HALF-YEARLY REPORT
as of June 30, 2026

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Half-Yearly Report on Operations as of 30 June 2026

Foreword

The interim financial report as at 30 June 2026 has been prepared in accordance with IAS 34 "Interim Financial Reporting", which defines the minimum content of the information to be provided and identifies the accounting and measurement principles to be applied to condensed financial statements.
The principles and interpretations used in the preparation of the interim financial statements, with reference to the classification, recognition, measurement and derecognition of financial assets and liabilities, as well as to the methods for recognising the related income and expenses, are consistent with those adopted by Generalfinance in the preparation of the financial statements as at 31 December 2025, prepared in accordance with the IAS/IFRS accounting standards issued by the International Accounting Standards Board (IASB), the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and endorsed by the European Commission, as established by European Community Regulation No. 1606 of 19 July 2002.
The measurement policies and estimation methods adopted have also not undergone any significant changes compared with those applied in the preparation of the financial statements as of 31 December 2025.

The condensed interim financial statements as of 30 June 2026 comprise the following documents: Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the related explanatory notes, which include disclosures on fair value, details of the main balance sheet and income statement aggregates, information on risks and hedging policies, and information on related-party transactions.
The condensed interim financial statements are also accompanied by the Interim Directors' Report on Operations.

Management Report of the Board of Directors on operations for the period ended on 30 June 2026

The financial report as at 30 June 2026 has been prepared in accordance with the formats and instructions issued by the Bank of Italy on 17 November 2022 concerning the "financial statements of IFRS intermediaries other than banking intermediaries", pursuant to the provisions of Article 9 of Legislative Decree No. 38/2005 and subsequent legislative amendments, as well as taking into account the additional specific provisions regarding the determination of impaired exposures contained in Circular No. 217 of 5 August 1996 and subsequent updates.

The Directors' assessments and judgements were made on a going-concern basis, in light of the Company's positive historical income and financial performance, also confirmed by the results of the financial report as at 30 June 2026, and in compliance with the general principles of fair presentation of transactions and prudent assessment of data, within the context of the current economic and financial environment.

THE MACROECONOMIC CONTEXT AND THE FACTORING MARKET IN 2026[1]

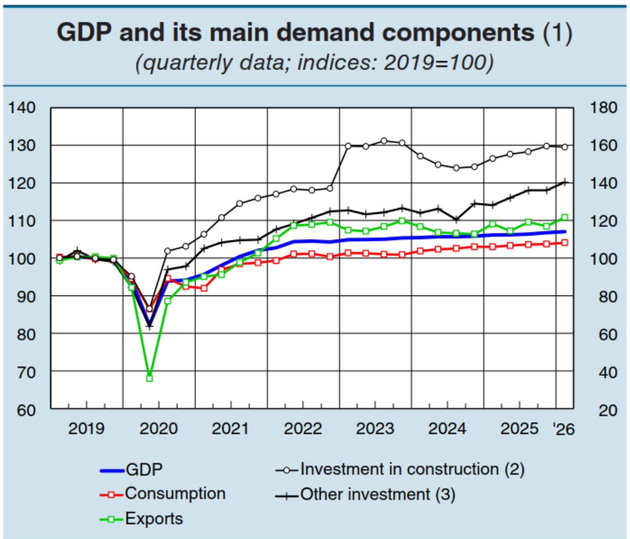
Macroeconomic Context

Italian GDP grows in the early months of the year. Economic activity increased by 0.3% in the first quarter, as it had done in the previous period, largely thanks to the marked increase in exports of goods and services, driven by temporary factors such as the Winter Olympics and the sale of goods relating to the shipbuilding sector, whereas imports declined. Investment continued to expand, driven by both nonresidential construction and by transport equipment, with the latter benefiting from incentives for the purchase of low-emission commercial vehicles.

Household consumption accelerated, especially as regards durable goods, which also benefited from the incentives for the renewal of vehicle fleets. Consumption growth reflected positive developments in disposable income, leading to a broadly stable saving ratio.

Value added grows in services. Value added grew significantly in services, albeit at varying rates across different areas: the expansion was pronounced in the sectors providing logistical support to firms and in those connected with tourism, whereas there was a decline in the financial and insurance sectors. Activity slowed in manufacturing, in spite of the persistently robust performance of the sectors exposed to technological upgrading, the energy transition and the increase in defence spending.

At the same time, activity declined in construction.



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

Source: Bank of Italy, Economic Bulletin no. 3/2026

Economic activity seemingly decelerates in the spring. Capital formation appears to have waned in the second quarter. The positive impulse from the digital and energy transition and from projects funded by the *National Recovery and Resilience Plan* (NRRP) was partly offset by the rising uncertainty and by the surge in the prices for energy products and production inputs connected to tensions in the Middle East. Household consumption slowed, reflecting poorer confidence and expectations for the international economic situation and the rise in energy prices. The contribution of net foreign demand to growth is expected to be almost nil, in line with qualitative information on foreign orders.

According to our macroeconomic projections published in early June, GDP growth will remain muted in the baseline scenario: GDP is estimated to rise by 0.5% this year, by 0.4% next year and by 0.9% in 2028 (see the box ‘The macroeconomic projections for the Italian economy published in June’).

[1] *The chapter refers to and/or reports extensive excerpts from the Bank of Italy's “Economic Bulletin no. 3/2026” and Assifact statistical circular no. 24-26 “Factoring in figures – Summary of the March 2026 data”.*

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

	2025	2025			2026
		Q2	Q3	Q4	Q1
GDP	0.5	0.0	0.2	0.3	0.3
Imports of goods and services	3.6	0.2	2.0	1.3	-0.7
Domestic demand (2)	1.3	0.6	0.1	1.1	-0.7
Domestic consumption	0.9	0.3	0.3	0.1	0.4
Household spending (3)	1.1	0.3	0.3	0.1	0.5
General government spending	0.6	0.4	0.1	0.2	0.0
Gross fixed investment	3.5	1.6	1.3	1.0	0.7
Construction	3.3	1.5	0.8	1.9	-0.4
Capital goods (4)	3.6	1.7	1.7	0.0	1.8
Change in inventories (5)	-0.2	0.0	-0.4	0.7	-1.1
Exports of goods and services	1.2	-1.7	2.2	-1.0	2.2
Net exports (6)	-0.7	-0.6	0.1	-0.7	0.9

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. 3/2026

Firms

In the second quarter, economic activity returned to growth in manufacturing and in construction, especially in the non-residential sector. Value added instead slowed in services, reflecting greater caution on the part of consumers. Investment appears to have made a modest contribution to growth, held back by the uncertainty surrounding the effects of the tensions in the Middle East.

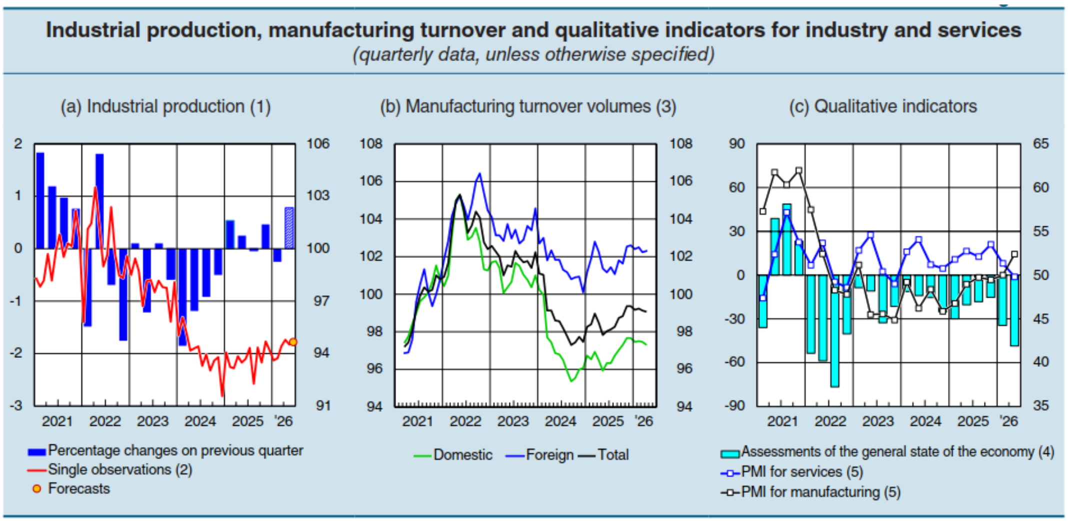
Value added and industrial production slow in the first quarter. The decline affected the production of consumer goods, especially durable goods, and to a lesser extent some sectors that had shown particularly strong growth in the second half of 2025, including pharmaceuticals. The ongoing weakness in demand continues to weigh on the textile and clothing industry. Production instead continued to expand in the sectors more closely linked to the digital transition and to defence, as well as in the machinery and equipment sector, albeit at a slower pace than in the second half of the previous year. Turnover volumes reduced slightly, mainly owing to the domestic component.

Economic activity in services returns to growth. Value added in the service sector rose in the first quarter, but with uneven trends across sectors. Economic activity contracted again in financial and insurance services, while it continued to expand in information and communication services, supported by the ongoing technological transformation. Logistical support services to firms and tourism-related activities rose for the fifth consecutive quarter, which, in the case of the latter, was partly as an effect of the Winter Olympics.

Activity in construction drops, instead. Value added dropped in the construction sector, largely on account of the residential component. Investment in housing declined, that is, after rising markedly in the latter part of 2025 ahead of the expiry of incentives for restructuring, which were subsequently extended until the end of 2026. At the same time, capital formation returned to growth in the non-residential sector.

Investment increases. Total investment continued to increase in the winter months, driven by the recovery in the transport equipment component, which was supported by incentives for the purchase of low-emission commercial vehicles. Investment in intangibles continued to record positive growth, as it has for more than two years now, whereas investment in construction declined.

In the spring months, manufacturing activity expands again. Industrial production returned to growth in April and May. The PMI for the manufacturing sector rose in the second quarter, partly on account of favourable developments for new orders (Figure 14.c), which is consistent with the confidence indicators included in Istat's surveys. However, the strengthening of demand in the manufacturing sector can be partly attributed to precautionary stockpiling along supply chains. The prolonged tensions in the Middle East have heightened supply difficulties and cost pressures, prompting firms to frontload the purchase of intermediate goods. Strains on global supply chains pose additional risks to the outlook for the sector. Bank of Italy's Survey on Inflation and Growth Expectations, conducted in June, shows less pessimistic assessments on current demand than in the previous survey (Figure 15). Sales expectations remain favourable, despite a weakening among the firms most exposed to foreign markets.



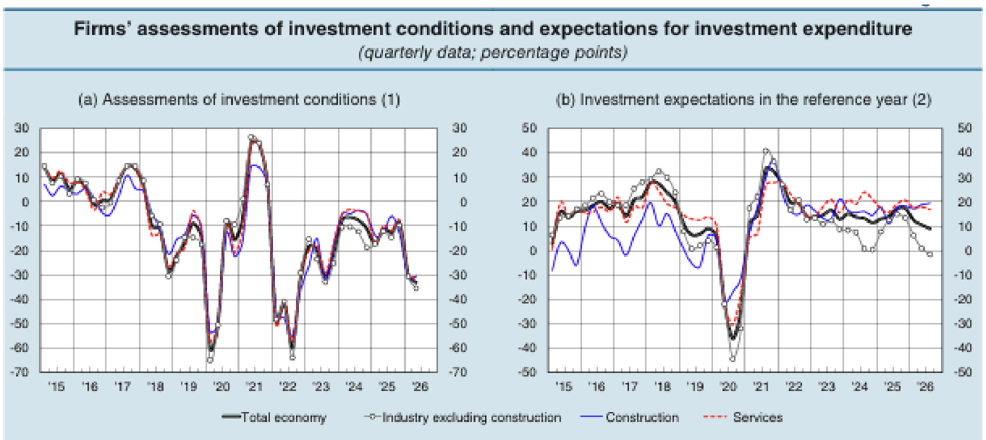
Sources: Based on data from Banca d'Italia, Istat, Standard & Poor's Global Ratings and Terna.
(1) Data adjusted for seasonal and calendar effects. The yellow dot indicates the forecast for June 2026, the last bar represents the forecast for the second quarter of 2026. – (2) Monthly data. Index: 2021=100. Right-hand scale. – (3) Monthly data, volumes, 3-month moving average ending in the reference month. – (4) Balance, in percentage points, between 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 July 2026). – (5) Average quarterly data. Diffusion indices for economic activity in the sector. Right-hand scale.

Source: Bank of Italy, Economic Bulletin no. 3/2026

Activity in services appears to have slowed. There are signs of services decelerating, particularly in the sectors more closely connected to household consumption. The confidence of service firms is diminishing, as shown both by the PMI indicators, which have fallen below the threshold compatible with expansion, and by Istat's qualitative surveys. The deterioration in assessments is more marked among firms providing services to households, such as tourism, whereas less unfavourable assessments prevail for business services – especially in the information and communication sector and the technical and professional consulting sector. The service firms interviewed for Bank of Italy's surveys reported a slight pickup in demand on the previous quarter, though expectations regarding an expansion in sales remain cautious.

The construction sector returns to growth. Economic activity in construction expanded in the second quarter, driven above all by the civil engineering segment, which continued to benefit from NRRP-funded projects. The firms interviewed in the Survey on Inflation and Growth Expectations reported an improvement in demand for their products compared with the previous survey and gave a less negative assessment of their expectations regarding their own business conditions.

Capital formation appears to have increased slightly. Investment benefited from the still positive contribution from structural factors linked to the digital and energy transition, although this was partly offset by rising energy costs and weak household demand stemming from tensions in the Middle East. Bank of Italy's business surveys point to an expansion in fixed investment expenditure in 2026 as a whole, despite the fact that investment conditions are not yet deemed favourable.



Source: 'Survey on Inflation and Growth Expectations', Banca d'Italia, Statistics Series, 14 July 2026.
(1) Balance 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. Expectations for the reference year are surveyed starting from the fourth quarter of the preceding year.

Source: Bank of Italy, Economic Bulletin no. 3/2026

Credit and financing conditions

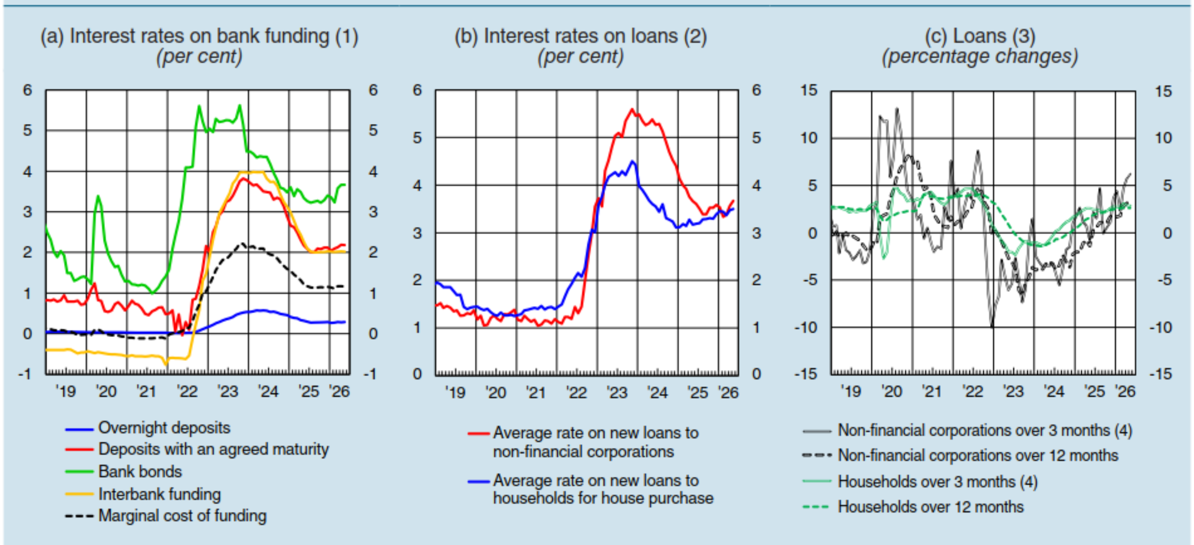
Bank funding strengthens and its cost edges up. The twelve-month growth rate in bank funding rose between February and May (from 3.8 to 4.5%), driven by similar developments in liabilities to non-residents, only partly offset by the slowdown in deposits by residents. The marginal cost of funding went up slightly (Figure 26.a), reflecting the marked rise in bond yields, which nevertheless account for a rather small share of total funding.

The average cost of loans to firms increases more than that of mortgage loans. Between February and May, the average interest rate on new loans to non-financial corporations rose more than short-term market yields (Figure 26.b). The average cost of new mortgage loans to households, predominantly fixed-rate loans, increased by about 10 basis points, while the ten-year interest rate swap (IRS) rose by around 0.3 percentage points.

Lending to firms expands, while lending to households remains stable. Between February and May, the twelve-month growth rate of loans to non-financial corporations strengthened (Figure 26.c). In particular, loans with an original maturity of less than one year accelerated, partly in response to the greater liquidity needs induced by higher energy prices. Conversely, because of the developments in the demand for credit for investment purposes, growth in loans with maturities beyond five years remained negative, thereby halting the modest recovery that had begun last year.
The contraction in lending to small firms moderated (-5.5%), while the expansion in lending to large firms intensified (4.1%). Credit growth increased for manufacturing and, above all, service firms, while it declined for construction firms.
Household lending growth was broadly unchanged, as loans for house purchase remained stable and consumer credit accelerated slightly.

Credit standards for loans to firms and mortgages remain unchanged in the first quarter. According to the latest euro-area bank lending survey (BLS), the Italian banks that took part in the survey reported leaving the credit standards for new loans to firms unchanged. Non-financial corporations' demand for credit declined, mainly owing to lower borrowing needs for fixed investment. Based on the latest information drawn from the surveys conducted by Istat and Bank of Italy between mid-May and midJune, conditions for access to bank credit deteriorated slightly in the second quarter of 2026.Credit standards on loans to households remained unchanged in the first three months of the year for mortgages, while they tightened slightly for consumer credit. Households' demand for loans for house purchase was stable, while that for consumer loans inched up, driven mainly by greater spending on durable goods.

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. 3/2026

Growth in corporate bonds strengthens and bond yields edge down. The growth rate of net corporate bond issuance increased in May, reflecting higher external financing needs. The yields on bonds issued by Italian non-financial corporations fell slightly (4.0% in early July), though they remain higher than before the outbreak of the conflict in the Middle East.

Factoring market – last quarterly report

At the end of the first quarter of 2026, the factoring market recorded a turnover of over EUR 68 billion, up 3.67% 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 1.34% year-on-year to EUR 51.73 billion.

Cumulative turnover from Supply Chain Finance transactions amounted to EUR 6.57 billion, showing an increase of 6.11% compared to the same period of 2025; in particular, this was driven by the recovery in reverse factoring transactions (+3.54%), while confirming continued to grow at a strong pace (+17.39%).

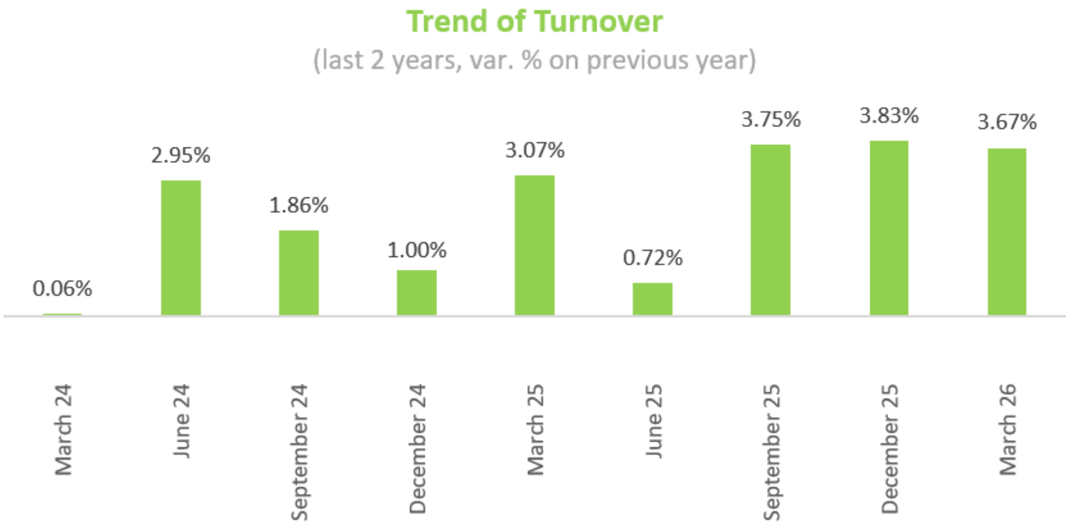
For 2026, industry operators expect further growth in volumes, with an average expected growth rate of 3.59%, following a first half forecast to close positively (+3.01%). In the first quarter of the current year, international turnover slowed down, recording an annual increase of 0.39% compared to the same period in 2025.

