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BORSA ITALIANA Euronext



GENERALFINANCE

THIRD QUARTER RESULTS AND STRATEGIC PLAN 2022-2024



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Today's presenters



Massimo Gianolli
CEO



Ugo Colombo
CFO

Agenda

- *General finance overview and Q3 2022 results*
- *Digital and low risk player*
- *Market context and development*
- *Guidelines of the Strategic Plan 2022-2024*
- *2022-2024 targets and financial projections*
- *Closing remarks*

Generalfinance overview and Q3 2022 results

Corporate Mission

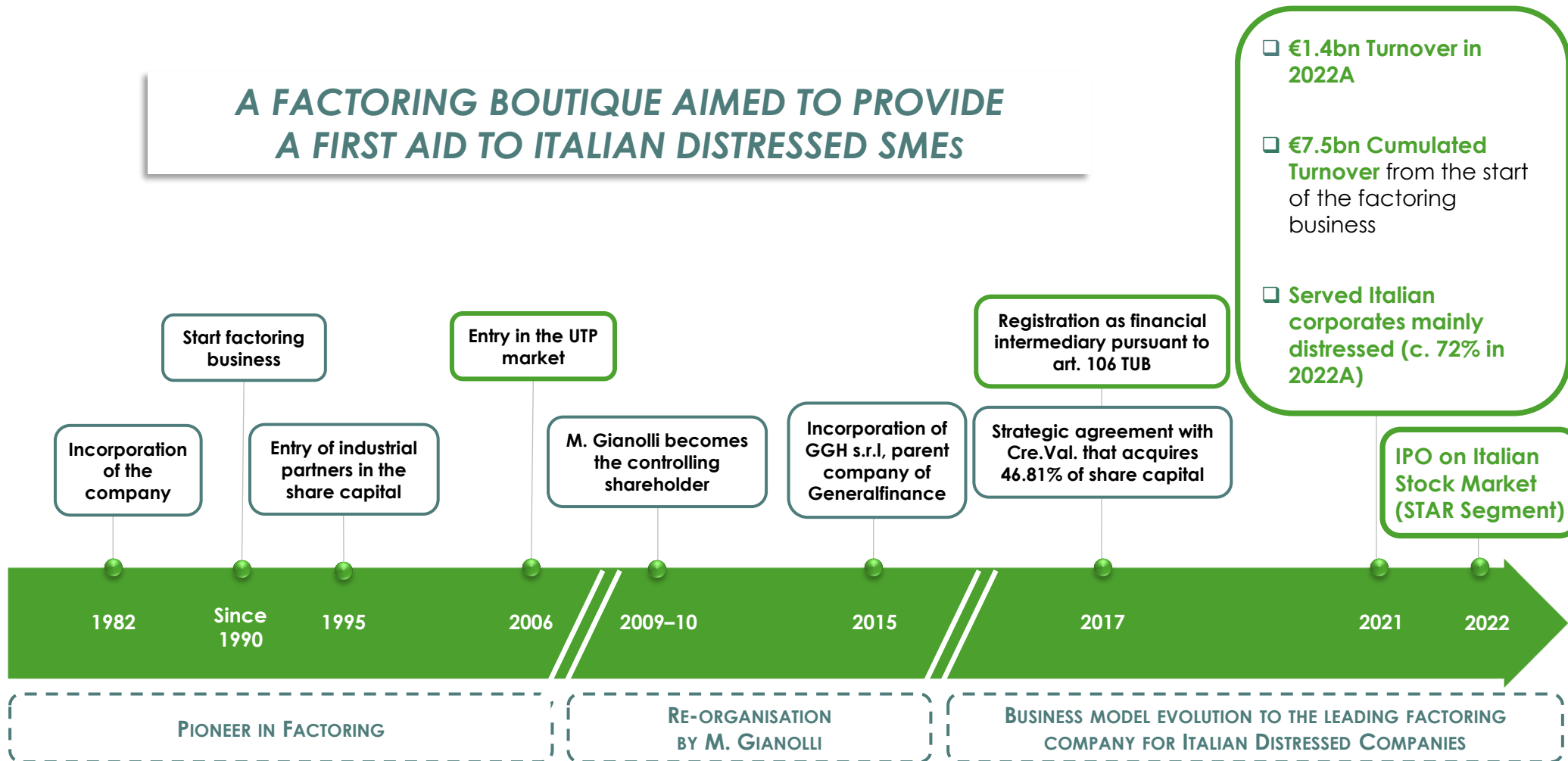


- The Business Plan is based on Generalfinance's desire to **further develop its growth in a sustainable manner** by making the most of the advantages of the **proprietary digital platform**, to **generate high profitability while maintaining constant risk monitoring**.
- Generalfinance has the skills and potential to continue on our development path, based on **capital solidity**, the **diversified funding structure**, the **proprietary digital platform** and the role of support to distressed realities.
- The **responsible approach towards companies in difficulty**, which allows us to **preserve jobs, tradition and corporate know-how** that represent the heritage of our entrepreneurial realities, is combined with the **capital and financial discipline** and with the policy of **incentives and personal growth, the true engine of Generalfinance's success**.

Our goals in summary are: robust sustainable growth, high profitability and low risk.

A successful history

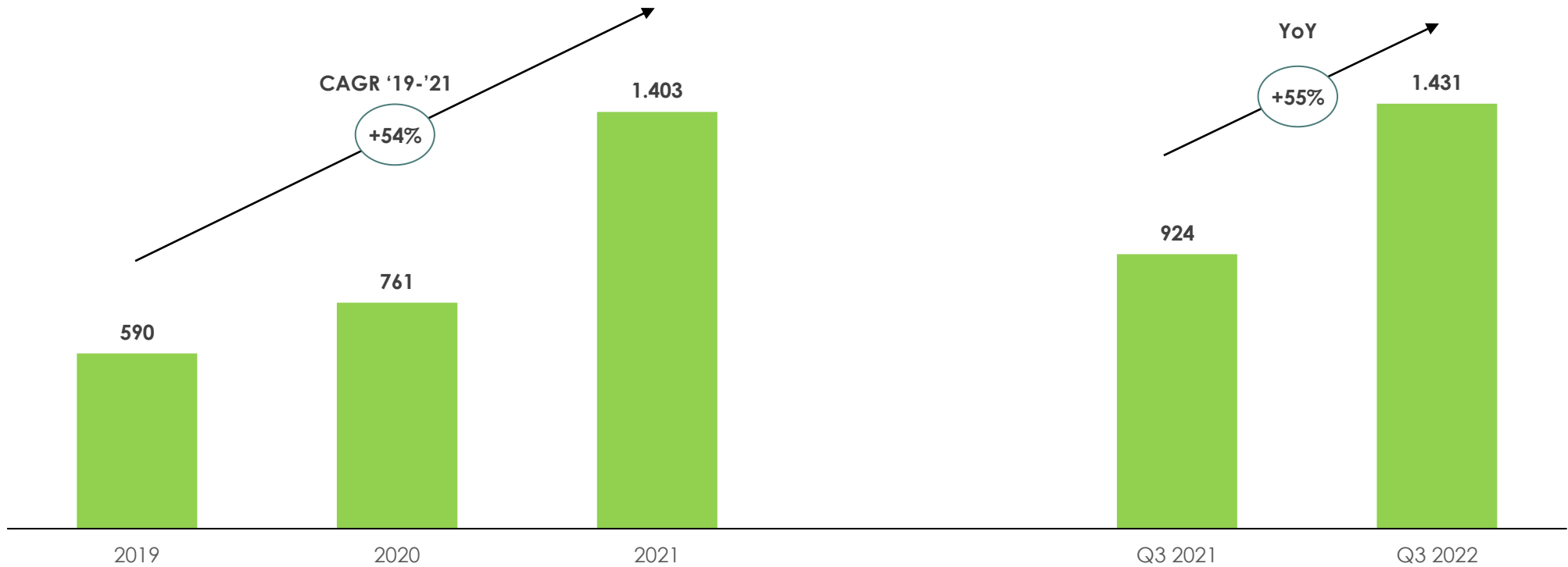
**A FACTORING BOUTIQUE AIMED TO PROVIDE
A FIRST AID TO ITALIAN DISTRESSED SMES**



Long Standing Experience, Specialisation and Unique Positioning

Turnover – historical series

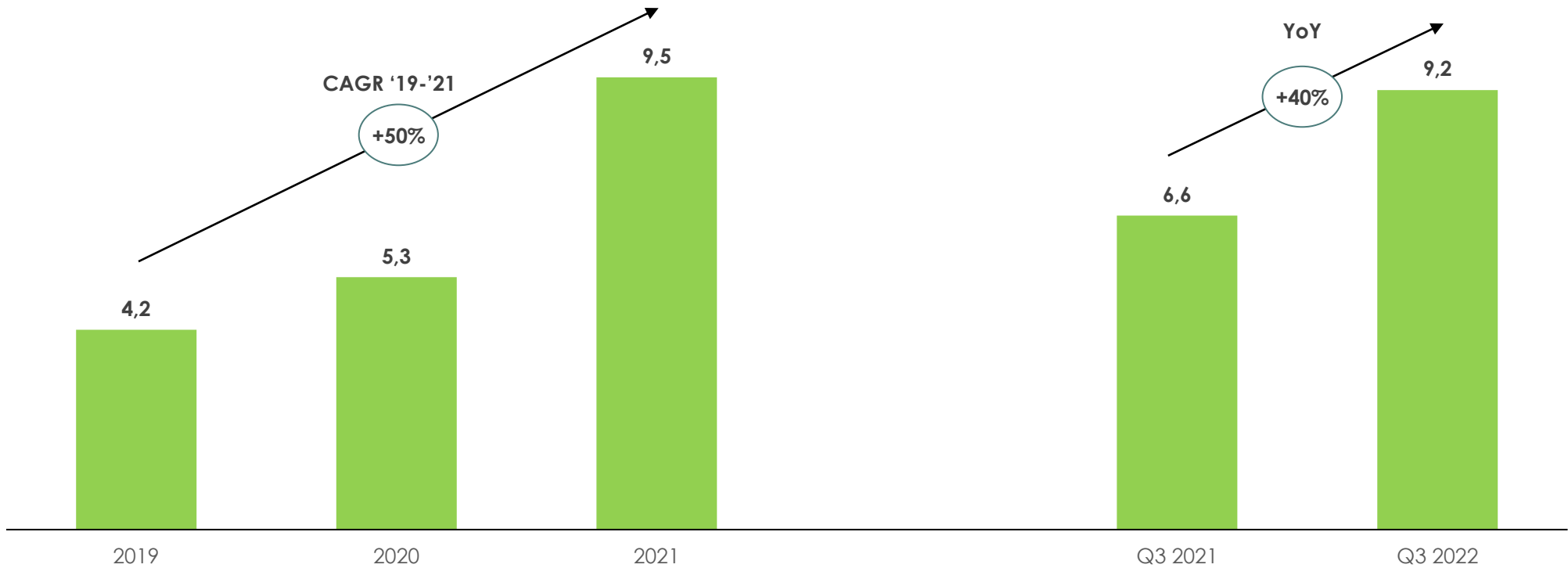
Growth in Turnover Volume (€M)



2022 annual growth rate (55%) above the CAGR '19-'21

Net Income Adjusted – historical series

Growth in Net Income Adj (€M)



2022 annual growth rate (40%) on adjusted basis

The main KPIs behind our business – adjusted figures

Income Statement (€m)	2019A	2020A	2021A	CAGR '19-'21	Q3 2021	Q3 2022	YoY
Interest Margin	3,4	4,1	6,2	35,0%	4,5	5,7	26,5%
Net Fee and Commission Income	10,1	13,1	17,7	32,4%	12,5	17,1	37,3%
Net Interest and Other Banking Income	13,5	17,2	23,9	33,1%	16,9	22,8	34,5%
Operating Costs	-6,9	-8,4	-9,8	19,2%	-7,1	-8,6	21,8%
Profit for the year	4,2	5,3	9,5	50,4%	6,6	9,2	40,0%

(€m)	2019A	2020A	2021A	CAGR '19-'21	Q3 2021	Q3 2022	YoY
Turnover	590,0	761,0	1.403,0	54,2%	924,2	1.430,6	54,8%
Disbursed Amount	445,0	562,0	1.118,0	58,5%	739,2	1.183,0	60,0%
LTV	75,4%	73,9%	79,7%	2,8%	80,0%	82,7%	3,4%

Net Banking Income / Average Loan (%)	12,2%	11,2%	9,6%	(11,3%)	10,6%	9,2%	(12,7%)
Interest Margin / Net Banking Income (%)	25,4%	23,8%	26,0%	1,2%	26,5%	24,9%	(5,9%)
Cost Income Ratio	51,0%	48,7%	40,9%	(10,4%)	41,8%	37,9%	(9,4%)
ROE (%)	27,6%	30,9%	42,0%	23,4%	39,2%	26,8%	(31,6%)

Balance Sheet (€m)	2019A	2020A	2021A	CAGR '19-'21	Q3 2021	Q3 2022	YoY
Cash & Cash Equivalents	16,8	24,2	33,5	41,2%	24,8	56,0	125,7%
Financial Assets	131,9	176,5	321,0	56,0%	250,2	336,1	34,4%
Other Assets	9,7	9,5	10,8	5,5%	9,7	11,5	17,9%
Total Assets	158,4	210,2	365,3	51,9%	284,7	403,6	41,8%
Financial Liabilities	129,0	175,4	314,6	56,2%	237,4	327,1	37,8%
Other Liabilities	10,0	12,2	18,7	36,7%	18,3	22,2	21,3%
Total Liabilities	139,0	187,6	333,3	54,8%	255,7	349,3	36,6%
Shareholder's Equity	19,4	22,6	32,0	28,4%	29,0	54,3	87,3%

Note: Turnover includes Future receivables; Income statement data as of Q3 2022 adjusted (see slide n. 72 for the details of the adjustments). ROE adj = annualized net income adj / (equity-net profit)

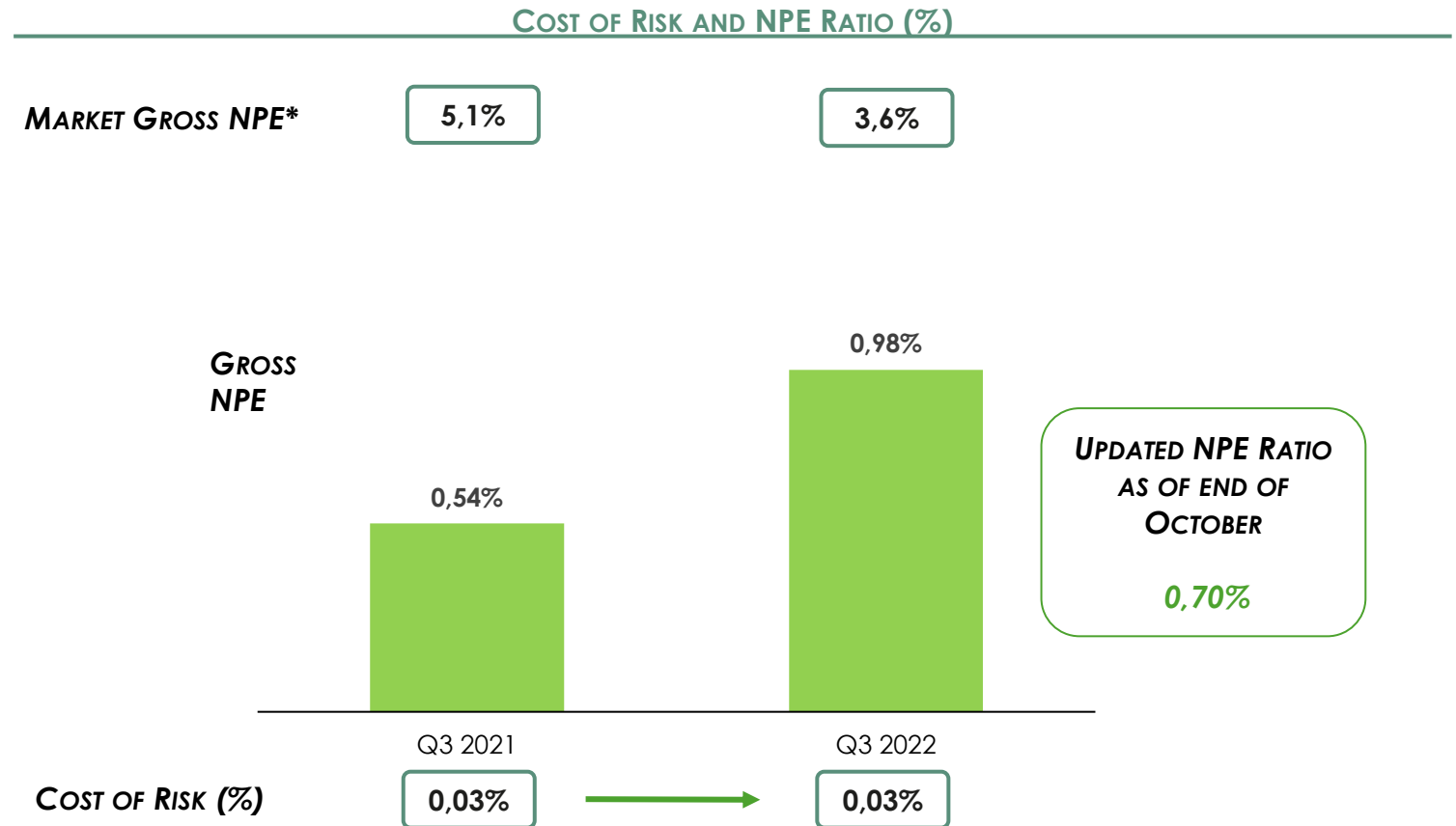
Asset quality – Cost of Risk and NPE ratio



Q3 2022

3 BPS COST OF RISK¹

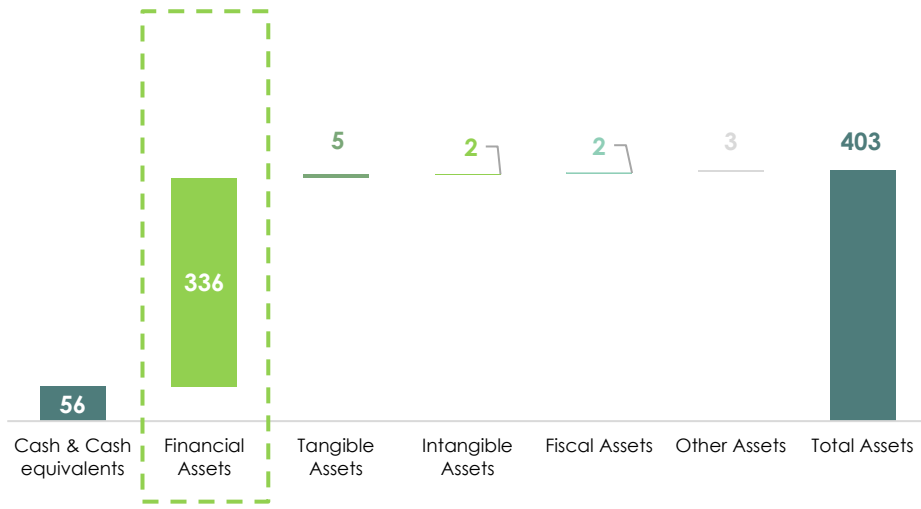
0,98% GROSS NPE²



GENERALFINANCE HAS A LOWER COST OF RISK AND A NON-PERFORMING EXPOSURE COMPARED TO THE MARKET THANKS TO ITS UNIQUE AND EFFECTIVE BUSINESS MODEL ENABLING A CONSTANT MITIGATION OF CREDIT RISK

Balance sheet overview and regulatory capital

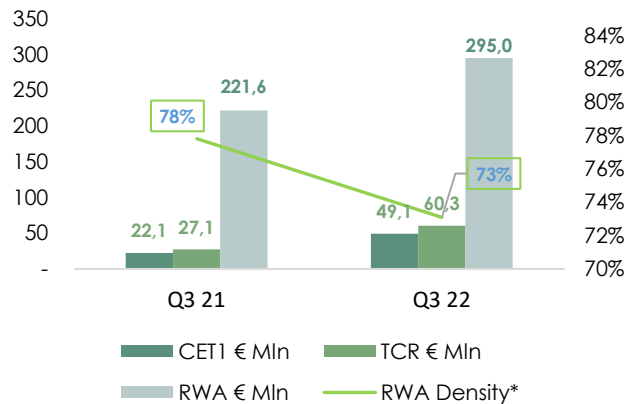
Q3 2022A ASSETS BREAKDOWN



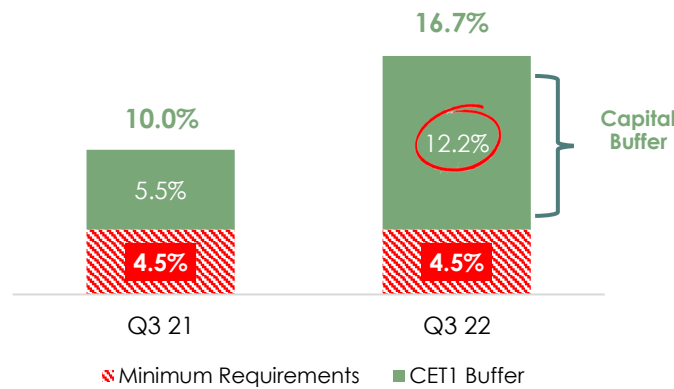
Q3 2022A LIABILITIES AND EQUITY BREAKDOWN



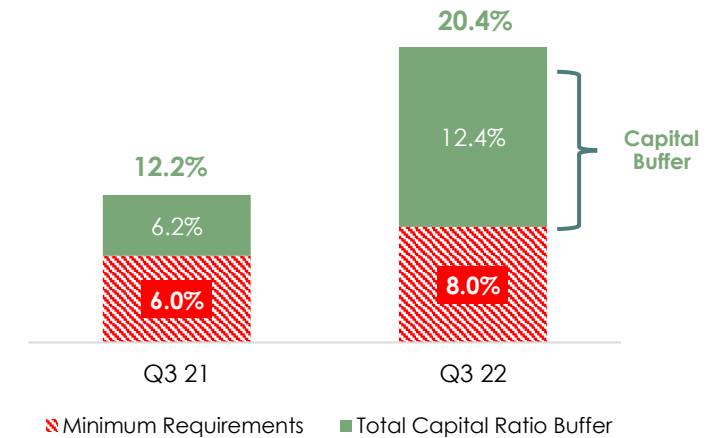
CAPITAL AND RWA



CET1 RATIO (%)



