Banca Popolare di Sondrio

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PRESS RELEASE

VOLUNTARY PUBLIC EXCHANGE OFFER LAUNCHED BY BPER BANCA S.P.A. ON BANCA POPOLARE DI SONDRIO S.P.A. SHARES ("OFFER")

THE BOARD OF DIRECTORS OF BANCA POPOLARE DI SONDRIO APPROVES THE ISSUER'S STATEMENT IN RELATION TO THE OFFER

BPER'S VALUATION OF BP SONDRIO FAILS TO RECOGNIZE THE REAL VALUE OF BP SONDRIO AND ITS GROWTH PROSPECTS AND SIGNIFICANTLY PENALIZES BP SONDRIO SHAREHOLDERS COMPARED TO BPER SHAREHOLDERS, DESPITE THE FACT THAT THE CONSIDERATION IS FAIR FROM A FINANCIAL STANDPOINT

- BPER's valuation of BP Sondrio fails to fully recognize the real value of the Bank
- The announcement of the Offer took place before the presentation of BP Sondrio's new 2025-2027 Business Plan, so the valuation analysis conducted by BPER for the purpose of determining the consideration does not take into account these important elements of information
- The valuation analysis conducted by BPER for the purpose of determining the consideration is based on the estimates of a limited number of research analysts ("consensus") and with limited informative value, whose projections have historically underestimated BP Sondrio's results, which have always been above consensus
- The premium that BPER declares to pay to BP Sondrio's shareholders on the date of announcement of the offer is very low, a case with rare precedents for transactions of this type

- Since the date of announcement of the Offer, the consideration has always remained at a discount compared to the market price of BP Sondrio
- The consideration does not adequately value the synergies that can be achieved through the combination declared by BPER
- In light of the marked difference in the cash dividend pay-out ratio between BP Sondrio and BPER, the consideration is dilutive for BP Sondrio Shareholders in terms of expected dividend per share for 2025 and expected cumulative dividends for the three-year period 2025-2027

THE COMBINATION OF BPER AND BP SONDRIO AND THE ACHIEVEMENT OF THE STRATEGIC OBJECTIVES OF THE OFFER ARE SUBJECT TO RISKS AND ELEMENTS OF UNCERTAINTY

- The merger and integration of BP Sondrio into BPER present elements of uncertainty and riskiness, taking into account the level of acceptance of the Offer equal to 50% + 1 (Threshold Condition) and 35% + 1 (Minimum Threshold Condition) of BP Sondrio's share capital
- A combined business plan has not been prepared by BPER
- There is a lack of exhaustive information in relation to the synergies expected by BPER
- The implementation of the Offer could have a negative impact on BP Sondrio's territory of reference in terms of employment levels, reducing jobs and directing the Bank's strategy towards an approach based on cost reduction rather than sustainable organic growth

BP SONDRIO HAS DISTINCTIVE AND VALUABLE CHARACTERISTICS AND SIGNIFICANT PROSPECTS FOR GROWTH, VALUE CREATION AND REMUNERATION FOR ITS SHAREHOLDERS FROM A STAND-ALONE PERSPECTIVE

THE OFFER PROVIDES FOR A CONSIDERATION ENTIRELY MADE UP OF BPER SHARES AND, THEREFORE, REQUIRES A CAREFUL ASSESSMENT OF THE CHARACTERISTICS AND RISK FACTORS OF THE OFFEROR

THE PARTICIPATION OF BP SONDRIO SHAREHOLDERS IN THE OFFER CONSTITUTES A "REALIZATION" TRANSACTION FOR INCOME TAX PURPOSES (CAPITAL GAIN*),* EVEN THOUGH A CASH COMPONENT IS NOT PROVIDED FOR IN THE OFFER. THEREFORE, BP SONDRIO SHAREHOLDERS WHO ACCEPT THE OFFER WILL HAVE TO COVER THE PAYMENT OF TAX CHARGES WITH THEIR OWN FINANCIAL MEANS

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Sondrio, 13 June 2025 - The Board of Directors of Banca Popolare di Sondrio ("**BP Sondrio"** or the **"Bank"),** met yesterday under the chairmanship of Mr. Pierluigi Molla and approved the statement (the **"Issuer's Statement")** prepared pursuant to Articles 103, paragraphs 3 and 3-bis of Legislative Decree no. 58/1998 (the **"TUF"**), as subsequently amended and supplemented, and 39 of Consob Regulation no. 11971/1999, as subsequently amended and supplemented, (the **"Issuers' Regulation"),** in relation to the voluntary public exchange offer on all the ordinary shares of BP Sondrio (the **"Offer")** launched by BPER Banca (the **"Offeror"** or **"BPER"**) pursuant to and for purposes of art. 102, paragraph 1, and 106, paragraph 4, of the TUF and the applicable provisions contained in the Issuers' Regulation.