Trade receivables purchased as of 31 March 2026 from the Public Administration amounted to 4.61 billion (+1.70% year-on-year). As of March 2026, outstanding receivables totaled EUR 6.88 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 2.54% of the total.

Data in thousands of Euro		Share % of total	% change from previous year
Cumulative Turnover	**68,278,935**		**3.67%**
With Recourse	11,554,188	17%	
Without Recourse	56,724,747	83%	
Outstanding	**63,927,112**		**2.31%**
With Recourse	14,089,491	22%	
Without Recourse	49,837,621	78%	
Exposures	**51,726,627**		**1.34%**
of which turnover from Supply Chain Finance operations	**6,572,879**	10%	**6.11%**

Source: Assifact, Statistical Circular No. 24-26, "Factoring in Figures – Summary of March 2026 Data". Figures in thousands of Euro.

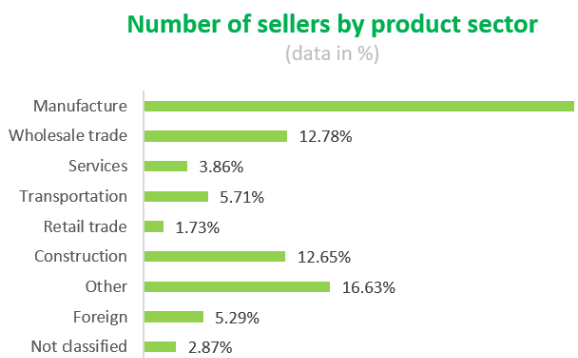


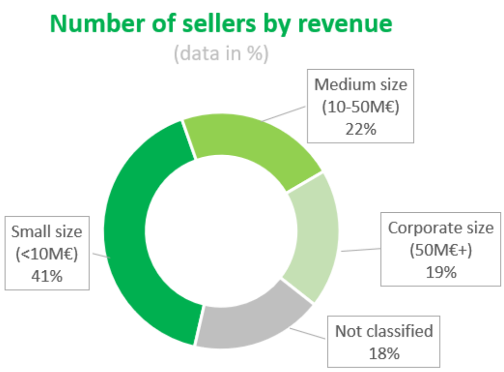
Source: Assifact, Statistical Circular No. 24-26, "Factoring in Figures – Summary of March 2026 Data".

The first quarter of 2026 recorded a turnover growth rate of +3.67% compared to the same period of the previous year. The turnover trend shows a continuation of growth, driven mainly by the strong performance in the second half of the year, despite overall economic activity remaining weak. For the first quarter of 2026, operators expect turnover to close higher compared to the same period in 2025 (+3.01%).

For 2026 as a whole, operators forecast an average positive development (+3.59%), exceeding projections for the growth of the Italian GDP.

Around 31,000 companies use factoring, around 63% of which are SMEs. The manufacturing sector is the most prominent.

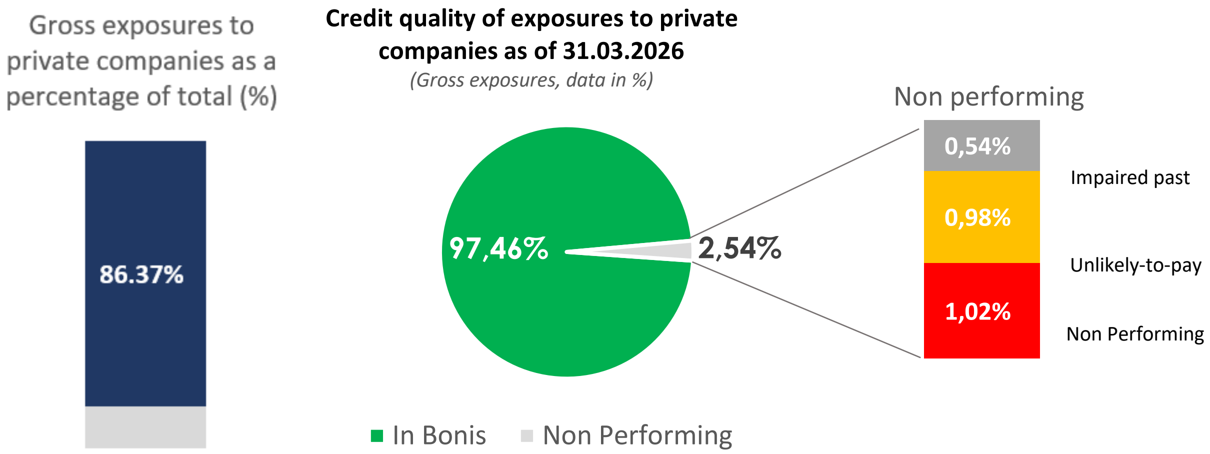


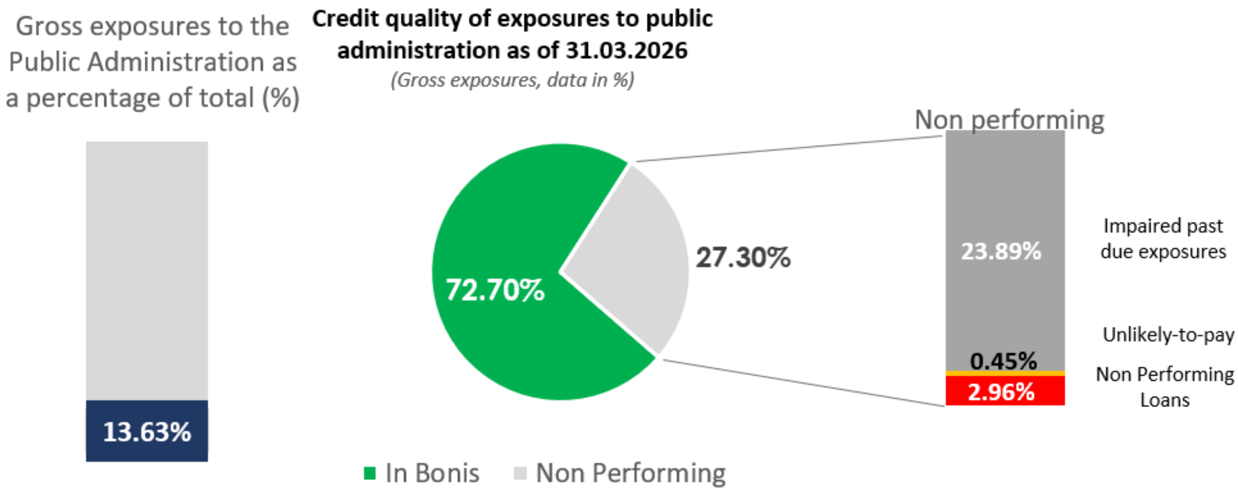


Source: Assifact, Statistical Circular No. 24-26, "Factoring in Figures – Summary of March 2026 Data".

The stock of advances and amounts paid, totaling €51.7 billion, increased by approximately €0.7 billion compared to the same period of the previous year.

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 27%) compared to exposures to private companies (2.54%), a level that is not consistent with the underlying actual risk.





Source: Assifact, Statistical Circular No. 24-26, "Factoring in Figures – Summary of March 2026 Data".

Factoring market – monthly position in May 2026

Based on the latest available monthly report, turnover in May 2026 amounts to approximately €109.7 billion, representing an increase of about 2.22% compared to the previous year. Outstanding receivables at the reference date stand at approximately €58.1 billion, up by 1.71% year-on-year, while advances amount to around €46 billion, marking a 1.50% increase compared to the previous year.

Data in thousands of Euro		Share % of total	% change from previous year
Cumulative Turnover	**109,747,210**		**2.22%**
With Recourse	19,797,615	18%	
Without Recourse	89,949,595	82%	
Outstanding	**58,140,754**		**1.71%**
With Recourse	13,364,879	23%	
Without Recourse	44,775,875	77%	
Exposures	**45,977,870**		**1.50%**
of which turnover from Supply Chain Finance operations	**11,211,082**	10%	**5.98%**

Source: Assifact, Statistical Circular No. 35-26, "Factoring in Figures – Summary of May 2026 Data".

REGULATORY FRAMEWORK. THE REGULATION OF FACTORING ACTIVITIES

Starting from 2025, the legal and regulatory framework governing the factoring industry has been affected — both directly and indirectly — by a number of developments at both the European and national levels. These have had an impact on the operating environment and conditions of financial intermediaries, as well as on the role of factoring as a tool to support corporate liquidity, particularly for SMEs.

Overall, despite the ongoing debate on regulatory simplification, the regulatory framework remains highly articulated and complex. This reflects, on the one hand, the inclusion of the sector within the scope of banking and financial supervision and the continuous evolution of the European and national regulatory landscape, and, on the other hand, the specific features of factoring, which is closely linked to trade receivables generated by business activity and is therefore also influenced by changes in the legal and regulatory framework applicable to businesses.

At the European level, implementation of the Basel III prudential package was completed through the entry into force of the legislation transposing CRR III and CRD VI. Among other measures, the new framework introduced the output floor and strengthened the focus on environmental, social and governance (ESG) risks. Although this is a broad prudential reform, the new framework is also particularly relevant for factoring, which market data continue to confirm as a business characterized by a low-risk profile, high information quality and a close connection with the real economy. In this context, Assifact played an important role by contributing to the ongoing debate on the regulatory simplification needed to safeguard the competitiveness of the European economy, emphasizing in particular the importance of regulatory proportionality and the accurate representation of risk in order to avoid distortive effects on the supply of credit to businesses.

Throughout 2026, monitoring activities concerning payment times also continued, including in coordination with the objectives of the National Recovery and Resilience Plan (PNRR) and the reporting mechanisms established at the European level. Proposals aimed at simplifying the assignment of receivables owed by Public Administrations remain a priority, including initiatives designed to limit the authorities' power to refuse assignments and to strengthen the legal certainty of receivables transfers. It is also worth noting that the most recent judgments of the European Court of Human Rights have reinforced the principle that the failure of public authorities to settle their debts—including cases involving insolvent local authorities—may constitute a violation of both the right to a fair trial and the right to property, with significant implications for risk assessment and the prudential treatment of claims against Public Administrations. In this context, the Strasbourg Court has clarified that ultimate responsibility for enforcing judicial decisions rests with the State, even where the default is attributable to regional or local authorities, with significant legal, economic and regulatory implications. These developments are particularly relevant for the factoring industry, as they affect both the assessment of risk and the prudential treatment of claims against Public Administrations.

At the same time, European institutions have continued their reflections on strengthening the competitiveness of the European banking and financial market by reducing regulatory fragmentation, as demonstrated by the launch of a comprehensive review of banking rules and the growing focus on reducing duplication in regulation, supervision and reporting requirements.

Alongside the evolution of the prudential framework, during the period under review the European Union also launched a major initiative to streamline and simplify sustainability legislation through the adoption of the so-called Omnibus Package. This initiative forms part of the broader effort to reduce the complexity and administrative burden arising from the implementation of the Green Deal and the new sustainability reporting and due diligence requirements, while preserving their environmental and social objectives. In particular, the Omnibus Package addresses the coordination and implementation of the main European sustainability regulations—including the CSRD, the CSDDD and other elements of the ESG framework—by introducing mechanisms aimed at simplification, clarification and greater proportionality of obligations, especially with regard to smaller companies and financial operators indirectly involved in reporting and data collection processes.

During 2026, the simplification process launched through the Omnibus Package made significant progress. In addition to the "stop-the-clock" Directive, already adopted in 2025, the substantive package amending the CSRD and the CSDDD was also approved. Its objective is to reduce the scope of entities subject to the requirements, limit the trickle-down effects on smaller companies and reinforce the principle of proportionality in the collection and reporting of ESG information.

Following an intense wave of regulatory activity and the rapid acceleration experienced in recent years, the instability of the geopolitical and economic environment, the energy crisis, the difficulties faced by businesses—particularly SMEs—in complying with the new regulatory requirements, and the need to preserve and enhance the competitiveness of the European productive system have led to the current phase of reflection and recalibration. Large companies, together with the banking and financial sector, continue to integrate ESG factors into their organizational structures, operations, governance arrangements, risk management policies and business strategies.

Against this backdrop of extensive legislative activity, it is worth highlighting—within the broader European debate on reducing the administrative burden associated with achieving sustainability objectives and strengthening the competitiveness of the European economy—the publication, at the end of February 2025, of the Proposal for a Directive of the European Parliament and of the Council known as the “Omnibus Simplification Package” (the “Proposal”). This proposal subsequently led first to the adoption of Directive (EU) 2025/794, the so-called “stop-the-clock” Directive, and subsequently, in 2026, to the approval of the substantive package simplifying sustainability reporting and due diligence obligations.

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.

The text approved in 2026 significantly narrowed the scope of the CSRD, providing that, as a general rule, the sustainability reporting requirements apply only to companies with more than 1,000 employees and annual net turnover exceeding EUR 450 million. For companies falling outside the revised mandatory scope, the use of voluntary or simplified reporting standards remains encouraged, also with a view to limiting information requests throughout the value chain.

With regard to the CSDDD, it is worth noting that the Proposal aims to limit the corporate due diligence obligation to direct business partners. The scope of the CSDDD has likewise been reduced, with its application now focused on the largest companies, namely those with more than 5,000 employees and annual net turnover exceeding EUR 1.5 billion.

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. The "stop-the-clock" Directive postponed by two years the CSRD reporting obligations for so-called Wave 2 and Wave 3 companies, and by one year both the transposition deadline and the initial application phase of the CSDDD. In Italy, the Directive was transposed through Law No. 118 of 8 August 2025, resulting in a corresponding adjustment of the national timeline for the initial application of the relevant obligations. As regards the substantive simplification package approved in 2026, it will be necessary to continue monitoring its national transposition. Member States are required to transpose the amendments to the CSRD by March 2027 and those to the CSDDD by July 2028.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. Following the approval of the substantive simplification package, this downsizing is no longer merely prospective. The revised scope of the CSRD is now focused on the largest companies, excluding a significant number of entities that had previously fallen within, or were expected to fall within, the original implementation timetable. Nevertheless, the voluntary disclosure of ESG information remains important, also in light of the information demands of investors, financial counterparties, customers and other stakeholders.

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 perspective, the current landscape is characterized by the postponement of certain deadlines through the “stop-the-clock” Directive, the revision and simplification of the European Sustainability Reporting Standards (ESRS) by EFRAG, and the redefinition of the scope of application of the CSRD and the CSDDD. In light of the developments that took place in 2026, it is appropriate to distinguish between: (i) measures that have already been adopted and transposed into national law, such as the postponement of reporting obligations under the “stop-the-clock” Directive, implemented in Italy through Law No. 118 of 8 August

2025; (ii) the substantive amendments to the scope of the CSRD and the CSDDD approved at the European level in 2026, which remain subject to national transposition; and (iii) implementation aspects that still depend on delegated acts, the finalization of technical and voluntary standards, and the development of supervisory and market practices.

In particular, Member States are required to transpose the amendments to the CSRD by March 2027 and those to the CSDDD by July 2028. Consequently, the practical impact of the new framework on companies will ultimately depend on the interaction between the European legislation, its national transposition, and the evolving implementation practices.

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 as a result of the "Stop-the-Clock" Directive. Following the subsequent adoption of the substantive simplification package, the Company's effective obligation to comply with the CSRD must now be assessed not only in light of the deferred implementation timeline, but also with reference to the revised scope of application, which has been significantly narrowed compared with the original framework.

In this regard, it should be noted that, as part of the Omnibus Package, a revision of the scope of application of the CSRD was proposed, with the proposal under consideration envisaging an increase in the size thresholds, including raising the employee threshold to 1,000 employees. This revision has since been confirmed in the approved package, which limits the mandatory sustainability reporting requirements to companies with more than 1,000 employees and annual net turnover exceeding EUR 450 million. As a result, listed SMEs and smaller companies falling below the new thresholds are, as a general rule, excluded from the mandatory scope of the CSRD, without prejudice to the possibility of adopting voluntary or simplified sustainability disclosures.

The Company could potentially fall within the scope of this exemption; however, its effective application will depend on the outcome of the European legislative process and its subsequent transposition into national law. In light of the newly approved thresholds, and based on the Company's currently available size-related information, the Company would not appear to fall within the mandatory scope of the CSRD. Nevertheless, it will remain necessary to monitor the national transposition of the new rules, any relevant group-level reporting obligations, and the information requests received from stakeholders and financial counterparties.

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).

Further developments at the European level concern the proposed **Late Payment Regulation**, which during the period under review encountered a substantial impasse within the Council due to divergent positions among Member States regarding both the overall design of the reform and its implications for the principles of contractual freedom and the judicial enforcement of claims. Against this backdrop, discussions have also continued on the so-called "**28th European Regime**", envisaged as an optional and harmonised legal framework for businesses operating on a cross-border basis. The initiative is intended to simplify the regulatory environment applicable to innovative companies, start-ups, scale-ups and SMEs by promoting more uniform conditions for access to markets and financing. Within this context, asset-based finance instruments, including factoring, have been identified as important tools for supporting business growth and liquidity, particularly for companies that often face limited access to traditional bank financing, especially in cross-border transactions. The ongoing debate highlights the need for a legal framework capable of reducing national divergences and operational barriers, including contractual prohibitions or restrictions on the assignment of receivables.

Also at the European level, the judgment of the Court of Justice of the European Union of 23 October 2025, Case C-232/24 *Kosmiro*, provided further clarification on the **VAT treatment of factoring transactions**, reaffirming that their tax classification must be based on the specific characteristics of the transaction and its underlying economic function. The judgment confirms the distinction between transactions of a financial nature, which constitute the granting of credit and are therefore exempt from VAT, and transactions whose principal purpose is debt collection, which remain subject to VAT. This makes it necessary to adopt an interpretative approach that properly reflects the specific features of the Italian factoring market. In this context, the Court confirmed that VAT classification cannot be determined solely on the basis of the contractual designation of a transaction, but instead requires a substantive assessment consistent with the principles of EU law. In light of these developments, there is a clear need to ensure a consistent interpretation between EU law and national administrative practice, taking into account the specific characteristics of factoring across different legal systems, and in particular the predominant working capital financing function that characterises the Italian factoring market.

From a **prudential regulation** perspective, **CRR III (Regulation (EU) 2024/1623)** entered into force on 1 January 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 falling within the scope of the European prudential framework, namely banks and banking groups. With regard to financial intermediaries supervised pursuant to Article 106 of the Italian Consolidated Banking Act (TUB), the alignment of the domestic regulatory framework—and in particular Bank of Italy Circular No. 288/2015—remains under review by the Bank of Italy, with a view to identifying any specific regulatory treatments consistent with the characteristics of non-bank financial intermediaries. Pending a comprehensive update of the secondary regulatory framework, the Bank of Italy has provided for the possibility, on a transitional basis and upon request, for eligible intermediaries—particularly those belonging to banking groups—to apply the new CRR III rules on a voluntary basis, in order to avoid the operational complexities associated with the so-called "dual-track" regime.

Even where the new provisions are applied on a voluntary basis, the Bank of Italy has confirmed the possibility of applying the specific prudential treatment for purchased trade receivables. Accordingly, in the case of recourse factoring transactions (*pro solvendo*), and provided that the applicable operational requirements are met, the exposure may be assigned to the assigned debtors rather than to the assignor. This approach ensures a prudential treatment that remains consistent with the specific features of factoring and the underlying economic substance of such transactions.

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 final text confirms, in particular, the extension of the technical past-due period from 30 to 90 days for non-recourse (*pro soluto*) factoring arrangements. The purpose of this amendment is to better reflect the economic nature of purchased trade receivables and to avoid classifying exposures as defaulted where such classification would not accurately reflect the actual creditworthiness of the assigned debtor. The final text also confirms the remaining technical amendments introduced to align the Guidelines with the CRR III framework, including the removal of references that have become obsolete.

At the national level, the period under review was characterised by intense legislative activity in the areas of taxation, regulatory simplification and public administration reform. Regulatory monitoring also highlighted a number of parliamentary initiatives and parliamentary questions aimed at clarifying the legal and tax treatment of securitisation transactions that include, within the ring-fenced assets established under Law No. 130/1999, assets, rights and cash flows arising from inventory monetisation. Particular attention has been paid to the VAT treatment of de-stocking transactions and to their potential qualification for the VAT exemptions applicable to financial transactions.

These developments form part of a broader debate on the evolution of asset-based finance instruments, with the objective of fostering greater integration between trade credit, factoring and securitisation, particularly in support of SMEs and industrial supply chains. The ongoing legislative and interpretative debate confirms both the importance of this issue and the need for a coherent legal framework capable of supporting these transactions without creating regulatory or tax uncertainty.

