	-	-	-	-	-
Total	**663,759,630**	**4,604,813**	**-**	**610,846,274**	**4,024,509**	**-**

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

	Gross value					Total value adjustments				Total partial write-offs
	First stage	of which: instruments with low credit risk	Second stage	Third stage	Purchased or Originated Impaired	First stage	Second stage	Third stage	Purchased or Originated Impaired	
Debt securities	-	-	-	-	-	-	-	-	-	-
Loans	629,124,062	-	38,156,432	7,429,399	-	1,588,338	1,438,424	2,824,587	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total 12/31/2025	**629,124,062**	**-**	**38,156,432**	**7,429,399**	**-**	**1,588,338**	**1,438,424**	**2,824,587**	**-**	**-**
Total 12/31/2024	**596,157,089**	**-**	**16,336,278**	**5,524,082**	**-**	**1,458,059**	**114,278**	**1,499,573**	**-**	**-**

As at the date of these financial statements, there are no loans subject to "moratoria" pursuant to law or other forbearance measures or that constitute new liquidity granted through public guarantee mechanisms issued in response to Covid-19.

4.6 Financial assets measured at amortised cost: guaranteed assets

	Total 12/31/2025						Total 12/31/2024					
	Loans to banks		Receivables from financial companies		Loans to customers		Loans to banks		Receivables from financial companies		Loans to customers	
	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG
1. Performing assets guaranteed by:	-	-	-	-	510,440,559	487,136,435	-	-	-	-	406,771,893	406,771,893
- Assets under finance lease	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables for factoring	-	-	-	-	422,790,291	422,790,292	-	-	-	-	335,099,884	335,099,884
- Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
- Pledges	-	-	-	-	29,003,428	13,209,878	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	58,646,840	51,136,265	-	-	-	-	71,672,009	71,672,009
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-performing assets guaranteed by:	-	-	-	-	2,350,988	2,350,988	-	-	-	-	4,001,258	4,001,258
- Assets under finance lease	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables for factoring	-	-	-	-	2,350,988	2,350,988	-	-	-	-	3,923,648	3,923,648
- Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-	-	-	-	-	77,610	77,610
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**512,791,547**	**489,487,423**	**-**	**-**	**-**	**-**	**410,773,151**	**410,773,151**

VE = book value of exposures

VG = fair value of guarantees

The table shows the value of financial assets measured at amortised cost that are guaranteed and the amount of the related guarantee.

The guarantees consist of factoring receivables transferred.

In addition, the Company acquires i) insurance guarantees to protect against the risk of default of the transferred debtors, ii) letters of patronage, iii) letters of compensation between transferors and, in some cases, iv) personal guarantees (sureties) from directors or shareholders of its transferors.

In the case of guarantees that have a value that exceeds the amount of the guaranteed asset, the value of the guaranteed asset is indicated in the column “Value of guarantees”.

Section 5 – Hedging Derivatives – Item 50

5.1 Hedging derivatives: breakdown by type of hedge and by level

Notional Value/ Fair value levels	NV (T)	Fair value (T)			VN (T-1)	Fair value (T-1)		
		L1	L2	L3		L1	L2	L3
A. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	717,458	-	-	717,458	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign Investments	-	-		-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**717,458**	**-**	**-**	**717,458**	-	-	-	-

On 16 October 2025, the Company entered into an *Interest Rate Swap* with Intesa Sanpaolo S.p.A. in order to hedge the risk that fluctuations in interest rates could adversely affect the fair value of the two fixed-rate bonds it has issued. Specifically, the hedged items are two senior unsecured non-convertible bonds with a total nominal outstanding amount of Euro 80 million.

As at 31 December 2025, the fair value of the Interest Rate Swap shows a positive amount of Euro 717,458.

5.2 Hedging derivatives: breakdown by hedged portfolios and by type of hedge

Operations / Type of hedge	Fair Value							Cash flows		Foreign Investments
	Specific						Generic	Specific	Generic	
	Debt securities and interest rates	Equity securities and equity indices	Currencies and gold	Credit	Commodities	Others				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at fair value through other comprehensive income	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	-
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total Assets	**-**	-	-	-	-	-	-	-	-	-
1. Financial liabilities	717,458	-	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total Liabilities	**717,458**	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 7 – Equity investments – Item 70

7.1 Equity investments: information on equity investments

Name	Registered office	Operational headquarters	% shareholding	Avail. votes %	Book value	Fair Value
C. Companies subject to significant influence						
a) Mit Partners S.p.A.	Milan	Milan	25%	25%	--	--

On 11 May 2023, the Company acquired a 25% stake in the company Mit Partners S.p.A., with registered office in Milan, Via Lodovico Mancini 5, whose purpose is the acquisition and management of equity investments in other companies or entities and the provision of business and strategic consulting services, including management and turnaround services.
Mit Partners S.p.A., following the approval of the final liquidation financial statements pursuant to Article 2495 of the Italian Civil Code, on 31 October 2025 filed an application for cancellation from the Companies' Register, which became effective as of 7 January 2026.
As at 31 December 2025, the investment had been fully written down.

7.2 Annual changes in equity investments

	Group equity investments	Non-group equity investments	Total
A. Opening balance	**-**	**0**	**0**
B. Increases	**-**	**15,375**	**15,375**
B.1 Purchases	-	-	-
B.2 Write-backs	-	-	-
B.3 Revaluations	-	-	-
B.4 Other changes	-	15,375	15,375
C. Decreases	**-**	**15,375**	**15,375**
C.1 Sales	-	-	-
C.2 Value adjustments	-	-	-
C.3 Write-downs	-	15,375	15,375
C.4 Other changes	-	-	-
D. Closing balance	**-**	**-**	**-**

Section 8 – Property, plant and equipment – Item 80

8.1 Property, plant and equipment for business use: breakdown of assets measured at cost

Assets/Values	Total 12/31/2025	Total 12/31/2024
1. Owned assets	**2,346,359**	**2,502,101**
a) land	178,952	178,952
b) buildings	1,601,069	1,644,845
c) furniture	206,339	244,646
d) electronic systems	-	-
e) others	360,000	433,658
2. Rights of use acquired through leasing	**3,601,515**	**3,975,108**
a) land	-	-
b) buildings	3,210,059	3,540,050
c) furniture	-	-
d) electronic systems	-	-
e) others	391,456	435,058
Total	**5,947,875**	**6,477,209**
of which: obtained through the enforcement of guarantees received	-	-

As from 1 January 2019, this item also includes rights of use acquired through leasing and relating to property, plant and equipment that the Company uses for business purposes, including the accounting effects relating to lease and operating lease agreements in which the Company is the lessee.

8.6 Property, plant and equipment for business use: annual changes

	Land	Buildings	Furniture	Electronic systems	Others	Total
A. Opening gross balances	**178,952**	**8,217,727**	**760,074**	**-**	**2,797,246**	**11,953,999**
A.1 Total net impairment losses	-	3,032,832	515,428	-	1,928,530	**5,476,790**
A.2 Net opening balance	**178,952**	**5,184,895**	**244,646**	**-**	**868,716**	**6,477,209**
B. Increases:	**-**	**287,682**	**31,840**	**-**	**108,303**	**427,825**
B.1 Purchases	-	29,323	31,840	-	108,303	**169,466**
B.2 Expenses for capitalised improvements	-	247,888	-	-	-	**247,888**
B.3 Write-backs	-	-	-	-	-	**-**
B.4 Positive changes in fair value recognised in	-	-	-	-	-	**-**
a) shareholders' equity	-	-	-	-	-	**-**
b) income statement	-	-	-	-	-	**-**
B.5 Exchange gains	-	-	-	-	-	**-**
B.6 Transfers from properties held for investment purposes	-	-	X	X	X	**-**
B.7 Other changes	-	10,470	-	-	134,909	**145,379**
C. Decreases:	**-**	**661,450**	**70,147**	**-**	**360,471**	**1,092,068**
C.1 Sales	-	2,684	-	-	1,486	**4,170**
C.2 Depreciation	-	658,766	70,147	-	358,985	**1,087,898**
C.3 Value adjustments for impairment recognised in	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value recognised in	-	-	-	-	-	-
a) shareholders' equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) property, plant and equipment held for investment purposes	-	-	-	-	-	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-
D. Closing balance	**178,952**	**4,811,127**	**206,339**	**-**	**751,457**	**5,947,875**
D.1 Total net impairment losses	-	3,691,230	585,574	-	2,278,543	**6,555,347**
D.2 Gross closing balance	**178,952**	**8,502,357**	**791,913**	**-**	**3,030,000**	**12,503,222**
E. Valuation at cost	**178,952**	**4,811,127**	**206,339**	**-**	**751,457**	**5,947,875**

The item “Other changes” is represented by the increase during the year in rights of use on properties and cars.

Section 9 – Intangible assets – Item 90

9.1 Intangible assets: breakdown

Items/Valuation	Total 12/31/2025		Total 12/31/2024	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill	-	-	-	-
2. Other intangible assets				
of which: software	-	-	-	-
2.1 owned	**3,771,814**	-	3,260,736	-
- generated internally	1,271,838	-	814,093	-
- others	2,499,976	-	2,446,643	-
2.2 rights of use acquired through leasing	-	-	-	-
Total 2	**3,771,814**	**-**	**3,260,736**	**-**
3. Assets relating to finance leases				
3.1 unopted assets	-	-	-	-
3.2 assets withdrawn following termination	-	-	-	-
3.3 other assets	-	-	-	-
Total 3	**-**	**-**	**-**	**-**
Total (1+2+3)	**3,771,814**	**-**	**3,260,736**	**-**
Total	**3,771,814**		**3,260,736**	

The item "Other internally generated intangible assets" includes – in terms of wages, salaries and other costs related to the employment of personnel involved in generating the business – the amount invested for the development of software applications whose use extends beyond a single year, also generating economic benefits in the future.
The item "Other owned intangible assets – others" includes the cost incurred for the acquisition and development of software, amortised on a straight-line basis for an estimated useful life of five years from entry into operation and the cost incurred for the acquisition and development of software for which the amortisation period has not yet begun, as the assets, at the reporting date, are not used and available for use.

9.2 Intangible assets: annual changes

	Total
A. Opening balance	**3,260,736**
B. Increases:	**1,316,541**
B.1 Purchases	613,828
B.2 Write-backs	-
B.3 Positive changes in fair value	-
- to shareholders 'equity	-
- to the income statement	-
B.4 Other changes	702,713
C. Decreases:	**805,463**
C.1 Sales	-
C.2 Depreciation	805,463
C.3 Value adjustments	-
- to shareholders 'equity	-
- to the income statement	-
C.4 Negative changes in fair value	-
- to shareholders 'equity	-
- to the income statement	-
C.5 Other changes	-
D. Closing balance	**3,771,814**

The item "Other changes" is represented by internally generated software.

9.3 Intangible assets: other information

Intangible assets include the cost incurred for application software used for the management of company assets and for application software for which the amortisation period has not yet begun, given the assets are not used and available at the reporting date.

Section 10 – Tax assets and tax liabilities – Item 100 of assets and Item 60 of liabilities

Name	Total 12/31/2025	Total 12/31/2024
Current tax assets	9,979,114	6,866,662
Deferred tax assets	597,779	475,762
Total	**10,576,893**	**7,342,424**

In order to ensure a more accurate representation in the financial statements, starting from 31 December 2024, tax credits on investments and tax credits related to the "Cura Italia" and "Rilancio" Decrees, acquired following the transfer from previous holders, have been classified under item 120 of the Statement of Financial Position "Other assets," in accordance with paragraphs 54 and 55 of IAS 1 "Presentation of Financial Statements."

10.1 "Tax assets: current and deferred": breakdown

The item "Current tax assets" consists entirely of receivables from the Tax Authorities relating to IRES advance payments amounting to Euro 8,074,599 and IRAP advance payments amounting to Euro 1,904,515.

The item "Deferred tax assets" includes deferred taxes arising mainly from temporary differences related to provisions for impairment of receivables, provisions for risks and charges, and accrued expenses for deferred directors' compensation, incurred and deductible in accordance with the applicable tax regulations.

10.2 "Tax liabilities: current and deferred": breakdown

Name	Total 12/31/2025	Total 12/31/2024
Current tax liabilities	14,844,419	10,361,986
Deferred tax liabilities	57,513	49,256
Total	**14,901,932**	**10,411,242**

The item "*Current tax liabilities*" consists of payables to the Tax Authorities for IRES amounting to Euro 12,175,835 and for IRAP amounting to Euro 2,668,584.

The item "*Deferred tax liabilities*" relates to the actuarial gain arising from the actuarial valuation of the Employee Severance Indemnity Fund ("Trattamento di Fine Rapporto") in accordance with IAS 19.

10.3 Changes in deferred tax assets (with offsetting entry in the income statement)

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**475,762**	**557,491**
2. Increases	**474,276**	**575,487**
2.1 Deferred tax assets recognised during the year	474,276	575,487
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) write-backs	-	-
d) others	474,276	575,487
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**352,259**	**657,216**
3.1 Deferred tax assets cancelled during the year	352,259	657,216
a) reversals	352,259	657,216
b) write-downs due to non-recoverability	-	-
c) change in accounting policies	-	-
d) others	-	-
3.2 Reductions in tax rates	-	-
3.3 Other decreases:	-	-
a) transformation into tax credits pursuant to Italian Law no. 214/2011	-	-
b) others	-	-
4. Closing balance	**597,779**	**475,762**

The item increased by Euro 474,276 due to new deferred tax assets recognized during the year.
This increase mainly relates to:

- Deferred taxes recognized following provisions made during the year to the funds for risks and charges related to the long-term incentive plan, which was formalized in 2022;
- Directors' remuneration pertaining to the 2025 financial year, the payment of which will occur in subsequent years.

The decrease of Euro 352,259 mainly relates to:

- The utilization of the fund for risks and charges related to the long-term incentive plan and the payment in 2025 of directors' remuneration pertaining to the 2024 financial year;
- Reversals of write-downs and losses on receivables pursuant to Legislative Decree No. 83 of 27 June 2015.

10.3.1 Changes in deferred tax assets pursuant to Italian Law no. 214/2011 (with offsetting entry in the income statement)

	Total 12/31/2025	Total 12/31/2024
1. Opening amount	**35,527**	**66,188**
2. Increases	**713**	**-**
3. Decreases	**-**	**30,661**
3.1 Reversals	-	30,661
3.2 Transformation into tax credits	-	-
a) deriving from losses for the year	-	-
b) deriving from tax losses	-	-
3.3 Other decreases	-	-
4. Final amount	**36,240**	**35,527**

The table shows the amount of deferred tax assets, originating entirely from write-downs on receivables, convertible into tax credits according to the methods identified by Italian Law no. 214/2011.

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

	Total 12/31/2025	Total 12/31/2024
1. Opening balance	**49,256**	**47,265**
2. Increases	**8,257**	**3,821**
2.1 Deferred tax liabilities recognised during the year	8,257	3,821
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) others	8,257	3,821
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**1,830**
3.1 Deferred tax liabilities cancelled during the year	-	1,830
a) reversals	-	-
b) write-downs due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) others	-	1,830
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**57,513**	**49,256**

The item increased by €8,257 exclusively due to new deferred taxes arising from the Actuarial Gain on Net Equity accrued on the TFR.

Section 12 – Other assets – Item 120

12.1 Other assets: breakdown

Items/Values	Total 12/31/2025	Total 12/31/2024
Tax credits (i.e., Superbonus 110%)	11,433,612	3,157,586
Other assets	3,906,339	728,545
Prepaid expenses	3,744,976	2,438,288
Invoices to be issued	1,607,048	-
Other tax credits *(Art Bonus, Digital Innovation 4.0, Industry 4.0 capital goods, others)*	291,641	192,966
Witholding tax	225,974	440,725
Security deposits	91,585	88,175
Suppliers advances	53,267	31,232
Accrued income	40,935	57,346
Total	**21,395,377**	**7,134,863**

The item “Tax credits (i.e. Superbonus 110%”) increased significantly compared to 31 December 2024, by approximately €8.3 million, due to purchases carried out during 2025, the total amount of which exceeded the offsets made against the Company’s tax liabilities during the financial year.

Under “Other assets” there is a receivable of €3,498,043 from Intesa Sanpaolo, counterparty to the two interest rate swap hedging derivatives entered into in 2025, referring to the portion of fixed-rate interest accrued as at 31 December 2025 that the Company will receive from the latter.

The item “Invoices to be issued” includes interest income accrued on the *pro soluto* assignment of VAT receivables, which will be invoiced in 2026.

The item “Prepaid expenses” is determined by the following costs for 2026 and subsequent years:

Prepaid expenses	Total 12/31/2025	Total 12/31/2024
Pool financing costs	1,009,763	1,558,862
Bond and financing costs	824,348	75,640
Financial bill costs	601,697	35,292
Advisory for the tax credits’ purchase	500,695	160,337
Software fees	246,652	224,571
Insurance	54,235	25,755
Securitization costs	70,431	12,528
Miscellaneous prepaid expenses	437,155	345,303
Total	**3,744,976**	**2,438,288**

LIABILITIES

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

1.1 Financial liabilities measured at amortised cost: breakdown by type of payables

Items	Total 12/31/2025			Total 12/31/2024		
	to banks	to financial companies	to customers	to banks	to financial companies	to customers
1. Loans	**276,339,309**	**80,292,630**	**-**	**277,625,116**	**71,649,724**	**-**
1.1 repurchase agreements	-	-	-	-	-	-
1.2 other loans	276,339,309	80,292,630	-	277,625,116	71,649,724	-
2. Lease payables	**-**	**-**	**2,785,140**	**-**	**-**	**3,186,688**
3. Other payables	**-**	**158,957,431**	**1,203,684**	**-**	**202,235,521**	**3,699,753**
Total	**276,339,309**	**239,250,061**	**3,988,824**	**277,625,116**	**273,885,245**	**6,886,441**
Fair value – level 1	-	-	-	-	-	-
Fair value – level 2	-	-	-	-	-	-
Fair value – level 3	**276,339,309**	**239,250,061**	**3,988,824**	**277,625,116**	**273,885,245**	**6,886,441**
Total Fair Value	**276,339,309**	**239,250,061**	**3,988,824**	**277,625,116**	**273,885,245**	**6,886,441**

The total of the item therefore amounts to EUR 519,578,194, a decrease of EUR 38.8 million compared to 31 December 2024, mainly due to the reduction of debt toward:

i. the securitization vehicle General SPV S.r.l. by EUR 43.3 million;
ii. other financial institutions for credit re-assignment by EUR 13.1 million;
iii. customers by EUR 2.5 million;

only partially offset by the increase in "other financing," which includes, among other items, the *unsecured* financing granted by Cassa Depositi e Prestiti for EUR 21.5 million, initiated on 20 August 2025 with an initial amount of EUR 7.5 million.

Payables to banks refer to:

Technical form	Amount
Current account exposures for SBF advances	6,468,715
Unsecured loans	8,861,491
Pool loan	261,009,103
Total	**276,339,309**

As at reporting date, the following unsecured loans were outstanding:

Bank	Expiry date	Outstanding
Cassa di Risparmio di Asti S.p.A.	06/18/2026	2,521,795
Banca Intesa Sanpaolo S.p.A.	09/30/2027	6,339,696
Total amount		**8,861,491**

Regarding the *revolving pool* financing agreement ("RCF Agreement"), it should be noted that the Company—within the context of its *funding strategies*—has obtained from the credit institutions an early renewal of the contract maturity until December 2027. Specifically, the RCF Agreement includes certain covenants, in particular related to:

- the Company's capitalization ("Financial Parameter");
- the level of non-performing loans on total receivables;
- the loan-to-value of the overall line;
- the insurance coverage ratio of credit exposures.

Debt to financial institutions mainly refers to recourse and non-recourse receivable assignments (so-called *re-factoring operations*) in Italy and abroad.

The "*Other payables*" to financial institutions refer to debts owed to the special purpose vehicle (General SPV S.r.l.) in relation to the securitization transaction completed on 13 December 2021, renewed early in December 2024 for an additional three years until 31 December 2027, concerning a *revolving* portfolio of performing commercial receivables arising from the Company's factoring contracts. Regarding the ongoing securitization transaction, it should be noted that the contractual documentation signed with the lenders provides for certain triggers, the exceeding of which may move the transaction into

an amortization phase.
These *triggers* specifically relate to the performance of the securitized portfolio (levels of delinquency and default) and were confirmed as being within contractual limits as of 31 December 2025.
The purchases of receivables are financed through the issuance of various classes of partly-paid ABS notes, with different levels of subordination. Currently, as detailed below, following the entry of a fourth senior lender in January 2026, the program foresees a maximum amount of senior notes of EUR 420 million, compared to EUR 345 million as of 31 December 2025.

"Customer payables" refer to amounts to be recognized to assignors from collections of assigned receivables and to lease liabilities, recorded following the adoption of the new accounting standard "IFRS 16 Leases."

1.2 Financial liabilities measured at amortised cost: breakdown by type of securities issued

Type of securities/Values	Total 12/31/2025				Total 12/31/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	**126,719,069**	**-**	**-**	**126,719,069**	**12,776,933**	**-**	**-**	**12,776,933**
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	126,719,069	-	-	**126,719,069**	**12,776,933**	-	-	**12,776,933**
2. other securities	**26,774,560**	**26,774,560**	**-**	**-**	**64,065,273**	**64,065,273**	**-**	**-**
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	26,774,560	26,774,560	-	-	64,065,273	64,065,273	-	-
Total	**153,493,629**	**26,774,560**	**-**	**126,719,069**	**76,842,206**	**64,065,273**	**-**	**12,776,933**

With regard to bonds, the Company has issued and placed:

a) 3 subordinated Tier 2 bond issues:

Issuance Date	Maturity Date	Annual Rate	Coupon	Amount (EUR/000)
09/30/2021	09/30/2027	10% (Fixed)	Annual	5,000
10/28/2021	10/28/2026	Euribor 3M + 8%	Annual	7,500
10/29/2025	*01/29/2031 (call)* 01/29/2036	6.875% (Fixed)	Annual	30,000
Total				**42,500**

b) n. 2 *Bond Senior Unsecured:*

Issuance Date	Maturity Date	Annual Rate	Coupon	Amount (EUR/000)
04/17/2025	04/17/2028	5.50% (fixed)	Annual	50,000
09/29/2025	04/17/2028	5.50% (fixed)	Annual	30,000
Total				**80,000**

The *bond*, issued in April 2025, is traded on Euronext ACCESS Milan, a multilateral trading system managed by Borsa Italiana S.p.A. In September 2025, the bond was reopened above par at a price of 100.5%, with the same maturity date of 17 April 2028, for an amount of EUR 30 million and an annual fixed coupon of 5.50%.

In January 2026, a further reopening of the bond was carried out above par at a price of 100.65%, with the same maturity date of 17 April 2028, for an amount of EUR 20 million and an annual fixed coupon of 5.50%.

The bonds – subscribed by institutional investors – were entered into the centralized management system at Monte Titoli S.p.A. and are subject to dematerialization regulations.

The “Other securities” are financial bills admitted in dematerialized form in Monte Titoli and traded on Euronext ACCESS Milan, the multilateral trading system managed by Borsa Italiana S.p.A.

Specifically, four *zero-coupon* securities were issued and remain outstanding as of 31 December 2025.

Commercial Papers	Issued Date	Maturity Date	Annual rate	Amount (EUR /000)
1	05/13/2025	01/31/2026	2.100%	2,000
2	12/10/2025	06/12/2026	3.000%	10,000
3	12/23/2025	03/23/2026	2.907%	5,000
4	12/30/2025	03/06/2026	2.852%	10,000
Total				**27,000**

1.3 Payables and subordinated securities

The item **“***Outstanding Securities***”**, as already mentioned in the previous paragraph, includes subordinated securities related to the issuance of *senior unsecured Tier 2 bonds* for a nominal amount of EUR 42.5 million.

On 20 August 2025, Generalfinance signed a new financing agreement with *Cassa Depositi e Prestiti (CDP)* under the EUR 1 billion factoring facility provided by the recently signed convention between CDP and Assifact, aimed at supporting SMEs and Mid-Cap companies. This agreement allowed Generalfinance to access financing through CDP, with an initial amount of EUR 7.5 million for the purchase of trade receivables assigned by its clients, later increased to EUR 21.6 million.