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The following is a summary of the conclusions of the Issuer's Statement. For exhaustive information, please read the Issuer's Statement in its entirety, which will be made available in accordance with the terms provided for by applicable legal provisions on the Bank's website, at the following link: https://istituzionale.popso.it/it/comunicati-ed-eventi-societari/comunicati

Capitalized terms not otherwise defined herein have the same meanings as those given to them in the Issuer's Statement.

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1. The valuation of BP Sondrio by the Offeror fails to recognize the real value of BP Sondrio and its growth prospects and significantly penalizes BP Sondrio Shareholders compared to BPER shareholders, despite the fact that the Consideration is fair from a financial standpoint.

<u>1.1 The valuation of BP Sondrio by the Offeror does not fully recognize the real value of the Bank</u>

The Board of Directors of BP Sondrio takes note of the fairness opinions prepared by the financial advisors which indicate that the Consideration is within the valuation ranges and, therefore, is defined as reasonable from a financial standpoint. These valuation ranges are identified, as is market practice in these circumstances, only on a stand-alone basis and therefore do not include either the value of potential synergies deriving from the integration between the two entities or the control premium, which is typical in extraordinary acquisition of control transactions and with appreciable execution risks, especially where not previously discussed or agreed with the Issuer, as in the case of the Offer promoted by BPER.

The Board of Directors, following a careful consideration of the information available and in the light of multiple factors (reported and described in the Issuer's Statement), while considering the Consideration to be appropriate from a financial standpoint, on the basis of the Fairness Opinions issued by the advisors of BP Sondrio, BofA Securities and Morgan Stanley, and attached to the Issuer's Statement, believes that the valuation of BP Sondrio by the Offeror does not fully recognize the real value of BP Sondrio and the growth prospects and is not consistent with the nature and purposes of the Offer, aimed at promoting a significant discontinuity with the stand-alone path of the Bank and a consequent acquisition of control of BP Sondrio and the creation of important synergies. In the opinion of the Board of Directors, the valuation of BP Sondrio by the Offeror significantly penalizes BP Sondrio Shareholders compared to BPER shareholders.

The distinctive elements that characterize BP Sondrio, its market positioning, its prospects on a stand-alone basis (as confirmed by the results achieved, including, not least, the record performance in the first quarter of 2025) in the light in particular of the 2025-2027 business plan "*Our Way Forward*" and the above-mentioned characteristics of the transaction (synergies and control premium) " require, in the opinion of the Board of Directors, a significant increase in the Consideration.

As further confirmation of the above, it should be noted that, since the announcement of the Offer, the Consideration has consistently recorded an implicit discount compared to the market price of the BP Sondrio Share and therefore as of the date of the Issuer's Statement does not reflect BPER's recognition of any premium, departing from previous public offers aimed at acquiring control of a target company(see Section 1.4 of the Executive Summary below, as well as Section 3, Paragraph 3.3.3 of the Issuer's Release).

For a further examination of the Consideration, please refer to Section 3, Paragraph 3.1 of the Issuer's Statement.

1.2 The announcement of the Offer took place before the presentation of BP Sondrio's new 2025-2027 Business Plan, so the valuation analysis conducted by the Offeror for the purpose of determining the Consideration does not take into account these important elements of information

The announcement of the Offer took place immediately following the publication of BP Sondrio's 2024 results, which were well above the consensus forecast, and therefore not fully factored, at that date, in the prices of BP Sondrio shares. Furthermore, as stated in the Offer Document[1], the valuation analysis carried out by BPER for the purpose of determining the Consideration does not take into account BP Sondrio's new 2025-2027 Business Plan (presented to the market on 12 March 2025), as – although BP Sondrio had announced to the market, in a press release dated 23 January 2025, that it would present a new business plan for the end of February 2025 – the same was not yet available at the time of the announcement by BPER of the Press Release pursuant to Article 102 of the TUF of 6 February 2025. The new 2025-2027 Business Plan, in addition to indicating a virtuous path of stand-alone growth of the Bank in the name of a significant improvement in expected results and a further strengthening of its capital solidity, also includes some elements with a total after-tax value of approximately Euro 230 million that the market was able to appreciate only after the Announcement Date, including (i) the hypothesis of enhancing the value of the merchant acquiring business as part of the project for the overall review of the agreements with the Nexi group (with an impact on P&L and assets expected in 2025 of approximately Euro 100 million)[2] and

[1] See Section A, Paragraph A.3 of the Offer Document: "*The valuation analysis conducted by the Offeror for the purpose of determining the Consideration presented the following main limitations and difficulties: ... (ii) the absence of a medium—long-term stand—alone business plan for BP Sondrio updated as of February 5, 2025.*"

[2] As communicated on 12 March 2025 and reported in the presentation document of BP Sondrio's *stand-alone* Business Plan , the project to enhance the value of *merchant acquiring* activities, already discussed within the competent bodies of both parties, was not completed within the assumed timeframe due to

(ii) the contribution of the valuation of the real estate portfolio at fair value (with an impact on capital expected as early as 2025, prudently quantified at around 40 basis points of CET1 equal to approximately Euro 130 million (See Paragraph 3.3.1 of the Issuer's Statement).