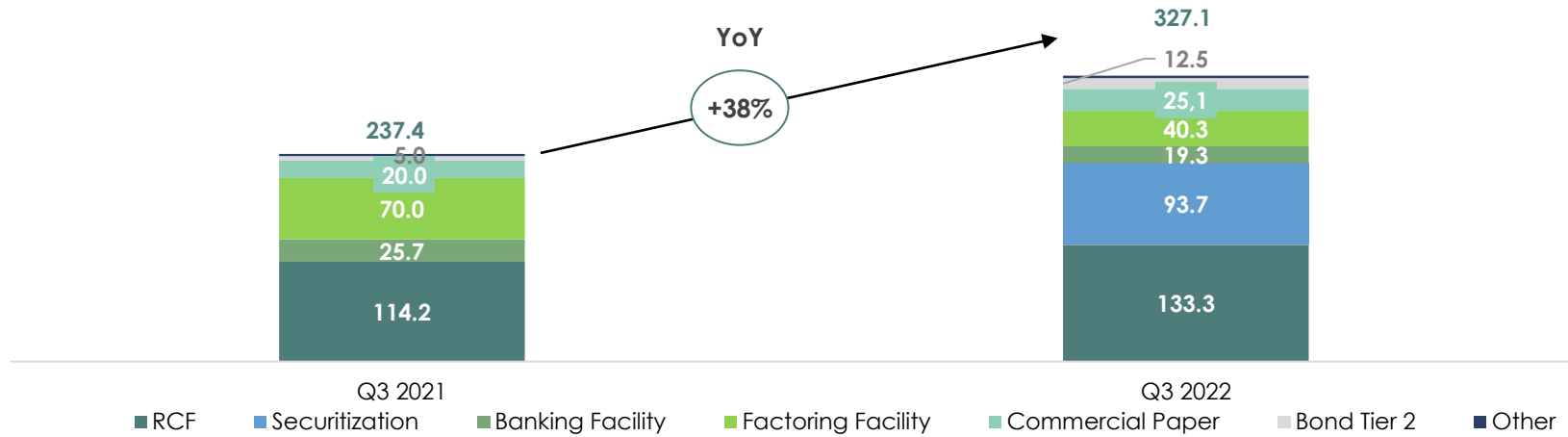
TOTAL CAPITAL RATIO (%)



* RWA Density: RWA / Total Asset

Funding evolution

Q3 2021A – Q3 2022A FUNDING AND COST OF FUNDING (€M, %)



Average cost of funding¹

1.21%

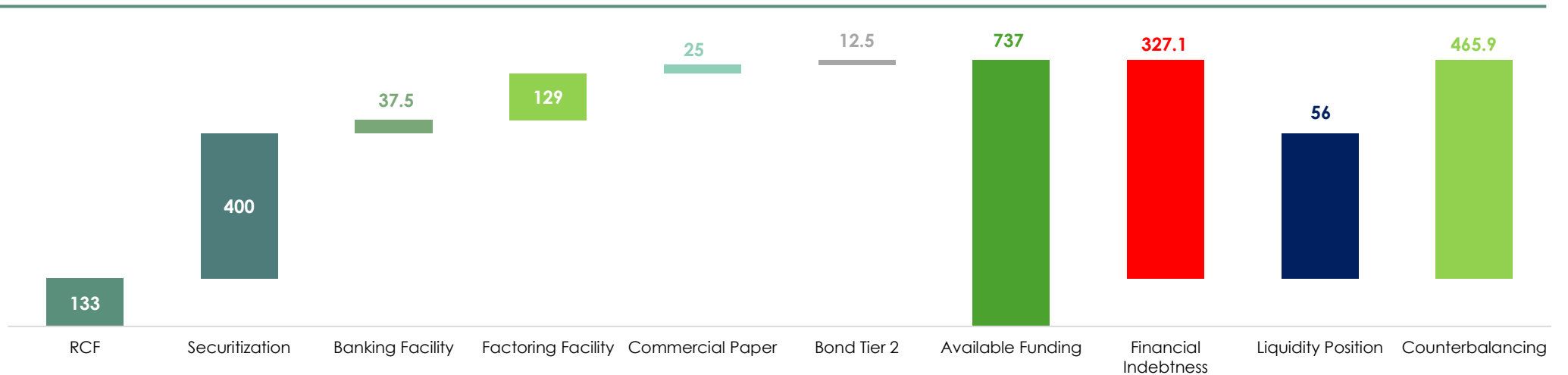
1.72%

Average cost of funding excluded Bond Tier 2 cost

1.21%

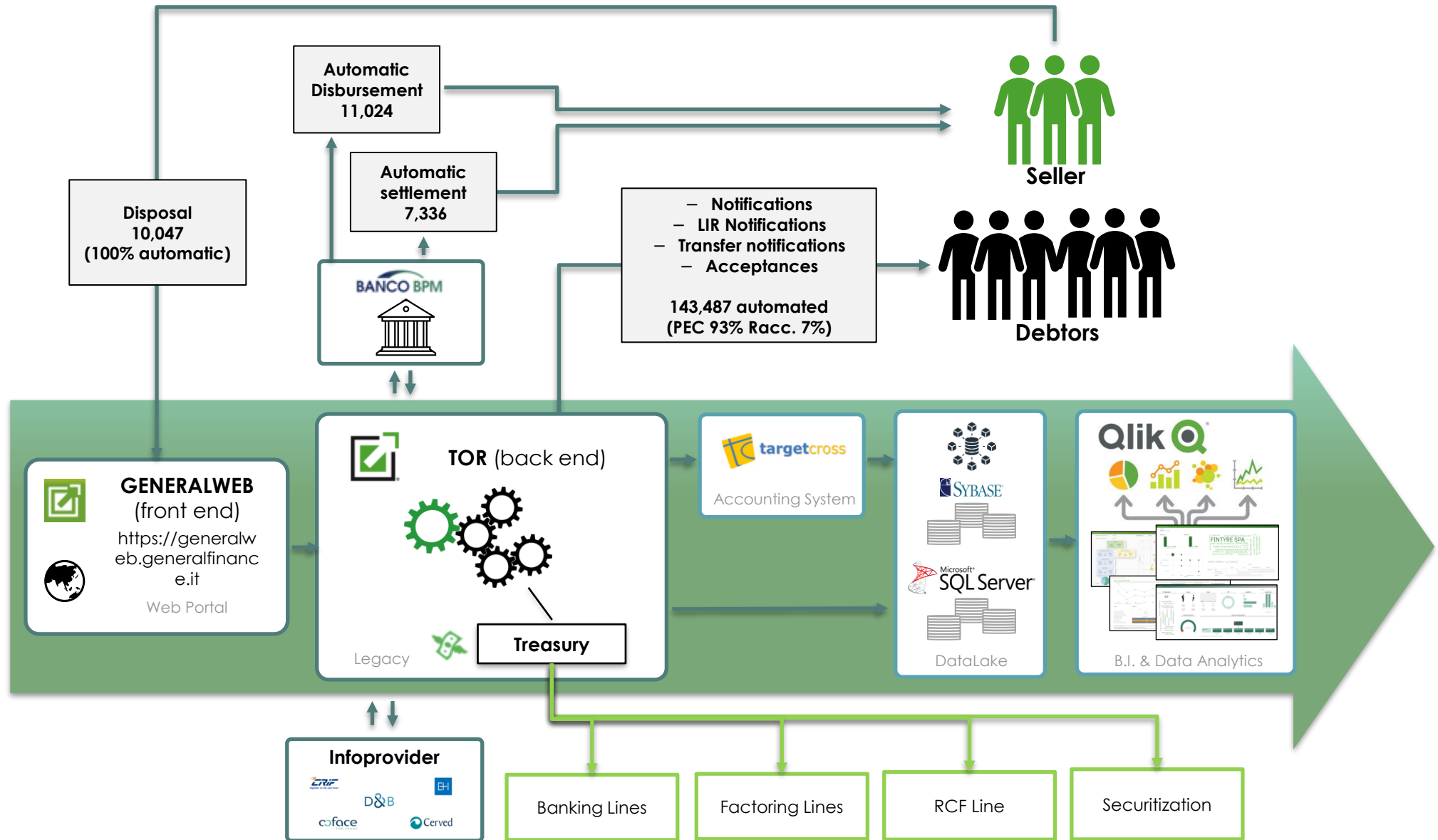
1.37%

Q3 2022A TOTAL AVAILABLE FINANCING AMOUNT (€M)



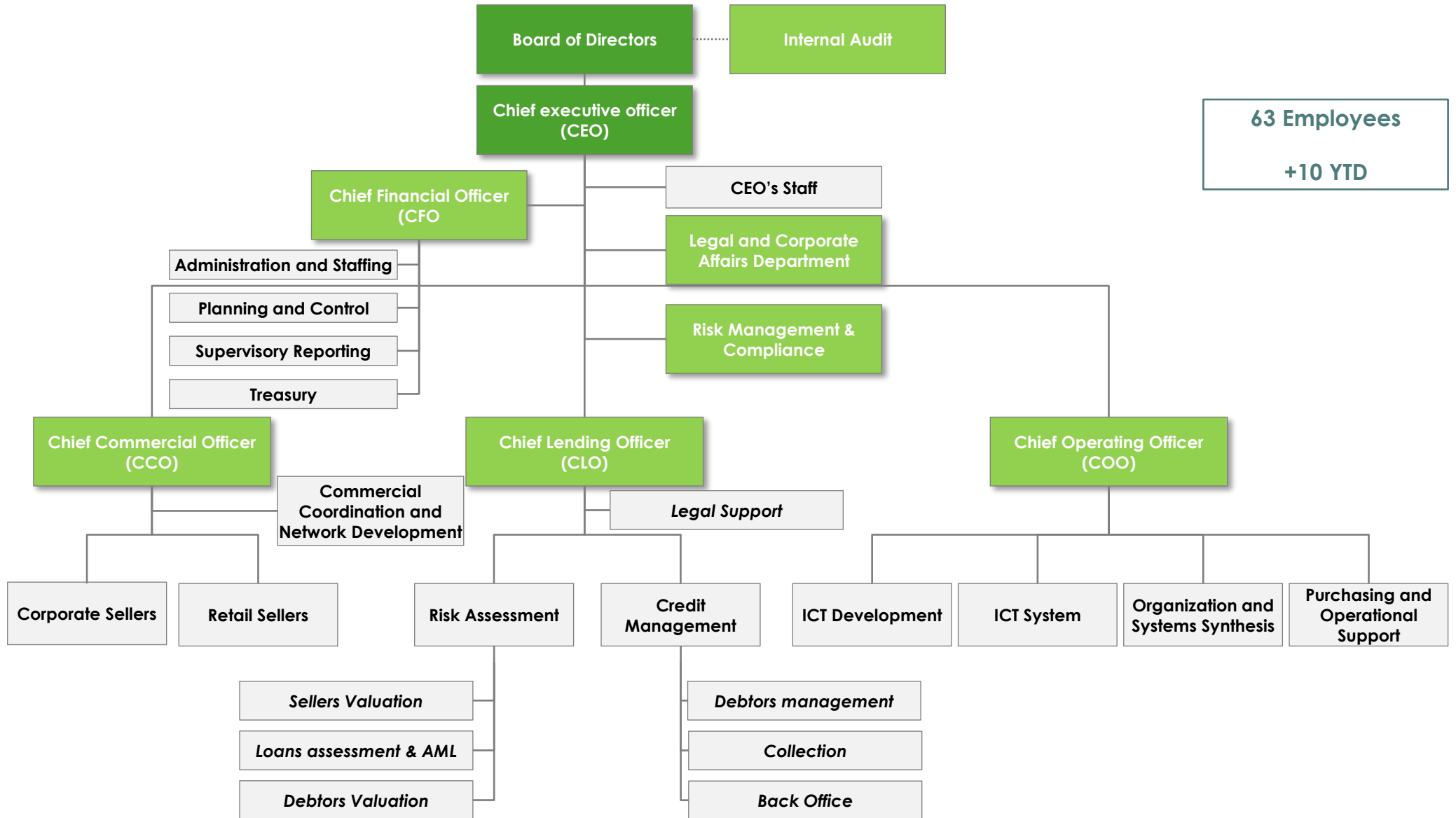
Digital and low risk player

Proprietary digital platform



Note: LTM Company data

Organizational chart



A LEAN AND EFFICIENT MACHINE, ORIENTED TO RISK CONTROL AND BUSINESS DEVELOPMENT

A unique business model

The peculiarity of Generalfinance's business model is the choice of Seller-Debtor, where clients (Sellers) typically have a low credit rating (turnaround situation) while the Debtors underlying customer loans refer to a high credit rating (investment grade)

AAA
AA+
AA
AA-
A+
A
A-
BBB+
BBB
BBB-

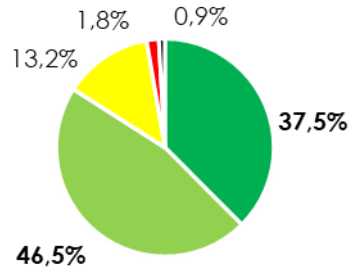
**DEBTOR, GENERALLY WITH
«INVESTMENT GRADE» RATING**



CCC+
CCC
CCC-
CC
C
D

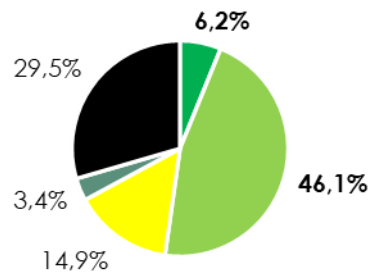
SELLER TYPICALLY IN
TURNAROUND /
RESTRUCTURING PROCEDURE

Turnover Q3 2022 – per Debtor



Rating Class 1 and 2 equal to 84%

Turnover Q3 2022 – per Seller



Rating Class 1 and 2 equal to 52%

HIGHLIGHTS FOR GENERALFINANCE¹

PRODUCTS

- Pro-solvendo factoring (c. 93,5% of turnover; vs 22% Assifact average)
- Pro-soluto factoring (c. 6,5% of turnover; vs 78% Assifact)
- Reverse factoring
- C. 76% of turnover covered by insurance with Allianz Trade
- 83% LTV in 2022, adjustable according to credit risk

CUSTOMERS

- Italian corporates (revenues higher than €20M) mainly distressed (c. 72% of turnover) and "in bonis" (c. 28% of turnover)
- High diversification by sector
- Debtors from Italy and abroad with an "investment grade" rating
- High ratio Debtor/Seller (~83 vs 9 of Assifact average²)
- Average Seller retention about 3 years

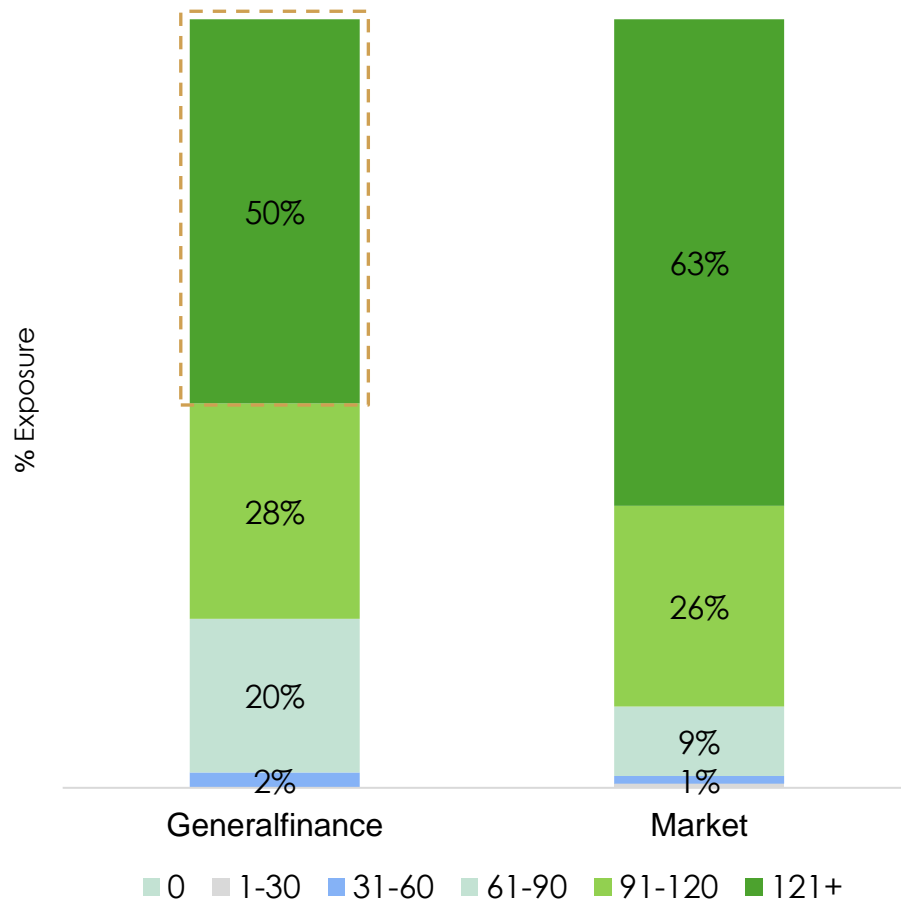
RATING GF SCORE	1	2	3	4	5
	Great	Good	Vulnerable	Risk	Default

Notes: 1) Generalfinance data refers to Q3 2022; Assifact data refers to H1 2022; 2) Assifact data net of household debtors.

Collection performance

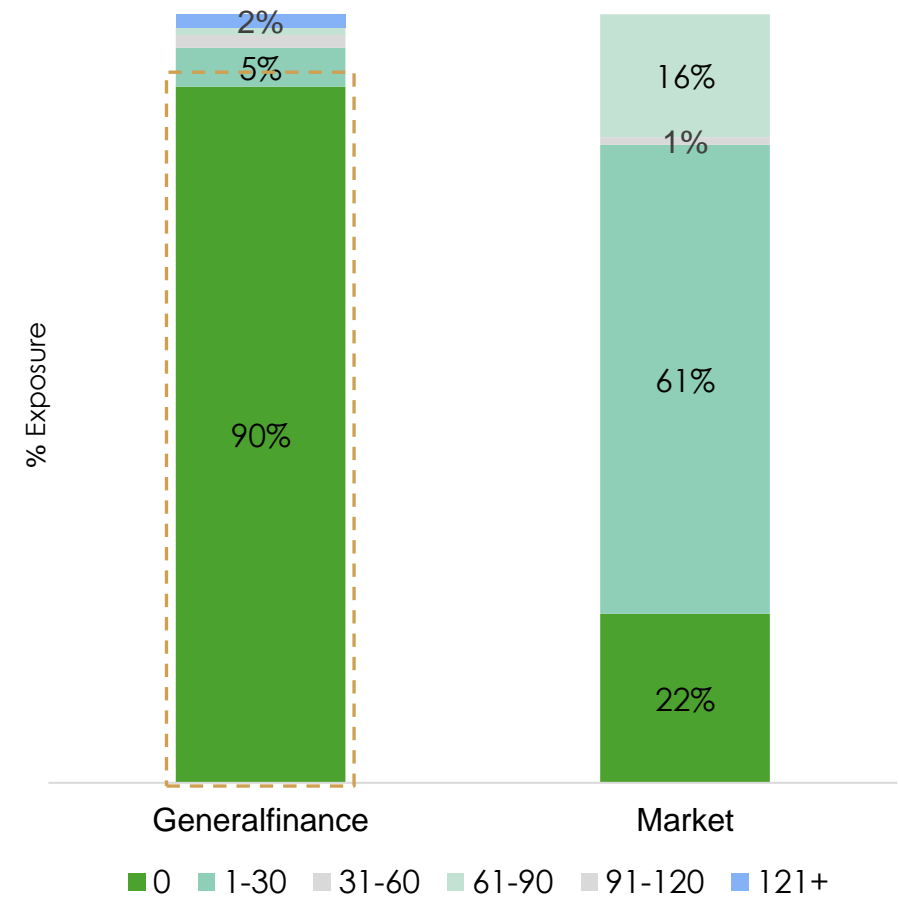
Payment Conditions (days)

Only **50%** of Generalfinance's portfolio has payment conditions exceeding 120 days (vs 63% of the market)



Payment Delays (days)

90% of Generalfinance's portfolio has no payment delays (vs 22% of the market)



Generalfinance boasts a portfolio quality, both in terms of Payment Conditions and Payment Delays, higher than the rest of the market

Risk reduction in Distressed Factoring

Given that the majority of Generalfinance's turnover is realized towards distressed Sellers, the Company can benefit from a reduction in risk, because of 3 main factors



Lower Credit Risk

- Effects of insolvency proceedings on financial position (ex. credit write-offs)
- Recovery and relaunch plan
- Possible change in the Governance
- Possible capital injection or new financing
- Preeductibility (i.e., superpriority) of receivables arising from loans disbursed in execution of the plan and loans disbursed prior to the submission of the composition with creditors plan, respectively, if the conditions provided by the regulations are met



Lower Operating Risk

- Court approval (arrangement with creditors, restructuring agreement)
- Supervision by the court commissioner (arrangement with creditors)
- Presence of high standing Financial Advisors and Legal Counsels
- Management change



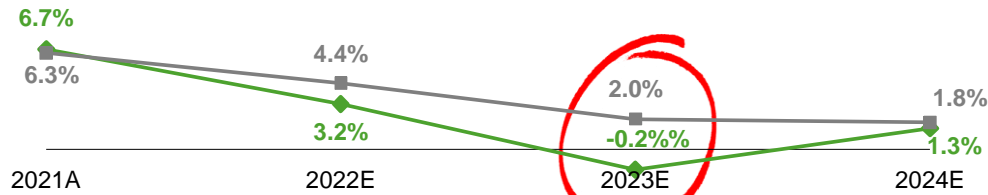
Lower Risk of Clawback Action

- Financial assistance for the implementation of the agreement / plan / arrangement with creditors with exemptions from clawback actions
- Authorization for bridge financing (in these cases, the risk of clawback actions is excluded on a *de facto* basis)
- Factoring law and related protections (clawback actions regarding collections from assigned debtors)

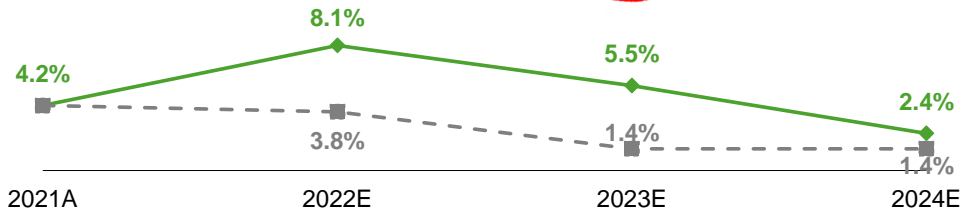
Market context and development

Market context and potential impacts over the Plan

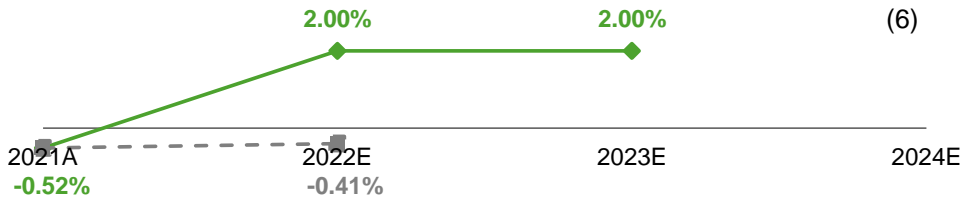
Real GDP estimation⁽¹⁾
(%)



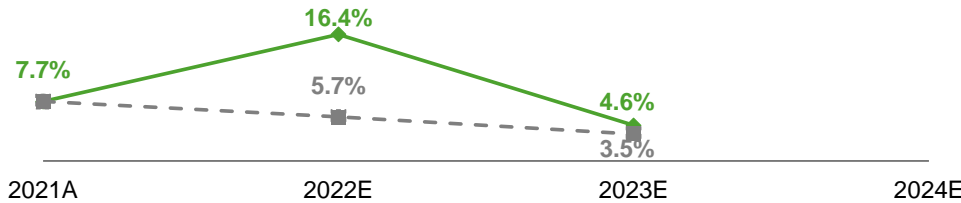
Inflation⁽²⁾
(%)



