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**CONSOLIDATED
FINANCIAL STATEMENTS
AT 31 DECEMBER 2025**

**DIRECTORS' REPORT
AT 31 DECEMBER 2025**

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COMPOSITION OF THE MANAGEMENT BODIES

Board of Directors

Chairperson	Mr. Gianluca Garbi
Deputy Chairperson	Mr. Alessandro Mazzola
Directors	Mr. Attilio Baruffi <i>(Independent)</i>
	Ms. Francesca Granata
	Ms. Carlotta De Franceschi <i>(Independent)</i>
	Mr. Pier Angelo Taverna <i>(Independent)</i>
	Mr. Donato Trenta

Board of Statutory Auditors

Chairperson	Mr. Maurizio Zazza
Standing Auditors	Ms. Maria Elena Vavalà Mr. Massimo Conigliaro
Alternate Auditors	Ms. Daniela D'Ignazio Mr. Roberto Ponziano

Independent Auditors

BDO Audit Services S.r.l.

BDO Italia S.p.A. has transferred, with effect from 1 January 2026, a business unit to BDO Audit Services S.r.l. that includes, among other things, the legal auditing engagement with our company

COMPOSITION OF THE INTERNAL COMMITTEES

Supervisory Body

Chairperson	Mr. Maurizio Zazza
Members	Mr. Attilio Baruffi Ms. Maria Salvi

SIGNIFICANT EVENTS FROM 1 JANUARY TO 31 DECEMBER 2025

On 24 January 2025, Kruso Kapital concluded the transaction for the purchase of a pawn loan portfolio in Tuscany for an acquisition price of approximately € 11.5 million.

On 8 April 2025, a rebranding process was launched for the Milanese auction house Art-Rite, a subsidiary of Kruso Kapital, which has started to operate on the market with a new name and a new brand, Kruso Art, while the corporate name Art-Rite S.r.l. a socio unico remains unchanged.

On 9 April 2025, the Shareholders' Meeting of ProntoPegno Greece, a subsidiary of Kruso Kapital, resolved to reduce the losses relating to previous years and carried forward and to recapitalise the company at the same time, by paying € 350,000.

On 10 April 2025, Kruso Kapital issued its first Credit Linked Note (CLN) of € 2 million with an underlying pawn loan portfolio, which is part of the plan to diversify funding sources and align the funding structure with the average duration of assets, as well as configure a capital relief instrument.

On 14 April 2025, the Ordinary Shareholders' Meeting of Kruso Kapital resolved (i) to approve the separate financial statements at 31 December 2024 of Kruso Kapital that show a profit of € 5,728,383 (€ 4,499,785.27 at consolidated level); (ii) the allocation of the profit for the 2024 financial year as follows:- € 286,419.15 to the legal reserve, equal to 5% of the profit, - the remainder, equal to € 5,441,963.85, to retained earnings; (iii) to approve the 2025 Remuneration Policies of the Banca Sistema Group.

In the period between 9 and 10 May 2025, the process to migrate the IT infrastructure of the Portuguese subsidiary PIGNUS - Crédito Económico Popular, S.A. was successfully completed. The intervention concerned the transfer of the company network and servers dedicated to hosting the website, management system and other applications used by the company.

On 4 June 2025, the shareholders' meeting of Art-Rite S.r.l. a socio unico, a subsidiary of Kruso Kapital, resolved to restore the company's capital by paying € 510,000.

On 30 June 2025, Banca CF+ S.p.A. announced its intention to launch a voluntary public tender offer pursuant to Articles 102 et seq. of Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance") in respect of 80,421,052 ordinary shares of Banca Sistema S.p.A., Parent of the banking group of which Kruso Kapital is part. In the event of a successful outcome of the Voluntary Offer, upon fulfilment of the conditions set out therein (including that the Offeror, following completion of the Voluntary Offer – as a result of acceptances thereof and/or purchases potentially made outside the Voluntary Offer – acquires an interest equal to at least 66.67% of the voting rights of Banca Sistema, a condition that may be partially waived by the Offeror provided that it acquires an interest equal to at least 50%+1 of the voting rights), the shares of Kruso Kapital held by Banca Sistema are expected to be allocated to the shareholders accepting the Voluntary Offer.

On 4 July 2025, following the favourable resolution of the Board of Directors of Kruso Kapital on 23 June 2025, after the favourable but non-binding opinion of the Independent Directors in their capacity as Equivalent Supervisory Body for Related Party Transactions, and following the favourable resolution of the Board of Directors of Banca Sistema S.p.A., it signed with the latter the agreement to renew the existing credit line granted by Banca Sistema S.p.A. to Kruso Kapital.

Kruso Kapital issued a loan in the form of Credit Linked Notes, its second issue, with a total value of approximately € 3 million, intended for two subscribers, including Società di Gestione delle Partecipazioni in Banca Sistema S.r.l. ("SGBS"), with which, on 7 October 2025, a subscription agreement was entered into for a portion of the loan relating to the aforesaid issue for an amount of approximately € 2 million.

The Transaction constitutes a Related Party Transaction pursuant to the Borsa Italiana Related Parties Provisions and the "Group Regulations for the management of transactions with parties in conflict of interest" as Gianluca Garbi, Chairperson of the Board of Directors or "key management personnel" pursuant to IAS 24, indirectly holds a controlling interest in SGBS.

At the meeting held on 6 November 2025, the Board of Directors of Kruso Kapital resolved, in favour of the wholly owned company Art-Rite S.r.l.: (i) a capital contribution of € 600,000.00 and (ii) the granting of an interest-free shareholders' loan of € 400,000.00, which must be repaid in full by no later than 30 June 2027, with the option of early repayment, also through partial payments.

On 20 November 2025, Kruso Kapital issued a third Credit Linked Note of € 3 million with an underlying pawn loan portfolio.

On 10 December 2025, Kruso Kapital issued a fourth Credit Linked Note of € 0.5 million with an underlying pawn loan portfolio.

At the meeting held on 18 December 2025, the Board of Directors of Kruso Kapital resolved to begin the preliminary activities concerning the potential translisting of Kruso Kapital shares from the Euronext Growth Milan multilateral trading facility to the Euronext Milan regulated market and, specifically, to launch the project to review the Company's articles of association in order to make them suitable for listing on the above regulated market, providing for the subsequent resolution concerning the amendment of the articles of association and the related application to be sent to the Bank of Italy to be subject to completion of the CF+ public tender offer (OPA), without any prejudice to Kruso Kapital should it not be successfully completed.

THE MACROECONOMIC SCENARIO

2025 is marked by different economic trends in different countries. In the United States, thanks to consumption and investment linked to artificial intelligence (AI), the economy continued to expand, although there has been a deterioration in household confidence and a weakening of the labour market, with a slowdown at the end of 2025 due to the temporary suspension of federal administrative activities (government shutdown). In China, domestic demand is weak but exports are recovering thanks to semiconductors and AI-related goods. An acceleration in world trade is observed despite trade tensions, with a strong redirection of flows from China towards Asia, Africa and Europe. According to OECD forecasts, global growth will show a slight decline in 2026 (-2.9%).

In the Euro area, GDP recorded moderate growth (+0.3%) in the final quarters of 2025, with the French and Spanish economies proving very resilient, while the situation in Germany remains stagnant. Inflation is stabilising at around 2%. Due to uncertainty linked to developments in the global environment, households are very cautious in their spending, increasing their propensity to save. Manufacturing remains weak due to pressure from Chinese competition. Household lending is increasing, especially for mortgages. As a result of all these factors, ECB projections nevertheless foresee GDP growth of 1.2% in 2026.

ITALY

In Italy, GDP growth is reported in the final quarters of 2025 (in the third quarter +0.1%) thanks to exports and investment. Bank of Italy forecasts are quite positive as GDP growth of 0.6% is expected in 2026. In the industrial sector, despite a decline recorded over the summer, a recovery is observed, with an expansion in pharmaceutical and electronic equipment production. In services too, there is broad-based growth, especially in business services and ICT, while there is a slight decline in residential construction. Non-residential construction remains stable. Business investment continues to rise, with strong use of incentives. In Italy too, as across the Euro area, household consumption growth is very limited, with a sharp increase in the propensity to save (11.4%, one of the highest values since 2008). Property market transactions are increasing, with a high and stable current account surplus thanks to the improvement in the balance of non-energy goods and the reduction in the energy deficit. Employment has increased since autumn after a stable summer, thus contributing to a fall in unemployment to 5.8%, with moderate wage growth slightly above inflation. The latter stabilised in December 2025 at 1.2%, well below the European average. The cost of funding for banks and interest rates on loans to businesses and households remained broadly unchanged (businesses 3.6% and mortgages to households 3.3%). Nevertheless, loans to businesses (+1.8%) and to households (+2.3%) increased.

In conclusion, Italy presents a mixed picture, with highly dynamic services and a robust labour market but manufacturing under pressure and very moderate GDP growth. The Italian economy is holding up overall thanks to services and investments but remains exposed to external risks (global trade, Asian competition, volatility in the technology sector).

GOLD PRICE PERFORMANCE

In 2025, the price of gold recorded positive performance, almost doubling compared to the previous year (above \$4,000 per ounce). This growth is supported by a macroeconomic environment characterised by high geopolitical uncertainty, more accommodative monetary policies and strongly expanding institutional demand, including central banks interested in purchasing “physical” gold and increased demand linked to passive management (in products such as ETFs). Interest in the latter has doubled the role gold had in the past, as it is now not only a safe haven and store of liquidity but also a tool for speculative activity.

For 2026, the base scenario remains bullish with potential volatility linked to central bank decisions and developments in the geopolitical environment.

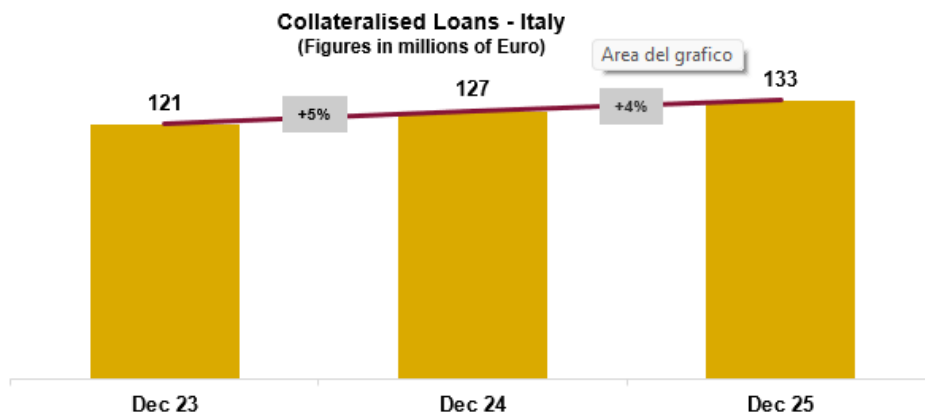
COMMERCIAL PERFORMANCE IN ITALY

KRUSO KAPITAL ITALIA

As at 31 December 2025, Kruso Kapital had approximately 76.6 thousand collateralised loan policies (up 1% year on year) in Italy, with total loans amounting to € 133 million, up by 4% compared to 31 December 2024 (€ 127 million), with underlying gold collateral accounting for 91%.

In January 2025, a loan portfolio was purchased from a bank for € 8.9 million in two provinces in Tuscany, specifically Pisa and Livorno.

The development of loans is shown below:



By the end of December 2025, following investments in digital solutions and commercial focus, the share of digital policies compared to total policies, since the launch of the digital channel in October 2023, stood at 28.4% in terms of amount (25.0% at 31 December 2024) and 29.5% in terms of number of policies.

In 2025, 66 collateralised loan auctions were held in Italy (55 in 2024), corresponding to a greater number of items up for auction and a number of items awarded clearly higher than in the previous year and above expectations.

It was possible to participate in the auctions by placing online bids via the KrusoK Aste App. Almost all bids were submitted via mobile devices, totalling over 31,634 (up 52.1% year on year, compared with 20,800 in 2024). Online auction awards also saw a sharp rise, increasing by 73.9% compared to the same period in 2024 (from 5,770 to 10,033 in 2025).

In 2025, Kruso Kapital pursued ESG objectives by partnering with associations and foundations. The initiatives supported concern “Health and Well-being” and “Quality Education”, such as support for scientific research against cancer through AIRC, as well as financial education aimed at young people and focused on informed planning of their future finances.

KRUSO ART

The commercial performance in 2025 of the subsidiary Kruso Art was characterised by a total of 27 auctions (19 auctions in 2024), corresponding to funding of € 5.1 million, down year on year, largely explained by the performance of the Department of Modern and Contemporary Art (AMC) and the Department of Philately, as well as by the failure to launch contracts with the Third Party Guarantee (“TPG”) option, which was a significant source of income in the year. The decline in the auction house’s performance is also attributable to a general global contraction in the sector, with the second half of 2025 improving compared to the first part of the year.

COMMERCIAL PERFORMANCE IN ITALY AND ABROAD

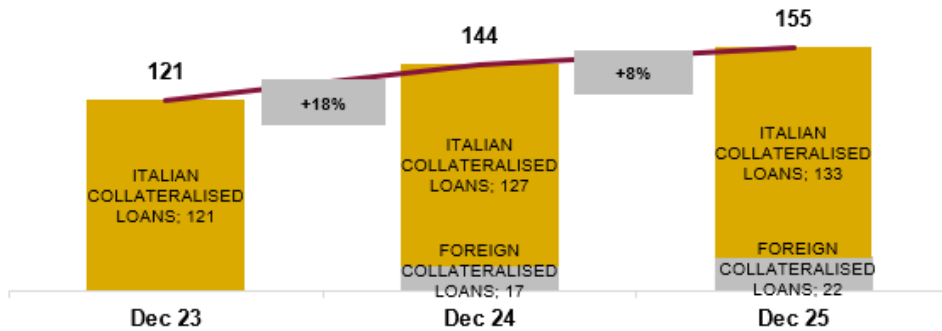
The performance of the commercial activity in 2025 in Greece (ProntoPegno Greece) shows a sharp increase in loans, which more than doubled year on year to approximately € 0.5 million (€ 0.2 million at 31 December 2024).

The performance of the commercial activity of CEP (Pignus - Crédito Económico Popular acquired in November 2024) in Portugal contributes to the upward trend in loans of € 21.7 million, an increase since the acquisition.

The two subsidiaries mentioned above contributed to Kruso Kapital achieving total loans of € 155 million, an 8% increase year on year.

The total development of loans of Kruso Kapital is shown below:

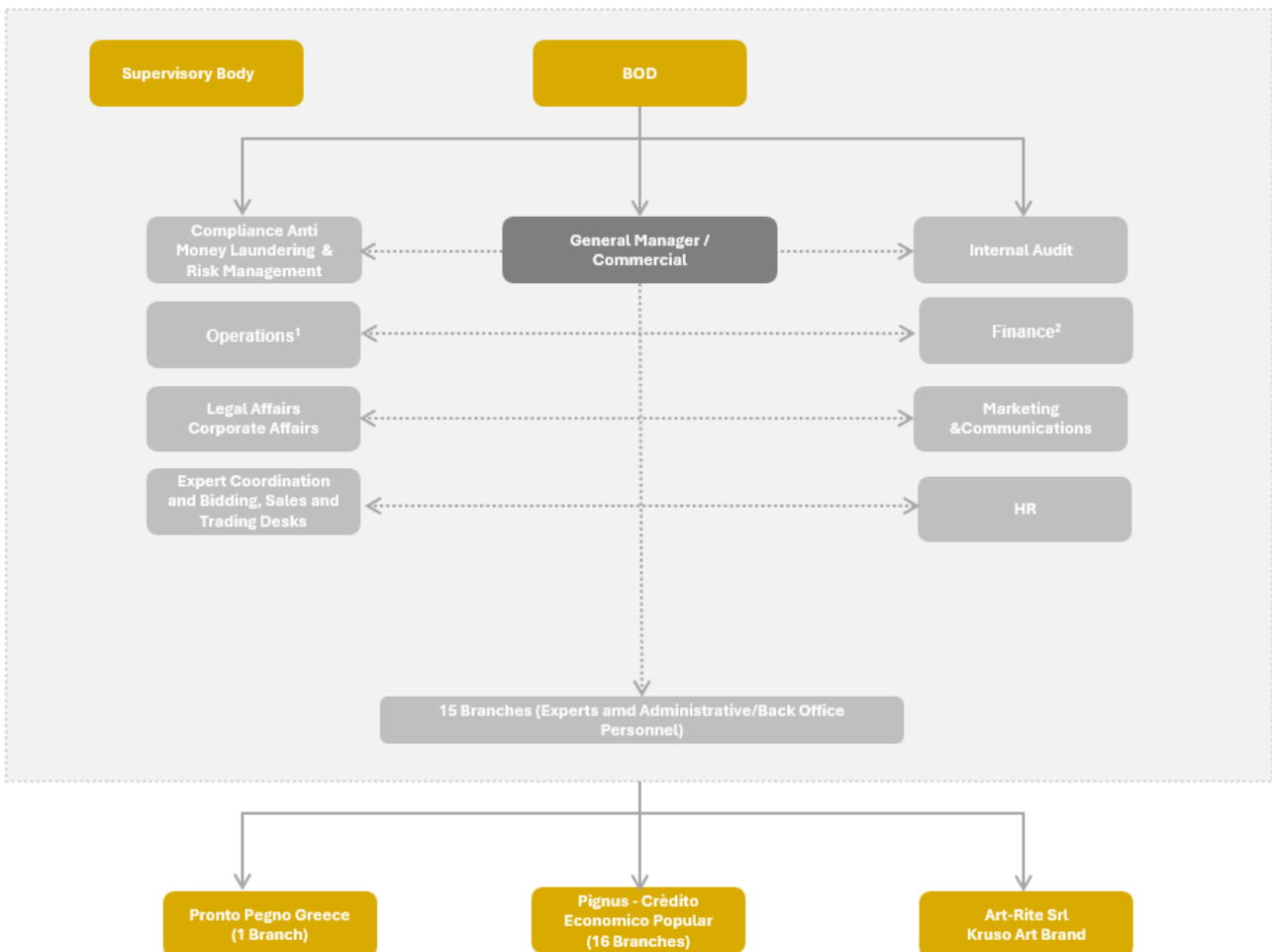
**Kruso Kapital lending
(Figures in millions of Euro)**



COMPOSITION AND ORGANISATIONAL STRUCTURE OF THE GROUP

Organisational Chart

Below is the Group's organisational structure at 31 December 2025:



1. Operations includes: organization, ICT, security, customer service, back office
2. Finance includes: CFO/Investor relation, administration, planning and control, regulatory, treasury and pricing

HUMAN RESOURCES

As at 31 December 2025, the Group had 143 employees (144 at 31 December 2024), broken down by category as follows:

Personnel	31/12/2025			31/12/2024		
	Number	% Female Employees	% Male Employees	Number	% Female Employees	% Male Employees
Senior Managers	4	0%	100%	6	17%	83%
Middle Managers (Levels 3 and 4)	15	27%	73%	18	22%	78%
Other personnel	124	40%	60%	120	42%	58%
Total	143	37%	63%	144	38%	62%

<i>of which CEP</i>	43	28%	72%	44	27%	73%
<i>of which, PPGRECIA</i>	3	33%	67%	3	33%	67%

The gender distribution shows that female employees represent 37% of the total workforce.

During 2025, the progressive digitalisation of the selection and recruitment process was consolidated and further developed, particularly in Italy, with the aim of significantly expanding the pool of candidates collected and analysed, as well as the speed of hiring and replacement.

Regarding skills development, the Bank identified professional and technical training requirements related to legal and regulatory issues of the financial sector. During the year, Kruso Kapital organised training sessions conducted by both internal and external trainers. These sessions focused on technical and professional training in areas such as anti-money laundering, MiFID II, cybersecurity, and foreign language training for a total of 31 training days, as well as having introduced digital platforms for transversal training.

INCOME STATEMENT

The year 2025 ended with a consolidated net profit of € 8.8 million, a sharp increase year over year, to which the Group companies contributed as follows:

- At individual level, Kruso Kapital's net profit increased sharply to € 7.5 million, up by 31% year over year;
- CEP recorded a positive result of € 1.4 million;
- ProntoPegno Greece recorded a negative result of € 0.5 million, slightly improving year on year (€ -0.6 million at 31 December 2024);
- Kruso Art posted a loss of € 1.05 million (€ -0.8 million at 31 December 2024).

Below are the consolidated financial figures as at 31 December 2025:

Amounts in thousands of Euro

CONSOLIDATED INCOME STATEMENT YTD	31.12.24	31.12.25	Change YoY	
			€ thousand	%
Interest and similar income	15.063,6	18.655,6	3.592,0	24%
Interest and similar expense	(4.634,6)	(4.447,9)	186,7	-4%
Net interest income	10.429,0	14.207,7	3.778,7	36%
Net fee and commission income (expense)	14.269,1	21.567,8	7.298,7	51%
Net income from other financial assets and liabilities measured at fair value through	-	7,4	7,4	n.s.
Total income	24.698,1	35.782,8	11.084,8	45%
Net impairment losses/gains due to credit risk	(89,1)	(141,1)	(51,9)	58%
Net financial income (expense)	24.608,9	35.641,8	11.032,9	45%
Administrative expenses:	(16.156,9)	(19.465,5)	(3.308,6)	20%
a) personnel expense	(8.562,2)	(9.531,1)	(968,9)	11%
b) other administrative expenses	(7.594,7)	(9.934,4)	(2.339,6)	31%
Net allocations to provisions for risks and charges	-	(150,0)	(150,0)	n.s.
Net impairment gains/losses on property and equipment / intangible assets	(1.795,9)	(2.773,2)	(977,4)	54%
Other operating income (expense)	927,8	475,4	(452,4)	-49%
Operating costs	(17.024,9)	(21.913,3)	(4.888,3)	29%
Gains (Losses) on equity investments	-	190,0	190,0	n.s.
Pre-tax profit (loss) for the period	7.584,0	13.918,5	6.334,5	84%
Income taxes	(3.084,2)	(5.142,8)	(2.058,6)	67%
Net profit/loss for the period	4.499,8	8.775,7	4.275,9	95%

The net interest income, equal to € 14.2 million, grew year over year due to the increase in interest income (+24%), mainly driven by the rise in loans (both in Italy and Greece, although the latter had a negligible impact), the contribution of CEP (consolidated since 4Q24) and the higher margins, which more than offset the negative impact of the premium (€ 0.5 million) relating to the portfolio purchased from a bank in January 2025 and accounted for in interest income, and the negative impact of the PPA (€ 0.9 million). Interest expense also decreased, driven by a cost of funding that progressively declined following the evolution of the 3M Euribor.

