

BANCA SISTEMA S.P.A.

Fully paid-up share capital € 9,650,526.24

**Tax code and Milan Companies' Register No. 12870770158 - ABI code
No. 03158.3**

Largo Augusto 1/A, angolo Via Verziere 13, 20122 Milan

www.bancasistema.it

ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL

**AT THE REGISTERED OFFICE AT
LARGO AUGUSTO 1/A, ANGOLO VIA VERZIERE 13, MILAN**

12 OCTOBER 2026, 10.00 A.M.

**BOARD OF DIRECTORS' REPORT
ON ITEM 2 OF THE AGENDA**

**(prepared pursuant to Art. 125-ter of Legislative Decree No. 58 of 24 February
1998, as amended and supplemented)**

**"AMENDMENT OF ARTICLE 5 OF THE COMPANY'S BYLAWS. PROPOSAL
TO GRANT THE BOARD OF DIRECTORS, PURSUANT TO ARTICLE 2443
OF THE ITALIAN CIVIL CODE, THE POWER TO INCREASE THE SHARE
CAPITAL AGAINST PAYMENT, IN ONE OR MORE INSTANCES AND ALSO
IN TRANCHES, IN A DIVISIBLE MANNER, RESPECTING THE PRE-
EMPTION RIGHT UNDER ARTICLE 2441 OF THE CIVIL CODE, OR ALSO
EXCLUDING THE PRE-EMPTION RIGHT PURSUANT TO ARTICLE 2441,
PARAGRAPHS 4, FIRST AND SECOND SENTENCES, AND 5, OF THE
CIVIL CODE, FOR A MAXIMUM TOTAL AMOUNT OF EUR
100,000,000.00, INCLUDING ANY SHARE PREMIUM, TO BE EXERCISED
IN ONE OR MORE INSTANCES WITHIN FIVE YEARS FROM THE DATE
OF THE SHAREHOLDERS' RESOLUTION, SUBJECT TO THE COMPLETION
OF THE MERGER BY INCORPORATION OF BANCA CF+ CREDITO
FONDIARIO S.P.A. INTO BANCA SISTEMA S.P.A. RELATED AND
CONSEQUENTIAL RESOLUTIONS."**

Courtesy translation

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE GRANTING OF THE
AUTHORITY TO DECIDE ON A SHARE CAPITAL INCREASE**

**(drawn up pursuant to art. 125-ter of Legislative Decree no. 58 of 24 February
1998, as well as art. 72 of the Regulation adopted with Consob resolution no. 11971
of 14 May 1999, as subsequently amended and supplemented)**

16 September 2026

Explanatory report available at Banca Sistema's headquarters, on the website www.bancasistema.it, as well as through the authorized storage mechanism "1info" (<https://www.1info.it/PORTALE1INFO>).

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Dear Shareholders,

this explanatory report (the "**Explanatory Report**") has been prepared by the Board of Directors of Banca Sistema S.p.A. ("**Banca Sistema**" or the "**Company**") pursuant to Article 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the "**TUF**"), as well as Article 72 of the Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), in order to submit to the approval of the Company's Shareholders' Meeting, convened in extraordinary session on 12 October 2026, in a single call, the proposal to (i) amend Article 5 of the Statute in order to include the possibility for the assembly to grant the Board of Directors, pursuant to Article 2443, paragraphs 1 and 2 of the Civil Code, the power to increase the share capital, in one or more tranches and for a maximum period of five years from the date of the resolution, up to a determined amount, even with exclusion or limitation of pre-emptive rights; as well as (ii) to grant the Board of Directors, pursuant to art. 2443 of the Civil Code, a delegation (the "**Delegation**") to increase the share capital for payment, in one or more installments and also in tranches, if divisible, respecting the pre-emptive right under art. 2441 of the Civil Code, or even excluding the pre-emptive right pursuant to art. 2441, paragraphs 4, first and second sentence, and 5, of the Civil Code, for a maximum total amount of Euro 100,000,000.00, including any premium (the "**Maximum Total Amount**"), to be exercised in one or more times within five years from the date of the shareholders' resolution, subject to the completion of the merger by incorporation of Banca CF+ Credito Fondiario S.p.A. ("**Banca CF+**") into Banca Sistema (the "**Merger**").

The Explanatory Report is made available to the public in accordance with the applicable legal and regulatory provisions and can be consulted, among other places, on Banca Sistema's website (www.bancasistema.it), as well as through the authorized storage mechanism "1info" (<https://www.1info.it/PORTALE1INFO>).