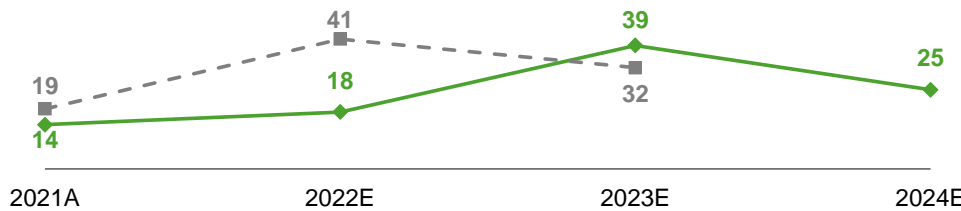
3 Months Euribor⁽³⁾
(%)



Seller's revenue growth⁽⁴⁾
(%)



New NPE flows⁽⁵⁾
(€ bn)



Expected impact over the Plan

Positive impact on medium term turnover growth

- Positive impact on Turnover⁽⁷⁾
- Negative impact mainly on operating costs (personnel expenses and other expenses)

Residual impact on funding cost, thanks to the renegotiation of seller's conditions (interest revenues)

Positive effect on Turnover due to an increase of expected seller revenues over the Plan

Positive impact on new seller acquisition jointly with increasing associated turnover thanks to more than € 85 bn of new NPE flow

Source: (1) Real GDP – IMF; (2) Inflation – ECB; (3) Interest rate – Prometeia; (4) Revenue growth – CERVED; (5) NPE – Banca IFIS “NPLs Market Watch”

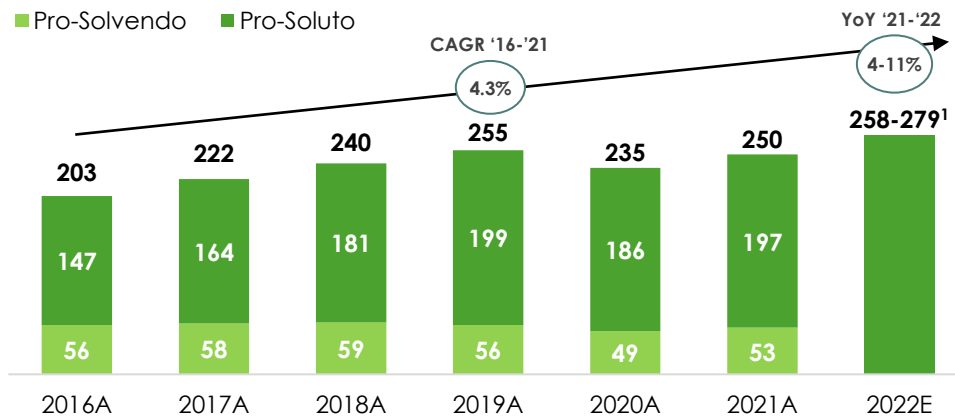
--- Pre-Money expectations — Post-Money expectations

Note: (6) For 2024 GF Management prudentially estimates an additional +0.10% increase for 3 months Euribor, reaching 2.10%; (7) Due to the increase of seller's revenues

An attractive market with key growth drivers

In the overall fast growing factoring market (turnover in Italy is expected to grow from € 250bn in 2021 up to €258-€279bn in 2022) Generalfinance focuses on distressed sellers (UTP, forborne and past due) with a portfolio of performing debtors (in bonis)

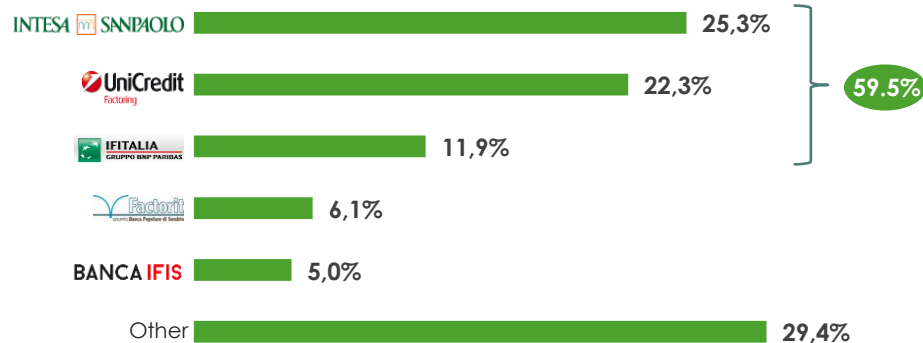
Evolution of Turnover in Italy (€bn)



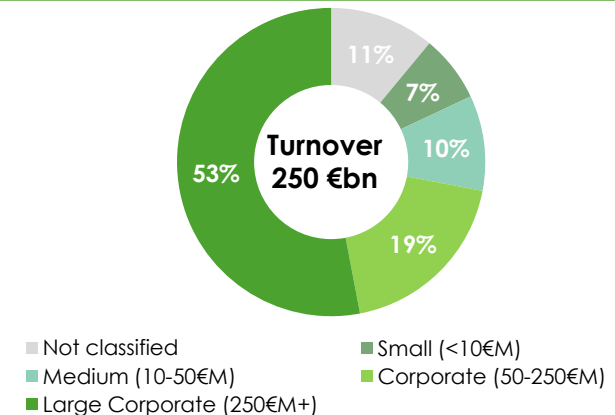
Generalfinance's Market Key Drivers

- 1 Impact of Covid-19 on non-performing loans
- 2 Vulnerable companies and new non-bankruptcy procedures
- 3 Regulatory framework affecting banks and NPE

Ranking of the Italian factoring market – 2021 (€bn)



Sellers by Size – 2021



Notes: (1) range of values estimated in the last Assifact report «ForeFact» 22

Source: Assifact, Banca d'Italia, Banca IFIS Market Watch, report PWC, company balance sheets and website

Regulatory Framework

Calendar Provisioning									
Default Period	1	2	3	4	5	6	7	8	9
Secured A	-	-	25%	35%	55%	70%	80%	85%	100%
Secured B	-	-	25%	35%	55%	80%	100%	-	-
Unsecured	-	-	35%	100%					

Based on the March 2018 BCE addendum, NPEs should be clustered in terms of default period and level of security, with a distinction between secured ('Secured A') other collateral ('Secured B') and unsecured ('Unsecured') properties. For each cluster, banks are expected to apply the above provisioning schedule such that the impaired exposure (NPLs and UTPs) is fully removed from the balance sheet by 2026.

The main implications are:

- development of a strategy for effective **NPE reduction**
- **limiting inflows of impaired exposures** into banks with a high NPE ratio
- Acceleration of credit recovery processes through the **transfer / sale of positions**

New definition of default

According to CRR 178, a default occurs when any of the following conditions occur: (i) probable default, or (ii) exposures past due by more than 90 days.

From January 1st, 2020 the European Banking Authority has introduced stricter rules to define if an exposure is in default.

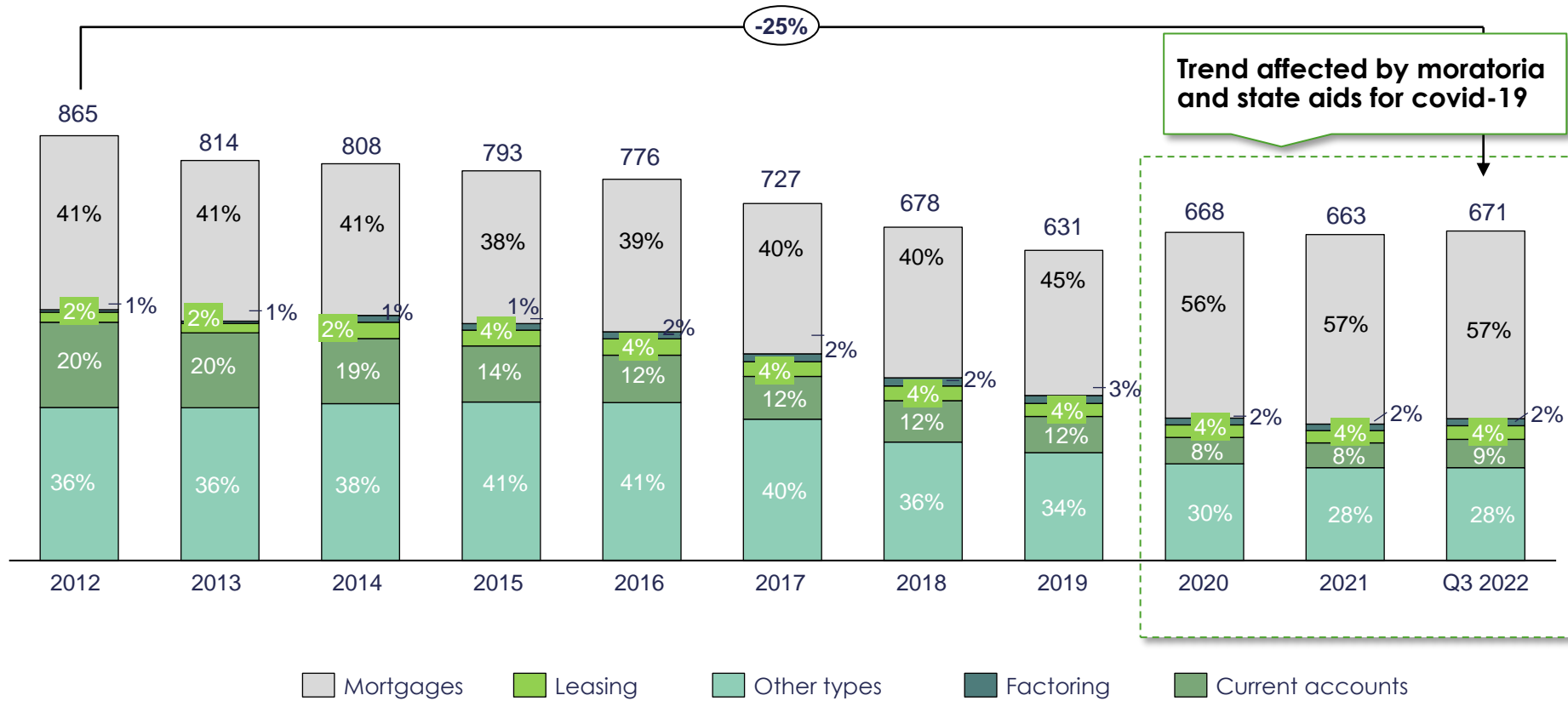
	Previous Reg.	New DoD
Thresholds	Client in default if arrears for more than 90 days, equal to at least 5% of their exposure towards the bank	Client in default if arrears of € 100 for individuals or € 500 for other exposures for more than 90 days, and at least 1% of their exposure towards the bank. (Bank of Italy can decide between 0 and 2.5%)
Compensation	Offsetting of overdue amounts against unused credit lines is possible	No compensation granted
Thresholds	Default status expires when the client settles the position	The default status remains for at least 90 days after the client settles the position

Other "Basel III" regulatory impacts

The envisaged tightening of current account overdrafts, which until now did not require capital provisions but could in future be subject to risk weighting for credit institutions, **may have a significant impact in Italy**, where they are widely used for household and PMI financing.

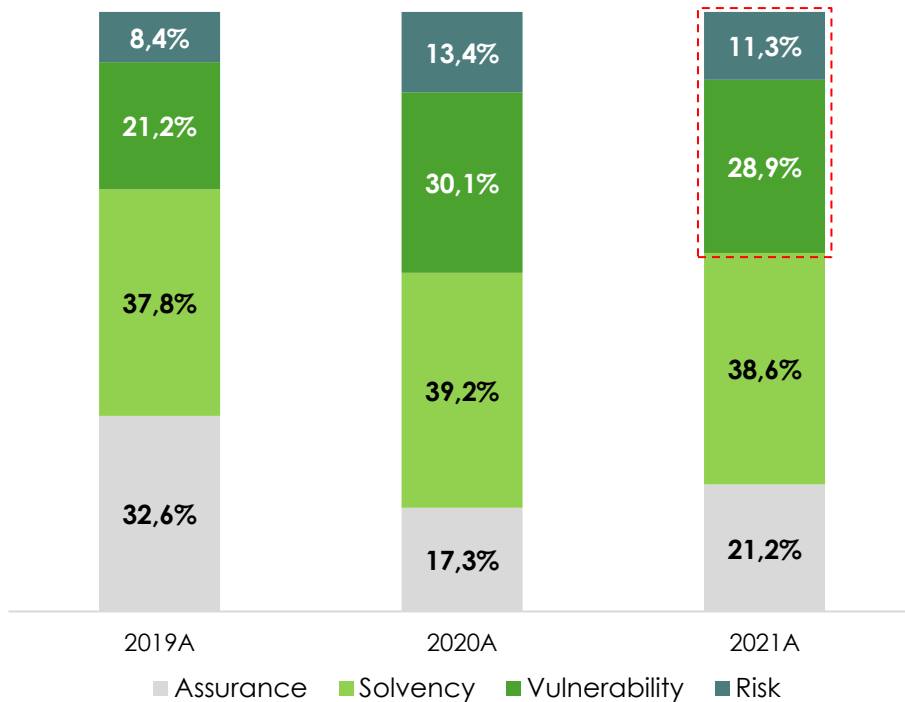
Credit to Non-Financial Companies

Data in €bn

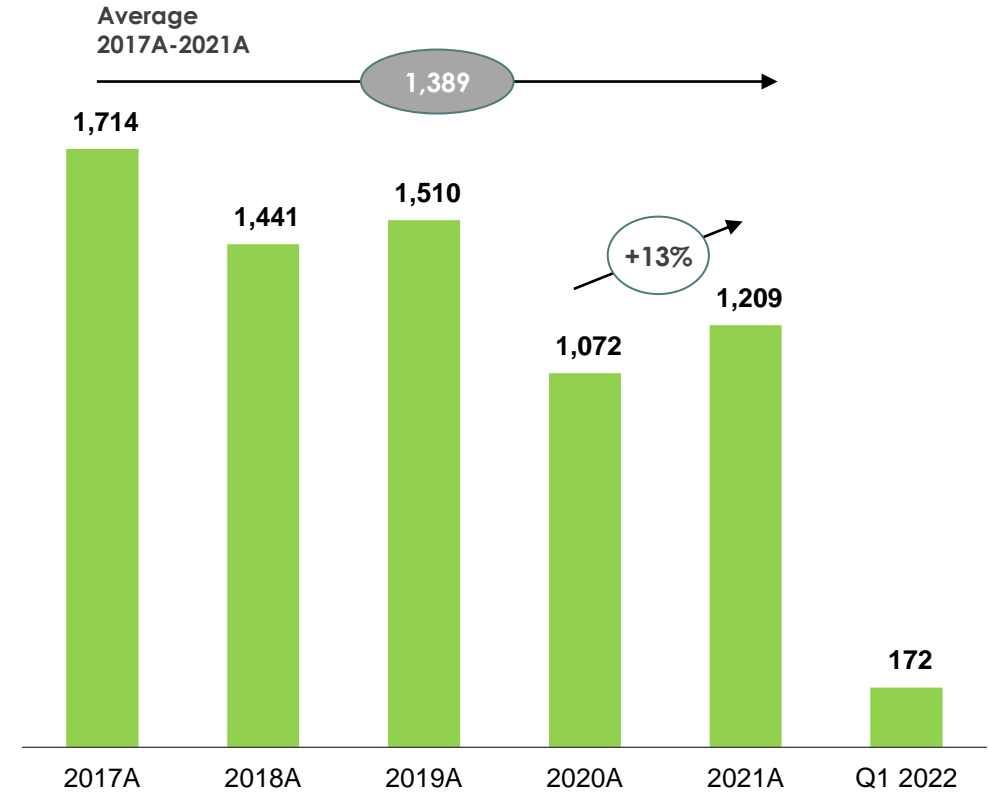


Vulnerable companies and new non-bankruptcy procedures

CERVED GROUP SCORE (CGS)



NON-BANKRUPTCY PROCEDURES



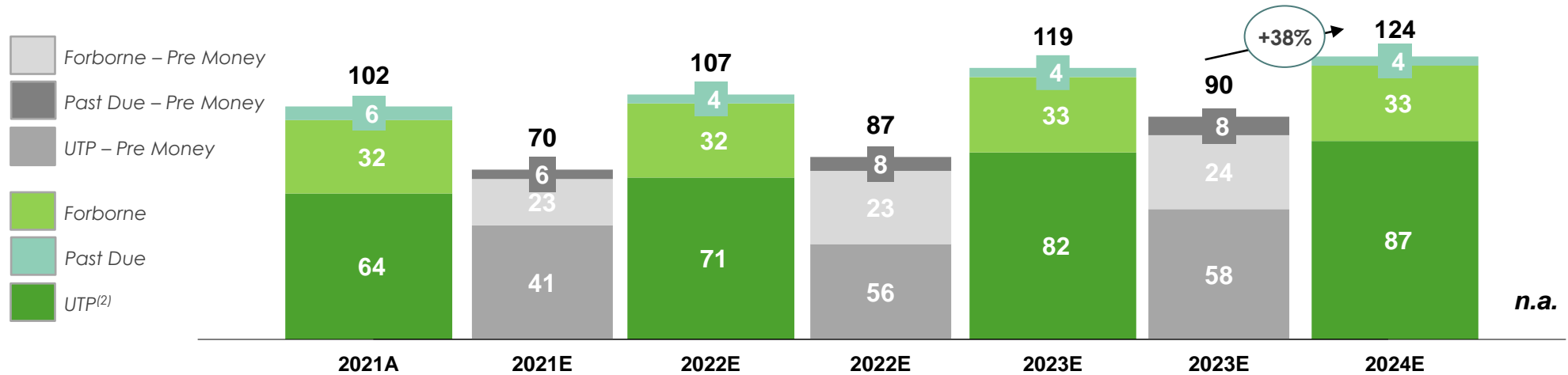
More than 40% of SMEs are in vulnerability or risk condition

An annual average (2017-2021) of 1,389 companies entered non-bankruptcy procedures

The potential market for Generalfinance

- The 2022 recession has affected the trend of the UTP/Past Due/Forborne stock, which is the best proxy to estimate the Generalfinance's niche market, with an expected growth from € 107bn in 2022 to € 124bn in 2024E

EVOLUTION OF NON-PERFORMING EXPOSURES IN ITALY (€bn)



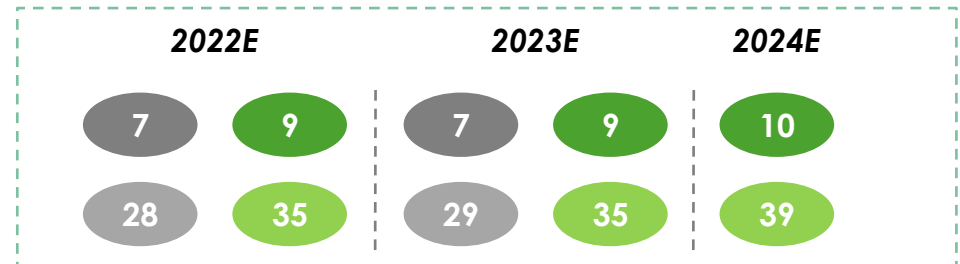
ASSUMPTIONS FOR ESTIMATING POTENTIAL OUTSTANDING OF DISTRESSED FACTORING

Short-term loans vs companies on total loans

6.4% of the total amount of loans¹

POTENTIAL DISTRESSED FACTORING MARKET ESTIMATES (€bn)

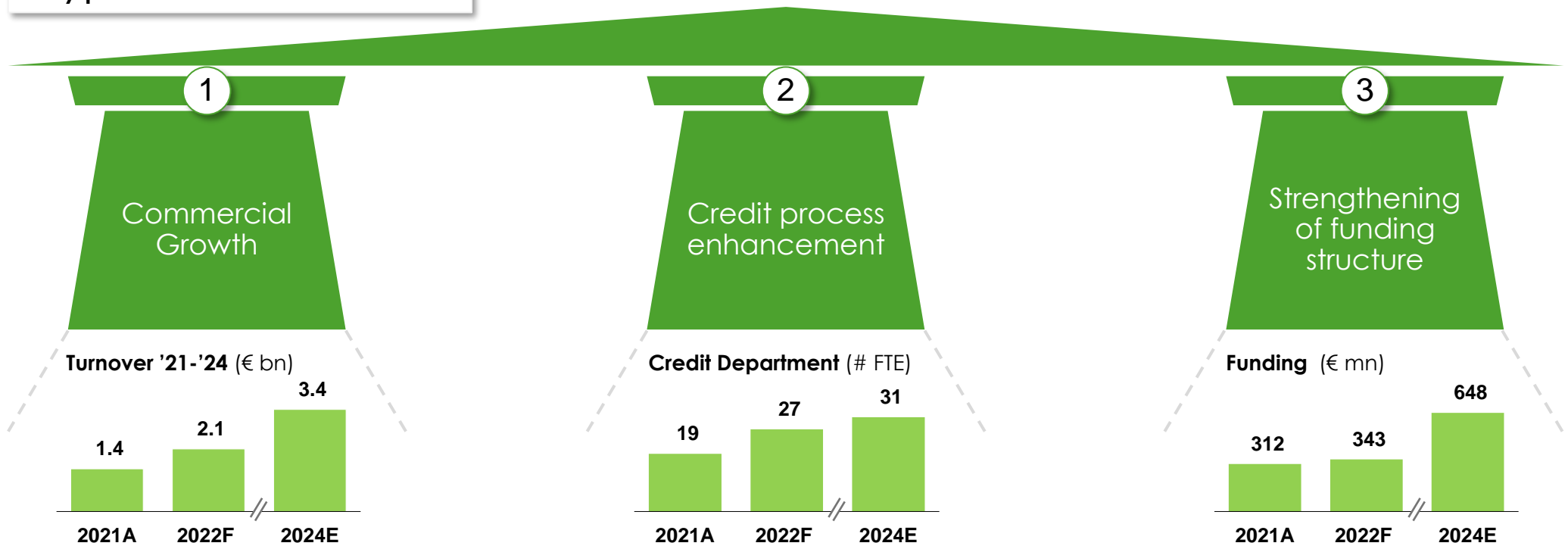
Potential outstanding Potential turnover



Guidelines of the Strategic Plan 2022-2024

General finance strategic guidelines over the Plan

3 key pillars...



...supported by 3 enabling factors

- 1 Proprietary digital platform, processes and human capital
- 2 Capital and financial strength
- 3 Sustainable and ESG-compliant business model

More services and reinforcement of commercial structure

More services...

1 Evolution of factoring pro-soluto

The Factor assumes the insolvency risk of the assigned Debtor until the maturity date stipulated in the contract for the loan; after that time, it can demand the return of the advances paid to the Sellers.

2 Maturity factoring

The supplier obtains payment on a certain and predetermined date. The debtor company, on the other hand, obtains a deferred payment for the pre-established period against payment of interest.

3 Tax Credit

Recourse or Non-recourse factoring related to tax receivables (IVA, IRES, IRAP) in order to add another source of liquidity to existing and new customers.

4 Improvement of Factoring Not Notification

Not Notification Factoring does not require the notification of the assignment to the debtor; it's particularly suitable for those companies interested in hedging against the risk of insolvency of the customer and that prefer to maintain control of the entire customer portfolio management process.