Net fee and commission income (expense), amounting to € 21.6 million, increased by 51% year over year, due to the increase in loans, the contribution of CEP and, to a significant extent, the greater contribution of collateralised loan auctions (#66 in 2025 vs #55 in 2024), the greater number of items year over year and the positive trend in the price of gold.

Total income, amounting to € 35.8 million, shows an increase of 45% year over year, linked to the combined effect of the previous items and, to a negligible extent, to the net income of financial assets measured at fair value following the issuance of the CLN.

Net impairment losses due to credit risk, amounting to € 0.14 million and up 58% year over year, in the first quarter of 2025 transposed the new credit policies that, in addition to the different classification of receivables, led to the application of new collective hedging percentages.

Operating costs, amounting to € 21.9 million, are 29% higher year over year due to various factors:

- Higher personnel expenses of approximately € 1 million, essentially related to the consolidation of CEP (which in 2025 amounted to € 1.5 million).
The number of resources was 143 on 31 December 2025 vs 144 on 31 December 2024;
- Higher other administrative expenses, essentially due to the consolidation of CEP (€ 0.9 million) for € 2.3 million, higher costs of KK in Italy related to extraordinary consultancy expenses such as those related to the Credit Linked Notes, higher IT expenses (€ 0.3 million) and other operating expenses;
- Provisions to the provision for risks and charges due to legal disputes (€ 0.2 million);
- The change in net impairment losses on intangible assets is mainly attributable to the premium portion (€ 0.6 million) of the portfolio purchased in January 2025 and, to a lesser extent, to the registration of the CEP brand following the PPA process.

The item Gains on equity investments of € 0.2 million is due to the release of part of the debt relating to the earn-out portion contractually agreed upon in the acquisition of Kruso Art, following an agreement with the company's previous shareholders.

Net profit, amounting to € 8.8 million, increased year over year due to the better result of ordinary operations, due to the contribution deriving from the item previously described, which more than offset, as already indicated above, the negative effect of the release of the PPA (equal to € -0.7 million after taxes). The effect on the income statement is due to the reversal of the adjustments identified in the PPA:

DIRECTORS' REPORT

- partial absorption of the fair value of receivables from customers amounting to € 895 thousand, specifically, the entire delta fair value of policies terminated as at 30 June 2025 was allocated in the first half of the year
- adjustments to intangible assets for the start of the Brand's amortisation plan (linear over 10 years from November 2024) amounting to € 45 thousand
- higher taxes for the release of the respective tax liabilities recorded and amounting to € 230 thousand.

The effect on the Income Statement of the PPA above is shown below:

Amounts in thousands of Euro

PPA economic effect as at 31/12/2025	
Item	Value
Interest income (absorption of fair value of receivables from customers)	-895
Intangible asset adjustments (linear depreciation of the brand in 10 years from November 2024)	-45
Taxes (Proportional Release of deferred taxes)	230
Total impact through profit or loss	-710

MAIN AGGREGATES IN THE STATEMENT OF FINANCIAL POSITION

The main asset aggregates in the statement of financial position are as follows:

Amounts in thousands of Euro

Assets	31/12/2025	31/12/2024	Change	
			€ thousand	%
Cash and cash equivalents	8.462,8	9.015,5	(552,7)	-6%
Financial assets measured at amortised cost	155.160,5	143.878,6	11.281,9	8%
<i>a) loans and receivables with banks</i>	102,9	34,0	68,9	>100%
<i>b) loans and receivables with customers</i>	155.057,6	143.844,6	11.212,9	8%
Property and equipment	4.215,2	4.612,5	(397,2)	-9%
Intangible assets	43.416,2	43.264,3	151,9	0%
<i>of which goodwill</i>	40.070,0	41.155,1	(1.085,2)	-3%
Tax assets	618,4	403,7	214,8	53%
<i>b) deferred</i>	618,4	403,7	214,8	53%
Other assets	3.128,7	3.308,9	(180,2)	-5%
Total assets	215.001,8	204.484,4	10.517,4	5%

The assets in the balance sheet, which increased by 5% year over year, consist mainly of loans and receivables with customers related to the collateralised lending business, amounting to 155 million, up 8% compared to the previous year, mainly due to the increase in collateralised loans in Italy, Portugal (from November 2024) and Greece, and goodwill totalling € 40.1 million, down year over year, broken down as follows:

- the goodwill amounting to € 28.4 million arising from the acquisition of the former Intesa Sanpaolo collateralised lending business unit completed on 13 July 2020;
- goodwill of € 1.2 million, resulting from the acquisition of Kruso Art;
- goodwill of € 10.5 million, generated from the acquisition of Pignus – Credito Economico Popolare (down from € 11.5 million compared to 31 December 2024 following the conclusion of the process of final allocation of the price – PPA).

Following the classification of receivables adopted since the beginning of 2025, € 18.7 million of the total net receivables of € 154.9 million (net of the PPA) are classified as non-performing as at 31 December 2025 (€ 0.5 million as at 31 December 2024). In particular, non-performing past due amounts stand at € 11.6 million (no non-performing past due amounts as at 31 December 2024), the unlikely to pay amount at € 7.1 million (€ 0.5 million as at 31 December 2024), of which € 0.5 million on positions subject to seizure or blocking by the Judicial Authority (€ 0.5 million as at 31 December 2024).

The summary table is shown below:

Amounts in thousands of Euro

Gross receivables	dec24	dec25
Performing	143.448	136.179
Stage 1	136.487	128.137
Stage 2	6.961	8.042
Non-performing	1.004	19.391
Non-performing past due	-	11.613
Unlikely to pay	1.004	7.778
Gross receivables	144.452	155.570

Amounts in thousands of Euro

Net receivables	dec24	dec25
Performing	143.379	136.166
Stage 1	136.440	128.125
Stage2	6.940	8.040
Non-performing	466	18.732
Non-performing past due	-	11.588
Unlikely to pay	538	7.145
Net receivables	143.845	154.898

The new credit policy defines the classification and impairment logic adopted by the Company according to a transaction level approach. With reference to the classification of non-performing receivables, in line with the regulatory provisions, reference was made to: i) days of past due status; ii) the company's decision to start the auction process; iii) the presence of restrictions on the renewal/redemption by the bearer and/or the sale at auction, e.g. for detentions/seizures by the Judicial Authority (with an impact in Italy and Portugal).

Other intangible assets vary compared to December 2024 also for part of the premium due to the acquisition of the portfolio in Italy (equal to € 1.5 million, net of the amortisation portion for the period, compared to a loan portfolio of € 8.9 million) and for the registration of the CEP brand (for € 0.4 million net of the amortisation portion for the period), resulting from the above-mentioned allocation process.

In this first half of 2025, the process of definitive Purchase Price Allocation (PPA) was completed in accordance with the provisions of IFRS 3 – Business Combinations in relation to the acquisition of Pignus - Crédito Económico Popular completed on 7 November 2024. Therefore, the final adjustments were made to the items recorded on a provisional basis, which had resulted in the recognition of goodwill of € 11.5 million, equal to the purchase price net of the equity acquired. The final results of the process are as follows:

Amounts in thousands of Euro

Final allocation of price	
Purchase price (A)	11.559
CEP Equity as at 1 November 2024 (B)	-10
Residual value to be allocated (A+B)	11549
Loans and receivables with customers (fair value portfolio)	1055
Intangible assets - Brand	382
Deferred tax liabilities	-352
Goodwill	10.464

For the valuation of the portfolio, the original maturity was assumed without any renewals or partial repayments, assuming full recovery of the amount lent and other value components and a weighted average discount rate between the cost of risk capital and the cost of funding. Prudentially, for past due positions, a fair value equal to the carrying amount at the acquisition date was assumed while for policies subject to seizure, a zero fair value was assumed. Finally, the value of the brand was identified through the royalty method, but no specific intangible related to the customer list was identified.

The definitive allocation therefore entailed the redetermination of loans and receivables with customers with a higher value of € 1.1 million, the registration of intangible assets represented by brands for a total of € 0.4 million, as well as the recognition of the related deferred tax liabilities for a total of € 0.4 million with a simultaneous reduction in goodwill for a total of approximately € 1.1 million.

The situation updated at 31 December 2025 is shown below:

DIRECTORS' REPORT

Amounts in thousands of Euro

PPA position as at 31 December 2025	
Loans and receivables with customers (fair value portfolio)	160
Intangible assets - Brand	338
Deferred tax liabilities	-122
Goodwill	10.464

The main liability aggregates in the statement of financial position are as follows:

Amounts in thousands of Euro

Liabilities and Equity	31/12/2025	31/12/2024	Change	
			€ thousand	%
Financial liabilities measured at amortised cost	134.688,4	141.829,6	(7.141,2)	-5%
<i>due to banks</i>	125.592,3	136.224,6	(10.632,2)	-8%
<i>due to customers</i>	9.096,1	5.605,0	3.491,1	62%
Financial liabilities measured at fair value	6.726,0	-	6.726,0	n.a.
Tax liabilities	5.602,5	3.997,9	1.604,6	40%
<i>a) current</i>	2.619,2	1.658,9	960,3	58%
<i>b) deferred</i>	2.983,3	2.339,0	644,3	28%
Other liabilities	8.080,2	7.353,9	726,3	10%
Post-employment benefits	847,8	871,8	(24,0)	-3%
Provisions for risks and charges:	805,0	971,2	(166,2)	-17%
<i>c) other provisions for risks and charges</i>	805,0	971,2	(166,2)	-17%
Share capital	24.609,6	24.609,6	-	0%
Share premium	16.907,5	16.907,5	-	0%
Reserves	7.973,6	3.475,4	4.498,2	>100%
Valuation reserve	(14,4)	(34,2)	19,8	-58%
Profit for the year	8.775,7	4.499,8	4.275,9	95%
Total Liabilities and Equity	215.001,8	204.484,4	10.517,4	5%

Financial liabilities measured at amortised cost include:

- payables to customers for € 9.1 million relating to the auction buyer's premium (for 5 years, this amount is reported in the financial statements as due to customers which becomes a contingent asset if not collected), rising due to the considerable increase in auctions and the total items auctioned;
- amounts due to banks, which include loans from Banca Sistema amounting to € 74.1 million, down year on year (approximately € 89 million at 31 December 2024) and from other banks totalling approximately € 51.5 million (approximately 40%).

DIRECTORS' REPORT

The item Financial liabilities designated at fair value through profit or loss of € 6.7 million refers exclusively to the issuances (starting from April 2025) of Credit Linked Notes, the reference underlying of which is given by a part of the pawn loan portfolio in Italy.

Total amounts due to banks and liabilities designated at fair value (Credit Linked Notes) bring debt to third parties to approximately 45%.

The item Provisions for risks and charges is down compared to 31 December 2024, essentially as a result of the payment and simultaneous release, following an agreement with the previous shareholders of the company, of part of the liability relating to the earn-out portion contractually agreed upon in the acquisition of Kruso Art and for the provision for legal disputes.

As at 31 December 2025, equity amounted to € 58.3 million, up compared to 31 December 2024 (€ 49.5 million).

The following is a reconciliation between the net profit and equity of Kruso Kapital and the consolidated financial statements.

Amounts in thousands of Euro

Reconciliation from Individual to Consolidated	Profit (loss)	Equity
Profit (loss)/Equity attributable to the owners of the parent	7.478,2	59.336,6
Profit (loss)/Equity attributable to subsidiaries	1.297,5	-1.084,6
Consolidated Equity	8.775,7	58.252,0
Equity attributable to non-controlling interests	-	-
Group Profit (loss)/Equity	8.775,7	58.252,0

CAPITAL ADEQUACY

Information on the regulatory capital and capital adequacy of Kruso Kapital on an individual basis is set out below:

Own Funds (€ '000) and Capital Ratios	31/12/2025	31/12/2024
CET 1	25,987	20,257
TIER 1	25,987	20,257
Total Own Funds (Total Capital)	25,987	20,257
Total risk-weighted assets (RWA)	87,652	92,018
<i>of which, credit risk</i>	<i>39,361</i>	<i>41,473</i>
<i>of which, operational risk</i>	<i>48,291</i>	<i>50,545</i>
Ratio - CET 1	29.65%	22.01%
Ratio - TIER 1	29.65%	22.01%
Ratio - Total Capital	29.65%	22.01%

As at 31 December 2025, total own funds amounted to approximately € 26 million, marking an increase compared to 2024, mainly due to the higher net profit included in Common Equity Tier 1 capital.

The decrease in RWA, from € 92 million at 31 December 2024 to € 88 million at 31 December 2025, is attributable to the reduction in credit risk and operational risk, with the latter calculated from the last quarter onwards by applying a capital requirement equal to 8% of TCR.

Capital ratios, which increased, remained well above the regulatory minimum level.

SHARE CAPITAL AND STOCK PERFORMANCE

At 31 December 2025, share capital amounted to € 24,609,593, divided into 24,609,593 ordinary shares, with no nominal amount.

Kruso Kapital's shares are traded on the Euronext Growth Milan segment of Borsa Italiana (ISIN: IT0005573800). In 2024, the share price of the stock fluctuated in a range between a minimum closing price of € 1.84 and a maximum closing price of € 2.00.

The share capital is divided as follows:

- | | |
|-----------------------------|--------|
| • Banca Sistema | 70.59% |
| • Fondazione CR Cuneo | 9.08% |
| • Fondazione CR Pisa | 9.08% |
| • Fondazione CR Alessandria | 5.41% |
| • Free float | 5.85% |

RISK MANAGEMENT AND SUPPORTING CONTROL METHODS

With regard to the "Risk Management System," the Company, in line with the directives of Banca Sistema (the Parent of the Banking Group), has implemented a system based on four fundamental principles:

- suitable surveillance by the company bodies and functions;
- suitable risk management policies and procedures;
- suitable methods and instruments to identify, monitor and manage risks, and measuring techniques;
- thorough internal controls and independent audits.

The responsibilities for risk management and control are assigned to the corporate bodies, each of which, within its respective competencies and prerogatives, is responsible for ensuring the adequate oversight of risks to which Kruso Kapital is or may be exposed.

In compliance with applicable legal and regulatory provisions, the Group has adopted an Internal Control System structured on three levels, enabling the monitoring and management of the various risks to which the Group is exposed. More specifically, in adherence to sound and prudent management principles, the system ensures the effectiveness and efficiency of corporate processes, as well as the reliability and security of corporate information and IT procedures:

- Line controls ("first-level controls"), aimed at ensuring the proper execution of operations related to the Group's activities, performed by the operational units or embedded in IT procedures;
- Risk and compliance controls ("second-level controls"), designed to verify compliance with the operational limits assigned to the various functions, the alignment of business activities with the risk-return objectives, the correct implementation of risk management processes, and compliance with applicable regulations;
- Internal audit controls ("third-level controls"), aimed at identifying breaches of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality, and reliability of the internal control system and the IT system.

The second-level controls are carried out by the Compliance, Anti-Money Laundering and Risk Management Department, which continuously analyses the Group's operations to achieve a comprehensive identification of the risks to which it is exposed.

The risk management framework consists of a set of activities designed to ensure compliance with the overall level of risk that the Group is willing to assume. This includes the assessment and monitoring of specific risk indicators ("Key Risk Indicators" or "KRIs") defined by the Board of Directors of Kruso Kapital, which have been established to ensure that growth and development objectives are pursued while maintaining financial and capital soundness. This framework, which is updated annually, includes monitoring and alert mechanisms and related processes to take action in order to promptly intervene in the event of discrepancies with defined targets.

The Management Risk Function prepares a quarterly report for the corporate bodies and periodically provides all relevant information to ensure a comprehensive identification of risks at the Group level, as well as to comply with supervisory regulations.

OTHER INFORMATION

Kruso Kapital has prepared the consolidated financial statements as at 31 December 2025. For each item in the statement of financial position and the income statement, comparative information is provided with reference to the consolidated financial statements prepared on a voluntary basis.

Research and Development

During 2025, no research and development was carried out.

Related party transactions

Transactions entered into with related parties and associated entities, including the related authorisation and disclosure process, are governed by the “Group Regulations for Managing Transactions with Parties in Conflict of Interest”, approved by the Company’s Board of Directors on 5 December 2023.

Under the aforementioned Regulation, the following are considered Related Parties of Kruso Kapital: parties that exercise control or significant influence, subsidiaries and associates, key management personnel of Kruso Kapital and Banca Sistema, including their “*close family members*” and companies controlled or jointly controlled by them and their close family members, and entities belonging to the Banca Sistema Group.

Transactions entered into with related parties and associated entities were carried out in the interest of the Company, also as part of ordinary operations. Those transactions were executed at market conditions and, in any event, based on cost-effectiveness for both parties and compliance with procedures.

Significant transactions

During the year, the following transactions with related parties were carried out, classified as “significant transactions”, subject to the obligation to publish an Information Document to the market, to which reference is made for further details:

A. Transactions with the parent Banca Sistema:

- master resolution concerning the purchase of tax credits (Bonus Fiscale) from Banca Sistema to be offset against payments of taxes, social security contributions, INAIL premiums and other levies, approved by the board of directors of Kruso Kapital S.p.A. at its meeting of 14 April 2025 and subsequently updated at the Board meeting of 6 November 2025: as at 31 December 2025, Kruso Kapital purchased tax credits with a total value of € 2,566,666.50, all of which were used;
- renewal, until 30.06.2026, with a simultaneous reduction and revision of the pricing terms of the loan granted to Kruso Kapital Spa by Banca Sistema, from € 150 million to € 135 million, to support the company’s current financial and development needs.

B. Transactions with other Related Parties:

- issuance by Kruso Kapital S.p.A. of a Credit Linked Note (CLN) subscribed by SGBS Srl for approximately € 2 million.

Other transactions with Related Parties

I. Transactions with the Parent Company, Banca Sistema:

Banca Sistema qualifies as a related party of Kruso Kapital as the latter is directly controlled by Banca Sistema pursuant to Article 2359, paragraph 1, no. 1 of the Italian Civil Code. The transactions in place with the Group parent primarily concern:

- lease agreements and the granting of usage rights for premises;
- bank guarantees issued by Banca Sistema in favour of Kruso Kapital for lease agreements or credit facilities granted by third-party intermediaries;
- servicing agreements governing the operational activities provided by Banca Sistema to Kruso Kapital;
- agreements relating to the payment agent, correspondent bank and agent services in connection with the various CLNs issued by Kruso Kapital in 2025.

II. Transactions with other related parties

Other related parties include entities belonging to the Banca Sistema Group and/or subsidiaries of Kruso Kapital, as well as key management personnel of Banca Sistema and/or Kruso Kapital (including their close family members and companies controlled or jointly controlled by them or their close family members).

Transactions between the company and other related parties primarily involve:

- lease agreements and the granting of usage rights for premises;
- support for the current financial and development needs of the subsidiaries.

III. Transactions related to ordinary business operations;

Ordinary transactions (such as the issuance of pledge agreements and/or auction purchases) of a negligible amount (i.e. not exceeding €250,000) are conducted under market-equivalent conditions and fall within the scope of transactions excluded and exempted from the application of the related procedure. However, such transactions are recorded and periodically brought to the attention of the Corporate Bodies.

Atypical or unusual transactions

During the year, Kruso Kapital did not carry out any atypical or unusual transactions, as defined in Consob Communication no. 6064293 of 28 July 2006.

Treasury shares / shares or equity interests in parent companies (Article 2428, Paragraph 3, Nos. 3 and 4 of the Italian Civil Code)

As of the reporting date, the Company does not hold – either directly or indirectly – any treasury shares. Furthermore, during the 2025 financial year, the Company did not hold, acquire, or dispose of any treasury shares, either directly or indirectly.

Whistleblowing

It should be noted that, by Resolution no. 478, approved by the Board on 26 November 2025, ANAC adopted the Guidelines on whistleblowing via internal reporting channels, providing guidance on how to manage these channels.

By Resolution no. 479, approved by the Board on 26 November 2025, the Authority subsequently made amendments and additions to the Guidelines on the submission and handling of external reports.

During 2025, no reports of violations were received through the Company's designated reporting channels, in accordance with applicable regulations, or via other means. Additionally, two internal training sessions on Legislative Decree no. 231/01 were held, covering internal procedures for reporting violations.

Supervisory Body

During 2025, the Supervisory Body carried out the institutional activities provided for in the annual plan, as proposed by its members or as became necessary.

At its meeting on 10 September 2025, the members of the Supervisory Body approved the draft update of the Organisational, Management and Control Model ("OMCM") prepared by the LCA law firm, in light of the new regulatory developments in this area. In addition to incorporating the new 231 predicate offences into the various components of the Model, the changes did not result in any amendments to the existing control measures or to the information flows already required. On 18 December 2025, the Board of Directors approved the update to the OMCM as proposed by the Supervisory Body.

During 2025, no reports of violations were received through the Company's designated reporting channels, in accordance with applicable regulations, or via other means. Additionally, two internal training sessions on Legislative Decree no. 231/01 were held, covering internal procedures for reporting violations.

Significant events after the reporting date

On 16 January 2026, Banca CF+ S.p.A. (the "Offeror") announced and published the offer document and the information prospectus relating to the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema S.p.A. (the "Offer"), Parent of the banking group to which Kruso Kapital belongs.

The Offeror, on the basis of an increase resolved by its Board meeting held on 18 February 2026, will pay a total consideration of up to a maximum of € 1.89 for each Banca Sistema share tendered to the Offer, represented by the following components:

(a) € 1.432 in cash (the "Initial Consideration"), to be paid on the trading day agreed with Borsa Italiana (i.e. 6 March 2026), without prejudice to any extensions or other amendments to the Offer that may occur in accordance with applicable laws or regulations (the "Payment Date"); and

(b) up to a maximum of € 0.458 (the "Deferred Consideration" and, together with the Initial Consideration, the "Consideration") to be paid within 6 months from the Initial Consideration Payment Date (the "Deferred

Consideration Payment Date”) through the assignment of no. 21 Kruso Kapital shares, subject to the fractioning of Kruso Kapital’s outstanding shares on the basis of the ratio 1:98, for each Banca Sistema share tendered to the Offer.

For complete information, please refer to the documentation published on the websites of Banca Sistema and Banca CF+.

On 27 February 2026, the tender period ended with total acceptances reaching 70.732% of the share capital of Banca Sistema, corresponding to 69.047% of the related voting rights. Based on the results, the Offeror reopened the terms, pursuant to and for the purposes of Article 40-bis, paragraph 1, letter a), of the Issuers’ Regulation, until 13 March 2026. Furthermore, from 6 March, the legal conditions were met for Banca CF+ to promote a total mandatory public tender and exchange offer pursuant to and in accordance with articles 102 and 106 of the Consolidated Law on Finance on all of the shares of Banca Sistema that are not already owned by Banca CF+ as a result of the Voluntary Offer.

The Board of Directors of Kruso Kapital resolved on 3 March to initiate preliminary activities for the translisting project on Euronext Milan, with the objective of completion by June 2026.