1. EXPLANATION OF THE DELEGATION

Pursuant to Art. 2443 of the Civil Code, the Articles of Association may grant the directors the power to increase the share capital, in one or more tranches, up to a determined amount and for a maximum period of five years from the shareholders' meeting resolution granting the delegation. The Articles also specify the type and methods for carrying out the share capital increase.

To this end, it is proposed to amend Art. 5 of the Articles of Association to introduce the possibility for the shareholders' meeting to give the Board of Directors the power to increase the share capital, within the limits set out in Art. 2443 of the Civil Code. Furthermore, for the reasons and objectives better described in the rest of this Illustrative Report, the Delegation we propose to grant to the Board of Directors is characterized by granting the power to increase the share capital under the following terms:

- (i) in one or more instances, even in installments;
- (ii) within the maximum exercise period of five years from the date of the shareholders' resolution and up to the Maximum Total Amount, including any premium;
- (iii) for payment (thus involving new contributions), in a divisible manner;
- (iv) alternatively (a) in compliance with the pre-emptive right under art. 2441 of the Civil Code, or (b) also with exclusion of the pre-emptive right under art. 2441, paragraphs 4, first and second sentence, and 5, of the Civil Code.

2. REASONS FOR THE DELEGATION AND PURPOSE OF THE CAPITAL INCREASE

On June 24, 2026, the Boards of Directors – of Banca CF+ and Banca Sistema respectively – approved the merger plan for Banca CF+ to be incorporated into Banca Sistema, a plan that the extraordinary Shareholders' Meeting is called to approve as the first item on the agenda (the “**Merger**”).

The Merger represents the natural completion of the integration process started with the voluntary total public tender offer and the mandatory total public tender offer launched by Banca CF+ on the ordinary shares of Banca Sistema, and is aimed at: (i) ensuring more effective strategic coordination and governance efficiency; (ii) avoiding duplications in terms of organizational and technological structures needed to manage separate legal entities, while maximizing operational efficiency; and (iii) strengthening the already solid financial position of the intermediaries with new resources.

It is expected that, as a result of the Merger, European Investments Holding Company S.à r.l., the current controlling shareholder of Banca CF+, will hold about 85% of Banca Sistema's share capital, thereby exercising control pursuant to Article 2359 of the Civil Code and Article 93 of the TUF, as well as Article 23 of the TUB. In this context, giving the Board of Directors the Delegation is meant to allow Banca Sistema—which will remain listed on the Euronext Milan market after the Merger—to consider the opportunity to increase the free float of its shares, taking into account the composition of Banca Sistema's main shareholders following the Merger and the requirements set by Borsa Italiana S.p.A. regulations for maintaining its listing on the regulated Euronext Milan market, Euronext STAR Milan segment.

It is also believed that increasing the free float would ensure not only greater liquidity of the stock but also greater visibility and a better positioning of Banca Sistema in the market. The potential exercise of the Delegation could also contribute to further strengthening the Company's capital base. The Delegation will therefore allow the Board of Directors - in order to pursue the best medium- and long-term interest of Banca Sistema and its group, as well as with a view to achieving the development and capital strengthening objectives outlined in the Merger project and, in any case, with the aim of creating value for the Shareholders - to seize, with appropriate timing, the most favorable conditions for carrying out any capital-raising operations.

In addition to offering greater flexibility regarding the timing and methods of implementation compared to a capital increase resolution that might be passed by the Shareholders' Meeting, the Delegation instrument has the added advantage of leaving it to the Board of Directors to determine the financial conditions of the increase as a whole, taking into account the prevailing market conditions at the time of the actual launch of the operation and, among other things, reducing the risk of stock price fluctuations between the announcement and the start of the operation, which would occur if it were decided by the shareholders' body.

Moreover, the possibility of excluding the pre-emptive right under Article 2441, paragraphs 4 and 5, of the Civil Code allows for more flexibility in identifying the recipients of the new shares offering and also helps to further reduce the risk of stock price fluctuations, as the Board of Directors can choose a subscription period that is shorter than the minimum period set by law in the case of a rights issue.

3. METHOD OF EXECUTING THE DELEGATION

The terms for issuing and subscribing to the newly issued shares will be defined from time to time, with reference to each tranche of the capital increase, by the Board of Directors when exercising the Delegation.