5 Advance future credits / contracts

The Factor accepts future receivables deriving from a supply contract stipulated by the seller and can consider whether to advance a variable portion of the nominal value. The product is granted as collateral for the factoring relationship

... to



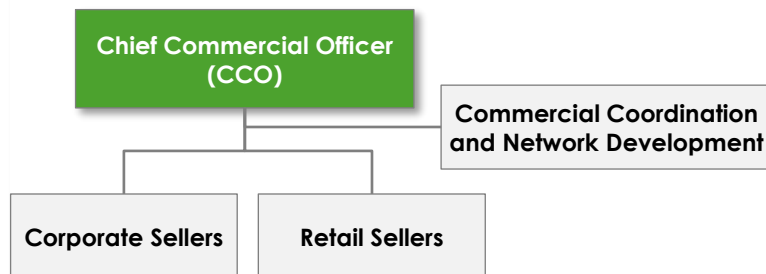
Increase Turnover



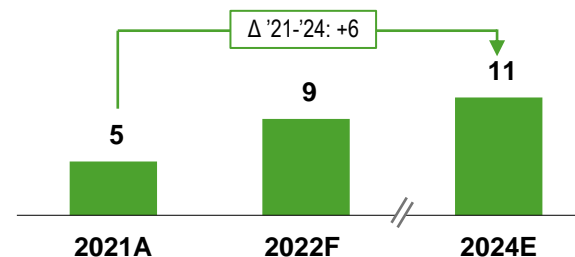
Improve Share of Wallet (SoW)



Diversify Generalfinance's product portfolio



Reinforcement of the Commercial Structure (CCO)

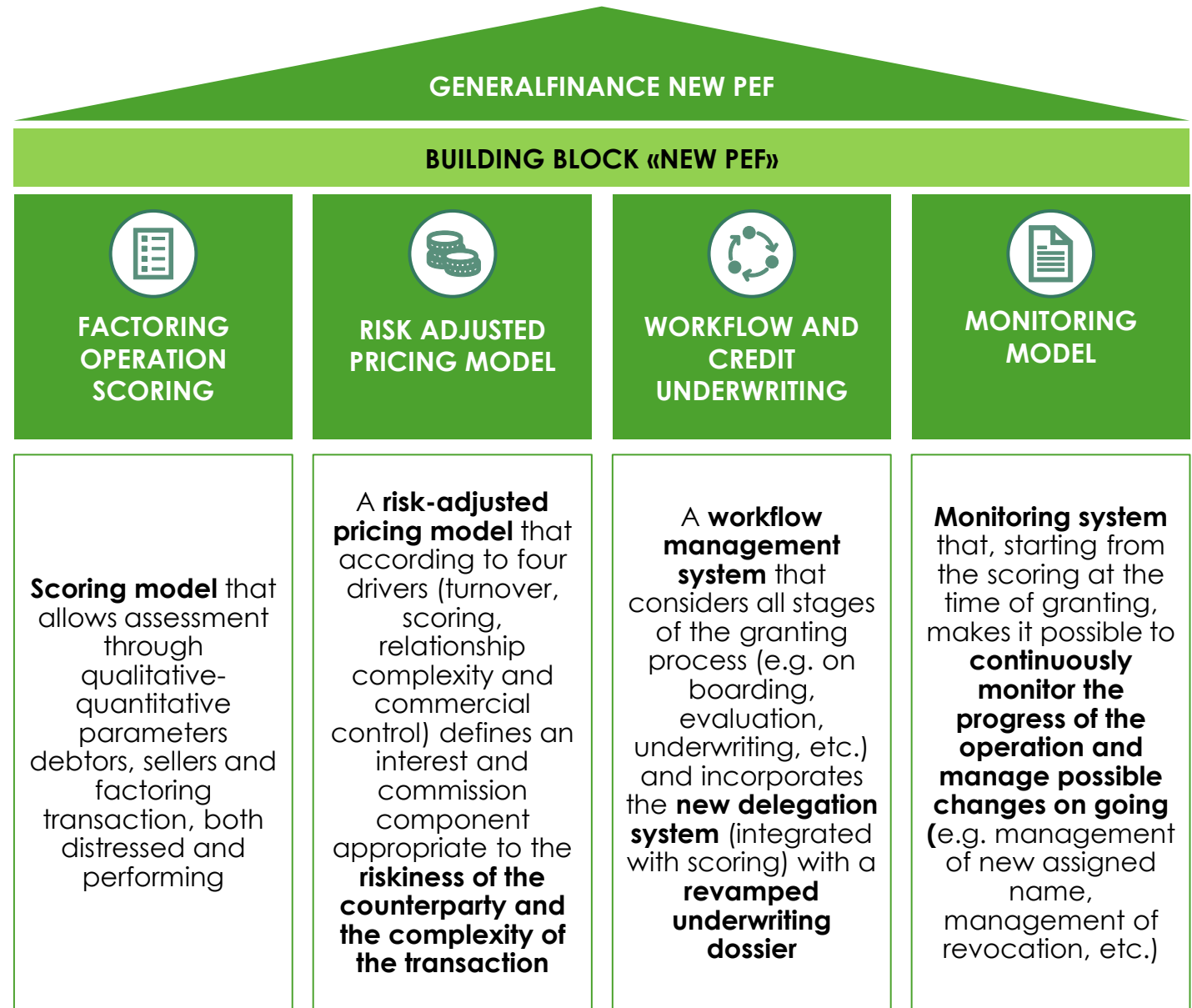


It is also planned to **reinforce the origination network** through:

- Agreements with Traditional Banks
- Agreements with Debt Funds
- Agreements with Private Equity Funds

Credit process enhancement – «NEW PEF»

- ❑ Generalfinance, has started a process of evolution of its credit granting, management and monitoring model, which aims, to create a new granting framework (“NEW PEF”)
- ❑ The framework will enhance the ability to evaluate and manage factoring transactions through proprietary quantitative scoring models (“GF Score”) and industrialised management processes
- ❑ Information development activities of the “NEW PEF” are currently underway with full go-live in mid-2023



Valuation Framework – “GF Score” component

Distressed Seller



- | | |
|----------------------------------|--|
| Key Factors for Valuation | <ul style="list-style-type: none"> ▪ Feasibility of the financial measures and presence of legal protections ▪ Industrial market position and client portfolio ▪ Recovery plan credibility and sustainability of the repayment plan of the previous debt position ▪ Standing and profile of the Seller's legal/financial advisors ▪ Presence of financial support (Equity/Debt) from investors/shareholders |
|----------------------------------|--|

- | | | | |
|---------------|--|--|--|
| Output | <ul style="list-style-type: none"> ▪ Distressed Seller's quantitative score (green, yellow, red) | <ul style="list-style-type: none"> ▪ Debtor's score ▪ Seller's portfolio score | <ul style="list-style-type: none"> ▪ Overall valuation (Seller + Debtor) <div style="display: flex; justify-content: space-around;"> <div style="background-color: #2e7d32; color: white; padding: 5px;">Grant</div> <div style="background-color: #ffc107; color: white; padding: 5px;">To be evaluated</div> <div style="background-color: #dc3545; color: white; padding: 5px;">Reject</div> </div> |
|---------------|--|--|--|











Performing Seller



- | | |
|----------------------------------|---|
| Key Factors for Valuation | <ul style="list-style-type: none"> ▪ Economic and financial analysis of the Balance Sheet/P&L/Cash Flow Statement ▪ Positioning in the sector ▪ Sustainability of the debt position (Debt-Service Coverage Ratio) ▪ Credibility of the management |
|----------------------------------|---|

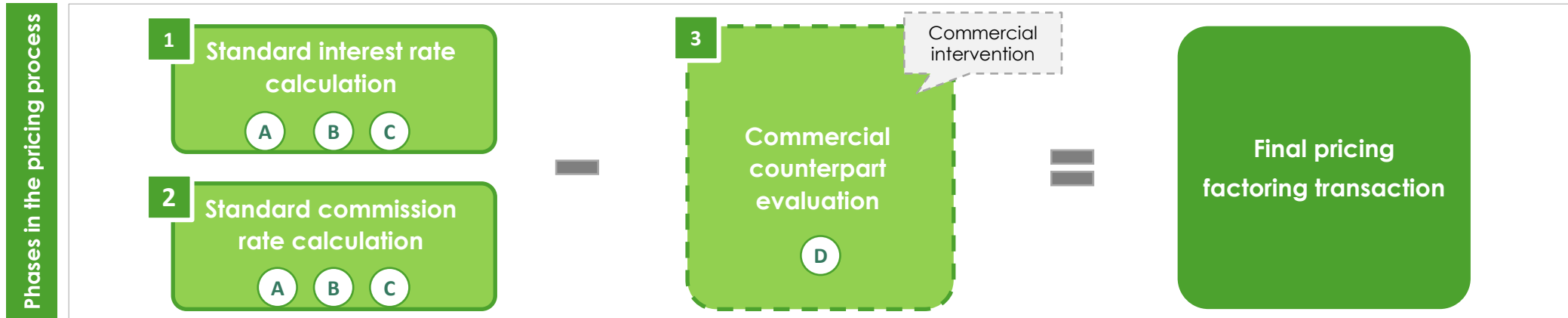
- | | | | |
|---------------|---|--|--|
| Output | <ul style="list-style-type: none"> ▪ Performing Seller's quantitative score | <ul style="list-style-type: none"> ▪ Debtor's score ▪ Seller's portfolio score | <ul style="list-style-type: none"> ▪ Overall valuation (Seller + Debtor) <div style="display: flex; justify-content: space-around;"> <div style="background-color: #2e7d32; color: white; padding: 5px;">Grant</div> <div style="background-color: #ffc107; color: white; padding: 5px;">To be evaluated</div> <div style="background-color: #dc3545; color: white; padding: 5px;">Reject</div> </div> |
|---------------|---|--|--|

Valuation Framework – focus on Debtor’s Score

Macro score	Indicator	Assessment details
1 Commercial score	BRI 	<ul style="list-style-type: none"> Counterparty summary assessment considering the economic and financial aspects, the history of the company, the shareholders structure, etc.
	CGS 	<ul style="list-style-type: none"> Counterparty summary assessment considering the economic and financial aspects, the history of the company, the shareholders structure, etc.
	Rating Score 	<ul style="list-style-type: none"> Counterparty summary assessment considering the economic and financial aspects, the history of the company, the shareholders structure, etc.
	Delinquency Score 	<ul style="list-style-type: none"> Probability of late payments over the next 12 months
	Failure Score 	<ul style="list-style-type: none"> Company probability of default over the next 12 months
2 Payments score	Paydex 	<ul style="list-style-type: none"> Score on the counterparty’s payment performance
	Payline 	<ul style="list-style-type: none"> Score on the counterparty’s payment performance
3 Credit insurability score	Grade Allianz Trade 	<ul style="list-style-type: none"> Degree of credit insurability
	DRA 	<ul style="list-style-type: none"> Degree of credit insurability Coface – <i>in progress</i>
4 Credit insurance	Insurance 	<ul style="list-style-type: none"> Insurance partnership with Allianz Trade to insure up to 100% of the credit cross, starting from amounts above 30k

Pricing risk adjusted model

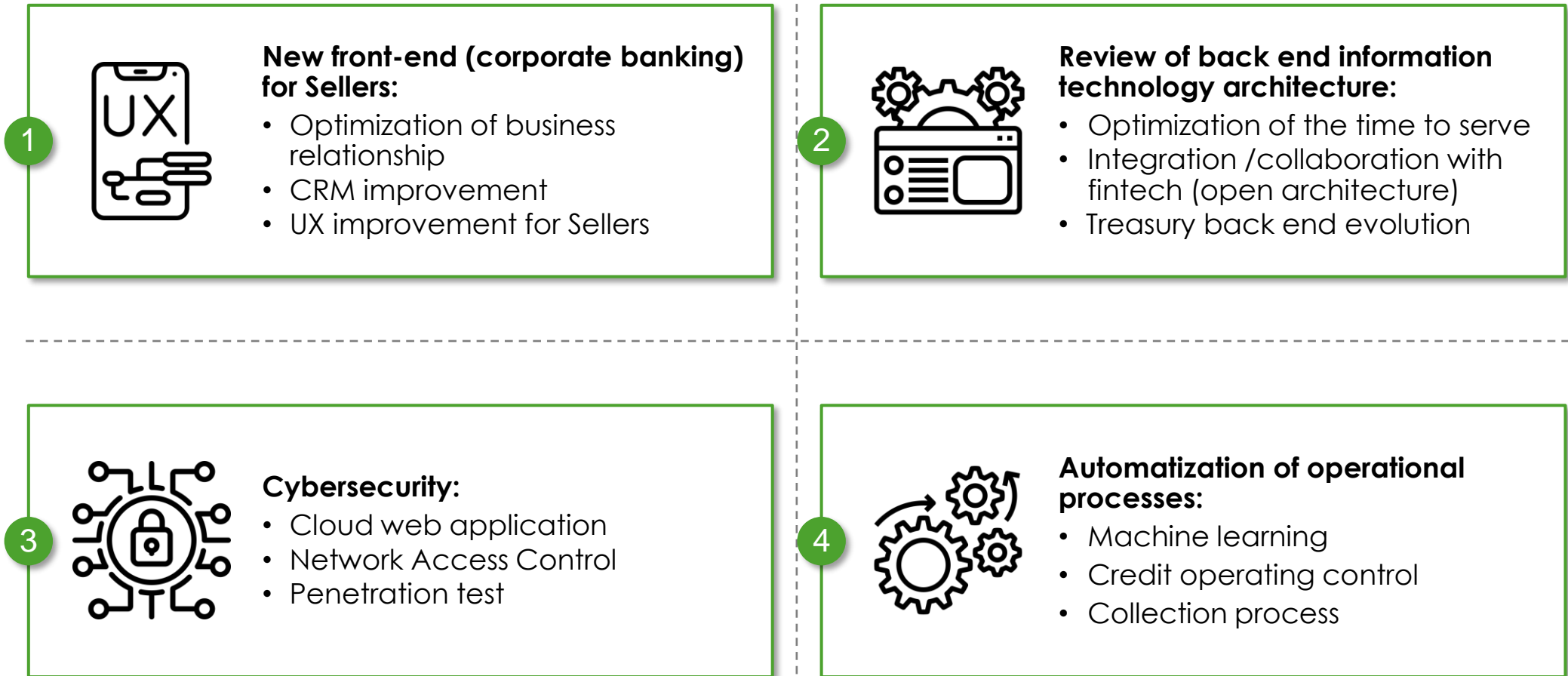
- A risk-adjusted pricing model (which considers interest and commission components) was defined as a function of three drivers (turnover, scoring and complexity of the transaction) with the possibility of derogation of up to certain predefined limits (at the discretion of the commercial manager) depending on the level of **commercial delegation system**



Driver	Description
<p>A</p> <p>Turnover</p>	<ul style="list-style-type: none"> ▪ Defined different turnover classes (class A >35mIn, B between 20mIn and 35mIn, C between 10mIn and 20mIn, D between 5mIn and 10mIn, E between 1mIn and 5mIn, F <1mIn) to frame the significance/magnitude of the counterparty
<p>B</p> <p>Scoring transaction</p>	<ul style="list-style-type: none"> ▪ Management score assessing the transaction as a whole (weighted valuation of the seller and the debtor portfolio according to different variables) from a risk-adjusted pricing perspective
<p>C</p> <p>Complexity of the relationship</p>	<ul style="list-style-type: none"> ▪ Expected operational complexity to manage the portfolio of debtors (i.e. high, standard, low) which is a proxy for operating costs considering several parameters
<p>D</p> <p>Level of potential of the relationship</p>	<ul style="list-style-type: none"> ▪ Level of commercial potential of the relationship calculated as the ratio of already agreed turnover / prospective sales revenue

Improvement of the digital factoring platform

Ongoing process to **improve** and **develop** the **digital factoring platform** through the following upgrade:



Human capital development



Balance between men and women – **52% vs 48%**



Balance between Milan and Biella Office – **43% vs 57%**



Smartworking plan (up to **~50%** of working hours)

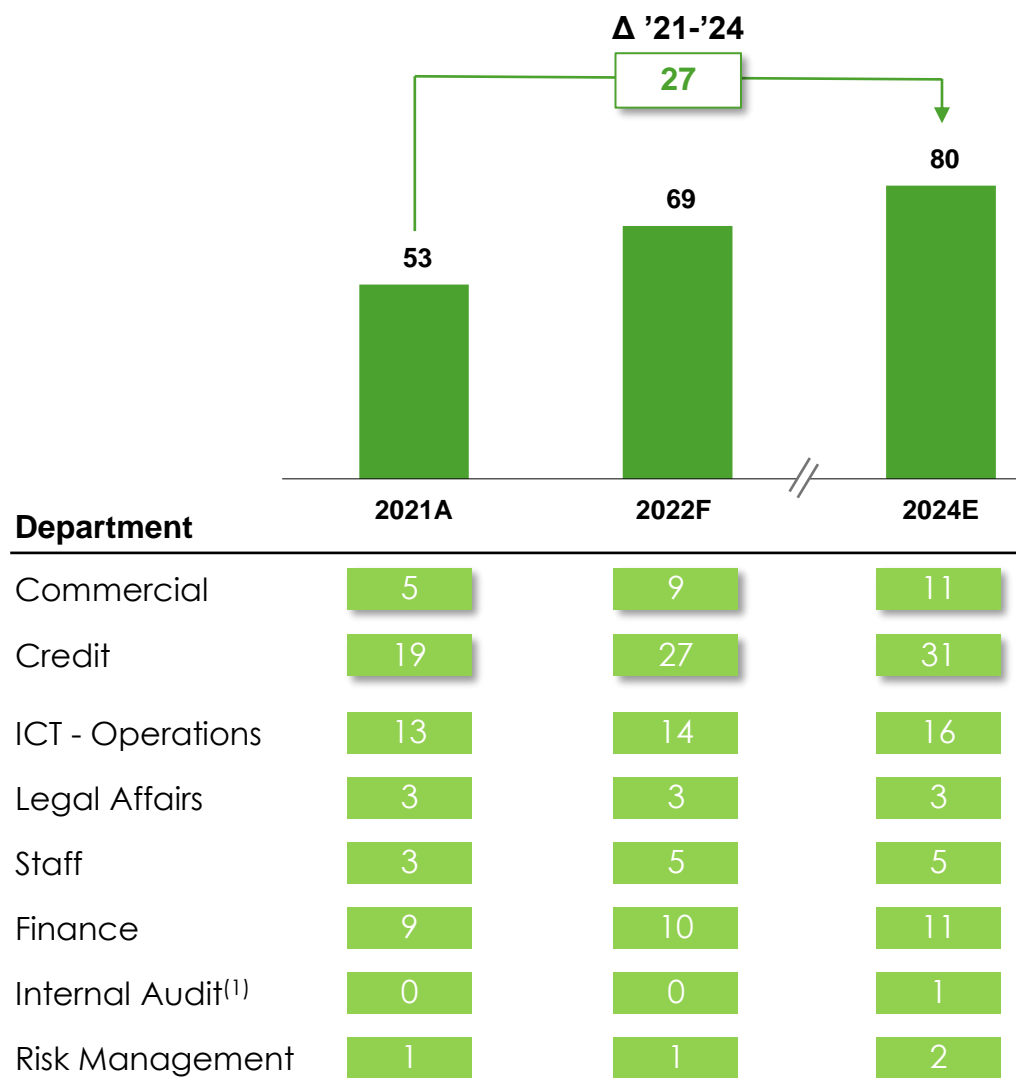


Short-term and long-term **incentive plan**



Welfare Plan connected to the short term incentive plan

Headcount evolution over the Plan (#)



Note: KPI data as of September 2022; (1) Internal audit reserved to a board member and potentially integrated in to the company from 2024;

Evolution of control systems over the plan



Audit function development

- **Establishment**, within the organizational structure, **of an Internal Audit Unit on staff to the Board of Directors (BoD)**
- Integration of the Internal Audit **within the control framework**



Risk Management & Compliance improvement

- **Enhancement** of the **Risk & Compliance** structure
- **Integration** of additional **risks, including ESG** theme



Improvement of operational risk control

- **Further improvement of control system** with reference to operational/legal risk
- **Transition to the TSA method** to calculate operational risk (Operational RWA)
- **Loss Data collection** framework in order to improve operational risk management



Improvement of credit risk control

- **Further improvement of second-level controls** on performing and non-performing loans
- **Potential improvement of credit risk management** also through possible transition to an internal rating model
- **ESG measure integration** (climate and transitional risk)

ESG – Developing a Sustainability Footprint



Generalfinance is not exposed to significant environmental risk. However it is engaged to reduce the environmental impact of its operations and business model

- ❑ IT Systems on cloud environments – in particular with regard to the datacenter – managed by external providers implying a significant reduction in energy consumption
- ❑ Car policy (hybrid, full electric)
- ❑ Focus on energy efficiency and environmental impacts with reference to the Group offices



Generalfinance is engaged to promote the well-being of its employees and to play a social role through its core business

- ❑ First aid to Italian distressed SMEs
- ❑ Smart working and agile model of work organisation
- ❑ Incentive and corporate welfare systems
- ❑ Gender diversity



Generalfinance adopted a corporate governance in line with star listing requirements

- ❑ Loyalty shares and related stability
- ❑ Full adherence to «Codice di Corporate Governance»
- ❑ High-standing top management
- ❑ Remuneration/appointment, risk and sustainability committees
- ❑ Board of Directors and Board of Auditors: independence and gender diversity

GENERALFINANCE IS AN ACTIVE MEMBER – TOGETHER WITH A FEW OTHER COMPANIES – OF THE ESG GROUP PROMOTED BY ASSIFACT

Activities in pipeline



Climate / Transitional Risk assessment associated with the loan book



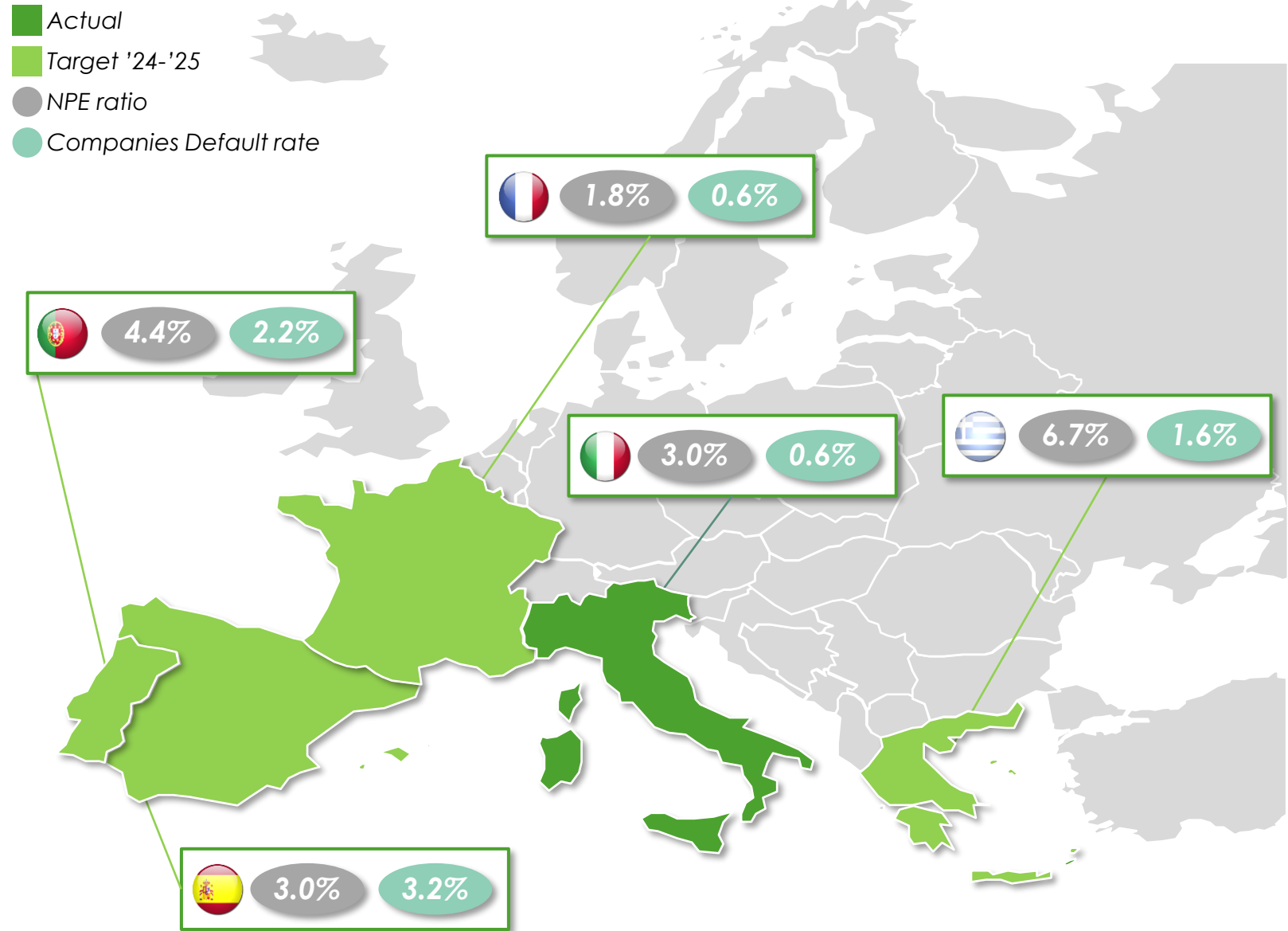
Non-financial statement and reporting

Potential add on over the Plan: expansion abroad

Potential expansion of Generalfinance perimeter to European Countries.