Section 4 – Hedging derivatives – Item 40

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

Notional Value/ Fair Value levels	NV (T)	Fair value (T)			NV (T-1)	Fair value (T-1)		
		L1	L2	L3		L1	L2	L3
A. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	335,466	-	-	335,466	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**335,466**	**-**	**-**	**335,466**	-	-	-	-

On 24 November 2025, the Company entered into an *Interest Rate Swap* agreement with Intesa Sanpaolo S.p.A. in order to hedge against the risk that fluctuations in interest rates could adversely affect the fair value of one of its fixed-rate bonds. Specifically, the hedged item is a senior unsecured non-convertible bond with an outstanding nominal amount of EUR 30 million.

As of 31 December 2025, the Interest Rate Swap had a negative *fair value* of EUR 335,466.

5.2 Hedging derivatives: breakdown by hedged portfolios and by type of hedge

Transactions/Type of hedge	Fair Value hedge							Cash flow hedge		Foreign Inv. hedge
	Specific						Generic	Specific	Generic	
	Debt securities and interest rates	Equity securities and equity indices	Currencies and gold	Credit	Commodities	Others				
1. Financial assets measured at *fair value* through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at *fair value* through profit or loss	-	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	-
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total Assets	**-**	-	-	-	-	-	-	-	-	-
1. Financial liabilities	335,466	-	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total Liabilities	**335,466**	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of fin. assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 – Tax liabilities – Item 60

For the content of the item “Tax liabilities”, please refer to Section 10 of assets “Tax assets and Tax liabilities”.

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

Items/Values	Total 12/31/2025	Total 12/31/2024
Payables from factoring transactions	37,060,711	28,839,105
Deferred income	4,461,000	4,898,507
Other payables	3,473,893	523,839
Trade payables	2,609,221	3,287,255
Accrued expenses	1,864,775	1,252,021
Payables to employees	1,482,865	1,575,159
Payables to directors	917,448	1,133,200
Tax payables	431,232	360,885
Payables to social security and welfare institutions	404,781	337,389
Total	**52,705,935**	**42,207,360**

The item **“**Payables from factoring transactions**”** includes both payments received from debtors in relation to outstanding factoring transactions—where allocation to the respective positions generally occurred in the first days of January—and the difference between bills presented to banks and the related positions still outstanding with assigned debtors. This difference arises from the timing mismatch between the closing transaction carried out by the banks and that carried out by the Company, which, although having the same maturity date, is recognized upon the actual collection of the instrument.

The item “Accrued expenses and deferred income” is composed as follows:

Description	Total 12/31/2025	Total 12/31/2024
Accrued expenses for 14 months' pay, holidays, leave, bonuses and related contributions	1,477,542	1,210,144
Miscellaneous accrued expenses	387,234	41,877
Deferred fee and commission income	4,409,969	4,807,950
Deferred tax credit accruals	51,030	90,557
Total	**6,325,775**	**6,150,528**

Among "Other payables" is included a liability of EUR 2,294,153 owed to Intesa Sanpaolo, counterparty to the two interest rate hedging derivatives entered into in 2025 and which refer to the portion of the variable rate interest accrued as of December 31, 2025 that the Company will pay to the latter.

Section 9 – Employee severance indemnity – Item 90

9.1 Employee severance indemnity: annual changes

	Total 12/31/2025	Total 12/31/2024
A. Opening balance	**1,550,314**	**1,471,156**
B. Increases	**207,563**	**217,408**
B.1 Provision for the year	207,563	217,408
B.2 Other increases	-	-
C. Decreases	**41,848**	**138,250**
C.1 Payments made	6,158	124,356
C.2 Other decreases	35,690	13,894
D. Closing balance	**1,716,029**	**1,550,314**

The liability recognised in the financial statements as at 31 December 2025, relating to the employee severance indemnity, is equal to the present value of the obligation estimated by an independent actuarial study on the basis of demographic and economic assumptions.

9.2 Other information

The main actuarial assumptions are reported below:

Salary increase and inflation: based on analyses conducted on company data updated as at 30 November 2025, the decision was taken to adopt an annual salary increase rate of 4.0% for all job categories. In addition to this salary increase, an annual increase was assumed due to inflation, the ratios of which are indicated below;

Average probabilities and percentages of use of the employee severance indemnity provision: given the modest size of the community under investigation, the probabilities and percentages of use were estimated, based on seniority and on the basis of experience derived from similar companies;

Probability of elimination from the community due to death: the census tables of the Italian general population (Tables ISTAT SIM/F 2024 of the Italian Institute of Statistics) differentiated according to gender were used;

Probability of elimination from the community due to retirement: given the small size of the community, probabilities already adopted for similar companies were used. These probabilities, differentiated by gender and work category, take into account the latest provisions on retirement age;

Probability of elimination from the community for reasons other than death and retirement (resignation, permanent disability, etc.): on the basis of the historical series recorded by the Company, these probabilities were set at 5% per year;

Rates of revaluation of employee severance indemnity: inflation is set equal to the index estimated for the medium term by the European Central Bank for the Eurozone and is equal to 2.0% flat;

Interest rates: the Europe Corporate AA rating curve produced by Bloomberg Finance as at 31 December 2025 was used.

The table below summarises the results of the sensitivity analysis (in thousands of Euro).

	Value of the DBO	Increase (or decrease) in the DBO
Basic assessment	**1,722**	
Sensitivity with respect to interest rates		
I) 0.5% decrease in rates	1,798	4.44%
II) 0.5% increase in interest rates	1,651	-4.12%
Sensitivity with respect to the salary scale		
III) 0.5% decrease in the salary scale	1,698	-1.39%
IV) 0.5% increase in the salary scale	1,747	1.48%

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items/Values	Total 12/31/2025	Total 12/31/2024
1. Provisions for credit risk relating to commitments and financial guarantees issued	**-**	**-**
2. Provisions on other commitments and other guarantees issued	**-**	**-**
3. Company pension funds	**218,408**	**186,116**
4. Other provisions for risks and charges	**808,965**	**22,579**
4.1 legal and tax disputes	-	-
4.2 personnel expenses	41,399	22,549
4.3 others	767,566	30
Total	**1,027,373**	**208,695**

10.2 Provisions for risks and charges: annual changes

	Provisions on other commitments and other guarantees issued	Pension funds	Other provisions for risks and charges	Total
A. Opening balance	**-**	**186,116**	**22,579**	**208,695**
B. Increases	**-**	32,292	786,416	**818,708**
B.1 Provision for the year	-	32,292	786,416	818,708
B.2 Changes due to the passage of time	-	-	-	-
B.3 Changes due to changes in the discount rate	-	-	-	-
B.4 Other increases	-	-	-	-
C. Decreases	**-**	**-**	**30**	**30**
C.1 Use in the year	-	-	30	30
C.2 Changes due to changes in the discount rate	-	-	-	-
C.3 Other decreases	-	-	-	-
D. Closing balance	**-**	**218,408**	**808,965**	**1,027,373**

10.5 Defined benefit company pension funds

The "Pension funds" refer to the "Provision for supplementary customer indemnity" and the "Provision for non-competition agreements" allocated to the sole agent. These amounts will be paid at the end of the relationship.

10.6 Provisions for risks and charges: other provisions

"Other provisions for risks and charges" refer almost entirely to the provision recognized in connection with the long-term incentive plan for the 2025–2027 period (the "Long Term Incentive Plan"), approved by resolution of the Board of Directors at its meeting held on 28 February 2025.

As of the reporting date, the Company is involved in seven pending legal proceedings. Based also on the specific opinions issued by the legal counsel appointed for its defense, as of 31 December 2025 all such proceedings were assessed as having a "remote" risk of loss, except for one case assessed as "possible." This case relates to the appeal filed by the counterparty against the first-instance judgment in favor of the Company and concerns the re-submission, at the appellate level, of a claim pursuant to Article 67 of the Italian Bankruptcy Law, which had been rejected by the Court of First Instance and subsequently refiled on appeal by the bankruptcy estate. The value of the claim amounts to EUR 2,246,457.

In accordance with applicable accounting standards and internal policies, the Company has not recognized any provision in this respect.

Section 11 – Shareholders' Equity – Items 110, 140, 150, 160 and 170

11.1 Share capital: breakdown

Types	Amount
1. Share capital	**4,202,329**
1.1 Ordinary shares	4,202,329
1.2 Other shares	-

The share capital is equal to EUR 4,202,329.36 and is divided into no. 12,635,066 ordinary shares without nominal value, pursuant to paragraph 3 of Art. 2346 of the Italian Civil Code and Art. 5 of the current Articles of Association.

As at 31 December 2025, based on the information available to the Company, it is broken down as follows:

- **GGH – Gruppo General Holding S.r.l. (GGH)**, which holds approximately 41.375% of the share capital (roughly 57.710% of the voting rights taking into account the increased voting rights acquired);
- **Investment Club S.r.l. (IC)**, which holds approximately 9.555% of the share capital (approximately 11.207% of the voting **rights** taking into account the increased voting rights acquired);
- **BFF Bank S.p.A. (BFF)**, which holds approximately 8.021% of the share capital (approximately 3.730% **of** the voting rights);
- **First4Progress 1 S.r.l. (**formerly **First4Progress S.p.A.) (F4P)**, which owns approximately 4.907% of the share capital (approximately 6.845% of the voting rights, taking into account the increased voting rights acquired);
- **Banca del Ceresio SA (BS)**, which holds approximately 4.773% of the share capital (approximately 5.922% of the voting rights, taking into account the increased voting rights acquired);
- (free float) **market**, which overall holds approximately 31.369% of the share capital (approximately 14.586% of total voting rights).

The shares, all ordinary and traded on Euronext STAR Milan, have equal rights, both administrative and financial, as established by law and by the Articles of Association, except for the provisions of the latter regarding increased voting rights, as specified below. The shares are indivisible, registered and freely transferable by an act *inter vivos* and transmissible on death. The legislation and regulations in force from time to time regarding representation, legitimate entitlement and circulation of equity investments set forth for financial instruments traded on regulated markets are applied to the shares. The shares are issued in dematerialised form.

Pursuant to Article 127-*quinquies* of Legislative Decree No. 58 of 24 February 1998 ("TUF"), each share that has belonged to the same person, by virtue of a real right entitling the holder to exercise voting rights (full ownership with voting rights, bare ownership with voting rights, or usufruct with voting rights), for a continuous period of at least 24 months, as evidenced by uninterrupted registration for at least 24 months in the special list maintained by the Company, is granted two votes. Furthermore, to the extent permitted by the law in force from time to time, each share held by the same person by virtue of a real right entitling the holder to exercise voting rights is granted one additional vote upon the expiry of each subsequent 12-month period following the initial 24-month period referred to above, up to a maximum of ten votes per share.

The verification of the requirements for the allocation of enhanced voting rights is carried out by the administrative body.

As of 31 December 2025, the shareholders GGH - Gruppo General Holding S.r.l., Investment Club S.r.l., First4Progress 1 S.r.l. and Banca del Ceresio SA benefited from the reinforced enhanced voting rights with respect to the shares for which, as of that date, the 36-month period of uninterrupted registration in the Special List had been completed.

As of the same date, no other shareholder had accrued either ordinary or reinforced enhanced voting rights.

11.2 Treasury shares: breakdown

As at 31 December 2025 and 31 December 2024, the Company held no treasury shares.

11.3 Equity instruments: breakdown

As at 31 December 2025 and 31 December 2024, the Company did not recognise the item equity instruments.

11.4 Share premium reserve: breakdown

Types	Amount
1. Share premium reserve	**25,419,745**
1.1 Ordinary shares	25,419,745
1.2 Other shares	-

As at 31 December 2025, the item "Share premium reserve" did not change compared to the previous year.

11.5 Other information

Change in Reserves

	Legal	Extraordinary	FTA reserve	Revaluation reserve Law Decree no. 185/08	Valuation reserves	Total
A. Opening balance	**840,465**	**28,827,509**	**(770,669)**	**339,518**	**129,856**	**29,366,679**
B. Increases	**-**	**10,612,044**	**-**	**-**	**21,769**	**10,633,813**
B.1 Allocation of profits	-	10,612,044	-	-	-	**10,612,044**
B.2 Other changes	-	-	-	-	21,769	**21,769**
C. Decreases	-	-	-	-	-	**-**
C.1 Uses	-	-	-	-	-	-
- coverage of losses	-	-	-	-	-	-
- distribution	-	-	-	-	-	-
- transfer to capital	-	-	-	-	-	-
C.2 Other changes	-	-	-	-	-	-
D. Closing balance	**840,465**	**39,439,553**	**(770,669)**	**339,518**	**151,625**	**40,000,492**

The allocation of profits refers to the resolution passed at the Ordinary Shareholders' Meeting held on 5 April 2025, in which the net profit for the year 2024, totaling EUR 21,099 thousand, was appropriated, including the distribution of dividends amounting to EUR 10,487 thousand.

The change in the valuation reserves reflects the actuarial effect related to the employee severance indemnity (TFR).

Based on the provisions of Art. 2427, paragraph 7-bis, the possibilities of use and distribution of the individual balance sheet items are shown below.

Description	Amount	Possibility of use	Amount available	Summary of uses made in the three previous years	
				to cover losses	for other reasons
Share capital	**4,202,329**	---	-	-	-
Legal reserve	840,465	B	840,465	-	-
Share premium reserve	25,419,745	A, B	25,419,745	-	-
Extraordinary reserve	39,439,553	A, B, C	39,439,553	-	-
FTA reserve	(770,669)	---	-	-	-
Revaluation reserve It. Law Decree no. 185/08	339,518	A, B	339,518	-	-
Valuation reserves	151,625	---	-	-	-
Total	**69,622,566**		**66,039,281**	-	-

A = possibility of use for share capital increase
B = possibility of use to cover losses
C = possibility of use for distribution to shareholders
It should be noted that for the revaluation reserves, both the coverage of losses and the distribution are subject to the provisions on the matter provided for by Italian Law no. 342/2000.

Analysis of the distribution of profit for the year pursuant to Art. 2427, paragraph 22 septies of the Italian Civil Code
As regards the distribution of profit for the year, amounting to EUR 28,756,157, please refer to the conclusions of the Management Report.

Other information
In these financial statements, with the exception of what is reported in "Part D – Other information – D. Guarantees issued and Commitments", there are no commitments and financial guarantees given, other commitments and other guarantees issued, assets and liabilities subject to offsetting or master netting or similar agreements and securities lending transactions.

With reference to guarantees received, please refer to "Part B – Information on the Balance Sheet – ASSETS" paragraph "*4.6 Financial assets measured at amortised cost: guaranteed assets*".

PART C – INFORMATION ON THE INCOME STATEMENT

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar income: breakdown

Items/Technical forms	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 measured at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	X	-	-
3. Financial assets measured at amortised cost	-	**43,826,462**	-	**43,826,462**	**39,138,156**
3.1 Loans to banks	-	868,774	X	868,774	1,695,096
3.2 Receivables from financial companies	-	997,375	X	997,375	1,493,230
3.3 Loans to customers	-	41,960,313	X	41,960,313	35,949,830
4. Hedging derivatives	X	X	-	-	-
5. Other assets	X	X	**1,098,831**	**1,098,831**	**550,260**
6. Financial liabilities	X	X	X	-	-
Total	-	**43,826,462**	**1,098,831**	**44,925,293**	**39,688,416**
of which: interest income on impaired financial assets	-	-	-	-	-
of which: interest income on leases	X	-	X	-	-

1.3 Interest expense and similar charges: breakdown

Items/Technical forms	Payables	Securities	Other transactions	2025	2024
1. Financial liabilities measured at amortised cost	21,395,553	5,481,839	-	26,877,392	27,312,322
1.1 Due to banks	10,005,691	X	X	10,005,691	10,012,299
1.2 Payables to financial companies	11,261,550	X	X	11,261,550	14,015,858
1.3 Due to customers	128,312	X	X	128,312	86,245
1.4 Securities issued	X	5,481,839	X	5,481,839	3,197,920
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	X	X	25	25	508
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	-	-
Total	**21,395,553**	**5,481,839**	**25**	**26,877,417**	**27,312,830**
of which: interest expense on lease payables	**128,312**	**X**	**X**	**128,312**	**86,245**

Section 2 – Commissions – Items 40 and 50

2.1 Fee and commission income: breakdown

Detail	Total 2025	Total 2024
a) lease transactions	-	-
b) factoring transactions	55,251,863	41,149,967
c) consumer credit	-	-
d) guarantees issued	-	-
e) services of:	-	-
- management of funds on behalf of third parties	-	-
- foreign exchange brokerage	-	-
- product distribution	-	-
- others	-	-
f) collection and payment services	-	-
g) servicing in securitisation transactions	-	-
h) other commissions	-	-
Total	**55,251,863**	**41,149,967**

2.2 Fee and commission expense: breakdown

Detail/Sectors	Total 2025	Total 2024
a) guarantees received	41,239	376
b) distribution of services by third parties	-	-
c) collection and payment services	-	-
d) other commissions	6,521,734	4,770,633
d.1 advances on business loans (Law no. 52/91)	2,345,946	1,751,095
d.2 others	4,175,788	3,019,538
Total	**6,562,973**	**4,771,009**

Fee and commission expense for advances on business receivables are represented by commissions and fees paid to third parties and fee and commission expense for re-factoring transactions.

The sub-item "advances on business loans (Law no. 52/91)" includes commissions for agents and brokers amounting to €517,652, up from €481,314 in the previous financial year.

The sub-item "Others" is mainly composed of bank charges and commissions for EUR 1,009,486 and for costs incurred for credit insurance totaling EUR 3,166,302.

Section 3 – Dividends and similar income – Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 2025		Total 2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	129,714	-	98,166	-
C. Financial assets measured at fair value through other comprehensive income	-	-	-	-
D. Equity investments	-	-	-	-
Total	**129,714**	**-**	**98,166**	**-**

Section 4 – Net profit (loss) from trading – Item 80

4.1 Net profit (loss) from trading: breakdown

Transactions/Income components	Capital gains (A)	Profit from trading (B)	Capital losses (C)	Trading losses (D)	Net result [(A+B)-(C+D)]
1. Financial assets held for trading	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: exchange rate differences	**X**	**X**	**X**	**X**	**(1,852)**
4. Derivative instruments	**-**	**-**	**-**	**-**	**-**
4.1 Financial derivatives	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**(1,852)**

Section 7 – Net profit (loss) from other financial assets and liabilities measured at fair value through profit or loss – Item 110

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income components	Capital gains (A)	Net gains on sale (B)	Capital losses (C)	Losses on sale (D)	Net result [(A+B)-(C+D)]
1. Financial assets	**-**	**-**	**31,274**	**-**	**(31,274)**
1.1 Debt securities	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-
1.3 UCITS units	-	-	31,274	-	(31,274)
1.4 Loans	-	-	-	-	-
2. Financial assets in foreign currency: exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**-**	**-**	**31,274**	**-**	**(31,274)**

Section 8 – Net value adjustments/write-backs for credit risk – Item 130

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

Transactions/Income components	Value adjustments (1)						Write-backs (2)				Total 2025	Total 2024
	First stage	Second stage	Third stage		Purchased or Originated Impaired		First stage	Second stage	Third stage	Purchased or Originated Impaired		
			Write-off	Other	Write-off	Other						
1. Loans to banks	**(1,734)**	**-**	**-**	**-**	**-**	**-**	**506**	**-**	**-**	**-**	**(1,228)**	**(791)**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(1,734)	-	-	-	-	-	506	-	-	-	(1,228)	(791)
2. Receivables from financial companies	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**1**	**(1)**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	1	(1)
- other receivables	-	-	-	-	-	-	1	-	-	-	-	-
3. Loans to customers	**(268,912)**	**(1,324,146)**	**(419,314)**	**(2,152,767)**	**-**	**-**	**138,633**	**-**	**1,080,010**	**-**	**(2.946,496)**	**(1,165,749)**
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	(268,912)	(1,324,146)	(419,314)	(2,152,767)	-	-	138,633		1,080,010	-	(2,946,496)	(1,165,749)
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- loans on pledge	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(270,646)**	**(1,324,146)**	**(419,314)**	**(2,152,767)**	**-**	**-**	**139,140**	**-**	**1,080,010**	**-**	**(2,947,723)**	**(1,166,541)**

The amounts included under the item “Due from banks – other receivables” mainly refer to “on-demand” receivables from banks reported under the item “Cash and cash equivalents.”

Value adjustments include both provisions to the allowance covering expected credit losses and credit losses.

The write-offs recognized directly in the Income Statement is equal to EUR 419,314, while net recoveries on financial assets previously written off amount to €565,556.

For further details, please refer to “Part D – Other information – Section 3 – Information on risks and related hedging policies.”

Section 10 – Administrative expenses – Item 160

10.1 Personnel expenses: breakdown

Types of expenses/Values	Total 2025	Total 2024
1. Employees	**8,955,254**	**7,637,358**
a) wages and salaries	5,867,504	5,136,030
b) social security contributions	1,547,562	1,328,402
c) employee severance indemnity	3,397	9,216
d) social security expenses	-	-
e) employee severance indemnity provision	207,563	222,425
f) allocation to the provision for pensions and similar obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	188,410	139,978
- defined contribution	188,410	139,978
- defined benefit		-
h) other employee benefits	1,140,817	801,307
2. Other active personnel	**7,400**	**-**
3. Directors and Statutory Auditors	**1,918,429**	**1,458,480**
4. Retired personnel	**-**	**-**
5. Expense recoveries for employees seconded to other companies	**-**	**-**
6. Reimbursement of expenses for employees seconded to the company	-	**-**
Total	**10,881,082**	**9,095,838**

The items "*h) other employee benefits*" and "3. *Directors and Statutory Auditors*" include the accruals made for the long-term incentive plan covering the 2025–2027 period, approved by the Board of Directors in the meeting held on 28 February 2025.

10.2 Average number of employees broken down by category

	2025	2024
Employees	87	74
a) executives	*6*	*3*
b) middle managers	*15*	*11*
c) remaining employees	*66*	*60*
Other personnel	-	-
Total	**87**	**74**

10.3 Other administrative expenses: breakdown

Type of expense/Values	Total 2025	Total 2024
Professional fees and consultancy	4,508,750	3,494,542
Utility costs	1,166,975	815,255
Representation and advertising expenses	1,084,033	779,750
Commercial information	930,130	785,523
Travel and transportation expenses	502,735	366,689
Indirect taxes	249,569	218,833
Rent payable and condominium expenses	224,873	161,829
Postal and shipping expenses	162,741	122,903
Maintenance expenses	140,929	159,303
Insurance expenses	50,980	39,725
Stationery and general office supplies	24,187	26,747
Other administrative expenses	163,811	111,382
Total	**9,209,713**	**7,082,481**

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

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

	Provisions	Uses	Write-backs	Reallocations of surpluses	12/31/2025	12/31/2024
1. Allocations to the pension fund	**(32,293)**	**-**	**-**	**-**	**(32,293)**	**(21,410)**
2. Allocations to other provisions for risks and charges:	**(11)**	**-**	**-**	**-**	**(11)**	**243,503**
a) legal and tax disputes	-	-	-	-	-	-
b) personnel expenses	-	-	-	-	-	243,533
c) others	(11)	-	-	-	(11)	(30)
Total	(32,304)	**-**	**-**	**-**	**(32,304)**	**222,093**

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

Assets/Income component	Depreciation (a)	Value adjustments for impairment (b)	Write-backs (c)	Net result (a+b-c)
A. Property, plant and equipment	**(1,087,898)**	**-**	**-**	**(1,087,898)**
A.1 For functional use	(1,087,898)	-	-	(1,087,898)
- owned	(321,038)	-	-	(321,038)
- rights of use acquired through leases	(766,860)	-	-	(766,860)
A.2 Held for investment purposes	-	-	-	-
- owned	-	-	-	-
- rights of use acquired through leases	-	-	-	-
A.3 Inventories	X	-	-	X
Total	**(1,087,898)**	**-**	**-**	**(1,087,898)**

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

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

Assets/Income component	Depreciation (a)	Value adjustments for impairment (b)	Write-backs (c)	Net result (a+b-c)
1. Intangible assets other than goodwill	**(805,463)**	**-**	**-**	**(805,463)**
of which: software				
1.1 owned	(805,463)	-	-	(805,463)
1.2 rights of use acquired through leases	-	-	-	-
2. Assets relating to finance leases	-	-	-	-
3. Assets granted under operating leases	-	-	-	-
Total	**(805,463)**	**-**	**-**	**(805,463)**

Section 14 – Other operating income and expenses – Item 200

14.1 Other operating expenses: breakdown

	Total 2025	Total 2024
Donations	(164,520)	(98,400)
Loss on disposal of fixed assets	(3,486)	(2,287)
Other non-recurring expenses	(314)	(38,898)
Others	(155,431)	(126,475)
Total	**(323,751)**	**(266,060)**

Within "Other operating expenses," costs of various nature are included, which are non-recurring or in any case related to an unusual event, different from ordinary administrative expenses.