Significant attention has also been devoted to developments concerning the legal framework governing corporate crisis and insolvency, both from a legislative and an interpretative perspective. On the one hand, the debate on summary debt recovery procedures has highlighted the need for faster and more efficient enforcement mechanisms. On the other hand, recent parliamentary initiatives concerning the voting rights of assignees of receivables in insolvency proceedings, together with proposals to clarify the rules governing claw-back actions (*revocatoria*), particularly with respect to securitisation vehicles and specialised financial intermediaries, are intended to strengthen legal certainty and recognise the role of professional participants in the credit market.

Against this background, on 15 April 2026 the Italian Revenue Agency launched a public consultation on a draft circular providing its first interpretative guidance on the tax aspects of the amendments introduced by the Italian Code of Business Crisis and Insolvency (Legislative Decree No. 14/2019). The draft guidance focuses in particular on negotiated crisis settlement procedures, simplified composition with creditors, court-approved restructuring plans and the insolvency regime applicable to corporate groups. This initiative confirms the authorities' commitment to ensuring consistency between insolvency legislation, the tax treatment of transactions and the management of credit relationships. More broadly, it supports the continuation of discussions concerning the possible reform of the claw-back regime applicable to factoring transactions, taking into account the current lack of coordination between Law No. 52/1991 and the Italian Code of Business Crisis and Insolvency, an issue that continues to be of particular concern to market participants.

Within the same context, further tax-related developments took place through the Fiscal Decree of March 2026. During its parliamentary examination, a number of issues of particular relevance to the sector were discussed, including the rules governing claw-back actions and the free assignability of trade receivables, although no final legislative measures were adopted. The parliamentary debate also addressed the VAT treatment of certain transactions connected with securitisation structures and the disposal of assets included within ring-fenced asset pools.

The split payment mechanism also remained the subject of significant debate. In 2025, its suspension for transactions involving listed companies was formally confirmed, while its application to transactions with Public Administrations was, under the terms of the relevant EU authorisation, expected to expire on 30 June 2026. The issue subsequently returned to the centre of political and parliamentary debate following proposals — later confirmed — for the Ministry of Economy and Finance to request a further extension, alongside the ongoing EU-level procedure to assess such request. At the same time, growing attention was paid to the financial difficulties that the split payment mechanism continues to create for suppliers to the Public Administration.

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.

With regard to the principal legal, regulatory and supervisory framework applicable to **financial intermediaries**, the regulatory landscape remains comprehensive and is based on national prudential, accounting and supervisory reporting requirements, many of which have been adopted in implementation of European legislation. 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 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.

- the **Instructions regarding "Financial Statements of IFRS Intermediaries Other than Banks"**, issued by the Bank of Italy on 17 November 2022, which remained applicable during the period under review but were the subject of a public consultation launched in March 2026, in coordination with the ninth update of Bank of Italy Circular No. 262. The proposed amendments are intended to incorporate the changes introduced to IFRS 9 and IFRS 7, the new IFRS 18, and specific disclosure requirements relating to crypto-assets;
- **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.

Following the public consultation launched by the European Banking Authority (EBA) on 6 March 2025, the final Regulatory Technical Standards (RTS) were adopted on 30 October 2025. These RTS specify how credit and financial institutions, as well as competent supervisory authorities, are to comply with the AML/CFT obligations introduced under the new European anti-money laundering framework. Among other matters, the RTS establish detailed requirements relating to governance arrangements, risk management policies, enhanced customer due diligence and reporting to supervisory authorities, thereby initiating the gradual operational alignment of financial institutions with the new *European Single Rulebook*.

It should also be noted that, in the context of the transposition of Directive (EU) 2024/1640, the Italian Council of Ministers, at its preliminary meeting of 10 March 2026, approved a draft legislative decree aimed at establishing a more structured framework governing access to beneficial ownership information contained in the Italian Companies Register. The proposed measure strengthens access rights for the competent authorities and redefines the conditions under which obliged entities and third parties demonstrating a legitimate interest may consult such information, thereby contributing to the alignment of the national legal framework with the new European anti-money laundering regime.

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 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 by DORA regulation, relating in particular to:

- 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, initiating the full operational phase of the harmonized European reporting system. The Level 2 technical framework is now substantially complete and, in addition to the standards referred to above, includes provisions relating to contractual arrangements for ICT services provided by third-party providers, the subcontracting of ICT services supporting critical or important functions, advanced digital operational resilience testing, and the European oversight framework for critical third-party ICT service providers.

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 [2];
- Clarifications on reporting flows for major ICT incidents and significant cyber threats, in coordination with GDPR obligations and the national transposition of Directive NIS2.

In 2026, the Bank of Italy also clarified the timeline for the annual submission of the Register of Information on Contractual Arrangements with ICT Third-Party Service Providers. Starting from 2026, the Register must be submitted by 15 March of each year, using 31 December of the previous year as the reference date. The Register therefore plays a central role both in the internal

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

monitoring of third-party ICT risk and in the supervisory activities of the competent authorities, as well as in the designation by the European Supervisory Authorities (ESAs) of critical third-party ICT service providers subject to the European oversight framework.
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. Against this background, 2026 represents primarily a preparatory year for financial intermediaries under Article 106 of the Italian Banking Act (TUB), requiring a progressive assessment of the consistency between their organizational framework, ICT governance, incident classification and reporting processes, resilience testing, oversight of ICT outsourcing arrangements, and contractual provisions with ICT service providers. The focus is no longer limited to the formal adoption of policies and procedures, but extends to the ability to demonstrate — under a proof of compliance approach — the effective integration of DORA requirements into business processes and internal control systems.

AI ACT

Regulation (EU) 2024/1689 on Artificial Intelligence ("AI Act") adopted 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. Administrative penalties for infringements of these provisions became applicable from 2 August 2025, together with the rules governing general-purpose AI (GPAI) models and the corresponding obligations imposed on their providers. In this context, on 10 July 2025 the European Commission published the General-Purpose AI Code of Practice, structured around the chapters on transparency, copyright, safety and security, as a voluntary instrument intended to assist providers in demonstrating compliance with the obligations laid down in the AI Act. The obligations applicable to providers of GPAI models entered into application on 2 August 2025; the European Commission's enforcement powers became applicable from 2 August 2026, while GPAI models placed on the market before 2 August 2025 must be brought into compliance by 2 August 2027.
Also in 2025, the European Commission issued specific guidelines addressed to providers of GPAI models, clarifying the personal and material scope of the applicable obligations, the technical criteria for qualifying a model as general-purpose AI, the circumstances in which a modification is considered significant, the treatment of open-source models, and the modalities of interaction with the AI Office. Although these guidelines are not legally binding, they constitute an important interpretative reference for the application and enforcement of the new regulatory framework.
With regard to high-risk AI systems, the AI Act originally provided that the main compliance obligations would become applicable from 2 August 2026. However, following the adoption of the AI Omnibus Regulation, the application timeline has been revised by introducing fixed application dates of 2 December 2027 for stand-alone high-risk AI systems and 2 August 2028 for high-risk AI systems embedded in regulated products.

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.

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.

During 2026, the Italian Council of Ministers also granted preliminary approval to two draft legislative decrees implementing Law No. 132/2025, with the aim of making the national framework for the application of the AI Act fully operational. The draft decrees confirm the role of the Agency for Digital Italy (AgID) as the national notifying authority and the National Cybersecurity Agency (ACN) as the market surveillance authority and single point of contact, without prejudice to the competences of the sectoral authorities within their respective areas of responsibility, including the Bank of Italy, CONSOB, IVASS and the Italian Data Protection Authority ("Garante per la protezione dei dati personali").

From an operational perspective, the Company should maintain a structured governance framework for the use of artificial intelligence systems, including those provided by third parties. This entails maintaining an inventory of AI systems in use, classifying them according to their risk level, assessing compliance with transparency, governance, cybersecurity, data protection and non-discrimination requirements, and documenting AI literacy and training activities provided to the relevant personnel. Such governance should be coordinated with privacy assessments, including, where applicable, Data Protection Impact Assessments (DPIAs), ICT governance arrangements, and oversight processes relating to technology service providers.

OPERATING PERFORMANCE AND RESULT

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 30 June 2026, it is broken down as follows:

- **GGH – Gruppo General Holding S.r.l (GGH)**, which holds approximately 41.375% circa of the share capital (roughly 61.897% 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 4.765% of the voting rights);
- **BFF Bank S.p.A. (BFF)**, which holds approximately 8.021% of the share capital (approximately 4.000% 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 7.341% of the voting rights)**;**
- **Banca del Ceresio SA (BS),** which holds approximately 4.773% of the share capital (approximately 6.352% of the voting rights);
- (free float) **market,** which overall holds approximately 31.369% of the share capital (approximately 15.644% 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.

The verification of the requirements for the granting of enhanced voting rights is carried out by the company's administrative body.

As at 30 June 2026, the shareholders GGH - Gruppo General Holding S.r.l., First4Progress 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 36-month period of uninterrupted registration in the Special List had been ascertained.

On the same date, no shareholder accrued the enhanced voting increase.

With reference to the enhanced voting rights, it is noted that on 26 March 2026 the shareholder Investment Club S.r.l. notified the Company of its waiver of the enhanced voting rights attached to its entire shareholding. As a result, as of the date hereof, each share held by Investment Club S.r.l. carries one vote only.

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	4,202,329.36	12,635,066	(*)
of which: *ordinary shares (regular dividend entitlement)*	*4,202,329.36*	*12,635,066*	*(*)*

(*) Shares with no nominal value.

The **total amount of voting rights as at 30 June 2026** is shown below.

The table reflects the recent reduction in the aggregate number of voting rights resulting from the waiver of the enhanced voting rights by the shareholder Investment Club S.r.l. with respect to all of the shares it holds.

	As at 31 December 2025		**As at 30 June 2026**	
	No. of shares	**No. of voting rights**	**No. of shares**	**No. of voting rights**
Total ordinary shares	12,635,066	27,174,211	12,635,066	25,335,944
of which:				
Ordinary shares without increased voting rights	*4,990,860*	*4,990,860*	*6,198,127*	*6,198,127*
Ordinary shares with increased voting rights	*7,644,206*	*22,183,351*	*6,436,939*	*19,137,817*

By virtue of the above, as at 30 June 2026, 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	61.897
Investment Club S.r.l.	1,207,267	9.555	4.765
BFF Bank S.p.A.	1,013,470	8.021	4.000
First4Progress 1 S.r.l.	620,000	4.907	7.341
Banca del Ceresio SA	603,028	4.773	6.352
Market	3,963,551	31.369	15.644
Total	**12,635,066**	**100.00**	**100.00**

As of the date of preparation of the Half-Year Report, 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	62.479
Investment Club S.r.l.	1,207,267	9.555	4.810
BFF Bank S.p.A.	1,013,470	8.021	4.038
First4Progress 1 S.r.l.	502,000	3.973	6.000
Banca del Ceresio SA	603,028	4.773	6.412
Market	4,081,551	32.303	16.261
Total	**12,635,066**	**100.00**	**100.00**

On 2 March 2023, GGH established a pledge in favor of Banca Nazionale del Lavoro S.p.A. over 1,263,900 shares.

It should be noted, however, that pursuant to a deed executed on 15 January 2025 and, subsequently, to a further deed executed on 30 June 2026, the parties agreed to reduce the number of shares subject to the pledge. Accordingly, the pledge remains in effect over 432,654 shares.

It is also noted that, in connection with a loan granted to it by Crédit Agricole Italia S.p.A., on 12 February 2025, GGH granted the aforementioned institution security in the form of a pledge over no. 396,825 Generalfinance shares. However, pursuant to a deed executed on 27 March 2026, the parties agreed to reduce the number of shares subject to the pledge. Accordingly, the pledge remains in effect over 219,000 shares.

PERFORMANCE INDICATORS (Art. 2428, Paragraph 2)

Generalfinance closed the first half of 2026 with a net profit of EUR 9.6 million and further growth in factoring activities supporting companies in Special Situations. Turnover – including advance orders and contracts – reached EUR 1.999 million (+9%) with EUR 1.491 million disbursed (+4%).
In order to provide a clear and immediate view of the Company's economic performance, the following tables show some indicators for the period, compared with the figures related to the same period of 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)*

Income Statement item:	**06.30.2026**	**06.30.2025**	**Change**
Interest margin	7,117	7,174	(1%)
Net fee and commission income	24,291	23,013	6%
Net interest and other banking income	**31,360**	**30,215**	**4%**
Operating costs	(13,414)	(9,659)	39%
Pre-tax profit from current operations	**15,527**	**18,566**	**(16%)**
Profit for the year	**9,634**	**12,320**	**(22%)**

Key Statement of Financial Position figures *(in thousands of Euro)*

Statement of Financial Position item	**06.30.2026**	**12.31.2025**	**Change**
Financial assets measured at amortised cost	684,099	668,859	2%
Financial liabilities measured at amortised cost	658,832	673,072	(2%)
Shareholders' equity	91,016	98,379	(7%)
Total assets	830,760	842,137	(1%)

Main KPIs

Indicator	**06.30.2026**	**06.30.2025**
Cost / Income ratio	43%	32%
ROE	24%	35%
Net interest income / Net interest and other banking income	23%	24%
Net fee and commission income / Operating income	77%	76%

Notes:
- "Cost income ratio" calculated as the ratio between operating costs and Net interest and other banking income
- "ROE" calculated as the ratio of annualised profit for the period to shareholders' equity at the end of the period

Impact resulting from the conflict between Russia and Ukraine

With reference to the guidance provided by European Securities and Markets Authority (ESMA) in its Public Statement "Implications of Russia's invasion of Ukraine on half-yearly financial reports" dated 14 March 2022, and to the communication issued by Commissione Nazionale per le Società e la Borsa (CONSOB) on 19 March 2022 ("Conflict in Ukraine: CONSOB reminders to supervised issuers regarding financial disclosures and compliance with restrictive measures adopted by the European Union against Russia, as well as obligations for operators of online portals"), the Company—within the framework 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. This conflict escalated into the invasion of Ukrainian territory by Russia on 24 February 2022, and led to the adoption of economic sanctions by the European Union, Switzerland, Japan, Australia, and NATO countries against Russia and Belarus, as well as certain individuals associated with these countries.

Since February 2022, the conflict and related sanctions have had significant negative repercussions on the global economy, particularly in light of their adverse impact on commodity costs (especially energy prices and availability, including electricity and gas), as well as on financial market performance.

In this context, the Company confirms what was already disclosed in the 2025 financial statements, namely that Generalfinance's direct exposure to the Russian, Ukrainian, and Belarusian markets (i.e., the areas directly affected by the conflict) is extremely limited, as the Company maintains factoring relationships exclusively with assignors operating in Italy.

As of 30 June 2026, Generalfinance has a very limited exposure (approximately €29,000) to assigned debtors located in Russia, Ukraine, and Belarus. Following the invasion of Ukraine, the Company has suspended credit facilities related to assigned debtors operating in the countries directly involved in the conflict.

Impacts resulting from the introduction of U.S. tariffs

Starting from FY2025, the introduction of tariffs by the United States of America has 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 provided to Italian SMEs.

With reference to the first half of 2026, turnover generated from assigned debtors located in the United States amounts to approximately €16.8 million (representing around 0.8% of Generalfinance's total turnover), while exposure to such debtors amounts to approximately €6 million (representing around 0.9% of total gross exposure), confirming that the Company's factoring activity 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 observing any significant impact on its growth dynamics or credit quality.

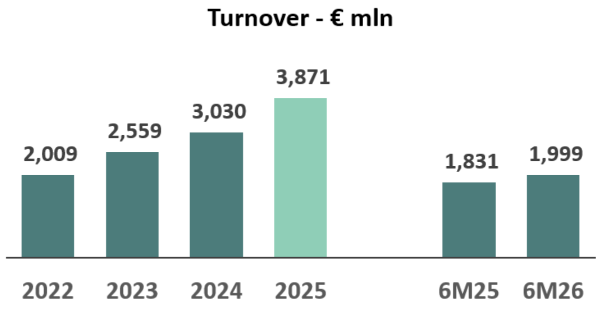
Impacts arising from the conflict in the Middle East

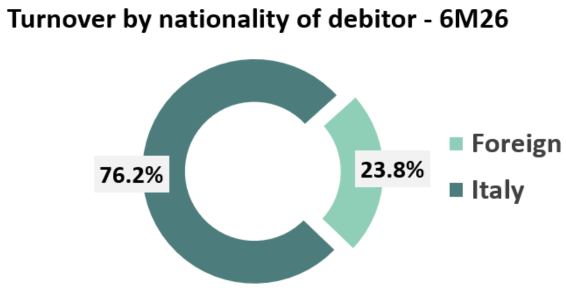
Towards the end of February 2026, the international geopolitical environment has been characterized by significant tensions in the Middle East, which have led to increased volatility in global markets. This situation has resulted in a rise in commodity prices, particularly energy commodities, with consequent 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 of Generalfinance's clients (assignors and assigned debtors), while the direct impact on the Company's own cost structure remained very limited. A high degree of uncertainty remains regarding the evolution of the geopolitical context and commodity markets, which could affect future results, particularly with regard to asset quality and impairment losses on receivables. 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.

TURNOVER

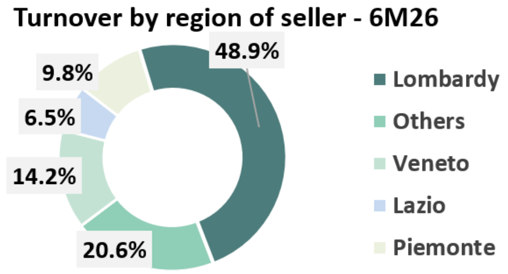
Turnover as at 30 June 2026, including data relating to future receivables advance operations, reached Euro 1,999 million, up 9% compared with the first half of 2025.

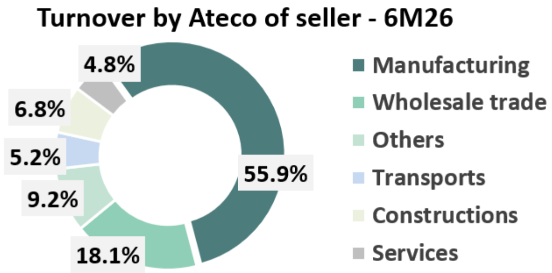
With reference to annual turnover for the "last twelve months, LTM" period (July 2025–June 2026), the breakdown by nationality of assigned debtors shows that international factoring accounted for approximately 23.8% of business volumes, with significant country diversification, confirming the high level of service that the Company is able to provide to export-oriented customers.



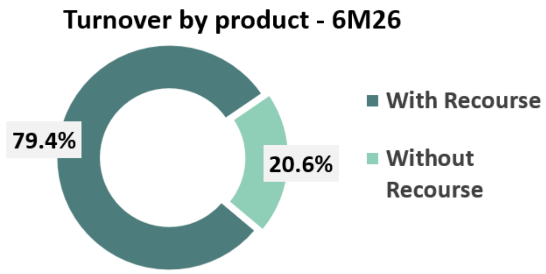


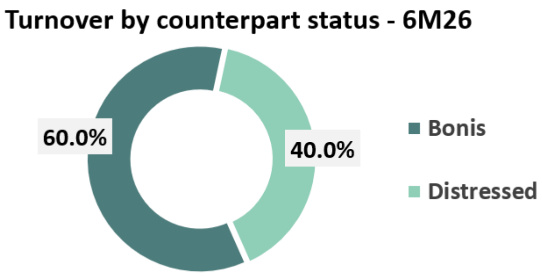
Looking at the location of the seller, the Company is strongly rooted in the north of the country, with a particular focus on Lombardy (48.9% of turnover), Veneto (14.2%) and Piedmont (9.8%); turnover generated by companies operating in Lazio increased to 6.5% From a sector perspective, manufacturing represents the largest share of turnover, accounting for approximately 55.9%; this positioning is consistent with Generalfinance's "DNA" as the reference factor for manufacturing SMEs undergoing turnaround processes.





Business activity mainly consists of factoring with recourse, which accounts for approximately 79.4% of volumes, while the share without recourse, equal to approximately 20.6%, increased compared with the same period of the previous year. Lastly, approximately 40.0% of turnover was generated with "distressed" assignors, namely companies engaged in restructuring projects through the various instruments provided for under the Italian Crisis and Insolvency Code.





ECONOMIC RESULTS

The net interest income stood at EUR 7.1 million, broadly stable compared with the first half of 2025.

Net fee and commission income amounted to EUR 24.3 million, up compared to EUR 23.0 million in the first half of 2025 (+6%). The trend in fee and commission income was affected by the positive trend in turnover (+9% year on year), reflecting the excellent commercial and operating performance of the Company during the period.