Consequently, the Offer, due to the timing and manner in which it was promoted and announced, does not adequately reflect or enhance BP Sondrio's path of value creation and development prospects from a stand-alone perspective, an expression of organic growth.

To confirm the above, from the publication of the Business Plan until the Reference Date, the BP Sondrio Share price recorded a performance of 11%, compared to an increase of 7% achieved by BPER shares.

In addition, between February 5, 2025 (the last Trading Day before the Announcement Date) and the Reference Date (June 10th, 2025), the official price of BP Sondrio Share increased from Euro 8.934 per share to Euro 12.015 per share, recording an increase of 34%; in the same time interval, BPER shares increased from Euro 6.570 to Euro 7.767, with an increase of 18%.

1.3 The valuation analysis conducted by the Offeror for the purpose of determining the Consideration is based on the estimates of a limited number of research analysts ("consensus") and with limited informative value, whose projections have historically underestimated BP Sondrio's results, which have always exceeded the consensus

As stated in the Offer Document[3], the valuation analysis carried out by BPER for the purpose of determining the Consideration is based on estimates (again prior to the publication of BP Sondrio's new 2025-2027 business plan) by a limited number of research analysts (and uneven with respect to the number of estimates publicly available to BPER, as highlighted by BPER itself), and uses "*exclusively data and information of a public nature, mainly taken from BP Sondrio's consolidated financial statements*" and without having "*carried out any financial, legal, commercial, tax,*

BPER's announcement of the Offer and the consequent subjection of BP Sondrio to the constraints of the so-called "*passivity rule*". The project, taking into account the timing of the Offer and subject to the timely issuance of the legal authorizations, could reasonably be carried out within a horizon compatible with the end of the 2025 financial year.

[3] See Section A, Paragraph A.3 of the Offer Document: "*In particular, for the purposes of the valuation analyses conducted to determine the Consideration, the estimates of the following research analysts were considered for the Issuer: Deutsche Bank, Jefferies, Equita S.p.A., Mediobanca S.p.A., Intermonte S.p.A.*"

corporate or other due diligence on the Issuer" (Offer Document, Section A, Paragraph A.3).

Research analysts' assessments have historically underestimated BP Sondrio's industrial *track record* and earnings results, which, on the other hand, has proven to regularly and particularly significantly exceed the market consensus both in terms of profit generated and dividend distributed. By way of example, in the period 2021-2024, the Net Earnings per Share indicator actually recorded by BP Sondrio at the end of the year has always exceeded the expectations of the analysts' consensus formulated at the beginning of the reference year, averaging approximately 84% higher[4]. Also with reference to the same period, the Dividend per Share actually recognized by BP Sondrio from the year-end profit was on average approximately 134% higher[5] than the analysts' consensus expectations formulated at the beginning of the reference year. For a further examination of the actual results achieved by BP Sondrio compared to the consensus, please refer to Section 2, Paragraph 2.1.9 of the Issuer's Statement.

Consequently, the valuation of BP Sondrio deriving from the application of the Exchange Ratio does not recognize the real value of the Bank, also in light of the fact that it does not take into account BP Sondrio's new Business Plan, relying instead on the public consensus data on the Offer Announcement Date. It should be noted that BP Sondrio's consensus net profit estimates for 2027 on the Offer Announcement Date are significantly lower than the targets of BP Sondrio's new Business Plan.

For further information, please refer to Section 3, Paragraph 3.4 of the Issuer's Release.

1.4 The premium that BPER declares to pay to the shareholders of BP Sondrio on the Announcement Date of the Offer is very low, a case with rare precedents for transactions of this type

The Consideration, as indicated in the Offer Document in Section E, Paragraph E.1.1, reflects a premium of 6.6% over the price of BP Sondrio Share on 5 February 2025 (the last Trading Day prior to the announcement of the Offer). Even taking as a reference the averages of the prices of BP Sondrio shares weighted by volumes at different time horizons prior to the announcement of the Offer, as is customary in this type of transaction, the premium paid to BP Sondrio Shareholders is very low. Furthermore, taking as a reference the weighted average of official prices in the 12 months prior to

[4] Page 16 of the BP Sondrio 2025-27 Business Plan document, based on S&P Capital IQ data.
[5] Page 16 of the BP Sondrio 2025-27 Business Plan document, based on S&P Capital IQ data.

the announcement of the Offer as indicated in the Offer Document, the Consideration is even aligned with the price of the BP Sondrio Share, without actually incorporating a premium.

The premium communicated by BPER calculated with respect to the price of the BP Sondrio Share on 5 February 2025 (the day immediately prior to the announcement of the Offer) is therefore very low and decidedly inconsistent with a significant transaction such as the Offer for the acquisition of BP Sondrio, taking into consideration the fact that the Consideration remained at a discount compared to the market price of BP Sondrio for the entire period following the Announcement Date. These figures are also significant in light of previous public offerings aimed at acquiring control of a target company. In these cases, the shareholders of the target company are generally paid a premium over the stock market listing, with the aim of recognizing an adequate portion of the value of the synergies to the counterparty and remunerating the change of control.