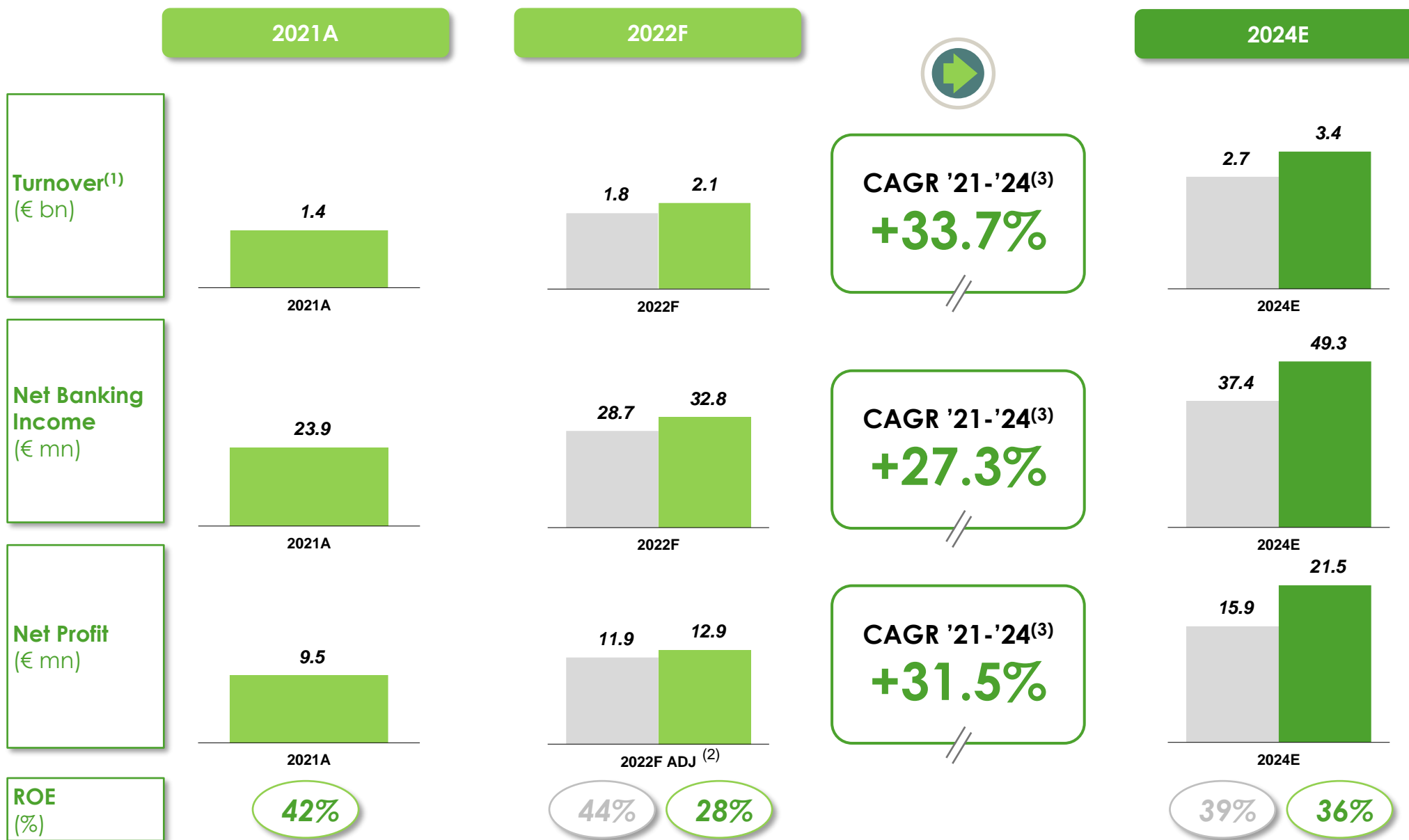
Generalfinance will analyse deeply in the coming months some target Countries: (i) Spain, (ii) France, (iii) Greece and (iv) Portugal.

The business development could take place from 2024 - 2025



2022-2024 target and financial projections

Post Money Industrial Plan results



Note: (1) It includes future receivables; (2) 2022F ADJ value is neutralized by IPO costs equal to € 1.2 mn (3) CAGR '21-'24 - Post-Money

Number of sellers and debtors evolution over the Plan

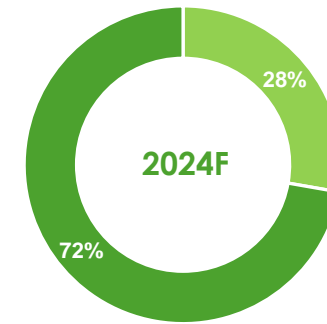
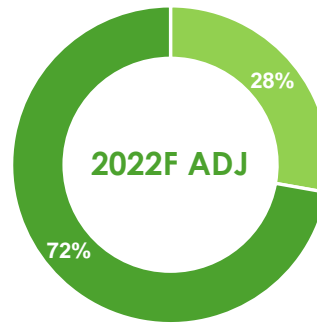
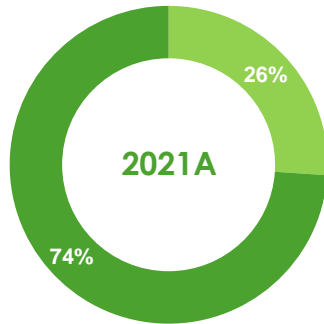
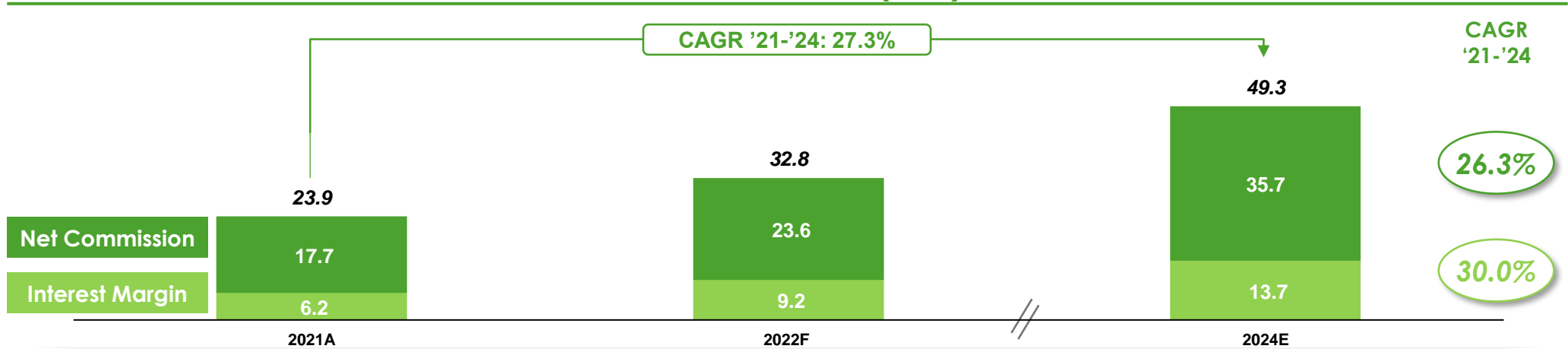
SELLERS⁽¹⁾ AND DEBTORS EVOLUTION (#)



Note: (1) Number of sellers at the end of the period; (2) 1st year entrance Turnover; Corporate Seller: > 20M Revenues; Retail Seller: <20M Revenues

Income breakdown

NET BANKING INCOME (€ MN)



Average Interest on seller⁽¹⁾ (%)

3.82%

3.65%

4.80%

Average monthly commission on turnover⁽²⁾ (%)

0.48%

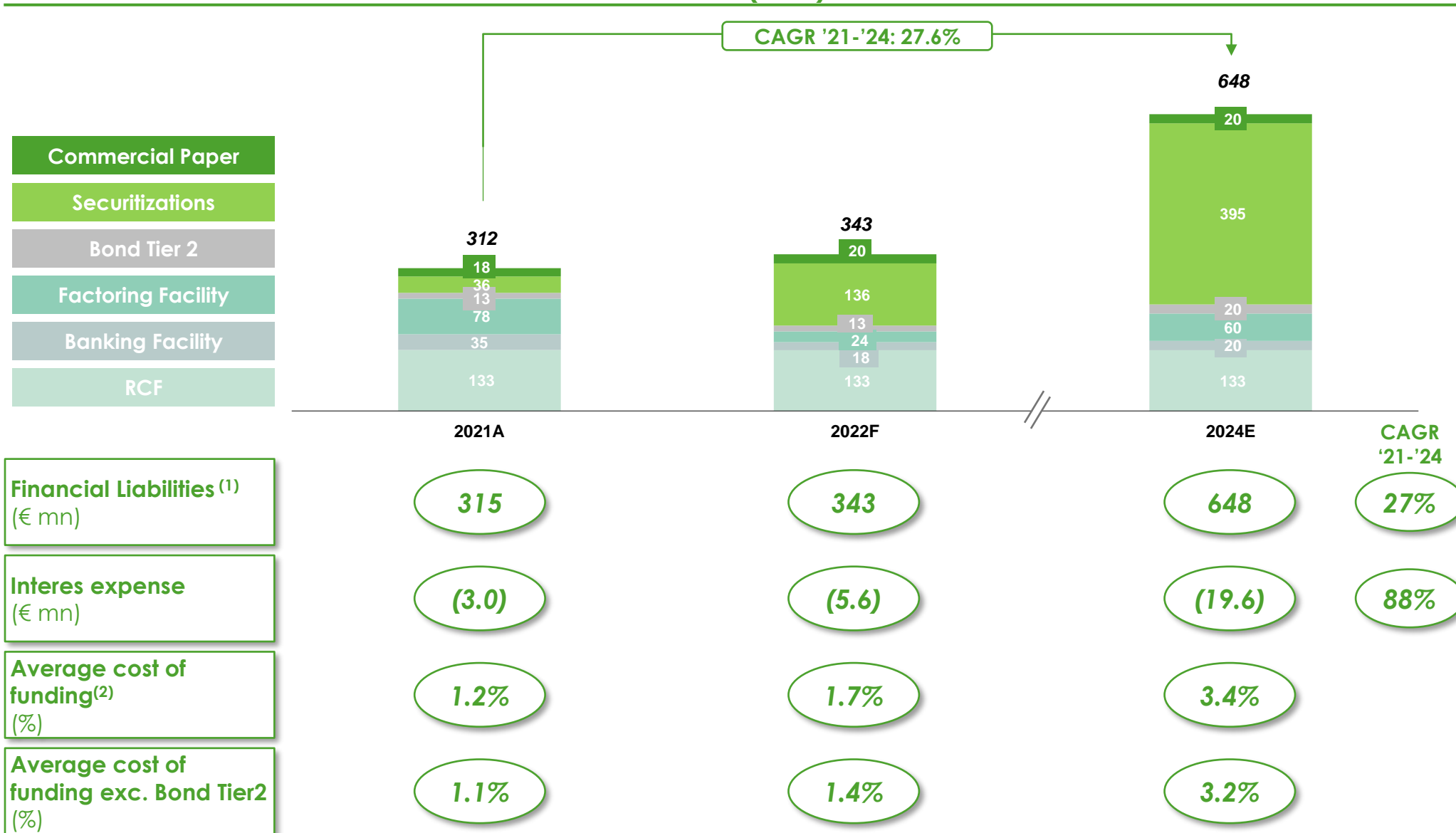
0.38%

0.34%

Note: (1) net of Delay in Payment interest revenues; (2) net of Delay in Payment commission revenues and other commissions

Funding evolution and interest expense

FUNDING (€ MN)

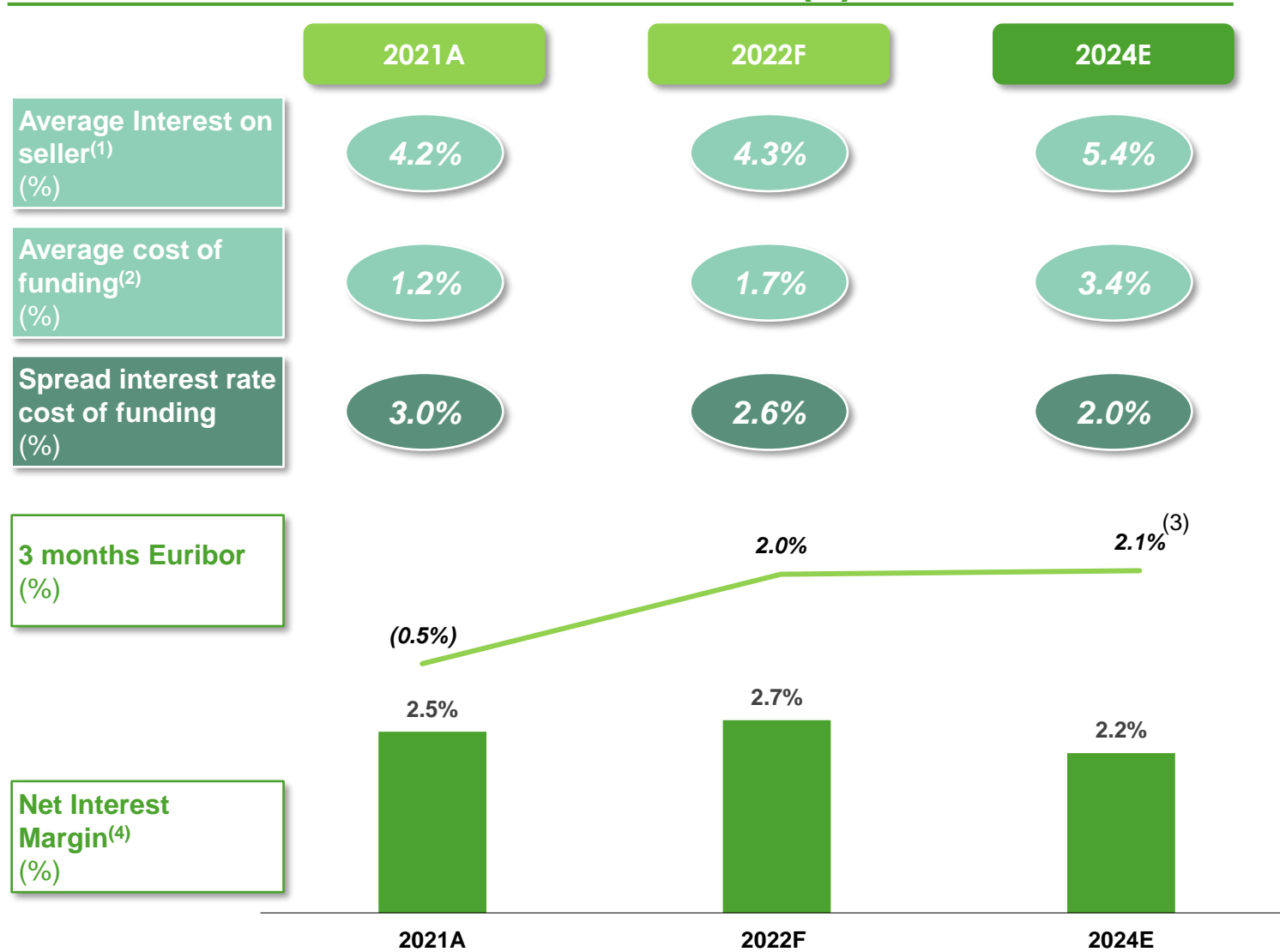


Note: (1) including IFRS16 debts and other financial liabilities (2) Calculated as interest expense / average financial liabilities (current and previous year).

Net interest margin

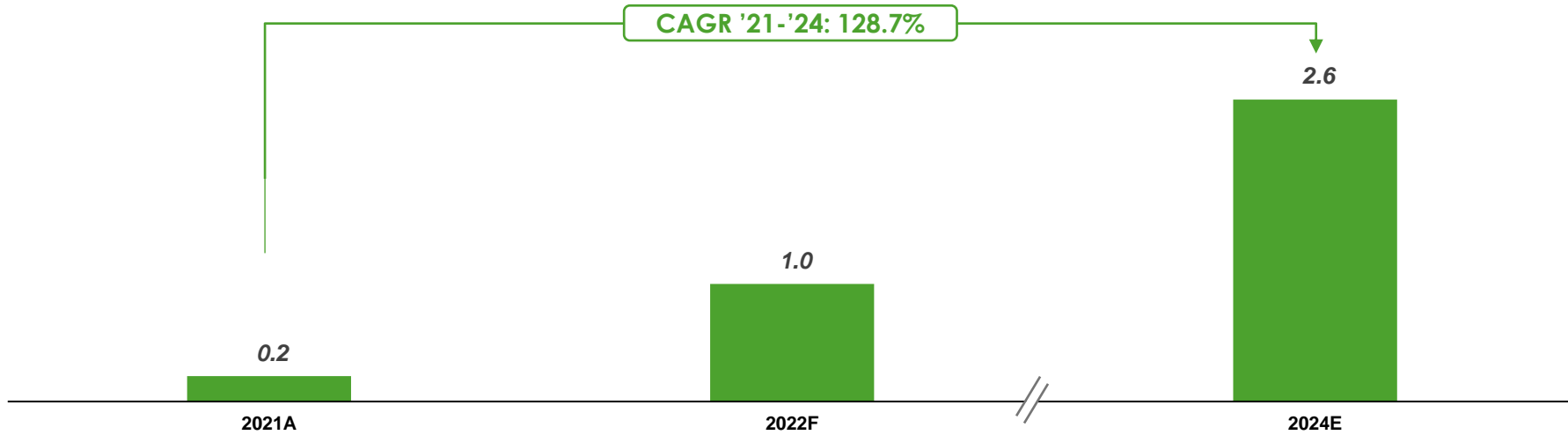
- At the end of October 2022, around **85% of the available funding at variable rates** (Euribor 1M, 3M)
- By year end, **all the factoring contracts will be renegotiated**, changing the interest rate **from fix to variable** calculation (**based on Euribor 3M**)
- The **full effect** of the renegotiation will take place **by year end**, once the renewal of the loans will be completed through the new advances.