Net interest and other banking income amounted to EUR 31.4 million (+4%), while net value adjustments on loans amounted to EUR 2.4 million, determining a cost of risk, calculated by correlating the adjustments with the annual disbursement, equal to 16 basis points.

Operating costs amounted to EUR 13.4 million (+39% compared to the first semester of 2025).
Taking into account the tax item of approximately EUR 5.9 million, the net result for the period was roughly EUR 9.6 million, compared to EUR 12.3 million recorded in the first half 2025.

BALANCE SHEET AGGREGATES AND ASSET QUALITY DATA

Financial assets measured at amortised cost – represented largely by net loans to customers – stood at EUR 684 million, increasing (+2.3%) from the level reported as of 31 December 2025. The flow of loans disbursed, which rose from EUR 1,437 million in the first half 2025 to EUR 1,491 million in the first half 2026 (+4%). The overall disbursement percentage (average between recourse and non-recourse) – the ratio of disbursement to turnover for the year – decreased from 78% of 30 June 2025 to 75% of 30 June 2026; the average days of credit decreased from 85 in the first half 2025 to 77 in the first half 2026.
Within the aggregate of loans, total gross non-performing loans amount to €12.0 million, with a gross NPE ratio of approximately 1.7% (net NPE ratio of approximately 1.3%), improving with respect to 1.9% of 2025. The coverage ratio of non-performing loans stands at 25%.
Cash and cash equivalents – largely represented by on demand loans to banks – amounted to EUR 97.9 million - reflecting a prudent liquidity management profile - while total balance sheet assets amounted to EUR 830.8 million, compared to EUR 842.1 million at the end of 2025.
Tangible assets - operating properties and rights of use relating to property and operating assets - amounted to EUR 6.4 million, an increase of 7.9% compared to the amount in the previous year. Intangible assets – mainly represented by the proprietary IT platform – amounted to EUR 4.1 million, compared to EUR 3.8 million at the end of 2025.
Financial liabilities measured at amortised cost, equal to EUR 658.8 million, are made up of payables of EUR 481.8 million and securities issued of EUR 177.0 million.
Payables are mainly represented by the pool loan (EUR 206 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 – until 31 December 2027 - in December 2024. In addition, the item includes the payable to the special purpose entity (EUR 162.4 million) related to the securitisation transaction in progress.
The securities consist of three subordinated bonds issued in addition to the outstanding financial bills as of the balance sheet date.

SHAREHOLDERS' EQUITY AND CAPITAL RATIOS

Shareholders' equity as at 30 June 2026 amounted to EUR 91.0 million, compared to EUR 98.4 million as at 31 December 2025.

Generalfinance's capital ratios - calculated including profit for the period, net of expected dividends - stand at the following levels:

- 13.0% CET1 ratio (against a minimum regulatory requirement of 4.5%);
- 13.0% TIER1 ratio (against a minimum regulatory requirement of 6%);
- 17.9% Total Capital ratio (against a minimum regulatory requirement of 8%).

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 2026-2028 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 the first half 2026 – directly or indirectly – purchase or dispose of treasury shares.

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SIGNIFICANT ASPECTS DURING THE HALF-YEAR

BUSINESS PLAN "M2G Mission to Grow – Roadmap for 2025-2027"

The **Business Plan Update** approved by the Board of Directors confirms **Generalfinance's growth trajectory**, accompanied by a further strengthening of profitability, operational efficiency and capital solidity, while maintaining a stable risk profile.

The development plan remains fully confirmed and is based, in particular, on **five strategic pillars**.

1. **Consolidation in the factoring market dedicated to "Special Situations"** with a special focus on the Italian "Distressed" area, strengthening the leadership in factoring transactions for companies in situations of turnaround/financial tension (an area in which Generalfinance holds a share of the potential market of distressed factoring of about 10% at the end of 2025) and with turnover in Italy expected to grow sharply (CAGR 2024-2027 equal to 18%).
2. **Expansion of the Retail market** through the establishment of a dedicated commercial division focused on developing factoring products specifically tailored to small business customers.
3. **International expansion**, with entry into the Spanish and Swiss markets.
4. **Diversification of loan sources**, with stable and diversified lines of credit/funding to support growth.
5. **Sustainability** integrated into the plan, strengthening the commitment to support companies – mainly manufacturing and commercial in special situations – with the related activities at local level and the digitalisation of processes in order to promote "low cost" growth.

Funding initiatives

On 15 January 2026, Generalfinance successfully completed a private placement of additional unsecured notes with an aggregate principal amount of EUR 20 million, offered exclusively to qualified investors.
The new notes have been consolidated and form a single series with the outstanding notes designated as 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 on 29 September 2025. Accordingly, the new notes are subject to the same terms and conditions as the existing issuances, including, in particular, a maturity in April 2028, a fixed annual coupon of 5.5%, and the Company's option to redeem the notes early 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 financial strength and growth prospects. The new notes, issued on 20 January 2026, were admitted to trading on Euronext Access Milan.

Update on the litigation with the Bankruptcy Estate of Leali Steel S.p.A.

As described in the Half-Year Financial Report as at 30 June 2025, on 25 July 2025 the Company announced to the market that the Civil Court of Trento had issued a judgment declaring the assignments of receivables made under the factoring agreement between the parties unenforceable against the bankruptcy estate of Leali Steel S.p.A., and ordering Generalfinance to pay EUR 9,307,201.89, in addition to interest and legal costs, amounting to approximately EUR 4.7 million.
On 31 July 2025, the Company filed an appeal seeking the complete reversal of the first-instance judgment.
On 22 August 2025, the Court of Appeal of Trento ordered the suspension of the enforceability of the appealed judgment, without requiring the provision of security.
By judgment delivered on 12 May 2026 (Case No. R.G. 173/2025), the Court of Appeal of Trento fully overturned the first-instance decision, dismissing all claims brought by the Bankruptcy Estate of Leali Steel S.p.A. and Roma 2014 S.r.l. against Generalfinance, and ordered Roma 2014 S.r.l. to reimburse Generalfinance for the legal costs incurred in both instances of the proceedings.

Update on the litigation with ISC S.p.A.

Generalfinance announced on 11 May that the Court of Appeal of Venice, in the second-instance proceedings concerning the claw-back action ("azione revocatoria") brought against the Company by the Bankruptcy Estate of Industries Sportswear Company S.r.l., ordered the Company to pay approximately EUR 2.2 million to the bankruptcy estate, in addition to legal costs and interest, the latter amounting to approximately EUR 1.2 million.
Following the adverse judgment issued by the Court of Appeal of Venice, and on the basis of the opinions received from its external legal advisers, the risk of an unfavourable outcome in this litigation has been assessed as "probable". In this context, the parties are currently finalising a settlement of the dispute for an amount of EUR 1.7 million, which has been fully provided for under provisions for risks and charges in the Half-Year Financial Report.

Strengthening of the Management Team

During the first half of the year, Generalfinance announced the appointment of two new senior executives. Matteo Bigarelli joined the Company as Chief Business Development Officer, with responsibility for developing factoring activities dedicated to special situations companies in Italy and abroad. Fabrizio Negri was appointed Chief Digital Finance Officer, with responsibility for coordinating a newly established business unit dedicated to the development of asset-based finance activities in the performing segment. These appointments form part of the growth strategy outlined in the Business Plan approved for the coming years and are intended to support business expansion, strengthen the Company's competitive positioning and drive the implementation of its strategic initiatives.

Early redemption of the €5 million Tier 2 subordinated bond "Generalfinance S.p.A. Subordinated Tier II Callable 10% Fixed Rate 30 September 2021 – 30 September 2027" (ISIN IT0005459844)

Generalfinance S.p.A. has received the Bank of Italy's approval in relation to its request for the early redemption of the subordinated bond "Generalfinance S.p.A. Subordinated Tier II Callable 10% Fixed Rate 30 September 2021 – 30 September 2027" (ISIN IT0005459844), with an aggregate nominal amount of EUR 5 million. The request was submitted by the Company pursuant to Article 78(1) of Regulation (EU) No. 575/2013 (the Capital Requirements Regulation – CRR) and Title IV, Chapter 3, Section III of the Bank of Italy's Supervisory Instructions for Financial Intermediaries (Circular No. 288/2015). Accordingly, the Company will proceed with the early redemption of the bond with effect from 1 October 2026.

The bond, which was issued in 2021 and fully subscribed by institutional investors, includes a call option exercisable from the fifth anniversary of its issue date. Owing to the prudential amortisation rules applicable under the current regulatory framework, the instrument is currently recognised only partially as regulatory capital.

The transaction forms part of the Company's broader strategy to optimise its funding structure and the composition of its own funds, following the issuance during 2025 of a EUR 30 million Tier 2 subordinated bond, which was also intended to refinance, ahead of maturity, the Company's outstanding subordinated liabilities.

OTHER ASPECTS

Third Pillar Disclosure

It should be noted that the Third Pillar disclosure relating to 2025, 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.

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

The financial statements are subject to statutory audit by EY S.p.A. for the nine-year period 2026-2035, following the appointment approved by the Shareholders' Meeting on 5 April 2024, upon the reasoned recommendation of the Board of Statutory Auditors (issued pursuant to Article 13, paragraph 1, of Legislative Decree No. 39/2010), under the terms and conditions set out in the engagement proposal submitted by the aforementioned audit firm.

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.

With regard to the Internal Control System (ICS), it should be noted that, in 2022, the Board of Directors approved a significant redesign of the system, which is now 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).

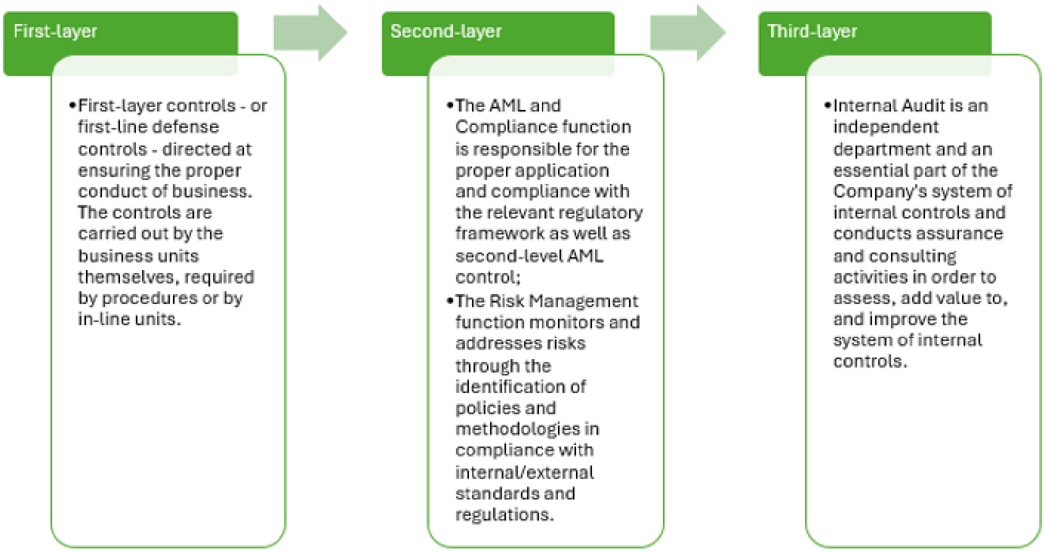
The Head of the Anti-Money Laundering Function is also granted the mandate for the Reporting of Suspicious Transactions ("SOS"), pursuant to Art. 35 of Italian Legislative Decree no. 231 of 21 November 2007.

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 summarized 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.
On 27 April 2026, following the expiry of the previous term of office, the Board of Directors resolved to revise the composition of the Supervisory Body ("Organismo di Vigilanza"), increasing its membership from two to three members. At the same time, the following individuals were appointed:

- Mr Vittore d'Acquarone, Attorney-at-Law (external professional, Chairman);
- Mr Marco Carrelli (external professional, member);
- Ms Margherita De Pieri (Head of Legal and Corporate Affairs of Generalfinance, member).

To complete the governance framework established under the Organisational, Management and Control Model, the Company has also adopted a Code of Ethics (in place since 2010) and Rules of Procedure governing the Supervisory Body.

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 the first half of 2026, 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.

Training Activities

For Generalfinance, the development of human capital is a key strategic priority, and training—being the primary instrument for achieving this objective—plays a central role in the Company's strategic planning.

At the beginning of 2026, the Company launched its annual training plan, which provides for the delivery of more than 400 hours of training, largely financed through the FBA interprofessional training fund. The plan is centred on two key objectives: upgrading existing competencies and developing new skills to support the Company's continued growth.

In addition to the training required to comply with specific regulatory obligations, the Company provides its employees and collaborators with a broad range of training and refresher programmes. These include dedicated sessions covering the Company's core business activities, soft skills, managerial capabilities, and the enhancement and modernisation of existing technical competencies. Particular emphasis has also been placed on training in artificial intelligence and cybersecurity, delivered across the entire workforce, as well as on diversity and inclusion (D&I) topics.

Training programmes are delivered through a combination of internal instructors and external training providers, while employees are also encouraged to participate in courses, conferences and specialist workshops organised by industry associations and other leading public and private institutions.

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.

The ongoing monitoring and updating of the standard GDPR compliance activities implemented during Phase 1 continued throughout 2026. These activities include the maintenance of the Record of Processing Activities, the appointment of authorised persons, and the designation of external data processors.

During the first half of the year, the Company was not made aware of any personal data breaches.

In 2025, GDPR compliance activities relating to the establishment of the Spanish branch were completed. In this regard, the Data Protection Officer (DPO) issued an opinion concluding that the Spanish branch does not qualify as an autonomous data controller, given its lack of separate legal personality. Accordingly, Generalfinance remains the data controller for all processing activities carried out in Spain. This interpretation was subsequently confirmed by Studio Legale Maio, whose privacy department has supported the Company in implementing the principal compliance measures identified by the DPO, including:

- notification of Generalfinance's DPO to the Spanish Data Protection Authority;
- monitoring legislative and regulatory developments issued by the Spanish Data Protection Authority and the national legislature relevant to Generalfinance's business activities in Spain;
- updating the Record of Processing Activities pursuant to Article 30 GDPR to include the processing operations carried out by the Spanish branch, ensuring that such processing activities are separately identifiable within the register; and
- revising appointment letters and related documentation to reflect the specific requirements of Spanish law.

In parallel with the revision of the contractual documentation, the Company also updated the information notice provided to assignors and the privacy clauses contained in the CAT 5 factoring agreement.

Furthermore, a Data Protection Impact Assessment (DPIA) was completed in relation to the personal data processing activities carried out by the Spanish branch for anti-money laundering purposes, in accordance with Articles 32 and 32 bis of Spanish Law No. 10/2010 of 28 April on the Prevention of Money Laundering and Terrorist Financing.

During the first half of 2026, the Company also commenced a preliminary assessment of the data protection legislation applicable to the planned Swiss branch. From July onwards, and in coordination with the DPO, the Company launched the preparatory assessment activities required to define and subsequently implement the relevant data protection compliance measures, building on the experience gained through the establishment of the Spanish branch.

The Compliance function, with the support of the ICT Department where appropriate, continues to maintain regular coordination with the DPO, particularly regarding operationally sensitive matters — especially those intersecting with other regulatory areas, such as employment law — as well as significant decisions and guidance issued by the Italian Data Protection Authority.

Lastly, the DPO has also been actively involved in assessing the artificial intelligence systems adopted by the Company, with particular focus on their data protection implications.

Digital Omnibus

On 19 November 2025, the European Commission presented a comprehensive legislative package commonly referred to as the "Digital Omnibus Act", consisting principally of the proposed Regulations COM(2025) 836 and COM(2025) 837. The initiative forms part of the broader Data Union Strategy and the European Digital Single Market competitiveness agenda, with the objective of streamlining an increasingly fragmented regulatory landscape shaped by, among others, the AI Act, the Data Act, the GDPR, the ePrivacy Directive, NIS2, DORA, the eIDAS Regulation and the legislation on critical entities resilience.

According to the Commission, the proposal is not intended to reduce existing standards of protection for fundamental rights or data protection. Rather, it seeks to simplify procedures, clarify legal definitions and rationalise compliance obligations applicable to businesses and public authorities. The package introduces horizontal amendments across the European digital acquis, including the consolidation within the Data Act of provisions currently contained in separate legislative instruments, the repeal or integration of overlapping legislation, and the reduction of duplicative compliance requirements across sector-specific and horizontal regulatory frameworks.

A key element of the proposal concerns the consolidation of the European data governance framework around the Data Act. In particular, the proposal envisages the repeal of the Regulation on the Free Flow of Non-Personal Data, the Data Governance Act, the Open Data Directive and the Platform-to-Business Regulation, while incorporating their essential provisions into the Data Act. The resulting framework is intended to establish a more coherent regime for data access, sharing and reuse, including through the creation of a single information point for public datasets and by limiting mandatory business-to-government data sharing obligations to situations involving public emergencies. The proposal also strengthens safeguards for the protection of trade secrets and extends certain regulatory simplifications currently available to SMEs to small mid-cap companies.

The proposal also introduces amendments affecting the GDPR and the ePrivacy Directive. Among the most significant changes are the clarification of the concept of personal data from the perspective of the entity carrying out the processing, new provisions governing pseudonymisation and anonymisation, an increase in the threshold for mandatory personal data breach notification to supervisory authorities (limited to cases involving a high level of risk), and an extension of the notification deadline from 72 to 96 hours. Additional amendments concern the right of access, privacy notices, Data Protection Impact Assessments (DPIAs), and the legal bases for processing personal data in connection with the development and deployment of artificial intelligence systems, including the possible introduction of a specific derogation permitting the processing of special categories of personal data during AI model training, subject to appropriate technical and organisational safeguards.

With regard to the ePrivacy framework and cookies, the Digital Omnibus proposes transferring to the GDPR the rules governing access to and storage of information on users' terminal equipment whenever such operations involve the processing of personal data, leaving the ePrivacy Directive with a more limited residual scope. In order to address so-called "consent fatigue", the proposal also promotes the use of automated, machine-readable privacy preference signals—including those transmitted through browser settings — allowing users to express their privacy preferences once and thereby reducing the need for repeated consent requests.

Another significant proposal for regulated entities concerns the establishment of a Single Entry Point for cybersecurity incident reporting, to be developed and managed by ENISA. The mechanism is based on the principle of "report once, share many": operators would submit a single notification through a centralised portal, while ENISA would distribute the relevant information to the competent authorities under NIS2, the GDPR, DORA, eIDAS and the CER Directive. If ultimately adopted, this mechanism could significantly simplify incident reporting obligations for financial institutions, which are currently subject to multiple parallel reporting regimes.

In parallel, the Commission also presented a specific proposal referred to as the "Digital Omnibus on AI", aimed at amending Regulation (EU) 2024/1689 (the AI Act). The principal measures include the possible extension and recalibration of the compliance timelines applicable to high-risk AI systems, the strengthening of the role of the AI Office, the simplification of compliance obligations for SMEs and small mid-cap companies, the revision of AI literacy obligations, and the introduction of a specific legal basis for processing special categories of personal data for the purpose of identifying and mitigating algorithmic bias, subject to stringent safeguards relating to data minimisation, pseudonymisation, access controls and data deletion.

The legislative process remains ongoing. In its negotiating position, the European Parliament has reaffirmed that regulatory simplification should not undermine the protection of digital rights, consumer protection or the overall coherence of the Union's legal framework. In particular, with respect to the AI Act, Parliament has supported the introduction of fixed application dates for obligations relating to high-risk AI systems, the preservation of meaningful AI literacy obligations for operators, and the maintenance of simplified registration requirements within the EU database for certain AI systems claiming exemption from the high-risk classification.

For Generalfinance, the potential implications of the Digital Omnibus primarily concern the coordination between privacy governance, ICT governance, DORA compliance, cybersecurity incident reporting and the use of artificial intelligence systems. Pending the conclusion of the trilogue negotiations and the adoption of the final legislative text, the Company considers it appropriate to maintain dedicated monitoring of the legislative process, with particular attention to: potential changes to the timing and procedures for notifying personal data breaches and ICT incidents; the future interaction between the ENISA Single Entry Point and the reporting frameworks under DORA and the GDPR; amendments concerning legal bases for processing personal data within AI systems; and the possible impact on internal documentation, records of processing activities, DPIAs, and existing ICT and privacy risk assessments.

Update of the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001 on the Administrative Liability of Legal Entities, Companies and Associations

During the first half of the year, the Company, with the support of the Supervisory Body ("Organismo di Vigilanza"), monitored compliance with the provisions of its Organisational, Management and Control Model (the "Model") and its Code of Ethics. The Code of Ethics was updated during the fourth quarter of 2025 to reflect the most recent judicial developments and to incorporate the new predicate offences introduced by the legislature into the catalogue of offences under Legislative Decree No. 231/2001.