The level of premium offered is in practice highest when the transaction is characterized as non-agreed or hostile and/or when the bidder expects to create significant value through the synergies that can be extracted following the acquisition of control of the target company. By way of example, the average implicit premiums recognized in the context of transactions successfully concluded in Italy between 2020 and 2023[6] is approximately 27% (premium compared to the day before the announcement) and increases to levels between 30% and 35% taking the period of 3-6 months before the announcement as a reference. Considering Intesa Sanpaolo's successfully completed public exchange offer in Italy on UBI Banca[7], the premium implied by this transaction stood at approximately 45% (premium compared to the day before the announcement) and grew to approximately 55% and 59% with reference to the 3 months and 6 months prior to the announcement, respectively. Considering, as a further example, the most recent takeover bid concluded in Italy involving a bank with origins in the province of Sondrio (Crédit Agricole on Credito Valtellinese[8]), the premium implied by this transaction stood at approximately 45% (premium compared to the day before the

[6] Sources: *Occasional Report* "*Public offerings carried out in Italy in the period 2020-2023*" published by Consob, December 2024.
[7] Press release published by Intesa Sanpaolo on 17 July 2020: final premiums awarded in the transaction, including the relaunch.
[8] Press release published by Credit Agricole Italia on 14 April 2021: final premiums recognized in the transaction, including the relaunch.

announcement) and increased to approximately 69% and 83% with reference to the 3 months and 6 months prior to the announcement, respectively.

For a further examination of the market precedents for transactions of this type, please refer to Section 3, Paragraph 3.3.3 of the Issuer's Statement.

1.5 Since the Offer Announcement Date, the Consideration has always remained at a discount compared to BP Sondrio's market price

From the Offer Announcement Date to the Reference Date, the Consideration has consistently recorded an implicit discount compared to the market price of the BP Sondrio Share. During this period, there was no trading session in which the exchange rate implied by the official market prices was equal to or lower than the Consideration.

At the Reference Date, the discount implied by the Consideration with respect to the price of BP Sondrio shares is equal to 6.3% and translates, for the entire amount of the shares, into a discount of Euro 0.3 billion.

The trend in stock market prices therefore confirms that the Consideration does not adequately remunerate BP Sondrio Shareholders, who, from the standpoint of the monetary value represented by the shares in their possession compared to that corresponding to the BPER shares they would receive as a result of the exchange, would not have any appreciable advantage from the acceptance of the Offer.

1.6 The Consideration does not adequately value the synergies that can be achieved through the combination declared by BPER

Assuming the achievement of BPER's strategic objectives in terms of synergy potential, it should be noted that, in the opinion of the Board of Directors, the Consideration does not determine a fair allocation of synergies, of which BP Sondrio is the enabling factor but, on the contrary, is extremely unfavorable for BP Sondrio's Shareholders.

Considering the achievement of the synergies estimated by BPER (which are uncertain, please refer to Section 2.3 of the Executive Summary below), the value of these synergies – after deduction of integration costs – can be estimated at approximately Euro 1.5 billion[9].

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[9] Value calculated on the synergies announced by BPER, net of integration costs, estimated on the basis of an illustrative P/E multiple of 9.0x, in line with the average of a sample of European banks.

Based on the Exchange Ratio of the Offer of 1.450 and taking into account the market capitalization of BP Sondrio at the Reference Date, BP Sondrio Shareholders would be attributed a value of just Euro 0.2 billion, equivalent to only approximately 16% of the total of the aforementioned estimated value of the synergies.

Considering that BP Sondrio represents the real enabling factor of these synergies, the relative value should be attributable to both groups of shareholders, at least in equal parts; however, the share paid to BP Sondrio Shareholders does not appear to adequately take into account the significant synergies expected from the transaction. This value (*i.e.*, 50%) could be significantly higher if a distribution of the benefits of synergies oriented more favorably to BP Sondrio Shareholders were considered reasonable. This conclusion is considered to be acceptable due to the fact that BP Sondrio, in addition to being the real enabling factor of the synergies hypothesized by BPER, is destined to suffer the full impacts of the change of control underlying the transaction.

For a further examination of the unsatisfactory nature of the allocation of synergies to the Shareholders of BP Sondrio, please refer to Section 3, Paragraph 3.5.1 of the Issuer's Statement.