14.2 Other operating income: breakdown

	Total 2025	Total 2024
Reimbursement from clients	1,008,108	676,110
Capitalization of personnel costs	635,865	517,177
Insurance reimbursements	103,706	37,068
Non-recurring income	41,204	393,681
Gains on the sale of fixed assets	3,486	24,559
Others	159,566	146,372
Total	**1,948,514**	**1,794,967**

The sub-item "Expense reimbursements" includes revenues of various types (mainly banking) that are non-recurring or, in any case, not related to events typical of the Company's core business.

The capitalization of personnel costs, directly attributable to internally generated software development, amounts to EUR 635,865, an increase of EUR 118,688 compared to 2024.

The sub-item "Extraordinary income" mainly includes the following grants and tax credits:

- 4.0 Investment Goods Bonus: EUR 34,287
- Digital Innovation: EUR 5,240

Section 15 – Gains (losses) on equity investments – Item 220

15.1 Gains (Losses) on equity investments: breakdown

Items	Total 2025	Total 2024
1. Income	-	-
1.1 Revaluations	-	-
1.2 Gains on disposal	-	-
1.3 Write-backs	-	-
1.4 Other income	-	-
2. Charges	(15,375)	(68,750)
2.1 Write-downs	(15,375)	(68,750)
2.2 Losses on disposal	-	-
2.3 Value adjustments for impairment	-	-
2.4 Other charges	-	-
Net result	**(15,375)**	**(68,750)**

Section 19 – Income taxes for the year on current operations – Item 270

19.1 Income taxes for the year on current operations: breakdown

	Total 2025	Total 2024
1. Current taxes (-)	(14,844,419)	(10,361,986)
2. Changes in current taxes from previous years (+/-)	-	-
3. Reduction in current taxes for the year (+)	-	-
3 bis. Reduction in current taxes for the year for tax credits pursuant to Italian Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	122,017	(81,729)
5. Change in deferred tax liabilities (+/-)	-	1,830
6. Taxes for the year (-) (-1+/-2+3+3 bis+/-4+/-5)	**(14,722,402)**	**(10,441,885)**

Current taxes amount to EUR 12,175,835 for IRES and EUR 2,668,584 for IRAP.

For the determination of corporate income tax (IRES), a rate of 27.5% was applied, including the 3.5% additional IRES. For the regional tax on productive activities (IRAP), a rate of 5.57% was applied.

The change in deferred taxes is the net result of increases of EUR 474,276 for new deferred taxes recognized in 2025 and decreases of EUR 352,259 for the reversal of taxable amounts that had been taxed in previous years.

19.2 Reconciliation between theoretical tax charge and actual tax charge in the financial statements

	IRES	Rates	IRAP	Rates
TAXES ON GROSS PROFIT FOR THE YEAR	**11,956,604**	**27.50%**	**2,421,756**	**5.57%**
Remuneration not paid to directors	82,234	0.19%	-	0.00%
Non-deductible transport costs	44,104	0.10%	-	0.00%
Non-deductible amortisation and rights of use	113,731	0.26%	10,546	0.02%
Hotel/meal expenses and entertainment	61,058	0.14%	-	0.00%
Sundry non-deductible expenses	16,711	0.04%	-	0.00%
Telephone expenses	9,139	0.02%	-	0.00%
Employee severance indemnity – actuarial portion of the income statement	10,452	0.02%	-	0.00%
Write-downs and non-deductible provisions	380,056	0.87%	-	0.00%
Write-down of equity investments	4,228	0.01%	-	0.00%
Hospitality expenses	25,284	0.06%	-	0.00%
Other IRES increases	20,868	0.05%	-	0.00%
Dividends from provisions - IRAP	-	0.00%	3,615	0.01%
Other administrative expenses - IRAP		0.00%	51,298	0.12%
Personnel expenses		0.00%	172,376	0.40%
Other IRAP increases	-	0.00%	1,416	0.00%
Remuneration to directors paid from previous years	192,437	-0.44%	-	0.00%
10% deduction – IRAP and IRAP on personnel	48,046	-0.11%	-	0.00%
Effects of IFRS 16 – Lease payments	109,678	-0.25%	-	0.00%
Super-amortisation	3,391	-0.01%	-	0.00%
Untaxed contingent assets	11,331	-0.03%	-	0.00%
Increase in personnel costs	26,596	-0.06%	-	0.00%
Use of provision for risks and charges	159,755	-0.37%	-	0.00%
Other IRES decreases	2,146	0.00%	-	0.00%
Income taxed for IRAP correlation	-	0.00%	8,478	0.02%
Other negative IRAP adjustments	-	0.00%	- 11	0.00%
Total Changes in Income Taxes	**214,484**	**0.49%**	**246,829**	**0.57%**
Income Taxes and Effective Tax Rate	**12,175,835**	**28.00%**	**2,668,584**	**6.14%**
Change in deferred tax assets	120,502	-0.28%	- 1,516	0.00%
Change in deferred tax liabilities	-	0.00%	-	0.00%
Overall total taxes	**12,055,333**	**27.73%**	**2,667,068**	**6.13%**

Earnings per share

The methods for calculating the basic earnings (loss) per share and diluted earnings (losses) per share are defined by IAS 33 – Earnings per share. Basic earnings (loss) per share is defined as the ratio between the economic result or the result of operating activities in the year (thus excluding the result of non-current assets being disposed of net of taxes) attributable to the holders of ordinary capital instruments and the weighted average of ordinary shares outstanding during the year.

The table below shows the basic earnings (loss) per share with the details of the calculation.

Detail	12/31/2025	12/31/2024
Earnings (loss) attributable to holders of ordinary shares	28,756,157	21,099,149
Weighted average of ordinary shares	12,635,066	12,635,066
Basic earnings (loss) per share	**2.28**	**1.67**

There are no instruments in place with a potential dilutive effect, therefore, the diluted earnings (loss) per share is equal to the basic earnings (loss) per share.

Section 21 – Income statement: other information

21.1 Breakdown of interest income and fee and commission income

Items/Counterparty	Interest income			Fee and commission income			Total 2025	Total 2024
	Banks	Financial companies	Customers	Banks	Financial companies	Customers		
1. Finance leases	-	-	-	-	-	-	-	-
- real estate	-	-	-	-	-	-	-	-
- movable assets	-	-	-	-	-	-	-	-
- capital goods	-	-	-	-	-	-	-	-
- intangible assets	-	-	-	-	-	-	-	-
2. Factoring	**-**	**-**	**42,887,354**	**-**	**-**	**55,251,863**	**98,139,217**	**77,099,797**
- on current receivables	-	-	23,406,787	-	-	31,866,317	55,273,104	48,194,749
- on future receivables	-	-	4,757,947	-	-	9,045,271	13,803,218	10,316,284
- on receivables purchased outright	-	-	14,722,620	-	-	14,340,275	29,062,895	18,588,764
- on receivables purchased below the original value	-	-	-	-	-	-	-	-
- for other loans	-	-	-	-	-	-	-	-
3. Consumer credit	-	-	-	-	-	-	-	-
- personal loans	-	-	-	-	-	-	-	-
- targeted loans	-	-	-	-	-	-	-	-
- salary-backed loan	-	-	-	-	-	-	-	-
4. Pledged loans	-	-	-	-	-	-	-	-
5. Guarantees and commitments	-	-	-	-	-	-	-	-
- commercial	-	-	-	-	-	-	-	-
- financial	-	-	-	-	-	-	-	-
Total	**-**	**-**	**42,887,354**	**-**	**-**	**55,251,863**	**98,139,217**	**77,099,797**

The difference between the amount of interest income shown in the table above and that in Table 1.1 - PART C - Section 1 - Interest - is mainly due to interest income from banks, amounting to EUR 869 thousand, and from the securitization transaction, amounting to EUR 997 thousand.

21.2 Other information

Analytical breakdown of interest expense and similar charges

Technical form	Total 2025	Total 2024
Pool loan	9,337,313	9,365,645
Securitisation	6,778,293	10,732,009
Advance invoices in Italy and abroad	4,483,257	3,283,849
Bonds	4,097,655	1,394,981
Commercial paper	1,483,386	1,802,939
Loans	478,793	564,903
Lease payables	128,312	86,245
Bank overdrafts	64,130	81,751
Derivative interest expense	26,253	-
Other interest expenses	25	508
Total	**26,877,417**	**27,312,830**

PART D – OTHER INFORMATION

Section 1 – Specific references on operations carried out

B. Factoring and assignment of receivables

B.1 – Gross value and book value

B.1.1 – Factoring transactions

Items/Values	Total 12/31/2025			Total 12/31/2024		
	Gross value	Value adjustments	Net value	Gross value	Value adjustments	Net value
1. Performing	**667,280,494**	**3,026,762**	**664,253,732**	**612,493,367**	**1,572,337**	**610,921,030**
• exposures to transferors (with recourse)	489,198,052	2,542,696	486,655,355	416,579,491	1,201,703	415,377,788
- assignment of future receivables	65,819,851	1,954,787	63,865,064	81,068,333	790,429	80,277,904
- others	423,378,201	587,909	422,790,292	335,511,158	411,274	335,099,884
• exposures to transferred debtors (without recourse)	178,082,442	484,065	177,598,377	195,913,876	370,634	195,543,242
2. Non-performing	**7,429,399**	**2,824,587**	**4,604,813**	**5,524,082**	**1,499,573**	**4,024,509**
2.1 Bad loans	2,943,093	1,588,713	1,354,380	2,513,329	1,159,630	1,353,699
• exposures to transferors (with recourse)	2,943,093	1,588,713	1,354,380	2,513,329	1,159,630	1,353,699
- assignment of future receivables	-	-	-	388,051	310,441	77,610
- others	2,943,093	1,588,713	1,354,380	2,125,278	849,189	1,276,089
• exposures to transferred debtors (without recourse)	-	-	-	-	-	-
- purchases below the nominal value	-	-	-	-	-	-
- others	-	-	-	-	-	-
2.2 Unlikely to pay	2,511,438	1,016,675	1,494,763	2,766,421	324,695	2,441,726
• exposures to transferors (with recourse)	2,458,357	1,010,730	1,447,627	2,766,421	324,695	2,441,726
- assignment of future receivables	1,500,000	900,000	600,000	-	-	-
- others	958,357	110,730	847,627	2,766,421	324,695	2,441,726
• exposures to transferred debtors (without recourse)	53,081	5,945	47,136	-	-	-
- purchases below the nominal value	-	-	-	-	-	-
- others	53,081	5,945	47,136	-	-	-
2.3 Non-performing past due exposures	1,974,868	219,199	1,755,669	244,332	15,248	229,084
• exposures to transferors (with recourse)	165,533	16,553	148,980	218,222	12,389	205,833
- assignment of future receivables	-	-	-	-	-	-
- others	165,533	16,553	148,980	218,222	12,389	205,833
• exposures to transferred debtors (without recourse)	1,809,335	202,646	1,606,689	26,110	2,859	23,251
- purchases below the nominal value	-	-	-	-	-	-
- others	1,809,335	202,646	1,606,689	26,110	2,859	23,251
Total	**674,709,893**	**5,851,348**	**668,858,544**	**618,017,449**	**3,071,910**	**614,945,539**

The table provides details of the value of the receivables recorded in item 40 of the Assets, with exclusive reference to the exposures relating to the specific activity of advancing business receivables (*factoring*).

Receivables are distinguished between performing and non-performing assets and classified by type of counterparty: transferor and transferred debtor.

The recognition of a receivable in the category “Exposures to transferred debtors” assumes that the assignment of the receivables determined the actual transfer to the transferee of all risks and benefits.

B.2 – Breakdown by residual life

B.2.1 – Factoring transactions with recourse: advances and "total receivables"

Time bands	ADVANCES		TOTAL RECEIVABLES	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
- on demand	74,604,418	61,955,591	112,220,139	61,955,591
- up to 3 months	363,847,170	312,715,107	395,218,233	312,715,107
- over 3 months to 6 months	39,134,765	35,035,041	46,972,640	35,035,041
- from 6 months to 1 year	2,600,020	8,299,834	4,271,982	8,299,834
- over 1 year	9,419,970	1,373,473	20,252,420	1,373,473
- indefinite duration	-	-	-	-
Total	**489,606,343**	**419,379,046**	**578,935,414**	**419,379,046**

The table provides a breakdown of the exposures of assets to transferors for *factoring* transactions and the related total receivables, broken down by maturity.

B.2.2 – Factoring transactions without recourse: exposures

Time bands	EXPOSURES	
	12/31/2025	12/31/2024
- on demand	31,861,497	36,462,747
- up to 3 months	122,125,149	118,477,702
- over 3 months to 6 months	18,372,601	20,758,916
- from 6 months to 1 year	4,676,071	11,952,040
- over 1 year	2,216,883	7,915,088
- indefinite duration	-	-
Total	**179,252,202**	**195,566,493**

B.3 – Other information

B.3.1 – Turnover of receivables subject to factoring transactions

Items	2025	2024
1. Transactions without recourse	937,678,996	723,989,643
- of which: purchases below nominal value		
2. Transactions with recourse	2,506,198,978	2,017,764,920
Total	**3,443,877,974**	**2,741,754,563**

The table details the *turnover* of transferred receivables (the gross flow of receivables transferred by customers to the Company during the year), distinguishing transactions based on whether or not the transferor has assumed the guarantee of the transferred debtor's solvency.

B.3.2 – Collection services

The Company did not carry out collection-only services in 2025.

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

Items	12/31/2025	12/31/2024
Flow of contracts for the purchase of future receivables during the year	426,648,805	287,792,603
Amount of contracts outstanding at year-end	126,891,974	135,689,882

As at 31 December 2025, the net exposure for future receivables amounted to EUR 67,865,556.

D. Guarantees given and commitments

D.1 – Value of guarantees (collateral or personal) issued and commitments

Transactions	Amount 12/31/2025	Amount 12/31/2024
1. Financial guarantees issued on first demand	**94,428,795**	**93,374,071**
a) Banks	14,136,165	21,724,347
b) Financial companies	80,292,630	71,649,724
c) Customers	-	-
2. Other financial guarantees issued	**-**	**-**
a) Banks	-	-
b) Financial companies	-	-
c) Customers	-	-
3. Commercial guarantees issued	**-**	**-**
a) Banks	-	-
b) Financial companies	-	-
c) Customers	-	-
4. Irrevocable commitments to disburse funds	**-**	**-**
a) Banks	-	-
i) with certain use	-	-
ii) with uncertain use	-	-
b) Financial companies	-	-
i) with certain use	-	-
ii) with uncertain use	-	-
c) Customers	-	-
i) with certain use	-	-
ii) with uncertain use	-	-
5. Commitments underlying credit derivatives: protection sales	**-**	**-**
6. Assets pledged as collateral for third-party obligations	**-**	**-**
7. Other irrevocable commitments	**-**	**-**
a) to issue guarantees	-	-
b) others	-	-
Total	**94,428,795**	**93,374,071**

With reference to **"**Financial guarantees issued on first demand – a) Banks**"**, it should be noted that, in connection with the medium-to-long-term financing agreement in place with a pool of banks, the Company has entered into a specific pledge agreement under which the positive balance of the current accounts indicated therein is pledged as collateral for the debt related to the financing provided by the pool of banks.
As of December 31, 2025, the positive balance of the current accounts subject to the pledge amounts to EUR 14,136,165, while the debt related to the medium-to-long-term financing with the pool of banks, including accrued interest, amounts to EUR 261,009,103.
Moreover, it should be noted that the Company has re-pledged part of the receivables acquired from its assignors as collateral to the same pool of banks, in line with the provisions of the medium-to-long-term financing agreement. Specifically, the contract provides that Generalfinance – at each drawdown of the facility – must assign receivables as collateral with a nominal value equal to the amount of the facility utilized at the reference date. Being a specific case, different from a financial or personal guarantee, this guarantee is not reported in the table above.

Under "Financial guarantees issued on first demand – b) Financial companies", the amount of *pro-solvendo* guarantees issued in connection with "refactoring" financing transactions with Italian factoring companies is reported, under which Generalfinance maintains the solvency guarantee on the re-acquired receivables. The amount of the guarantee, covering the entire *pro-solvendo* exposure, is equal to the indebtedness for *pro-solvendo* factoring transactions at the reference date.

D.3 – Guarantees (secured or personal) issued: risk level assumed and quality

Type of risk assumed	Performing guarantees issued				Non-performing guarantees issued: bad loans				Other non-performing guarantees			
	Counter-guaranteed		Others		Counter-guaranteed		Others		Counter-guaranteed		Others	
	Gross value	Total provisions	Gross value	Total provisions	Gross value	Total provisions	Gross value	Total provisions	Gross value	Total provisions	Gross value	Total provisions
Guarantees issued with assumption of first loss risk	**-**	**-**	**94,428,795**	**282**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- first demand financial guarantees	-	-	**94,428,795**	282	-	-	-	-	-	-	-	-
- other financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- commercial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees issued with mezzanine risk-taking	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- first demand financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- other financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- commercial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees issued pro rata	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- first demand financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- other financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- commercial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**94,428,795**	**282**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

D.11 – Change in performing guarantees issued (secured or personal)

Amount of changes	Financial guarantees on first demand		Other financial guarantees		Commercial guarantees	
	Counter-guaranteed	Others	Counter-guaranteed	Others	Counter-guaranteed	Others
(A) Initial gross value	**-**	**93,374,071**	**-**	**-**	**-**	**-**
(B) Increases	**-**	**1,054,724**	**-**	**-**	**-**	**-**
- (b1) guarantees issued	-	1,054,724	-	-	-	-
- (b2) other increases	-	-	-	-	-	-
(C) Decreases	**-**	**-**	**-**	**-**	**-**	**-**
- (c1) guarantees not enforced	-	-	-	-	-	-
- (c2) transfers to non-performing guarantees	-	-	-	-	-	-
- (c3) other decreases	-	-	-	-	-	-
(D) Final gross value	**-**	**94,428,795**	**-**	**-**	**-**	**-**

D.12 – Changes in total value adjustments/provisions

Reasons/Categories	Amount
A. Initial total value adjustments/provisions	**218**
B. Increases	**64**
B.1 value adjustments from purchased or originated impaired financial assets	-
B.2 other value adjustments/provisions	64
B.3 losses on disposal	-
B.4 contractual changes without derecognitions	-
B.5 other increases	-
C. Decreases	**-**
C.1 write-backs from valuation	-
C.2 write-backs from collection	-
C.3 gains on disposal	-
C.4 write-offs	-
C.5 contractual changes without derecognitions	-
C.6 other decreases	-
D. Total closing value adjustments/provisions	**282**

Section 2 – Securitisation transactions, disclosure on structured entities not consolidated for accounting purposes (other than special purpose vehicles for securitisation) and asset disposal transactions

A – Securitisation transactions

Qualitative information

On December 13th, 2021, Generalfinance signed a securitization program – three-year and subject to annual renewal – of trade receivables, under which it assigns on a pro-soluto, revolving basis, portfolios of *performing* trade receivables generated during its ordinary business to an Italian special purpose vehicle established under the securitization law (General SPV S.r.l.). Subsequently, on June 14 and December 9, 2022, Intesa Sanpaolo (IMI Corporate & Investment Banking Division) and Banco BPM were included as new senior lenders – alongside BNP Paribas – under the securitization program.
During December 2024, the three-year program was renewed until December 31, 2027.
On December 16, 2025, the entry of Unicredit as a new senior lender, effective from January 2026, was formalized.

The purchase of receivables is financed through the issuance of various classes of *partly paid* ABS notes with different levels of subordination; the details of the notes outstanding as of December 31, 2025, are as follows:

- Maximum amount of EUR 150,000,000 of "Senior Notes A1", subscribed by BNP Paribas through the conduit Matchpoint Finance LTD, with a *commitment amount* of EUR 100 million and an *uncommitted amount* of EUR 50 million;
- Maximum amount of EUR 125,000,000 of "Senior Notes A2", subscribed by Intesa Sanpaolo through the conduit Duomo Funding PLC, with a *commitment amount* of EUR 100 million and an *uncommitted amount* of EUR 25 million;
- Maximum amount of EUR 70,000,000 of "Senior Notes A3", subscribed by Banco BPM, with a *commitment amount* of EUR 50 million and an *uncommitted amount* of EUR 20 million;
- Maximum amount of EUR 36,570,000 of "Mezzanine Notes B1, B2 and B3", subscribed and retained by Generalfinance and potentially to be placed with institutional investors;
- Maximum amount of EUR 25,530,000 of "Junior Notes", fully subscribed and retained by Generalfinance, also to meet the regulatory retention rule.

With the entry of the new *lender* and the issuance of the new "Senior Notes A4", the breakdown of the notes changed as follows:

- Maximum amount of EUR 150,000,000 of "Senior Notes A1", subscribed by BNP Paribas through the *conduit* Matchpoint Finance LTD, with a commitment amount of EUR 75 million and an uncommitted amount of EUR 75 million;
- Maximum amount of EUR 100,000,000 of "Senior Notes A2", subscribed by Intesa Sanpaolo through the *conduit* Duomo Funding PLC, with a commitment amount of EUR 75 million and an uncommitted amount of EUR 25 million;
- Maximum amount of EUR 70,000,000 of "Senior Notes A3", subscribed by Banco BPM, with a commitment amount of EUR 70 million;
- Maximum amount of EUR 100,000,000 of "Senior Notes A4", to be subscribed by Unicredit Bank GmbH, with a *commitment amount* of EUR 50 million and an *uncommitted amount* of EUR 50 million;
- Maximum amount of EUR 47,900,000 of "Mezzanine Notes B1, B2, B3 and B4", subscribed and retained by Generalfinance and potentially to be placed with institutional investors;
- Maximum amount of EUR 30,900,000 of "Junior Notes", fully subscribed and retained by Generalfinance, also to meet the regulatory retention rule.

The notes issued by General SPV are *unrated* and not listed.

Within the securitization – which does not result in the derecognition of the receivables from customers, which therefore remain recorded in the *factor's* financial statements – Generalfinance acts as Originator and Sub-Servicer of the receivables. From an accounting perspective – based on the economic substance of the transaction – the liability recognized in the balance sheet under financial liabilities measured at amortized cost is the amount of the Senior Notes subscribed by Matchpoint Finance LTD, Duomo Funding PLC, and Banco BPM, net of the cash available in the SPV account, as it represents the net indebtedness obtained by Generalfinance through the securitization structure.
The *mezzanine* and *junior* notes – fully retained by Generalfinance – were subscribed as compensation for the corresponding portion of the initial consideration related to the assignment of the receivables by the originator; therefore, these notes do not appear in the balance sheet, as they do not represent a cash exposure for Generalfinance, and are recorded in off-balance

sheet accounts.

The Company has no exposure to third-party securitizations.

Quantitative information

As of December 31, 2025, the debt towards the special purpose vehicle (including accrued interest) amounts to EUR 160,032,294.

The capital structure – with the relative nominal values – of the only securitisation transaction in place at the reporting date is shown below.

Transaction: General SPV	Amount (€/000)
Maximum nominal outstanding of receivables	737,500
Maximum nominal value of notes issued – General SPV	
Senior (A1)	200,000
Senior (A2)	200,000
Senior (A3)	100,000
Mezzanine (B1)	21,200
Mezzanine (B2)	21,200
Mezzanine (B3)	10,600
Junior	37,000
TOTAL	**590,000**

The table below shows the parts of the General SPV securitisation.