With specific reference to offences relating to anti-money laundering, Legislative Decree No. 211/2025, implementing 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 the Italian Official Gazette No. 6 of 9 January 2026.

The Decree, which entered into force on 24 January 2026, introduced new Article 25-octies.2 ("Offences relating to the violation of European Union restrictive measures") into Legislative Decree No. 231/2001, thereby extending the catalogue of predicate offences to include the following new offences concerning the European Union's Common Foreign and Security Policy:

- Violation of European Union restrictive measures (Article 275-bis, paragraphs 1, 2 and 5 of the Italian Criminal Code);
- Violation of information obligations imposed by a European Union restrictive measure (Article 275-ter, paragraphs 1 and 2 of the Italian Criminal Code);
- Violation of the conditions attached to an authorisation to carry out certain activities (Article 275-quater, paragraph 1 of the Italian Criminal Code);
- The offence introduced by new paragraph 1-bis of Article 12 ("Provisions against Illegal Immigration") of Legislative Decree No. 286/1998.

In relation to these offences, new Article 25-octies.2 of Legislative Decree No. 231/2001 provides for the following sanctions:

- an administrative monetary sanction ranging from 1% to 5% of the entity's total worldwide annual turnover in the financial year preceding the commission of the offence or, if lower, the financial year preceding the imposition of the sanction (reduced to between 0.5% and 1% in the case of the offence under Article 275-ter, paragraphs 1 and 2 of the Italian Criminal Code);
- where the entity's annual worldwide turnover cannot be determined, an administrative monetary sanction ranging from EUR 3 million to EUR 40 million (or from EUR 1 million to EUR 8 million in the case of Article 275-ter, paragraphs 1 and 2 of the Italian Criminal Code);
- the disqualifying sanctions provided for under Article 9(2) of Legislative Decree No. 231/2001, for a period ranging from two to six years where the offence has been committed by a person in a senior management position ("soggetto apicale"), and from one to three years where the offence has been committed by a subordinate person ("soggetto sottoposto").

It should also be noted that, during the first half of the year, additional legislative measures entered into force expanding the catalogue of predicate offences under Legislative Decree No. 231/2001. However, as these amendments do not affect Generalfinance's business activities, they did not require any update to the Company's Organisational, Management and Control Model. These include, in particular, Law No. 75 of 21 April 2026 concerning offences against industry and trade, Legislative Decree No. 81 of 21 April 2026 on environmental offences, and Legislative Decree No. 115 of 12 June 2026 on trafficking in human beings.

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)

A service agreement is in place with GGH – Gruppo General Holding S.r.l., under which Generalfinance provides certain functions and support services. In particular, the Company supplies administrative, accounting, treasury and corporate secretarial services.

For further information on the terms and conditions of transactions carried out with related parties, reference should be made to the relevant section of the Notes to the Financial Statements, Part D – Other Information.

Concentration of risk and regulatory capital

During the first half 2026 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.

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

Save as otherwise disclosed above, up to the date of this Report no further facts, events or circumstances have occurred that would materially affect the information presented herein, result in the Company's financial position being materially different from that approved by the Company's governing bodies, or consequently require any adjustment to this Report or additional disclosure in the accompanying explanatory notes.

Use of Financial Instruments by the Company (Article 2428, third paragraph, No. 6-bis of the Italian Civil Code)

Pursuant to the bond issuance programme approved by the Board of Directors on 21 September 2021, during the first half of 2026 the Company continued its funding initiatives aimed at strengthening and diversifying its funding sources in support of the development of its core business. Further details are provided in both the Directors' Report (under the sections "Business Performance and Results of Operations" and "Significant Events after the Reporting Date") and 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)

Against the current macroeconomic backdrop, the outlook for 2026 continues to be influenced by the potential impact of ongoing geopolitical tensions, particularly on the business sector. These include the escalation of trade tariff disputes, as well as the continuing conflicts between Russia and Ukraine and in the Middle East.
Within this environment, which remains characterised by significant challenges for the real economy, Generalfinance's commercial performance during the first half of 2026 — including turnover, revenues and operating profitability — has remained positive,

although not fully in line with the targets set out in the annual budget, while remaining broadly consistent with the objectives of the current Business Plan for the financial year.

Accordingly, the Company's adjusted net profit guidance for 2026 is estimated to be in the range of EUR 29 million to EUR 31 million.

Half-Yearly Financial Statements

STATEMENT OF FINANCIAL POSITION

(values in Euro)

	Asset Items		06/30/2026		12/31/2025
10.	Cash and cash equivalents		97,915,871		122,614,557
20.	Financial assets measured at fair value through profit or loss		8,429,449		8,254,763
	c) other financial assets mandatorily measured at fair value	*8,429,449*		*8,254,763*	
40.	Financial assets measured at amortised cost		684,098,983		668,858,544
	a) Receivables to banks	*63,471*		*464,732*	
	b) receivables from financial companies	*10,025,287*		*29,369*	
	c) loans to customers	*674,010,225*		*668,364,443*	
50.	Hedging derivatives		20,211		717,458
70.	Equity investments		0		0
80.	Property, plant and equipment		6,416,026		5,947,875
90.	Intangible assets		4,065,265		3,771,814
	- of which goodwill	*0*		*0*	
100.	Tax assets		7,630,474		10,576,893
	a) current	*6,352,895*		*9,979,114*	
	b) deferred	*1,277,579*		*597,779*	
120.	Other assets		22,183,721		21,395,377
Total assets			**830,760,000**		**842,137,281**

	Liabilities and shareholders' equity items		06/30/2026		12/31/2025
10.	Financial liabilities measured at amortised cost		658,831,720		673,071,823
	a) payables	*481,848,527*		*519,578,194*	
	b) securities issued	*176,983,193*		*153,493,629*	
40.	Hedging derivatives		2,717,608		335,466
60.	Tax liabilities		6,700,787		14,901,932
	a) current	*6,572,620*		*14,844,419*	
	b) deferred	*128,167*		*57,513*	
80.	Other liabilities		66,869,094		52,705,935
90.	Employee severance indemnity		1,427,858		1,716,029
100.	Provisions for risks and charges		3,196,995		1,027,373
	b) pension and similar obligations	*227,248*		*218,408*	
	c) other provisions for risks and charges	*2,969,747*		*808,965*	
110.	Share capital		4,202,329		4,202,329
140.	Share premium reserve		25,419,745		25,419,745
150.	Reserves		51,421,335		39,848,867
160.	Valuation reserves		337,894		151,625
170.	Profit (loss) for the year		9,634,635		28,756,157
Total liabilities and shareholders' equity			**830,760,000**		**842,137,281**

INCOME STATEMENT

(values in euro)

	Items	06/30/2026	06/30/2025
10.	Interest income and similar income	21,508,151	20,993,364
	of which: interest income calculated using the effective interest method	*20,030,714*	*20,772,540*
20.	Interest expense and similar charges	(14,391,291)	(13,818,977)
30.	**Net interest income**	**7,116,860**	**7,174,387**
40.	Fee and commission income	26,953,384	26,702,258
50.	Fee and commission expense	(2,662,380)	(3,689,342)
60.	**Net fee and commission income**	**24,291,004**	**23,012,916**
70.	Dividends and similar income	67,260	25,211
80.	Net profit (loss) from trading	(91)	(1,042)
100.	Profit (loss) from sale or buyback of:	(46,129)	0
	a) financial assets measured at amortized cost	*(46,129)*	*0*
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	(68,861)	3,342
	b) other financial assets mandatorily measured at fair value	*(68,861)*	*3,342*
120.	**Net interest and other banking income**	**31,360,043**	**30,214,814**
130.	Net value adjustments/write-backs for credit risk of:	(2,418,328)	(1,974,747)
	a) financial assets measured at amortised cost	*(2,418,328)*	*(1,974,747)*
150.	**Net profit (loss) from financial management**	**28,941,715**	**28,240,067**
160.	Administrative expenses	(11,652,674)	(9.498.702)
	a) personnel expenses	*(6,456,256)*	*(4,860,752)*
	b) other administrative expenses	*(5,196,418)*	*(4,637,950)*
170.	Net provisions for risks and charges	(1,708,605)	(8,674)
	b) other net provisions	*(1,708,605)*	*(8,674)*
180.	Net value adjustments/write-backs on property, plant and equipment	(513,720)	(519,574)
190.	Net value adjustments/write-backs on intangible assets	(528,249)	(397,423)
200.	Other operating income and expenses	989,023	765,365
210.	**Operating costs**	**(13,414,225)**	**(9,659,008)**
220.	Gains (Losses) on equity investments	0	(15,375)
260.	**Pre-tax profit (loss) from current operations**	**15,527,490**	**18,565,684**
270.	**Income taxes for the year on current operations**	(5,892,855)	(6,245,317)
280.	**Profit (loss) from current operations after tax**	**9,634,635**	**12,320,367**
300.	**Profit (loss) for the year**	**9,634,635**	**12,320,367**

STATEMENT OF COMPREHENSIVE INCOME

(values in Euro)

	Asset items	06/30/2026	06/30/2025
10.	**Profit (loss) for the year**	**9,634,635**	**12,320,367**
	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	186,269	57,229
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**	**-**	**-**
180.	**Comprehensive income (Item 10 + 170)**	**9,820,904**	**12,377,596**

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY AS AT 06/30/2026

(values in Euro)

	Balance as at 12/31/2025	Change in opening balances	Balance as at 01/01/2026	Allocation of previous year’s result		Changes in the year						Comprehensive income for 1H 2026	Shareholders’ equity as at 06/30/2026
							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	39,509,349	-	39,509,349	11,572,467	-	-	-	-	-	-	-	-	51,081,817
b) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	339,518
Valuation reserves	151,625	-	151,625	-	-	-	-	-	-	-	-	186,269	337,894
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the year	28,756,157	-	28,756,157	(11,572,467)	(17,183,690)	-	-	-	-	-	-	9,634,635	9,634,635
Shareholders’ equity	**98,378,723**	**-**	**98,378,723**	**-**	**(17,183,690)**	**-**	**-**	**-**	**-**	**-**	**-**	**9,820,904**	**91,015,938**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 06/30/2025
(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 1H 2025	Shareholders' equity as at 06/30/2025
							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	-	-	-	-	-	-	-	-	57,229	187,085
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the year	21,099,149	-	21,099,149	(10,612,044)	(10,487,105)	-	-	-	-	-	-	12,320,367	12,320,367
Sahreholders' equity	**80,087,902**	**-**	**80,087,902**	**-**	**(10,487,105)**	**-**	**-**	**-**	**-**	**-**	**-**	**12,377,596**	**81,978,393**

STATEMENT OF CASH FLOWS (indirect method)

(values in Euro)

A. OPERATING ACTIVITIES	Amount	
	06/30/2026	06/30/2025
1. Management	**23,664,090**	**25,011,208**
- profit (loss) for the year (+/-)	9,634,635	12,320,367
- gains/losses on financial assets held for trading and on other financial assets/liabilities measured at FVtP&L (-/+)	68,861	12,033
- gains/losses on hedging activities (-/+)	-	-
- net value adjustments for credit risk (+/-)	2,551,379	1,974,747
- net value adjustments to property, plant and equipment and intangible assets (+/-)	1,041,970	916,997
- net provisions for risks and charges and other costs/revenues (+/-)	3,217,728	192,753
- unpaid taxes, duties and tax credits (+/-)	5,892,855	6,222,750
- net value adjustments to discontinued operations net of tax effect (+/-)	-	-
- other adjustments (+/-)	1,256,661	3,371,561
2. Liquidity generated/absorbed by financial assets	**(12,030,920)**	**(2,294,345)**
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	32,201	234,208
- financial assets measured at fair value through other comprehensive income	-	-
- financial assets measured at amortised cost	(17,791,819)	(4,189,688)
- other assets	5,728,699	1,661,135
3. Cash flow generated/absorbed by financial liabilities	**(17,429,193)**	**(38,791,926)**
- financial liabilities measured at amortised cost	(18,188,378)	(40,468,602)
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	759,185	1,661,135
Net cash flow generated/absorbed by operating activities	**(5,796,023)**	**(16,075,063)**
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by	**67,261**	**445**
- sales of equity investments	-	-
- dividends collected on equity investments	-	-
- sales of property, plant and equipment	67,261	445
- sales of intangible assets	-	-
- sales of business units	-	-
2. Liquidity absorbed by	**(1,786,726)**	**(545,565)**
- purchases of equity investments	(278,607)	(15,375)
- purchases of property, plant and equipment	(981,872)	(249,064)
- purchases of intangible assets	(526,247)	(281,126)
- purchases of business units	-	-
Net cash flow generated/absorbed by investment activities	**(1,719,465)**	**(545,120)**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares		
- issues/purchases of equity instruments		
- distribution of dividends and other purposes	(17,183,690)	(10,487,105)
Net cash flow generated/absorbed by funding activities	**(17,183,690)**	**(10,487,105)**
NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR	**(24,699,178)**	**(27,107,288)**

RECONCILIATION	Amount	
	06/30/2026	06/30/2025
Cash and cash equivalents at the beginning of the year	122,617,008	122,399,568
Total net cash flow generated/absorbed during the year	**(24,699,178)**	(27,107,288)
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at the end of the year	**97,917,830**	**95,292,280**

Notes

PART A – ACCOUNTING POLICIES

A.1 – GENERAL PART

Section 1 – Statement of compliance with International Accounting

The condensed interim financial statements of Generalfinance S.p.A. as at 30 June 2026 have been prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), as endorsed by the European Commission pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002, taking into account the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) effective at the reporting date.

The condensed interim financial statements have been prepared in accordance with the formats and instructions issued by the Bank of Italy on 17 November 2022, adopted pursuant to Article 9 of Legislative Decree No. 38/2005, as subsequently amended. With regard to the Explanatory Notes, those instructions have been applied to the information required under the International Accounting Standard applicable to interim financial reporting (IAS 34), with which these financial statements comply. In particular, the Company has elected to prepare these financial statements in condensed form, as permitted by IAS 34.

The condensed interim financial statements as at 30 June 2026 do not include all the information required for a full set of annual financial statements. Accordingly, they should be read in conjunction with the Company's annual financial statements as at 31 December 2025. The recognition and measurement principles applied in preparing these condensed interim financial statements are consistent with those adopted for the preparation of the 2025 annual financial statements, as supplemented by the accounting standards endorsed by the European Union and applicable from 1 January 2026.

The applicable regulatory framework also refers to the specific provisions governing the classification of non-performing exposures contained in Bank of Italy Circular No. 217 of 5 August 1996, as subsequently amended.

The condensed interim financial statements, together with the accompanying Directors' Report, comprise the following components:

- Statement of Financial Position;
- Income Statement;
- Statement of Comprehensive Income;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Notes.

The condensed interim financial statements also include the comparative information required by IAS 1 and have been prepared on a going concern basis, taking into account the Company's current and expected future profitability and financial position.

The amounts presented in the financial statements and in the tables included in the Explanatory Notes are expressed in euro units.

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 22 October 2019, the public statement "*European common enforcement priorities for 2019 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.

In applying the interpretations issued by the above-mentioned standard-setting and supervisory bodies, the Company has also taken into account, among other things, the guidance published by the European Securities and Markets Authority (ESMA) in its Public Statement of 13 May 2022, entitled *Implications of Russia's invasion of Ukraine on half-yearly financial reports*, concerning the accounting implications of the Russia–Ukraine conflict for interim financial reporting. Reference should therefore be made to the section entitled *Impacts arising from the Russia–Ukraine conflict* above.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2026

The following IFRS Accounting Standards, amendments and interpretations were applied by the Company for the first time with effect from 1 January 2026:

- On 30 May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. The amendments clarify certain issues identified during the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose contractual cash flows vary depending on the achievement of environmental, social and governance (ESG) targets (e.g. green bonds). In particular, the amendments:
    - clarify the classification of financial assets with variable returns linked to ESG targets and the criteria to be applied when performing the Solely Payments of Principal and Interest (SPPI) assessment; and
    - specify that, where financial liabilities are settled through electronic payment systems, the settlement date 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 transferred on the settlement date, provided that specified conditions are met.

The amendments also introduce additional disclosure requirements, particularly with respect to investments in equity instruments designated at fair value through other comprehensive income (FVOCI). The adoption of these amendments did not have any impact on the Company's financial statements.

- On 18 December 2024, the IASB issued the amendment entitled *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)*. The purpose of the amendments is to assist entities in reporting the financial effects of contracts for the purchase of electricity generated from renewable sources, commonly structured as Power Purchase Agreements (PPAs), under which the quantity of electricity generated and purchased may vary depending on uncontrollable factors such as weather conditions. The amendments:

   - clarify the application of the "own use" exemption to these contracts;
   - introduce criteria permitting such contracts to qualify for hedge accounting; and
   - require additional disclosures enabling users of the financial statements to understand the effects of these contracts on an entity's financial performance and cash flows.

The adoption of these amendments did not have any impact on the Company's financial statements.

- On 18 July 2024, the IASB issued *Annual Improvements to IFRS Accounting Standards – Volume 11*. The publication includes a series of clarifications, simplifications, editorial corrections and minor amendments intended to improve consistency across several IFRS Accounting Standards. The amendments affect:
   - IFRS 1 – *First-time Adoption of International Financial Reporting Standards*;
   - IFRS 7 – *Financial Instruments: Disclosures* (including the accompanying implementation guidance);
   - IFRS 9 – *Financial Instruments*;
   - IFRS 10 – *Consolidated Financial Statements*; and
   - IAS 7 – *Statement of Cash Flows*.

The adoption of these annual improvements did not have any impact on the Company's financial statements.

<u>NEW IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, NOT YET MANDATORY AND NOT ADOPTED EARLY BY THE COMPANY AS AT 30 JUNE 2026</u>

As at the reporting date of these financial statements, the relevant bodies of the European Union had completed the endorsement process for the amendments and standards described below. However, these standards are not yet mandatorily effective and have not been early adopted by the Company as at 30 June 2026.

- On 9 April 2024, the IASB issued the new accounting 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 emphasis on the statement of profit or loss. In particular, IFRS 18 requires entities to:
   - classify income and expenses into three new categories—operating, investing and financing—in addition to the existing categories relating to income taxes and discontinued operations; and
   - present two new mandatory subtotals: operating profit and profit before financing and income taxes (EBIT).

The new standard also:

   - requires enhanced disclosures regarding management-defined performance measures (MPMs);
   - introduces new principles governing the aggregation and disaggregation of financial information; and
   - amends certain aspects of the statement of cash flows, including the requirement to use operating profit as the starting point when presenting cash flows under the indirect method, and removes certain existing accounting policy options relating to the classification of items such as interest paid, interest received, dividends paid and dividends received.

IFRS 18 will become effective for annual reporting periods beginning on or after 1 January 2027, although earlier application is permitted. At the date of these condensed interim financial statements, the Directors are assessing the potential impact of the adoption of the new standard on the Company's financial statements.

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

As at the reporting date of these financial statements, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the amendments and standards described below.

- On 9 May 2024, the IASB issued the new accounting 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 simplified disclosure requirements for the separate financial statements of subsidiaries that:
   - have not issued, and are not in the process of issuing, equity or debt instruments traded in a public market; and

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

  IFRS 19 will become effective for annual reporting periods beginning on or after 1 January 2027, although earlier application is permitted. As Generalfinance's parent company does not prepare consolidated financial statements in accordance with IFRS Accounting Standards, the adoption of IFRS 19 is not expected to have any impact on the Company's financial statements.

- On 13 November 2025, the IASB issued *Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)*. The amendments clarify the translation procedures applicable where an entity presents its financial statements in the currency of a hyperinflationary economy. The amendments apply where:
  - an entity's functional currency is that of a non-hyperinflationary economy and its financial statements are translated into the currency of a hyperinflationary economy; or
  - the financial statements of a foreign operation whose functional currency is that of a non-hyperinflationary economy are translated into the currency of a hyperinflationary economy.

  The amendments will become effective for annual reporting periods beginning on or after 1 January 2027. The Directors do not expect their adoption to have any impact on the Company's financial statements.

- On 27 May 2026, the IASB issued *IFRS 20 – Regulatory Assets and Regulatory Liabilities*. The new standard applies to entities subject to specific forms of rate regulation that create regulatory timing differences.

  The objective of IFRS 20 is to require entities to provide relevant information reflecting the impact of regulatory activities on financial performance and financial position. To achieve this objective, the standard establishes recognition, measurement, presentation and disclosure requirements for regulatory assets, regulatory liabilities, regulatory income and regulatory expenses. Regulatory assets and liabilities represent a subset of the rights and obligations arising under a regulatory agreement.