In particular, for the purpose of exercising the Delegation through a rights issue, the Board of Directors will have the power to set the methods, terms, and conditions of the capital increase and its execution, in compliance with the following, and therefore, to determine, even close to the start of the rights offering:

- (i) the amount of the capital increase, in any case not exceeding – also considering any share premium – the Maximum Total Amount, to be carried out in one or more instances, and also in tranches;
- (ii) the issue price of the shares, including any share premium, taking into account, among other things, the market conditions prevailing at the time of determining the terms of the capital increase, the stock prices of Banca Sistema shares, the profit, economic, asset, and financial trends of the Company, as well as market practice for similar transactions;
- (iii) the number of shares being issued and the related subscription ratio, provided that the newly issued shares will have the same characteristics – including in terms of benefits – as the existing ones and will be offered for subscription to shareholders in proportion to their current holdings.

Pursuant to art. 2441, paragraph 6, of the Civil Code, in the case of non-entitlement, exclusion, or limitation of the pre-emptive right (in the cases referred to in paragraphs 4, first sentence, and 5 of the same provision), the Board of Directors must explain, in a specific report, the reasons for the exclusion or limitation of the pre-emptive right or, in the case of non-entitlement to it due to a contribution other than cash, the reasons for this, and in any case the criteria adopted for determining the issue price. This report must be communicated to the Board of Statutory Auditors and the auditing firm within the legal deadlines, for the purpose of obtaining the requested opinion on the adequacy of the issue price of the newly issued shares. The issue price of the shares must be determined based on the net asset value, taking into account the trend of quotations over the last six months.

For decisions regarding capital increases to be paid in cash pursuant to Article 2441, paragraph 4, second period, of the Civil Code, it should also be noted that Article 2441, paragraph 4, second period, of the Civil Code establishes – as a condition for taking advantage of the exclusion of pre-emptive rights within the limit of 10% of the number of existing shares – that the issue price must correspond to the market value of such shares and that this must be confirmed in a specific report by a statutory auditor or an audit firm. In such cases, the Board will acquire this report on each occasion the Delegation is exercised.

In any case, the provisions of Article 2443, paragraph 4, of the Civil Code regarding increases in share capital through contributions of assets in kind or credits using the provisions of Article 2343-ter of the Civil Code remain in effect.

In line with the above, it is understood that the subscription price of newly issued shares cannot be lower than the book value of the shares in circulation on the date the Delegation is exercised.

More generally, the Board of Directors would have full authority to define the terms and conditions of the capital increase and the operation. The Board of Directors would also have the power to decide whether to apply for the admission to trading of the newly issued shares and whether to set up a guarantee and/or placement consortium.

The explanatory documentation related to the capital increase resolution that may eventually be adopted based on the Delegation will be made available to the public in accordance with the law.

4. GUARANTEE AND/OR PLACEMENT CONSORTIA

In exercising the Delegation, the Company's Board of Directors may consider the option of granting a mandate to one or more financial institutions to set up a guarantee and/or placement consortium in connection with the capital increase, possibly even for individual exercises of the Delegation.

Any appointment of a guarantee consortium will be promptly communicated to the market in the information that will be prepared according to the law at the time of exercising the Delegation.

5. ANY OTHER FORMS OF PLACEMENT PLANNED AND SHAREHOLDERS WHO HAVE SHOWN WILLINGNESS TO SUBSCRIBE TO THE NEW SHARES, AS WELL AS ANY UNUSED OPTION RIGHTS

Any newly issued shares resulting from a capital increase that may be approved under the Delegation can be offered to the Company's shareholders in accordance with pre-emptive rights under Article 2441 of the Civil Code, or they can also be subscribed by third parties, with the exclusion or limitation of the pre-emptive right, pursuant to Article 2441, paragraph 4, first and second sentences, and paragraph 5, of the Civil Code. In any case, when exercising the Delegation, the Board of Directors will provide the market with adequate information regarding any other planned placement methods.

6. CRITERIA FOR DETERMINING THE ISSUANCE PRICE OF NEW SHARES

The new shares will be offered at the price that will be set from time to time by the Board of Directors (including any possible premium) when exercising the Delegation.

7. DURATION OF THE DELEGATION AND TIME OF EXERCISE

It is proposed to establish that the Delegation can be exercised, once or multiple times and even in installments, within five years from the date of the shareholders' meeting resolution granting it. That is, if approved by the Meeting convened for October 12, 2026, the Delegation can, in any case, be exercised by the final deadline of October 12, 2031, after which it will automatically lapse.

Without prejudice to the above, the timing of exercising the Delegation (which is requested to be possible even partially and in multiple stages at different times) and the related issuances will depend on the actual circumstances and concrete opportunities that arise, and will be communicated to the market in accordance with the law and regulations as soon as they are determined by the Board of Directors.