Role	Subject
Issuer and Transferee	General SPV S.r.l. – Special purpose vehicle established pursuant to Italian Law no. 130/99
Master Servicer	Zenith Service S.p.A.
Originator/Sub-Servicer	Generalfinance S.p.A.
Programme Agent	BNP Paribas S.A., Italian branch
Calculation Agent	Zenith Service S.p.A.
Corporate Servicer	Zenith Service S.p.A.
Representative of the bondholders	Zenith Service S.p.A.
Interim Account Bank	Banco BPM S.p.A.
Account Bank	The Bank of New York Mellon SA/NV Milan branch
Paying Agent	The Bank of New York Mellon SA/NV Milan branch
Subscriber of the ABS A1 Senior Securities	BNP Paribas S.A., through the Matchpoint Finance LTD conduit
Subscriber of the ABS A2 Senior Securities	Intesa Sanpaolo S.p.A., through the Duomo Funding PLC conduit
Subscriber of the ABS A3 Senior Securities	Banco BPM S.p.A.
Subscriber of ABS Mezzanine and Junior Securities	Generalfinance S.p.A.

The following table shows the conditions of the *senior funding*, subscribed by Banco BPM, by BNP Paribas, through Matchpoint Finance LTD, and by Intesa Sanpaolo, through Duomo Funding PLC.

Description	Level
Senior Noteholders	BNP Paribas S.A., through Matchpoint Finance LTD Intesa Sanpaolo, through Duomo Funding PLC Banco BPM S.p.A.
Target of Senior Funding Line	Nominal amount of senior notes: EUR 500 million Maximum amount of senior notes: EUR 345 million
Senior committed line	EUR 250 million
Senior committed and uncommitted line (maximum amount of senior notes)	EUR 345 million
Duration	3 years with commitment renewable annually, expiry on 12.31.2027
Revolving period	3 years, subject to early termination events
Generalfinance percentage disbursement limit	Limit 85%
Senior Advance Rate	85% (senior note) of the advances (Initial Advanced Amount)
Portfolio subject to the Transaction	Factoring With Recourse and Factoring Without Recourse
Credit support	Dynamic Credit Enhancement based on the levels of (i) default, (ii) dilution, (iii) the average amount financed to the originators, subject to a floor and adjusted for the level of concentration of the debtors. The Credit Support corresponds to the Deferred Purchase Price (DPP)
Senior Notes	Variable Funding Notes equal to 85% of the advances of GF
Mezzanine Notes	Partly Paid Notes equal to roughly 8.8% of the advances of GF
Junior Notes	Partly Paid Notes equal to around 6.2%[1] of the advances of GF
Interest Rate	1-month EURIBOR with floor at 0% + Margin for A1 and A2 notes 3-month EURIBOR with floor at 0% + Margin for A3 notes
Margin	1.2% for A1 and A2 notes 1.15% for A3 notes
Commitment Fee	30% of the margin of the senior notes, calculated on the portion of the committed line not used
Rating	Not provided
Hedging	Not provided

Notes: [1] Assuming an Initial Purchase Price equal to 80% of the nominal value of the loans transferred (factoring with recourse).

Section 3 – Information on risks and related hedging policies

Introduction

Corporate risk governance

Generalfinance is exposed to the typical risks of a financial intermediary. In particular, also on the basis of the defined ICAAP process, the Company is exposed to the following significant "first pillar" risks:

- **Credit risk**: risk that the debtor (and the transferor, in the case of transactions with recourse) is not able to meet its obligations to pay interest and repay the principal. It includes counterparty risk, i.e. the risk that the counterparty to a transaction is in default before the final settlement of the cash flows of a transaction.
- **Operational risk**: risk of losses resulting from procedural malfunctions, inadequacy of internal processes, human resources and technological systems or deriving from unexpected external events.

Generalfinance is also exposed to the following other risks:

- **Concentration risk**: risk deriving from exposures to counterparties, including central counterparties, groups of related counterparties and counterparties operating in the same economic sector, in the same geographical region or carrying out the same activity or trading in the same goods, as well as the application of credit risk mitigation techniques, including, in particular, risks deriving from indirect exposures, such as, for example, with respect to individual providers of guarantees (for concentration risk with respect to individual counterparties or groups of related counterparties).

- **Country risk**: risk of losses caused by events occurring in a country other than Italy. The concept of country risk is broader than that of sovereign risk as it refers to all exposures regardless of the nature of the counterparties, whether natural persons, companies, banks or public administrations.
- **Transfer risk:** the risk of exposure to a borrower financing itself in a currency other than that in which it earns its main sources of income, and therefore incurring losses due to the borrower's difficulties in converting its currency into the currency in which the exposure is denominated.
- **Interest rate risk**: the risk that arises as a result of unfavourable market rate trends and relates to the mismatch of maturity and repricing dates (*repricing risk*) and the different trend in the reference rates of asset and liability items (*basis risk*).
- **Liquidity risk**: the risk of not being able to meet its payment commitments due to the inability both to raise funds on the market (*funding liquidity risk*) and to sell its assets (*market liquidity risk*). For Generalfinance, the case of funding liquidity risk is particularly relevant. In other words, the liquidity risk derives from a possible imbalance between expected cash flows and outflows and the consequent imbalances/surpluses in different maturity brackets, depending on the collectability of the assets or payment of the liabilities divided by residual life (*maturity ladder*).
- **Residual risk:** risk that the recognised techniques for mitigating credit risk used by the Company are less effective than expected. This risk essentially arises when, at the time of the debtor's impairment, the mitigation instrument against the exposure provides, in fact, a degree of protection lower than that originally envisaged and, consequently, the equity benefit obtained with the related usage is overestimated.
- **Securitisation risk**: risk determined by the absence of adequate policies and procedures to ensure that the economic substance of said transactions is fully in line with their risk assessment and with the decisions of the corporate bodies. The Company has a securitisation transaction in place (General SPV), which does not determine the transfer of the portfolio's credit risk, as the transaction is exclusively aimed at raising funds on the institutional market and envisages the underwriting of the mezzanine and junior notes by the *originator* (Generalfinance).
- **Excessive leverage risk**: risk that a particularly high level of indebtedness with respect to the amount of equity makes the intermediary vulnerable, making it necessary to adopt corrective measures to its business plan, including the sale of assets with recognition of losses that could entail value adjustments also on the remaining assets.
- **Strategic risk**: defined as the current or future risk of a decline in profits or capital deriving from changes in the operating environment or from incorrect company decisions, inadequate implementation of decisions, poor responsiveness to changes in the competitive environment.
- **Reputational risk**: the current or future risk of a decline in profits or capital deriving from a negative perception of the image of the intermediary by customers, counterparties, shareholders of the intermediary, investors or supervisory authorities. Conversely, reputation represents an essential intangible resource and is considered a distinctive element on which a lasting competitive advantage is based.
- **Risk of non-compliance**: risk of incurring judicial or administrative sanctions, significant financial losses or damage to reputation as a result of violations of mandatory provisions (*of law or regulations*) or of self-regulation rules (e.g. articles of association, codes of conduct, etc.), including legislation governing international money laundering/terrorism financing and legislation governing the transparency of banking and financial transactions and services.
- **IT risk**: risk of incurring economic, reputation and market share losses in relation to the use of *Information and Communication Technology* (ICT).
- **Risk deriving from *outsourcing*:** risk linked to the outsourcer’s activities, in particular to its inefficiency/service disruptions and to the loss of skills by the Company’s human resources. These are mainly operational risks, although the implications for credit, compliance and reputational risks are not negligible.

In this context, the resulting risks are monitored by specific organisational structures (which operate in agreement with the Risk Management Department), policies and procedures aimed at their identification, monitoring and management. In particular:

- the Credit Department (*Chief Lending Officer*) and the Operations Department (*Chief Operating Officer*) oversee the management of credit risk, country risk and concentration risk, being organisationally responsible for the various phases of the credit process, i.e. investigation, granting and monitoring as regards the Credit Department and management and recovery in relation to the Operations Department;

- the Finance and Administration Department (*Chief Financial Officer*) manages and monitors liquidity, interest rate, residual, securitisation, excessive leverage and strategic risks (the latter, in particular, in close collaboration with the *Chief Executive Officer*);
- the *Legal and Corporate Affairs Department* manages and monitors reputational risks (in collaboration with the CFO, as regards relations with the media);
- the *AML and Compliance Office* monitors the risk of non-compliance (which includes the risk of money laundering) and the risk deriving from outsourcing relationships;
- the *Internal Audit Office* oversees the third-level controls as Internal Audit Function. Specifically, it monitors the regular performance of operations and the evolution of risks as well as assesses the completeness, adequacy, functionality and reliability of the organisational structure and the internal control system;
- the ICT and Organisation Department oversees IT risk.

On an operational level, the Finance and Administration Department provides periodic reports (through the management planning and control system) to the corporate bodies on the performance of the activities and on the deviations from the *budget* and the *business plan*; this disclosure is structured on a daily (commercial data, asset figures, profitability of *factoring* transactions) and monthly (tableau de bord, which summarises financial, portfolio risk and liquidity information, capitalisation) basis. The Risk Management Office monitors in detail the trend of the main risk indicators with a specific "tableau de bord Risk", which is presented quarterly to the Board of Directors, and through the monitoring of the main indices defined in the Risk Appetite Framework, through a specific quarterly disclosure (Risk Appetite Statement), submitted to the Board.

The Company therefore has a management control and risk management system aimed at allowing the operating areas to periodically acquire detailed and updated information on the operating results, financial position and cash flows and the trend of the main figures related to the risks assumed. The management control system, which is part of the wider internal control system, was developed by Generalfinance from a strategic point of view as it systematically and, in advance, draws the attention of management to the consequences of the decisions taken daily (*operation management*). It is therefore intended as the integrated set of technical-accounting tools, information and process solutions used by management to support planning and control activities.
This model provides for the assignment of responsibilities to clearly identified individuals within the Company to ensure the constant monitoring of critical success factors (FCS) and risk factors (FCR) through the identification of performance and risk indicators (KPI and KRI) and, where necessary, the activation of other types of control.

CONTROL SYSTEM
The internal control system implemented by the Company ("ICS") consists of the set of rules, functions, structures, resources, processes and procedures aimed at ensuring, in compliance with sound and prudent management, the achievement of the following objectives:

- verification of the implementation of company strategies and policies;
- safeguarding the value of assets and protection against losses;
- effectiveness and efficiency of business processes;
- reliability and security of company information and IT procedures;
- prevention of the risk of involvement, even involuntary, in illegal activities (with particular reference to those connected with money laundering, usury and terrorism financing);
- compliance of transactions with the law and supervisory regulations, as well as internal policies, regulations and procedures.

***Risk Management* Department**
In the organisation of Generalfinance, the risk management department is located in the Risk Management Office.
The office reports directly to the body with management functions (Chief Executive Officer), with direct access to the Board of Directors through periodic information flows.

Risk management activities aim to verify compliance with prudential supervisory rules and the management of company risks. In particular, this office contributes to the definition of the process of risk identification, analysis, modelling, valuation and measurement, verifying ongoing compliance with the overall prudential supervisory limits imposed by the Supervisory Authority.

***Compliance* Function**

The compliance function is carried out by the AML and Compliance Office, which is responsible for the activities relating to the monitoring and verification of compliance with the regulations. The purpose of compliance control activities is to monitor the compliance of procedures, regulations and company policies with respect to regulatory provisions. In particular, the AML and Compliance Office, with the help of the Legal and Corporate Affairs Department, identifies the rules applicable to the Company and assesses and measures their impact on the business, proposing appropriate organisational changes in order to ensure effective and efficient monitoring of the identified non-compliance and reputational risks.

The Anti-Money Laundering Function

The Anti-Money Laundering Function is part of the AML and Compliance Office. The office reports directly to the body with management functions (Chief Executive Officer), with direct access to the Board of Directors through periodic information flows.

The Anti-Money Laundering Function (hereinafter AML) deals with:

- monitoring the risk of money laundering, overseeing the proper functioning of business processes;
- preparing activities related to combating money laundering and the financing of international terrorism;
- overseeing compliance with anti-money laundering regulations within the Company and monitoring its development, verifying the consistency of anti-money laundering and anti-terrorism processes with respect to regulatory requirements;
- carrying out checks and controls on customer due diligence and proper data storage.

In addition, it is involved in the preliminary investigation process prior to reporting suspicious transactions to the relevant bodies. In compliance with the general principle of proportionality, the Head of the AML Function is also granted the mandate for the Reporting of Suspicious Transactions (“SOS”), pursuant to Article 35 of Italian Legislative Decree no. 231 of 21 November 2007. The AML Function sends to the Board of Directors, to the Board of Statutory Auditors, at least once a year, a report on the activities carried out during the previous year.

Internal Audit Function

The internal audit function is carried out by the *Internal Audit Office*, which reports directly to the Board of Directors, ensuring compliance with sound and prudent management.

The internal audit activity is aimed, on the one hand, at checking the regularity of operations and risk trends, including through ex-post checks at the individual organisational units, and on the other hand at assessing the functionality of the overall internal control system and to bring to the attention of the Board of Directors possible improvements to risk management policies, control mechanisms and procedures.

3.1 CREDIT RISK

Qualitative information

1. General aspects

Credit risk is a typical risk of financial intermediation and can be considered the main risk to which the Company is exposed. Factoring, which is the operating area of Generalfinance, is the main determinant of credit risk. The factoring activity also has some specific characteristics that help contain the relative risk factors: the presence of several parties (transferor and transferred debtor), the insurance guarantee that covers the bulk of business volumes, any additional personal guarantees acquired and, in particular, the transfer to the factor of the supply credit between the transferor and the transferred debtor. These factors, on the one hand, make it possible to contain credit risk compared to that of ordinary banking activities and, on the other hand, characterise the entire credit process that is regulated by specific policies in Generalfinance.

Guaranteed loans

The Company did not approve moratoria on existing loans, did not grant changes to the loan agreements as a result of Covid-19 and did not disburse loans backed by the State guarantee. The Company showed itself to be willing – in the context of the ordinary management of trade receivables – to reschedule certain deadlines in order to facilitate transferred debtors and transferors, with some rescheduling of trade receivables, almost all of which returned to normal conditions and were collected as at the reporting date.

2. Credit risk management policies

2.1 Organisational aspects

The assumption of credit risk is governed by the policies approved by the Board of Directors and is governed by internal procedures that define the management, measurement and control activities and identify the organisational units responsible for them.
Credit risk evaluation and management is carried out by the Credit and Operations Departments, according to the respective areas of competence.

The Credit Department acts through:

- the Transferor Assessment Office, ensuring the compliance of loan applications with the Company's credit policy and expresses opinions for decision-making purposes. This Office is also responsible for the activities that characterise the preliminary phase and the secretarial activities of the Credit Committee;
- the Legal Support Office, constantly monitoring the changes and updates of the legal aspects of the transferor customers. This Office manages the legal aspects that arise over the course of the relationship with the transferor customers, assists the Collection Office in the judicial debt collection activities and manages disputes by maintaining relations with the appointed lawyers, providing them with indications and agreeing on strategies for legal proceedings;
- the Debtor Assessment Office, dealing in detail with the assessment of the individual transferred debtors and defining the overall risk of the transferred debtor portfolio;
- the Portfolio Monitoring Office, monitoring credit risk from a portfolio perspective, assessing performance and credit quality indicators;
- *Know Your Customer,* constantly monitoring customer relationships through due diligence and customer profiling activities to combat money laundering and terrorism.

The Operations Department acts through:

- the *Collection* Office, which is entrusted with the continuous monitoring of maturities and the management of the collection of receivables. This Office is responsible for the credit recovery process in all the different phases, from the past due to any legal recovery;
- the Debtor Management Office, which is responsible for managing the relationship with the transferred debtors as part of the operating procedures defined with the Transferor and managing the reconciliation of daily collections;
- the *Back Office*, which monitors compliance with the operating procedures envisaged for the specific relationship and deals with the process of disbursement of credit and settlement of amounts not advanced to the transferors.

Credit disbursement is mainly the responsibility of the Company's Credit Committee on the basis of the powers granted to it by the Board of Directors. Certain proxies regarding debtor credit limits are also attributed to the Chief Lending Officer.

The Credit Committee is composed of six members, of which three with voting rights and three without voting rights. Members with voting rights are:

- The Chief Executive Officer (CEO);
- The Head of the Credit Department (Chief Lending Officer – CLO);
- The Head of the Commercial Department (Chief Commercial Officer – CCO);
- The Head of the Operations Department (Chief Operating Officer – COO);
- The two Heads of the *Business Development* Office.

The first three members have voting rights.

Sessions in which the Credit Committee is called upon to examine the credit classification of an active position must also be attended by the Head of the *Risk Management Office*, who intervenes with an advisory function, without voting rights.

The resolutions of the Credit Committee are passed by open vote and by simple majority of the members present with voting rights. Although each of the members with voting rights may cast only one vote, if the Chief Executive Officer (as a connecting and controlling element of the Board of Directors) is placed in a minority, the decision cannot be validly taken by the Credit Committee but is referred to the Board of Directors.

The Head of the Transferor Assessment Office also participates in the meetings of the Credit Committee, in his/her capacity as Secretary of the Credit Committee and, depending on the topics dealt with or the subject of the resolution, the customer commercial managers (each with reference to the entities within its competence).

As part of its functions, the Committee performs an in-depth analysis of the documentation and the level of risk of the loan transaction and resolves, if the assessment is positive, the disbursement of the loan.

In the analysis phase, the Credit Committee is supported by the proprietary management information system ("Generalweb/TOR") and by the *data analytics* system ("QLIK"), which allow a detailed analysis of each individual credit facility requested, both with reference to the assessment of the transferor and the transferred debtors. The process of approving the granting/disbursement of credit is managed electronically through the appropriate functions of the company management system (electronic credit application and transferor position), through which it is possible to acquire immediate evidence of all the data relating to the various positions subject to assessment and the outcome of the resolutions.

Once the analysis is completed and the resolution adopted by the Credit Committee, the process concludes with the generation of specific disclosures for the various company departments and customers concerned. Subsequently, a document containing the outcome of the resolution is generated. The outcome of the resolution is then uploaded to the system to input data into or update the management records that report the specific economic and operating conditions that govern the relationship with the transferor, in such a way that all criteria and operating limits are set in a definitive and complete manner for the subsequent disbursement phase.

The Credit Committee — resolves, in accordance with the provisions set out in the "Policy on the Classification and Measurement of Credit Exposures", as operationally supplemented by the "Credit & Collection Policy" — and also resolves on:

i. transfers between administrative statuses (past due, unlikely to pay, non-performing) and the related specific provisions; and
ii. transfers from Stage 1 to Stage 2 (with reference to "discretionary triggers", in accordance with the accounting standard IFRS 9).

In addition, on a quarterly basis the Committee analyses the positions classified as *Watchlist* and assesses any proposals for reclassification into clusters other than Stage 1, if necessary.

The results of the Committee's deliberations are always forwarded to the CFO, the head of the Administration and Personnel Department and the head of the Supervisory Reporting Office, in order for the results to be correctly incorporated into the financial and reporting framework, as well as to the head of the *Risk Management Office*.

As part of the credit process, the Risk Management Office plays an important role, dealing with the second-level controls of the risk of the Company's credit portfolio by monitoring the performance of credit exposures and identifying potentially problems positions. The Risk Management Office carries out its verification activities on the basis of information flows from the corporate functions, periodically reporting to the Board of Directors on credit risk trends, formalised in the *Tableau de Bord* on Credit Risk Monitoring.

The main risk management activities concern the following areas:

- the measurement of the credit risk underlying the performing portfolio and the problem portfolio;
- monitoring of "problem loans" (non-performing, watchlist, stage 2 and under observation);
- monitoring of limits and exceptions to company policies;
- verification of consistency over time between the rules for assessing creditworthiness and the related pricing;
- monitoring the concentration limits of credit exposures to a single Counterparty (Groups of companies), as per the regulations of the Supervisory Authority;
- monitoring the IFRS 9 framework, as part of the determination of the Expected Credit Loss.

Lastly, the Chief Operating Officer is assigned certain powers regarding overruns related to the maximum disbursable amount per transferor and/or credit limit at the debtor level, as well as the definition of extensions, rescheduling, and repayment plans.

2.2 Management, measurement and control systems

General considerations

The main types of customers are represented by the following two segments into which "Distressed" transactions are structured:

- companies "in turnaround", to which the Company, through operations to support the sales and distribution and/or purchasing cycles, offers specific skills geared towards financial assistance in the event of the financial tension situations, during and after the restructuring procedure;
- "performing/high risk" companies, which are offered flexible services, aimed at solving financing problems, also extended to customers and suppliers.

The reference area in which the company operates, as regards transferred debtors, is mainly represented by the so-called "Eurozone". A component – historically around 25% – of *turnover* is achieved with foreign transferred debtors, mainly in the EU and North America, with a limited assumption of "country risk". As regards transferors, the scope of operations relates to Italian and Spanish companies, taking into account the opening of a branch in Madrid authorised by the Bank of Italy during the year. In particular, at geographical level, operations are mainly concentrated in Northern Italy – with a particular focus on Lombardy – and, at sector level, in manufacturing and sales.

The core business of the Company is represented by the granting of loans to the parties indicated above (typically identified with the term "transferor customers" or simply "transferors") by advancing trade receivables claimed by them in the technical form of factoring.

In particular, the Company's main transactions are as follows:

- Factoring transactions *pro-solvendo*: the Company operates through the granting of a loan to customers, which at the same time transfers to the Company business receivables, the payment of which is attributed to the repayment of the financed sum. The collection of the receivable transferred gradually extinguishes the loan and covers its costs and the residual amount (any difference between the nominal amount of the receivable collected and the amount disbursed as an advance) is transferred to the transferor.
  The average percentage of advance payments on the entire portfolio with recourse stood, over the years, at around 80% of the nominal value of the loan transferred; the percentage of disbursement per individual assignment varies according to the specific characteristics of the transaction, the transferor and the transferred debtors (e.g. according to the method of payment of the receivables, the nature and solvency of the transferred debtor, the transferor's situation, past relations, collection trend data and other elements that are assessed from time to time for granting purposes). In this type of transaction, the risk of insolvency of the transferred debtor remains with the transferor.
- Factoring transactions *pro-soluto*: this type of transaction follows the same operating methods described in the previous point but requires the Company to assume the risk of non-payment of the receivable transferred. The transactions without recourse carried out by the company are IAS-compliant, with the transfer of risks from the transferor to the factor.
  The transactions carried out by Generalfinance normally provide for the notification of the individual assignments to the transferred debtor ("Factoring Notification"); based on specific operational controls, transactions are implemented without notification ("Non-notification").
  The assignments normally concern receivables that have already arisen while in certain situations – on the basis of specific operational controls defined from time to time by the decision-making body – assignments of future receivables are carried out (contracts or orders).
  The assumption of risks involves the acquisition of suitable documentation to allow an assessment of the individual customer, codified in an investigation process, which also provides for customer profiling for anti-money laundering purposes. Through this activity, an analysis report is prepared in favour of the Credit Committee or the CLO as the case may be (summarised in a document called Electronic Credit Application or PEF) aimed at highlighting the level of credit risk associated to the Transferor and the Transferred Debtors (evaluated, in said case, also at overall portfolio level), as well as the compatibility between the individual loan applications and the credit policy adopted by the Company. The preliminary investigation process is completed when all the additional checks required by

internal and supervisory regulations (e.g. anti-money laundering) are completed, at the end of which the case may be submitted to the Credit Committee.

As the transferee of trade receivables, Generalfinance is exposed to trade credit risk and, subsequently, to financial credit risk. In particular, the risk is appropriately managed through:

- the analysis of the customer (Transferor) and the Transferred debtor, both through internal processing of information taken from company databases, and with the help of data from third parties and specialised public and private bodies ("Infoproviders"); in particular, a score is calculated for each transferor and debtor, based on the methodology developed over time by Generalfinance. The score at the debtor level is then aggregated at the portfolio level, so as to calculate the overall score of the factoring transaction, based on the weighted average between the Transferor and the Debtor portfolio. Taking into account the self-liquidating nature of the risk assumed, the greatest weight in the scope of the scoring method is assigned to the debtor portfolio;
- the continuous verification of the entire position of the transferor, both statically, i.e. with reference to the overall risk situation, and dynamically, i.e. with reference to the performance of its relationship with each individual transferred debtor;
- the verification and analysis of any intragroup relations, understood as relations between a transferor and transferred debtors belonging to the same legal or economic group;
- continuous verification of the regularity of payments by the transferred debtors;
- portfolio diversification;
- the continuity and quality of commercial relations between supplier and customer;
- the analysis of the consistency and size of the transferor in order to obtain the balance of the assumed risk.