SPREAD – NET INTEREST MARGIN (%)



NPE and Cost of Risk evolution

CREDIT RISK ADJUSTMENT (€ MN)

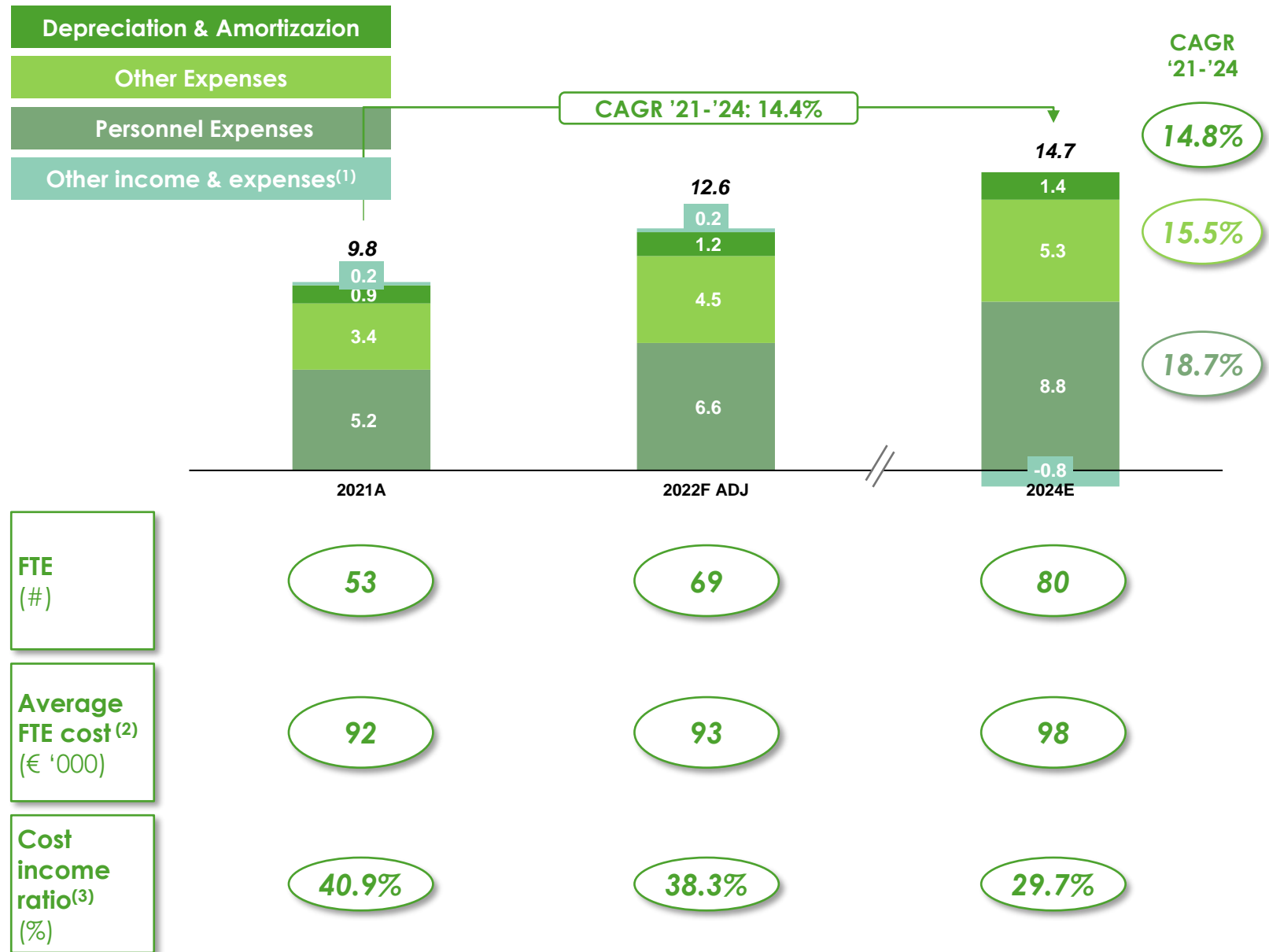


	2021A	2022F	2024E
NPE Stock (€ mn)	0.8	1.6	5.3
Cost of risk⁽¹⁾ (%)	0.02%	0.06%	0.09%
Gross NPE ratio (%)	0.24%	0.43%	0.76%
NPE Coverage (%)	50%	60%	60%

Note: (1) Calculated as Credit Risk Adjustments / Disbursed amount

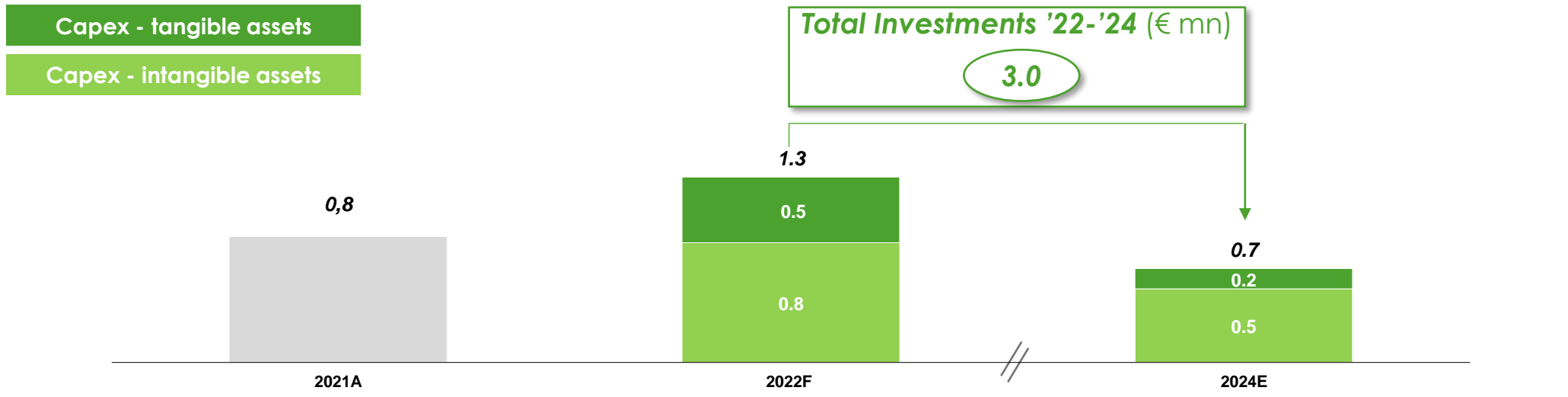
Operating Costs

- #27 new resources over the Plan
- Increase in the average FTE cost together with the incentive system (MBO and LTIP)
- Increase in the salary, at an average rate of 4%
- Operating costs are assumed to grow due to growth of inflation rates and increase of operations

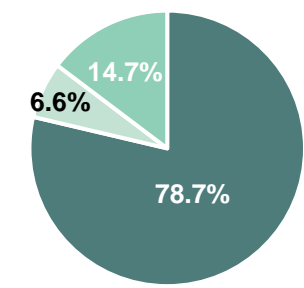
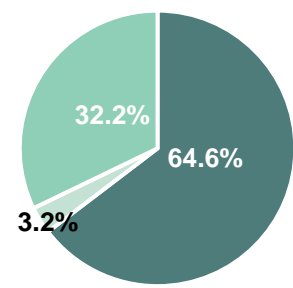


Capex mainly (~75%) related to the digital platform

CAPEX (€ MN)



CAPEX breakdown (%)



Tangible assets (€ mn)

4.9

4.7

3.4

Intangible assets (€ mn)

1.7

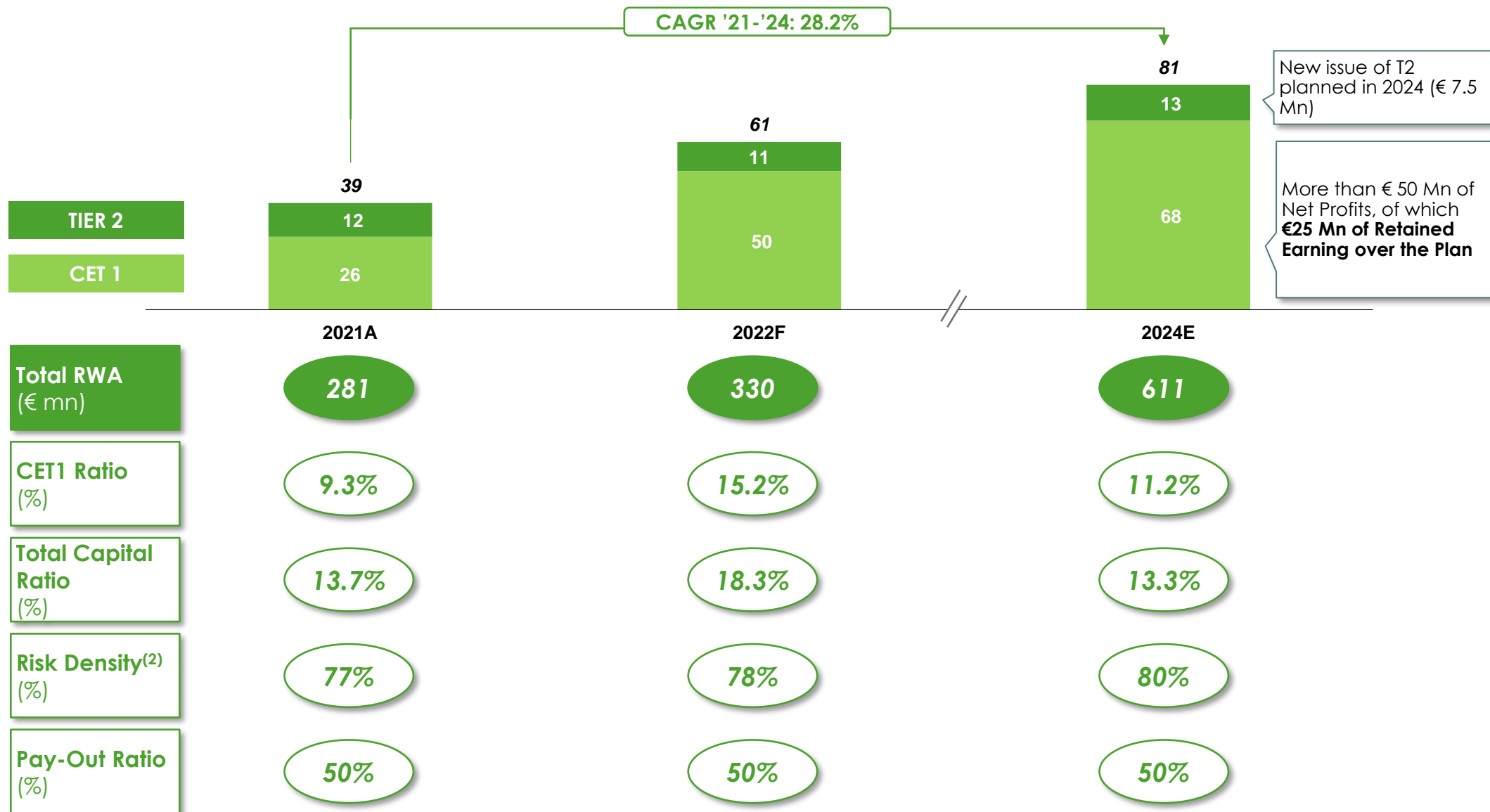
2.2

2.4

■ Digital platform
 ■ Tangible Facility
 ■ Tangible ICT

CET1, TIER 2 and Total Capital evolution

TOTAL CAPITAL EVOLUTION (€ MN)



Note: (1) Calculated as Total RWA / Total Assets

Closing remarks

Industrial Plan 2022-2024 KPIs

Commercial KPI (€ bn)	2021A	2022F	2024E	CAGR '21-'24
Turnover	1.4	2.1	3.4	33.7%
Disbursed Amount	1.1	1.7	2.8	35.6%
LTV (2)	80%	82%	83%	n.a.

P&L (€ mn)	2021A	2022F ADJ	2024E	CAGR '21-'24
Interest Margin	6.2	9.2	13.7	30.0%
Net Commission	17.7	23.6	35.7	26.3%
Net Banking Income	23.9	32.8	49.3	27.3%
Operating costs	(9.8)	(12.6)	(14.7)	14.4%
Net Profit	9.5	12.9	21.5	31.5%

BS (€ mn)	2021A	2022F ADJ	2024E	CAGR '21-'24
Cash & Cash Equivalents	33.5	39.4	54.7	17.8%
Financial Assets	321.0	370.3	697.9	29.5%
Other Assets	10.8	11.9	13.8	8.7%
Total Assets	365.3	421.7	766.5	28.0%
Financial Liabilities	314.6	342.5	648.5	27.3%
Other Liabilities	18.7	20.4	36.7	25.3%
Shareholder's Equity	32.0	58.7	81.3	36.5%
Total Liabilities	365.3	421.7	766.5	28.0%

KPI (%)	2021A	2022F ADJ	2024E	CAGR '21-'24
Net Banking Income / Average Loans	9.6%	9.5%	8.0%	n.a.
Interest Margin / Net Banking Income	26.0%	28.1%	27.8%	n.a.
Cost Income Ratio	40.9%	38.3%	29.7%	n.a.
ROE	42.0%	28.1%	36.0%	n.a.

Note: (1) 2022F ADJ means that the values are neutralized from IPO costs € 1,2 mn (2) LTV: Loan to Value

- *Turnover growth above 30% average per year*
- *Net Profit 2024 of € 21.5m e ROE 2024 of 36%*
- *CET1 Ratio exceeding 11% and Total Capital Ratio over 13%*
- *Capex oriented to the further development of the digital platform*

Strong sustainable growth and constant risk monitoring

Sensitivity analysis

Sensitivity analysis – Scenario 1

Scenario 1	▪ Impact of EURIBOR increase reverted back to the customer by 60% (instead of 85% as assumed in the Plan)
Scenario 2	▪ Increase of 3 bps in the cost of risk
Scenario 3	▪ Increase of 30 bps in the average cost of funding
Scenario 4	▪ Decrease of 25% (i) number of acquired sellers, (ii) Seller's revenue growth

SCENARIO - STRESS					SCENARIO - BASE				DELTA		
P&L (€ mn)	2021A	2022F ADJ ⁽¹⁾	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Interest Margin	6.2	8.8	10.4	4.0%	6.2	9.2	13.7	4.0%	-	(0.4)	(3.3)
Active Interest	9.2	14.4	30.1	48.4%	9.2	14.8	33.3	53.6%	-	(0.4)	(3.2)
Interest Expense	(3.0)	(5.6)	(19.7)	87.8%	(3.0)	(5.6)	(19.6)	87.6%	-	(0.0)	(0.1)
Net Commission	17.7	23.6	35.7	26.3%	17.7	23.6	35.7	26.3%	-	-	-
Active Commission	20.8	28.0	41.5	25.9%	20.8	28.0	41.5	25.9%	-	-	-
Commission Expense	(3.1)	(4.4)	(5.8)	23.3%	(3.1)	(4.4)	(5.8)	23.3%	-	-	-
Net Banking Income	23.9	32.4	46.0	24.4%	23.9	32.8	49.3	27.3%	-	(0.4)	(3.3)
Operating costs	(9.8)	(12.6)	(14.7)	14.4%	(9.8)	(12.6)	(14.7)	14.4%	-	-	-
Net Profit	9.5	12.6	19.3	26.8%	9.5	12.9	21.5	31.5%	-	(0.3)	(2.2)
KPI (%)	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Average Interest Rate ⁽²⁾	3.8%	3.5%	4.3%	n.a.	3.8%	3.6%	4.8%	n.a.	-	-0.1%	-0.5%
Average funding cost ⁽³⁾	1.2%	1.7%	3.4%	n.a.	1.2%	1.7%	3.4%	n.a.	-	0.0%	0.0%
Interest Margin / Net Banking Income	26.0%	27.1%	22.5%	n.a.	26.0%	28.1%	27.8%	n.a.	-	-1.0%	-5.2%
ROE	42.0%	27.5%	32.8%	n.a.	42.0%	28.1%	36.0%	n.a.	-	-0.6%	-3.2%
CET1 Ratio	9.3%	15.2%	10.9%	n.a.	9.3%	15.3%	11.2%	n.a.	-	0.0%	-0.3%
Total Capital Ratio	13.7%	18.4%	13.0%	n.a.	13.7%	18.5%	13.3%	n.a.	-	0.0%	-0.3%

Note: (1) 2022F ADJ net of IPO costs

Sensitivity analysis – Scenario 2

Scenario 1	Impact of EURIBOR increase reverted back to the customer by 60% (instead of 85% as assumed in the Plan)
Scenario 2	Increase of 3 bps in the cost of risk
Scenario 3	Increase of 30 bps in the average cost of funding
Scenario 4	Decrease of 25% (i) number of acquired sellers, (ii) Seller's revenue growth

SCENARIO - STRESS					SCENARIO - BASE					DELTA		
P&L (€ mn)	2021A	2022F ADJ ⁽¹⁾	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	
Interest Margin	6.2	9.2	13.7	4.0%	6.2	9.2	13.7	4.0%	-	(0.0)	(0.0)	
Active Interest	9.2	14.8	33.3	53.6%	9.2	14.8	33.3	53.6%	-	-	-	
Interest Expense	(3.0)	(5.6)	(19.7)	87.7%	(3.0)	(5.6)	(19.6)	87.6%	-	(0.0)	(0.0)	
Net Commission	17.7	23.6	35.7	26.3%	17.7	23.6	35.7	26.3%	-	-	-	
Active Commission	20.8	28.0	41.5	25.9%	20.8	28.0	41.5	25.9%	-	-	-	
Commission Expense	(3.1)	(4.4)	(5.8)	23.3%	(3.1)	(4.4)	(5.8)	23.3%	-	-	-	
Net Banking Income	23.9	32.8	49.3	27.3%	23.9	32.8	49.3	27.3%	-	(0.0)	(0.0)	
Operating costs	(9.8)	(12.6)	(14.7)	14.4%	(9.8)	(12.6)	(14.7)	14.4%	-	-	-	
Net Profit	9.5	12.5	20.7	29.9%	9.5	12.9	21.5	31.5%	-	(0.4)	(0.8)	

KPI (%)	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Average Interest Rate ⁽²⁾	3.8%	3.6%	4.8%	n.a.	3.8%	3.6%	4.8%	n.a.	-	-	-
Average funding cost ⁽³⁾	1.2%	1.7%	3.4%	n.a.	1.2%	1.7%	3.4%	n.a.	-	0.0%	0.0%
Interest Margin / Net Banking Income	26.0%	28.1%	27.7%	n.a.	26.0%	28.1%	27.8%	n.a.	-	0.0%	0.0%
ROE	42.0%	27.3%	34.9%	n.a.	42.0%	28.1%	36.0%	n.a.	-	-0.8%	-1.1%
CET1 Ratio	9.3%	15.2%	11.0%	n.a.	9.3%	15.3%	11.2%	n.a.	-	-0.1%	-0.1%
Total Capital Ratio	13.7%	18.4%	13.1%	n.a.	13.7%	18.5%	13.3%	n.a.	-	-0.1%	-0.1%

Note: (1) 2022F ADJ net of IPO costs

Sensitivity analysis – Scenario 3

Scenario 1	▪ Impact of EURIBOR increase reverted back to the customer by 60% (instead of 85% as assumed in the Plan)
Scenario 2	▪ Increase of 3 bps in the cost of risk
Scenario 3	▪ Increase of 30 bps in the average cost of funding
Scenario 4	▪ Decrease of 25% (i) number of acquired sellers, (ii) Seller's revenue growth

SCENARIO - STRESS					SCENARIO - BASE				DELTA		
P&L (€ mn)	2021A	2022F ADJ ⁽¹⁾	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Interest Margin	6.2	8.3	12.0	4.0%	6.2	9.2	13.7	4.0%	-	(0.9)	(1.7)
Active Interest	9.2	14.8	33.3	53.6%	9.2	14.8	33.3	53.6%	-	-	-
Interest Expense	(3.0)	(6.5)	(21.3)	92.9%	(3.0)	(5.6)	(19.6)	87.6%	-	(0.9)	(1.7)
Net Commission	17.7	23.6	35.7	26.3%	17.7	23.6	35.7	26.3%	-	-	-
Active Commission	20.8	28.0	41.5	25.9%	20.8	28.0	41.5	25.9%	-	-	-
Commission Expense	(3.1)	(4.4)	(5.8)	23.3%	(3.1)	(4.4)	(5.8)	23.3%	-	-	-
Net Banking Income	23.9	31.9	47.6	25.8%	23.9	32.8	49.3	27.3%	-	(0.9)	(1.7)
Operating costs	(9.8)	(12.6)	(14.7)	14.4%	(9.8)	(12.6)	(14.7)	14.4%	-	-	-
Net Profit	9.5	12.3	20.3	29.1%	9.5	12.9	21.5	31.5%	-	(0.6)	(1.2)
KPI (%)	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Average Interest Rate ⁽²⁾	3.8%	3.6%	4.8%	n.a.	3.8%	3.6%	4.8%	n.a.	-	-	-
Average funding cost ⁽³⁾	1.2%	2.0%	3.7%	n.a.	1.2%	1.7%	3.4%	n.a.	-	0.3%	0.3%
Interest Margin / Net Banking Income	26.0%	26.0%	25.1%	n.a.	26.0%	28.1%	27.8%	n.a.	-	-2.0%	-2.6%
ROE	42.0%	26.8%	34.5%	n.a.	42.0%	28.1%	36.0%	n.a.	-	-1.3%	-1.5%
CET1 Ratio	9.3%	15.2%	11.0%	n.a.	9.3%	15.3%	11.2%	n.a.	-	-0.1%	-0.2%
Total Capital Ratio	13.7%	18.4%	13.1%	n.a.	13.7%	18.5%	13.3%	n.a.	-	-0.1%	-0.2%

Note: (1) 2022F ADJ net of IPO costs

Sensitivity analysis – Scenario 4

Scenario 1	▪ Impact of EURIBOR increase reverted back to the customer by 60% (instead of 85% as assumed in the Plan)
Scenario 2	▪ Increase of 3 bps in the cost of risk
Scenario 3	▪ Increase of 30 bps in the average cost of funding
Scenario 4	▪ Decrease of 25% (i) number of acquired sellers, (ii) Seller's revenue growth

SCENARIO - STRESS					SCENARIO - BASE				DELTA		
P&L (€ mn)	2021A	2022F ADJ ⁽¹⁾	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Interest Margin	6.2	9.2	13.1	4.0%	6.2	9.2	13.7	4.0%	-	(0.1)	(0.6)
Active Interest	9.2	14.6	32.1	51.6%	9.2	14.8	33.3	53.6%	-	(0.2)	(1.2)
Interest Expense	(3.0)	(5.5)	(19.0)	85.5%	(3.0)	(5.6)	(19.6)	87.6%	-	0.1	0.7
Net Commission	17.7	23.3	34.3	24.7%	17.7	23.6	35.7	26.3%	-	(0.3)	(1.4)
Active Commission	20.8	27.6	40.0	24.3%	20.8	28.0	41.5	25.9%	-	(0.4)	(1.5)
Commission Expense	(3.1)	(4.3)	(5.7)	22.3%	(3.1)	(4.4)	(5.8)	23.3%	-	0.0	0.1
Net Banking Income	23.9	32.4	47.4	25.6%	23.9	32.8	49.3	27.3%	-	(0.4)	(1.9)
Operating costs	(9.8)	(12.6)	(14.6)	14.2%	(9.8)	(12.6)	(14.7)	14.4%	-	0.0	0.1
Net Profit	9.5	12.6	20.3	29.1%	9.5	12.9	21.5	31.5%	-	(0.3)	(1.2)

KPI (%)	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Average Interest Rate ⁽²⁾	3.8%	3.6%	4.8%	n.a.	3.8%	3.6%	4.8%	n.a.	-	0.0%	0.0%
Average funding cost ⁽³⁾	1.2%	1.7%	3.4%	n.a.	1.2%	1.7%	3.4%	n.a.	-	0.0%	0.0%
Interest Margin / Net Banking Income	26.0%	28.2%	27.6%	n.a.	26.0%	28.1%	27.8%	n.a.	-	0.2%	-0.1%
ROE	42.0%	27.6%	34.3%	n.a.	42.0%	28.1%	36.0%	n.a.	-	-0.6%	-1.7%
CET1 Ratio	9.3%	16.1%	11.4%	n.a.	9.3%	15.3%	11.2%	n.a.	-	0.8%	0.2%
Total Capital Ratio	13.7%	19.4%	13.6%	n.a.	13.7%	18.5%	13.3%	n.a.	-	0.9%	0.3%

Note: (1) 2022F ADJ net of IPO costs

Sensitivity analysis - Combined Scenario

Scenario 1	▪ Impact of EURIBOR increase reverted back to the customer by 60% (instead of 85% as assumed in the Plan)
Scenario 2	▪ Increase of 3 bps in the cost of risk
Scenario 3	▪ Increase of 30 bps in the average cost of funding
Scenario 4	▪ Decrease of 25% (i) number of acquired sellers, (ii) Seller's revenue growth

SCENARIO - STRESS					SCENARIO - BASE				DELTA		
P&L (€ mn)	2021A	2022F ADJ ⁽¹⁾	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Interest Margin	6.2	7.8	8.2	4.0%	6.2	9.2	13.7	4.0%	-	(1.4)	(5.5)
Active Interest	9.2	14.2	29.0	46.5%	9.2	14.8	33.3	53.6%	-	(0.6)	(4.4)
Interest Expense	(3.0)	(6.3)	(20.7)	91.1%	(3.0)	(5.6)	(19.6)	87.6%	-	(0.8)	(1.1)
Net Commission	17.7	23.3	34.3	24.7%	17.7	23.6	35.7	26.3%	-	(0.3)	(1.4)
Active Commission	20.8	27.6	40.0	24.3%	20.8	28.0	41.5	25.9%	-	(0.4)	(1.5)
Commission Expense	(3.1)	(4.3)	(5.7)	22.3%	(3.1)	(4.4)	(5.8)	23.3%	-	0.0	0.1
Net Banking Income	23.9	31.1	42.5	21.1%	23.9	32.8	49.3	27.3%	-	(1.7)	(6.8)
Operating costs	(9.8)	(12.6)	(14.6)	14.2%	(9.8)	(12.6)	(14.7)	14.4%	-	0.0	0.1
Net Profit	9.5	11.4	16.3	19.9%	9.5	12.9	21.5	31.5%	-	(1.5)	(5.2)
KPI (%)	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E	CAGR '21-'24	2021A	2022F ADJ	2024E
Average Interest Rate ⁽²⁾	3.8%	3.5%	4.3%	n.a.	3.8%	3.6%	4.8%	n.a.	-	-0.1%	-0.5%
Average funding cost ⁽³⁾	1.2%	2.0%	3.7%	n.a.	1.2%	1.7%	3.4%	n.a.	-	0.3%	0.3%
Interest Margin / Net Banking Income	26.0%	25.2%	19.3%	n.a.	26.0%	28.1%	27.8%	n.a.	-	-2.9%	-8.4%
ROE	42.0%	24.9%	28.5%	n.a.	42.0%	28.1%	36.0%	n.a.	-	-3.2%	-7.5%
CET1 Ratio	9.3%	15.9%	10.8%	n.a.	9.3%	15.3%	11.2%	n.a.	-	0.6%	-0.3%
Total Capital Ratio	13.7%	19.3%	13.0%	n.a.	13.7%	18.5%	13.3%	n.a.	-	0.8%	-0.2%