  The information required by IFRS 20 is intended to enable users of the financial statements to understand:
  - the regulatory income and regulatory expenses arising from regulatory assets and liabilities, thereby providing insight, together with the information required by other IFRS Accounting Standards, into the total compensation permitted for regulated goods or services provided during the reporting period, the entity's financial performance and its future cash flow prospects;
  - the regulatory assets and regulatory liabilities recognised by the entity, thereby providing information regarding its financial position at the reporting date and the amount, timing and uncertainty of future cash flows.

  IFRS 20 will replace IFRS 14 – *Regulatory Deferral Accounts* and will become effective for annual reporting periods beginning on or after 1 January 2029, although earlier application is permitted. The Directors do not expect the adoption of the new standard to have any impact on the Company's financial statements.

- On 27 June 2026, the IASB issued *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)*. The amendments clarify which entities are eligible to measure investments in associates and joint ventures using the fair value option permitted under IAS 28. In particular, the IASB addressed:
  - the lack of clarity surrounding the meaning of "similar entities, including investment-linked insurance funds" and whether this definition should be interpreted narrowly or broadly; and
  - the relationship between the scope of the fair value option under IAS 28 and the requirements introduced by IFRS 18 regarding specified main business activities.

  The amendments will become effective concurrently with IFRS 18, for annual reporting periods beginning on or after 1 January 2027. The Directors do not expect the adoption of these amendments to have any impact on the Company's financial statements.

Section 3 – Events after the reporting date

Save as otherwise disclosed above, up to the date of this Report no material events or circumstances have occurred that would significantly affect the information presented in these condensed interim financial statements.

Finally, in accordance with IAS 10, these condensed interim financial statements were authorised for issue by the Company's Board of Directors on 28 July 2026.

Section 4 – Other aspects

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

The accounting policies adopted in preparing these condensed interim financial statements as at 30 June 2026, including those relating to the classification, recognition, measurement and derecognition of assets and liabilities, as well as the recognition of income and expenses, are unchanged from those applied in the preparation of the annual financial statements as at 31 December 2025, to which reference should therefore be made.

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.

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 06/30/2026			Total 12/31/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	-	-	8,429,449	-	-	8,254,763
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	8,429,449	-	-	8,254,763
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedging derivatives	-	-	20,211	-	-	717,458
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**-**	**-**	**8,449,660**	**-**	**-**	**8,972,221**
1. Financial liabilities held for trading	-	-	-	-	-	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	-	2,717,608	-	-	335,466
Total	**-**	**-**	**2,717,608**	**-**	**-**	**335,466**

During the first half of 2026, the Company received a partial redemption of its investment in the *VER Capital Credit Partners IX – Trade Receivables* alternative investment fund (AIF) amounting to EUR 35,060 and distributions totalling EUR 67,186. In relation to the *Finint Special Credit Opportunity Fund* AIF, the Company made additional capital contributions amounting to EUR 278,607.

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	**8,254,763**	**-**	**-**	**8,254,763**	**-**	**717,458**	**-**	**-**
2. Increases	**304,670**	**-**	**-**	**304,670**	**-**	**-**	**-**	**-**
2.1. Purchases	278,607	-	-	278,607	-	-	-	-
2.2. Profits allocated to:	26,063	-	-	26,063	-	-	-	-
2.2.1. Income statement	26,063	-	-	26,063	-	-	-	-
of which capital gains	26,063	-	-	26,063	-	-	-	-
2.2.2. Shareholders' equity	-	X	X	-	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	**129,984**	**-**	**-**	**129,984**	**-**	**697,247**	**-**	**-**
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Refunds	35,060	-	-	35,060	-	-	-	-
3.3. Losses allocated to:	94,924	-	-	94,924	-	-	-	-
3.3.1. Income statement	94,924	-	-	94,924	-	-	-	-
of which capital losses	94,924	-	-	94,924	-	-	-	-
3.3.2. Shareholders' equity	-	X	X	-	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	697,247	-	-
4. Closing balance	**8,429,449**	**-**	**-**	**8,429,449**	**-**	**20,211**	**-**	**-**

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 06/30/2026				Total 12/31/2025			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	684,098,984	-	-	684,098,984	668,858,544	-	-	668,858,544
2. Property, plant and equipment held for investment purposes	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups	-	-	-	-	-	-	-	-
Total	**684,098,984**	**-**	**-**	**684,098,984**	**668,858,544**	**-**	**-**	**668,858,544**
1. Financial liabilities measured at amortised cost	658,831,720	-	-	658,831,720	673,071,823	-	-	673,071,823
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	**658,831,720**	**-**	**-**	**658,831,720**	**673,071,823**	**-**	**-**	**673,071,823**

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 06/30/2026	Total 12/31/2025
Cash	3,612	860
"On demand" loans to banks	92,912,359	122,613,697
"Term" loans to banks	4,999,900	-
Total	**97,915,871**	**122,614,557**

The amount of Euro 92,912,359 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 30 June 2026, the positive balance of the current accounts subject to pledge amounts to Euro 54,002,612, while the outstanding amount of the medium/long-term loan with the pool of banks, including accrued interest expense, amounts to Euro 205,779,143.

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 06/30/2026			Total 12/31/2025		
	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	**-**	**-**	**8,406,475**	**-**	**-**	**8,231,789**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	**-**	**-**	**8,429,449**	**-**	**-**	**8,254,763**

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.

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 06/30/2026						Total 12/31/2025					
	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	**63,471**	**-**	**-**	**-**	**-**	**63,471**	**464,732**	**-**	**-**	**-**	**-**	**464,732**
3.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	63,471	-	-	-	-	63,471	464,732	-	-	-	-	464,732
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	63,471	-	-	-	-	63,471	464,732	-	-	-	-	464,732
3.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
5. Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**63,471**	**-**	**-**	**-**	**-**	**63,471**	**464,732**	**-**	**-**	**-**	**-**	**464,732**

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 06/30/2026						Total 12/31/2025					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3
1. Loans	**10,025,287**	**-**	**-**	**-**	**-**	**10,025,287**	**29,369**	**-**	**-**	**-**	**-**	**29,369**
1.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	10,025,287	-	-	-	-	10,025,287	29,369	-	-	-	-	29,369
- with recourse	9,512,409	-	-	-	-	9,512,409	-	-	-	-	-	-
- without recourse	512,878	-	-	-	-	512,878	29,369	-	-	-	-	29,369
1.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	**-**	-	-	-	-	**-**	-	-	-	-	-	**-**
Total	**10,025,287**	**-**	**-**	**-**	**-**	**10,025,287**	**29,369**	**-**	**-**	**-**	**-**	**29,369**

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 06/30/2026						Total 12/31/2025					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3	First and second stage	Third stage	Impaired purchased or originated	L1	L2	L3
1. Loans	**665,040,680**	**8,969,545**	**-**	**-**	**-**	**674,010,225**	**663,759,630**	**4,604,813**	**-**	**-**	**-**	**668,364,443**
1.1 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
of which: without final purchase option	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	665,040,680	8,969,545	-	-	-	674,010,225	663,759,630	4,604,813	-	-	-	668,364,443
- with recourse	523,208,029	7,645,877	-	-	-	530,853,906	486,655,354	2,950,988	-	-	-	489,606,342
- without recourse	141,832,651	1,323,668	-	-	-	143,156,319	177,104,276	1,653,825	-	-	-	178,758,101
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**665,040,680**	**8,969,545**	**-**	**-**	**-**	**674,010,225**	**663,759,630**	**4,604,813**	**-**	**-**	**-**	**668,364,443**

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 06/30/2026			Total 12/31/2025		
	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:	**665,040,680**	**8,969,546**	**-**	**663,759,630**	**4,604,813**	**-**
a) Public administrations	16,830,021	-	-	34,379,453	-	-
b) Non-financial companies	643,056,868	8,966,348	-	616,638,590	4,604,813	-
c) Households	5,153,791	3,199	-	12,741,587	-	-
3. Other assets	-	-	-	-	-	-
Total	**665,040,680**	**8,969,546**	**-**	**663,759,630**	**4,604,813**	**-**

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	654,770,113	-	23,495,242	11,923,553	-	2,409,397	726,520	2,954,006	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total 06/30/2026	**654,770,113**	**-**	**23,495,242**	**11,923,553**	**-**	**2,409,397**	**726,520**	**2,954,006**	**-**	**-**
Total 12/31/2025	**629,124,062**	**-**	**38,156,432**	**7,429,399**	**-**	**1,588,338**	**1,438,424**	**2,824,587**	**-**	**-**

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 06/30/2026						Total 12/31/2025					
	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:	-	-	9,512,409	9,512,409	469,507,498	469,049,724	-	-	-	-	510,440,559	487,136,435
- Assets under finance lease	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables for factoring	-	-	9,512,409	9,512,409	447,534,360	447,534,360	-	-	-	-	422,790,291	422,790,292
- Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
- Pledges	-	-	-	-	6,620,451	6,252,875	-	-	-	-	29,003,428	13,209,878
- Personal guarantees	-	-	-	-	15,352,687	15,262,490	-	-	-	-	58,646,840	51,136,265
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-performing assets guaranteed by:	-	-	-	-	6,377,958	6,377,958	-	-	-	-	2,350,988	2,350,988
- Assets under finance lease	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables for factoring	-	-	-	-	6,377,958	6,377,958	-	-	-	-	2,350,988	2,350,988
- Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
- Pledges	-	-	-	-	-	-	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**9,512,409**	**9,512,409**	**475,885,455**	**475,427,682**	**-**	**-**	**-**	**-**	**512,791,547**	**489,487,423**

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 06.30.2026	Fair value 06.30.2026			NV 12.31.2025	Fair value 12.31.2025		
		L1	L2	L3		L1	L1	L2
A. Financial derivatives	-	-	-	-	-	-	-	-
1) Fair value	20,211	-	-	20,211	717,458	-	-	717,458
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign Investments	-	-		-	-	-		-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**20,211**	**-**	**-**	**20,211**	**717,458**	**-**	**-**	**717,458**

As part of its Asset and Liability Management (ALM) policies and interest rate risk management strategy, the Company entered into three Interest Rate Swap (IRS) agreements with Intesa Sanpaolo S.p.A. in order to hedge the risk that fluctuations in interest rates could adversely affect the fair value of certain fixed-rate debt instruments issued by the Company. Specifically:

1. the Interest Rate Swap entered into on 16 October 2025 hedges two senior unsecured non-convertible bonds with an aggregate nominal outstanding amount of EUR 80 million;
2. the Interest Rate Swap entered into on 24 November 2025 hedges the interest rate risk relating to a callable Tier 2 subordinated bond with a nominal outstanding amount of EUR 30 million; and
3. the Interest Rate Swap entered into on 15 January 2026 hedges the interest rate risk relating to a senior unsecured non-convertible bond with a nominal outstanding amount of EUR 20 million.

As at 30 June 2026, the second Interest Rate Swap had a positive fair value of EUR 20,211, while the first and third swaps, as described below, had an aggregate negative fair value of EUR 2,717,608.

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	20,211	-	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total Liabilities	**20,211**	-	-	-	-	-	-	-	-	-
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 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 06/30/2026	Total 12/31/2025
1. Owned assets	**3,055,187**	**2,346,359**
a) land	178,952	178,952
b) buildings	1,565,862	1,601,069
c) furniture	189,215	206,339
d) electronic systems	-	-
e) others	1,121,158	360,000
2. Rights of use acquired through leasing	**3,360,839**	**3,601,515**
a) land	-	-
b) buildings	2,995,611	3,210,059
c) furniture	-	-
d) electronic systems	-	-
e) others	365,228	391,456
Total	**6,416,026**	**5,947,875**
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.

Section 9 – Intangible assets – Item 90

9.1 Intangible assets: breakdown

Items/Valuation	Total 06/30/2026		Total 12/31/2025	
	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	**4,065,265**	-	**3,771,814**	-
- generated internally	1,400,427	-	1,271,838	-
- others	2,664,838	-	2,499,976	-
2.2 rights of use acquired through leasing		-	-	-
Total 2	**4,065,265**	**-**	**3,771,814**	**-**
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)	**4,065,265**	**-**	**3,771,814**	**-**
Total	**4,065,265**		**3,771,814**	

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.

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

Name	Total 06/30/2026	Total 12/31/2025
Current tax assets	6,352,895	9,979,114
Deferred tax assets	1,277,579	597,779
Total	**7,630,474**	**10,576,893**

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 4,877,938 and IRAP advance payments amounting to Euro 1,474,957.

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 06/30/2026	Total 12/31/2025
Current tax liabilities	6,572,620	14,844,419
Deferred tax liabilities	128,167	57,513
Total	**6,700,787**	**14,901,932**

The item "*Current tax liabilities*" consists of payables to the Tax Authorities for IRES amounting to Euro 5,031,836, for IRAP amounting to Euro 1,535,297 and for for taxation in Spain amounting to Euro 5,487.

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.

Section 12 – Other assets – Item 120

12.1 Other assets: breakdown

Items/Values	Total 06/30/2026	Total 12/31/2025
Tax credits (i.e., Superbonus 110%)	7,913,376	11,433,612
Other assets	8,151,902	3,906,339
Prepaid expenses	3,822,937	3,744,976
Invoices to be issued	1,477,437	1,607,048
Other tax credits *(Art Bonus, Digital Innovation 4.0, Industry 4.0 capital goods, others)*	393,386	53,267
Witholding tax	182,747	225,974
Security deposits	106,371	91,585
Suppliers advances	85,504	291,641
Accrued income	50,058	40,935
Total	**22,183,718**	**21,395,377**

The item "Superbonus 110% tax credits" decreased significantly compared with 31 December 2025, by approximately EUR 3.5 million, as the tax credits offset against the Company's tax liabilities during the first half of the year exceeded the tax credits acquired over the same period.

The item "Other assets" includes receivables of EUR 5.982 million arising from the disposal of three single-name exposures and receivables of EUR 1.804 million due from Intesa Sanpaolo, the counterparty to the three interest rate hedging derivatives entered into by the Company. These receivables represent the portion of fixed-rate interest accrued as at 30 June 2026 that the Company is entitled to receive from Intesa Sanpaolo under the relevant derivative contracts.

The item "Invoices to be issued" includes accrued interest income relating to the non-recourse assignment (*pro soluto*) of VAT receivables, which will be invoiced during 2026.

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	Totale 06/30/2026			Totale 12/31/2025		
	to banks	to financial companies	to customers	to banks	to financial companies	to customers
1. Loans	**234,974,114**	**74,258,589**	**4,887,105**	**276,339,309**	**80,292,630**	**-**
1.1 repurchase agreements	-	-	-	-	-	-
1.2 other loans	234,974,114	74,258,589	-	276,339,309	80,292,630	-
2. Lease payables	**-**	**-**	**2,618,183**	**-**	**-**	**2,785,140**
3. Other payables	**-**	**162,841,614**	**2,268,922**	**-**	**158,957,431**	**1,203,684**
Total	**234,974,114**	**237,100,203**	**4,887,105**	**276,339,309**	**239,250,061**	**3,988,824**
Fair value – level 1	-	-	-	-	-	-
Fair value – level 2	-	-	-	-	-	-
Fair value – level 3	**234,974,114**	**237,100,203**	**4,887,105**	**276,339,309**	**239,250,061**	**3,988,824**
Total Fair Value	**234,974,114**	**237,100,203**	**4,887,105**	**276,339,309**	**239,250,061**	**3,988,824**

Accordingly, the total amount of this item is EUR 481,848,527, representing a decrease of EUR 37.7 million compared with 31 December 2025. This reduction is mainly attributable to the EUR 55.2 million decrease in the syndicated loan facility, only partially offset by increases in other sub-items, including other amounts due to banks (EUR 13.9 million) and funding provided by the securitisation vehicle General SPV S.r.l. (EUR 3.9 million).

Payables to banks refer to:

Technical form	Amount
Current account exposures for SBF advances	9,877,990
Unsecured loans	19,316,976
Pool loan	205,779,148
Total	**234,974,114**

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

Bank	Expiry date	Outstanding
Cassa di Risparmio di Asti S.p.A.	09/29/2027	10,086,864
Intesa Sanpaolo S.p.A.	09/30/2027	9,230,112
Total amount		**19,316,976**

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.

These covenants have been complied with at all times since the execution of the RCF Agreement and remained within the contractual limits as of 30 June 2026.

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

The item "Other liabilities" due to financial institutions relates to amounts payable to the special purpose vehicle General SPV S.r.l. in connection with the securitisation transaction completed on 13 December 2021. The transaction was renewed ahead of schedule in December 2024 for a further three-year period, extending its maturity to 31 December 2027, and relates to a revolving portfolio of performing trade receivables arising from the Company's factoring business.

The contractual documentation governing the securitisation transaction includes certain trigger events agreed with the lenders, upon the occurrence of which the transaction may enter into an amortisation phase. These triggers relate primarily to the performance of the securitised portfolio, including delinquency and default levels, and remained comfortably within the contractual thresholds as at 30 June 2026.
The acquisition of the receivables is financed through the issuance of several classes of partly paid asset-backed securities (ABS), each with a different level of subordination. Following the addition of a fourth senior lender in January 2026, the programme currently provides for a maximum aggregate amount of EUR 420 million of senior notes (representing the committed funding lines provided by the lenders), compared with EUR 345 million as at 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 06/30/2026				Total 12/31/2025			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	**142,474,743**	**-**	**-**	**142,474,743**	**126,719,069**	**-**	**-**	**126,719,069**
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	142,474,743	-	-	**142,474,743**	126,719,069	-	-	**126,719,069**
2. other securities	**34,508,450**	**-**	**-**	**34,508,450**	**26,774,560**	**-**	**-**	**26,774,560**
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	34,508,450	-	-	34,508,450	26,774,560	-	-	26,774,560
Total	**176,983,193**	**-**	**-**	**176,983,193**	**153,493,629**	**-**	**-**	**153,493,629**

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) *Bond Senior Unsecured* issued in three tranches*:*

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
01/20/2026	17/04/2028	5.50% (Fixed)	Annual	20,000
Total				**100,000**

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 30 June 2026.

Commercial Papers	Issued Date	Maturity Date	Annual rate	Amount (EUR /000)
1	01/21/2026	07/21/2026	2.996%	10,000
2	03/10/2026	03/10/2027	3.257%	10,000
3	06/10/2026	12/09/2026	3.650%	10,000
4	06/29/2026	12/29/2026	3.531%	5,000
Total				**35,000**

1.3 Payables and subordinated securities

As noted in the previous section, the item “Debt securities in issue” includes subordinated debt relating to the issuance of Tier 2 senior unsecured notes with an aggregate nominal amount of EUR 42.5 million.

On 20 August 2025, Generalfinance entered into a new financing agreement with Cassa Depositi e Prestiti (CDP) under the EUR 1 billion funding facility dedicated to the factoring sector, established pursuant to the framework agreement recently executed between CDP and Assifact to support SMEs and mid-cap companies. The agreement enabled Generalfinance to obtain funding from CDP through an initial facility of EUR 7.5 million, intended to finance the acquisition of trade receivables assigned by its customers. The facility was subsequently increased to EUR 31.9 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 06.30.2026	Fair value 06.30.2026			NV 12.31.2025	Fair value 12.31.2025		
		L1	L2	L3		L1	L1	L2
A. Financial derivatives	-	-	-	-	-	-	-	-
1) Fair value	2,717,608	-	-	2,717,608	335,466	-	-	335,466
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**2,717,608**	**-**	**-**	**2,717,608**	**335,466**	**-**	**-**	**335,466**

As at 30 June 2026, two of the three Interest Rate Swaps had an aggregate negative fair value of EUR 2,717,608.

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	2,717,608	-	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total Liabilities	**2,717,608**	-	-	-	-	-	-	-	-	-
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 06/30/2026	Total 12/31/2025
Payables from factoring transactions	49,054,108	37,060,711
Deferred income	5,987,086	4,461,000
Other payables	4,054,165	2,609,221
Trade payables	3,222,887	3,473,902
Accrued expenses	1,724,086	1,864,775
Payables to employees	1,228,532	1,482,865
Payables to directors	611,677	917,448
Tax payables	502,025	404,781
Payables to social security and welfare institutions	484,528	431,232
Total	**66,869,094**	**52,705,935**

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.

Section 9 – Employee severance indemnity – Item 90

9.1 Employee severance indemnity: annual changes

	Total 06/30/2026	Total 12/31/2025
A. Opening balance	**1,716,029**	**1,550,314**
B. Increases	**105,788**	**207,563**
B.1 Provision for the year	105,788	207,563
B.2 Other increases	-	-
C. Decreases	**393,959**	**41,848**
C.1 Payments made	135,979	6,158
C.2 Other decreases	257,980	35,690
D. Closing balance	**1,427,858**	**1,716,029**

The liability recognised in the financial statements as at 30 June 2026, 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 growth and salary inflation: Based on the analyses performed using the Company's data as at 31 May 2026, an annual salary increase rate of 4% has been assumed for all employee categories. In addition to this salary growth assumption, an annual inflationary increase has also been incorporated, based on the inflation indices described below.