<u>1.7 In light of the marked difference in the cash dividend pay-out ratio between BP Sondrio and BPER, the Consideration is dilutive for BP Sondrio Shareholders in terms of expected Dividend Per Share for 2025 and Cumulative Dividends expected for the three-year period 2025-2027</u>

There is a marked difference between BP Sondrio and BPER in terms of dividend policy, as expressed by the cash dividend pay-out ratio offered by BP Sondrio to its shareholders (85% target over the 2025-2027 period) compared to the 75% offered by BPER.[10]

This difference, combined with the size of the Consideration, could have the following significant implications for BP Sondrio Shareholders in terms of expected 2025 Dividend per Share compared to the stand-alone scenario. In particular:

- with reference to expectations for the 2025 financial year, BP Sondrio has provided the market with a net profit guidance of approximately Euro 0.65

[10] Page 7 of the BP Sondrio 2025-27 Business Plan document; page 14 of the BPER *"B:Dynamic Full Value 2027" business plan.*

billion[11], which translates into a total dividend of approximately Euro 0.55 billion (based on the cash dividend pay-out ratio target of 85%), over which the Board of Directors of BP Sondrio has greater control and visibility as this guidance was designed on a stand-alone according to the directives of the 2025-2027 business plan "*Our Way Forward*";

- in the case of a combination with BPER, considering (i) the difference in the cash dividend pay-out ratio, (ii) the exchange ratio represented by the Consideration and (iii) the fact that in 2025 the impact of any synergies that the Offeror will be able to extract will not yet be "fully operational" and will have to take into account the share of one-off integration costs to be incurred upfront, the Board of Directors of BP Sondrio believes that the Offer may be dilutive for the shareholders of BP Sondrio. In fact, while not considering the upfront negative impact of integration costs (and consequently in the absence of synergy extraction), a dilutive impact for BP Sondrio Shareholders of 9% is estimated on the basis of the 2025 Dividend per Share. Considering, on the other hand, also the negative impact of the portion of one-off integration costs to be incurred (which the Offeror has announced in the amount of approximately Euro 400 million before taxes, to be incurred for approximately 75% in the year 2025 alone) and in the absence of synergies, BP Sondrio Shareholders would record a dilutive impact of around 18% in terms of the Dividend Per Share expected for 2025 (See Par. 3.5.3 of the Issuer's Statement).

In addition, it is estimated that the Exchange Ratio of the Offer may have a dilutive impact for BP Sondrio Shareholders who adhere to the Offer of approximately 4%, [12]also with reference to the cumulative cash dividend distributions planned for the three-year period 2025-2027, announced to the market by BP Sondrio's management through the Business Plan.

[11] Page 7 of the BP Sondrio 2025-27 Business Plan document. The values represented assume the completion of the project to enhance the value of *BP Sondrio's merchant acquiring business, which could be carried out compatibly with the end of the 2025 financial year, with an expected impact of approximately Euro 100 million.*

[12] Analysis that considers (i) BP Sondrio's cumulative dividends for the period 2025-2027 as announced in the Business Plan (equal to Euro 1.5 billion) and (ii) the combined entity's cumulative dividends for the period 2025-2027, estimated as the sum of the net profits generated by BPER (source Factset Consensus) and BP Sondrio (source Business Plan), the synergies generated net of integration costs (see next note for details), multiplied by the dividend payout ratio of 75%, as announced by BPER in the context of the business plan.

This analysis is based on a scenario that considers (i) the impact resulting from integration costs, as estimated by BPER, and (ii) the benefit related to the potential synergies announced by BPER, based on an illustrative phasing (compared to fully operational synergies) of 50% in 2026 and 100% in 2027[13] (See Par. 3.5.3 of the Issuer's Statement).

The foregoing is based on the assumption of full acceptance of the Offer, while it would be more penalizing in the case of acceptance of the Offer with lower acceptance thresholds.

2. The combination of BPER and BP Sondrio and the achievement of the strategic objectives of the Offer are subject to risks and elements of uncertainty

2.1 The Merger and integration of BP Sondrio into BPER present elements of uncertainty and riskiness, taking into account the level of acceptance of the Offer equal to 50% + 1 (Threshold Condition) and 35% + 1 (Minimum Threshold Condition) of the share capital of BP Sondrio

The Threshold Condition, set by BPER at 50% plus one share of BP Sondrio, and, in the event that BPER were to waive the aforementioned Threshold Condition, the Minimum Threshold Condition, set by BPER at 35% plus one share of BP Sondrio, are not reflected in the prevailing practice of voluntary takeover and/or exchange bids for all banking or insurance acquisitions; in particular, the Minimum Threshold Condition is the lowest threshold among the takeover and/or exchange offers on banking institutions, in progress and in the recent past. The Threshold Condition and the Minimum Threshold Condition create significant uncertainties for both BP Sondrio Shareholders who may accept the Offer and those who may continue to hold BP Sondrio shares.