With effect from 6 March 2026, CF+ resolved to commence the exercise of management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code over Banca Sistema and its subsidiaries, including Kruso Kapital.

Since the reporting date of this Report, there have been no other events to mention that have had an effect on the equity, economic and financial position.

Business outlook

Interest rates are expected to remain unchanged throughout 2026 compared with the second half of 2025, thereby keeping the business’ profitability stable, whilst the cost of funding will be most significantly affected by funding diversification strategies, the cost of which will rise gradually over the course of the year.

Based on the performance recorded in the early months of 2026, characterised by significant geopolitical events, and the expectations of key market players, in 2026 the price of gold is not anticipated to deviate significantly from the levels reached in 2025. In addition, the performance in the first few weeks of the year also suggests a scenario of high price volatility.

The Company expects growth in collateralised loan volumes in Italy, driven in part by portfolio acquisitions, as well as in Greece and Portugal, at pricing conditions that are on average no lower than those in place in the previous year.

Following CF+’s Tender and Exchange Offer (OPAS) for Banca Sistema, extraordinary costs and an increase in structural costs are estimated for the year.

DIRECTORS' REPORT

Milan, 10 March 2026

For the Board of Directors

The Chairperson

Gianluca Garbi

A handwritten signature in black ink, appearing to read 'G. Garbi', with a stylized flourish at the end.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Euro)

Assets		31/12/2025	31/12/2024
10.	Cash and cash equivalents	8,463	9,016
40.	Financial assets measured at amortised cost	155,161	143,879
	a) loans and receivables with banks	103	34
	b) loans and receivables with customers	155,058	143,845
80.	Property and equipment	4,215	4,612
90.	Intangible assets	43,416	43,264
	of which:		
	- goodwill	40,070	41,155
100.	Tax assets	618	404
	b) deferred	618	404
120.	Other assets	3,129	3,309
	TOTAL ASSETS	215,002	204,484

Liabilities and Equity		31/12/2025	31/12/2024
10.	Financial liabilities measured at amortised cost	134,688	141,830
	a) liabilities	134,688	141,830
30.	Financial liabilities designated at fair value through profit or loss	6,726	-
60.	Tax liabilities	5,602	3,998
	a) current	2,619	1,659
	b) deferred	2,983	2,339
80.	Other liabilities	8,079	7,354
90.	Post-employment benefits	848	872
100.	Provisions for risks and charges:	805	971
	c) other provisions for risks and charges	805	971
110.	Share capital	24,610	24,610
140.	Share premium	16,908	16,908
150.	Reserves	7,974	3,475
160.	Valuation reserves	(14)	(34)
170.	Consolidated profit for the year	8,776	4,500
	TOTAL LIABILITIES AND EQUITY	215,002	204,484

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(Amounts in thousands of Euro)

Items		31/12/2025	31/12/2024
10.	Interest and similar income	18,656	15,064
	of which: interest income calculated using the effective interest rate method	18,656	15,064
20.	Interest and similar expense	(4,448)	(4,635)
30.	Net interest income	14,208	10,429
40.	Fee and commission income	21,912	14,432
50.	Fee and commission expense	(344)	(163)
60.	Net fee and commission income (expense)	21,568	14,269
110.	Net income from other financial assets and liabilities measured at fair value through profit or loss	7	-
	a) financial assets and liabilities designated at fair value through profit or loss	7	-
120.	Total income	35,783	24,698
130.	Net impairment losses/gains due to credit risk (+/-) related to:	(141)	(89)
	a) financial assets measured at amortised cost	(141)	(89)
150.	Net financial income (expense)	35,642	24,609
160.	Administrative expenses:	(19,465)	(16,157)
	a) personnel expense	(9,531)	(8,562)
	b) other administrative expenses	(9,934)	(7,595)
170.	Net allocations to provisions for risks and charges:	(150)	-
	b) other net accruals	(150)	-
180.	Net impairment gains/losses on property and equipment	(1,465)	(1,169)
190.	Net impairment gains/losses on intangible assets	(1,308)	(627)
200.	Other operating income/expense	475	928
210.	Operating costs	(21,913)	(17,025)
220.	Gains (Losses) on equity investments	190	-
260.	Pre-tax profit (loss) from continuing operations	13,919	7,584
270.	Income taxes on continuing operations	(5,143)	(3,084)
300.	CONSOLIDATED PROFIT FOR THE YEAR	8,776	4,500

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Euro)

Items		31/12/2025	31/12/2024
10.	Profit for the period	8,776	4,500
	Other comprehensive income net of taxes, without reversal to the income statement		
70.	Defined-benefit plans	20	(7)
170.	Total other comprehensive income net of taxes	20	(7)
180.	Comprehensive income (Item 10+170)	8,796	4,493

CONSOLIDATED FINANCIAL STATEMENTS

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

(Amounts in thousands of Euro)

	Balances			Allocation of previous year's profit		Changes during the year						Equity attributable to the owners of the parent at 31.12.2025	Equity attributable to non-controlling interests at 31.12.2025	
	Balances as at 31.12.2024	Change in opening balances	Balances as at 1.1.2025	Reserves	Dividends and other allocations	Changes in reserves	Transactions on equity							Comprehensive income at 31/12/2025
							Issue of new shares	Purchase of treasury	Extraordinary dividend	Changes in equity	Other changes			
Share capital	24,610	-	24,610				-						24,610	-
Share premium	16,908	-	16,908				-						16,908	-
Reserves	3,475	-	3,475	4,500		-							7,974	-
a) profit	3,475	-	3,475	4,500									7,974	-
b) other	-	-	-			-							-	-
Valuation reserves	(34)	-	(34)								20		(14)	-
Equity instruments	-	-	-										-	-
Treasury shares	-	-	-										-	-
Profit for the period	4,500	-	4,500	(4,500)							8,776	8,776	-	-
Equity attributable to the owners of the parent	49,459	-	49,459	-	-	-	-	-	-	-	8,796	58,254	-	-
Equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENTS

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

(Amounts in thousands of Euro)

	Balances as at 31.12.2023	Change in opening balances	Balances as at 1.1.2024	Allocation of previous year's profit		Changes during the year							Equity attributable to the owners of the parent at 31.12.2024	Equity attributable to non-controlling interests at 31.12.2024
				Reserves	Dividends and other allocations	Changes in reserves	Transactions on equity					Comprehensive income at 31/12/2024		
							Issue of new shares	Purchase of treasury shares	Extraordinary dividend	Changes in equity	Other changes			
Share capital	23,162	-	23,162				1,447						24,610	-
Share premium	15,838	-	15,838				1,070						16,908	-
Reserves	597	-	597	2,885		(6)							3,475	-
a) profit	591	-	591	2,885									3,475	-
b) other	6	-	6			(6)							-	-
Valuation reserves	(27)	-	(27)									(7)	(34)	-
Equity instruments	-	-	-										-	-
Treasury shares	-	-	-										-	-
Profit for the period	2,885	-	2,885	(2,885)								4,500	4,500	-
Equity attributable to the owners of the parent	42,455	-	42,455	-	-	(6)	2,517	-	-	-	-	4,493	49,459	-
Equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS (indirect method)

(Amounts in thousands of Euro)

KEY: (+) generated (-) used

A. OPERATING ACTIVITIES	31/12/2025	31/12/2024
1. Operations	20,405	13,920
Profit (loss) for the period	8,776	4,500
Gains/losses on financial assets held for trading and on other assets/liabilities measured at fair value through profit or loss (-/+)	(7)	
Gains/losses on hedging activities (-/+)	0	
Net impairment losses due to credit risk (+/-)	0	
Net impairment losses on property and equipment and intangible assets (+/-)	141	89
Net accruals to provisions for risks and charges and other costs/income (+/-)	2,773	1,796
Taxes, duties and tax assets not settled (+/-)	3,038	2,805
Net impairment losses on discontinued operations, net of the tax effect (+/-)		
Other adjustments (+/-)	5,684	4,730
2. Liquidity generated/used by financial assets	(15,026)	(37,351)
Financial assets held for trading		
Financial assets designated at fair value through profit or loss		
Other financial assets mandatorily measured at fair value through profit or loss		
Financial assets measured at fair value through other comprehensive income		
Financial assets measured at amortised cost	(11,385)	(22,462)
Other assets	(3,641)	(14,889)
3. Liquidity generated/used by financial liabilities	(5,205)	36,746
Due to banks	(10,786)	24,937
Due to financial corporations		
Due to customers		
Securities in issue		
Financial liabilities held for trading		
Financial liabilities designated at fair value through profit or loss	6,733	
Other liabilities	(1,152)	11,809
Net liquidity generated/used by operating activities	174	13,315
B. INVESTING ACTIVITIES		
1. Liquidity generated by	-	-
Sales of equity investments		
Dividends collected on equity investments		
Sales of property and equipment		
Sales of intangible assets		
Sales of business units		
2. Liquidity used by	(727)	(13,527)
Purchases of equity investments		
Purchases of property and equipment	(296)	(139)
Purchases of intangible assets	(431)	(865)
Purchases of business units		(12,523)
Net liquidity generated/used by investing activities	(727)	(13,527)
C. FINANCING ACTIVITIES		
Issues/purchases of treasury shares		
Issues/purchases of equity instruments		2,518
Dividend distributions and other allocations		
Acquisitions and disposals of subsidiaries and other business units		
Net liquidity generated/used by funding activities	-	2,518
NET LIQUIDITY GENERATED/USED DURING THE PERIOD	(553)	2,306
RECONCILIATION		
	Amount	
	31/12/2025	31/12/2024
Cash and cash equivalents at the beginning of the year	9,016	6,710
Total net liquidity generated/used during the period	(553)	2,306
Cash and cash equivalents: exchange rate effects		
Cash and cash equivalents at the end of the year	8,463	9,016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A – ACCOUNTING POLICIES

A.1 – GENERAL PART

Section 1 - Statement of compliance with International Financial Reporting Standards

The Consolidated Financial Statements of the Kruso Kapital Group as at 31 December 2025 have been prepared in compliance with the international accounting standards—referred to as IAS/IFRS—issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Commission pursuant to Regulation (EC) No. 1606 of 19 July 2002. This regulation was transposed into Italian law under Article 1 of Legislative Decree No. 38 of 28 February 2005. The financial statements also take into account the provisions issued by the Bank of Italy on 29 October 2021 and subsequent updates, specifically concerning "Financial statements of IFRS intermediaries other than banking intermediaries". These provisions apply as the Company operates in the collateralised lending sector and is registered under No. 19493 in the Register of Financial Intermediaries pursuant to Article 106 of the Consolidated Law on Banking, maintained by the Bank of Italy.

In 2025, the following accounting standards or amendments to existing accounting standards came into force:

Document title	Effective date	Approval status EU
Lack of exchangeability (Amendments to IAS 21)	1 January 2025	Endorsed

The above changes had no material impact on the statement of financial position and income statement.

EU-endorsed documents not yet in force:

Document title	Effective date	Approval status EU
Changes to the classification and valuation of financial instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026	Endorsed
Nature-dependent electricity contracts (Amendments to IFRS 9 and IFRS 7)	1 January 2026	Endorsed
Annual Improvements to IFRS Accounting Standards – Volume 11 (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1 January 2026	Endorsed

Documents NOT yet endorsed by the EU and which will only be applicable after EU endorsement:

Document title	Date of expected endorsement by the EU
New IFRS accounting standards	
IFRS 14 Regulatory deferral accounts	Endorsement process suspended pending the new financial reporting standard on “rate-regulated activities”.
IFRS 18 Presentation and disclosure in financial statements	Q1 2026
IFRS 19 Subsidiaries without public accountability: disclosures	TBD
Amendments to IFRS accounting standards	
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Endorsement process suspended pending the conclusion of the IASB project on the equity method
Amendments to IFRS 19 Subsidiaries without public accountability: disclosures	TBD
Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency	TBD

The company does not expect any significant impact from the entry into force of these accounting standard amendments.

Section 2 - General basis of preparation

The financial statements are drawn up with clarity and give a true and fair view of the financial position, profit or loss, cash flows, and changes in equity and cash flows of the Group and comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements are accompanied by the Directors' Report on the Bank's performance.

If the information required by the IFRS and provisions issued by the Bank of Italy are not sufficient to give a true and fair view that is relevant, reliable, comparable and understandable, the notes to the financial statements provide the additional information required.

For the sake of completeness, please note that this financial report also considers the interpretation and supporting documents regarding the application of accounting standards, including those issued in connection with the Covid-19 pandemic, as well as those issued by European regulatory and supervisory bodies and standard setters.

The general principles that underlie the drafting of the financial statements are set out below:

- the assessments are made with a view to the company operating as a going concern, where it is specified that the Directors saw no uncertainties that could generate doubts about that situation;
- costs and revenues are recognised on an accruals basis;
- to ensure the comparability of the data and information in the financial statements and the notes to the financial statements, the methods of presentation and classification are kept constant over time unless they are changed to present the data more appropriately;
- each significant class of items is presented separately in the statement of financial position and income statement. Items with different nature or purpose are presented separately unless those differences are considered irrelevant;
- items that have nil balances at year end or for the financial year or for the previous year are not indicated in the statement of financial position or the income statement;
- if an asset or liability comes under several items in the statement of financial position, the notes to the financial statements make reference to the other items under which it is recognised if it is necessary for a better understanding of the financial statements;
- offsetting of balances is not performed, except in cases expressly required or permitted by an international accounting standard, an interpretation, or the provisions of the Bank of Italy's regulation on IFRS intermediaries other than banking intermediaries.
- the financial statements are drafted by favouring substance over form and in accordance with the principle of materiality and significance of the information;
- the layout recommended by the Bank of Italy was used with reference to the information reported in the notes to the financial statements; the tables included in this layout were not presented if they were not applicable to the Group's business.

Within the scope of drawing up the financial statements in accordance with the IFRS, bank management must make assessments, estimates and assumptions that influence the amounts of the assets, liabilities, costs and income recognised during the period.

The use of estimates is essential to preparing the financial statements. In particular, the most significant use of estimates and assumptions in the financial statements can be attributed to:

- the valuation of loans and receivables with customers, which requires a complex estimation process characterised by a high degree of uncertainty and subjectivity. Their value is estimated by using models that include numerous quantitative and qualitative elements. These include the historical data for collections, expected cash flows and the related expected recovery times, the existence of indicators of possible impairment, the valuation of any guarantees, and the impact of risks associated with customers;
- the estimation of any impairment of goodwill;
- the quantification and estimation carries out to recognise liabilities of uncertain amount or maturity in the provisions for risks and charges;
- post-employment benefits and other benefits due to employees (including obligations regarding defined-benefit plans);
- the recoverability of deferred tax assets.

It is noted that estimates may be adjusted following changes to the underlying basis of the estimate or following new information or greater experience. Any change in the estimates is applied prospectively and thus generate impacts on the income statement for the year in which the change occurs.

Pursuant to the provisions of art. 5 of Legislative Decree no. 38 of 28 February 2005, the financial statements use the Euro as the currency for accounting purposes. The separate financial statements are expressed in Euro. Unless otherwise stated, the notes to the separate financial statements are expressed in thousands of Euro.

Any discrepancies between reported figures are solely due to rounding adjustments.

Section 3 - Subsequent events

For a description of significant events occurring after the end of the financial year, please refer to the relevant section of the Directors' Report.

Section 4 – Other aspects

Auditing of the financial statements

The consolidated financial statements as at 31 December 2025 are audited by the independent auditors BDO Audit Services S.r.l..

Section 5 - Scope and methods of consolidation

1. Investments in wholly owned subsidiaries

The consolidated financial statements include the Parent, Kruso Kapital S.p.A., and the following subsidiaries:

Company Name	Headquarters /Registered office	Type of Relationship (1)	Investment relationship		% of available votes (2)
			Investor company	% Share	
Companies					
ProntoPegno Greece	Greece	1	Kruso Kapital	100%	100%
Art-Rite Srl	Italy	1	Kruso Kapital	100%	100%
Pignus - Credito Economico Popular	Portugal	1	Kruso Kapital	100%	100%

(1) Type of relationship

1. = majority of voting rights in the Ordinary Shareholders' Meeting
2. = dominant influence in the Ordinary Shareholders' Meeting
3. = agreements with other shareholders
4. = other forms of control
5. = unitary management pursuant to Article 26, paragraph 1 of "Legislative Decree 87/92"
6. = unitary management pursuant to Article 26, paragraph 2 of "Legislative Decree 87/92"
7. = joint control

(2) Available voting rights at the ordinary Shareholders' Meeting, with separate indication of effective and potential rights

2. Key judgements and assumptions in determining the scope of consolidation

Full consolidation

The subsidiaries are consolidated on a line-by-line basis. The concept of control goes beyond the majority of percentage of equity investment in the investee and is defined as the power to determine the operational and financial policies of the investee in order to obtain the benefits of its business.

This consolidation aggregates "line-by-line" the balances of the statement of financial position and income statement of the subsidiaries' financial statements. To that end, the following adjustments are made:

- (a) the carrying amount of the equity investments held by the Parent and the corresponding portion of equity are eliminated;
- (b) the share of equity and profit or loss for the year is recognised in a specific item.

The results of the adjustments, if positive, are recognised - after any posting to the subsidiary's asset or liability items - as goodwill under item "90 Intangible assets" on the date of initial consolidation. The resulting differences, if negative, are posted to the income statement. Intercompany balances and transactions,

including revenues, costs and dividends, are fully eliminated. The financial results of a subsidiary acquired during the financial year are included in the consolidated financial statements from the date of acquisition. At the same time, the financial results of a transferred subsidiary are included in the consolidated financial statements up to the date on which the subsidiary is transferred. The accounts used in the preparation of the consolidated financial statements are drafted on the same date. The consolidated financial statements were drafted using consistent accounting standards for similar transactions and events. If a subsidiary uses accounting standards different from those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, adjustments are made to the financial position for consolidation purposes.

Consolidation at equity

Associates are consolidated using the synthetic equity method.

The equity method requires the initial recognition of the equity investment at cost, and its subsequent value adjustment based on the share of equity held in the investee.

The differences between the value of the equity investment and the equity of the specific investee are included in the carrying amount of the investee.

In valuing the specific share, potential voting rights, if any, are not considered.

The specific share of the profit (loss) for the year of the investee is recognised in a specific item of the consolidated income statement.

If there is evidence that an equity investment may be impaired, the recoverable value of said equity investment is estimated by considering the present value of future cash flows that the investment could generate, including the final disposal value of the investment.

At 31 December 2025, there were no investments in associated companies that are consolidated using the equity method.

3. Investments in wholly owned subsidiaries with significant non-controlling interests

As of 31 December 2025, there are no wholly owned subsidiaries with significant non-controlling interests.

4. Significant restrictions

As of 31 December 2025, there are no significant legal, contractual, or regulatory restrictions.

5. Other information

There are no subsidiary financial statements used in the preparation of the consolidated financial statements that refer to a different reporting date than that of the consolidated financial statements.

A.2 – INFORMATION ON THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

Financial assets measured at amortised cost

Classification criteria

This category includes the financial assets that meet both the following conditions:

- the financial asset is held under a business model whose objective is achieved through the collection of expected contractual cash flows (Held to Collect business model);
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI Test" passed).

In particular, this item includes:

- loans and receivables with banks;
- loans and receivables with customers;
- debt instruments.

Except for the equity instruments which cannot be reclassified, financial assets may be reclassified to other categories of financial assets only if the entity changes its own business model for management of the financial assets. In such cases, which are expected to be absolutely infrequent, the financial assets may be reclassified from the amortised cost category to one of the other two categories established by IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of the reclassification and the effects of the reclassification apply prospectively from the reclassification date. Gains and losses resulting from the difference between the amortised cost of a financial asset and its fair value are recognised through profit or loss in the event of reclassification to Financial assets measured at fair value through profit or loss and under equity, in the specific valuation reserve, in the event of reclassification to Financial assets measured at fair value through other comprehensive income.

Recognition criteria

Initial recognition of a receivable is at the date of disbursement based on its fair value including the costs/income of the transaction directly attributable to the acquisition of the receivable.

Costs/income having the previously mentioned characteristics that will be repaid by the debtor or that can be considered as standard internal administrative costs are excluded.

The initial fair value of a financial instrument is usually equivalent to the amount granted or the cost incurred by the acquisition.

Measurement and recognition criteria for income components

Following initial recognition, loans and receivables with customers are stated at amortised cost, equal to the initial recognition amount reduced/increased by principal repayments, by impairment losses/gains and the amortisation - calculated on the basis of the effective interest rate - of the difference between the amount provided and that repayable at maturity, usually the cost/income directly attributed to the individual loan.

The effective interest rate is the rate that discounts future payments estimated for the expected duration of the loan, in order to obtain the exact carrying amount at the time of initial recognition,

which includes both the directly attributable transaction costs/income and all of the fees paid or received between the parties. This accounting method, based on financial logic, enables the economic effect of costs/income to be spread over the expected residual life of the receivable.

The measurement criteria are strictly connected with the stage to which the receivable is assigned, where stage 1 contains performing loans, stage 2 consists of under-performing loans, i.e. loans that have undergone a significant increase in credit risk (“significant deterioration”) since the initial recognition of the instrument, and stage 3 consists of non-performing loans, i.e. the loans that show objective evidence of impairment.

The impairment losses recognised through profit or loss for the performing loans classified in stage 1 are calculated by considering an expected loss at one year, while for the performing loans in stage 2 and stage 3 they are calculated by considering the expected losses over the entire residual contractual lifetime of the asset (Lifetime Expected Loss). The classification of loans into increasing risk categories corresponds to different methods for measuring impairment losses, which are designed to reflect the increasing riskiness of loans based on various factors, such as, for example: days past due on policies, number of auction attempts, restrictions on auction sales, incorrect asset valuations, market value of the underlying assets and historical trends in losses and transactions.

The determination of collective impairment, based on determining expected losses for homogeneous classes of stage/risk, is reviewed annually and approved by the Board of Directors.

This determination aims to ensure an adequate valuation of loans based on the “Expected Loss” calculated taking into account specific Probability of Default (PD) and Loss Given Default (LGD) parameters that are consistent with the Company’s methodological choices. PD is calculated starting from internal historical series and integrating forward-looking elements, with the aim of adjusting the probability of entering a default status based on expectations regarding the short-term evolution of the macroeconomic context, while LGD is calculated on the basis of historical series of the average losses observed in auctions in recent years, broken down by policy status.

For certain positions classified in stage 3 (e.g. policies with constraints on renewal/redemption due to “seizures/detentions ordered by the authorities”), the Company determines the loss to be recognised in the Income Statement on an individual basis (specific impairment) considering forward-looking information and possible recovery scenarios.

