

AGREEMENT BETWEEN FACTORIT (BANCA POPOLARE DI SONDRIO GROUP) AND MELAVI' TO FINANCE THE 2022 APPLE HARVEST

This agreement, relating to the 2022 harvest, is aimed at the 230 small Valtellina businesses which are members of the Melavi Consortium. It underlines the financial support that the Banca Popolare di Sondrio group provides to the fruit and vegetable supply chain and the local economy and confirms the constant attention dedicated to the business interests of small and medium producers.

Factorit, with its over 2000 clients, is a market leader in the factoring sector and part of the Banca Popolare di Sondrio Group. It has stipulated an agreement with Melavi, an agricultural co-operative in the province of Sondrio, with the aim of allowing the growers group members to receive due credits for the 2022 harvest in advance and by the end of the current month.

Factorit issues funds in accordance with Melavi stock figures. Financing repayment is correlated to credits released to the factoring company which, through its various lines of credit, progressively advances the sums owed by large scale distributors on the future sale of Valtellina apples picked in the 2022 season rendering the stock financing self-liquidating.

Thanks to this innovative agreement in the sector, from January 2023 the 230 small sized businesses and Melavi members will be able to receive payments due for apples sold in 2022 without having to wait until October-as was the case previously. At the same time Melavi will be able to focus on advertising and sales promotion for apples and related products.

This operation comes at a particularly challenging time and will benefit not only the entire apple supply chain by providing considerable financial project support but also for the wider local economy in keeping with the Banca Popolare di Sondrio's strategy of sustainability- adhering to the traditional values that guide and underpin the Group.

Mario Alberto Pedranzini, Banca Popolare di Sondrio CEO and General Manager comments:

“The agreement reached with the Melavi Consortium is the culmination of synergic collaboration between the Banking Group and the Consortium. I feel particularly gratified seeing the emergence of a project that extends from the agricultural supply chain to large scale retailers. This emphasizes the importance of co-operation in a context of integrated sustainability in production methods that both enhance quality and protect the environment. It is a gesture of support to all the Consortium members

who continue to consolidate a tradition that distinguishes the Valtellina in terms of quality.”

Bruno Delle Coste, president of Melavì notes:

“Thanks to the agreement stipulated with the Banca Popolare di Sondrio Group we have been able to put in place an innovative service for the Melavì Co-operative. Through inventory cost valorization, this agreement enables us to advance payment to our members at the beginning of January 2023 which makes available funds needed to finance the coming agricultural year. This constitutes a revolutionary development in terms of remuneration for Consortium members bearing in mind the current challenging economic climate with inflation impacting on consumers. Furthermore, this agreement represents a solution to the effective needs of our sector and recognizes the Banca Popolare di Sondrio in a supporting role alongside local businesses.

With the invaluable support of the Melavì Consortium technical staff, our members adopt the most modern integrated production systems aimed at reducing the environmental footprint and harmonizing orchard cultivation with the surrounding environment. From August to mid-October over 13,000 tons of apples are picked. Our members deliver them directly to the local Melavì centres located throughout the Valtellina where they are selected and packed ready to be sold.”

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