In this regard, it should be noted that:

- the Threshold Condition and the Minimum Threshold Condition set by BPER justify significant uncertainties about the possibility for BPER to achieve the objective of the Merger between the two banks. This uncertainty, as indicated by BPER in the documentation relating to the Offer, warrants careful consideration, since the

[13] Analysis that considers the combined entity's generation of synergies of Euro 145 million pre-tax in 2026 and Euro 290 million in 2027 and integration costs of €400 million pre-tax. Do not consider synergies by 2025. Tax rate considered to be approximately 33%.

failure to carry out the Merger could lead to a significant reduction in expected synergies and negative impacts also on the Offeror's supervisory capital ratios. In addition, failure to complete the Merger could result in a significant limitation of BPER's ability to make investments to enhance BP Sondrio's value and to distribute dividends, with the result that BP Sondrio Shareholders who accept the Offer could receive lower dividends than they would have obtained had BP Sondrio remained an independent entity;

- finally, the Minimum Threshold Condition may not ensure BPER stable conditions for exercising control over BP Sondrio, since minority (or so-called *de facto*) control is precarious by nature.

On these aspects of uncertainty, please refer to Section 4, Paragraph 4.3, of the Issuer's Release.

<u>2.2. Failure by the Offeror to prepare a combined business plan</u>

The Offeror has declared that it has not prepared a consolidated business plan relating to the BPER Group that takes into account the completion of the acquisition of BP Sondrio that can be used for the purposes of a complete assessment of the implications and industrial prospects of the transaction, nor has it made available to the public and to BP Sondrio any document of this nature. BPER, however, acknowledged that it had "*prepared a business plan in a combined perspective exclusively for the purpose of providing the Bank of Italy and the European Central Bank with the information necessary for the issuance of their respective authorization measures for the Offer*" (see Offer Document, Section A, Paragraph A.7 and Section G, Paragraph G.2.1). Not even this document, on the basis of which BPER declares that it has carried out its discussions with the Supervisory Authorities, has been made available to BP Sondrio or to the shareholders of BP Sondrio.

The absence of a business plan of the combined entity and the failure to make available any forward-looking document of this nature is particularly significant considering that BPER has offered BPER shares in exchange to the shareholders of BP Sondrio who should adhere to the Offer and that this transaction has been presented by the Offeror as an industrial transaction aimed at the integration between the two banks.

BP Sondrio Shareholders therefore find themselves having to evaluate the Offer in the absence of a consolidated plan on which they can base their assessments and decide to join, becoming shareholders of BPER.

In addition, an updated and detailed business plan of BPER from a stand-alone perspective is not even available. It should be noted that the most recent medium-long term projections available with reference to BPER stand-alone date back to 10 October 2024, the date on which BPER presented the "B:Dynamic Full Value 2027" business plan.

This business plan does not provide detailed information or an annual evolution of the main financial metrics (but financial targets mainly relating to 2027 and only in some cases also made available for 2026), limiting the possibility for BP Sondrio and its Shareholders to base their assessments and express an informed and complete opinion on the Offer.

The lack of important information, both on the effects of the integration between the Banks and on the development and strategies of BPER, constitutes a significant limitation for the purposes of assessing the industrial and financial prospects of the transaction underlying the Offer.

2.3 Absence of exhaustive information in relation to the synergies expected by the Offeror

The absence of detailed information about the elements underlying the Offeror's estimates in relation to the expected synergies and the very limited disclosure of the ways in which the Offeror assumes to generate the proposed synergies exposes BP Sondrio Shareholders to elements of uncertainty relating to the expected value of such synergies.

In addition, the Offeror specifies that the estimated synergies depend on the level of acceptance of the Offer, reducing to approximately 60% of cost synergies and 75% of revenue synergies in the event of reaching a shareholding at least equal to the Threshold Condition; and approximately 5% of cost synergies and 50% of revenue synergies in the event of a stake at least equal to the Minimum Threshold Condition.

All of the above significantly limits the possibility of a complete assessment of any possible synergies, thus determining elements of uncertainty, in terms of both the expected value and the actual realization of the same, a fundamental element for a transaction that provides for an exchange in shares of the Offeror.

<u>2.4 The completion of the Offer could have a negative impact on BP Sondrio's territory of reference area in terms of employment, reducing jobs and directing the Bank's strategy towards an approach aimed at cost reduction rather than sustainable organic growth</u>

The Merger and the subsequent integration between BPER and BP Sondrio may have a significant impact on BP Sondrio's employment levels and on the location of the Bank's production sites and, in particular, on the City of Sondrio where about 900 employees report to the Headquarters work, representing 28% of the Bank's total employees and making up 4% of the population of the city of Sondrio which has about 22,000 inhabitants. These territories have already been strongly impacted in terms of employment in the recent past as a result of the closure of the central offices of Credito Valtellinese, acquired by Credit Agricole. The hypothesis that what happened for Credito Valtellinese could be repeated for BP Sondrio could cause a significant social problem for one of the areas of greatest development in Lombardy.

In addition to the personnel rationalization objectives set out in its stand-alone Business Plan, BPER has in fact indicated in the Offeror's Press Release and in the presentation of the Offer a target of annual cost synergies, after the integration of BP Sondrio, of Euro 190 million pre-tax which, on the basis of the declarations made by management of BPER on 7 February 2025 (see press conference held on the occasion of the presentation of the results for the 2024 financial year), would impact 40% on personnel costs and the remaining 60% on administrative expenses, through the optimization of the branch network, the reduction of IT spending and the reduction of other expenses.