Impaired assets include financial instruments classified as bad exposures, unlikely-to-pay or past due/overdrawn by over ninety days according to the rules issued by the Bank of Italy, in line with the IFRS and EU Supervisory Regulations. The expected cash flows take into account the expected recovery times and the estimated realisable value of any guarantees. The original effective rate of each asset remains unchanged over time even if the relationship has been restructured with a variation of the contractual interest rate and even if the relationship, in practice, no longer bears contractual interest. If the reasons for impairment are no longer applicable following an event subsequent to the recognition of impairment, impairment gains are recognised in the income statement. The impairment gains may not in any case exceed the amortised cost that the financial instrument would have had in the absence of previous impairment losses. Impairment gains with time value effects are recognised in net interest income.

Derecognition criteria

Loans and receivables are derecognised from the financial statements when they are deemed totally unrecoverable or if transferred, when this entails the substantial transfer of all loan-related risks and rewards.

Equity investments

Classification criteria

This category includes equity investments in subsidiaries, associates, and joint ventures.

Recognition criteria

Equity investments are recognised in the financial statements at purchase cost plus any related charges.

Measurement criteria

If there is evidence that an equity investment may be impaired, the recoverable value of said equity investment is estimated by considering the present value of future cash flows that the investment could generate, including the final disposal value of the investment and/ or other

measurement elements. The amount of any impairment, calculated based on the difference between the carrying amount of the investment and its recoverable value is recognised in the income statement under "Gains (losses) on equity investments". If the reasons for impairment are removed following an event occurring after recognition of the impairment, impairment gains are recognised in the income statement under the same item as above to the extent of the previous impairment loss.

Derecognition criteria

Equity investments are derecognised from the financial statements when the contractual rights to cash flows deriving from the investment are lost or when the investment is transferred, with the substantial transfer of all related risks and rewards. Gains and losses on the sale of equity investments are charged to the income statement under the item "Gains (losses) on equity investments"; gains and losses on the sale of investments other than those measured at equity are charged to the income statement under the item "Gains (losses) on sales of investments".

Property and equipment**Classification criteria**

This item includes assets for permanent use, held to generate income, to be leased, or for administrative purposes, such as land, operating property, investment property, technical installations, furniture and fittings and equipment of any nature and works of art.

They also include leasehold improvements to third party assets if they can be separated from the assets in question. If the above costs do not display functional or usefulness-related autonomy, but future economic benefits are expected from them, they are recognised under "other assets" and are depreciated over the shorter period between that of expected usefulness of the improvements in question and the residual duration of the lease. Depreciation is recognised under "Other operating income (expense)".

Property and equipment also include payments on account for the purchase and renovation of assets not yet part of the production process and therefore not yet subject to depreciation.

"Operating" property and equipment are represented by assets held for the provision of services or for administrative purposes, while property and equipment held for "investment purposes" are those held to collect lease instalments and/or held for capital appreciation.

The item also includes rights of use associated with leased assets and fees for use.

Recognition criteria

Property and equipment are initially recognised at cost, including all costs directly attributable to installation of the asset.

Extraordinary maintenance costs and costs for improvements leading to actual improvement of the asset, or an increase in the future benefits generated by the asset, are attributed to the reference assets, and are depreciated based on their residual useful life.

Under IFRS 16, leases are accounted for in accordance with the right-of-use model, whereby, at the commencement date, the lessee incurs an obligation to make payments to the lessor for the right to use the underlying asset for the term of the lease. When the asset is made available for use by the lessee, the lessee recognises both the liability and the right-of-use asset.

Measurement criteria

Following initial recognition, “operating” property and equipment are recognised at cost, less accumulated depreciation, and any impairment losses, in line with the “cost model” illustrated in paragraph 30 of IAS 16. More specifically, property and equipment are systematically depreciated each year based on their estimated useful life, using the straight-line basis method apart from:

- land, regardless of whether this was purchased separately or was incorporated into the value of the building, which, insofar as it has an indefinite useful life, is not depreciated;
- works of art, which are not depreciated as their useful life cannot be estimated and their value typically appreciates over time;
- investment property which is recognised at fair value in accordance with IAS 40.

For assets acquired during the financial year, depreciation is calculated on a daily basis from the date of entry into use of the asset. For assets transferred and/or disposed of during the financial year, depreciation is calculated on a daily basis until the date of transfer and/or disposal.

At the end of each year, if there is any evidence that property or equipment that is not held for investment purposes may have suffered an impairment loss, a comparison is made between its carrying amount and its recoverable value, equal to the higher between the fair value, net of any costs to sell, and the related value in use of the asset, intended as the present value of future cash flows expected from the asset. Any impairment losses are recognised in the income statement under “net impairment losses on property and equipment”.

If the reasons that led to recognition of the impairment loss cease to apply, an impairment gain is recognised that may not exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment losses.

For investment property and equipment, which comes within the scope of application of IAS 40, the measurement is made at the market value determined using independent surveys and the changes in fair value are recognised in the income statement under the item “fair value gains (losses) on property, equipment and intangible assets”.

The right-of-use asset, recognised in accordance with IFRS 16, is measured using the cost model under IAS 16 Property, plant and equipment. In this case, the asset is subsequently depreciated and tested for impairment if impairment indicators are present.

Derecognition criteria

Property and equipment is derecognised from the statement of financial position upon disposal thereof or when the asset is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Intangible assets

Classification criteria

This item includes non-monetary assets without physical substance that satisfy the following requirements:

- they can be identified;
- they can be monitored;
- they generate future economic benefits.

In the absence of one of the above characteristics, the expense of acquiring or generating the asset internally is recognised as a cost in the year in which it was incurred.

Intangible assets include software to be used over several years and other identifiable assets generated by legal or contractual rights.

Goodwill is also included under this item, representing the positive difference between the acquisition cost and fair value of the assets and liabilities acquired as part of a business combination. Specifically, an intangible asset is recognised as goodwill when the positive difference between the acquisition cost of the assets and liabilities acquired and the fair value represents the future capacity of the asset to generate profit (goodwill). If this difference proves negative (badwill), or if the goodwill offers no justification of the capacity to generate future profit from the assets and liabilities acquired, it is recognised directly in the income statement.

Measurement criteria

Intangible assets with a finite useful life are systematically amortised from the time of their input into the production process.

With reference to goodwill, on an annual basis (and during the year when impairment is detected), an assessment test is carried out on the adequacy of its carrying amount. For this purpose, the cash-generating unit to which the goodwill is attributed, is identified. The amount of any impairment is determined by the difference between the goodwill carrying amount and its recoverable value, if lower. This recoverable value is equal to the higher amount between the fair value of the cash-generating unit, net of any costs to sell, and its value in use. As stated above, any consequent impairment losses are recognised in the income statement.

Derecognition criteria

An intangible asset is derecognised from the statement of financial position at the time of its disposal and if there are no expected future economic benefits.

Current and deferred taxes

Income taxes, calculated in compliance with prevailing tax regulations, are recognised in the income statement on an accruals basis, in accordance with the recognition in the financial statements of the costs and income that generated them, apart from those referring to the items recognised directly in equity, where the recognition of the tax is made to equity in order to be consistent.

Income taxes are provided for on the basis of a prudential estimate of the current and deferred taxes. More specifically, deferred taxes are determined on the basis of the temporary differences between the carrying amount of assets and liabilities and their tax bases. Deferred tax assets are recognised in the financial statements to the extent that it is probable that they will be recovered based on the Group's ability to continue to generate positive taxable income.

Deferred tax assets and liabilities are accounted for in the statement of financial position with open balances and without offsetting entries, recognising the former under "Tax assets" and the latter under "Tax liabilities".

With respect to current taxes, at the level of individual taxes, advances paid are offset against the relevant tax charge, indicating the net balance under "current tax assets" or "current tax liabilities" depending on whether it is positive or negative.

Financial liabilities measured at amortised cost

Classification criteria

This item includes Due to banks, Due to customers.

Recognition criteria

These financial liabilities are initially recognised when the deposits are received or when the debt instruments are issued. Initial recognition is based on the fair value of the liabilities, increased by the costs/income of the transaction directly attributable to the acquisition of the financial instrument.

Costs/income having the previously mentioned characteristics that will be repaid by the creditor or that can be considered as standard internal administrative costs are excluded.

The initial fair value of a financial liability is usually equivalent to the amount collected.

Measurement and recognition criteria for income components

After the initial recognition, the previously mentioned financial liabilities are measured at amortised cost with the effective interest rate method.

Derecognition criteria

The above financial liabilities are derecognised from the statement of financial position when they expire or when they are extinguished. They are derecognised also in the event of repurchase, even temporary, of the previously-issued securities. Any difference between the carrying amount of the extinguished liability and the amount paid is recognised in the income statement, under "Gain (loss) from sales or repurchases of: financial liabilities". If the Group, subsequent to the repurchase, re-replaces its own securities on the market, said transaction is considered a new issue and the liability is recognised at the new placement price.

Financial liabilities measured at fair value

Recognition criteria

The financial instruments in question are recognised on the date of subscription or at the date of issue, at a value equal to the fair value of the instrument, without considering any transaction income or costs directly attributable to the instruments themselves. In particular, CLNs are included in this category of liabilities.

Measurement criteria

All liabilities measured at fair value are measured at fair value with the result of the measurement recognised in the Income Statement.

Derecognition criteria

Financial liabilities measured at fair value are eliminated from the financial statements when the contractual rights on the related cash flows expire or when the financial liability is assigned, with a substantial transfer of all the risks and benefits deriving from its ownership.

Provisions for risks and charges:

In line with the requirements of IAS 37, provisions for risks and charges cover liabilities, the amount or timing of which is uncertain, related to current obligations (legal or implicit), owing to a past event for which it is likely that financial resources will be used to fulfil the obligation, on condition that an estimate of the amount required to fulfil said obligation can be made at the reporting date. Where the temporary deferral in sustaining the charge is significant, and therefore the extent of the discounting will be significant, provisions are discounted at current market rates.

The provisions are reviewed at the reporting date of the annual financial statements and the interim financial statements and adjusted to reflect the current best estimate. These are recognised under their own items in the income statement in accordance with a cost classification approach based on the “nature” of the cost. Provisions related to future charges for employed personnel relating to the bonus system appear under “personnel expense”. The provisions that refer to risks and charges of a tax nature are reported as “income taxes”, whereas the provisions connected to the risk of potential losses not directly chargeable to specific items in the income statement are recognised as “net accruals to provisions for risks and charges”.

Post-employment benefits

According to the IFRIC, the post-employment benefits can be equated with a post-employment benefit of the “defined-benefit plan” type which, based on IAS 19, is to be calculated via actuarial methods. Consequentially, the end of the year measurement of the item in question is made based on the accrued benefits method using the Projected Unit Credit Method.

This method calls for the projection of the future payments based on historical, statistical, and probabilistic analysis, as well as in virtue of the adoption of appropriate demographic fundamentals. It allows the post-employment benefits vested at a certain date to be calculated actuarially, distributing the expense for all the years of estimated remaining employment of the existing workers, and no longer as an expense to be paid if the company ceases its activity on the reporting date.

The actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of the obligation at year end, are recognised in equity.

An independent actuary assesses the post-employment benefits in compliance with the method indicated above.

Business combinations

A business combination is the bringing together of separate entities or businesses into one reporting entity. A business combination may give rise to an investment relationship between the Parent (acquirer) and the subsidiary (acquiree). A business combination may also involve the purchase of the net assets, including any goodwill, of another entity rather than the purchase of the equity of the other entity (mergers and contributions).

Based on the provisions of IFRS 3, business combinations must be accounted for by applying the purchase method, which comprises the following phases:

- identification of the acquirer;
- measurement of the cost of the business combination;
- allocation, at the acquisition date, of the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

More specifically, the cost of a business combination must be determined as the total fair value, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, in exchange for control of the acquiree, and all costs directly attributable to the business combination.

The acquisition date is the date on which control of the acquiree is effectively obtained. When this is achieved through a single exchange transaction, the date of exchange coincides with the acquisition date.

If the business combination is carried out through several exchange transactions

- the cost of the combination is the aggregate cost of the individual transactions
- the date of exchange is the date of each exchange transaction (i.e. the date that each individual investment is recognised in the financial statements of the acquiring Company), whereas the acquisition date is the date on which control of the acquiree is obtained.

The cost of a business combination is allocated by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised separately at the acquisition date only if they satisfy the following criteria at that date:

- in the case of an asset other than an intangible asset, it is probable that any associated future economic benefits will flow to the acquirer, and its fair value can be measured reliably;
- in the case of a liability other than a contingent liability, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and its fair value can be measured reliably;
- in the case of an intangible asset or a contingent liability, its fair value can be measured reliably.

The positive difference between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities must be accounted for as goodwill.

After the initial recognition, the goodwill acquired in a business combination is measured at the relevant cost and is submitted to an impairment test at least once a year. The acquisition price is considered provisional under IFRS 3, which allows for a 12-month provisional measurement period from the acquisition date for potential adjustments.

If the difference is negative, a new measurement is made. This negative difference, if confirmed, is recognised immediately as income in the income statement.

Other assets and liabilities

Other assets and liabilities include all values that cannot be reclassified to other financial statement items.

Revenue and Cost Recognition

Revenues are recognised in the financial statements at fair value of the consideration received, on an accrual basis, and only when it is probable that the entity will obtain future economic benefits and the related amount can be measured reliably.

Interest income and expense, fees and commissions (both income and expense), and similar income and charges relate to cash and cash equivalents, financial assets measured at amortised cost, and financial liabilities at amortised cost.

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost, using the effective interest rate method.

Costs associated with revenues are recognised in the income statement in accordance with the matching principle, while other costs are recognised on an accrual basis.

A.3 - DISCLOSURE ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS*A.3.1 Reclassified financial assets: change of business model, carrying amount and interest income*

No transfers of financial instruments between portfolios were carried out.

A.3.2 Reclassified financial assets: change in business model, fair value and effects on comprehensive income

No financial assets were reclassified.

A.3.3 Reclassified financial assets: change of business model and effective interest rate

No financial assets held for trading were transferred.

A.4 - FAIR VALUE DISCLOSURE**General principles for measuring fair value**

The Company regulates and formalises the measurement of the fair value of financial instruments through specific Fair Value Measurement Guidelines and Rules.

IFRS 13, which harmonises the measurement rules and related disclosures, defines fair value as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, fair value is a market valuation criterion that is independent of specific characteristics of the individual entity. This valuation assumes that the company operates in the normal course of its business, with no intention of liquidation, significant reduction in assets or execution of operations under unfavourable conditions.

The Company determines fair value by using the assumptions that market participants would use when pricing the asset or the liability, assuming they are acting in their best economic interest. The valuation assumes that the transaction takes place:

- a) in the principal active market for the asset or liability;
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

An entity need not undertake an exhaustive search of all possible markets but it shall take into account all information that is reasonably available. In the absence of evidence to the contrary, the market in which the entity would normally enter into a transaction is presumed to be the principal market or, alternatively, the most advantageous market.

An active market is one in which transactions take place frequently and in volumes that are such to provide prices that can be used on an ongoing basis. A financial instrument is considered to be traded on an active market if prices are readily available from official sources (price lists, dealers, price agencies, regulatory authorities) and represent actual transactions that take place under normal operating conditions.

In specific cases, even in the presence of official prices, in-depth studies can be carried out to assess their significance. If a significant reduction in liquidity is detected (e.g. low number of transactions, bid-ask enlargement, reduction in new issues, etc.), it is necessary to analyse available transactions and prices in detail.

A reduction in volume or activity, in itself, does not imply that prices do not represent fair value, but in the presence of non-ordinary transactions, an adjustment of the prices used as the basis of valuation may be required.

Qualitative disclosure

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

- Credit Linked Notes

Credit Linked Notes are measured by applying an income-based approach that considers the discounting of expected future cash flows. Given the structured nature of the instrument, cash flows are determined by using Monte Carlo simulation models that allow the evolution of defaults and recoveries associated with the reference portfolio to be represented.

The discount rate reflects the risk profile of the instrument and is constructed on the basis of risk-free market curves.

Underlying Class	Valuation Models Used	Key market data and model input parameters
Commodity	Monte Carlo Simulation	Gold futures prices, interest rate curves (6-month Euribor), historical probability of default (PD) of the underlying, exchange rate curves (Euro-dollar)

The measurement of financial assets and liabilities not measured at fair value on a recurring basis

Finally, for financial assets and liabilities measured at amortised cost, the fair value of which is determined for information purposes regarding the explanatory notes only, it is specified:

- the fair value of bonds is determined by applying the same methodologies set out above;
- the measurement of the fair value of other medium and long-term financial assets and liabilities is carried out by discounting future cash flows based on the discount rate adjustment approach according to which provides credit risk factors are considered in the discount rate of future cash flows;
- for short-term assets and liabilities, the carrying amount is assumed as a reasonable approximation of fair value.

For more information reference is made to paragraph A.4.5.4. As required by IFRS 13, the following table shows, for financial assets and financial liabilities measured at level 2 fair value, the quantitative information on significant unobservable inputs used in fair value the measurements.

Financial assets and liabilities	Measurement techniques	Main unobservable inputs	Minimum value of the variation range	Maximum value of the variation range	Unit	Favourable FV changes	Unfavourable FV changes
Credit Linked Notes	Monte Carlo Simulation	Recovery rate	X	X	%	X	X

A.4.2 Valuation processes and sensitivity

As required by IFRS 13, the table below shows, for financial assets and liabilities measured at level 2 fair value, the effects of the change in one or more of the significant unobservable parameters used in the measurement techniques adopted to determine fair value.

Financial assets / liabilities	Unobservable parameters	Sensitivity	Unobservable parameter change
Credit Linked Notes	Historical probability of default	X	X

A.4.3 Fair value hierarchy

For the purposes of preparing the financial statements, the fair value hierarchy used is the following:

Level 1- Effective market quotes

The valuation is the market price of the same financial instrument being valued, obtained based on prices on an active market.

Level 2 - Comparable Approach

Level 3 - Mark-to-Model Approach

A.4.4 Other information

This item is not applicable to the Company.

Quantitative disclosure

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.

Financial assets/liabilities measured at fair value	31/12/2025			31/12/2024		
	L1	Annex 2	Annex 3	L1	Annex 2	Annex 3
1. Financial assets measured at fair value through profit or loss						
a) financial assets held for trading						
b) financial assets designated at fair value through profit or loss						
c) other financial assets mandatorily measured at fair value through profit or loss						
2. Financial assets measured at fair value through other comprehensive income						
3. Hedging derivatives						
4. Property and equipment						
5. Intangible assets						
Total						
1. Financial liabilities held for trading						
2. Financial liabilities designated at fair value through profit or loss		6,726				
3. Hedging derivatives						
Total		6,726				

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

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

Nothing to report.

A.4.5.3 Changes in liabilities measured at fair value on a recurring basis (level 3)

Nothing to report.

**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 and liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2025				31/12/2024			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets measured at amortised cost	155,161			155,161	143,879			143,879
2. Investment property								
3. Non-current assets held for sale and disposal groups								
Total	155,161			155,161	143,879			143,879
1. Financial liabilities measured at amortised cost	134,688			134,688	141,830			141,830
2. Liabilities associated with assets held for sale								
Total	134,688			134,688	141,830			141,830

Key:

CA = carrying amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

A.5 DISCLOSURE CONCERNING “DAY ONE PROFIT/LOSS”

Nothing to report.

PART B - INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

SECTION 1 - CASH AND CASH EQUIVALENTS – ITEM 10

1.1 Cash and cash equivalents: breakdown

	31/12/2025	31/12/2024
a) Cash	1,592	1,714
b) Demand deposits at Central Banks		
c) Current accounts and deposits at banks	6,871	7,302
Total	8,463	9,016

The "Cash" item includes cash holdings at the 15 branches in Italy, the branch in Greece, and the 16 branches in Portugal.

The item "Current accounts and demand deposits with banks" includes account balances held with both domestic and foreign credit institutions.

SECTION 4 - FINANCIAL ASSETS MEASURED AT AMORTISED COST - ITEM 40

4.1 Financial assets measured at amortised cost: breakdown of loans and receivables with banks by product

Type of operation/Amounts	31/12/2025						31/12/2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3
1. Term deposits												
2. Current accounts												
3. Financing												
3.1. Repurchase agreements												
3.2 Finance leases												
3.3 Factoring												
- with recourse												
- without recourse												
3.4 Other financing												
4. Debt securities												
4.1 Structured instruments												
4.2 Other debt instruments												
5. Other assets	103					103	34					34
Total	103					103	34					34

Key

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item "Other assets" includes trade receivables from Banca Sistema amounting to € 82 thousand and non-interest-bearing security deposits with Intesa Sanpaolo amounting to € 20 thousand, unchanged from 2024.

4.3 *Financial assets measured at amortised cost: breakdown of loans and receivables with customers by product*

Type of operation/Amounts	31/12/2025						31/12/2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3
1. Financing	136,326	18,732				155,058	143,379	466				143,845
1.1 Finance leases <i>of which, without a final purchase option</i>												
1.2 Factoring - with recourse - without recourse												
1.3 Consumer credit												
1.4 Credit cards												
1.5 Collateralised loans	136,326	18,732				155,058	143,379	466				143,845
1.6 Loans granted in relation to payment services provided												
1.7 Other financing <i>of which: from enforced guarantees</i>												
2. Debt securities - Structured instruments - Other debt instruments												
3. Other assets												
Total	136,326	18,732				155,058	143,379	466				143,845

Key

L1 = Level 1

L2 = Level 2

L3 = Level 3

The increase in this item is linked to the normal development of the collateralised lending business.

The difference inherent in the third stage compared to 31.12.2024 is the result of the adoption of a new credit policy in 2025.