In addition to the above-mentioned elements of a purely valuation nature, the prudential policy of the Company is also expressed in the adoption of underwriting and contractual measures:

- insurance coverage of most of the turnover;
- explicit acceptance of the assignment (also in the form of recognition) by the transferred debtor, on positions deemed worthy of special attention;
- notification to debtors of the Letter of Initiation of the Relationship – LIR and of the individual assignments in order to obtain the enforceability of the factoring transactions and the channelling of collections;
- setting a limit on the amount that can be disbursed to customers (as determined by the Credit Committee) with particular attention to any situations of risk concentration;
- diversification of customers by economic sector and geographical location.

The phases of the Company's credit process were identified as follows:

(i) Investigation: represents the moment in which credit applications from customers are acquired and assessed submitted, in order to provide the decision-making bodies, with the utmost possible objectivity, with a complete and exhaustive representation of the position of the credit applicant with regard to its capital assets and all other elements necessary for the assessment of creditworthiness and its reliability. In this phase, the information collected with reference to the potential transferred debtors for the purposes of their assessment is analysed.

(ii) Resolution: final act of the decision-making process to which credit applications are submitted. This may have as its object the acceptance or rejection of the request.

(iii) Initiation of the relationship: phase in which the contractual documentation is formalised.

(iv) Disbursement: indicates the management process at the end of which the amount subject to the advance of the transferred credit is credited to the transferor. It therefore refers to a progression of management activities that result in the provision of funds in favour of the transferor.

(v) Settlement: indicates the possible management process, at the end of which the Not Disbursed Available amounts are credited to the transferor, accrued as a result of the collection of the transferred receivables, following the payment made by the transferred debtor.

(vi) Monitoring and review: these describe the methods for monitoring the loans disbursed in order to ensure proper credit management, as well as a correct representation of the Company's exposure to each transferor or group of connected customers. The monitoring is also carried out in order to promptly review the conditions of the loan if the circumstances relating to both the economic performance of the transferor and the value of the guarantees should change.

(vii) Renewal/Review: represents the periodic activity, with variable frequency based on the risk profile of the transaction (12 months for less risky transactions and 6 months for the others), involving the complete review of the Transferor's position. On the basis of the operational monitoring activities carried out on a monthly basis by the Portfolio Monitoring Office, positions that show significant deviations in the risk profiles over a period of 1 month may also be reviewed.

(viii) Reporting: reporting is the set of information flows intended for the Corporate Bodies and the functions involved in the loan disbursement and monitoring process.

The possibility for the transferor to receive the advance payment of the purchase price of the receivables is subject to an in-depth assessment of the transferred debtors, as well as the transferor itself and the prior granting of an adequate credit line, referring to each debtor.

Maximum Payable

A limit is also defined ("Maximum Payable") which represents the maximum amount within which Generalfinance is available to disburse amounts by way of advance payment of the purchase price of the receivables. It refers to the entire position of the transferor (individual or at Group level), considered as a whole, and constitutes an operating ceiling, resolved internally by the Company, predetermined and defined to meet operational needs of a management nature. Having these characteristics and not representing any contractual commitment to the customer to grant advances on the transferred receivables up to the defined amount, the above-mentioned limit may be reviewed and modified at its discretion by the Company at any time. The Maximum Payable per transferor is decided by the Credit Committee or by the Board of Directors based on the autonomy and powers granted.

Percentage of disbursement

The percentage of disbursement is defined as the ratio between the value advanced by Generalfinance during the disbursement phase and the nominal value of the loans transferred by the customer to the Company.

The percentage of disbursement, in respect of factoring with recourse, per individual transferor/debtor varies at the discretion of the *factor* based on the specific characteristics of the transaction, the transferor and the transferred debtors (e.g. according to the method of payment of the receivables, the nature and solvency of the transferred debtor and other elements that are assessed on each occasion a disbursement is carried out). With regard to factoring without recourse, the disbursement percentage is 100%, as these are only outright purchases (IAS Compliant). The disbursement percentage per transferor is decided by the Credit Committee or by the Board of Directors based on the autonomy and powers granted.

Debtor Advance Limit

In addition to the previous one, an additional operating limit is assessed ("Debtor Advance Limit" or "Cross credit line") which represents the maximum amount within which Generalfinance is available to disburse amounts by way of Advance on receivables due from a single debtor or a group of related debtors. It represents the ratio between the maximum limit (in terms of nominal value) of receivables due from a single debtor (or group of related debtors) that the Company is willing to acquire from a particular transferor ("Cross Credit Line") and the percentage of advances on individual loans.

In any case, the Debtor Advance Limit cannot, in any case, exceed the limits envisaged by the applicable Supervisory provisions.

The Cross Credit Line by debtor is approved by the CLO, the Credit Committee or the Board of Directors based on the autonomy and powers granted.

Pricing

The pricing of factoring transactions is calculated on the basis of a preliminary assessment by the Transferor, but is significantly affected by the outcome of the analysis of the transferred debtors.

To this end, the following are relevant for commercial proposal purposes:

a) the turnover forecasts proposed by the transferor (the turnover cluster);
b) the overall risk of the relationship summarised by the "transaction score" (understood as the risk assessment on the Transferor together with the risk assessment on the assigned debtor portfolio);
c) the complexity of the relationship, representative of a proxy of operating expenses, calculated by evaluating a set of indicators that reflect the cost of managing the case such as, for example, the number of debtors, the percentage

of foreign counterparties out of the total, the form of payment and credit management by the Factor.

The final *pricing* is determined as the sum of the interest rate (consisting of a fixed spread and the 3-month Euribor base 365 recorded on the penultimate business day of the previous month and which remunerates the disbursement of the financial advance and the credit and liquidity risk assumed by the factor), defined on the basis of turnover and scoring, and the commission rate, defined on the basis of turnover, scoring and the complexity of the relationship. The commission rate is designed to evaluate the service component of the factoring business, which primarily involves managing the receivables portfolio, from invoice acquisition to collection.

The result – whose starting values are reviewed annually according to the business plan adopted by the Company – also taking into account "commercial oversight" understood as the ratio between the sales volumes developed by the Transferor with the Company with respect to its potential can be recognised from its sales revenues.

Internal rating (scoring)

The Company assigns each transaction its own internal rating defined as the "Transaction score", in order to classify the riskiness of the factoring relationship, according to a numerical progression.

The transaction score is calculated on the basis of independent assessments of the economic and financial performance of the Transferor, both historical and forward-looking, and the analysis of additional performance factors related to the legal context that characterises the customer company (factors summarised in the "transferor score") and the riskiness of its portfolio of transferred debtors ("portfolio score").

- Transferor Score

The Transferor score is a score that summarises the risk level of the counterparty through the assessment of specific key performance indicators (identified and differently assessed based on the type of company being analysed), grouped into dimensions that define the scope of analysis; the weighting logic of the KPIs makes it possible to calculate the value of the individual dimension to which, in turn, a specific weight has been attributed that allows the final score to be determined.

The valuation model was consolidated, defining at least one mandatory indicator for each dimension, distributing the weight of the indicators that cannot be assessed proportionally on the indicators assessed. Lastly, the different dimensions are in turn weighted in order to generate a Transferor score which will then be expressed on a scale from 1 to 4, where 4 represents the maximum risk level of the counterparty.

The main indicators subject to assessment are:

- ✓ sustainability of the repayment of the indebtedness with respect to the flows generated and outlined in the restructuring plan (in the case of a Distressed Transferor) or in the Business Plan (in the case of a Performing Transferor);
- ✓ the objective and subjective assessment of the Transferor (through qualitative/quantitative analysis of the economic and financial results together with an assessment of the main business elements such as, for example: the goods/services offered, the market to which it belongs, the production and management organisation, as well as on the legal status and corporate relations).
- ✓ any presence of legal safeguards (sureties, pledges, mortgages, etc.).

- *Portfolio score*

With reference to the transferred debtors, the creditworthiness is calculated using a matrix formula that triggers – based on the size class of estimated overall exposure to the Debtor – different requests for information from selected *infoproviders*.

This analysis is based on three distinct valuation elements: financial assessment, performance evaluation, and insurability analysis, along with the evaluation of the actual insurance coverage obtained on the Debtor.

The financial valuation component summarizes the evaluation of data available from Chamber of Commerce sources (including historical financial statements and additional factors such as company activity, history, and governance), along with an analysis of the Debtor's economic and financial assets, and verification of any prejudicial or negative public information.

On the other hand, the performance assessment component identifies – drawing from leading private databases – punctuality in payments to suppliers.

The insurance assessment component integrates both the summary credit rating assessment expressed by various credit insurance companies and the precise assessment of the insurance guarantee issued by the Insurance Company with which the insurance coverage is in place (Allianz Trade).
Once the score of each individual transferred debtor has been obtained (on a scale from 1 to 4, where 4 represents the maximum risk level of the counterparty), each of them is weighted on the basis of the amount payable of the related cross credit line (understood as the product of the amount of the cross credit line and the expected disbursement percentage), so as to be able to determine the score of the transferor portfolio.

- *Transaction score*

Once the Transferor's score and the score of its portfolio have been obtained, these are used to determine the score of the final transaction. In the case of *Distressed Transferors*, the score of the transaction is calculated by weighting the transferor score and the score of the transferred portfolio based on the type of instrument for the composition of the business crisis that characterises the legal status of the Transferor.
In the event that the analysis of the debtor's creditworthiness reveals the existence of risk factors or areas of attention, the Credit Department reports this in the analysis report intended for the Credit Committee. For these positions, at the time of its resolution, the Credit Committee can define specific operating methods, aimed at mitigating the credit risk such as, for example, the reduction of the percentage of advances relating to receivables due from the debtor concerned, or the containment of the exposure, again with regard to the debtor concerned, within a given maximum limit of the total credit line granted to the transferor.
If, on the other hand, the analysis of the creditworthiness of the debtor should reveal the existence of significant risk factors, the Credit Committee excludes the transferred receivables due from the debtor concerned from those subject to advances.

Heading of the risk on the Transferred Debtor

In consideration of the fact that sector regulations (i.e. Circular no. 288 of 3 April 2015) allow the *performing* exposure to be assigned to the transferred debtor – rather than the transferor – if certain legal and operational requirements are met aimed at ensuring that the recovery of the credit exposures depends on the payments made by the same debtor, rather than on the solvency of the transferor, the Credit Committee assesses the advisability of adopting this approach in the case of transactions that, as a whole: (i) concern advances to the transferor for an amount exceeding EUR 2 million or (ii) in the event in which it is considered necessary to strengthen the controls for monitoring of the loan assignment relationship, by virtue of the characteristics of the portfolio of "transferred customers".
In order to verify the fulfilment of the aforementioned requirements of the supervisory regulations, Generalfinance has provided that, in the case of the choice of the "transferred customer" approach, a specific "check list" is compiled, subject to evaluation and approval by the Credit Committee and stored electronically to accompany the investigation of the transferor position.
Specific controls are defined with reference to non-notification operations, in order to comply with the provisions of Circular 288.
In addition, both with reference to the "transferred debtor" approach and that relating to the "transferor debtor", Generalfinance has adopted internal procedures that make it possible to ascertain ex ante the deterioration of the financial situation of the individual debtor and the quality of the business loans acquired, as well as adequate procedures that make it possible to manage any anomalies that may arise during the relationship (e.g. management of anomalous loans, recovery actions, etc.).

Insurance guarantees and maximum duration of the loan

The decision-making bodies (CLO, Credit Committee and Board of Directors, as appropriate) define minimum levels of insurance coverage associated with the transferred debtor portfolio and maximum credit durations. In particular, there are minimum insurance coverage thresholds differentiated between transactions without recourse and those with recourse. Beyond certain thresholds envisaged by the Credit Regulation on the duration of the loan or insurance coverage, resolutions may be passed exclusively by the higher bodies, up to the Board of Directors.

Staging criteria – Stage 1 and Stage 2

The Company – in compliance with the approach defined by IFRS 9 for the classification of financial assets (the "Standard"), as well as in relation to the methods for determining the relative provision to cover losses – provides for the allocation of financial assets in three clusters called Stage, in relation to the level of credit risk inherent in the instrument.

Value adjustments are therefore defined as follows:

- *Stage 1:* the write-down is equal to the expected loss within the next 12 months (12-month ECL), taking account of the duration of the loans;
- *Stage 2:* the write-down is equal to the expected loss over the entire residual life of the financial instrument (lifetime ECL)*;*
- *Stage 3*: for non-performing financial assets, the write-down is equal to the lifetime expected loss and is measured in relation to management and debt collection activities.

For the purposes of classification in the three stages, the following rules apply:

- *Stage 1*: performing financial assets (including "Watchlist" financial assets) that have not undergone a significant increase in credit risk since *origination*;
- *Stage 2*: performing financial assets for which there has been a *significant increase in credit risk* (SICR) between the origination date and the reporting date or are characterised by unique characteristics defined in the "*backstops*" possibly adopted by the Company;
- *Stage 3*: includes all positions classified in default status at the reporting date according to the regulatory definition of impaired loans (EU Regulation no. 575/2013, Regulation (EU) no. 2019/630, EBA GL 2016/07 and Circular no. 288/2015 which acknowledged Consultation Document of the Bank of Italy from 10 June 2020 to 8 September 2020 "Amendments to the supervisory provisions for financial intermediaries: application of the new definition of default and other changes regarding credit risk, own funds, investments in property and significant transactions").

The process of allocation to internships adopted by the Company, with simultaneous verification of the conditions inherent to the significant increase in credit risk, is also characterised by elements of complexity and subjectivity. In line with the requirements of the Standard, the quantification of the SICR must be based on the change in the risk of default expected for the expected life of the financial asset and not on the change in the amount of expected loss (ECL).

The Company has chosen to measure the significant increase in the credit risk of the counterparty (transferor) with subsequent classification of the exposure in *Stage 2* in relation to certain automatic events (triggers), for the past due condition is evaluated, according to the definition of the Delegated Regulation (EU) no. 171/2018 on the materiality threshold of past due obligations pursuant to Art. 178, paragraph 2, letter d) of the CRR (RD) and discretionary (based on the assessment of the status of the counterparty, in particular in cases of access to an insolvency procedure by the transferor after the disbursement of the loan).

If, in relation to an exposure classified in *Stage 2*, the conditions for this classification no longer apply at a subsequent reporting date, it will be reclassified by the Credit Committee to Stage 1.

The Standard requires that the same transfer criteria be used to transfer an exposure from the different stages. This also refers to the so-called symmetrical approach, which allows an entity to recognise an expected loss over a time horizon of 12 months for all exposures classified in Stage 1, unless the recognition of the expected loss throughout the life of the receivable is changed once the credit risk of these exposures has increased significantly after initial recognition. Therefore, IFRS 9 provides for the possibility of allocating financial assets in Stage 2 or Stage 3 and to report these exposures in the initial categories if subsequent assessments show that the credit risk has decreased significantly.

In this regard, the Standard states that "if in the previous year an entity measured the loss provision of the financial instrument at an amount equal to the expected losses over the entire life of the instrument, but at the current reporting date it determines that the paragraph 5.5.3 is no longer satisfied, it must measure the loss provision at an amount equal to the expected credit losses in the 12 months following the current reporting date".

Calculation of expected credit loss – Stage 1 and Stage 2

The Company has implemented an accounting model in line with the provisions of international accounting standards, in order to calculate the risk parameters underlying the determination of the Expected Credit Loss (ECL): PD, LGD, EAD, at the level of individual exposure.

The Standard provides that the calculation of expected losses (ECL) must reflect:

a) a target, probability-weighted amount determined by assessing a range of possible outcomes;
b) the time value of money, discounting the expected cash flows at the reporting date;
c) reasonable and demonstrable information that is available without excessive cost or effort at the reporting date on past events, current conditions and forecasts of future economic conditions.

For the measurement of expected losses, the Company has a set of rules defined in accordance with the requirements set out by the accounting standard.

For exposures in Stage 1 and 2, the expected losses at 12 months and lifetime are calculated respectively, based on the stage assigned to the exposure, taking into account the duration of the financial instrument.

In this regard, the approach adopted is differentiated to take into due consideration the potential significant increase in credit risk associated with loans classified in Stage 2. In light of these considerations, taking into account the short duration (less than one year) of loans disbursed by the Company, a time factor is applied to positions classified as Stage 1 that rescales the exposure on the basis of the residual life of the loan, according to the following formula:

$$EAD = Exposure * N/365$$

Where N represents the number of days remaining for the single due date of the loan (so-called "practical line").

In the case of loans classified as Stage 1, the following measures apply in any case:

a) a minimum "floor" of 30 days in the case of receivables falling due with a residual life of less than 1 month and no more than 5 days for performing past due receivables (minimum technical time for recording the collection);

b) a factor N equal to 365, or no split if the credit exposure is past due by at least 6 days and not yet collected.

On the other hand, with regard to the positions classified as Stage 2, in consideration of the observed significant increase in credit risk, the exposure is not reproportioned from a timing perspective. In fact, a duration of the exposure of 12 months is assumed, consistent with the Probability of Default (PD) time horizon.

The calculation of expected losses – with the related definition of the risk parameters – is updated monthly and in any case at each reporting date. In particular, the expected loss recognised is measured taking into consideration the specific nature of the portfolio and the business model, or the active risk mitigation policies used in portfolio management.

The ECL is therefore calculated according to the following formula:

$$ECL = PD * LGD * EAD$$

- PD represents the probability of default considering a time horizon of 1 year;
- LGD represents the loss given default;
- EAD measures exposure at default.

Considering that the average credit days are very limited (on average less than 90 days), the different degree of risk recorded between the positions classified in Stage 2 compared to the positions in Stage 1 is intercepted through the use of a time factor applied to the EAD, added to the calculation formula, as specified above.

With regard to credit exposures to financial intermediaries, a 12-month ECL is considered (since the company does not have exposures other than on demand to financial institutions) equal to the average EL of a peer group of Italian banks, based on the probability of default provided by external providers (Bloomberg), taking into account an estimated LGD of 10%.

Risk parameters: Probability of Default (PD)

The Probability of Default is measured at the level of the transferred debtor; this approach is also consistent with the Company's business model, which assesses the risk of the counterparties primarily on the basis of the transferred debtors portfolio. The approach is also consistent with the provisions of the Supervisory regulations which, under certain legal and operating conditions, allow the transfer of the risk to the transferred debtor – in place of the transferor – for prudential purposes also for with recourse transactions, which represents the core business of Generalfinance.

The 12-month PD is that inferred from the ratings provided by external providers associated with the rating classes which are then reclassified within a single distribution of risk classes (mapping). The identification and allocation of the PD parameter to the transferred debtor takes place according to the following steps:

1) identification of the ratings associated with the transferred debtor;
2) association with each rating of the relative PD on the basis of the "Master scales" provided by the various providers or, alternatively, a reconciliation between them;
3) average of the PDs associated with the ratings available for each transferred debtor at the reference date of the calculation. The result of the average PD is the PD assigned to the transferred debtor.

Taking into account the estimated time horizon of the PD, i.e. 12 months, it is considered reasonable to consider the rating of each transferred debtor on an annual basis. Where the rating has been validated beyond the previous 12 months, it is discarded by the system and the position is treated as unrated.

With regard to the estimate of the lifetime PD to be used to calculate the ECL for loans classified as Stage 2, the following elements were taken into consideration:

- specific nature of the business model ("factoring");
- average days of credit of the portfolio, less than 90 days on average.

The proxy of the lifetime PD, is the 12-month PD identified according to the previously reported approaches.

With regard to counterparties for which it is not possible to identify any rating provided by external providers, a PD equal to the weighted average PD of the loan portfolio is used as a proxy. This PD is updated periodically (at least annually) in order to reflect the latest information available on the portfolio in the calculation.

With regard to the "advance payments on future receivables" product, a specific treatment is envisaged for the calculation of the ECL. In particular:

- in cases where the nominal value of the receivables assigned with recourse is greater than or equal to 50% of the exposure relating to the future receivables of the same transferor, the Probability of Default (PD) is calculated as the weighted average for the exposure of the PDs relating to the portfolio of transferred debtors with recourse of the transferor;
- in cases where the nominal value of the receivables transferred with recourse is less than 50% of the exposure relating to the future receivables of the same transferor, the Probability of Default (PD) is calculated using the average of the PDs associated with the available ratings of the transferor.

If the transferred debtor is a Public Administration (e.g. Revenue Agency, Ministries or other public entities of the Central Administration), the PD used is that provided by Bloomberg in relation to the Italian Republic at the reference date.

Lastly, in the case of a position without recourse in relation to which the receivable from the transferred debtor is fully covered by the receivables cycle in which the same party is the transferor (situation associated with a reverse factoring), a specific treatment is envisaged for the purposes of calculating the ECL. In particular, the PD relating to that transferred debtor will be equal to the weighted average for the exposure of the PD of the portfolio of the transferred debtors relating to the trade receivables purchased by the transferor.

Risk parameters: Loss Given Default (LGD)

For the definition of the Loss Given Default (LGD) parameter to be used, due consideration was given to the company's business model that makes it possible, for transfers of receivables with recourse that have already arisen, to recover the credit position from both the transferred and the transferor. In this sense, it is considered reasonable to use different approaches, for with and without recourse portfolios and the future credit advances portfolio, in order to incorporate a different estimate of the loss, in line with i) the management of the portfolio ii) the specific nature of the factoring business iii) the risk mitigation policies used by the company. In the event that the transferred debtor is a Public Administration (e.g. Revenue Agency, Ministries or other public entities of the Central Administration), the LGD, in the absence of information and historical data on the default of these entities, is expected to be 5%.

With reference to advances on future receivables, the relative LGD is prudentially assumed to be equal to the regulatory LGD of the IRB – Foundation models (45%).

With reference to positions in Stage 3, the policy envisages analytical provisions by respecting the increasing minimum levels of provisions for past due, unlikely to pay and bad loans.

Risk parameters: Exposure at Default (EAD)

The Exposure at Default or EAD at the reference date consists of the carrying amount at amortised cost. More specifically, the EAD for factoring transactions is equal to the exposure (disbursed not yet collected, net of any unpaid portions already collected and not yet retroceded to the transferor) at the reporting date.

Forward-looking elements and macro-economic scenarios

IFRS 9 requires the inclusion of forward-looking elements in the expected loss estimates, so that they are suitable to represent the macroeconomic conditions forecast for the future. The inclusion of forward-looking information in the estimate of the lifetime expected loss is therefore fundamental for a correct implementation of IFRS 9. However, in consideration of the approach adopted for the estimate of the ECL, the following elements are noted:

- the use of an accurate PD from "third-party" information sources makes it possible to incorporate forward looking elements that are reasonably foreseeable in the short term and taken into consideration by the infoproviders that process the external ratings;
- the updating of the LGD on an annual basis makes it possible to increase the representativeness of the estimate, already incorporating forward-looking elements and potential overlays in the calculation model, in respect of estimates of deterioration in the reference macroeconomic scenario.

Write-off

The write-off is an event that gives rise to a full or partial derecognition, when there are no longer reasonable expectations of recovering all or part of the financial asset.

The standard defines the write-down of the gross carrying amount of a financial asset as a result of the reasonable expectation of non-recovery as a case of derecognition. The write-off may concern the entire amount of a financial asset or a part of it and corresponds to the reversal of total value adjustments, as an offsetting entry to the gross value of the financial asset and, for the part exceeding the amount of the total value adjustments, to the impairment of the financial asset recognised directly in the income statement.

If the Company has reasonable expectations of recovering the receivable, the latter can be maintained in the financial statements (current receivable) without effecting a write-off and, in all cases in which there is an expected loss, an appropriate provision must be made to cover the possible lack of full recovery.

Otherwise, if the Company does not have reasonable expectations of recovering it, in whole or in part, the write-off must be carried out, with the effect of shifting the receivable itself or part of it from the financial statements assets to dedicated escrow accounts.