The above exposes to a significant risk of staff reduction and contraction of the distribution network and technological infrastructure, which could have a significant impact on BP Sondrio's workforce, branches and facilities, with negative repercussions for territories, customers and employees in stark contrast to the hiring strategy announced by BP Sondrio in the period 2025-2027 with the Business Plan (expected approx. 233 insertions) and with the growth of the workforce recorded in the last five years, equal to about 406 resources, with priority for the recruitment of young people under 30 (about 85% of new hires).

The aforementioned interventions would therefore risk influencing the evolution of BP Sondrio's business model and weakening the consolidated link with the territory, businesses and families built in over 150 years of activity, and related value creation for all stakeholders involved.

In this regard, it should be noted that the BPER Group's consolidated financial statements as at 31 December 2024 expressly report on page 106, "*Part 2 – Consolidated sustainability reporting*", the following significant risks:

- "*high number of lawsuits / legal claims initiated by employees and/or attention drawn to particular important cases (e.g. published in the media, etc.)*"; and
- "*operating losses attributable to lawsuits brought by staff for issues relating to salaries, indemnities and employment relationships (dismissals, unlawful transfer, death, illness, etc.)*".

For more information, please refer to Section 2, Paragraph 2.4.2, and Section 5 of the Issuer's Release.

3. BP Sondrio has distinctive and valuable characteristics and significant prospects for growth, value creation and remuneration for its shareholders from a stand-alone perspective

BP Sondrio is an independent, agile and efficient company, which makes it an operator of excellence in the Italian banking landscape, with a solid and sustainable business model and documented prospects for growth and value creation from a stand-alone perspective. This model could be jeopardized in the event of integration with the Offeror.

In particular, BP Sondrio's business model has a series of distinctive features that have contributed to creating a competitive advantage for the Bank, such as in particular (a) its territorial roots in the areas of greatest wealth on the Italian market and a consolidated presence on the Swiss market, (b) a "way of banking" based on proximity to the customer and the entrepreneurship of the network, which translates into productivity levels double the market average (in terms of Gross Banking Product per employee), and resilient growth with respect to market dynamics (2021-24 CAGR of loans to customers of +4%, against the unchanged level for the main peers), (c) a complete offer for individuals and businesses, and (d) best-in-class operating efficiency

(Cost / Income of 39% in 2024, compared to an industry average of 48%),[14] (e) a solid credit quality and capital profile, and (f) an industry track record that consistently exceeded analysts' expectations.

These distinctive factors have allowed BP Sondrio to create value continuously, even in downturn periods for the banking sector, in favor of its shareholders. All this is reflected in a high ability to distribute dividends compared to the Italian banking landscape, which has contributed to an overall return for shareholders in recent years that is higher than peers.

The 2025-27 Business Plan, presented to the market in March 2025, is based on strengthening and enhancing these distinctive features by providing for innovations with low execution risk in a context of significant organic growth prospects. In particular, the Plan envisages sustained growth in loans, an acceleration in the wealth management and bancassurance businesses to support fee profitability and the maintenance of the Bank's levels of operational efficiency and credit quality.

For these reasons, it should be noted that, without substantial execution risks, BP Sondrio can aim over the next three years to achieve a return on equity of more than 14% in 2027, a CET1 ratio always above 14% and a dividend payout ratio of 85% in each plan year and as early as the 2025 profit for the year, (corresponding to a total distribution of approximately Euro 1.5 billion) – objectives aligned with the best comparable examples on the Italian market.

The integration of BP Sondrio into a company such as BPER, which has pursued a growth strategy and which has different business operating models from that of BP Sondrio, could result in the loss of the aforementioned distinctive characteristics of BP Sondrio, with negative repercussions on the Bank's competitive positioning.

For more information, please refer to Section 2, Paragraphs 2.1 and 2.2 of the Issuer's Release.

4. The Offer provides for a Consideration entirely made up of BPER Shares and, therefore, requires a careful assessment of the characteristics and risk factors of the Offeror

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[14] UniCredit, Intesa Sanpaolo, BBPM, MPS, Credem and BPER are considered. Source: 2024 Consolidated Financial Statements.

The Consideration, comprised entirely of BPER Shares, involves the exposure of BP Sondrio Shareholders to the achievement of BPER's strategic objectives. Moreover, in the absence of a business plan of the combined entity between BPER and BP Sondrio, the achievement of these strategic objectives is subject to multiple variables that make their concrete implementation uncertain.

The exchange between BP Sondrio Shares and BPER Shares would entail a significant change in the growth strategy and business model implemented by the two banks for a BP Sondrio Shareholder adhering to the Offer. BP Sondrio and BPER, although united by the similar origin of cooperative banks, in fact represent two profoundly different equity stories, the result of opposing growth strategies.