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

Type of operation/Amounts	Total 2025			Total 2024		
	First and second stage	Third stage	Purchased or originated credit-impaired	First and second stage	Third stage	Purchased or originated credit-impaired
1. Debt securities						
a) Public administration						
b) Non-financial corporations						
2. Financing to:	136,326	18,732		143,379	466	
a) Public administration						
b) Non-financial corporations						
c) Households	136,326	18,732		143,379	466	
3. Other assets						
Total	136,326	18,732		143,379	466	

4.5 Financial assets measured at amortised cost: gross amount and total impairment losses

	Gross amount					Total impairment losses				Overall partial write-offs (*)
	First stage		Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired	
		of which instruments with low credit risk								
Debt securities										
Financing	128,296		8,042	19,391		11	2	659		
Other assets	103									
Total 2025	128,399		8,042	19,391		11	2	659		
Total 2024	136,521		6,961	1,004		47	22	538		

* Amount disclosed for information purposes

4.6 Financial assets measured at amortised cost for secured assets

	2025						2024					
	Loans and receivables with banks		Loans and receivables from financial institutions		Loans and receivables with customers		Loans and receivables with banks		Loans and receivables from financial institutions		Loans and receivables with customers	
	CE	FC	CE	FC	CE	FC	CE	FC	CE	FC	CE	FC
1. Performing assets secured by:					137,937	137,937					141,538	141,538
- Assets under finance lease												
- Loans for factoring												
- Mortgages												
- Pledges					137,937	137,937					141,538	141,538
- Personal guarantees												
- Credit derivatives												
2. Impaired assets secured by:					16,495	16,495					360	360
- Assets under finance lease												
- Loans for factoring												
- Mortgages												
- Pledges					16,495	16,495					360	360
- Personal guarantees												
- Credit derivatives												
Total					154,432	154,432					141,898	141,898

CE=carrying amount of exposures

FC=fair value of collateral

SECTION 8 – PROPERTY AND EQUIPMENT – ITEM 80

8.1 Operating property and equipment: breakdown of assets measured at cost

Assets/Amounts	Total 2025	Total 2024
1 Owned assets	802	1,040
a) land		
b) buildings		
c) furniture	360	552
d) electronic plant	432	474
e) other	10	14
2 Assets acquired under finance lease	3,413	3,572
a) land		
b) buildings	3,261	3,472
c) furniture		
d) electronic plant		
e) other	152	101
Total	4,215	4,612
of which: obtained by enforcing guarantees received		

The item “Assets acquired under finance lease” includes, in accordance with IFRS 16, right-of-use assets related to properties and vehicles. For further details, refer to Section 7 – LEASES (LESSEE) of these notes to the financial statements.

8.6 Operating property and equipment: changes

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Gross opening balances		8,085	726	1,012	232	10,056
A.1 Total net impairment losses		4,613	174	540	118	5,445
A.2 Net opening balances		3,472	552	474	115	4,611
B. Increases		1,041	180	116	89	1,427
B.1 Purchases		606	180	116	89	991
B.2 Capitalised improvement costs						
B.3 Write-backs						
B.4 Fair value gains recognised in						
a) equity						
b) profit or loss						
B.5 Exchange rate gains						
B.6 Transfers from investment property						
B.7 Other changes		436				436
B.8 Business combination transactions		0				
C. Decreases:		1,251	372	159	42	1,824
C.1 Sales						
C.2 Depreciation		1,184	81	159	41	1,465
C.3 Impairment losses recognised in						
a) equity						
b) profit or loss						
C.4 Fair value losses recognised in						
a) equity						
b) profit or loss						
C.5 Exchange rate losses						
C.6 Transfers to:						
a) investment property			X	X	X	
b) non-current assets held for sale and disposal groups						
C.7 Other decreases		67	291		1	359
C.8 Business combination transactions						
D. Net closing balance		3,261	360	432	162	4,215
D.1 Total net impairment losses		5,865	546	698	160	7,269
D.2 Gross closing balance		9,126	906	1,128	322	11,482
E. Measurement at cost		3,261	360	432	162	4,215

SECTION 9 – INTANGIBLE ASSETS – ITEM 90

9.1 Intangible assets: breakdown

Assets/Amounts	Total 2025		Total 2024	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill	40,070		41,155	
2. Other intangible assets	3,346		2,109	
of which: software				
2.1 Owned	3,346		2,109	
- internally generated assets				
- other	3,346		2,109	
2.2 Acquired under finance lease				
Total 2	3,346		2,109	
3. Assets related to finance leases				
3.1 unexercised assets				
3.2 repossessed assets following contract termination				
3.3 other assets				
Total 3	-		-	
Total (1+2+3)	43,416		43,264	
Total 2024	43,264		31,451	

Composition of consolidated goodwill

Intangible assets refer to goodwill of € 40.1 million, broken down as follows:

- the goodwill amounting to € 28.4 million arising from the acquisition of the former Intesa Sanpaolo collateralised lending business unit completed on 13 July 2020;
- goodwill of € 1.2 million, resulting from the acquisition of Kruso Art that was completed on 2 November 2022.
- goodwill of € 10.5 million, resulting from the acquisition of Pignus - Crédito Economico Popular, which was completed on 7 November 2024. The value is to be considered definitive following the conclusion of the process of definitive Purchase Price Allocation (PPA) in the first half of 2025. Therefore, the final adjustments were made to the items recorded on a provisional basis, which had resulted in the recognition of goodwill of € 11.5 million, equal to the purchase price net of the equity acquired.

Goodwill impairment tests

Pursuant to IAS 36, goodwill is not amortised, but is tested for impairment at least once a year. For the purpose of this test, goodwill must be allocated to cash-generating units ("CGUs"), in compliance with limits on aggregation which may not be larger than the "operating segment" identified, pursuant to IFRS 8, for management reporting purposes. Specifically, IAS 36 defines the "recoverable amount" as the higher of the value in use and fair value less costs to sell, where fair value is defined as the price that would be received to sell an asset or that would be paid to transfer a liability in an arm's length transaction at the measurement date; the value in use is the present value of the future cash flows expected to be generated by an asset or cash-generating unit. IAS 36 requires goodwill to be tested for impairment to ensure that an entity's assets are not

carried at a higher value than their recoverable amount (i.e. the higher of their fair value less costs of disposal and value in use, as described above).

Kruso Kapital has carried out:

- The impairment test on the goodwill related to the Intesa Sanpaolo business unit recorded in the Company's financial statements at 31 December 2025 (the "Kruso Kapital CGU"), amounting to € 28.4 million. The CGU identified for the purposes of the impairment test corresponds to the entire Kruso Kapital entity;
- The impairment test on the goodwill arising from the acquisition of Art-Rite recorded in the Company's financial statements at 31 December 2025 (the "Art-Rite CGU"), amounting to € 1.2 million. The CGU identified for the purposes of the impairment test corresponds to the entire Art-Rite entity;
- the impairment test of the goodwill relating to the acquisition of Pignus – Credito Economico Popolar ("Pignus - Crédito Económico Popolar CGU"), amounting to € 10.5 million. The CGU identified for the purposes of the impairment test corresponds to the entire Pignus – Crédito Económico Popolar entity.

Impairment test on the goodwill allocated to the Kruso Kapital CGU

During the 2020 financial year, the business unit relating to collateralised lending from Intesa Sanpaolo S.p.A. ("Pledge Business Unit" or "Business Unit") was acquired. Following the Purchase Price Allocation process, Kruso Kapital recognised goodwill of € 28.4 million in both its consolidated financial statements in relation to the acquisition of the Business Unit. For the purposes of the impairment test, the identified Cash Generating Unit ("CGU") is Kruso Kapital CGU, which corresponds to the entire Kruso Kapital entity.

The Group used an external expert to provide professional assistance in carrying out an impairment test of the remaining goodwill recognised in the separate financial statements of Kruso Kapital S.p.A. following the PPA of the collateralised lending business unit acquired from Intesa Sanpaolo. Given the similarity of the values and the CGU, this work was also purchased for these consolidated financial statements.

The expert used the Excess Capital variant of the Dividend Discount Model ('DDM EC') which is one of the methods based on projected cash flows, represented in this case by future dividends, which is recognised by the majority of academics and practitioners, particularly for companies subject to minimum regulatory capital requirements.

The Recoverable Amount of the Kruso Kapital CGU was determined using the Dividend Discount Model Excess Capital valuation method. The Dividend Discount Model (DDM) is a variation of the cash flow method. Specifically, in its Excess Capital (DDM EC) variant, this method establishes that the economic value of a financial institution is derived from the present value of a stream of dividends, calculated based on compliance with the minimum capital requirements imposed by the Supervisory Authority. This method is based on the following formulas.

$$W = \sum_{i=1}^n D_i (1 + k_e)^{-i} + TV$$

where:

W = business value;

D_i = maximum distributable dividend;

K_e = discount rate;

n = time horizon for the forecasts;

TV = Terminal Value or Residual Value, determined as the present value of a perpetuity represented by the average dividend expected upon full implementation for the financial years following those covered by the plan.

$$TV = \frac{D(1+g)}{(1+K_e)^n \cdot (K_e - g)}$$

where:

D = dividend distributable upon full implementation based on the normalised pay-out;

g = long-term growth rate.

The cash flows were estimated on the basis of Kruso Kapital's 2026-2028 economic and financial projections for the impairment test as at 31 December 2025, approved by the Board of Directors on 3 March 2026.

To estimate the distributable cash flows, the minimum capital level required to sustain Kruso Kapital's operations was determined, quantified as a Common Equity Tier 1 (CET1) Ratio of 14.5%, in line with the guidance provided by the Parent, Banca Sistema. These projections were also prepared taking into account the ineligibility of "gold collateral" for credit risk mitigation purposes and the new calculation of operational risk following the entry into force of CRR3.

The expected normalised net income used to determine the Terminal Value was based on Kruso Kapital's projected net profit at the end of the business plan period.

A growth rate (g) of 1.90% was applied to this normalised income.

The cash flows were discounted using a cost of equity (K_e) of 10.37%. Finally, a sensitivity analysis was performed on the underlying parameters of the model, assuming a variation of +/- 0.50% of the K_e and +/- 0.20% of the g-rate (never exceeding 2.00% as the long-term inflation target set by the ECB).

The cost of capital is calculated using the Capital Asset Pricing Model ("CAPM") and is estimated as the risk-free rate of return (" R_f ")—long-term Italian government bonds—plus a sector-specific risk premium. This risk premium was determined by referencing the beta coefficient (β), which measures the company's specific risk relative to market fluctuations, and multiplying it by the Equity Risk Premium (ERP). The CAPM formula is shown below.

$$K_e = R_f + \beta \times ERP$$

where:

R_f (Risk-Free Rate) = 3.46%, calculated as the three-month average of the gross yield on 10-year Italian government bonds (BTPs);

β (Beta Coefficient) = 1.23, based on historical data from a sample of comparable listed companies. Specifically, the five-year median beta with weekly observations was used, derived from a sample of Italian banks¹, as the business under analysis operates within banking groups and must therefore offer the same expected return as its Parent;

ERP (Equity Risk Premium) = 5.6%, in line with standard valuation practices.

Based on the DDM EC method described above, the Recoverable Amount of the Kruso Kapital CGU was determined to be € 77.5 million.

The carrying amount of Kruso Kapital CGU at 31 December 2025 was determined as the difference between the Company's assets and liabilities, effectively corresponding to its book equity, net of investments in Art-Rite, ProntoPegno Greece, and CEP.

Following the comparison between the carrying amount and the Recoverable Amount of the Kruso Kapital CGU, the impairment test at 31 December 2025 yielded the following results:

€ million	Carrying amount	Recoverable Value	Difference
	(a)	(b)	(c) = (b) – (a)
Kruso Kapital CGU	45.0	77.5	32.5

As shown in the table above, since the Recoverable Amount of the Kruso Kapital CGU exceeds its carrying amount, no goodwill impairment was required as at the reporting date.

In conclusion, sensitivity analyses were performed on the Value in Use of the identified CGU with respect to the market parameters used (K_e and g). The analyses carried out highlight the values shown below.

€ million	Min	Max
Value in use	71.7	83.5
K_e	+50 bps	-50 bps
g	-20 bps	+10 bps

¹ The companies used as references are: UniCredit S.p.A., Intesa Sanpaolo S.p.A., BPER Banca S.p.A., Banca Popolare di Sondrio S.p.A., Credito Emiliano S.p.A. and Banco BPM S.p.A..

2. Impairment test on the goodwill allocated to the Art-Rite CGU

With reference to the equity investment in Art-Rite S.r.l., the Company engaged an external expert to provide professional assistance in the impairment testing of equity investments recorded in Kruso Kapital S.p.A.'s separate financial statements.

The cash flows were estimated on the basis of Art-Rite's 2026-2028 economic and financial projections for the impairment test as at 31 December 2025, approved by the Board of Directors on 3 March 2026.

The Recoverable Amount of Art-Rite was determined using the Discounted Cash Flow (DCF) method, which estimates a company's value by discounting its expected future operational cash flows. Specifically, the DCF method considers the present value of the following elements:

- cash flows that it is expected to generate within the forecast horizon;
- the residual value ("Terminal Value" or "TV"), i.e. the value of the business in the period beyond the forecast period.

For the discounting of Free Cash Flow to the Firm (FCFF), the Weighted Average Cost of Capital (WACC) was applied, representing the expected return required by the company's debt holders and shareholders in exchange for providing capital. The WACC reflects a weighted average of the cost of debt and the cost of equity, proportionally adjusted based on a target capital structure.

The Terminal Value was determined using a growth rate ("g") of 1.90%.

The cash flows were discounted using a cost of equity (Unlevered K_e) of 7.75%. Finally, a sensitivity analysis was performed on the underlying parameters of the model, assuming a variation of +/- 0.50% of the K_e and +/- 0.20% of the g-rate.

The cost of capital was calculated using the Capital Asset Pricing Model ("CAPM") and is estimated as the risk-free rate of return (" R_f ")—long-term Italian government bonds—plus a sector-specific risk premium. This premium is calculated by taking the beta coefficient (β), equal to 0.76, which is based on historical data from a sample of comparable listed companies. Specifically, the five-year median value with monthly observations was used, based on a sample of global auction houses), which measures the risk of the specific company, in relation to the variability of its return compared to that of the market, and multiplying it by the Equity Risk Premium ("ERP"), where:

R_f (Risk-Free Rate) = 3.46%, calculated as the three-month average of the gross yield on 10-year Italian government bonds (BTPs);

β Unlevered = coefficient, equal to 0.76, determined based on historical data from a sample of comparable listed companies. Specifically, the five-year median value with monthly observations was used, based on a sample of global auction houses;

ERP (Equity Risk Premium) = 5.6%, in line with standard valuation practices.

For valuation purposes, the planned capital increase of € 241 thousand in 2026 was deducted from Art-Rite's value.

Based on the DCF method described above, the Recoverable Amount for Art-Rite is estimated at € 3.9 million.

The carrying amount of the Art-Rite CGU as of 31 December 2025, for the purpose of the Impairment Test of goodwill, amounts to € 1.3 million, determined as the sum of goodwill related to the acquisition of Art-Rite (€ 1.2 million) and Art-Rite's equity as of 31 December 2025 (€ 90 thousand).

Following the comparison between the carrying amount and the Recoverable Amount, the impairment test at 31 December 2025 yielded the following results:

€ million	Carrying amount	Recoverable Value	Difference
	(a)	(b)	(c) = (b) – (a)
Art-Rite CGU	1.3	3.9	2.6

As shown in the table above, since the Recoverable Amount of the Art-Rite CGU exceeds its carrying amount, no goodwill impairment was required as at the reporting date.

Impairment test on Art Rite S.r.l. Goodwill

The Recoverable Amount of Art-Rite was determined using the Discounted Cash Flow method (“DCF”), which estimates a company's value by discounting its expected future operational cash flows, based on the following formula:

$$W = \sum_t^n \frac{FCFF_t}{(1+i)^t} + VT_a + NFP$$

where:

FCFF_t = operating cash flows, or Operating Free Cash Flow, forecast over the explicit projection period based on the plan prepared by the company;

i = discount rate represented by the Weighted Average Cost of Capital (WACC);

t = duration of the explicit projection period;

VT_a = present value of the terminal value, calculated as the value of a perpetuity estimated on the basis of an economically sustainable normalised operating cash flow consistent with the long-term growth rate (g), based on the following formula:

$$VT_a = \frac{FCFF_t \text{ normalised}}{WACC - g}$$

NFP = net financial position (or net financial debt), given by the difference between financial liabilities and liquid assets at the valuation date.

For the discounting of FCFF, the Weighted Average Cost of Capital (WACC) was applied, representing the expected return required by the company's debt holders and shareholders in exchange for providing capital. The WACC corresponds to the weighted average of the cost of debt capital and the cost of equity, weighted by their respective proportions in a target capital structure, and is determined based on the following formula:

$$WACC = \frac{E}{E + D} * Ke + \frac{D}{E + D} * Kd * (1 - t)$$

where:

E and D = equity and third-party funds (financial debt), respectively, estimated taking into account the average capital structure observed for a sample of comparable companies;

Ke = cost of equity, estimated using the Capital Asset Pricing Model;

Kd = average cost of third-party funds, estimated on the basis of the company's cost of financial debt.

The cash flows were estimated on the basis of Art-Rite's 2026-2028 economic and financial projections for the impairment test as at 31 December 2025, approved by the Board of Directors on 3 March 2026.

The expected normalised net income used to determine the Terminal Value was based on Art-Rite's projected operating income at the end of the business plan period.

The Terminal Value was determined using a growth rate ("g") of 1.90%.

The cash flows were discounted using a cost of equity (Unlevered K_e^2) of 7.75%. Finally, a sensitivity analysis was performed on the underlying parameters of the model, assuming a variation of +/- 0.50% of the K_e and +/- 0.20% of the g-rate (never exceeding 2.00% as the long-term inflation target set by the ECB).

The cost of capital was calculated using the Capital Asset Pricing Model ("CAPM") and is estimated as the risk-free rate of return ("R_f")—long-term Italian government bonds—plus a sector-specific risk premium. This risk premium was determined by referencing the beta coefficient (β), which measures the company's

² In the absence of financial debt, the WACC coincides with the Unlevered K_e .

specific risk relative to market fluctuations, and multiplying it by the Equity Risk Premium (ERP). The CAPM formula is shown below.

$$K_e \text{ Unlevered} = R_f + \beta \text{ Unlevered} \times ERP$$

where:

R_f (Risk-Free Rate) = 3.46%, calculated as the three-month average of the gross yield on 10-year Italian government bonds (BTPs);

β Unlevered = coefficient, equal to 0.76, determined based on historical data from a sample of comparable listed companies. Specifically, the five-year median value with weekly observations was used, based on a sample of global auction houses³;

ERP (Equity Risk Premium) = 5.6%, in line with standard valuation practices.

For valuation purposes, the planned capital increase of € 241 thousand in 2026 was deducted from Art-Rite's value.

Based on the DCF method described above, the Recoverable Amount for Art-Rite is estimated at € 3.9 million.

The carrying amount of the Art-Rite CGU as of 31 December 2025, for the purpose of the Impairment Test of goodwill, amounts to € 1.3 million, determined as the sum of goodwill related to the acquisition of Art-Rite (€ 1.2 million) and Art-Rite's equity as of 31 December 2025 (€ 90 thousand).

Following the comparison between the carrying amount and the Recoverable Amount, the impairment test at 31 December 2025 yielded the following results:

€ million	Carrying amount	Recoverable Value	Difference
	(a)	(b)	(c) = (b) – (a)

³ The companies used as a reference are: Copart Inc., RB Global Inc., Weng Fine Art AG and Saga Furs Oyj.

Art-Rite CGU	1.3	3.9	2.6
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As shown in the table above, since the Recoverable Amount of the Art-Rite CGU exceeds its carrying amount, no goodwill impairment was required as at the reporting date.

In conclusion, sensitivity analyses were performed on the Value in Use with respect to the market parameters used (K_e and g). The analyses carried out highlight the values shown below.

€ million	Min	Max
Value in use	3.4	4.4
K_e	+50 bps	-50 bps
g	-20 bps	+10 bps

Impairment test - Goodwill Pignus - Crédito Económico Popular

The Recoverable Amount of CEP was determined using the income-based valuation method, which estimates a company's value by discounting the income streams it is expected to generate, based on the following formula:

$$W = \sum_{t=1}^n \frac{R_t}{(1+i)^t} + TV$$

where:

R_t = income streams generated by the company over the explicit projection period.

i = the rate of return required by investors/shareholders for investments with similar risk characteristics, estimated using the Capital Asset Pricing Model (CAPM).

TV = the present value of the Terminal Value, calculated as the value of a perpetuity estimated based on an economically sustainable distributable cash flow aligned with the long-term growth rate (g), based on the following formula:

$$TV = \frac{\text{Normalised distributable cash flow}}{K_e - g}$$

where:

g = long-term growth rate.

K_e = discount rate represented by the cost of equity determined above.

The cash flows were estimated on the basis of CEP's 2026-2028 economic and financial projections for the impairment test as at 31 December 2025, approved by the Board of Directors on 3 March 2026.

The Terminal Value was determined using a growth rate ("g") of 1.90%.

The cash flows were discounted using a cost of equity (K_e) of 10.48%. Finally, a sensitivity analysis was performed on the underlying parameters of the model, assuming a variation of +/- 0.50% of the K_e and +/- 0.20% of the g-rate (never exceeding 2.00% as the long-term inflation target set by the ECB).

The cost of capital was calculated using the Capital Asset Pricing Model ("CAPM") and is estimated as the risk-free rate of return (" R_f ")—long-term Portuguese government bonds—plus a sector-specific risk premium. This risk premium was determined by referencing the beta coefficient (β), which measures the company's specific risk relative to market fluctuations, and multiplying it by the Equity Risk Premium (ERP). The CAPM formula is shown below.

$$K_e = R_f + \beta \times ERP$$

where:

R_f (Risk-Free Rate) = 3.09%, calculated as the three-month average of the gross yield on 10-year Portuguese government bonds;

β (Beta Coefficient) = 1.32, based on historical data from a sample of comparable listed companies. Specifically, the five-year median value with weekly observations was used, based on a sample of Spanish banks⁴;

ERP (Equity Risk Premium) = 5.6%, in line with standard valuation practices.

Based on the methodology described above, the Recoverable Amount of CEP was determined to be € 16.1 million.

The carrying amount of the CEP CGU as of 31 December 2025, for the purpose of the Impairment Test of goodwill, amounts to € 12.1 million, determined as the sum of goodwill related to the acquisition of CEP (€ 10.5 million) and CEP's equity as of 31 December 2025 (€ 1.6 million).

Following the comparison between the carrying amount and the Recoverable Amount, the impairment test at 31 December 2025 yielded the following results:

⁴ The companies taken as reference are: Banco Santander, Banco Bilbao Vizcaya Argentaria, CaixaBank, Banco de Sabadell, Bankinter, Banco Commercial Português, Unicaja Banco.

€ million	Carrying amount	Recoverable Value	Difference
	(a)	(b)	(c) = (b) – (a)
CEP CGU	12.1	16.1	4

As shown in the table above, since the Recoverable Amount of the CEP CGU exceeds its carrying amount, no goodwill impairment was required as at the reporting date.

In conclusion, sensitivity analyses were performed on the Value in Use with respect to the market parameters used (K_e and g). The analyses carried out highlight the values shown below.