The amount of the write-offs carried out in the reference period that exceeds the amount of the total adjustments made in previous years (and which is therefore recorded as a loss directly in the income statement) is included in the value adjustments.

Any recoveries from collections subsequent to the write-off, on the other hand, are recognised in the income statement under write-backs as a result of the improvement in the creditworthiness of the debtor and the recoveries of the assets previously written down.

Operationally, the write-off resolutions are adopted by the Credit Committee on the proposal of the Credit Department, once the reasonable expectations of recovery, including legal, of the exposure no longer exist. In any case, the maximum term for maintaining the exposure in the financial statements is 2 years. After this deadline, the exposure must be fully written off.

2.3 Credit risk mitigation techniques

Insurance guarantees

Generalfinance has signed with Allianz Trade (formerly Euler Hermes S.A.), secondary office and general representation for Italy, two insurance policies against the risks of insolvency of the transferors of the trade receivables and/or the related transferred debtors acquired by the Company in the context of factoring transactions (the "Policies").

In order to improve the disclosure of risk-weighted assets relating to the core business, the Company uses the Policies as instruments to mitigate credit risk, also for prudential purposes for the management of credit risk (credit risk management, "CRM"), in compliance with the provisions of the CRR and the Circular no. 288/2015. This use takes place in the context of a long-term strategic partnership with the company whose primary objective is to support the internal structures in the risk assessment activity, thanks to the enormous information assets, at global level, that it can boast on the transferred debtors. For Generalfinance, the company is therefore seen as a business partner, rather than a pure protection “provider”, which makes the insurance contract particularly effective in the ordinary management of the activity and high-performing from the point of view of the “claims on premiums” ratio.

Due to the recognition of the Policies for CRM purposes, the Company has a so-called “large exposure” towards the guarantor Allianz Trade. Therefore, the overall exposure to Allianz Trade must comply with the requirements of the CRR and, in particular, not exceed 25% of the Company’s eligible capital, thus limiting the maximum protection effects recognised for prudential purposes to this amount.

In this context, the impacts deriving from the recognition of the Policies for prudential purposes – in terms of lower risk-weighted assets – are calculated on the basis of the maximum exposure to Allianz Trade, an entity currently weighted at 20% based on its rating; in essence, Generalfinance calculates on a quarterly basis the ratio between the limit of large risks and the total exposure insured by Allianz Trade. This percentage is then applied to the insured risk of each exposure, thus dividing the insurance benefit proportionally over all guaranteed exposures.

The activities carried out by Generalfinance and defined in a specific company policy are summarised below, in order to continuously verify the eligibility of insurance policies for CRM purposes and consequently recognise their effect in the calculation of capital requirements.

The guarantee management process for CRM purposes is divided into the following sub-phases:

- Acquisition of the guarantee: in this phase, the supplier of the guarantee (i.e. the insurance company) is selected and evaluated. In this context, attention is also paid to the possible concentration risk that would derive from the use of the personal guarantee, taking into account the nature of the guarantee provider, its creditworthiness and business model; in any case, from an internal policy point of view, also taking into account the constraints relating to loan agreements, Generalfinance underwrites policies to hedge credit risk exclusively with leading companies (Allianz Trade – current partner – Coface or Atradius) for the purpose of avoiding the concentration of risks on insurance intermediaries of lower standing. The assessment is carried out by the Credit Department and resolved by the Board of Directors.
- Assessment of eligibility requirements: the eligibility of the guarantee for CRM purposes is assessed, in particular by verifying the type of guarantee and whether the contractual conditions are in line with regulatory provisions; in this context, the contractual text of the policy is defined by the Credit Department and must be submitted in advance to the AML and Compliance Office, which is responsible for assessing compliance with regulatory provisions on CRM, in coordination with the Finance and Administration Department.
- Monitoring of the guarantee, a phase in turn broken down into:
    - Monitoring of eligibility requirements: the purpose of this monitoring is to verify the continued compliance of the guarantee contract with the regulatory provisions, with particular attention to the phases of renewal of the insurance policy contract or in the presence of contractual changes; in this context, the contractual text of the policy is defined by the Credit Department and must be submitted in advance to the Finance and Administration Department for the assessment of impacts and to the AML and Compliance Office, which is responsible for assessing its adequacy with respect to regulatory provisions on CRM;
    - Compliance with contractual conditions and clauses: the objective of this phase is to comply with the operating procedures and practices that allow Generalfinance to operate in compliance with the contractual conditions contained in the guarantee contract, in order to maintain the effectiveness of the protection; this activity is the responsibility of the Credit Department, which assesses that the Company’s operations are constantly in line with contractual provisions.
- Identification of the relevant characteristics of the policy for reporting purposes: the characteristics of the guarantee used for CRM purposes are analysed in order to identify the relevant aspects for the Supervisory Reports, such as the determination of the value of the guarantee or the weighting to be associated with the supplier of the guarantee, with particular reference to compliance with concentration limits. This activity falls under the responsibility of the Finance and Administration Department (Supervisory Reporting Office).

In addition, against specific credit exposures, eligible guarantees were acquired for CRM purposes provided by SACE S.p.A. The assessment of eligibility of the aforementioned guarantees, also for the purpose of calculating capital requirements, is also supported by an opinion from a leading law firm, as well as by the analyses of the competent internal structures.

External ratings provided by ECAI
For the purposes of the Standardised Approach, to determine the risk weight of an exposure, the regulator envisages the use of the external credit assessment only if issued, or endorsed, by an External Credit Assessment Institution ("ECAI").
The list of authorised ECAIs is periodically published on the EBA website and adopted by the Bank of Italy. The technical standards regarding the association between the credit risk assessments and the creditworthiness classes of the ECAIs are identified in Implementing Regulation (EU) no. 2016/1799, in accordance with Article 1361, paragraphs 1 and 3, of Regulation (EU) no. 575/2013.
In line with the aforementioned regulations, Generalfinance uses Cerved Rating Agency and Modefinance as external rating agencies (ECAIs) for the calculation of RWAs relating to exposures to companies, with specific reference to those counterparties (Italian and foreign, respectively) that have, as of the reporting date, an exposure greater than EUR 100,000, in the context of a factoring relationship (without recourse or with recourse, with the risk being borne by the transferred debtor) with a Maximum Payable amount greater than EUR 2 million.

3. Non-performing credit exposures
The Company has internal procedures that make it possible to ascertain ex ante the deterioration of the financial situation of the individual debtor and the quality of the trade receivables purchased, as well as adequate procedures that allow it to manage any anomalies that may arise during the relationship (e.g. management of outstanding debts, recovery actions, etc.).
The entire business process is homogeneous for the types of customers and is implemented by all company functions. It is developed – as mentioned above – along the following main phases: (i) customer acquisition; (ii) investigation (customer/transferor assessment, debtor assessment, guarantor assessment); (iii) approval of the Credit Committee; (iv) formalisation and activation of the advance relationship; (v) monitoring and management of existing relationships, credit lines and guarantees.
The Company carries out periodic checks – typically on a daily basis – to verify the emergence, both among transferors and debtors, of unpaid positions that may generate particular critical issues and in order to promptly adopt the appropriate decisions, if there are any reasons for alarm or criticality. Moreover, on the basis of the flow acquired by the Home Banking system and any information obtained from other company or external sources, all non-payments are duly and promptly recorded and credit risk is continuously monitored.
With reference to the specific risk deriving from delay or non-collection of receivables, the operating methodology developed allows Generalfinance to obtain a series of important safeguards for its exposure. In fact, by virtue of the credit transfer agreement, the Company has the possibility of recovering from the transferred debtor and in the case of transfer with recourse, also against the transferor.

Classification – Stage 3
Stage 3 includes all exposures with objective evidence of impairment, therefore all non-performing exposures: past due loans, unlikely to pay and bad loans.
As regards the classification in the three stages highlighted, note that:
- the classification as impaired past due takes place automatically, on the basis of the provisions of Bank of Italy Circular no. 217, with specific reference to the technical form of factoring and the new definition of default valid from 1 January 2021 provided for by the European Regulation relating to prudential requirements for credit institutions and investment firms (Article 178 of Reg. (EU) no. 575/2013);
- with regard to unlikely to pay, the classification in this stage takes place automatically on the basis of the days past due and based on specific triggers defined in the company policies;
- with regard to bad loans, a classification in this status is envisaged, in the event of initiation of legal actions on a significant portion of the transferred portfolio and also based on specific triggers defined in the company policies.

The classification as unlikely to pay/bad loans is always resolved by the Credit Committee on the proposal of the Credit Department.
As the conditions no longer apply, the Committee resolves on the possible reclassification of the exposure from unlikely to pay or bad loans.

Expected Credit Loss – Stage 3
The Standard requires the entity to recognise a provision to cover losses for expected credit losses on financial assets measured at amortised cost or at fair value through other income components (FVOCI), receivables implicit in lease contracts,

assets deriving from contract or commitments to disburse loans and financial guarantee agreements to which the provisions on impairment apply.

Exposure at Default (EAD) (as at the reporting date) consists of the book value at amortised cost net of the insurance guarantee supporting the loan, except for the commitment component to disburse the loan, for which the exposure is the off-balance sheet value weighted by the Credit Conversion Factor (CCF) estimated by the Company. In this regard, it should be noted that the Company has no commitments to disburse funds, therefore the EAD is equal to the exposure (disbursed not yet collected net of any unpaid portions already collected and not yet retroceded to the transferor) net of the insurance guarantee as at the reporting date.

The Standard also requires an entity to measure the expected credit losses of the financial instrument in a way that reflects:

a) a target, probability-weighted amount, determined by assessing a range of possible outcomes;

b) the time value of money; and

c) reasonable and demonstrable information that is available without excessive cost or effort at the reporting date on past events, current conditions and forecasts of future economic conditions.

For a non-performing financial asset as at the reporting date, which is not a purchased or originated impaired financial asset, the entity must measure the expected credit losses as the difference between the gross carrying amount of the asset and the present value of the estimated future cash flows discounted at the original effective interest rate of the financial asset. Adjustments are recognised as a profit or loss due to impairment in the income statement.

With regard to unlikely to pay and bad loans, the value of the provisions is always established by resolution of the Credit Committee on the proposal of the Credit Department, at the time of classification in said administrative statuses.

The company *policy* also envisages increasing minimum thresholds for provisions for positions classified as past due, unlikely to pay or bad loans.

In terms of credit risk management, the *Risk Management Office* handles second-level control by continuously monitoring credit exposures, identifying potentially problematic positions and the relative level of provisions. The Risk Management Office carries out its verification activities on the basis of information flows from the corporate functions, periodically reporting to the Board of Directors on credit risk trends.

Quantitative information

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

Portfolios/Quality	Bad loans	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	1,354,380	1,494,763	1,755,669	24,193,266	640,060,466	668,858,544
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-		
5. Financial assets held for sale	-	-	-	-	-	-
Total 12/31/2025	**1,354,380**	**1,494,763**	**1,755,669**	**24,193,266**	**640,060,466**	**668,858,544**
Total 12/31/2024	**1,353,699**	**2,441,726**	**229,084**	**15,447,585**	**603,618,853**	**623,090,947**

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

Portfolios/Quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	Total partial write-offs	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets measured at amortised cost	7,429,399	2,824,587	4,604,812		667,280,494	3,026,762	664,253,732	668,858,544
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X		
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 12/31/2025	**7,429,399**	**2,824,587**	**4,604,812**		**667,280,494**	**3,026,762**	**664,253,732**	**668,858,544**
Total 12/31/2024	**5,524,082**	**1,499,573**	**4,024,509**	**-**	**612,493,367**	**1,572,337**	**619,066,438**	**623,090,947**

3. Distribution of financial assets by past due brackets (book values)

Portfolios/risk stages	First stage			Second stage			Third stage			Purchased or Originated Impaired		
	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days
1. Financial assets measured at amortised cost	12,293,458	3,202,073	-	4,370,647	3,897,338	429,750	18,556	195,345	2,128,742	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 12/31/2025	**12,293,458**	**3,202,073**	**-**	**4,370,647**	**3,897,338**	**429,750**	**18,556**	**195,345**	**2,128,742**	**-**	**-**	**-**
Total 12/31/2024	**5,997,117**	**2,574,452**	**208,937**	**2,860,663**	**3,389,133**	**417,283**	**43,375**	**2,697**	**1,463,250**	**-**	**-**	**-**

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

Causes/ risk stages	Total value adjustments																								Total provisions on commitments to disburse funds and financial guarantees issued				Total
	Assets included in the first stage						Assets included in the second stage						Assets included in the third stage						Purchased or originated impaired financial assets									
	On demand loans to banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other	Financial assets held for	of which: individual	of which: collective write-downs	On demand loans to banks	Financial assets measured at amortised cost	Financial assets measured at fair value	Financial assets held for	of which: individual	of which: collective write-downs	On demand loans to banks	Financial assets measured at amortised cost	Financial assets measured at fair value	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	Financial assets measured at amortised	Financial assets measured at fair value through other	Financial assets held for	of which: individual write-downs	of which: collective write-downs	First stage	Second stage	Third stage	Commitments to disburse funds and financial guarantees issued – purchased and/or originated	
Initial total adjustments	**1,226**	**1,458,059**	-	-	-	**1,459,285**	-	**114,278**	-	-	-	**114,278**	-	**1,499,573**	-	-	**1,499,573**	-	-	-	-	-	-	-	-	-	-	**3,073,136**
Increases from purchased or originated financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	X	X	X	X	-	-	-	-	-
Cancellations other than write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net value adjustments/write-backs for credit risk (+/-)	1,227	130,279	-	-	-	131,506	-	1,324,146	-	-	-	1,324,146	-	1.638.313	-	-	1.638.313	-	-	-	-	-	-	-	-	-	-	3.093.965
Contractual changes without derecognitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final total adjustments	**2,453**	**1,588,338**				**1,590,791**		**1,438,424**				**1,438,424**		**3.137.886**			**3.137.886**	-	-	-	-	-	-	-	-	-	-	**6.167.101**
Recoveries from collections on financial assets subject to write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	565,556	-	-	565,556	-	-	-	-	-	-	-	-	-	-	565,556
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	419,314	-	-	419,314	-	-	-	-	-	-	-	-	-	-	419,314

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

Portfolios/risk stages	Gross values/nominal value					
	Transfers between first and second stage		Transfers between second and third stage		Transfers between first and third stage	
	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 amortised cost	14,532,257	226,487	1,109,419	-	4,661,516	1,185,992
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets under development	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees issued	-	-	-	-	-	-
Total 12/31/2025	**14,532,257**	**226,487**	**1,109,419**	**-**	**4,661,516**	**1,185,992**
Total 12/31/2024	**13,665,628**	**20,329,168**	**-**	**4,024,849**	**714,469**	**-**

As at the date of these financial statements, there are no loans subject to “moratoria” or other forbearance measures or that constitute new liquidity granted through public guarantee mechanisms.

6. Credit exposures to customers, banks and financial companies

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

Types of exposures/Values	Gross exposure					Total value adjustments and total provisions					Net exposure	Total partial write-offs
		First stage	Second stage	Third stage	Purchased or Originated Impaired		First stage	Second stage	Third stage	Purchased or Originated Impaired		
A. Cash credit exposures												
A.1 On demand	**122,616,147**	**122,616,147**				**2,450**	**2,450**				**122,613,697**	**-**
a) Non-performing		**X**					**X**					-
b) Performing	**122,616,147**	**122,616,147**		**X**		**2,450**	**2,450**		**X**		**122,613,697**	-
A.2 Others	**494,126**	**494,126**				**25**	**25**				**494,101**	**-**
a) Bad loans		**X**					**X**					-
- of which: forborne exposures		**X**					**X**					-
b) Unlikely to pay		**X**					**X**					-
- of which: forborne exposures		**X**					**X**					-
c) Non-performing past due exposures		**X**					**X**					-
- of which: forborne exposures		**X**					**X**					-
d) Performing past due exposures				**X**					**X**			-
- of which: forborne exposures				**X**					**X**			-
e) Other performing exposures	494,126	494,126		**X**		25	25		**X**		494,101	-
- of which: forborne exposures				**X**					**X**			-
TOTAL (A)	**123,110,273**	**123,110,273**				**2,475**	**2,475**				**123,112,748**	**-**
B. Off-balance sheet credit exposures												
a) Non-performing		**X**					**X**					-
b) Performing	717,458	717,458		**X**					**X**		717,458	-
TOTAL (B)	**717,458**	**717,458**									**717,458**	**-**
TOTAL (A+B)	123,827,731	123,827,731				2,475	2,475				123,830,206	**-**

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

Types of exposures/Values	Gross exposure					Total value adjustments and total provisions					Net exposure	Total partial write-offs
		First stage	Second stage	Third stage	Purchased or Originated Impaired		First stage	Second stage	Third stage	Purchased or Originated Impaired		
A. Cash credit exposures												
a) Bad loans	2,943,093	X	-	2,943,093	-	1,588,713	X	-	1,588,713	-	1,354,380	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	2,511,438	X	-	2,511,438	-	1,016,675	X	-	1,016,675	-	1,494,763	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	1,974,868	X	-	1,974,868	-	219,199	X	-	219,199	-	1,755,669	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	24,389,165	15,565,535	8,823,630	X	-	195,899	70,004	125,895	X	-	24,193,266	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	642,397,202	613,064,401	29,332,801	X	-	2,830,837	1,518,308	1,312,529	X	-	639,566,365	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**674,215,766**	**628,629,936**	**38,156,431**	**7,429,399**	**-**	**5,851,323**	**1,588,312**	**1,438,424**	**2,824,587**	**-**	**668,364,443**	**-**
B. Off-balance sheet credit exposures												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (B)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (A+B)	**674,215,766**	**628,629,936**	**38,156,431**	**7,429,399**	**-**	**5,851,323**	**1,588,313**	**1,438,424**	**2,824,587**	**-**	**668,364,443**	**-**

As at the date of these financial statements, there are no loans subject to “moratoria” or other forbearance measures or that constitute new liquidity granted through public guarantee mechanisms.

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

Reasons/Categories	Bad loans	Unlikely to pay	Non-performing past due exposures
A. Initial gross exposure	**2,513,329**	**2,766,421**	**244,331**
- of which: exposures sold but not derecognised	-	-	-
B. Increases	**1,450,161**	**2,513,404**	**1,974,868**
B.1 inflows from performing exposures	1,450,161	2,460,323	-
B.2 inflows from purchased or originated *impaired* financial assets	-	-	-
B.3 transfers from other categories of non-performing exposures	-	-	-
B.4 contractual changes without derecognitions	-	-	-
B.5 other increases	-	53,081	1,974,868
C. Decreases	**1,020,397**	**2,797,232**	**245,100**
C.1 outflows to performing exposures	-	278,371	-
C.2 write-offs	388,051	-	26,110
C.3 collections	632,346	2,408,422	218,990
C.4 gains on disposals	-	-	-
C.5 losses on disposal	-	-	-
C.6 transfers to other categories of non-performing exposures	-	-	-
C.7 contractual changes without derecognitions	-	110,438	-
C.8 other decreases	-	-	-
D. Closing gross exposure	**2,943,093**	**2,482,593**	**1,974,100**
- of which: exposures sold but not derecognised	-	-	-

6.6 Non-performing cash credit exposures to customers: trend in total value adjustments

Reasons/Categories	Bad loans		Unlikely to pay		Non-performing past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Initial total adjustments	1,159,630	-	324,695	-	15,248	**-**
- of which: exposures sold but not derecognised	-	-	-	-	-	-
B. Increases	**1,138,116**	**-**	**1,016,675**	**-**	**219,199**	**-**
B.1 Value adjustments from purchased or originated impaired financial assets	-	X	-	X	-	X
B.2 other value adjustments	916,893	-	1,016,675	-	219,199	-
B.3 losses on disposal	-	-	-	-	-	-
B.4 transfers from other categories of non-performing exposures	221,223	-	-	-	-	-
B.5 contractual changes without derecognitions	-	-	-	-	-	-
B.6 other increases	-	-	-	-	-	-
C. Decreases	**709,034**	**-**	**324,695**	**-**	**15,248**	**-**
C.1 write-backs from valuation	-	-	-	-	-	-
C.2 write-backs from collection	398,593	-	103,472	-	15,248	-
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	-	-	-	-	-	-
C.5 transfers to other categories of non-performing exposures	-	-	221,223	-	-	-
C.6 contractual changes without derecognitions	-	-	-	-	-	-
C.7 other decreases	310,441	-	-	-	-	-
D. Final total adjustments	**1,588,713**	**-**	**1,016,675**	**-**	**219,199**	**-**
- of which: exposures sold but not derecognised	-	-	-	-	-	-

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

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

Exposures	External rating classes						Without rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets measured at amortised cost	**4,184,747**	**62,940,348**	**46,816,832**	**59,831,025**	**44,841,076**	**7,211,902**	**448,883,964**	**674,709,892**
- First stage	4,184,747	60,173,105	43,994,221	57,148,562	44,685,118	7,159,576	411,778,732	629,124,062
- Second stage	-	2,767,243	1,013,276	2,682,463	155,957	52,326	31,485,167	38,156,432
- Third stage	-	-	1,809,334	-	-	-	5,620,064	7,429,398
- Purchased or Originated Impaired	-	-	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or Originated Impaired	-	-	-	-	-	-	-	-
C. Financial assets held for sale	-	-	-	-	-	-	-	-
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or Originated Impaired	-	-	-	-	-	-	-	-
Total (A+B+C)								
D. Commitments to disburse funds and financial guarantees issued	-	-	-	-	-	-	**94,428,795**	**94,428,795**
- First stage	-	-	-	-	-	-	**94,428,795**	**94,428,795**
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or Originated Impaired	-	-	-	-	-	-	-	-
Total (D)	-	-	-	-	-	-	**94,428,795**	**94,428,795**
Total (A+B+C+D)	**4,184,747**	**62,940,348**	**46,816,832**	**59,831,025**	**44,841,076**	**7,211,902**	**543,312,759**	**769,138,687**

Table 7.1 shows the exposures with external rating.

In this case, reference was made to the ratings used also for regulatory purposes.

For the purposes of the Standardised approach, to determine the risk weighting factor of an exposure, the regulations provide for the use of the external assessment of creditworthiness only if issued, or endorsed, by an external assessment agency of creditworthiness (*External Credit Assessment Institution* "ECAI"). The list of authorised ECAIs is periodically published on the European Banking Authority (EBA) website and adopted by the Bank of Italy. The technical standards regarding the association between the credit risk assessments and the creditworthiness classes of the ECAIs are identified in Implementing Regulation (EU) no. 2016/1799, in accordance with Article 1361, paragraphs 1 and 3, of Regulation (EU) no. 575/2013 of Cerved Rating

Agency and Modefinance as external rating agencies (ECAIs) for the calculation of RWAs relating to exposures to companies, with specific reference to those counterparties (Italian and foreign, respectively) that have, as at the reporting date, an exposure greater than EUR 100,000, in the context of a factoring relationship (without recourse or with recourse, with the risk being borne by the transferred debtor) with a Maximum Payable amount greater than EUR 2 million.

Lastly, with reference to specific exposures, the Company acquires guarantees provided by SACE S.p.A. for risk mitigation purposes.

The table below shows the correspondence of the rating classifications calculated by the ECAI with the creditworthiness classes defined at regulatory level.

Cerved Rating Agency	Modefinance	Fitch	Creditworthiness class	Weighting
A1.1, A1.2, A1.3	from A2- to A1	from AAA to AA-	1	20%
A2.1, A2.2, A3.1	from A3- to A3+	from A+ to A-	2	50%
B1.1, B1.2	from B1- to B1+	from BBB+ to BBB-	3	100%
B2.1, B2.2	from B2- to B2+	from BB+ to BB-	4	100%
C1.1	from B3- to B3+	from B+ to B-	5	150%
C1.2, C2.1	from C1+ and below	CCC+ and below	6	150%

9. Credit concentration

9.1 Distribution of cash and off-balance sheet credit exposures by sector of economic activity of the counterparty

	Amount of cash assets	Amount of off-balance sheet assets
Other operators	-	
Public bodies and central administrations	34,379,453	
Banks and financial companies	122,773,414	717,458
Non-financial companies and producer households	621,243,403	
Others	12,741,587	
Total 12/31/2025	**791,137,857**	**717,458**

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

(values in Euro)	Amount of cash assets	Amount of off-balance sheet assets
Italy	774,173,818	717,458
Other European countries	16,719,376	-
America	244,663	-
Total 12/31/2025	**791,137,857**	**717,458**

9.3 Large Exposures

(values in Euro)	12/31/2025
a) book value	257,910,148
b) weighted value	78,724,975
c) number	12

The table shows the amount and number of counterparties with a weighted exposure, according to the rules envisaged by the prudential supervisory regulations, greater than 10% of the eligible capital.