Compared to the organic growth trajectory underlying BP Sondrio's stand-alone Business Plan, BPER's Offer presents some elements of attention for the Shareholder BP Sondrio, since the Offeror over the years has pursued a significantly different growth approach: BPER has in fact chosen an approach to growth through external lines, through acquisitions of other institutions or business units of significant size, pursuing the goal of rapid dimensional and geographical expansion.

This growth strategy has made it necessary to undergo a significant transformation process that is still underway: for example, in terms of rationalization of branches, headcount and costs, which can lead to risks of discontinuity in customer relationships, problems of cultural integration and internal resistance.

In support of these considerations, looking at the main industrial indicators, some risks emerge that require to be carefully assessed by the Shareholder of BP Sondrio, such as:

- BPER is characterized by lower levels of operating efficiency than its main national competitors (Cost/Income ratio[15] of 54% at the end of 2024, compared to 44% market average[16] and 39% for BP Sondrio), also due to the integration processes still in progress;
- BPER is less effective than the main national players in terms of (i) productivity of the commercial network (Gross banking product per employee in line with the

[15] Ratio between operating costs and net banking income from the reclassified Income Statement. Source: Financial statements.
[16] UniCredit, Intesa Sanpaolo, BBPM, MPS, Credem are considered. Source: 2024 Consolidated Financial Statements.

market average but 44% lower than the BP Sondrio figure; Gross Banking Product per branch 6% lower than the average and 28% lower than BP Sondrio) and (ii) margins (ratio of Gross Operating Margin[17] to average Gross Banking Product[18] of 0.6% in 2024, compared to 0.9% market average and 0.8% for BP Sondrio).

For further information, please refer to Section 2, Paragraph 2.3 of the Issuer's Statement.

In addition, it should be noted that the differences in the business models of BP Sondrio and BPER may result in further complexities related to the integration process, which could impact the outcome and feasibility of the synergies; in particular:

- the risk of deterioration of BP Sondrio's commercial proposition and of the traditional elements of competitive advantage (see paragraph 3 above) when the approach to customer relations and operating practices are replaced by those of BPER, which are more standardized and standardized in the various companies that make up the Group, with possible impacts, for example, on network productivity, which is now almost double for BP Sondrio (Euro 35 million gross banking product per employee) compared to BPER (Euro 20 million);

- the risk of a reduction in efficiency compared to the best-in-class values that BP Sondrio expresses on a stand-alone basis (Cost / Income ratio at the end of 2024 equal to 39% for BP Sondrio compared to 54% for BPER; incidence of Operating Costs on average Gross Banking Product equal to 0.5% for BP Sondrio in the same period, compared to 0.8% for BPER);

- the risk of negative impacts on capital ratios following the integration of internal models for calculating risk-weighted assets.

For more information, please refer to Section 2, Paragraph 2.4.1 of the Issuer's Release.

5. The acceptance of the BP Sondrio Shareholders in the Offer constitutes a "realization" transaction for income tax purposes (capital gains), even though a cash component is not provided for in the Offer. Therefore, BP Sondrio Shareholders who adhere to the Offer will have to cover the tax charges with their own financial means

[17] Difference between net banking income and operating costs.
[18] Gross banking product calculated as the sum of gross loans to customers, payables to customers and indirect and insurance deposits.

BP Sondrio Shareholders who adhere to the Offer, by contributing their BP Sondrio Shares in exchange for BPER Shares, would carry out a "realization" transaction for income tax purposes (capital gains), therefore, depending on the book value/tax cost of the BP Sondrio Shares contributed, they could realize taxable capital gains subject to taxation, or capital losses (the deductibility of which is, subject to specific time limitations), the exact amount of which can only be calculated on the Payment Date of the Offer, i.e. the fifth Trading Day following the close of the Acceptance Period. In addition, since the Offer does not provide for a cash component, BP Sondrio Shareholders who adhere to the Offer will have to meet the tax charges with their own financial means.

These circumstances generate an element of uncertainty for BP Sondrio Shareholders, who would have to decide on the acceptance of the Offer without being able to know in advance the related possible tax burden.

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The Board of Directors of BP Sondrio, following a thoughtful consideration of the information available and in light of multiple factors (summarized and described in the Issuer's Statement), while considering the Consideration to be fair from a financial standpoint, on the basis of the Fairness Opinions of BofA Securities and Morgan Stanley, is of the view that the valuation of BP Sondrio by the Offeror does not fully recognize the real value of BP Sondrio and its growth prospects and is not consistent with the nature and purposes of the Offer, aimed at promoting a significant discontinuity with the Bank's stand-alone path and a consequent acquisition of control of BP Sondrio. In the Board of Directors' opinion, the valuation of BP Sondrio by the Offeror significantly penalizes BP Sondrio Shareholders compared to BPER shareholders. In particular, the Offeror has not adequately valued the expected synergies and the standard premium attributable to similar transactions for BP Sondrio Shareholders (See Section 3 of the Issuer's Statement).

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