€ million	Min	Max
Value in use	14.9	17.3
K_e	+50 bps	-50 bps
g	-20 bps	+10 bps

9.2 Intangible assets: changes

	Total
A. Opening balance	43,264
B. Increases	2,173
B.1 Purchases	2,173
B.2 Impairment gains	
B.3 Fair value gains recognised in:	
- equity	
- profit or loss	
B.4 Other changes	
B.5 Business combination transactions	
C. Decreases	2,021
C.1 Sales	
C.2 Depreciation	1,308
C.3 Impairment losses	
- equity	
- income statement	
C.4 Fair value losses recognised in:	
- equity	
- profit or loss	
C.5 Other decreases	713
C.6 Business combination transactions	
D. Closing balances	43,416

SECTION 10 – TAX ASSETS AND TAX LIABILITIES – ITEM 100 OF ASSETS AND ITEM 60 OF LIABILITIES

Below is the breakdown of the current tax assets and current tax liabilities

	Total 2025	Total 2024
Current tax assets	2,477	755
IRES prepayments	1,845	398
IRAP prepayments	491	301
Other	141	56
Current tax liabilities	(5,096)	(2,414)
Provision for IRES	(4,262)	(1,872)
Provision for IRAP	(834)	(542)
Provision for substitute tax	-	-
Total	(2,619)	(1,659)

10.1 “Tax assets: current and deferred”: breakdown

	Total 2025	Total 2024
Deferred tax assets through profit or loss:	613	391
Impairment losses on loans	-	-
Non-recurring transactions	-	-
Other	613	391
Deferred tax assets through equity:	5	13
Non-recurring transactions	-	-
Other	5	13
Total	618	404

Deferred tax assets recognised through the income statement primarily include those calculated on estimated costs related to administrative expenses (€ 414 thousand) and on the provision for bonuses from previous years that have not yet been paid (€ 124 thousand).

10.2 “Tax liabilities: current and deferred”: breakdown

	Total 2025	Total 2024
Deferred tax liabilities through profit or loss:	(2,983)	(2,339)
Other	(2,983)	(2,339)
Deferred tax liabilities through equity:	-	-
Other	-	-
Total	(2,983)	(2,339)

10.3 Changes in deferred tax assets (through profit or loss)

	Total 2025	Total 2024
1. Opening balance	391	553
2. Increases	384	358
2.1 Deferred tax assets recognised in the year	384	358
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) impairment gains	-	-
d) other	384	358
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	161	520
3.1 Deferred tax assets derecognised in the year	161	520
a) reversals	-	-
b) impairment due to non-recoverability	-	-
c) changes in accounting policies	-	-
d) other	161	520
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
a) conversion into tax assets pursuant to Law 214/2011	-	-
b) other	-	-
4. Closing balance	613	391

The increases primarily relate to estimates of current year costs (€ 305 thousand), while the decreases mainly pertain to the reversal of prior year cost estimates for administrative expenses (€ 117 thousand) and personnel expenses (€ 36 thousand).

10.4 Changes in deferred tax liabilities (through profit or loss)

	Total 2025	Total 2024
1. Opening balance	2,339	1,817
2. Increases	874	522
2.1 Deferred tax liabilities recognised in the year	874	522
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	874	522
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	230	-
3.1 Deferred tax liabilities derecognised in the year	230	-
a) reversals	-	-
b) due to changes in accounting policies	-	-
c) other	230	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Closing balance	2,983	2,339

The increases compared with the previous year are mainly attributable to the IRES component of € 434 thousand and the IRAP component of € 87 thousand, calculated on the 1/18 share of 2025 goodwill amounting to € 1,579,751.11, and to the tax component of € 123 thousand related to the conclusion of the process of final allocation of the price for the acquisition of Pignus - Crédito Económico Popular, completed on 7 November 2024, calculated on the upward valuation of the acquired portfolio and the value of the brand.

10.5 Change in deferred tax assets (through equity)

	Total 2025	Total 2024
1. Opening balance	13	10
2. Increases	1	3
2.1 Deferred tax assets recognised in the year	1	3
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	1	3
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	8	-
3.1 Deferred tax assets derecognised in the year	8	-
a) reversals	-	-
b) impairment due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	8	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Closing balance	5	13

SECTION 12 - OTHER ASSETS - ITEM 120

12.1 Other assets: breakdown

	Total 2025	Total 2024
Leasehold improvements	1,283	1,826
Trade receivables	1,169	767
Prepayments	378	387
Work in progress	130	127
Supplier advances	66	120
Loans and receivables with employees	43	46
Security deposits	58	36
Other	2	0
Total	3,129	3,309

This item mainly consists of leasehold improvements (branches) that do not have independent functionality and usability but are expected to provide future benefits.

LIABILITIES

SECTION 1 - FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - ITEM 10

1.1 Financial liabilities measured at amortised cost: breakdown by product

Type of operation/Amounts	2025			2024		
	to banks	to financial corporations	to customers	to banks	to financial corporations	to customers
1. Financing						
1.1 Repurchase agreements	125,572			136,164		
1.2 Other financing	125,572			136,164		
2. Lease liabilities						
3. Other payables	20		9,096	61		5,605
Total	125,592		9,096	136,225		5,605
Fair value - Level 1						
Fair value - Level 2						
Fair value - Level 3	125,592		9,096	136,225		5,605
Total Fair value	125,592		9,096	136,225		5,605

The item "Other financing from banks" consists of approximately € 71 million in overdrafts with the Group Parent, Banca Sistema, which represents the primary funding source, and the remaining portion consists of loans received from Italian credit institutions in the form of short-term financing and overdraft facilities.

The item "Other amounts due to banks" consists of trade payables to the parent, Banca Sistema.

The item "Other payables due to customers" consists entirely of auction buyer's premiums to be returned to customers.

3.1 Financial liabilities at fair value through profit or loss: breakdown by product

Type of operation/Amounts	2025					2024				
	Nominal amount or notional amount	Fair value			Fair Value (*)	Nominal amount or notional amount	Fair value			Fair Value (*)
		L1	L2	L3			L1	L2	L3	
1. Loans and payables										
of which:										
- commitments to disburse funds		X	X	X	X		X	X	X	X
- financial guarantees issued		X	X	X	X		X	X	X	X
2. Debt securities			6,726							
Bonds										
- structured					X					X
- other			0		X					X
Other securities			6,726							
- structured			0		X					X
- other			6,726		X					X
TOTAL			6,726							

The item refers exclusively to the issue of a CLN whose reference underlying is represented by a part of the pawn loan portfolio secured by gold. The issue is part of the plan to diversify funding sources and align the funding structure with the average maturity of assets.

The pledges are represented by gold assets of varying carats.

The measurement of the level 2 fair value hierarchy is consistent with the prevalence of observable inputs in the determination of fair value, the non-significance of non-observable inputs pursuant to the IFRS 13 framework and the Group's FV policy, the absence of structural elements attributable to complex products such as ABS or NTD baskets and the absence of separable implicit derivatives or non-linear options that are such to modify the economic profile of the flow.

SECTION 6 – TAX LIABILITIES – ITEM 60

See Part B, Section 10 of the assets section of this explanatory note.

SECTION 8 - OTHER LIABILITIES - ITEM 80

8.1 Other liabilities: breakdown

	Total 2025	Total 2024
Finance lease liabilities	3,380	3,770
Accrued expenses	1,767	1,237
Trade payables	1,724	1,085
Payables to the tax authorities and other tax entities	446	431
Pension transfers	316	300
Items in transit	248	371
Due to employees	198	160
Other	1	1
Total	8,080	7,355

SECTION 9 - POST-EMPLOYMENT BENEFITS - ITEM 90

9.1 Post-employment benefits: annual changes

	Total 2025	Total 2024
A. Opening balance	872	900
B. Increases	471	434
B.1 Allocations for the period	454	418
B.2 Other increases	17	16
C. Decreases	495	462
C.1 Liquidations made	231	163
C.2 Other decreases	264	299
D. Closing balances	848	872

9.2 Other information

The actuarial value of the provision was calculated by an external actuary, who issued a specific appraisal.

The other decreases refer to the actuarial gain accounted for during the year. The payments made refer to post-employment benefits paid during the year.

The discount rate used for determining the present value of the obligation was calculated, pursuant to IAS 19.83, from the Iboxx Corporate AA index with 10+ duration during the valuation month. To this end, a choice was made to select the yield with a duration comparable to the duration of the set of workers subject to valuation.

The technical valuations were conducted on the basis of the assumptions described in the following table:

- Annual discount rate 3.96%
- Annual inflation rate 2%
- Annual post-employment benefits increase rate 3%
- Annual real salary increase rate 1.00%

SECTION 10 – PROVISIONS FOR RISKS AND CHARGES - ITEM 100

10.1 Provisions for risks and charges: breakdown

Items/Values	Total 2025	Total 2024
1. Provisions for credit risk related to commitments and financial guarantees issued		
2. Provisions for other commitments and other guarantees issued		
3. Company pension funds		
4. Other provisions for risks and charges	805	971
4.1 legal and tax disputes	165	
4.2 personnel expense	640	631
4.3 other	0	340
Total	805	971

The "Personnel expense" item mainly includes the provision for bonuses (based on the provisions of the Supervisory Body and discussions held with it, only the provision for the variable component accrued until 30 September 2024 was maintained) for employees amounting to € 451 thousand (€ 478 thousand in 2024) and the provision relating to the Non-Compete Agreement amounting to € 68 thousand (€ 53 thousand in 2024) relating to former employees.

10.2 Provisions for risks and charges: annual changes

	Provisions for other commitments and other guarantees issued	Pension funds	Other provisions for risks and charges	Total
A. Opening balance			971	971
B. Increases			200	200
B.1 Allocations for the period			165	
B.2 Changes due to the passing of time				
B.3 Changes due to discount rate changes				
B.4 Other changes			35	
C. Decreases			366	366
C.1 Utilisations			26	
C.2 Changes due to discount rate changes				
C.3 Other changes			340	
D. Closing balances			805	805

The provisions for the period include the provision for legal disputes (€ 150 thousand) and the provision for the Non-Compete Agreement for former employees (€ 15 thousand)

The other changes mainly reflect external actuaries' valuations concerning the Long-Term Retention Bonus Plan (€ 19 thousand) and the accounting reclassification of the PPA legal provision (€ 15 thousand).

The utilisation for the year primarily relates to the deferred bonus recognised in 2022 and 2023 and paid in 2025.

The other changes account for the closure of the earn-out provision related to the acquisition of the subsidiary Art-Rite (€ 340 thousand).

SECTION 11 – EQUITY – ITEMS 110, 120, 130, 140, 150, 160, and 170

The share capital consists of 23,261,393 ordinary shares, each with a nominal amount of € 1, and remained unchanged during 2025.

11.1 Share Capital: breakdown

Type	Amount
1. Share capital	24,609
1.1 Ordinary shares	24,609

11.4 Share premium: breakdown

Component	Amount
Share premium	16,908
Total	16,908

11.5 Other information

In compliance with Article 2427, paragraph 7-bis of the Italian Civil Code, the table below provides details on the composition of the Group's equity, excluding the profit for the year. It highlights the origin, availability, and distributability of the various components.

Type	Amount as at 31.12.2025	Possible use	Available portion
A) Share capital	24,610		
B) Equity-related reserve: Share premium reserve	16,908	A, B, C	16,908
C) Income-related reserves: Legal reserve	636	B	636
Valuation reserve	-14		
Retained earnings	7,338	A, B, C	7,338
D) Other reserves			
E) Equity instruments			
F) Treasury shares			
Total	49,478		24,882
Profit for the year	8,776		
Total equity	58,254		
Undistributable portion			636
Distributable portion			24,246

Key

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

OTHER INFORMATION

The Group has no outstanding commitments nor has it issued any financial guarantees (other than those designated at fair value).

The Company has no Other outstanding commitments or other guarantees issued.

PART C - INFORMATION ON THE INCOME STATEMENT

SECTION 1 – INTEREST - ITEMS 10 AND 20

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Financing	Other transactions	Total 2025	Total 2024
1. Financial assets measured at fair value through profit or loss:					
1.1 Financial assets held for trading					
1.2 Financial assets designated at fair value through profit or loss					
1.3 Other financial assets mandatorily measured at fair value					
2. Financial assets measured at fair value through other comprehensive income					
3. Financial assets measured at amortised cost		18,656	X	18,656	15,064
3.1 Loans and receivables with banks		51	X	51	79
3.2. Loans and receivables from financial corporations			X		
3.3 Loans and receivables with customers		18,605	X	18,605	14,985
4. Hedging derivatives	X	X			
5. Other assets	X	X			
6. Financial liabilities	X	X	X		
Total		18,656		18,656	15,064
of which: interest income on impaired assets					
of which: interest income on finance leases	X		X		

1.3 Interest and similar expense: breakdown

Items/Technical forms	Loans and payables	Securities	Other	Total 2025	Total 2024
1. Financial liabilities measured at amortised cost	(4,236)			(4,236)	(4,593)
1.2 Due to banks	(4,236)	X		(4,236)	(4,593)
1.3 Due to financial corporations		X			
1.4 Due to customers		X			
1.5 Securities in issue	X				
2. Financial liabilities held for trading					
3. Financial liabilities designated at fair value through profit or loss		(115)		(115)	-
4. Other liabilities and provisions	X	X	(97)	(97)	(41)
5. Hedging derivatives	X	X			
6. Financial assets	X	X	X		
Total	(4,236)	(115)	(97)	(4,448)	(4,635)
of which: interest expense relating to lease liabilities		X	X	(97)	(41)

SECTION 2 - NET FEE AND COMMISSION INCOME - ITEMS 40 AND 50

2.1 Fee and commission income: breakdown

Details	2025	2024
1. finance lease transactions		
2. factoring transactions		
3. consumer credit		
4. guarantees issued		
5. services:	21,912	14,432
- management of third-party funds		
- foreign exchange brokerage		
- product distribution		
- other	21,912	14,432
6. collection and payment services		
7. servicing of securitisation transactions		
8. other fees and commissions (to be specified)		
Total	21,912	14,432

This item includes custody fees for collateralised loans (€ 11 thousand), recovery of expenses for auction preparation and sales (€ 8 thousand) while the remaining € 3 thousand relates to the recovery of insurance policy expenses, mainly related to collateralised loan transactions

2.2 Fee and commission expense: breakdown

Detail/Sectors	2025	2024
1. guarantees received		
2. distribution of third-party services		
3. collection and payment services	(344)	(163)
4. other fees and commissions (to be specified)		
Total	(344)	(163)

SECTION 7 - NET INCOME FROM FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - ITEM 110

7.1 Net change in the value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

Transactions/Income components	Capital gains (A)	Realised profit (B)	Capital losses (C)	Realised losses (D)	Net income [(A+B) - (C+D)]
1. Financial assets					
1.1 Debt securities					
1.2 Financing					
2. Financial liabilities	7				7
2.1 Securities in issue					
2.2 Due to banks					
2.3 Due to customers	7				7
3. Financial assets and liabilities in foreign currency: exchange rate differences	X	X	X	X	
Total	7				7

SECTION 8 - NET IMPAIRMENT LOSSES/GAINS DUE TO CREDIT RISK - ITEM 130

8.1 Net impairment losses due to credit risk related to financial assets measured at amortised cost: breakdown

Transactions/Income components	Impairment losses						Write-backs				31/12/2025	31/12/2024
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
			write-offs	Other	write-offs	Other						
A. Loans and receivables with banks												
- for leases												
- for factoring												
- other loans and receivables												
B) Loans and receivables with financial corporations												
- for leases												
- for factoring												
- other loans and receivables												
C. Loans and receivables with customers	(37)			(153)			28	21			(141)	(89)
- for leases												
- for factoring												
- consumer credit												
- collateralised loans	(37)			(153)			28	21			(141)	(89)
- other loans and receivables												
Total	(37)			(153)			28	21			(141)	(89)

SECTION 10 – ADMINISTRATIVE EXPENSES – ITEM 160

10.1 Personnel expense: breakdown

Type of expense/Amounts	Total 2025	Total 2024
1) Employees:	(9,304)	(8,375)
a) wages and salaries	(6,269)	(5,010)
b) social security charges	(1,410)	(1,312)
c) post-employment benefits	(631)	(431)
d) pension expenses		
e) allocations to post-employment benefits		
f) allocations to provisions for retirement benefits and similar obligations:		
- defined-contribution		
- defined-benefit		
g) payments to external complementary pension funds:	(141)	(154)
- defined-contribution	(141)	(154)
- defined-benefit		
h) costs deriving from share-based payment agreements		
i) other employee benefits	(854)	(1,468)
2) Other personnel in service		
3) Directors and Statutory Auditors	(277)	(281)
4) Retired personnel		
5) Expense reimbursements for employees posted to other companies	82	120
6) Expense reimbursements for employees of third parties posted to the Company	(32)	(25)
Total	(9,531)	(8,562)

The decrease in the item “Recovery of costs for employees of the Bank seconded to other entities” is due to the reduced number of employees seconded from the subsidiary Kruso Kapital to the parent, Banca Sistema.

10.2 Average number of employees by category

Employees:	2025	2024
a) Senior managers	4	5
b) Managers	31	32
c) Remaining employees	108	99

10.3 Other administrative expenses: breakdown

Component	Total 2025	Total 2024
Consulting	2,358	1,729
IT expenses	1,610	1,065
Advertising	1,480	1,252
Building expenses	1,159	1,002
Servicing contract with the Group Parent	938	638
Taxes and duties	487	256
Security and cash transport	477	386
Insurance	445	321
Reimbursement of costs for employees	288	256
Other	270	230
Vehicle rental and related expenses	136	101
Audit fees	105	105
Legal fees	105	156
Office supplies	59	86
Membership fees	17	11
Total	9,934	7,595

The increase in the item is attributable to the consolidation of CEP, higher management costs related to extraordinary consultancy expenses such as those related to Credit Linked Notes, higher IT expenses (€ 0.3 million) and other operating expenses.

SECTION 11 – NET ACCRUALS TO OTHER PROVISIONS FOR RISKS AND CHARGES – Item 170

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

Items/Values	31/12/2025	31/12/2024
Accruals to provisions for risks and charges - other risks and charges	(150)	-

SECTION 12 – NET IMPAIRMENT GAINS/LOSSES ON PROPERTY AND EQUIPMENT – ITEM 180

12.1 Net impairment gains/losses on property and equipment: breakdown

Asset/income component	Depreciation (a)	Impairment losses (b)	Impairment gains (c)	Carrying amount (a + b - c)
A. Property and equipment				
A.1 Operating assets	(1,465)	-	-	(1,465)
- owned	(330)			(330)
- right-of-use assets acquired under a lease	(1,135)			(1,135)
A. 2 Investment property				
- owned				
- right-of-use assets acquired under a lease				
A.3 Inventories	X			
Total	(1,465)	-	-	(1,465)

SECTION 13 – NET IMPAIRMENT GAINS/LOSSES ON INTANGIBLE ASSETS – ITEM 190

13.1 Net impairment losses on intangible assets: breakdown

Asset/income component	Amortisation (a)	Impairment losses (b)	Write-backs (c)	Net income (a + b - c)
1 Intangible assets other than goodwill				
<i>of which: software</i>				
1.1 Owned	(1,308)	-	-	(1,308)
1.2 Right-of-use assets acquired under a lease				
2 Assets related to finance leases				
3 Assets under operating lease				
Total	(1,308)	-	-	(1,308)

SECTION 14 - OTHER OPERATING INCOME AND EXPENSE - ITEM 200*14.1 Other operating expense: breakdown*

Items/Values	Total 2025	Total 2024
Other operating expense	(863)	(514)
Total	(863)	(514)

In accordance with the Bank of Italy's guidelines, this item includes the amortisation of leasehold improvements.

14.2 Other operating income: breakdown

Items/Values	Total 2025	Total 2024
Auction buyer's premiums	1,065	737
Rental of premises	70	70
Recoveries of sundry expenses	205	635
Total	1,339	1,442

The recovery of sundry expenses, in addition to the recovery from the Parent for the rental of premises (€ 70 thousand), mainly consists of the recovery of shipping costs from customers.

SECTION 15 - GAINS (LOSSES) ON EQUITY INVESTMENTS - ITEM 220*15.1 Gains (losses) on equity investments: breakdown*

Income component/ Values	Total 2025	Total 2024
A. Income	190	-
1. Revaluations		
2. Gains on sale		
3. Write-backs		
4. Other income	190	-
B. Expense		
1. Impairment		
2. Impairment losses		
3. Losses on sale		
4. Other expense		
Net income	190	-

Income relates exclusively to the release of the earn-out relating to the acquisition of the subsidiary Art-Rite.

SECTION 19 – INCOME TAXES – ITEM 270

19.1 Income taxes on continuing operations: breakdown

Component/Amounts	Total 2025	Total 2024
1 Current taxes (-)	(5,079)	(2,396)
2 Changes in current taxes from previous years (+/-)	6	(4)
3 Decrease in current taxes for the period (+)	.	.
3.bis Decrease in current taxes for the period due to tax assets pursuant to Law no. 214/2011 (+)	.	.
4 Change in deferred tax assets (+/-)	222	(162)
5 Change in deferred tax liabilities (+/-)	(292)	(522)
6 Tax expense for the year (-) (-1+/-2+3+3 bis +/-4+/-5)	(5,143)	(3,084)

19.2 Reconciliation between theoretical and effective tax expense

IRES (CORPORATE INCOME TAX)	Taxable income	IRES (CORPORATE INCOME TAX)	%
Theoretical IRES expense	14,251	(3,919)	27.50%
<i>Permanent increases</i>	2,275	(626)	4.39%
<i>Temporary increases</i>	1,365	(375)	2.63%
<i>Permanent decreases</i>	(223)	61	-0.43%
<i>Temporary decreases</i>	(2,095)	576	-4.04%
<i>Effects of other taxes for foreign entities</i>	(75)	21	-0.14%
Effective IRES expense	15,498	(4,262)	29.91%
IRAP (REGIONAL BUSINESS TAX)	Taxable income	IRAP (REGIONAL BUSINESS TAX)	%
Theoretical IRAP expense	14,251	(794)	5.57%
<i>Permanent increases</i>	20,506	(1,142)	8.01%
<i>Temporary increases</i>	15	(1)	0.01%
<i>Permanent decreases</i>	(16,284)	907	-6.36%
<i>Temporary decreases</i>	(1,899)	106	-0.74%
<i>Effects of other taxes for foreign entities</i>	(1,922)	107	-0.75%
Effective IRAP expense	14,667	(817)	5.73%
- Other tax expense			
Total effective IRES and IRAP expense	30,165	(5,079)	35.64%

SECTION 21 - INCOME STATEMENT: OTHER INFORMATION

21.1 Breakdown of interest income and fee and commission income

Items/balancing entry	Interest income			Fee and commission income			31/12/2025	31/12/2024
	Banks	Financial entities	Customers	Banks	Financial entities	Customers		
1. Finance leases								
- immovable property								
- movable property								
- capital goods								
- intangible assets								
2. Factoring								
- of current receivables								
- of future receivables								
- of receivables purchased outright								
- of receivables acquired below original value								
- of other financing								
3. Consumer credit								
- personal loans								
- targeted loans								
- salary- and pension-backed loans								
4. Collateralised loans	51		18,605			21,912	40,568	29,496
5. Commitments and guarantees								
- commercial								
- financial								
Total	51		18,605			21,912	40,568	29,496

PART D - OTHER INFORMATION

SECTION 1 – SPECIFIC REFERENCES ON OPERATIONS CARRIED OUT

G. COLLATERALISED LOAN TRANSACTIONS

G.1- Gross amount and carrying amount

31/12/2025			31/12/2024		
Gross amount	Total impairment losses	Carrying amount	Gross amount	Total impairment losses	Carrying amount
155,730	673	155,058	144,300	455	143,845

G.2 - Flow Data

31/12/2025						31/12/2024					
Increases		Decreases				Increases		Decreases			
New transactions	Other changes	Repayments	Recovered loans	Write-offs	Other changes	New transactions	Other changes	Repayments	Recovered loans	Write-offs	Other changes
135,582	3,347	(112,346)	(15,370)	-	(0)	82,177	18,364	(71,264)	6,705	(18)	(117)

SECTION 3 – INFORMATION CONCERNING RISKS AND RELATED HEDGING POLICIES**Foreword**

In order to manage the significant risks to which it is or could be exposed, the Company Kruso Kapital has set up a risk management system that reflects the characteristics, size and complexity of its operations, as well as the guidelines provided by the Parent, Banca Sistema. The responsibilities for risk management and control are assigned to the corporate bodies, each of which, within its respective competencies and prerogatives, is responsible for ensuring the adequate oversight of risks to which Kruso Kapital is or may be exposed.