8. DELEGATION AMOUNT

Any capital increase eventually decided by the Board of Directors under the Delegation cannot exceed a total of EUR 100,000,000.00, including any possible share premium.

9. DATE OF ENTITLEMENT OF NEWLY ISSUED SHARES

The entitlement of the newly issued shares resulting from the capital increase approved under the exercise of the Delegation will be determined by the Board of Directors for each possible exercise of the Delegation, while still granting holders equal rights compared to the shares already issued by the Company.

10. ECONOMIC, ASSET AND FINANCIAL EFFECTS, AND DILUTIVE EFFECTS

When exercising the Delegation, the Board of Directors will provide the market with appropriate information about the economic, financial, and asset effects of the operation in question each time, as well as the impact on the unit value of the shares and any dilution resulting from the operation.

11. STATUTORY CHANGES

As a result of the draft resolutions submitted for your approval, it will be necessary to amend Article 5 of the company's Articles of Association.

Below is the current text of Article 5 of Banca Sistema's Articles of Association compared with the version that the Board of Directors proposes for you to adopt:

Testo vigente	Testo modificato
Article 5: Share capital 5.1 [<i>omissis</i>] On 28 April 2016 the company's extraordinary Shareholders' Meeting resolved, pursuant to article 2349 of the Italian Civil Code, to authorise a free share capital increase, in tranches, to service the 2016 Stock Grant Plan (the "2016 Plan"), which was approved by the company's ordinary Shareholders' Meeting on the same date and the Stock Grant Plans which may be approved by the Shareholders' Meeting in the future in relation to the years 2017, 2018 and 2019 ("2017-2019 Plans"). The free share capital increase is for a maximum nominal amount of € 49,920 (forty-nine thousand nine hundred and twenty), corresponding to a maximum of 416,000 (four hundred and sixteen thousand) ordinary shares of the Company having a nominal amount of € 0.12	Article 5: Share capital 5.1 [<i>omissis</i>] On 28 April 2016 the company's extraordinary Shareholders' Meeting resolved, pursuant to article 2349 of the Italian Civil Code, to authorise a free share capital increase, in tranches, to service the 2016 Stock Grant Plan (the "2016 Plan"), which was approved by the company's ordinary Shareholders' Meeting on the same date and the Stock Grant Plans which may be approved by the Shareholders' Meeting in the future in relation to the years 2017, 2018 and 2019 ("2017-2019 Plans"). The free share capital increase is for a maximum nominal amount of € 49,920 (forty-nine thousand nine hundred and twenty), corresponding to a maximum of 416,000 (four hundred and sixteen thousand) ordinary shares of the Company having a nominal amount of € 0.12

(twelve cents) each, and shall be completed by 30 June 2023, it being understood that the share capital shall be deemed to have increased by the amount equivalent to the subscriptions received and that the individual subscriptions, even partial, shall be effective immediately with simultaneous assignment of the shares and the associated shareholder rights.

The free share capital increase shall be funded using a restricted Reserve dedicated to the share capital increase to service the 2016 Plan and the 2017-2019 Plans. Such reserve shall amount to € 1,600,000 (one million six hundred thousand), as per the resolution adopted by the ordinary Shareholders' Meeting on 28 April 2016.

The shares underlying the free share capital increase shall give regular dividend entitlement and be issued in several tranches in accordance with the terms and conditions set out in the Regulation of the 2016 Plan and 2017-2019 Plans.

The Board of Directors is granted the powers necessary to increase the share capital - including the authority to sub-delegate such powers to its individual members - and specifically the power to assign and issue the new shares to service the 2016 Plan and the 2017-2019 Plans, in accordance with the terms and conditions therein, and the power to make the relevant amendments to this article in order to adjust, over time, the value of the company's share capital.

At the date of completion of the foregoing increase, under the terms and conditions set out in the 2016 Plan and in the 2017-2019 Plans, the share capital shall be deemed to have increased by the amount corresponding to the shares issued.