Probability and average utilisation rates of the TFR provision: Given the relatively small size of the employee population under review, the probabilities and utilisation rates have been estimated according to employees' length of service and by reference to the experience observed in comparable companies.

Probability of exit due to death: Mortality assumptions are based on the ISTAT SIM/F 2024 mortality tables published by the Italian National Institute of Statistics (ISTAT), differentiated by gender.

Probability of exit due to retirement: Given the limited size of the employee population, the Company has adopted the actuarial assumptions used by comparable entities. These probabilities, differentiated by gender and employee category, reflect the most recent legislative provisions governing retirement age.

Probability of exit for reasons other than death or retirement (e.g. resignation, permanent disability, etc.): Based on the

Company's historical experience, this probability has been assumed at 5% per annum.

TFR revaluation rates: Inflation has been assumed at a flat 2%, corresponding to the European Central Bank's medium-term inflation target for the euro area.

Discount rates: The valuation has been performed using the Europe Corporate AA yield curve published by Bloomberg Finance as at 30 June 2026.

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	**1,435**	
Sensitivity with respect to interest rates		
I) 0.5% decrease in rates	1,491	3.92%
II) 0.5% increase in interest rates	1,382	(3.68%)
Sensitivity with respect to the salary scale		
III) 0.5% decrease in the salary scale	1,434	(0.03%)
IV) 0.5% increase in the salary scale	1,435	0.03%

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items/Values	Total 06/30/2026	Total 12/31/2025
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	**227,248**	**218,408**
4. Other provisions for risks and charges	**2,969,747**	**808,965**
4.1 legal and tax disputes	1,758,365	-
4.2 personnel expenses	50,746	41,399
4.3 others	1,160,636	767,566
Total	**3,196,995**	**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

The item "Other provisions for risks and charges" relates almost entirely to the provision recognised in connection with the Long-Term Incentive Plan (LTIP) for the 2025–2027 performance period, approved by the Board of Directors at its meeting of 28 February 2025.

As at the date of this report, the Company is involved in six legal proceedings as defendant. Based on the opinions provided by the external legal counsel appointed to represent the Company, four of these proceedings have been assessed as involving a *remote* risk of loss.

With respect to one bankruptcy claw-back action (*Fallimento Industries Sportswear Company S.r.l.*), referred to in the Directors' Report, the risk of an adverse outcome has been assessed as *probable*, following the unfavourable judgment issued by the Court of Appeal of Venice and on the basis of the legal opinions obtained. In relation to this litigation, the parties are in the process of finalising a settlement for an amount of EUR 1.7 million, which has been fully recognised as a provision for risks and charges in these condensed interim financial statements.

The Company is also involved in litigation initiated by a former customer, which has been assessed as involving a *possible* risk of loss based on the legal opinions obtained. The claimant alleges that, during the contractual relationship, economic terms exceeding the legally permitted limits were applied. The amount claimed is approximately EUR 362,000.

Consistent with the applicable accounting standards and the Company's internal accounting policies, no provisions have been recognised in respect of litigation assessed as involving a *possible* risk of loss. Conversely, a provision of EUR 1.7 million has been recognised in relation to the litigation assessed as involving a *probable* risk of loss, which was subsequently settled in July 2026 for the aforementioned amount.

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 30 June 2026, 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 61.897% 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 4.765% of the voting rights);
- **BFF Bank S.p.A. (BFF)**, which holds approximately 8.021% of the share capital (approximately 4.000% 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 7.341% of the voting rights)**;**
- **Banca del Ceresio SA (BS),** which holds approximately 4.773% of the share capital (approximately 6.352% of the voting rights);
- (free float) **market,** which overall holds approximately 31.369% of the share capital (approximately 15.644% of total voting rights).

The Company's shares are all ordinary shares listed on Euronext STAR Milan. They carry equal administrative and economic rights, as provided by law and the Company's Articles of Association, subject to the provisions relating to the enhanced voting rights mechanism described below. The shares are indivisible, registered, freely transferable *inter vivos* and transferable upon death. They are subject to the laws and regulations from time to time governing the registration, ownership and transfer of financial instruments admitted to trading on regulated markets. The shares are issued in dematerialised form.

Pursuant to Article 127-quinquies of Legislative Decree No. 58 of 24 February 1998 (the Italian Consolidated Financial Act or TUF), each share held by the same shareholder, by virtue of a legal entitlement to exercise voting rights (full ownership with voting rights, bare ownership with voting rights, or usufruct with voting rights), for an uninterrupted period of at least 24 months, as evidenced by continuous registration in the Company's special register maintained for such purpose, is entitled to two voting rights. Furthermore, to the extent permitted by the legislation in force from time to time, each share held by the same shareholder by virtue of such voting entitlement acquires one additional voting right upon the expiry of each subsequent 12-month period following completion of the initial 24-month holding period, up to a maximum of ten voting rights per share.

The Board of Directors is responsible for verifying that the conditions required for the attribution of enhanced voting rights have been satisfied.

As at 30 June 2026, the shareholders GGH – Gruppo General Holding S.r.l., First4Progress 1 S.r.l. and Banca del Ceresio SA benefited from the enhanced voting rights mechanism applicable to shares for which the uninterrupted 36-month registration period in the Special Register had been completed.

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

With regard to the enhanced voting rights mechanism, it should also be noted that, on 26 March 2026, Investment Club S.r.l. notified the Company of its decision to waive the enhanced voting rights previously accrued in respect of its entire shareholding. Consequently, each share held by Investment Club currently carries one voting right only.

11.2 Treasury shares: breakdown

As at 30 June 2026 and 31 December 2025, the Company held no treasury shares.

11.3 Equity instruments: breakdown

As at 30 June 2026 and 31 December 2025, 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	-

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	06/30/2026	06/30/2025
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	**-**	**20,350,027**	X	**20,350,027**	**20,722,538**
3.1 Loans to banks	-	703,018	X	703,018	**511,339**
3.2 Receivables from financial companies	-	406,856	X	406,856	**604,643**
3.3 Loans to customers	-	19,240,153	X	19,240,153	**19,606,556**
4. Hedging derivatives	X	X	**-**	**-**	**-**
5. Other assets	X	X	1,158,122	**1,158,122**	**270,826**
6. Financial liabilities	X	X	**X**	**-**	**-**
Total	**-**	**20,350,027**	**1,158,122**	**21,508,151**	**20,993,364**
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	06/30/2026	06/30/2025
1. Financial liabilities measured at amortised cost	**9,200,768**	**4,780,911**	-	**13,981,679**	**15,996,617**
1.1 Due to banks	4,207,849	X	X	**4,207,849**	**5,129,356**
1.2 Payables to financial companies	4,929,633	X	X	**4,929,633**	**6,450,305**
1.3 Due to customers	63,286	X	X	**63,286**	**61,674**
1.4 Securities issued	X	4,780,911	X	**4,780,911**	**4,355,283**
2. Financial liabilities held for trading	-	-	-	**-**	**-**
3. Financial liabilities designated at fair value	-	-	-	**-**	**-**
4. Other liabilities	X	X	19	**19**	**1**
5. Hedging derivatives	X	X	409,593	**409,593**	**-**
6. Financial assets	X	X	X	**-**	**-**
Total	**9,200,768**	**4,780,911**	**409,612**	**14,391,291**	**15,996,618**
of which: interest expense on lease payables	**63,286**	**X**	**X**	**63,286**	**61,674**

Section 2 – Commissions – Items 40 and 50

2.1 Fee and commission income: breakdown

Detail	Total 06/30/2026	Total 06/30/2025
a) lease transactions	-	-
b) factoring transactions	26,953,384	26,702,258
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	**26,953,384**	**26,702,258**

2.2 Fee and commission expense: breakdown

Detail/Sectors	Total 06/30/2026	Total 06/30/2025
a) guarantees received	71,713	185
b) distribution of services by third parties	-	-
c) collection and payment services	-	-
d) other commissions	2,590,667	3,689,157
d.1 advances on business loans (Law no. 52/91)	885,458	1,344,433
d.2 others	1,705,209	2,344,724
Total	**2,662,380**	**3,689,342**

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.
Within the sub-item "Corporate receivables financing transactions (Law No. 52/1991)", commissions paid to agents and intermediaries amount to EUR 310,146, compared with EUR 253,784 in the corresponding prior-year period.
The sub-item "Other" consists primarily of bank fees and commissions amounting to EUR 528,772 and credit insurance costs amounting to EUR 857,169.

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 06/30/2026	Total 06/30/2025
	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	**(1,002)**	**-**	**-**	**-**	**-**	**-**	**1,498**	**-**	**-**	**-**	**496**	272
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(1,002)	-	-	-	-	-	1,498	-	-	-	496	272
2. Receivables from financial companies	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	-	1
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	
- other receivables	-	-	-	-	-	-		-	-	-	-	1
3. Loans to customers	**(821,059)**	**(41,152)**	**(105,558)**	**(2,922,420)**	**-**	-	**753,056**	**-**	**718,311**	-	**(2,418,824)**	**1,975,019**
- for leases	-	-	-	-	-	-	-	-	-	-	-	
- for factoring	(821,059)	(41,152)	(105,558)	(2,922,420)	-	-	753,056	-	718,311	-	(2,418,824)	1,975,019
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- loans on pledge	-	-	-	-	-	-	-	**-**	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(822,062**	**(41,152)**	**(105,558)**	**(2,922,420)**	**-**	**-**	**754,554**	**-**	**718,311**	**-**	**(2,418,328)**	**(1,974,747)**

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."

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 06/30/2026	Total 06/30/2025
1. Employees	**5,399,244**	**4,036,927**
a) wages and salaries	3,545,276	2,695,721
b) social security contributions	879,596	719,548
c) employee severance indemnity	2,511	2,516
d) social security expenses	-	-
e) employee severance indemnity provision	179,287	106,718
f) allocation to the provision for pensions and similar obligations:		
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	119,186	79,239
- defined contribution	119,186	79,239
- defined benefit	-	-
h) other employee benefits	673,388	433,140
2. Other active personnel	**-**	**2,000**
3. Directors and Statutory Auditors	**1,057,012**	**821,651**
4. Retired personnel	**-**	**-**
5. Expense recoveries for employees seconded to other companies	**-**	**-**
6. Reimbursement of expenses for employees seconded to the company	**-**	**-**
Total	**6,456,256**	**4,860,752**

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.

10.3 Other administrative expenses: breakdown

Type of expense/Values	Total 06/30/2026	Total 06/30/2025
Professional fees and consultancy	2,247,661	2,532,398
Utility costs	815,300	392,712
Representation and advertising expenses	635,643	179,848
Commercial information	477,744	437,559
Travel and transportation expenses	295,761	238,643
Indirect taxes	158,577	85,595
Rent payable and condominium expenses	108,020	63,832
Postal and shipping expenses	101,880	154,224
Maintenance expenses	97,504	95,823
Insurance expenses	53,244	19,959
Stationery and general office supplies	21,069	10,983
Other administrative expenses	184,015	426,374
Total	**5,196,418**	**4,637,950**

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	06/30/2026	06/30/2025
1. Allocations to the pension fund	**8,605**	**-**	**-**	**-**	**8,605**	**8,674**
2. Allocations to other provisions for risks and charges:	**-**	**-**	**-**	**-**	**-**	**-**
a) legal and tax disputes	1,700,000	-	-	-	**1,700,000**	**-**
b) personnel expenses	-	-		-	-	-
c) others	-	-	-	-	-	-
Total	**1,708,605**	**-**	**-**	**-**	**1,708,605**	**8,674**

The provision included in the table relates almost entirely to the supplementary indemnity payable to commercial agents upon termination of the agency relationship.

Section 14 – Other operating income and expenses – Item 200

14.1 Other operating expenses: breakdown

	Total 06/30/2026	Total 06/30/2025
Non-recurring losses	-	(244,202)
Donations	(34,040)	(88,500)
Others	(228,962)	(101,993)
Total	**(263,002)**	**(434,695)**

14.2 Other operating income: breakdown

	Total 06/30/2026	Total 06/30/2025
Expense reimbursements	744,900	471,052
Non-recurring gains	144,133	362,852
Others	362,992	366,156
Total	**1,252,025**	**1,200,060**

The sub-item "Other" includes direct costs of EUR 295,453, consisting primarily of personnel costs incurred in the internal development of software.

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

19.1 Income taxes for the year on current operations: breakdown

	Total 06/30/2026	Total 06/30/2025
1. Current taxes (-)	(6,572,655)	(6,228,132)
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 (+/-)	679,800	(17,185)
5. Change in deferred tax liabilities (+/-)	-	-
6. Taxes for the year (-) (-1+/-2+3+3 bis+/-4+/-5)	**(5,892,855)**	**(6,245,317)**

Current income taxes for the first half of 2026 are estimated at EUR 5,031,836 for IRES (Italian corporate income tax), EUR 1,535,297 for IRAP (Italian regional tax on productive activities), and EUR 5,522 in respect of current tax arising from the Spanish branch.

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 movement in deferred tax assets reflects the net effect of increases of EUR 250,705 arising from new deferred tax assets recognised during the first half of the year and decreases of EUR 930,505 resulting from the reversal of temporary differences previously recognised for tax purposes in prior financial years.

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	06/30/2026	06/30/2025
Earnings (loss) attributable to holders of ordinary shares	9,634,635	12,320,367
Weighted average of ordinary shares	12,635,066	12,635,066
Basic earnings (loss) per share	**0.76**	**0.97**

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.

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 06/30/2026			Total 12/31/2025		
	Gross value	Value adjustments	Net value	Gross value	Value adjustments	Net value
1. Performing	**678,265,355**	**3,135,917**	**675,129,439**	**667,280,494**	**3,026,762**	**664,253,732**
• exposures to transferors (with recourse)	534,934,456	2,214,017	532,720,439	489,198,052	2,542,696	486,655,355
- assignment of future receivables	77,086,881	1,413,211	75,673,669	65,819,851	1,954,787	63,865,064
- others	457,847,576	800,806	457,046,770	423,378,201	587,909	422,790,292
• exposures to transferred debtors (without recourse)	143,330,899	921,900	142,408,999	178,082,442	484,065	177,598,377
2. Non-performing	**11,923,553**	**2,954,006**	**8,969,546**	**7,429,399**	**2,824,587**	**4,604,813**
2.1 Bad loans	1,892,273	1,341,061	551,212	2,943,093	1,588,713	1,354,380
• exposures to transferors (with recourse)	1,892,273	1,341,061	551,212	2,943,093	1,588,713	1,354,380
- assignment of future receivables	-	-	-	-	-	-
- others	1,892,273	1,341,061	551,212	2,943,093	1,588,713	1,354,380
• exposures to transferred debtors (without recourse)	-	-	-	-	-	-
- purchases below the nominal value	-	-	-	-	-	-
- others	-	-	-	-	-	-
2.2 Unlikely to pay	3,157,456	915,452	2,242,003	2,511,438	1,016,675	1,494,763
• exposures to transferors (with recourse)	1,295,040	366,707	928,333	2,458,357	1,010,730	1,447,627
- assignment of future receivables	-	-	-	1,500,000	900,000	600,000
- others	1,295,040	366,707	928,333	958,357	110,730	847,627
• exposures to transferred debtors (without recourse)	1,862,416	548,746	1,313,670	53,081	5,945	47,136
- purchases below the nominal value	-	-	-	-	-	-
- others	1,862,416	548,746	1,313,670	53,081	5,945	47,136
2.3 Non-performing past due exposures	6,873,824	697,493	6,176,331	1,974,868	219,199	1,755,669
• exposures to transferors (with recourse)	6,862,715	696,382	6,166,333	165,533	16,553	148,980
- assignment of future receivables	1,410,014	142,094	1,267,920	-	-	-
- others	5,452,701	554,288	4,898,413	165,533	16,553	148,980
• exposures to transferred debtors (without recourse)	11,109	1,111	9,999	1,809,335	202,646	1,606,689
- purchases below the nominal value	-	-	-	-	-	-
- others	11,109	1,111	9,999	1,809,335	202,646	1,606,689
Total	**690,188,907**	**6,089,924**	**684,098,983**	**674,709,893**	**5,851,348**	**668,858,544**

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.3 – Other information

B.3.1 – Turnover of receivables subject to factoring transactions

Items	06/30/2026	06/30/2025
1. Transactions without recourse	364,759,423	469,150,373
- of which: purchases below nominal value	-	-
2. Transactions with recourse	1,354,766,935	1,180,740,445
Total	**1,719,526,359**	**1,649,890,818**

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

Items	06/30/2026	06/30/2025
Flow of contracts for the purchase of future receivables during the year	279,767,777	180,638,975
Amount of contracts outstanding at year-end	145,154,218	151,968,017

As at 30 June 2026, the net exposure for future receivables amounted to EUR 79,215,105.

D. Guarantees given and commitments

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

Transactions	Amount 06/30/2026	Amount 12/31/2025
1. Financial guarantees issued on first demand	**133,148,306**	**94,428,795**
a) Banks	54,002,612	14,136,165
b) Financial companies	79,145,694	80,292,630
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	**133,148,306**	**94,428,795**

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 30 June 2026, the positive balance of the current accounts subject to the pledge amounts to EUR 54,002,612, while the debt related to the medium-to-long-term financing with the pool of banks, including accrued interest, amounts to EUR 205,779,143.
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.

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 13 December 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 14 June and 9 December 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 16 December 2025, the entry of UniCredit as a new senior lender was finalised, effective from January 2026.

The acquisition of receivables is financed through the issuance of several classes of partly paid asset-backed securities (ABS), each with a different level of subordination. Following the entry of the new lender and the issuance of the new *Senior Notes A4*, as of 30 June 2026 the structure of the programme was amended as follows:

- Senior Notes A1: maximum committed facility of EUR 150,000,000, subscribed by BNP Paribas through Matchpoint Finance LTD, comprising a committed amount of EUR 75 million and an uncommitted amount of EUR 75 million;
- Senior Notes A2: maximum committed facility of EUR 100,000,000, subscribed by Intesa Sanpaolo through Duomo Funding PLC, comprising a committed amount of EUR 75 million and an uncommitted amount of EUR 25 million;
- Senior Notes A3: maximum committed facility of EUR 70,000,000, subscribed by Banco BPM, comprising a committed amount of EUR 70 million;
- Senior Notes A4: maximum committed facility of EUR 100,000,000, subscribed by UniCredit Bank GmbH, comprising a committed amount of EUR 50 million and an uncommitted amount of EUR 50 million;
- Mezzanine Notes B1, B2, B3 and B4: maximum principal amount of EUR 47,900,000, fully subscribed and retained by Generalfinance, with the possibility of subsequent placement with institutional investors; and
- Junior Notes: maximum principal amount of EUR 30,900,000, fully subscribed and retained by Generalfinance, including for the purpose of complying with the applicable regulatory risk retention requirement.

The notes issued by General SPV are unrated and are not listed on any regulated market.

Within the securitisation transaction—which does not result in the derecognition of the receivables due from customers, which therefore continue to be recognised in the factor's statement of financial position — Generalfinance acts as both the *Originator* and the *Sub-Servicer* of the receivables.

From an accounting perspective, based on the economic substance of the transaction, the amount of the Senior Notes subscribed by Matchpoint Finance LTD, Duomo Funding PLC and Banco BPM, net of the cash held in the SPV's bank account, has been recognised under financial liabilities measured at amortised cost in the statement of financial position, as it represents the net funding obtained by Generalfinance through the securitisation structure.

The mezzanine and junior notes—which are entirely retained by Generalfinance — were subscribed by way of set-off against the corresponding portion of the initial consideration payable by the originator upon the transfer of the receivables. Accordingly, these notes are not recognised on the Company's balance sheet, as they do not represent a cash exposure of Generalfinance, but are disclosed in the memorandum accounts.

The Company has no exposure to third-party securitisation transactions.

Quantitative information

As of 30 June 2026, the debt towards the special purpose vehicle (including accrued interest) amounts to EUR 162,841,614.

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 value of notes issued – General SPV	
Senior (A1)	200,000
Senior (A2)	200,000
Senior (A3)	100,000

Senior (A4)	150,000
Mezzanine (B1)	21,200
Mezzanine (B2)	21,200
Mezzanine (B3)	10,600
Mezzanine (B4)	21,200
Junior	37,000
TOTAL	**761,200**

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 the ABS A4 Senior Securities	UniCredit Bank GmbH
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, by Intesa Sanpaolo, through Duomo Funding PLC, and by UniCredit Bank GmbH

Description	Level
Senior Noteholders	BNP Paribas S.A., through Matchpoint Finance LTD Intesa Sanpaolo, through Duomo Funding PLC Banco BPM S.p.A. UniCredit Bank GmbH
Target of Senior Funding Line	Nominal amount of senior notes: EUR 650 million Maximum amount of senior notes: EUR 420 million
Senior committed line	EUR 270 million
Senior committed and uncommitted line (maximum amount of senior notes)	EUR 420 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, A2, A4 notes 3-month EURIBOR with floor at 0% + Margin for A3 notes

Margin	1.2% for A1, A2, A4 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.