The Company Kruso Kapital has adopted an Internal Control System structured on three levels, enabling the monitoring and management of the various risks to which the Company is exposed. More specifically, in adherence to sound and prudent management principles, the system ensures the effectiveness and efficiency of corporate processes, as well as the reliability and security of corporate information and IT procedures:

- Line controls ("first-level controls"), aimed at ensuring the proper execution of operations related to the Group's activities.
- Risk and compliance controls ("second-level controls"), designed to verify compliance with the operational limits assigned to the various functions, the alignment of business activities with the risk-return objectives, the correct implementation of risk management processes, and compliance with applicable regulations.
- Internal audit controls ("third-level controls"), aimed at identifying breaches of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality, and reliability of the internal control system and the IT system.

The Company Kruso Kapital, has assigned the second-level controls related to regulatory compliance, including the Anti-Money Laundering function, and risk management to the same internal structure: the Compliance, Anti-Money Laundering and Risk Management Department.

This department reports directly to the Board of Directors (functional reporting) and has administrative reporting to the General Manager. Additionally, it operates under the guidance and coordination of the corresponding structures within the Group parent.

As part of risk control, the Compliance, Anti-Money Laundering and Risk Management Department is responsible for identifying, managing, and monitoring the risks to which Kruso Kapital is, or may be exposed.

In order to measure "Pillar 1 risks", the Company has adopted standard methods to calculate the capital requirements for Prudential Regulatory purposes.

3.1 – CREDIT RISK

Qualitative disclosure

1. General aspects

Credit risk refers to the potential for losses arising from an unexpected deterioration in the creditworthiness of counterparties, which simultaneously impacts the Company's exposure. The collateralised loan is a technical form of financing to individuals, fully secured by gold or valuables, based solely on the value of the pledged assets.

The valuation of the collateral securing the loans is carried out exclusively by expert valuers specialising in precious items, who are permanent employees of the Company and are personally responsible for the accuracy of their valuations.

In the event that the pledged asset is not redeemed, the Company may not seek recourse against the person who requested the pledge to recover its claim but must satisfy its right through the auction sale of the asset, up to the amount awarded. Furthermore, in accordance with the law (Articles 12 and 15 of Law no. 745 of 10 May 1938), the company is covered by the guarantee provided by the expert valuer in the event that the property is not sold at auction.

To assess credit risk, the Company applies the standardised approach described in Bank of Italy Circular 288/2015 (Title IV, Chapters 5 and 7) and EU Regulation 575/2013 (CRR - Capital Requirements Regulation).

2. Credit Risk Management Policies

2.1 Organisational aspects

The Company sets effective Credit Risk Management as a strategic objective via instruments and processes integrated to ensure a correct credit management in all phases (disbursement, monitoring and management). Kruso Kapital's organisational model assigns credit risk management and control responsibilities to the corporate governance bodies.

Each corporate body is responsible, within its remit and authority, for ensuring adequate oversight of credit risk to which Kruso Kapital is or could be exposed.

The following parties are involved in governing credit operations:

- the Board of Directors;
- the General Manager/Commercial;
- the Head of Expert Coordination and Bidding, Sales and Trading Desks;
- the expert valuers engaged in the credit process;
- the control functions, which are responsible for the ongoing supervision of credit operations and valuation models, reporting directly to the Corporate Bodies.

2.2 Management, measurement and control systems

The Company conducts weekly management committee reviews to monitor the loans disbursed, the outstanding, past due and renewed policies, and the performance of auction sales with the aim of promptly

detecting any anomalies and/or discontinuities, and assessing whether the risk profile remains consistent with the strategic guidelines provided.

The Risk Management Department is responsible for measuring credit risk, utilising the simplified methodologies prescribed by Prudential Supervision regulations.

To this end, the Department directly collects data from the Group's IT systems and, when necessary, requests further details from other departments within Kruso Kapital.

In order to identify organisational solutions that do not lead to an excessive separation between the risk management function and operations, the Department critically interacts in the credit process by continuously monitoring credit risk.

The Company has established internal policies and procedures to mitigate credit risk, including the following safeguards:

- The Company only accepts valuables as collateral, primarily gold, diamonds set in gold, silverware, Rolex watches and "investment gold". A small proportion of collateral may also include other prestigious watch brands and works of art. Each year, the Board of Directors defines, as part of the approved Key Risk Indicators, the threshold levels for the proportion of gold-backed outstanding loans relative to total outstanding loans;
- lending authorisations are assigned according to tiered approval levels based on cumulative exposure per client, with increased authorisation and verification requirements for higher amounts.
- the value of credit granted may not exceed 80% of the estimated value of the pledged asset, as determined by an expert valuer, when the pledge concerns valuables, and 66% in case of items other than valuables and must comply with the legally established limits;
- the maximum price quotations to be applied in the valuation process for items proposed as collateral, determined based on official gold and silver prices, Rapaport Diamond Report references for diamonds and Chrono24 valuations for Rolex watches, are proposed by the Commercial Department, with the support of the Head of Expert Coordination, and approved by Central Department, which informs the Board of Directors at its immediately subsequent meeting. The Compliance, Anti-Money Laundering and Risk Management Department periodically monitors that these valuations comply with the requirements defined in the Company's credit policy;
- the economic terms of the loan, including interest rates and associated fees, are defined centrally by the Department;
- commencement of collection, i.e. sale of the asset at public auction, starting at least 30 days after the maturity date of the loan. The Company continually carries out checks on lapsed policies and the expected recoverable value at auction.

2.3 Methods for measuring expected losses

The Stage Assignment Framework adopted by the Company, in line with IFRS 9 requirements, classifies financial instruments based on the deterioration in credit quality from the date of initial recognition to the reporting date.

During the year, the Company adopted a new credit policy defining new classification and impairment criteria based on an “individual transaction approach”. Accordingly, it is the individual pledge contract that is assessed and classified, rather than the entire exposure granted to the counterparty, in compliance with the regulatory cure period and pulling effect rules.

In particular, performing loans are divided into two different stages representing increasing levels of risk:

- Stage 1: includes all loans characterised by a low level of credit risk at the reporting date. In the context of collateralised loans, the Company considers in this stage all policies that are not yet due or that are past due by less than 30 days (i.e. policies that, under regulations, cannot yet be sold at auction);
- Stage 2: includes loans which, although having recorded an increase in risk compared to initial recognition, maintain a low probability of default. In the context of collateralised loans, the Company considers in this stage policies that are past due by more than 30 days and no more than 90 days and policies for which the need to reduce the financed amount has been identified (e.g. blocked due to a fall in the market price quotation);

Non-performing loans (Stage 3) are positions that show more or less severe repayment difficulties, with the consequent likely deterioration in credit quality. With reference to the classification of non-performing receivables, in line with the regulatory provisions, reference was made to: i) days of past due status; ii) the company's decision to start the auction process; iii) the presence of restrictions on the renewal/redemption by the bearer and/or the sale at auction, e.g. for detentions/seizures by the Judicial Authority.

In the context of collateralised loans, the Company therefore considers in this stage all policies that are past due by more than 90 days (“Past Due”), Unlikely to pay (“UTP”) and relating to individuals classified as bad loans.

As indicated in section A, the classification of loans into increasing risk categories corresponds to different methods for measuring impairment losses, which are designed to reflect the increasing riskiness of loans based on various factors, such as, for example: days past due on policies, number of auction attempts, restrictions on auction sales, incorrect asset valuations, market value of the underlying assets and historical trends in losses and transactions.

2.4 Credit risk mitigation techniques

The Company did not apply for voluntary opt-in to the application of CRR3. Therefore, pending CRR3 being applied also to financial intermediaries, it has continued to consider the gold collateral, including in the form of valuables, as eligible real collateral for the purposes of so-called Credit Risk Mitigation (CRM). For CRM evaluations, Kruso Kapital has adopted the "Comprehensive Method", which applies a volatility adjustment (haircut) of 21.213% to the market value of the collateral, in the case of constant revaluation, as provided by Article 224 of the CRR. Given the above, in terms of capital absorption, the Risk-Weighted Asset (RWA) allocation is low, given that the credit line is fully over-collateralised relative to the prudential haircut applied.

It is important to note, however, that the valuation of gold collateral follows an extremely conservative approach, as the applied pricing is systematically lower than the market value of second-hand gold.

For the credit exposure post-CRM and for non-gold valuables, which represents a very limited percentage of the total guaranteed exposure, a 75% risk weight is applied, as required for retail exposures.

In addition, during 2025 the Parent Kruso Kapital issued 4 Credit Linked Notes (CLN) with a total nominal amount of € 8,495,805 which, in accordance with the provisions of Regulation (EU) no. 575/2013 (“**CRR**”), can be classified as credit risk mitigation instruments.

4. Financial assets subject to commercial renegotiation and forbore exposures

Nothing to report.

Quantitative disclosure

1. Breakdown of financial assets by portfolio and by credit quality (carrying amounts)

Portfolios/quality	Bad exposures	Unlikely to pay	Non-performing past due exposures	Performing past due exposures	Other exposures performing	Total
1. Financial assets measured at amortised cost		6,779	9,809		138,573	155,161
2. Financial assets measured at fair value through other comprehensive income						
3. Financial assets designated at fair value through profit or loss						
4. Other financial assets mandatorily measured at fair value through profit or loss						
5. Financial assets held for sale						
Total 2025		6,779	9,809		138,573	155,161
Total 2024		466			143,413	143,879

2. Breakdown of financial assets by portfolio and by credit quality (gross amount and carrying amount)

Portfolios/quality	Non-performing				Performing			Total (carrying amount)
	Gross amount	Total impairment losses	Carrying amount	overall partial write-offs (*)	Gross amount	Total impairment losses	Carrying amount	
1. Financial assets measured at amortised cost	17,241	653	16,588		138,592	19	138,573	155,161
2. Financial assets measured at fair value through other comprehensive income								
3. Financial assets designated at fair value through profit or loss					X	X		
4. Other financial assets mandatorily measured at fair value through profit or loss					X	X		
5. Financial assets held for sale								
Total 2025	17,241	653	16,588		138,592	19	138,573	155,161
Total 2024	1,004	538	466		143,482	69	143,413	143,879

* Amount disclosed for information purposes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Financial assets, commitments to disburse funds and financial guarantees issued: changes in impaired positions and accruals to provisions (carrying amounts)

Reason/risk stages	Total impairment losses																		Overall accruals to provisions on commitments to disburse funds and financial guarantees issued				Total							
	Assets included in the first stage					Assets included in the second stage					Assets included in the third stage					Purchased or originated credit-impaired financial assets														
	Demand loans and receivables with banks and	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	Demand loans and receivables with banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	Demand loans and receivables with banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	Financial assets measured at amortised cost	Financial assets at fair value through profit or loss through other comprehensive income	Financial assets held for sale	of which: individual impairment losses	of which: collective impairment losses	First stage	Second stage	Third stage	Purchased or originated credit-impaired commitments to disburse funds and financial guarantees issued			
Opening total impairment losses		47				47		22				22		538				538												607
Increases in purchased or originated financial assets (+)		4				4								3				3		X	X	X	X	X					7	
Derecognition other than write-offs (-)		32				32		21				21		103				103											156	
Net impairment losses/gains due to credit risk (+/-)		3				3		2				2		285				285											290	
Contract amendments without derecognition																														
Changes in estimation method																														
Write-offs not recognised directly through profit or loss																														
Other changes		(10)				(10)								(65)				(65)											(75)	
Closing total impairment losses		11				11		2				2		659				659											673	
Recoveries from collection on financial assets that have been written off																														
Write-offs recognised directly through profit or loss																														

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Financial assets, commitments to disburse funds and financial guarantees issued: transfers between different credit risk stages (gross amount and nominal amount)

Portfolios/risk stages	Gross amount / Nominal amount					
	Transfers between the first and second stage		Transfers between the second and third stage		Transfers between the first and third stage	
	From the first to the second stage	From the second to the first stage	From the second to the third stage	From the third to the second stage	From the first to the third stage	From the third to the first stage
1. Financial assets measured at amortised cost	4,020		31	131	10,677	461
2. Financial assets measured at fair value through other comprehensive income						
3. Financial assets held for sale						
4. Commitments to disburse funds and financial guarantees issued						
Total 2025	4,020		31	131	10,677	461
Total 2024	37				321	6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Loans and receivables with customers, with banks and with financial corporations

6.1 Guaranteed on- and off-statement of financial position loans and receivables with financial corporations: gross and net values

Type of exposure / amounts	Gross amount				Total impairment and allowances				Carrying amount	Overall partial write-offs *
	First stage	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired		
A. ON-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES										
A.1 ON DEMAND	6,871	6,871							6,871	
a) Non-performing		X			X					
b) Performing	6,871	6,871	X				X		6,871	
A.2 OTHER	103	103							103	
a) Bad exposures		X			X					
- of which: forborne exposures		X			X					
b) Unlikely to pay		X			X					
- of which: forborne exposures		X			X					
c) Non-performing past due exposures		X			X					
- of which: forborne exposures		X			X					
d) Performing past due exposures			X				X			
- of which: forborne exposures			X				X			
e) Other performing exposures	103	103	X				X		103	
- of which: forborne exposures			X				X			
TOTAL A	6,974	6,974							6,974	
B. OFF-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES										
a) Non-performing		X			X					
b) Performing			X				X			
TOTAL B										
TOTAL A+B	6,974	6,974							6,974	

* Amount disclosed for information purposes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.4 On- and off-statement of financial position loans and receivables with customers: gross amounts and carrying amounts

Type of exposure / amounts	Gross amount				Total impairment and allowances				Carrying amount	Overall partial write-offs *
	First stage	Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired		
A. ON-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES										
a) Bad exposures		X				X				
- of which: forborne exposures		X				X				
b) Unlikely to pay	7,410	X		7,410	632	X		632		6,779
- of which: forborne exposures		X				X				
c) Non-performing past due exposures	9,830	X		9,830	22	X		22		9,809
- of which: forborne exposures		X				X				
d) Performing past due exposures				X				X		
- of which: forborne exposures				X				X		
e) Other performing exposures	138,489	130,379	8,042	X	19	17	2	X		138,470
- of which: forborne exposures				X				X		
TOTAL A	155,730	130,379	8,042	17,241	673	17	2	653		155,058
B. OFF-STATEMENT OF FINANCIAL POSITION LOANS AND RECEIVABLES										
a) Non-performing		X				X				
b) Performing				X				X		
TOTAL B										
TOTAL A+B	155,730	130,379	8,042	17,241	673	17	2	653		155,058

6.5 On-statement of financial position loans and receivables with customers: gross non-performing exposures

Reasons/Categories	Bad exposures	Unlikely to pay	Past due exposures non-performing
A. Opening gross balance - of which: positions transferred but not derecognised		902	
B. Increases		5,294	8,205
B.1 transfers from performing loans		2,033	7,419
B.2 transfers from purchased or originated credit-impaired financial assets			
B.3 transfers from other categories of non-performing exposures		2,503	306
B.4 contract amendments without derecognition			
B.5 other increases		758	480
C. Decreases		6,442	9,616
C.1 transfers to performing loans		946	1,779
C.2 write-offs			
C.3 collections		5,190	5,334
C.4 gains on sales			
C.5 losses on sales			
C.6 transfers to other categories of non-performing exposures		306	2,503
C.7 contract amendments without derecognition			
C.8 other decreases			
D. Closing gross balance - of which: positions transferred but not derecognised		7,410	9,830

6.6 On-statement of financial position non-performing loans and receivables with customers: changes in impaired positions

Reasons/Categories	Bad exposures		Unlikely to pay		Past due exposures non-performing	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening total impairment losses - of which: positions transferred but not derecognised			437			
B. Increases			215		15	
B.1 impairment losses on purchased or originated credit-impaired financial assets		X		X		X
B.2 other impairment losses			144		14	
B.3 losses on sales						
B.4 transfers from other categories of non-performing exposures			0		1	
B.5 contract amendments without derecognition						
B.6 other increases			72		0	
C. Decreases			0		3	
C.1 impairment gains			1		0	
C.2 impairment gains due to collections			2		0	
C.3 gains on sales						
C.4 write-offs						
C.5 transfers to other categories of non-performing exposures			1		0	
C.6 contract amendments without derecognition						
C.7 other decreases			2		2	
D. Closing total impairment losses - of which: positions transferred but not derecognised			632		22	

7. Classification of financial assets, commitments to disburse funds and financial guarantees issued based on external and internal rating

7.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees issued by external rating class (gross amounts)

Exposures	External rating class						Without rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets measured at amortised cost							155,833	155,833
- First stage							128,400	128,400
- Second stage							8,042	8,042
- Third stage							19,391	19,391
- Purchased or originated credit-impaired								
B. Financial assets measured at fair value through other comprehensive income								
- First stage								
- Second stage								
- Third stage								
- Purchased or originated credit-impaired								
C. Financial assets held for sale								
- First stage								
- Second stage								
- Third stage								
- Purchased or originated credit-impaired								
Total (A+B+C)							155,833	155,833
D. Commitments to disburse funds and financial guarantees issued								
- First stage								
- Second stage								
- Third stage								
- Purchased or originated credit-impaired								
Total D								
Total (A + B + C + D)							155,833	155,833

9. Credit concentration

Concentration risk is the risk deriving from exposures to counterparties, groups of associated counterparties and with the counterparties of the same economic sector or that carry out the same activities or are in the same geographical segment.

Given the nature of the product and the average size of exposures, the Company's portfolio is highly granular. As a result, the single-name concentration risk is currently extremely low. Furthermore, the geo-sectoral component has only a marginal impact due to the current distribution of branches across fifteen different Italian cities. As the business continues to expand, the qualitative and quantitative composition of the portfolio is constantly monitored and reassessed to assess the level of exposure to this risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9.1 Breakdown of on- and off-statement of financial position loans and receivables by counterparty economic sector

Exposures/Counterparties	General governments		Financial corporations		Financial corporations (of which: insurance companies)		Non-financial corporations		Households		Banks	
	Carrying amount	Total impairment	Carrying amount	Total impairment	Carrying amount	Total impairment	Carrying amount	Total impairment	Carrying amount	Total impairment	Carrying amount	Total impairment
A. On-statement of financial position loans and receivables												
A.1 Bad exposures												
- of which: forborne exposures												
A.2 Unlikely to pay									6,779	632		
- of which: forborne exposures												
A.3 Non-performing past due exposures									9,809	22		
- of which: forborne exposures												
A.4 Performing exposures									138,573	19	6,974	
- of which: forborne exposures												
Total (A)									155,161	673	6,974	
B. Off-statement of financial position loans and receivables												
B.1 Non-performing exposures												
B.2 Performing exposures												
Total (B)												
Total (A+B) 2025									155,161	673	6,974	
Total (A+B) 2024									143,879	607	7,336	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9.2 Breakdown of on- and off-statement of financial position loans and receivables by counterparty geographical area

Exposures/Geographical areas	Italy		Other European countries		America		Asia		Rest of the world	
	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses
A. On-statement of financial position loans and receivables										
A.1 Bad exposures										
A.2 Unlikely to pay	6,779	632								
A.3 Non-performing past due exposures	6,007	13	3,802	8						
A.4 Performing exposures	126,516	17	19,031	2						
Total (A)	139,302	662	22,833	11						
B. Off-statement of financial position loans and receivables										
B.1 Non-performing exposures										
B.2 Performing exposures										
Total (B)										
Total (A+B) 2025	139,302	662	22,833	11						
Total (A+B) 2024	133,302	454	17,913	152						

9.3 Large exposures

The regulations define a "large exposure" as an entity's exposure to a customer or group of connected customers if the value of the exposure is equal to or greater than 10% of the entity's Tier 1 capital. The exposure value refers to the carrying amount rather than the risk-weighted value. For this reason, exposures that qualify as "large exposures" are reported in terms of both the carrying amount and the risk-weighted value.

	2025	2024
Carrying amount	3,890	4,121
Weighted value	0	0
Number of position	1	1

Without any changes other than the amount, the exposure is to the Parent, Banca Sistema.

SECTION 3.2 - MARKET RISK

The Company does not hold a trading portfolio; therefore, this type of risk is not considered applicable to the Company.

3.2.1 INTEREST RATE RISK

Qualitative disclosure

Interest rate risk is the probability that interest rate fluctuations will have a negative impact on the Company's financial and economic position.

With regard to interest rate risk, it should be noted that Kruso Kapital grants loans at a fixed interest rate, which can fall into one of three maturity categories: 3, 6 and 12 months. As a result, the structure of the loans - which is heavily weighted towards short-term products - helps to mitigate the risk of unexpected interest rate fluctuations.

Quantitative disclosure

1. Breakdown of financial assets and liabilities by residual duration (repricing date)

Type/Residual duration	On demand	up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 5 years	from more than 5 years up to 10 years	more than 10 years	Open term
1. Business	50,221	73,192	36,123	1,076	1,523			
1.1 Debt instruments								
1.2 Loans and receivables	50,221	73,192	36,123	1,076	1,523			
1.3 Other assets								
2. Liabilities	134,688				6,726			
2.1 Payables	134,688							
2.3 Debt instruments					6,726			
2.4 Other liabilities								
3. Financial derivatives								
- Options								
+ long positions								
+ short positions								
- Other derivatives								
+ long positions								
+ short positions								

Funding is primarily provided by the Parent, with a minor share coming from other banks through current account credit lines and short-term financing at fixed or variable rates. These arrangements are continuously monitored to minimise interest rate mismatches between lending and borrowing rates. Based on these measures, the Company's interest rate risk remains marginal.