~~(twelve cents) each, and shall be completed by 30 June 2023, it being understood that the share capital shall be deemed to have increased by the amount equivalent to the subscriptions received and that the individual subscriptions, even partial, shall be effective immediately with simultaneous assignment of the shares and the associated shareholder rights.~~

~~The free share capital increase shall be funded using a restricted Reserve dedicated to the share capital increase to service the 2016 Plan and the 2017-2019 Plans. Such reserve shall amount to € 1,600,000 (one million six hundred thousand), as per the resolution adopted by the ordinary Shareholders' Meeting on 28 April 2016.~~

~~The shares underlying the free share capital increase shall give regular dividend entitlement and be issued in several tranches in accordance with the terms and conditions set out in the Regulation of the 2016 Plan and 2017-2019 Plans.~~

~~The Board of Directors is granted the powers necessary to increase the share capital - including the authority to sub-delegate such powers to its individual members - and specifically the power to assign and issue the new shares to service the 2016 Plan and the 2017-2019 Plans, in accordance with the terms and conditions therein, and the power to make the relevant amendments to this article in order to adjust, over time, the value of the company's share capital.~~

~~At the date of completion of the foregoing increase, under the terms and conditions set out in the 2016 Plan and in the 2017-2019 Plans, the share capital shall be deemed to have increased by the amount corresponding to the shares issued.~~

[the rest unchanged]	The shareholders' meeting can give the Board of Directors the power to increase the share capital, in one or more tranches, up to a set amount and for a maximum period of five years from the date of the resolution, even with the exclusion or limitation of pre-emptive rights. The Assembly, convened in extraordinary session on October 12, 2026, decided to delegate to the Board of Directors, pursuant to Article 2443 of the Civil Code, the power to increase the share capital for payment, in one or more tranches, in a divisible manner, respecting the pre-emptive rights under Article 2441 of the Civil Code, or alternatively even excluding the pre-emptive rights pursuant to Article 2441, paragraphs 4, first and second sentences, and 5, of the Civil Code, for a maximum total amount of Euro 100,000,000.00, including any share premium, to be exercised by October 12, 2031. [the rest unchanged]
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12. RIGHT OF WITHDRAWAL

The proposed amendments to the bylaws do not give shareholders who do not vote in favor of them the right to withdraw.

13. PROPOSAL FOR RESOLUTION

Dear Shareholders,

In light of what has been presented above, the Board of Directors invites the extraordinary shareholders' meeting of Banca Sistema to approve the following resolution proposal:

"The Shareholders' Meeting of Banca Sistema S.p.A., convened in extraordinary session: - having examined the explanatory report of the Board of Directors on the proposal to grant the Delegation and having agreed with the reasons contained therein;

resolves

- 1) *to amend article 5, paragraph 1, of the articles of association, by introducing the following provision: "The shareholders' meeting may delegate to the Board of Directors the power to increase the share capital in one or more installments, up to a specified amount and*

for a maximum period of five years from the date of the resolution, even with exclusion or limitation of pre-emptive rights.";

- 2) *to grant the Board of Directors, pursuant to Article 2443 of the Civil Code, a delegation to increase the share capital for consideration, in one or more tranches and also in divisible installments, in compliance with the pre-emptive right pursuant to Article 2441 of the Civil Code, or even with exclusion of the pre-emptive right pursuant to Article 2441, paragraphs 4, first and second sentence, and 5, of the Civil Code, for a maximum total amount of Euro 100,000,000.00, including any share premium, to be exercised in one or more times within five years from the date of this resolution, subject to the completion of the merger by incorporation of Banca CF+ Credito Fondiario S.p.A. into Banca Sistema S.p.A.;*
- 3) *to amend, consequently, Article 5, paragraph 1, of the Articles of Association, introducing the following wording: "The Extraordinary Shareholders' Meeting held on 12 October 2026 resolved to delegate to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, the right to increase the share capital for payment, in one or more tranches, in divisible form, in compliance with the option right pursuant to Article 2441 of the Italian Civil Code, or also with the exclusion of the option right pursuant to art. 2441, paragraphs 4, first and second sentences, and 5, of the Italian Civil Code for a maximum total amount of Euro 100,000,000.00, including any share premium, to be exercised by 12 October 2031.";*
- 4) *to grant the Board of Directors, and through it the Chairman and the CEO, acting separately from each other and also through special attorneys individually appointed by them, within the limits of the law – without prejudice to the collegial nature of the exercise of the delegation pursuant to art. 2443 of the Civil Code – every and the broadest power to take whatever necessary measures to implement the resolutions and to fulfill the necessary formalities so that all resolutions adopted today obtain the legal approvals, and generally everything needed for the full execution of the resolutions, with every and any power necessary and appropriate for this purpose, none excluded, including the power to make to the resolutions adopted any non-substantial modifications, corrections, or additions necessary for registration in the Companies Register, including the task of filing the updated articles of association with the competent Business Register, both for the entry into force of the delegations as mentioned above, and for the statutory changes resulting from the exercise and implementation of the delegations themselves.".*

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Milan, 16 September 2026

Banca Sistema S.p.A.

The Chairman of the Board

Davide Croff