Accordingly, the Company has implemented a management control and risk management system designed to provide its operational functions with periodic, detailed and up-to-date information regarding its financial position, operating performance and the key indicators relating to the risks assumed. The management control system, which forms an integral part of the broader internal control framework, has been developed by Generalfinance as a strategic management tool, as it

systematically and proactively draws management's attention to the consequences of the decisions taken in the course of day-to-day operations. It therefore constitutes an integrated framework of accounting and management tools, information systems and operational processes used by management to support planning, monitoring 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 operates through the following units:

- Assignor Credit Unit, responsible for ensuring that financing requests comply with the Company’s credit policy and for providing credit opinions to support lending decisions. The unit is also responsible for the credit assessment process and acts as the secretariat to the Credit Committee.
- Debtor Credit Unit, responsible for the detailed assessment of individual assigned debtors and for determining the overall risk profile of the assigned debtor portfolio.
- Portfolio Monitoring Unit, responsible for monitoring portfolio credit risk, assessing portfolio performance and analysing credit quality indicators.

The Operations Department operates through the following units:

- Legal Credit Management, responsible for continuously monitoring legal developments affecting assignor clients. The unit manages legal issues arising during the relationship with assignors, supports the Collection Unit in judicial debt recovery activities, and manages litigation by liaising with external legal advisers, providing instructions and agreeing litigation strategies.
- Collection Unit, responsible for the continuous monitoring of receivable maturities and the management of debt

collection activities. The unit oversees the debt recovery process at every stage, from overdue receivables through to legal enforcement where necessary.

- Debtor Management Unit, responsible for managing relationships with assigned debtors in accordance with the operating arrangements agreed with the assignor and for reconciling daily collections.
- Back Office Unit, responsible for monitoring compliance with the operating procedures governing each factoring relationship and for managing the disbursement of financing and the payment of amounts not advanced to assignors.
- Know Your Customer (KYC) Unit, responsible for continuously monitoring customer relationships through customer due diligence and profiling activities for anti-money laundering and counter-terrorist financing purposes.

Responsibility for credit approval primarily rests with the Company's Credit Committee, acting within the scope of the powers delegated to it by the Board of Directors. Certain delegated powers relating to debtor credit limits are also assigned to the Chief Lending Officer (CLO).

The Credit Committee is a collegiate body whose decisions are reached following discussion among the various corporate functions involved in the credit process. Certain functions participate as voting members, while others attend in an advisory, consultative or informative capacity. The Committee comprises:

- the Chief Executive Officer;
- the Chief Lending Officer (Head of the Credit Department);
- the Chief Commercial Officer (Head of the Commercial Department);
- the Chief Operating Officer (Head of the Operations Department); and
- the two Heads of the Business Development Unit.

Voting rights are reserved to the first three members.

Whenever the Credit Committee examines the credit classification of an exposure, the Head of the Risk Management Unit also attends in an advisory capacity, without voting rights.

In carrying out its responsibilities, the Credit Committee performs a detailed review of the documentation and risk profile of each financing transaction and, where the assessment is favourable, approves the granting of the credit facility.

During the assessment process, the Committee is supported by the Company's proprietary management information system (*Generalweb/TOR*) and by its data analytics platform (*QLIK*), which enable detailed analysis of each credit application with reference to both the assignor and the assigned debtors.

The credit approval process is managed electronically through dedicated functions of the Company's information systems (Electronic Credit File and Assignor Position), which provide immediate access to all relevant information relating to each transaction under assessment and record the outcome of the Committee's deliberations.

Following completion of the assessment and adoption of the relevant resolution by the Credit Committee, the process concludes with the generation of specific communications addressed to the relevant internal functions and to the customer. A formal document recording the outcome of the deliberation is then produced and uploaded into the Company's systems in order to create or update the operational records governing the commercial and financial terms applicable to the assignor relationship, thereby ensuring that all operational criteria and limits applicable to the subsequent financing phase are fully configured.

In accordance with the Company's *Policy on the Classification and Measurement of Credit Exposures*, as operationally supplemented by the *Credit & Collection Policy*, the Credit Committee is also responsible for approving:

1. the transfer of exposures between administrative categories (past due, unlikely to pay and bad loans), together with the related specific impairment provisions; and
2. the transfer of exposures from Stage 1 to Stage 2 under IFRS 9 on the basis of discretionary triggers.

In addition, on a quarterly basis, the Committee reviews all exposures included in the Watchlist and, where appropriate, assesses proposals for their reclassification into categories other than Stage 1.

The resolutions adopted by the Credit Committee are systematically communicated to the Chief Financial Officer, the Head of Accounting and Administration, the Head of Regulatory Reporting and the Head of Risk Management to ensure that the decisions are appropriately reflected in both the Company's financial reporting and supervisory reporting processes.

The Risk Management Unit also performs a key role within the credit process by carrying out second-level controls over the Company's credit portfolio through ongoing monitoring of credit exposures and the identification of potentially problematic positions. The Risk Management Unit performs its analyses on the basis of information received from the relevant business functions and periodically reports to the Board of Directors on the evolution of credit risk through the *Tableau de Bord on*

Credit Risk Monitoring.

The principal responsibilities of the Risk Management Unit include:

- measuring and monitoring the credit risk associated with both the performing and non-performing loan portfolios;
- monitoring non-performing and deteriorated exposures, including bad loans, unlikely-to-pay exposures, Stage 2 exposures and watchlist positions;
- monitoring compliance with internal risk limits and approved policy exceptions;
- assessing the ongoing consistency between the Company's credit assessment methodologies and the related pricing policies;
- monitoring concentration limits applicable to credit exposures towards individual counterparties or groups of connected clients in accordance with supervisory regulations; and
- monitoring the proper functioning of the IFRS 9 framework for the calculation of Expected Credit Loss (ECL).

Finally, certain delegated powers are assigned to the Chief Operating Officer with respect to temporary overdrafts against the maximum financing limits granted to assignors and/or debtor credit limits, as well as the approval of extensions of payment terms, rescheduling arrangements 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.

The Company's principal business activities consist of the following:

- <u>Recourse Factoring</u> (Factoring pro solvendo)

  Under recourse factoring arrangements, the Company grants financing to its customers, who simultaneously assign their trade receivables to the Company. Collections received from the assigned receivables are applied towards repayment of the financing advanced. As the assigned receivables are collected, the financing is progressively repaid together with the related financing costs, while any residual amount (representing the difference between the nominal value of the receivable collected and the amount advanced) is remitted to the assignor.

  Historically, the average advance rate across the Company's recourse factoring portfolio has been approximately 80% of the nominal value of the assigned receivables. The advance rate applicable to each individual transaction varies depending on the specific characteristics of the transaction, the assignor and the assigned debtors, including, for example, the payment arrangements applicable to the receivables, the nature and creditworthiness of the assigned debtor, the financial standing of the assignor, the duration of the commercial relationship, historical collection performance and other factors assessed during the credit approval process. Under this type of transaction, the risk of default by the assigned debtor remains with the assignor.
- <u>Non-Recourse Factoring</u> (*Factoring pro soluto*)

  Non-recourse factoring transactions follow substantially the same operating procedures described above, except that the Company assumes the risk of non-payment of the assigned receivables. Generalfinance's non-recourse transactions are structured so as to comply with the derecognition requirements of IFRS, resulting in the effective transfer of credit risk from the assignor to the factor.

Generalfinance's factoring transactions generally provide for notification of each assignment to the assigned debtor ("Factoring Notification"). Subject to specific operational safeguards, the Company may also enter into transactions without debtor notification ("non-notification").

Assignments generally relate to existing receivables. However, in certain circumstances—and subject to specific operational safeguards established on a case-by-case basis by the competent decision-making body—the Company also acquires future receivables arising under contracts or purchase orders.

The assumption of credit risk is supported by the collection of appropriate documentation enabling an assessment of each customer through a structured credit assessment process, which also includes customer profiling for anti-money laundering purposes. Based on this assessment, a credit memorandum (summarised in the Electronic Credit File (*Pratica Elettronica di Fido* – PEF)) is prepared for the Credit Committee. The memorandum highlights the level of credit risk associated with both the assignor and the assigned debtors (the latter also assessed on a portfolio basis), as well as the consistency of the proposed credit facility with the Company's credit policy. The credit assessment process is completed only after all additional internal and regulatory checks—including anti-money laundering requirements—have been completed, after which the application may be submitted to the Credit Committee for approval.

As purchaser of trade receivables, Generalfinance is directly exposed to commercial credit risk and, indirectly, to financial credit risk. These risks are managed through a comprehensive credit risk management framework based on, among other things:

- the assessment of both the assignor and the assigned debtors using internally generated information, third-party databases and information obtained from specialised public and private sources. A proprietary internal credit score is assigned to each assignor and each debtor. Individual debtor scores are subsequently aggregated at portfolio level to determine the overall credit score of the proposed factoring transaction by applying a weighted average between the assignor's score and that of the debtor portfolio. Given the self-liquidating nature of the Company's exposure, greater weighting is attributed to the debtor portfolio within the scoring methodology;
- continuous monitoring of the assignor's overall exposure, both from a static perspective (overall credit exposure) and a dynamic perspective (performance of each relationship with individual assigned debtors);
- analysis of intra-group relationships between assignors and assigned debtors belonging to the same legal or economic group;
- continuous monitoring of payment performance by assigned debtors;
- portfolio diversification;
- assessment of the continuity and quality of the commercial relationship between supplier and customer; and
- analysis of the assignor's financial strength and business scale in order to ensure an appropriate balance between the level of risk assumed and the assignor's overall credit profile.

In addition to these credit assessment procedures, the Company's prudent risk management policy is also supported by a range of contractual and structural safeguards, including:

- credit insurance covering a substantial proportion of the Company's turnover;
- express acceptance or acknowledgement of the assignment by the assigned debtor for transactions requiring enhanced protection;
- notification to debtors of both the Letter of Commencement of Relationship (*Lettera di Inizio Rapporto* – LIR) and the individual assignments, in order to ensure the enforceability of the assignments and the routing of collections;
- the establishment of maximum credit limits for each customer, as determined by the Credit Committee, with particular attention to concentration risk; and
- diversification of the customer portfolio by industry sector and geographical area.

The Company's credit process comprises the following stages:

(i) <u>Investigation</u>: 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) <u>Resolution</u>: 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

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%.

<u>Risk parameters: Probability of Default (PD)</u>

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.

<u>Risk parameters: Loss Given Default (LGD)</u>

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, par. 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 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	551,212	2,242,003	6,176,331	26,319,711	648,809,727	684,098,983
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 06/30/2026	**551,212**	**2,242,003**	**6,176,331**	**26,319,711**	**648,809,727**	**684,098,983**
Total 12/31/2025	**1,354,380**	**1,494,763**	**1,755,669**	**24,193,266**	**640,060,466**	**668,858,544**

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	**97,914,218**	**97,914,218**	**-**	**-**	**-**	**1,957**	**1,957**	**-**	**-**	**-**	**97,912,261**	**-**
a) Non-performing	X	X	-	-	-	X	X	-	-	-	-	-
b) Performing	97,914,218	97,914,218	-	X	-	1,957	1,957	-	X	-	**97,912,261**	-
A.2 Others	**10,123,818**	**10,123,818**	**-**	**-**	**-**	**35,061**	**35,061**	**-**	**-**	**-**	**10,088,758**	**-**
a) Bad loans	X	X	-	-	-	X	X	-	-	-	-	-
- of which: forborne exposures	X	X	-	-	-	X	X	-	-	-	-	-
b) Unlikely to pay	X	X	-	-	-	X	X	-	-	-	-	-
- of which: forborne exposures	X	X	-	-	-	X	X	-	-	-	-	-
c) Non-performing past due exposures	X	X	-	-	-	X	X	-	-	-	-	-
- of which: forborne exposures	X	X	-	-	-	X	X	-	-	-	-	-
d) Performing past due exposures	51,627	51,627	-	X	-	48	48	-	X	-	51,579	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	10,072,191	10,072,191	-	X	-	35,012	35,012	-	X	-	10,037,178	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	**108,038,036**	**108,038,036**	**-**	**-**	**-**	**37,018**	**37,018**	**-**	**-**	**-**	**108,001,019**	**-**
B. Off-balance sheet credit exposures												
a) Non-performing	X	X	-	-	-	X	X	-	-	-	-	-
b) Performing	20,211	-	-	X	-	-	-	-	X	-	20,211	-
TOTAL (B)	**20,211**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,211**	**-**
TOTAL (A+B)	**108,058,247**	**108,038,036**	**-**	**-**	**-**	**37,018**	**37,018**	**-**	**-**	**-**	**108,021,230**	**-**

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	1,892,273	X	-	1,892,273	-	1,341,061	X	-	1,341,061	-	551,212	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-		-
b) Unlikely to pay	3,157,456	X	-	3,157,456	-	915,452	X	-	915,452	-	2,242,003	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-		-
c) Non-performing past due exposures	6,873,824	X	-	6,873,824	-	697,493	X	-	697,493	-	6,176,331	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-		-
d) Performing past due exposures	26,493,278	20,709,511	5,783,768	X	-	225,146	68,150	156,996	X	-	26,268,132	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-		-
e) Other performing exposures	641,648,258	623,936,784	17,711,474	X	-	2,875,710	2,306,186	569,524	X	-	638,772,549	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-		-
TOTAL (A)	**680,065,089**	**644,646,295**	**23,495,242**	**11,923,553**		**6,054,863**	**2,374,336**	**726,520**	**2,954,006**		**674,010,227**	**-**
B. Off-balance sheet credit exposures												
a) Non-performing	-	X	-	-	-	-	X	-	-	-		-
b) Performing	-	-	-	X	-	-	-	-	X	-		-
TOTAL (B)	-	-	-	-	-	-	-	-	-	-		-
TOTAL (A+B)	**680,065,089**	**644,646,295**	**23,495,242**	**11,923,553**		**6,054,863**	**2,374,336**	**726,520**	**2,954,006**		**674,010,227**	**-**

9. Credit concentration

9.3 Large Exposures

(values in Euro)	**06/30/2026**
a) book value	218,897,550
b) weighted value	68,834,113
c) number	8

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.

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. A substantial portion of the Company's fixed-rate liabilities has been converted into floating-rate liabilities through the execution of Interest Rate Swap (IRS) transactions.

These characteristics determine a significant mitigation of the exposure to interest rate risk.

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 Company's funding structure provides an appropriate level of structural balance, supported by a diversified mix of funding sources, including committed credit facilities. In particular, the funding structure comprises:

- a syndicated loan facility provided by a pool of banks, maturing in December 2027, with an outstanding amount of EUR 205.8 million;
- a securitisation programme with a three-year maturity expiring in December 2027, providing for a maximum senior financing capacity of EUR 500 million, of which EUR 345 million has been approved, including EUR 250 million of committed facilities. The maximum outstanding amount of eligible purchased receivables remains unchanged at EUR 737.5 million;
- bilateral bank facilities and credit lines provided by factoring companies, amounting in aggregate to approximately EUR 108.3 million;
- a commercial paper issuance programme with a maximum amount of EUR 100 million; and
- a factoring facility made available by Cassa Depositi e Prestiti (CDP) for an amount of EUR 31.9 million.

Finally, the Company has also issued bond loans with an aggregate nominal amount of EUR 142.5 million, comprising EUR 100 million of senior unsecured notes and EUR 42.5 million of subordinated notes.

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.

Section 4 – Information on shareholders' equity

4.1 – Shareholders' equity

4.1.1 Qualitative information

For the first semester 2026, the profit amounted to EUR 9,634,635, bringing Equity to EUR 91,015,938.

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 06/30/2026	Total 12/31/2025
1. Share capital	4,202,329	4,202,329
2. Share premium reserve	25,419,745	25,419,745
3. Reserves	51,421,335	39,848,867
- of profits	51,421,335	39,848,867
a) legal	840,465	840,465
b) statutory	-	-
c) treasury shares	-	-
d) others	50,580,870	39,008,403
- others	-	-
4. (Treasury shares)	-	-
5. Valuation reserves	337,894	151,625
- 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	337,894	151,625
- Portion of valuation reserves relating to equity-accounted investments	-	-
6. Equity instruments	-	-
7. Profit (loss) for the year	9,634,635	28,756,157
Total	**91,015,938**	**98,378,723**

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 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 06/30/2026	Total 12/31/2025
A. Tier 1 capital before the application of prudential filters	**91,015,938**	**81,942,933**
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)	**91,015,938**	**81,942,933**
D. Elements to be deducted from Tier 1 capital	6,838,376	9,041,740
E. Total Tier 1 capital (C-D)	**84,177,563**	**72,901,193**
F. Tier 2 capital before the application of prudential filters	**42,500,000**	**42,500,000**
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**	**42,500,000**
I. Elements to be deducted from Tier 2 capital	10,743,428	9,504,381
L. Total Tier 2 capital (H-I)	**31,756,572**	**32,995,619**
M. Elements to be deducted from total Tier 1 and Tier 2 capital		-
N. Regulatory capital (E+L-M)	**115,934,135**	**105,896,812**

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	
	06/30/2026	12/31/2025	06/30/2026	12/31/2025
A. RISK ASSETS	-	-	-	-
A.1 Credit and counterparty risk	842,974,211	853,581,161	551,350,734	510,993,973
B. REGULATORY CAPITAL REQUIREMENTS	-	-	-	-
B.1 Credit and counterparty risk	-	-	44,108,059	40,879,518
B.2 Risk for the provision of payment services	-	-	-	-
B.3 Requirement for the issue of electronic money	-	-	-	-
B.4 Specific prudential requirements	-	-	7,741,018	7,783,953
B.5 Total prudential requirements	-	-	51,849,078	48,663,471
C. RISK ASSETS AND SUPERVISORY RATIOS	-	-		-
C.1 Risk-weighted assets	-	-	648,113,466	608,293,388
C.2 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	-	-	12.99%	11.99%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)	-	-	17.89%	17.41%

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 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 the remuneration of key management personnel

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 1,206,684.
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 1H 2026 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	-	614,377
120. Other Assets	1,410	81,036
Total assets	**1,410**	**695,413**
80. Other liabilities	15,426	1,041,245
90. Employee severance indemnity	-	95,404
170. Net provisions for risks and charges	-	1,160,636
Total liabilities	**15,426**	**2,297,285**

TRANSACTIONS WITH RELATED PARTIES *(amounts in Euro)*	**Parent**	**Other related parties**
INCOME STATEMENT ITEMS		
10. Interest income and similar income	202	23,473
40. Fee and commission income	-	30,278
160. Administrative expenses: a) personnel expenses	-	(2,225,797)
160. Administrative expenses: b) other administrative expenses	-	(448,784)
200. Other operating expenses/income	30,600	4,445
Total items	**30,802**	**(2,616,385)**
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		
10. Interest income and similar income	202	-
200. Other operating expenses/income	30,600	300
Total items	**30,802**	**300**

All transactions with related parties were carried out under market conditions.

Attestation on the half-yearly 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 2026 – 30 June 2026.

2. The assessment of the adequacy of the administrative and accounting procedures for the preparation of the financial statements as at 30 June 2026 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 and of the group of companies included in the scope of consolidation

   3.2 The interim management report includes a fair review of the significant events that occurred during the first six months of the financial year and their impact on the condensed interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a fair review of material related-party transactions.

Milan, 28 July 2026

Massimo Gianolli
Amministratore Delegato

Ugo Colombo
Dirigente preposto alla redazione
dei documenti contabili societari

Auditors’ Report

Generalfinance S.p.A.

Review report on the interim condensed financial statements as at June 30, 2026

(Translation from the original Italian text)

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Review report on the interim condensed financial statements
(Translation from the original Italian text)

To the Shareholders of
Generalfinance S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed financial statements of Generalfinance S.p.A. which comprise the statement of financial position as of June 30, 2026 and the income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the six-month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the half-yearly condensed financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed financial statements of Generalfinance S.p.A. as of June 30, 2026 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

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Other Matter

The financial statements of Generalfinance S.p.A for the period ended as of December 31 2025 and the half-yearly condensed financial statements as at June 30, 2025 have been respectively audited and reviewed by other auditors that on March 18, 2026 and on September 4, 2025 expressed an unmodified opinion and an unmodified conclusion on those financial statements.

Verona, August 6, 2026
EY S.p.A.
Signed by: Stefano Grumolato, Statutory Auditor

This 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 FINANCE

HALF-YEARLY REPORT
as of June 30, 2026