3.2.3 Currency risk

Qualitative disclosure

All financial items are denominated in euro; therefore, this type of risk is not considered applicable to the Company.

SECTION 3.3 - OPERATIONAL RISKS

Qualitative disclosure

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

Operational risk is the risk of loss arising from inadequate or non-functioning internal processes, human resources or systems, or from external events. This type of risk includes - among other things - the ensuing losses from fraud, human errors, business disruption, unavailability of systems, breach of contract, and natural catastrophes.

In order to calculate the internal capital generated by the operational risk, the Company adopts the Basic Indicator Approach, which provides for the application of a regulatory coefficient (equal to 15%) to the three-year average of the relevant indicator defined in Article 316 of Regulation (EU) no. 575/2013 of 26 June 2013 (CRR2).

The Function measures operational risk events using a qualitative performance indicator, established within the Operational Risk Framework (ORF) and aligned with the Parent's methodologies. The ORF aims to provide management with a risk management tool to assess the existing operational risk control system and ensure that risks within the Company are maintained within "acceptable" thresholds.

This indicator is determined through a self-assessment process conducted by process owners, whereby the Function supports the process owner in identifying potential operational risks on the basis of the following elements:

- experience and risk awareness of Business Process Owners (BPOs);
- operating procedures;
- recorded evidence (e.g. complaints, findings from Internal Audit, cyber incidents).

The Function assesses the identified risks while also considering mitigating controls and actions implemented by the Company. This method requires a first assessment of the possible associated risks in terms of probability and impact ("Gross risk level") and a subsequent analysis of the existing controls (qualitative assessment on the effectiveness and efficiency of the controls) which could reduce the gross risk, based on which the specific risk levels ("Residual risk") are determined. Finally, the residual risks are mapped on a predefined scoring grid, useful for the subsequent calculation of the Internal Risk Operational Ratio (IROR) via appropriate aggregation of the scores defined for the individual operational procedure.

Following the Company's operational risk assessment activities, the Function identifies risks requiring corrective action, defines mitigation measures together with Function heads, and monitors compliance with deadlines for implementing such measures. A comprehensive review of the Operational Risk Assessment, along with the calculation of the "IROR" risk indicator, is conducted at least annually.

The Company has established a structured process to monitor and manage operational risk, which is based on the following pillars:

- *Promoting a corporate culture of ethics and integrity.*

Kruso Kapital has adopted a Group Code of Ethics, which has been distributed across all corporate levels. This document defines the ethical and professional principles recognised by the Company and expected from all employees and stakeholders.

- *Defining and updating systems and procedures to mitigate risk*

Kruso Kapital manages operational risk through a structured and continuous process of updating procedures and operational manuals. This body of internal procedures aims to define, formalise, raise awareness and

inform the entire company organisation about the most correct methods of working. Business processes are mapped periodically or as needed to reduce inefficiencies, improve daily operations, and define first- and second-level controls.

- Strengthening supervision and control structures

The risk prevention programme provides for the identification of the structure in charge of supervision and control activities. This task is assumed by the Internal Audit Department (Level III control), which has an appropriate level of independence and autonomy in conducting audits and investigative activities. The Internal Audit Department essentially plays a dual role. The first is to critically review the effectiveness of existing controls. The second is to drive improvements in control systems. The audits are conducted on-site at branches (e.g., sample checks on pledged assets) and remotely.

- *Insurance contracts to mitigate various operational risks.*

The Company has obtained specific insurance coverage to protect against the risk of loss and/or material damage. This includes coverage against fire, lightning, and explosions to which the goods are exposed, primarily consisting of jewellery, goldworks and watches, precious stones, pearls, and investment gold, as well as other gold and precious metal ornaments and accessories.

The Compliance, Anti-Money Laundering and Risk Management Department of Kruso Kapital:

- assesses the operational risk associated with the introduction of new products, activities, processes and relevant systems mitigating the onset of the operational risk via a preliminary evaluation of the risk profile.
- monitors the occurrence of events leading to a loss attributable to operational risks (e.g. fraud, errors, procedural, human resource or internal system failures/ malfunctions), with the aim of refining the system of safeguards and internal regulations and/or taking out additional insurance policies.

ICT risk (Information and Communication Technology risk) refers to the risk of financial losses, reputational damage, or market share erosion due to the use of information and communication technology. At the group level, ICT risk is managed through structured information flows between Kruso Kapital's relevant functions and the Group Parent. These flows are defined within the Group's IT security policies.

SECTION 3.4 - LIQUIDITY RISK

Qualitative disclosure

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

Liquidity risk is defined as the risk that the Company may fail to meet its obligations when they become due or lack sufficient liquidity to accommodate new customer financing requests, despite being able to obtain such funds in the short/medium term.

As part of Banca Sistema Group, Kruso Kapital relies primarily on funding provided by Banca Sistema, which grants a dedicated credit facility. Additionally, the Company maintains current account credit lines with other banks, which are actively managed and monitored by Kruso Kapital's Finance Department.

Liquidity risk is also monitored at the Group level.

Quantitative disclosure

1. Breakdown of financial assets and liabilities by remaining contractual term

Items/Time bands	on demand	from more than 1 day up to 7 days	from more than 7 days up to 15 days	from more than 15 days up to 1 month	from more than 1 month up to 3 months	from more than 3 months up to 6 months	from more than 6 months up to 1 year	from more than 1 year up to 3 years	from more than 3 years up to 5 years	More than 5 years	Duration term
Assets	50,221	4,335	6,759	13,057	49,041	36,123	1,076	1,523			
A.1 Government securities											
A.2 Other debt instruments											
A.3 Financing	50,221	4,335	6,759	13,057	49,041	36,123	1,076	1,523			
A.4 Other assets											
Liabilities	134,688							6,726			
B.1 Payables											
- banks	125,592										
- Financial corporations											
- customers	9,096										
B.2 Debt instruments								6,726			
B.3 Other liabilities											
Off-statement of financial position transactions											
C.1 Financial derivatives with exchange of principal											
- long positions											
- short positions											
C.2 Financial derivatives without exchange of principal											
- positive spreads											
- negative spreads											
C.3 financing to be received											
- long positions											
- short positions											
C.4 Commitments to disburse funds											
- long positions											
- short positions											
C.5 Financial guarantees issued											
C.6 Financial guarantees received											

4.1 EQUITY

4.1.1 Qualitative disclosure

In managing its consolidated equity, the Company aims to maintain an appropriate level of capital to support its growth objectives, while ensuring compliance with regulatory capital requirements and its risk appetite framework.

4.1.2 Quantitative disclosure

4.1.2.1 Equity attributable to the owners of the parent: breakdown

Items/Values	Amount 2025	Amount 2024
1. Share capital	24,610	24,610
2. Share premium	16,908	16,908
3. Reserves	7,974	3,475
- profit	7,974	3,475
a) legal	636	350
b) pursuant to the Articles of Association		
c) treasury shares		
d) other	7,338	3,125
- other		
4. (Treasury shares)		
5. Valuation reserves	(14)	(34)
- Equity instruments designated at fair value through other comprehensive income		
- Hedges of equity instruments designated at fair value through other comprehensive income		
- Financial assets (other than equity instruments) measured at fair value through other comprehensive income		
- Property and equipment		
- Intangible assets		
- Hedges of foreign investments		
- Cash flow hedges		
- Hedging instruments (non-designated elements)		
- Exchange rate differences		
- Non-current assets held for sale and disposal groups		
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)		
- Special revaluation laws		
- Net actuarial gains (losses) on defined benefit pension plans	(14)	(34)
- Shares of valuation reserves relating to investees measured at equity		
6. Equity instruments		
7. Profit (loss) for the period	8,776	4,500
Total	58,254	49,459

4.2 - Own funds and capital ratios

4.2.1 Own funds

Own funds, risk-weighted assets and solvency ratios as at 31 December 2025 were determined based on the provisions for Banks contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) of 26 June 2013, that transpose in the European Union the standards defined by the Basel Committee on Banking Supervision (the so-called Basel 3 framework), and based on Bank of Italy Circulars no. 288. These are reported on an individual basis, as the Group does not apply consolidated supervisory reporting, referring instead to the reports prepared by Banca Sistema (the Parent of the banking group).

4.2.1.1 Qualitative disclosure

The total own funds as of 31 December 2025 amounts to €26 million, as shown in the table below.

As at 31 December 2025, total own funds amounted to € 26 million, marking an increase compared to 2024, mainly due to the higher net profit included in Common Equity Tier 1 capital.

4.2.1.2 Quantitative disclosure

	31/12/2025	31/12/2024
A. Tier 1 Capital before the application of prudential filters	59,337	51,838
B. Prudential filters for Tier 1 Capital:		
B1 - Positive prudential filters under IAS/IFRS (+)		
B2 - Negative prudential filters under IAS/IFRS (-)		
C. Tier 1 Capital before deducting elements (A+B)	59,337	51,838
D. Elements to be deducted from Tier 1 Capital	33,350	31,581
E. Total Tier 1 Capital (C-D)	25,987	20,257
F. Tier 2 Capital before the application of prudential filters		
G. Prudential filters for Tier 2 Capital:		
G1 - Positive prudential filters under IAS/IFRS (+)		
G2 - Negative prudential filters under IAS/IFRS (-)		
H. Tier 2 Capital before deducting elements (F+G)		
I. Items to deduct from Tier 2 Capital		
L. Total Tier 2 Capital (TIER2) (H-I)		
M. Elements to be deducted from total Tier 1 and Tier 2 capital		
N. Regulatory capital (E+L-M)	25,987	20,257

4.2.2 Capital adequacy

4.2.2.2 Quantitative disclosure

Categories/Amounts	Unweighted amounts		Weighted amounts/requirements	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
A. RISK ASSETS				
A.1 Credit and counterparty risk	159,594	143,333	39,361	41,473
1. Standardised approach	159,594	143,333	39,361	41,473
2. Internal-ratings based approach	-	-	-	-
2.1 Basic	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitisations	-	-	-	-
B. REGULATORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk	159,594	143,333	3,149	2,488
B.2 Credit Valuation Adjustment Risk	-	-	-	-
B.3 Regulatory risk	-	-	-	-
B.4 Market risk	-	-	-	-
1. Standardised approach	-	-	-	-
2. Internal models	-	-	-	-
3. Concentration risk	-	-	-	-
B.5 Operational risk			3,863	3,033
1. Basic approach			3,863	3,033
2. Standardised approach			-	-
3. Advanced approach			-	-
B.6 Other calculation elements	-	-	-	-
B.7 Total prudential requirements			7,012	5,521
C. EXPOSURES AND CAPITAL RATIOS				
C.1 Risk-weighted assets			87,652	92,018
C.2 Common Equity Tier 1/Risk-Weighted Assets (CET1 capital ratio)			29.65%	22.01%
C.3 Tier 1/ Risk-Weighted Assets (Tier 1 Capital Ratio)			29.65%	22.01%
C.4 Total Own Funds/Risk-Weighted Assets (Total Capital Ratio)			29.65%	22.01%

SECTION 5 – BREAKDOWN OF CONSOLIDATED COMPREHENSIVE INCOME
(amounts in thousands of Euro)

Items		31/12/2025	31/12/2024
10.	Profit for the year	8,776	4,500
	Other comprehensive income net of taxes, without reversal to the income statement		
70.	Defined-benefit plans	27	(10)
100.	Income taxes on items that will not be reclassified subsequently to profit or loss	(7)	3
190.	Total other comprehensive income net of taxes	20	(7)
200.	Comprehensive income (Item 10+190)	8,796	4,493

SECTION 6 – RELATED PARTY TRANSACTIONS

6.1 Information on the remuneration of directors and key management personnel

	Board of Directors	Board of Statutory Auditors	Other executives
Remuneration of the Board of Directors and the Board of Statutory Auditors	180	43	
Short-term employee benefits			649
Other long-term benefits			
Post-employment benefits			68
Total	180	43	717

6.2 Loans and guarantees issued to directors and statutory auditors

The Company has not granted loans or issued guarantees to directors or statutory auditors.

6.3 Disclosure on related party transactions

The following table shows the assets and liabilities as at 31 December 2025, differentiated by type of related party with an indication of the impact on each individual caption.

	Parent	Other related parties	% on the financial statement item
Assets			
Cash and cash equivalents	4,137		48.9%
Loans and receivables with banks	82		80.1%
Liabilities			
Due to banks	(74,109)		55.0%
Other liabilities	(20)		0.2%

The item “Cash and cash equivalents” includes only financial receivables related to active current accounts opened with the parent company.

The items “Loans and receivables with banks” and “Other assets” only include trade receivables

The item “Due to banks” includes financial payables amounting to € 74 thousand and trade payables for the remainder.

	Parent	Other related parties	% on the financial statement item
Total income			
Interest income	51		0.28%
Interest expense	(3,075)		69.13%
Fee and commission expense	(85)		24.63%
Operating costs			
Administrative expenses	(1,121)	(131)	6.43%
Other operating income (expense)	70		14.74%

The item “Interest expense” refers to interest accrued on loans from the parent company.

The item “Fee and commission expense” mainly refers to fees and commissions accrued towards the parent company for sureties

The item “Administrative expenses” refers to servicing activities, rental of office space, and costs for seconded staff.

The item “Other operating income (expense)” refers to rental income for office space.

SECTION 7 – LEASES (LESSEE)

Qualitative disclosures

The Company has contracts that fall within the scope of IFRS 16 attributable to the following categories:

1. Property used for business purposes;
2. Cars.

At 31 December 2025, there were 41 leases, 30 of which were property leases for a total right of use value of € 3.1 million, while 11 were for cars, for a total right of use value of € 278 thousand.

Property leases, which refer to lease payments for buildings used for business purposes such as offices and branches have terms exceeding 12 months and typically have renewal and termination options that may be exercised by the lessor and the lessee as provided for by law.

Contracts referring to other leases are long-term leases for cars which are generally used exclusively by the employees to whom they are assigned. These contracts have a maximum term of five years with monthly lease payments, no renewal option, and no option to purchase the asset.

Contracts with a term of less than 12 months or those for which the replacement value of the individual leased asset is low, i.e. less than € 20 thousand, are excluded from the application of the standard.

Quantitative disclosures

The following table provides a summary of the Statement of Financial Position items relating to leases; for further information, please refer to Part B of the notes to the financial statements:

Type of contract	Right of use (*)	Lease liabilities
Property lease payments	3,136	3,100
Long-term car lease	278	280
Total	3,414	3,380

(*) This is the right of use value net of accumulated depreciation.

The following table provides a summary of the Income Statement items relating to leases; for further information, please refer to Part B of the notes to the financial statements:

Type of contract	Interest expense	Net impairment losses on property and equipment
Property lease payments	92	1,151
Long-term car lease	5	70
Total	97	1,221

SECTION 8 – OTHER DISCLOSURES

The notes to the financial statements do not provide the information required by Article 2427, paragraph 1, point 16-bis) of the Italian Civil Code regarding fees payable to the independent auditors, as the Company is included within the scope of consolidation of Banca Sistema (the Parent of the banking group), and such information is contained in the notes to the consolidated financial statements of the parent.

8.1 Management and coordination activities

Pursuant to Article 2497-bis of the Italian Civil Code, Kruso Kapital is subject to the management and coordination activities of Banca Sistema S.p.A.

The following is a summary of the key data from the most recent financial statements of that company.

Key data from Banca Sistema's 2024 financial statements

The key data from the parent, Banca Sistema S.p.A., as shown in the summary table, was extracted from its 31 December 2024 financial statements, which, along with the independent auditor's report, is available in accordance with the applicable laws.

STATEMENT OF FINANCIAL POSITION
(amounts expressed in Euro)

Assets	31.12.2024	31.12.2023
10. Cash and cash equivalents	88,668,844	247,375,590
20. Financial assets measured at fair value through profit or loss	13,736,523	11,573,875
c) other financial assets mandatorily measured at fair value through	13,736,523	11,573,875
30. Financial assets measured at fair value through other comprehensive	1,147,196,806	576,001,679
40. Financial assets measured at amortised cost	2,767,232,602	3,368,819,318
a) loans and receivables with banks	22,897,266	795,432
b) loans and receivables with customers	2,744,335,335	3,368,023,886
70. Equity investments	45,250,000	45,250,000
80. Property and equipment	7,560,564	2,318,593
90. Intangible assets	3,968,440	3,997,839
of which:		
goodwill	3,919,700	3,919,700
100. Tax assets	12,538,728	24,141,577
a) current	1,731,898	7,129,278
b) deferred	10,806,831	17,012,299
110. Non-current assets held for sale and disposal groups	-	-
120. Other assets	467,247,935	241,209,525
Total Assets	4,553,400,441	4,520,687,996

Assets		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost	4,016,561,452	4,018,100,468
	a) due to banks	80,022,578	610,786,777
	b) due to customers	3,936,538,874	3,407,313,691
60.	Tax liabilities	25,302,382	22,543,524
	b) deferred	25,302,382	22,543,524
80.	Other liabilities	178,804,607	175,039,229
90.	Post-employment benefits	4,343,413	3,809,285
100.	Provisions for risks and charges:	40,498,782	37,132,057
	a) commitments and guarantees issued	28,480	59,157
	c) other provisions for risks and charges	40,470,302	37,072,900
110.	Valuation reserves	(2,347,504)	(12,332,684)
130.	Equity instruments	45,500,000	45,500,000
140.	Reserves	174,069,575	168,371,404
150.	Share premium	39,100,168	39,100,168
160.	Share capital	9,650,526	9,650,526
170.	Treasury shares (-)	(101,947)	(355,353)
180.	Profit for the year	22,018,987	14,129,372
	Total liabilities and equity	4,553,400,441	4,520,687,996

INCOME STATEMENT
(amounts expressed in Euro)

Assets		31.12.2024	31.12.2023
10.	Interest and similar income	181,677,397	166,214,678
	of which: interest income calculated with the effective interest metho	167,777,221	166,214,678
20.	Interest and similar expense	(144,200,005)	(109,026,741)
30.	Net interest income	37,477,392	57,187,937
40.	Fee and commission income	30,949,094	23,910,139
50.	Fee and commission expense	(19,680,690)	(16,774,121)
60.	Net fee and commission income (expense)	11,268,404	7,136,018
70.	Dividends and similar income	226,667	226,667
80.	Net trading income (expense)	34,223,765	2,771,730
100.	Gain (loss) from sales or repurchases of:	9,982,621	13,926,608
	a) financial assets measured at amortised cost	6,373,747	12,608,394
	b) financial assets measured at fair value through other comprehe	3,608,874	1,318,214
	c) financial liabilities	-	-
110.	Net gain (loss) on other financial assets and liabilities measured at f	2,250,532	2,836,313
	b) other financial assets mandatorily measured at fair value throuç	2,250,532	2,836,313
120.	Total income	95,429,381	84,085,273
130.	Net impairment losses/gains on:	(197,606)	(4,512,853)
	a) financial assets measured at amortised cost	23,059	(4,689,499)
	b) financial assets measured at fair value through other comprehe	(220,665)	176,646
140.	Gains/losses from contract amendments without derecognition	(102,127)	(692)
150.	Net financial income (expense)	95,129,648	79,571,728
160.	Administrative expenses	(53,289,953)	(51,868,573)
	a) personnel expense	(23,930,333)	(22,988,079)
	b) other administrative expenses	(29,359,620)	(28,880,494)
170.	Net accruals to provisions for risks and charges	(3,425,191)	(3,170,927)
	a) commitments and guarantees issued	30,677	(35,184)
	b) other net accruals	(3,455,868)	(3,135,743)
180.	Net impairment losses on property and equipment	(1,587,245)	(1,692,132)
190.	Net impairment losses on intangible assets	(29,400)	(30,211)
200.	Other operating income (expense)	(2,553,968)	(1,920,261)
210.	Operating costs	(60,885,757)	(58,682,104)
220.	Utili (Perdite) delle partecipazioni	-	-
260.	Utili (Perdite) da cessione di investimenti	-	-
260.	Pre-tax profit (loss) from continuing operations	34,243,891	20,889,624
270.	Income taxes	(12,224,904)	(6,760,252)
280.	Post-tax profit from continuing operations	22,018,987	14,129,372
290.	Utile (Perdita) delle attività operative cessate al netto delle imposte	-	-
300.	Profit for the year	22,018,987	14,129,372

Kruso Kapital S.p.A.

Independent auditor's report pursuant to
article 14 and article 19-bis of Legislative
Decree no. 39, dated January 27, 2010

Consolidated financial statements
at December 31, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative

Independent auditor's Report

pursuant to article 14 and article 19-bis of Legislative Decree no. 39, dated January 27, 2010

To the Shareholders of
Kruso Kapital S.p.A.

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Group Kruso Kapital S.p.A. (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and of its financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 43 of Legislative Decree no.136/15.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of Kruso Kapital S.p.A. (the "Company") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to paragraph "Significant Events After The Reporting Date" of the Directors' Report of the consolidated financial statements that describes the voluntary public tender and exchange offer on all the ordinary shares of Banca Sistema S.p.A.. In particular, the Group informs that on January 16, 2026, CF+ SpA announced and published the offer document and the information relating to the voluntary public tender and exchange offer on all the ordinary shares. The offer period ended on February 27, 2026, with total acceptances reaching 70.732% of Banca Sistema S.p.A.'s share capital, corresponding to 69.047% of the related voting rights.

Our opinion is not modified in respect of this matter.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the regulation issued to implement article 43 of Legislative Decree no.136/15 and, in the terms prescribed by the law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Parent Company Kruso Kapital S.p.A. or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with Those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with ethical and independence requirements applicable in Italy, and we have communicated all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate relevant risks or the safeguards measures applied.

From the matters communicated with Those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

Reports on other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, (e), e-bis) and e-ter) of Legislative Decree no. 39/10

The directors of Kruso Kapital S.p.A. are responsible for the preparation of the report on operations of Kruso Kapital S.p.A. as at December 31, 2025, including its consistency with the consolidated financial statements and compliance with the applicable laws and regulations.

We have performed the procedures required under Auditing Standard (SA Italia) no. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements
- express an opinion on the compliance of the report on operations with the applicable laws and regulations
- issue a statement on whether the report on operations contain material misstatements.

In our opinion, the report on operations is consistent with the consolidated financial statements of Group Kruso Kapital S.p.A. as at December 31, 2025.

Furthermore, in our opinion the report on operations is compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, e-ter), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, March 31, 2026

BDO Audit Services S.r.l.

Signed by

Annarosa Disarlo

Partner