Note: (1) 2022F ADJ net of IPO costs

Annexes

Income Statement

Income Statement (€m)	2019A	2020A	2021A	Q3 2021	Q3 2022
Interest income and similar income	4,6	5,7	9,2	6,4	9,8
Interest expense and similar charges	(1,2)	(1,6)	(3,0)	(1,9)	(4,1)
INTEREST MARGIN	3,4	4,1	6,2	4,5	5,7
Fee and commission income	11,5	14,7	20,8	14,6	20,1
Fee and commission expense	(1,4)	(1,6)	(3,1)	(2,2)	(3,0)
NET FEE AND COMMISSION INCOME	10,1	13,1	17,7	12,5	17,1
Dividends and similar income	0,0	0,0	0,0	0,0	0,0
Net profit (loss) from trading	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)
Net results of other financial assets and liabilities measured at fair value through profit or loss	0,0	(0,0)	0,0	0,0	0,0
NET INTEREST AND OTHER BANKING INCOME	13,5	17,2	23,9	16,9	22,8
Net value adjustments / write-backs for credit risk	(0,4)	(0,7)	(0,2)	(0,2)	(0,3)
a) Financial assets measured at amortised cost	(0,4)	(0,7)	(0,2)	(0,2)	(0,3)
NET PROFIT (LOSS) FROM FINANCIAL MANAGEMENT	13,2	16,5	23,7	16,7	22,5
Administrative expenses	(6,8)	(7,2)	(8,7)	(6,1)	(9,1)
a) Personnel expenses	(3,8)	(4,3)	(5,2)	(3,8)	(4,6)
b) Other administrative expenses	(3,0)	(3,0)	(3,4)	(2,3)	(4,4)
Net provision for risks and charges	(0,0)	(1,1)	(0,2)	(0,2)	(0,0)
b) Other net provisions	(0,0)	(1,1)	(0,2)	(0,2)	(0,0)
Net value adjustments / write-backs on property, plan and equipment	(0,6)	(0,7)	(0,7)	(0,5)	(0,6)
Net value adjustments / write-backs on intangible assets	(0,2)	(0,2)	(0,2)	(0,2)	(0,3)
Other operating income and expenses	0,8	0,8	0,1	(0,0)	0,0
OPERATING COSTS	(6,9)	(8,4)	(9,8)	(7,1)	(9,8)
PRE-TAX PROFIT (LOSS) FROM CURRENT OPERATIONS	6,3	8,1	13,9	9,6	12,7
Income tax for the year on current operations	(2,1)	(2,8)	(4,5)	(3,0)	(4,2)
PROFIT (LOSS) FOR THE YEAR	4,2	5,3	9,5	6,6	8,4

Income statement Q3 2022 – adjusted net income

Income Statement (€m)	Q3 2022	Adj	Q3 2022 Adj
Interest income and similar income	9,8	0,0	9,8
Interest expense and similar charges	(4,1)	0,0	(4,1)
INTEREST MARGIN	5,7	0,0	5,7
Fee and commission income	20,1	0,0	20,1
Fee and commission expense	(3,0)	0,0	(3,0)
NET FEE AND COMMISSION INCOME	17,1	0,0	17,1
Dividends and similar income	0,0	0,0	0,0
Net profit (loss) from trading	(0,0)	0,0	(0,0)
Net results of other financial assets and liabilities measured at fair value through profit or loss	0,0	0,0	0,0
NET INTEREST AND OTHER BANKING INCOME	22,8	0,0	22,8
Net value adjustments / write-backs for credit risk	(0,3)	0,0	(0,3)
a) Financial assets measured at amortised cost	(0,3)	0,0	(0,3)
NET PROFIT (LOSS) FROM FINANCIAL MANAGEMENT	22,5	0,0	22,5
Administrative expenses	(9,1)	1,2	(7,8)
a) Personnel expenses	(4,6)	0,2	(4,4)
b) Other administrative expenses	(4,4)	1,0	(3,4)
Net provision for risks and charges	(0,0)	0,0	(0,0)
b) Other net provisions	(0,0)	0,0	(0,0)
Net value adjustments / write-backs on property, plan and equipment	(0,6)	0,0	(0,6)
Net value adjustments / write-backs on intangible assets	(0,3)	0,0	(0,3)
Other operating income and expenses	0,0	0,0	0,0
OPERATING COSTS	(9,8)	1,2	(8,6)
PRE-TAX PROFIT (LOSS) FROM CURRENT OPERATIONS	12,7	1,2	13,9
Income tax for the year on current operations	(4,2)	(0,4)	(4,6)
PROFIT (LOSS) FOR THE YEAR	8,4	0,8	9,2

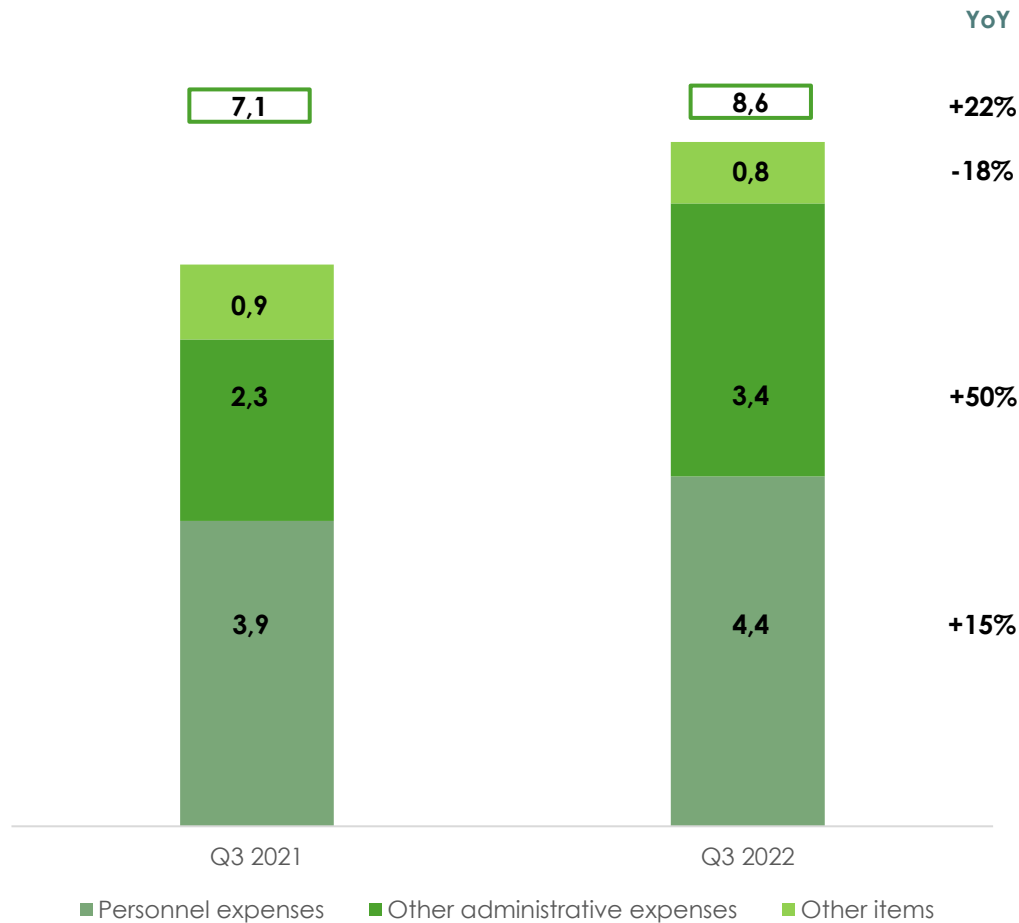
Extraordinary costs booked in 2022, related to the IPO Process, ~ 1,2 € M
Adjusted net income 9,2 € M, +40% YoY

Balance Sheet

Balance Sheet (€m)	2019A	2020A	2021A	Q3 2021	Q3 2022
ASSET ITEMS					
Cash and cash equivalents	0,0	24,2	33,5	24,8	56,0
Financial assets measured at fair value through profit or loss	0,0	0,0	0,0	0,0	0,0
Financial assets measured at amortised cost	148,7	176,5	321,0	250,2	336,1
Property, Plant and Equipment (PPE)	5,3	5,1	4,9	4,8	4,7
Intangible assets	0,4	0,8	1,7	1,0	1,8
Tax assets	0,9	1,4	1,2	0,6	1,9
a) current	0,5	0,7	0,9	0,4	1,7
b) deferred	0,4	0,8	0,3	0,3	0,2
Other assets	3,1	2,2	3,0	3,2	3,0
TOTAL ASSETS	158,4	210,2	365,3	284,7	403,6
LIABILITY AND SHAREHOLDERS' EQUITY ITEMS					
Financial liabilities measured at amortised cost	129,0	175,4	314,6	237,4	327,1
a) payables		175,4	283,6	212,4	289,6
b) outstanding securities	129,0	0,0	31,0	25,0	37,6
Tax liabilities	0,6	0,9	1,2	0,9	3,4
Other liabilities	7,6	8,3	15,8	15,7	17,3
Severance pay	1,2	1,4	1,4	1,4	1,3
Provision for risk and charges	0,6	1,6	0,3	0,3	0,1
Share capital	3,3	3,3	3,3	3,3	4,2
Share premium reserve	5,8	5,8	7,8	7,8	25,4
Reserves	6,2	8,2	11,4	11,4	16,2
Valuation reserves	(0,1)	(0,1)	0,0	(0,1)	0,1
Profit (loss) for the year	4,2	5,3	9,5	6,6	8,4
TOTAL LIABILITIES AND SHAREHOLDERS'S EQUITY	158,4	210,2	365,3	284,7	403,6

Costs Structure & Bottom Line – adjusted figures

OPERATING COSTS (€M)



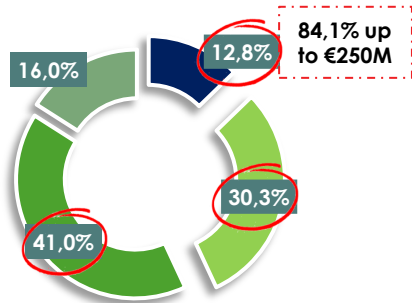
DRIVER

- ❑ **Personnel expenses up** +15% YoY, taking into consideration the hiring of new people (headcounts from 54 at the end of Q3 2021 to 63, Q3 2022 end)
- ❑ **Other administrative expenses up** +50% YoY, mainly driven by info provider costs related to the expansion of the turnover, marketing / communication expenses and costs related to the securitization in place
- ❑ **Other itmes** (Net provision for risks and charges + Net value adjustments / write-backs on property, plan and equipment + Net value adjustments / write-backs on intangible assets + Other operating income and expenses) substantially in line with the previous year
- ❑ **Adjusted operating costs +22% YoY, significantly lower than the net banking income dynamic (+34%)**
- ❑ **Further improvement of the cost / income ratio, down from 42% to 38% (adjusted)**

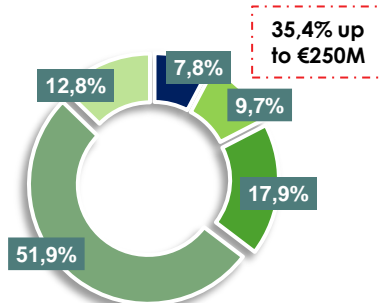
Turnover breakdown vs system average 1/2

SELLERS' DIVERSIFICATION BY DIMENSION¹

GENERALFINANCE (%)



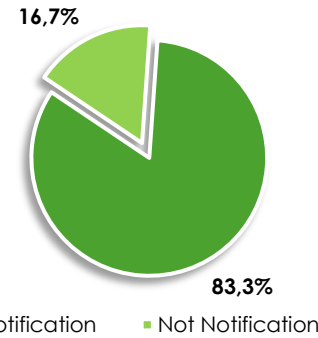
ASSIFACT (%)



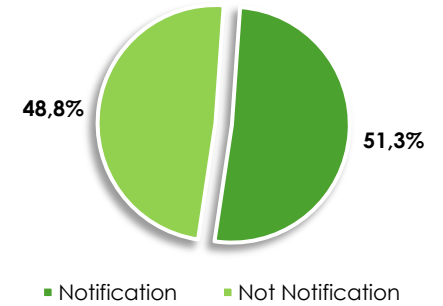
- Small size (<€10M)
- Corporate (€50M-€250M)
- Medium size (€10M-€50M)
- Large corporate (>€250M)
- Not classified

FACTORING BY NOTIFICATION STATUS¹

GENERALFINANCE (%)

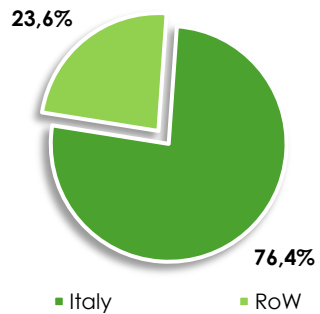


ASSIFACT (%)

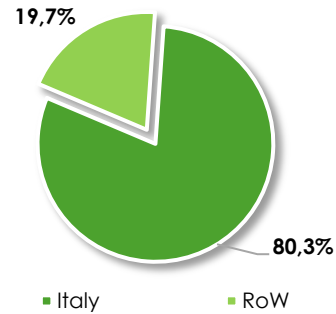


NATIONAL VS INTERNATIONAL TURNOVER¹

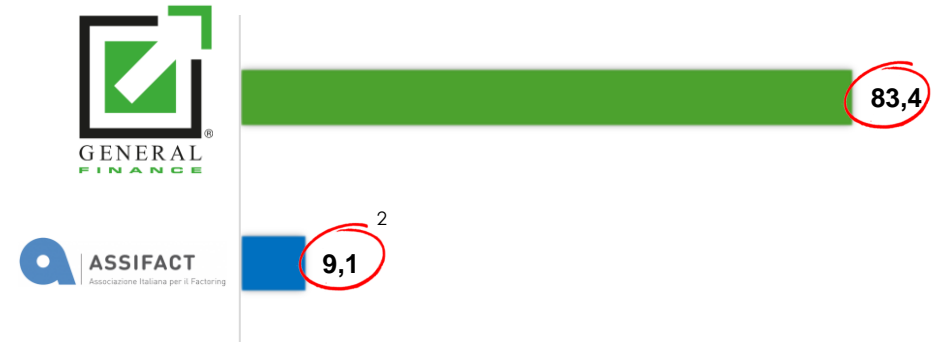
GENERALFINANCE (%)



ASSIFACT (%)



HIGHER NUMBER OF DEBTORS PER SELLER¹



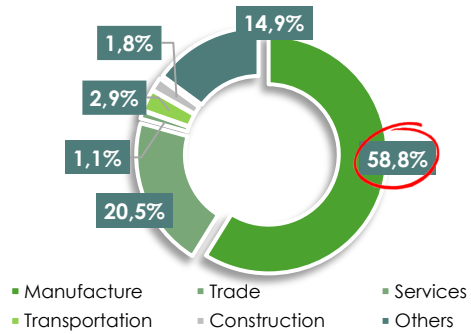
1) Generalfinance Turnover data refers to Q3 2022; Assifact Turnover data refers to 1H 2022

2) Household debtors have not been included

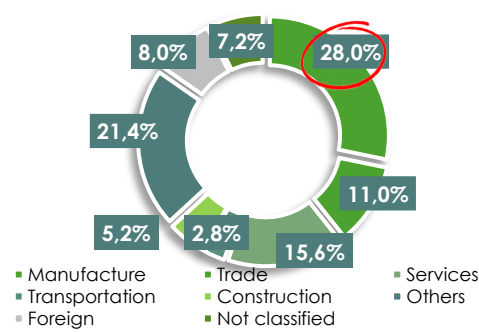
Turnover breakdown vs system average 2/2

SELLERS' DIVERSIFICATION BY SECTOR¹

GENERALFINANCE (%)

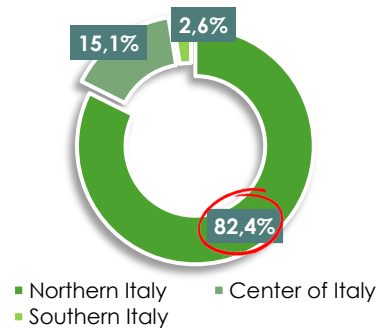


ASSIFACT (%)

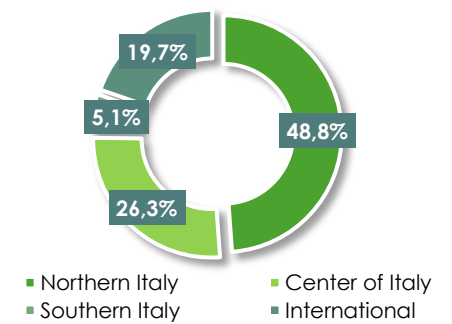


SELLERS' DIVERSIFICATION BY GEOGRAPHY¹

GENERALFINANCE (%)

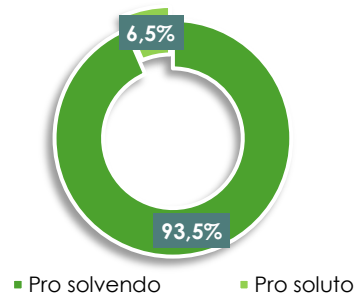


ASSIFACT (%)

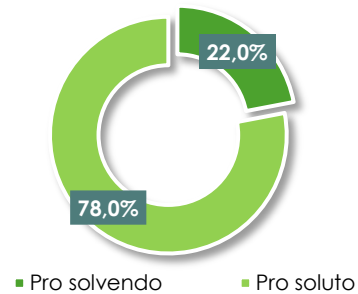


TURNOVER BY PRODUCT¹

GENERALFINANCE (%)



ASSIFACT (%)



1) Generalfinance Turnover data refers to Q3 2022; Assifact Turnover data refers to 1H 2022

IPO and updated shareholder base

IPO main results

29th June 2022

FIRST DAY OF TRADING

€ 38.5 M

CAPITAL RAISED¹

€ 20.2 M

CAPITAL INCREASE

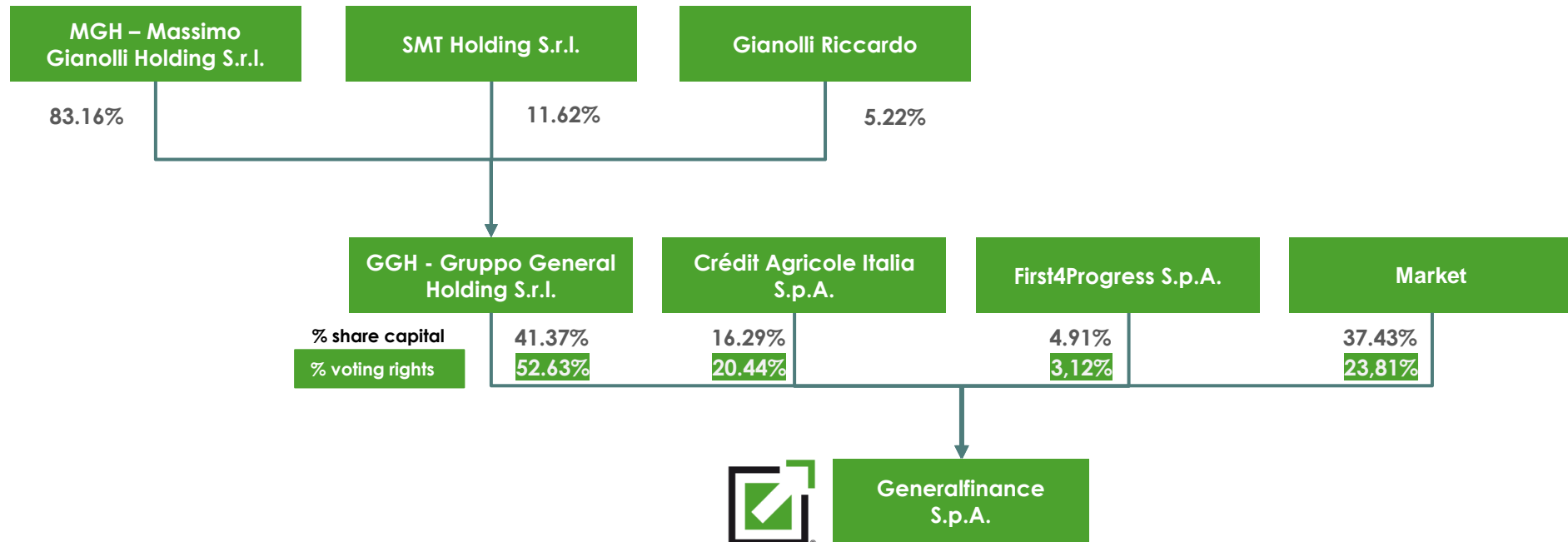
€ 65.8 M

TOTAL DEMAND

€ 91.0 M

MARKET CAPITALIZATION
AT IPO

Shareholders' structure



Value proposition, distinctive features and value chain

1 Value proposition

Generalfinance offers its customers (mostly companies under financial stress) rapid and customized interventions for the financing of the working capital and trade receivables, covering the entire supply chain finance



2 Distinctive skills

- **Consolidated expertise** throughout the entire process
- **End-to-end in-house valuation process**, tailored to customer specifications
- **Strong risk reduction and diversification mechanisms**
- **In-house-developed proprietary factoring platform** to support business specifications
- **Fast operational processes** and capability to **provide bridge financing** within turnaround processes

3 Generalfinance masters all the crossroads of the value chain

- All operational steps and core activities are **carried out internally** by Generalfinance's dedicated structures
- Generalfinance does not relies on external consultants to assess the creditworthiness of sellers and debtors but **owns all the skills**
- The process is reinforced by **credit insurance policies** provided by Allianz Trade insurance company which, during the risk acquisition phase, performs an independent assessment of the assigned debtors, providing Generalfinance a feedback on the results of their assessment



A model difficult to replicate: from Funding to Operations

VERTICAL SPECIALIST COVERING THE ENTIRE VALUE CHAIN



FUNDING

The Company has a **stable and diversified funding structure**, thanks to the different available lines of credit allowing for an optimal management of disbursements and collections



ORIGINATION

Solid network and strong reputation are at the base of Generalfinance turnover (97%) while the remaining part (3%) is originated through formal agreements with agents and brokers