The risks with respect to individual customers of the same intermediary are considered as a whole if there are legal or economic connections between the customers.

The amount is the sum of cash risk assets and off-balance sheet transactions with a customer.

10. Models and other methods for measuring and managing credit risk

For the purposes of measuring the capital requirement for credit risk, Generalfinance adopts the standardised approach envisaged by prudential regulations, taking into account any portion of exposure guaranteed by insurance policies on *eligible* credits for CRM purposes.

The Company also makes use of Cerved Rating Agency and Modefinance as external rating agencies (ECAIs) for the calculation of RWAs relating to exposures to companies, with specific reference to those counterparties (Italian and foreign, respectively) that have, as at the reporting date, an exposure greater than EUR 100,000, in the context of a factoring relationship (without recourse or with recourse, with the risk being borne by the transferred debtor) with a Maximum Payable amount greater than EUR 2 million.

Lastly, with reference to specific exposures, the Company acquires guarantees provided by SACE S.p.A. for risk mitigation purposes.

11. Other quantitative information

There are no other quantitative aspects worthy of mention in this section.

3.2 MARKET RISKS

3.2.1 Interest rate risk

Qualitative information

1. General aspects

Interest rate risk is caused by differences in maturities and in the repricing times of the interest rate of assets and liabilities. In the presence of these differences, fluctuations in interest rates can determine both a change in the expected net interest income and a change in the value of assets and liabilities and therefore in the value of shareholders' equity.

The operations of Generalfinance are concentrated in the short-term; the loans granted are self-liquidating and have a short residual life directly related to the collection times of the transferred trade receivables.

In addition, a large proportion of asset and liability items are variable-rate, with a natural immunisation against fluctuations in market rates.

These characteristics determine a significant mitigation of the exposure to interest rate risk.

Quantitative information

1. Distribution by residual duration (repricing date) of financial assets and liabilities

Items residual duration	On demand	Up to 3 months	From over 3 months to 6 months	From over 6 months to 1 year	From over 1 year to 5 years	From over 5 years to 10 years	Over 10 years	Indefinite duration
1. Assets	**228,579,039**	**486,472,897**	**55,936,157**	**8,824,285**	**11,659,869**			
1.1 Debt securities								
1.2 Receivables	228,579,039	486,472,897	55,936,157	8,824,285	11,659,869			
1.3 Other assets								
2. Liabilities	**20,648,884**	**524,388,769**	**9,992,871**	**247,870**	**86,501,973**	**840,886**	**30,068,580**	
2.1 Payables	16,948,896	499,982,671	124,409	247,870	1,364,882	840,886	68,580	
2.2 Debt securities	3,699,988	24,406,098	9,868,462		85,137,091		30,000,000	
2.3 Other liabilities								
3. Financial derivatives options					**110,000,000**			
3.1 Long positions								
3.2 Short positions								
Other derivatives								
3.3 Long positions					110,000,000			
3.4 Short positions					110,000,000			

The sub-item "Receivables" of the Assets includes EUR 122,396,987 of loans to banks.

3.2.2 Price risk

Qualitative information

1. General aspects

The financial institution does not normally assume price fluctuations.

3.2.3 Currency risk

Qualitative information

1. General aspects

The financial institution does not normally assume exchange rate risks.

3.3 OPERATIONAL RISKS

Qualitative information

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

The Company has adopted the definition of operational risk as "risk of losses deriving from the inadequacy or failure of procedures, human resources and internal systems, or from external events". The Company is constantly engaged in the implementation of processes and controls – also with regard to the proprietary IT platform – in order to improve the monitoring of operational risks.

Generalfinance is exposed to risks typically associated with operations that include, inter alia, risks associated with the interruption and/or malfunctioning of services (including IT services), errors, omissions and delays in the services offered, as well as failure to comply with the procedures relating to risk management.

The Company is therefore exposed to multiple types of operational risk: (i) risk of fraud by employees and external parties; (ii) risk of unauthorised transactions and/or operational errors; (iii) risks related to the failure to keep the documentation relating to the transactions; (iv) risks related to the inadequacy or incorrect functioning of company procedures relating to the identification, monitoring and management of company risks; (v) errors and/or delays in providing the services offered; (vi) risk of sanctions deriving from violation of the regulations applicable to the Company; (vii) risks associated with the failure and/or incorrect functioning of IT systems; (viii) risks related to damages caused to property, plant and equipment deriving from atmospheric events or natural disasters.

To monitor operational risk, the Company has the following controls in place:

- definition of a clear organisational structure, with well-defined, transparent and consistent lines of responsibility; in particular, the ICT and Organisation Department oversees the maintenance and development of the proprietary IT platform which – through the progressive digitalisation of processes and services – allows, natively, a reduction in operational risks;
- mapping and formalisation of business processes ("core" and "support" processes) that describe operating practices and identify first-level controls carried out directly by the process owners;
- second-level controls, pertaining to the recognition of operational risk, carried out by the Risk Management Office through: i) Risk Assessment in which the Potential Risk and the Residual Risk are measured and ii) registration of actual losses;
- adoption of a "Code of Ethics", which describes the ethical principles, i.e. the rules of conduct that inspire the style of the Company in the conduct of relations with its stakeholders to which each Recipient must refer;
- adoption of the "Organisation, management and control model", pursuant to Italian Legislative Decree no. 231 of 8 June 2001, which sets out the mix of preventive and disciplinary measures and procedures suitable for reducing the risk of commission of offences envisaged by the aforementioned decree, within the company organisation;
- provision of specific SLAs (Service Level Agreements) in outsourcing contracts.

In relation to the operations of the Company, a significant type of operational risk is represented by legal risk. In this regard, to mitigate potential economic losses resulting from pending legal proceedings against the Company, a provision has been made in the financial statements to an extent consistent with international accounting standards. In view of the requests received, the Company posts the appropriate provisions in the financial statements based on the definition of the amounts potentially at risk, the assessment of the risk carried out according to the degree of actual "probability" of loss, as defined by accounting standard IAS 37 and taking into account the most consolidated relevant case law.

In particular, the amount of the provision is estimated on the basis of multiple elements of opinion mainly concerning the forecast on the outcome of the case and, in particular, the probability of losing the case with the conviction of the Company, and the elements of quantification of the amount that, in the event of losing the case, the Company may be required to pay the counterparty.

The forecast on the outcome of the case (risk of losing) takes into account, for each individual case, the aspects of law raised in the court, assessed in the light of the case law stance, the evidence actually emerged during the proceedings and the progress of the proceedings, as well as the outcome of the first instance judgement, as well as past experience and any other useful element, including the opinions of experts, which allow adequate account to be taken of the expected development of the dispute.

The amount due in the event of losing is expressed in absolute terms and shows the value estimated on the basis of the results of the proceedings, taking into account the amount requested by the counterparty, the technical estimate carried out internally on the basis of accounting findings and/or those that emerged in the course of the proceedings and, in particular, of the amount ascertained by the court-appointed expert witness – if ordered – as well as the legal interest, calculated on the principal from the notification of the preliminary statement, in addition to any expenses due in the event the case is lost.

In cases where it is not possible to determine a reliable estimate (failure to quantify the claims for compensation by the plaintiff, presence of legal and factual uncertainties that render any estimate unreliable), no provisions are made as long as it is impossible to predict the results of the judgment and reliably estimate the amount of any loss.

Quantitative information

For the purpose of measuring operational risk, Generalfinance adopts the basic method proposed by the Supervisory Authority. The capital requirement for operational risk is equal to 15% of the average of the relevant indicators for 2023-2025 pursuant to Art. 316 of Regulation (EU) no. 575/2013.

3.4 LIQUIDITY RISK

Qualitative information

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

Liquidity risk measures the risk that the Company may be unable to meet its obligations as they fall due. Failure to pay may arise from the inability to obtain the necessary funds (**funding liquidity risk**) or from limits in the ability to liquidate certain assets (**market liquidity risk**). The calculation of liquidity risk also includes the risk of meeting payment obligations at non-market costs, i.e., incurring a high cost of funding or even capital losses. Specifically, for Generalfinance's operations, **funding liquidity risk** is the most relevant.

The risk assessment is carried out through the preparation of a **maturity ladder** (prepared monthly over a medium-term horizon and daily over a short-term horizon), which models future inflows (mainly collections from receivables sold by clients, new financing, and cash flows generated by core business profitability) and expected cash outflows (primarily: disbursements of loans, supplier payments, repayment of financing, payment of dividends and taxes). The ladder identifies positive and negative imbalances over defined time horizons and compares these imbalances with the available liquidity reserves (bank account balances, credit facilities, or other unused funding instruments).

Liquidity risk is therefore managed based on the dynamics of prospective cash flows, generated by expected disbursements (which have grown significantly in recent years) and financial needs covered through new credit facilities and cash flow from core operations. The funding structure ensures an adequate structural balance, benefiting from diversified credit lines and financing instruments, partly committed. In particular:

- A loan provided by a **pool of banks** – maturing in December 2027 – for an amount of EUR 260 million, fully committed;
- A **securitization program**, three-year term ending December 2027, for a maximum senior financing of EUR 500 million, with a line approved at EUR 345 million, of which EUR 250 million committed. The maximum outstanding

of receivables eligible for purchase remains EUR 737.5 million;

- **Bilateral bank lines and factoring company lines** totaling approximately EUR 316.6 million;
- A **commercial papers issuance program** up to EUR 100 million;
- **Factoring plafond** provided by CDP of EUR 21.5 million.

Finally, the Company has issued **subordinated bonds** for EUR 122.5 million (comprising EUR 80 million senior and EUR 42.5 million subordinated).

The Company adopts a careful **credit acquisition policy**, which has historically ensured a short asset duration (receivables from clients) of around 80 days in 2025 and low seasonality in turnover, contributing to reduced funding needs. Additionally, constant monitoring of maturities and effective credit collection generate significant benefits for the structural liquidity profile, reducing overall funding requirements.

Lastly, the Company has defined a **Contingency Funding Plan**, which allows for daily monitoring of liquidity risk and the prompt activation of funding measures if liquidity levels fall below minimum thresholds, taking into account the external market environment.

Quantitative information

1. Time distribution of financial assets and liabilities by residual contractual duration

Items/Time brackets	On demand	From over 1 day to 7 days	From over 7 days to 15 days	From over 15 days to 1 month	From over 1 month to 3 months	From over 3 months to 6 months	From over 6 months to 1 year	From over 1 year to 3 years	From over 3 years to 5 years	Over 5 years	Indefinite duration
Cash assets	**237,068,604**	**17,971,993**	**44,627,656**	**95,038,576**	**334,343,665**	**56,174,648**	**9,075,182**	**7,606,656**	**4,419,975**		
A.1 Government bonds											
A.2 Other debt securities											
A.3 Loans	228,836,815	17,971,993	44,627,656	95,038,576	334,343,665	56,174,648	9,075,182	7,606,656	4,419,975		
A.4 Other assets	8,231,789										
Cash liabilities	**8,301,635**	**64,751,00**	**89,894,00**	**2,054,165**	**515,016,860**	**12,855,900**	**8,429,870**	**92,425,951**	**415,718**	**30,909,465**	
B.1 Due to											
- Banks	6,468,715				261,009,103	2,522,029		6,339,696			
- Financial companies	406,659				238,843,402						
- Customers	805,371	42,329	60,358		27,476	124,409	247,870	949,164	415,718	909,465	
B.2 Debt securities	620,890	22,422	29,536	2,054,165	15,136,878	10,209,462	8,182,000	85,137,091		30,000,000	
B.3 Other liabilities											
“Off-balance sheet” transactions						**4,063,000**	**9,895,000**				
C.1 Financial derivatives with exchange of capital											
- Long positions											
- Short positions											
C.2 Financial derivatives without exchange of capital											
- Positive spreads							6,462,500				
- Negative spreads						4,063,000	3,432,500				
C.3 Loans to be received											
- Long positions											
- Short positions											
C.4 Irrevocable commitments to disburse funds											
- Long positions											
- Short positions											
C.5 Financial guarantees issued											
C.6 Financial guarantees received											

It should be noted that the amount relating to “financial guarantees issued” refers to the positive balance of current accounts pledged and guarantees with recourse issued in relation to the re-factoring transactions entered into with counterparties of Italian factoring companies, in which Generalfinance maintains the guarantee of solvency on the recurring loans, which has already been mentioned in “Part D – OTHER INFORMATION – D. Guarantees issued and Commitments”. The amount is gross of total provisions.

Section 4 – Information on shareholders' equity

4.1 – Shareholders' equity

4.1.1 Qualitative information

For the fiscal year ended December 31, 2025, the profit amounted to EUR 28,756,157, bringing Equity to EUR 98,378,723.

The nature of the mandatory minimum external capital requirements and the related monitoring methods

Generalfinance is required to comply with the mandatory minimum capital requirements, pursuant to prudential regulations, with reference to credit risk and operational risk. Market risk, according to the definition provided by the prudential regulations, is not significant with regard to the activities of Generalfinance, since the Company does not hold a regulatory trading portfolio. Therefore, the risk is not relevant for the purpose of determining the mandatory minimum requirements.

Currency risk, according to the definition provided by the prudential regulations, is also not significant in Generalfinance's activities, as assets and liabilities are all denominated in euro and invoices managed in currencies other than euro still represent a very small percentage of the managed turnover.

The Company carries out a constant analysis of capital absorption against credit risk and operational risk.

The credit risk control methods and the related supporting reporting are described in the company policies.

The presence of the operational requirements instrumental to the transfer of the risk to the debtor in the context of exposures with recourse is guaranteed by the procedures defined in the loans domain.

The management of operational risk is mainly entrusted to the organisational units (line controls), the risk management and compliance functions (second-level controls) and the internal audit function (third-level controls).

4.1.2 Quantitative information

4.1.2.1 Shareholders' equity: breakdown

Items/Values	Total 12/31/2025	Total 12/31/2024
1. Share capital	4,202,329	4,202,329
2. Share premium reserve	25,419,745	25,419,745
3. Reserves	39,848,867	29,236,823
- of profits	39,848,867	29,236,823
a) legal	840,465	840,465
b) statutory	-	-
c) treasury shares	-	-
d) others	39,008,403	28,396,358
- others	-	-
4. (Treasury shares)	-	-
5. Valuation reserves	151,625	129,856
- Equity securities designated at fair value through other comprehensive income	-	-
- Hedging of equity securities designated at fair value through other comprehensive income	-	-
- Financial assets (other than equity instruments) measured at fair value through other comprehensive income	-	-
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging of foreign investments	-	-
- Cash flow hedging	-	-
- Hedging instruments (non-designated elements)	-	-
- Exchange rate differences	-	-
- Non-current assets and disposal groups	-	-
- Financial liabilities designated at fair value through profit or loss (changes in creditworthiness)	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses relating to defined benefit plans	151,625	129,856
- Portion of valuation reserves relating to equity-accounted investments	-	-
6. Equity instruments	-	-
7. Profit (loss) for the year	28,756,157	21,099,149
Total	**98,378,723**	**80,087,902**

4.2 – Own funds and regulatory ratios

4.2.1 – Own funds

4.2.1.1 Qualitative information

1. Tier 1 capital

It should be noted that – in accordance with Article 26(2) of Regulation (EU) no. 575/2013 of the European Parliament (the "CRR") – the Tier 1 Capital includes the net profits resulting from the interim report on operations for the third quarter of 2025, net of expected dividends.

For the purposes of the above, please note that:

- the profits were verified by entities independent from the entity responsible for auditing the entity's accounts, as required by Article 26(2) of the CRR;
- the profits were valued in compliance with the standards established by the applicable accounting regulations;
- all foreseeable charges and dividends were deducted from the amount of profits;
- the amount of dividends to be deducted was estimated in accordance with applicable regulations;

- the Board of Directors of Generalfinance will formulate a proposal for the distribution of dividends consistent with the calculation of net profits.

The amount referred to the so-called “Quick Fix” with which the value of the assets in the form of software to be deducted from the Common Equity Tier 1 capital and the amount referred to intangible assets in progress was also deducted from Tier 1 capital.

2. Tier 2 capital

The Supplementary Equity (TIER 2) includes the subordinated bonds issued by the Company during 2021 and 2025, net of the amortized portion calculated in accordance with Article 64 of the CRR (EU Regulation 575/2013).

4.2.1.2 Quantitative information

	Total 12/31/2025	Total 12/31/2024
A. Tier 1 capital before the application of prudential filters	**81,942,933**	**72,567,333**
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)	**81,942,933**	**72,567,333**
D. Elements to be deducted from Tier 1 capital	9,041,740	8,489,416
E. Total Tier 1 capital (C-D)	**72,901,193**	**64,077,917**
F. Tier 2 capital before the application of prudential filters	**42,500,000**	**12,500,000**
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)	**42,500,000**	**12,500,000**
I. Elements to be deducted from Tier 2 capital	9,504,381	7,005,750
L. Total Tier 2 capital (H-I)	**32,995,619**	**5,494,250**
M. Elements to be deducted from total Tier 1 and Tier 2 capital	-	-
N. Regulatory capital (E+L-M)	**105,896,812**	**69,572,167**

4.2.2 – Capital adequacy

4.2.2.1 Qualitative information

Generalfinance assesses the adequacy of own funds to support current and future assets, in line with its own risk containment *policy*.

In the context of the ICAAP process, Generalfinance defines the components of total capital (capital components to cover internal capital, i.e. the capital requirement relating to a given risk) on the basis of the prudential methodology. The components of total capital therefore coincide with the items of shareholders’ equity and with those of own funds.

The Company measures the following types of first and second pillar risk: credit, operational, concentration, interest rate on the banking book, liquidity. With regard to the first four types, the Company determines the internal capital necessary to hedge the risks generated by current and future assets. Pillar I risks (credit and operational) are measured with similar criteria to those used to determine the minimum prudential requirements and, in particular, the standardised method for credit risk and the basic method for operational risk. With reference to the pillar II risks, Generalfinance uses the following quantitative measurement methods proposed in Bank of Italy Circular no. 288/15 ("Circular"):

- for concentration risk (by parties and by groups of connected customers), the simplified method proposed in the Circular under Title IV, Chapter 14, Annex B;
- for interest rate risk on the banking book, the simplified method envisaged by the Circular under Title IV, Chapter 14, Annex C;
- for liquidity risk, the funding risk measurement maturity ladder model, envisaged by the Circular.

The other Pillar 2 risks are subject to qualitative assessment.

4.2.2.2 Quantitative information

Categories/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	853,581,161	777,359,272	510,993,973	461,975,860
B. REGULATORY CAPITAL REQUIREMENTS	-	-	-	-
B.1 Credit and counterparty risk	-	-	40,879,518	36,958,068
B.2 Risk for the provision of payment services	-	-	-	-
B.3 Requirement for the issue of electronic money	-	-	-	-
B.4 Specific prudential requirements	-	-	7,783,953	5,908,657
B.5 Total prudential requirements	-	-	48,663,471	42,866,725
C. RISK ASSETS AND SUPERVISORY RATIOS	-	-	-	-
C.1 Risk-weighted assets	-	-	608,293,388	535,834,068
C.2 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	-	-	11.99%	12.0%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)	-	-	17.41%	13.0%

The risk-weighted assets, shown in item C.1, also used in the calculation of the ratios reported in items C.2 and C.3, are calculated as the product of the total prudential requirement (item B.5) and 12.50 (inverse of the mandatory minimum coefficient of 8%.

Section 5 – Analytical statement of comprehensive income

	Asset items	2025	2024
10.	**Profit (loss) for the year**	**28,756,157**	**21,099,149**
	Other income components without reversal to the income statement		
20.	Equity securities designated at fair value through other comprehensive income:	-	-
	a) change in fair value	-	-
	b) transfers to other shareholders' equity components	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness):	-	-
	a) change in fair value	-	-
	b) transfers to other shareholders' equity components	-	-
40.	Hedging of equity securities designated at fair value through 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	21,769	10,073
80.	Non-current assets and disposal groups	-	-
90.	Portion of valuation reserves of equity-accounted investments	-	-
100.	Income taxes relating to other income components without reversal to the income statement	-	-
	Other income components without reversal to the income statement		
110.	Foreign investment hedging:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
120.	Exchange rate differences:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
130.	Cash flow hedges:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
140.	Hedging instruments (non-designated elements):	-	-
	a) changes in value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
150.	Financial assets (other than equities) measured at fair value through other comprehensive income:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	- adjustments for impairment	-	-
	- gains/losses on sale	-	-
	c) other changes	-	-
160.	Non-current assets and disposal groups:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	c) other changes	-	-
170.	Portion of valuation reserves of equity-accounted investments:	-	-
	a) changes in fair value	-	-
	b) reversal to the income statement	-	-
	- adjustments for impairment	-	-
	- gains/losses on sale	-	-
	c) other changes	-	-
180.	Income taxes relating to other income components with reversal to the income statement	-	-
190.	**Total other income components**	**21,769**	**10,073**
200.	**Comprehensive income (Item 10 + 190)**	**28,777,926**	**21,109,222**

Section 6 – Transactions with related parties

To date, national legislation does not provide any definition of "related parties"; Art. 2427, par. 2, therefore, refers to the provisions of international accounting practice. The accounting standard of reference is IAS 24, the new version of which, approved by the IASB on 4 November 2009, was endorsed with Regulation no. 632 of 19 July 2010. This version defines a related party as a person or entity related to the one preparing the financial statements. Two entities cannot be included among related parties simply because they share a director or another key manager.

6.1 Information on remuneration of key managers

The Board of Directors has identified five executives with strategic responsibilities, namely the CFO, CCO, CLO, CIO, and COO. The total gross annual compensation for executives with strategic responsibilities amounts to EUR 2,205,582.

This amount does not include the accrual to the Employee Severance Indemnity Fund (TFR), TFR contributions paid to supplementary pension funds, non-compete agreements, or any bonuses under monetary incentive plans—whether short-term or medium-to-long-term—determined based on the Company's results.

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

It should be noted that the company has no receivables due from directors and statutory auditors and that no guarantees have been issued in favour of directors and statutory auditors.

6.3 Information on transactions with related parties

The following table shows the amounts relating to the balance sheet and income statement transactions with related parties in 2025 as defined above on the basis of the provisions of IAS 24.

TRANSACTIONS WITH RELATED PARTIES *(amounts in Euro)*	**Parent**	**Other related parties**
BALANCE SHEET ITEMS		
40. Financial assets measured at amortised cost	-	75,536
120. Other Assets		7,152
Total assets	**-**	**82,658**
80. Other liabilities	-	1,337,191
90. Employee severance indemnity	-	106,845
170. Net provisions for risks and charges		767,555
Total liabilities	**-**	**2,211,591**

TRANSACTIONS WITH RELATED PARTIES *(amounts in Euro)*	**Parent**	**Other related parties**
INCOME STATEMENT ITEMS		
10. Interest income and similar income	-	43,407
40. Fee and commission income	-	43,447
160. Administrative expenses: a) personnel expenses	-	(4,578,735)
160. Administrative expenses: b) other administrative expenses	-	(1,056,447)
200. Other operating expenses/income	30,600	8,146
Total items	**30,600**	**(5,540,182)**
NB. It should be noted that the costs include non-deductible VAT.		

DETAILED STATEMENT OF RELATIONS WITH GROUP COMPANIES *(amounts in Euro)*	**GGH – Gruppo General Holding S.r.l.**	**Generalbroker S.r.l.**
INCOME STATEMENT ITEMS		
200. Other operating expenses/income	30,600	300
Total items	**30,600**	**300**

All transactions with related parties were carried out under market conditions.

Section 7 – Leases (lessee)

IFRS 16 applies to all *leases* (or contracts that contain a lease) that grant the lessee the right to control the use of an identified asset for a specific period of time in exchange for consideration. The concept of control refers to all those identifiable assets (both explicitly and implicitly) within a contract for which the lessee has the right to control the assets, or to obtain substantially all the economic benefits from the use of the assets and to decide on their use. This category includes real estate lease agreements that mainly refer to office buildings and vehicle leases that refer to the vehicle fleet.

Section 8 – Other disclosures

Information on the remuneration of directors and statutory auditors

The compensation paid to the members of the Board of Directors amounts to EUR 1,784,517. The amount, reported on an accrual basis, mainly refers to the remuneration of the Chief Executive Officer and includes any bonuses under monetary incentive plans—both short-term and medium-to-long-term—determined based on the Company's results, as well as the cost of the professional liability insurance policy with Assicurazioni Generali, amounting to EUR 22,005.

The compensation paid to the members of the Board of Statutory Auditors amounts to EUR 75,016, plus VAT, social security contributions, and expense reimbursements.

The amount is reported on an accrual basis.

Fees due for the statutory audit of the accounts and for services other than auditing (Art. 2427, no. 16-bis of the Italian Civil Code and art. 149 *duodecies* "Regolamento Emittenti CONSOB")

The table below shows the remuneration for the year for the services provided to the Company by the independent auditor, Deloitte & Touche S.p.A., and the entities belonging to the network of the independent auditor.
The value does not include expenses and VAT.

Type of service	Fees
Audit	69,376
Certification services	65,000
Total	**134,376**

Segment reporting

For the purposes of the sector disclosure required by IFRS 8, the breakdown by "Operating Segment" and by "Geographical Area" of economic, equity, and commercial/operational data is reported below.

Regarding the items of provisions for Risk Funds, adjustments to Tangible and Intangible Assets, and Other income and expenses, the allocation has been made based on the percentage incidence of the segment on Turnover.

The disclosure by "Operating Segment" includes two segments, consistent with the commercial segmentation of Generalfinance's clients (Assignors):

- "Corporate" which includes all Assignors with the latest available turnover exceeding EUR 20 million;
- "Retail" which includes all Assignors with the latest available turnover below EUR 20 million.

Distribution by operating segment: income statement figures as at 31 December 2025

Income statement	Corporate	Retail	Total
Interest income and similar income	33,368,301	11,556,992	44,925,293
Interest expense and similar charges	(20,562,959)	(6,314,458)	(26,877,417)
Net interest income	**12,805,342**	**5,242,534**	**18,047,876**
Fee and commission income	41,056,648	14,195,215	55,251,863
Fee and commission expense	(4,940,555	(1,622,418)	(6,562,973)
Net fee and commission income	**36,116,093**	**12,572,797**	**48,688,890**
Net interest and other banking income	**48,994,146**	**17,839,208**	**66,833,354**
Net adjustments/reversals for credit risk	(2,455,365	(492,358)	(2,947,723)
Net profit (loss) from financial management	**46,538,781**	**17,346,850**	**63,885,631**
Personnel expenses	(7,087,168	(3,793,914)	(10,881,082)
Other administrative expenses	(5,998,556	(3,211,157)	(9,209,713)
Net provisions for risks and charges	(24,517)	(7,787)	(32,304)
Net value adjustments/write-backs on property, plant and equipment	(825,654)	(262,244)	(1,087,898)
Net value adjustments/write-backs on intangible assets	(611,302)	(194,161)	(805,463)
Other operating income and expenses	1,233,105	391,658	1,624,763
Operating costs	**(13,314,091)**	**(7,077,606)**	**(20,391,697)**
Gains (Losses) on equity investments	-	(15,375)	(15,375)
Pre-tax profit (loss) from current operations	**33,224,690**	**10,253,869**	**43,478,559**

Distribution by operating segment: balance sheet figures as at 31 December 2025

Capital ratios	Corporate	Retail	Total
Loans to customers	463,298,465	205,560,079	668,858,544
Financial liabilities measured at amortised cost	508,854,791	164,217,032	673,071,823

Distribution by operating segment: *Turnover* and Disbursements in 2025

Commercial Data	Corporate	Retail	Total
Turnover	2,937,515,292	933,011,487	3,870,526,779
Flow of loans disbursed	2,277,636,493	735,036,226	3,012,672,719

The second disclosure by “Geographical Area” has been prepared considering, in addition to the domestic market “Italy,” which remains the predominant one, “Spain,” where the Madrid branch has been active since the second half of 2025.

Distribution by Geographical Area: Economic Data 2025

Income Statement	Italy	Spain	Total
Interest income and related revenues	44,447,293	478,000	44,925,293
Interest expense and related charges	(26,567,101)	(310,316)	(26,877,417)
Net Interest Income	**17,880,192**	**167,684**	**18,047,876**
Fee and commission income	54,783,078	468,785	55,251,863
Fee and commission expense	(6,500,750)	(62,223)	(6,562,973)
Net fees and commissions	**48,282,328**	**406,562**	**48,688,890**
Net banking income	**66,259,108**	**574,246**	**66,833,354**
Net adjustments/write-backs for credit risk	(2,938,063)	(9,660)	(2,947,723)
Net financial result	**63,321,045**	**564,586**	**63,885,631**
Personnel expenses	(10,820,205)	(60,877)	(10,881,082)
Other administrative expenses	(9,126,852)	(82,861)	(9,209,713)
Net provisions for risks and charges	(32,304)	-	(32,304)
Net adjustments/write-backs on tangible assets	(1,087,898)	-	(1,087,898)
Net adjustments/write-backs on intangible assets	(805,463)	-	(805,463)
Other operating income and expenses	1,624,093	670	1,624,763
Operating Costs	**(20,248,629)**	**(143,068)**	**(20,391,697)**
Profit (Loss) from equity investments	(15,375)	-	(15,375)
Profit/Loss from current operations before taxes	**43,057,040**	**421,519**	**43,478,559**

Distribution by Geographical Area: Balance Sheet as of December 31, 2025

Balance Sheet data	Italy	Spain	Total
Loans to customers	656,485,109	12,373,435	668,858,544

Distribution by Geographical Area: *Turnover* and Disbursements in 2025

Commercial Data	Italy	Spain	Total
Turnover	3,831,086,528	39,440,251	3,870,526,779
Flow of loans disbursed	2,977,889,606	34,783,113	3,012,672,719

Milan, 5 March 2026

On behalf of and by order of the Board of Directors
The Chairman
Prof. Maurizio Dallocchio

GENERAL FINANCE

BOARD OF STATUTORY AUDITORS' REPORT

GENERALFINANCE S.p.A.
REPORT OF THE BOARD OF STATUTORY AUDITORS
pursuant to art. 153 *of Italian Legislative Decree no.* 58/1998 and *art.* 2429 *of the Italian Civil Code*

Dear Shareholders,
This report documents the activities carried out by the Board of Statutory Auditors of Generalfinance S.p.A. (hereinafter "**Generalfinance**" or the "**Company**") in the year ended 31 December 2025 (hereinafter "**Financial Year**").
Since the shares issued by the Company have been listed on the Euronext STAR Milan market since 29 June 2022, this report has been drafted in compliance with the requirements of the relevant regulatory and self-regulatory provisions (art. 153 of Italian Legislative Decree no. 58/1998 "TUF" (Consolidated Law on Finance); articles 2429 et seq; articles 17 and 19 of Italian Legislative Decree no. 39/2010).
During the 2025 financial year, the Company recorded important developments in the areas of governance, organisation, structure and funding. The corporate bodies have operated continuously, with the strengthening of internal control measures and the updating of the 231 Model, also following the introduction of new offences deriving from European legislation. High compliance standards were maintained, with effective monitoring of whistleblowing, privacy and anti-money laundering issues. In terms of organisation, the workforce was increased and strengthened, and the Company's first foreign branch in Spain was opened, as part of an international expansion strategy. The Company also continued its investments in ICT, cybersecurity and digitalisation, in line with the Business Plan. From a financial perspective, the year was characterised by intense funding activities: senior and Tier 2 bond issues for a total of € 110 million, UniCredit's entry into the securitisation programme and new credit lines with Intesa Sanpaolo and CDP. These transactions helped to diversify and consolidate the funding structure, supporting the growth of operations.
With specific reference to the issue of sustainability, the Board of Statutory Auditors has acknowledged that the Company has continued the process of integrating sustainability factors into its activities, although it is not subject to non-financial reporting obligations pursuant to Italian Legislative Decree 254/2016, as the size requirements set out in the regulations are not met.
Despite the absence of the regulatory obligation, the Company voluntarily prepared and published its second Sustainability Report (referring to the year 2024), drafted in compliance with the reporting principles of the Global Reporting Initiative (GRI), with the objective of providing a transparent representation of the environmental, social and governance performance relevant to its business model.
The Board also acknowledged that:

- in 2025, the Company monitored the developments of the European framework relating to CSRD and CSDDD, highlighting that, following the "stop-the-clock" Directive, the first sustainability statement will be required starting from 2029, with reference to the data for the year 2028, subject to further regulatory changes; at present, the Company would in any case fall within the scope of potentially exempted listed SMEs, given it employs less than 1,000 employees;
- the limited exposure to climate risk, both physical and transitional, was confirmed, due to the nature of the activity (short-term trade receivables and small number of properties);

- the internal structures continued to monitor regulatory developments on sustainability, including simplified ESRS updates and European discussions on the subjective scope of the CSRD.

The Board also notes that the Company has maintained active ESG controls, also through:

- the evolution of information systems and processes, with a focus on digitalisation and cybersecurity, in line with the guidelines of the 2025–2027 Business Plan;
- continuous monitoring of risks, including assessments relating to environmental, social and governance issues, integrated into the internal control system and the Risk Appetite Framework;
- the Company continued the voluntary process undertaken to gradually consolidate the integration of ESG factors in its strategies, operating processes and control systems, despite the absence of immediate regulatory obligations.

1. In carrying out its supervisory and control activities, the Board of Statutory Auditors acknowledges:

a) that it monitored compliance with the law, the Articles of Association and respect for the principles of correct administration, in observance of the reference regulations, also taking into account the principles of conduct issued by the National Institute of Chartered Accountants and Accounting Experts;

b) that it participated in the meetings of the Board of Directors, the Control, Risk and Sustainability Committee, the Appointments and Remuneration Committee and that it received periodic information from the Directors on the general performance of operations, on its outlook, as well as on the most significant economic, financial and equity transactions resolved and carried out by the Company during the Financial Year, also in compliance with art. 150, paragraph 1, of Italian Legislative Decree no. 58 of 24 February 1998 ("**TUF - Consolidated Law on Finance**"). This information is adequately represented in the Report on Operations, to which reference should be made.

The Board of Statutory Auditors can reasonably ensure that the transactions resolved and carried out comply with the law and the Articles of Association and are not manifestly imprudent, risky, in potential conflict of interest, in contrast with the resolutions adopted by the Shareholders' Meeting or such as to compromise the integrity of the corporate assets. The resolutions of the Board of Directors are carried out by the top management and the structure based on maximum compliance criteria;

c) that it did not identify any atypical and/or unusual transactions with third parties or with related parties, nor did it receive any information in this regard from the Board of Directors or the independent auditors. Furthermore, the Board of Statutory Auditors, also on the basis of the results of the activities carried out by the Internal Audit and Compliance functions, believes that transactions with related parties are adequately monitored. In this regard, the Board of Statutory Auditors reports that the Company – at the time of the listing – has adopted the Procedures for transactions with related parties, in compliance with the provisions of Consob Regulation no. 17221 of 12 March 2010 and the Consob Communication of 24 September 2010, as well as specific rules contained in its Code of Ethics in order to avoid or adequately manage transactions in which there are situations involving a conflict of interest or personal interests of the directors. Pursuant to art. 4 of the aforementioned Consob Regulation, the Board of Statutory Auditors verified the compliance of the procedures adopted with the principles of said Regulation as well as their observance;

d) that it acquired knowledge and supervised the adequacy of the organisational structure of the Company for the matters within its competence, on compliance with the principles of correct administration, by collecting information from the managers of the competent corporate functions and through meetings with the representatives of the independent auditors, appointed to carry out the statutory audit of the accounts, also for the purposes of the exchange of the relevant data and information, from which no critical issues emerged;

e) that it supervised and verified, to the extent of its competence, the adequacy of the administrative-accounting system, as well as its reliability in correctly representing operating events through:

(i) the periodic exchange of information with the Chief Executive Officer and, in particular, with the Financial Reporting Manager pursuant to the provisions of art. 154-*bis* of the TUF;

(ii) the examination of the reports prepared by the Internal Audit, Risk Management, Anti-Money Laundering and Compliance functions, including information on the results of any corrective actions taken following audit activities;

(iii) the acquisition of information from the heads of corporate functions;

(iv) an in-depth analysis of the activities carried out and analysis of the results of the work of the independent auditors;

(v) participation in the works of the Control, Risk and Sustainability Committee.

The activity carried out did not reveal any anomalies that could be considered indicators of inadequacies in the internal control and risk management system;

f) that it held meetings with the representatives of the independent auditors, Deloitte & Touche S.p.A. in charge of carrying out the statutory audit of the accounts, for the purposes of exchanging the relevant data and information, being informed of the main risks to which the Company is exposed and the controls put in place, as well as the checks carried out with regard to the regular keeping of the accounts and the correct recognition of the operating events in the accounting records. No significant observations emerged from the meetings held, either from the independent auditors or from the Board of Statutory Auditors;

g) that it supervised the implementation of the Corporate Governance Code, which the Company adheres to, according to the terms illustrated in the Report on Corporate Governance and Ownership Structures approved by the Board of Directors on 5 March 2026. The Board of Statutory Auditors, inter alia, verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members. Furthermore, the Board of Statutory Auditors verified its members' compliance with the independence and professionalism criteria, pursuant to the relevant regulations;

h) that it has read and obtained information on the organisational and procedural activities carried out pursuant to Italian Legislative Decree no. 231 of 8 June 2001 on the administrative liability of entities. The Supervisory Body set up by the Company constantly informed the Board of Statutory Auditors on the activities carried out during the Financial Year and did not notify the Board of any significant events;

i) that it monitored the implementation of organisational measures related to the evolution of the company activities and the strengthening of the control structures (Internal Audit, Risk Management, Compliance and Anti-Money Laundering);

j) that it participated in induction sessions aimed at enhancing knowledge of the Company's business sectors and strategies, in line with the recommendations of the Corporate Governance Code.

In its capacity as Internal Control and Audit Committee, pursuant to art. 19 of Italian Legislative Decree no. 39 of 27 January 2010, as amended by Italian Legislative Decree no. 135 of 17 July 2016 in implementation of Directive 2014/56/EU, during the Financial Year, the Board of Statutory Auditors:

a) monitored the financial reporting process, which proved to be suitable in terms of its integrity;

b) checked the effectiveness of the Company's internal quality control and risk management systems as well as the internal audit system, with regard to financial reporting, without violating their independence;

c) monitored the independent statutory audit of the financial statements;

d) verified and monitored the independence of the independent auditors in accordance with the provisions of the law and in particular with regard to the adequacy of the provision of non-auditing services, in accordance with art. 5 of Regulation (EU) no. 537/2014;

e) issued an opinion pursuant to art. 2389, paragraph 3, of the Italian Civil Code, with regard to the remuneration of directors holding special offices.

During the Financial Year, the Board of Statutory Auditors met 13 times and participated in the meetings of the Board of Directors, the Control, Risk and Sustainability Committee and the Appointments and Remuneration Committee.

With regard to the exchange of information with the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001, said body periodically informed the Board of Statutory Auditors on the monitoring activities carried out on the Organisational Model adopted by the Company pursuant to Italian Legislative Decree no. 231/2001.

Taking into account the information acquired, the Board of Statutory Auditors believes that the activity was carried out in compliance with the principles of correct administration and that the organisational structure, the internal control system and the administrative-accounting system are on the whole adequate to the company needs.

2. With regard to relations with the independent auditors, Deloitte & Touche S.p.A., the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, reports that:

a) on today's date, the independent auditors issued, pursuant to art. 14 of Italian Legislative Decree no. 39 of 27 January 2010 and art. 10 of Regulation (EU) no. 537/2014, the audit report on the financial statements for the year ended 31 December 2025, without findings. With regard to the opinions and certifications, in the audit Report, the Independent Auditors:

(i) issued an opinion which confirms that the financial statement of Generalfinance provide a true and fair view of the Company's financial position as at 31 December 2025, the economic result and the cash flows for the year ended as at that date, in accordance with the International Financial Reporting Standards adopted by the European Union, as well as the provisions issued in implementation of art. 9 of Italian Legislative Decree no. 38 of 28 February 2005;

(ii) issued a consistency opinion which shows that the Report on Operations accompanying the financial statements as at 31 December 2025 and some specific information contained in the "Report on corporate governance and ownership structures", as indicated in art. 123-bis, paragraph 4, of the TUF (Consolidated Law on Finance), whose responsibility lies with the directors of the Company, are drawn up in compliance with the law;

(iii) issued a compliance opinion showing that the separate and consolidated financial statements were prepared in the XHTML format, in compliance with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission;

(iv) declared, with regard to any material errors in the Reports on Operations, based on the knowledge and understanding of the company and its context acquired during the audit activity, that it has nothing to report.

b) The independent auditors Deloitte & Touche S.p.A. also issued, today, the additional report for the Board of Statutory Auditors in its role as Internal Control and Audit Committee pursuant to art. 11 of Regulation (EU) 537/2014, a report that will be sent to the Board of Directors as required by the regulations in force.

c) The independent auditors Deloitte & Touche S.p.A. finally issued, today, the declaration relating to independence, as required by art. 6 of Regulation (EU 537/2014), from which no situations arise that could compromise its independence. In addition, the Board of Statutory Auditors acknowledged the Transparency Report prepared by the independent auditors and published on its website pursuant to art. 18 of Italian Legislative Decree no. 39/2010.

d) The independent auditors Deloitte & Touche S.p.A. and the companies belonging to the Deloitte & Touche network, in addition to the duties envisaged by the regulations for listed companies, received additional assignments for non-audit services during 2025 (as part of "certification services", i.e. assurance), whose fees are reported in the notes to the financial statements as required by art. 149-*duodecies* of the Issuers' Regulation as well as art. 2427, no. 16-bis of the Italian Civil Code. The permitted non-audit services were approved in advance by the Board of Statutory Auditors, which assessed their remuneration adequacy, the opportunity and the absence of risks to the independence of the Independent Auditors, in compliance with the criteria set out in Regulation (EU) 537/2014 and the applicable Consob regulations.

Having acknowledged the declaration of independence issued by Deloitte & Touche S.p.A. and the transparency report produced by it, as well as the tasks assigned to Deloitte & Touche S.p.A. and the companies belonging to its network, the Board of Statutory Auditors does not consider there to be any critical aspects regarding the independence of Deloitte & Touche S.p.A.

3. The Board of Statutory Auditors is not aware of any facts or complaints to report to the Shareholders' Meeting. During the course of the activity carried out and on the basis of the information obtained, no omissions, reprehensible facts, irregularities or circumstances were identified that would require reporting to the Supervisory Authority or mention in this report.
4. The Board of Directors promptly delivered the Financial Statements file and the Report on Operations to the Board of Statutory Auditors. To the extent of its competence, the Board of Statutory Auditors notes that the formats adopted are compliant with the law, that the accounting standards adopted, described in the explanatory notes, are adequate in relation to the activities and transactions carried out by the Company.
5. The Board of Statutory Auditors, taking into account the outcome of the specific tasks carried out by the independent auditors in terms of auditing the accounts and verifying the reliability of the financial statements, as well as the supervisory activity carried out, does not identify any reasons to prevent approval of the proposed resolutions formulated by the Board of Directors to the Shareholders' Meeting.

Milan, 18 March 2026.

on behalf of the Board of Statutory Auditors
Mr. Gianluca Bolelli
Mr. Paolo Francesco Maria Lazzati
Ms. Maria Enrica Spinardi

The Chairperson

GENERAL
FINANCE

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Generalfinance S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Generalfinance S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2025, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the explanatory notes, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Classification of performing loans to customers valued at amortized cost	
Description of the key audit matter	In the financial statements as of December 31, 2025, performing loans to customers valued at amortized cost (*stages* 1 and 2), represented by the anticipation, mainly in the distressed sector, of commercial loans with recourse and, to a lesser extent, without recourse, amount to Euro 667.3 million (Euro 612.5 million at the end of 2024), while allowances for impairment amount to Euro 3 million (Euro 1.6 million at the end of 2024), with a coverage rate of 0.45% (0.26% at the end of 2024). These loans are measured collectively upon allocation of the same in clusters (*stage*), through an articulated classification mechanism according to the level of credit risk inherent in the instrument. In the Explanatory Notes, "Part B - Information on the balance sheet", Section 4 of assets, "part C - Information on the income statement", Section 8, and "Part D - Other Information", Section 3, and in the Report on Operation, "Performance Indicators" section provides information on the above described aspects. In consideration of the complexity of credit classification process at the various stages provided by IFRS 9 accounting standard adopted by the Directors, which also reflects elements of subjectivity, as well as the significance of the amount of performing loans to customers valued at amortized cost entered in the balance sheet, we considered that the classification of the same represent a key audit matter for the audit of the financial statements of the Company as of December 31, 2025.
Audit procedures performed	As part of the audit activities, the following main procedures were carried out: • recognition and understanding of the organizational and procedural requirements implemented by the Company with regard to the loans process, with particular attention to the monitoring of credit quality and classification in accordance with applicable accounting principles and with the provisions of current sector legislation, and verification of the operational effectiveness of the relevant controls; • verification of the proper management and supply of the relevant computer archives, also through the support of specialists belonging to the Deloitte network; • verification of the criteria adopted by the Company for the classification of performing loans to customers valued at amortized cost into homogeneous risk categories and, in particular, for allocation to *stage* 1 and *stage* 2 (according to IFRS 9 classification), by analyzing the reasonableness of the assumptions and the parameters used;

- verification, on a sample basis, of the correctness of the classification of loans into *stage* 1 and *stage* 2 according to the provisions of the sector legislation and to the applicable accounting principles;

- carrying out comparative and trend analysis of the volumes of loans to customers by allocation stage (*stage* 1 and *stage* 2), comparison with the information relating to the previous financial year and discussion of the results with the heads of business functions;

- analysis of the events occurred after the reporting period.

Finally, we verified the completeness and the compliance of financial statements disclosure in accordance with accounting standards and applicable laws.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Generalfinance S.p.A. has appointed us on February 15, 2018, and subsequently confirmed on March 8, 2022 in relation to the acquisition of the legal status of public interest entity, as auditors of the Company for the years from 2017 to 2025.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Generalfinance S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at December 31, 2025, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2025 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Generalfinance S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Generalfinance S.p.A. as at December 31, 2025, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) no. 720B in order to:

- express an opinion on the consistency of the report on operations and some of specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, no. 4 of Legislative Decree 58/98 with the financial statements;

- express an opinion on the compliance with the law of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Generalfinance S.p.A. as at December 31, 2025.

In addition, in our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Giuseppe Avolio
Partner

Milan, Italy
March 18, 2026

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

GENERAL
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CERTIFICATION ON THE 2025 FINANCIAL STATEMENTS

Certification of the financial statements pursuant to Art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 as amended and supplemented

1. The undersigned Massimo Gianolli, as Chief Executive Officer of Generalfinance S.p.A., and Ugo Colombo, as Financial Reporting Manager, of Generalfinance S.p.A., certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:
   - the adequacy in relation to the characteristics of the company and
   - the effective application of the administrative and accounting procedures for the preparation of the financial statements/consolidated financial statements during the period 1 January – 31 December 2025.

2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the financial statements as at 31 December 2025 took place on the basis of methods defined by Generalfinance S.p.A. in line with the COSO and COBIT models (for the IT component) that make up the generally accepted frameworks at international level.

3. It is also certified that:

   3.1 the financial statements:
      a) have been prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
      b) correspond to the results of the accounting books and records;
      c) are suitable for providing a true and fair view of the equity, economic and financial situation of the issuer;

   3.2 the report on operations includes a reliable analysis of the performance and results of operations, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

5 March 2026

Chief Executive Officer

Massimo Gianolli
Amministratore Delegato

Manager responsible for preparing the Company's financial reports

Ugo Colombo
Dirigente preposto alla redazione
dei documenti contabili societari