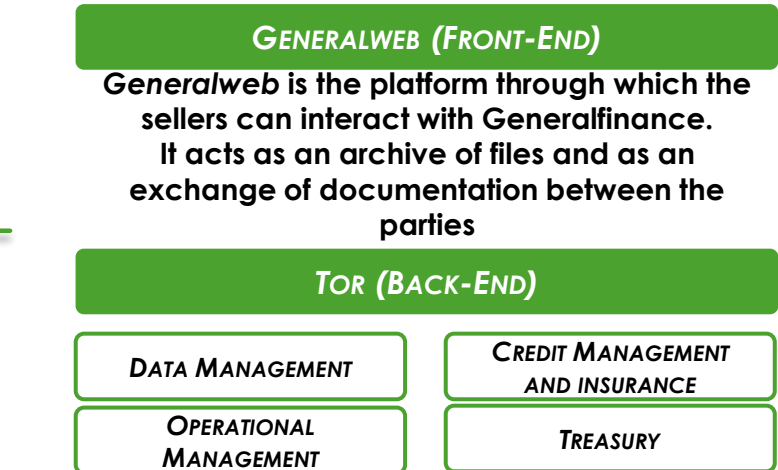
Turnover generated by... (%)	2019A	2020A	2021A	Q3 2022
Generalfinance's Network	93%	96%	96%	97%
Third Parties	7%	4%	4%	3%



OPERATIONS

Generalfinance is among the few Italian Factors to have developed an **in-house proprietary platform** allowing for **custom solutions** (scoring in c.15 days)

The proprietary platform enables to **perform further additional analysis and guarantees a high level of flexibility and a constant monitoring activity**



€K	2019A	2020A	2021A	Q3 2022
Capex- Intangibles	199	611	1,096	473
Capex - Tangibles	487	456	547	311
Total CapEx	686	1,067	1,685	784

Notes: Data as of september 2022
Source: Management

Top line components

SINCE 2016, GENERALFINANCE HAS ADOPTED IAS/IFRS ACCOUNTING STANDARDS

PRO SOLVENDO FACTORING

Factoring Commissions

+

Other Commissions

+

Interest Income

+

Interests and commissions derived from delay in payments

- Deducting from allocated amount
- Accounted in financial statements through accrued income or by cash (other commissions)

- Accounted by cash at the payment time
- Settled within the DPP (Deferred Purchase Price) framework

PRO SOLUTO FACTORING¹

Factoring Commissions

+

Other Commissions

+

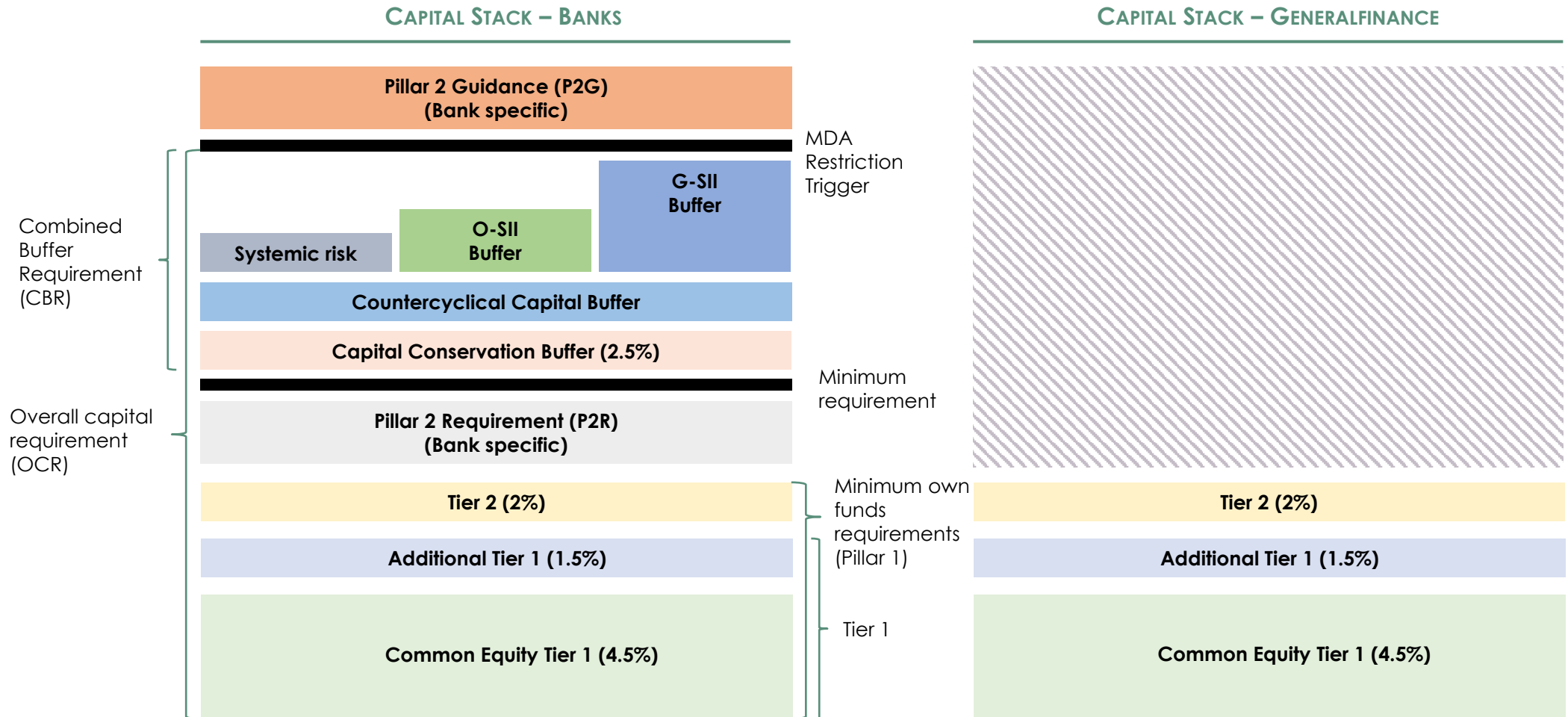
Interest Income

SIMPLE AND TRANSPARENT P&L PAIRED WITH ALMOST NO VOLATILITY OF FAIR VALUE / CREDIT ADJUSTMENT

Revenues' generation – example

PRO SOLVENDO TRANSACTION		Formula	P&L Accounting
Invoice's nominal value	100.000	a	
Advance rate	80,00%	b	
Gross disbursed amount	80.000	$c = a \times b$	
Maturity of disbursed amount (days)	88	e	
Contractual interest rate	4,00%	f	
Interest revenues	789,04	$g = (c \times f \times (e+2)) / 365$	Prepayment
DSO	90	h	
Monthly commission rate	0,50%	i	
Commission revenues	1.500,00	$l = a \times i \times (h/30)$	Prepayment
Total revenues	2.289,04	$m = g + l$	Prepayment
Net disbursed amount	77.710,96	$n = c - m$	
Delay in payment (days)	5	o	
Delay in payment interest rate	5,00%	p	
Delay in payment commission rate	0,50%	q	
Delay in payment interest revenues	54,79	$r = (c \times p \times o) / 365$	Cash basis
Delay in payment commission revenues	83,33	$s = a \times q \times (o/30)$	Cash basis
Delay in payment total revenues	138,13	$t = r + s$	Cash basis
Non-advance amount	20.000	$u = a - c$	
Net settlement	19.861,87	$v = u - t$	

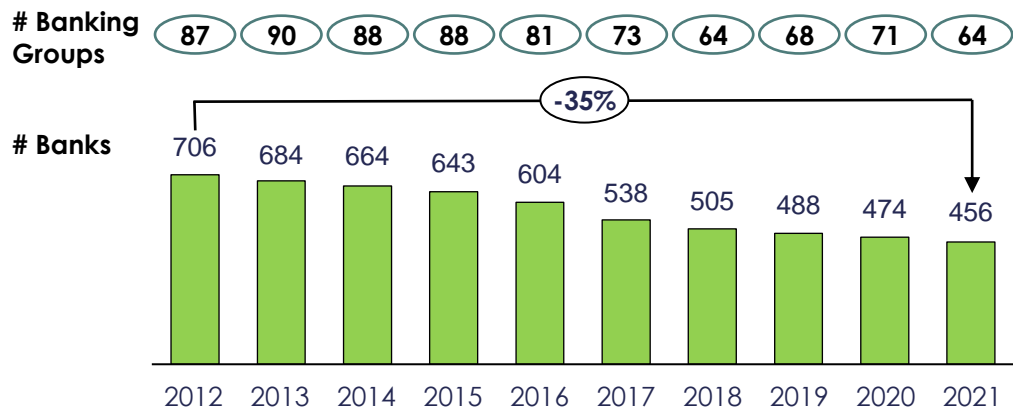
Capital Stack – A capital light lending business



Source: Management

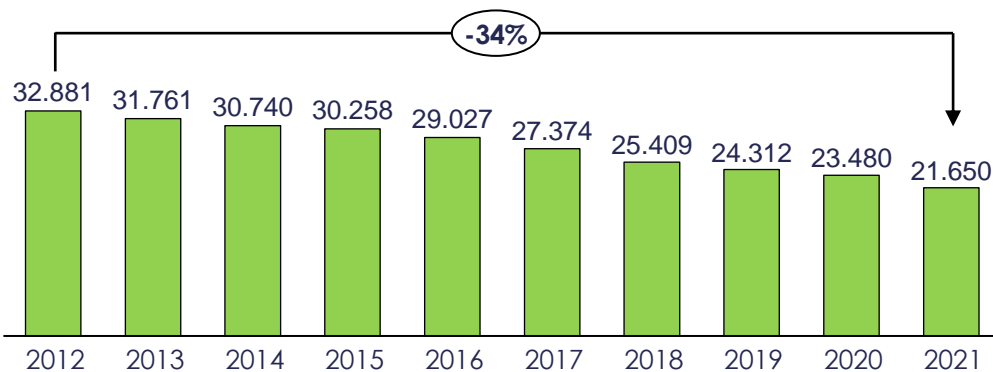
Main trends in the Italian Banking System

NUMBER OF BANKS AND BANKING GROUPS (2012-2021)



At the end of 2021, around 450 banks belonging to more than 60 banking groups were operating in Italy. The consolidation of the sector that began in recent years has led to a 35% reduction in the number of market players

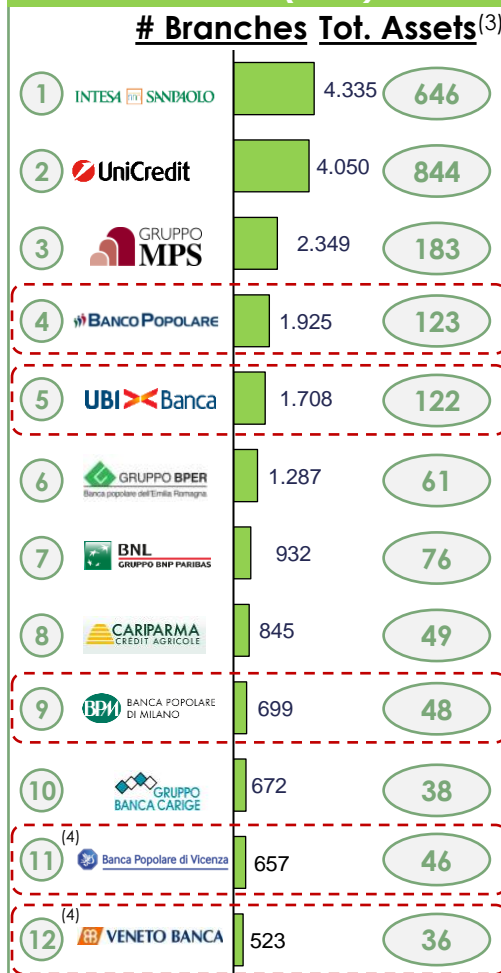
NUMBER OF BANK BRANCHES (2012-2021)



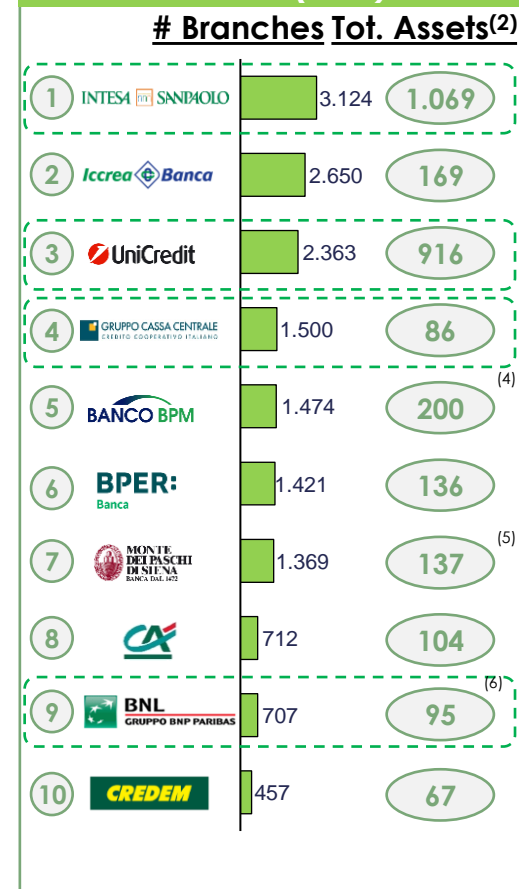
At the end of 2021, the number of bank branches amounted to approximately 21,600, spread across more than 60 banking groups, with a reduction of around 34% compared to 2012

EVOLUTION OF MARKET SHARES OF BANKING GROUPS

Ranking of Italian Banks by Branches (2014)¹



Ranking of Italian Banks by Branches (2021)²



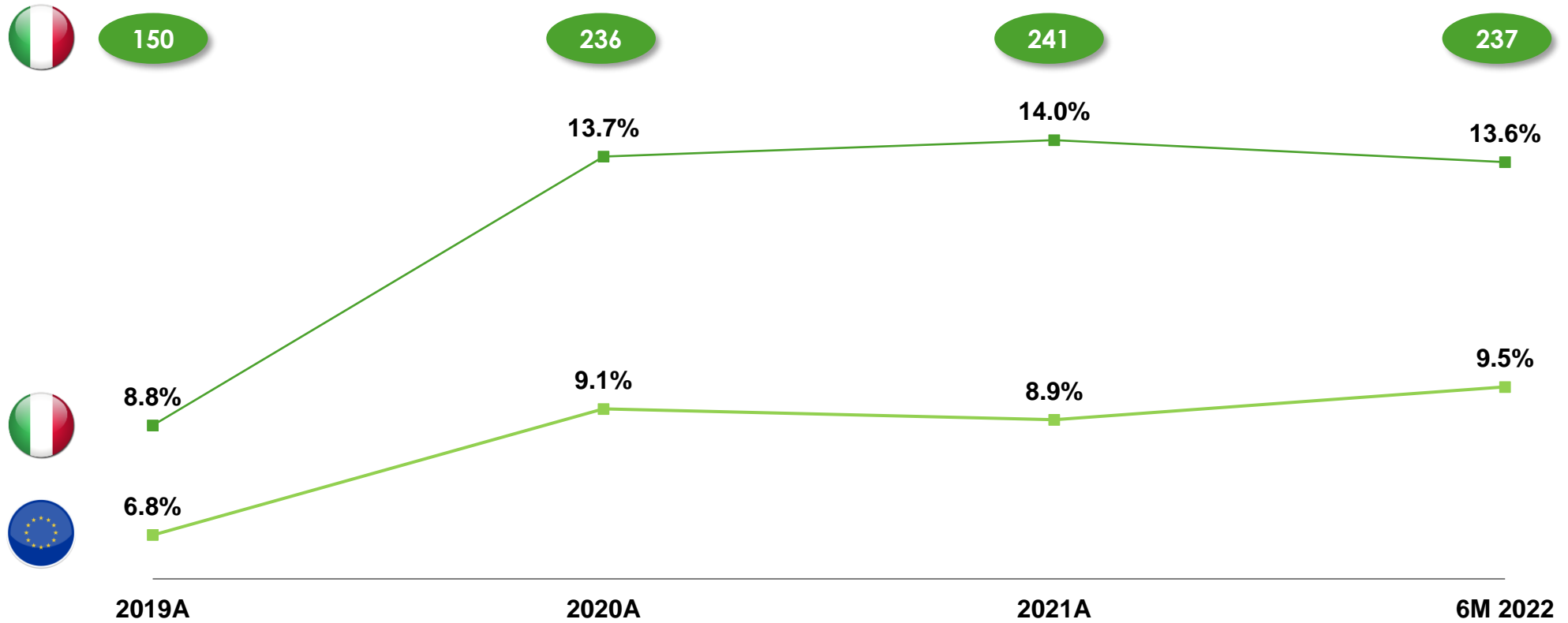
 Legal entities that disappeared as a result of extraordinary finance transactions

 New significant players in the Italian banking system (vs 2014)

The evolution of stage 2 credits in Italy and Europe

- The share of stage 2 loans has been rising since 2019 across the EU, indicating a general expectation of credit risk worsening.

EVOLUTION OF STAGE 2 CREDITS⁽¹⁾ (%; €mn)



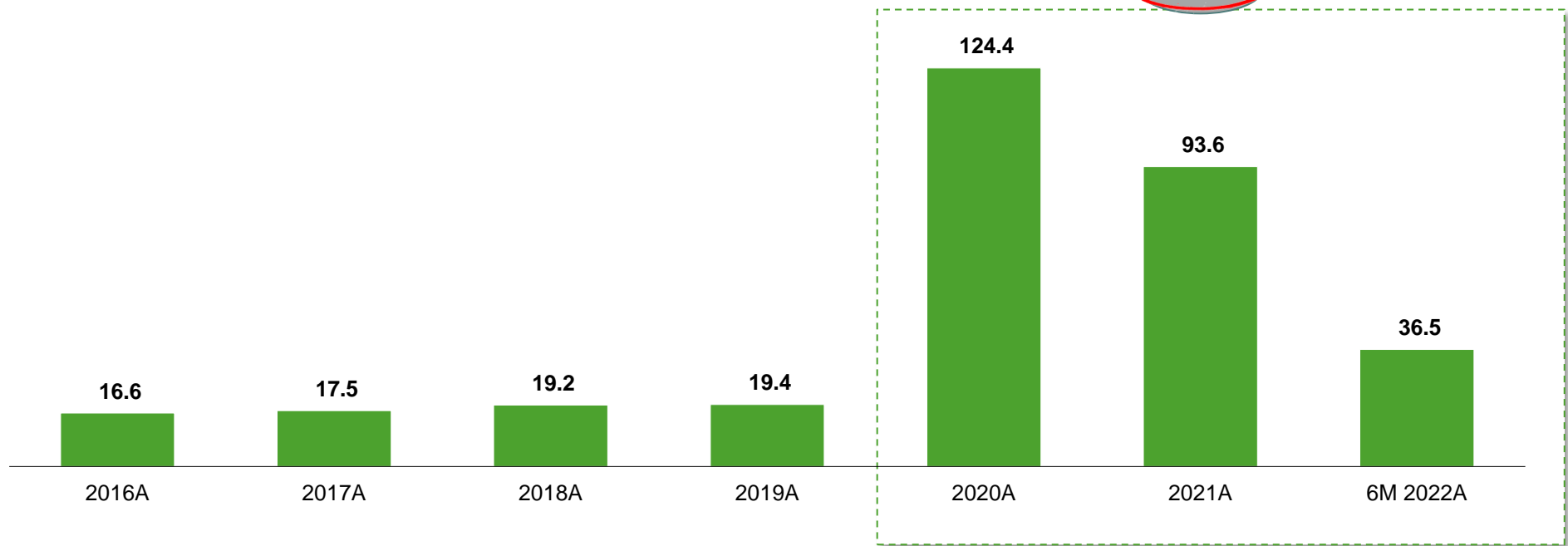
Government guarantees

ACCEPTED FUNDING REQUESTS (€ bn; #)

N° of Operation (# '000)	114.5	119.9	129.4	125.0	1,585	999.1	187.1
Guaranteed amount(€ bn)	11.5	12.3	13.6	13.3	105.9	67.6	29.0

Total amount
'20 - 6M '22

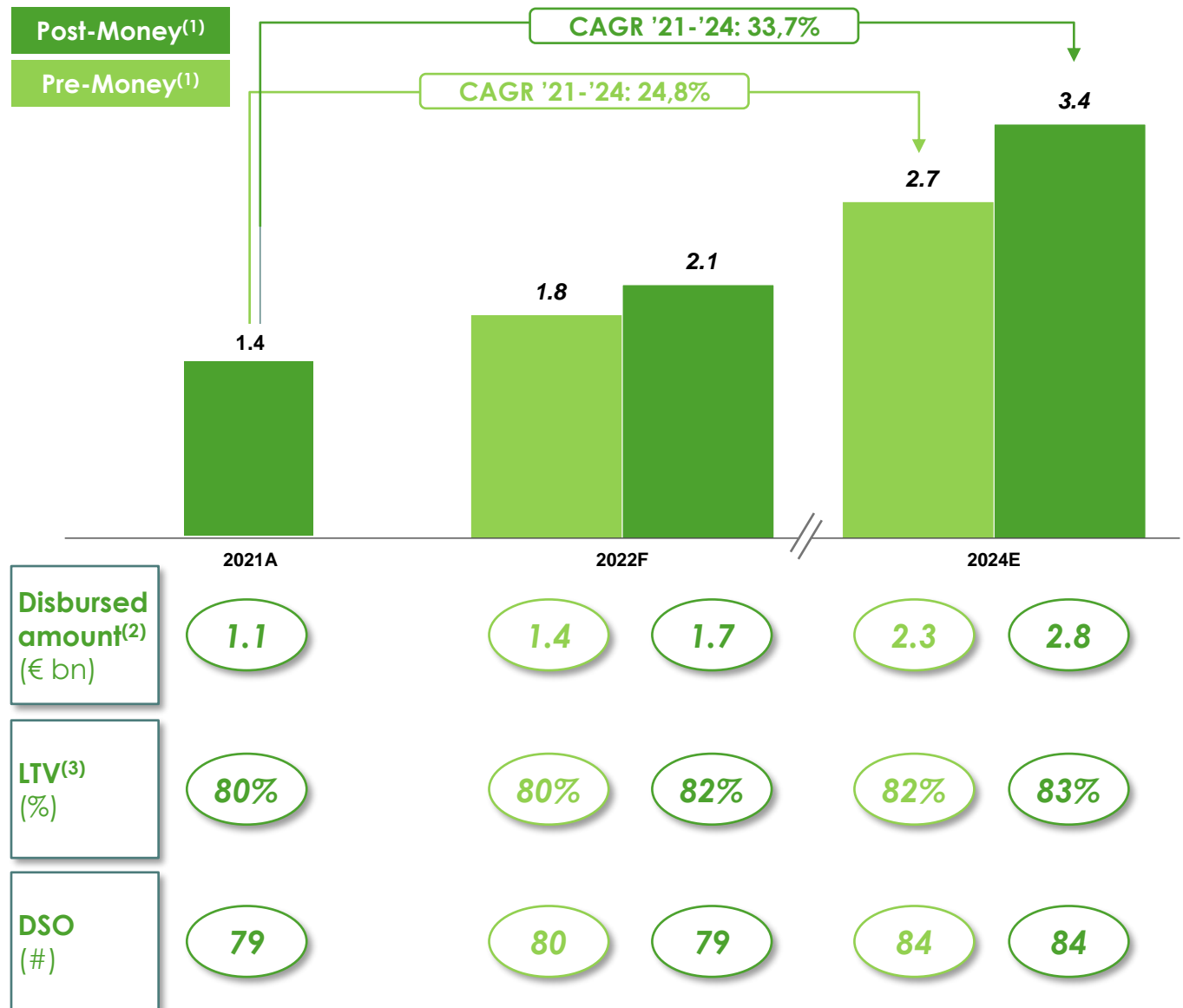
254.5



Source: Ministero dello sviluppo economico

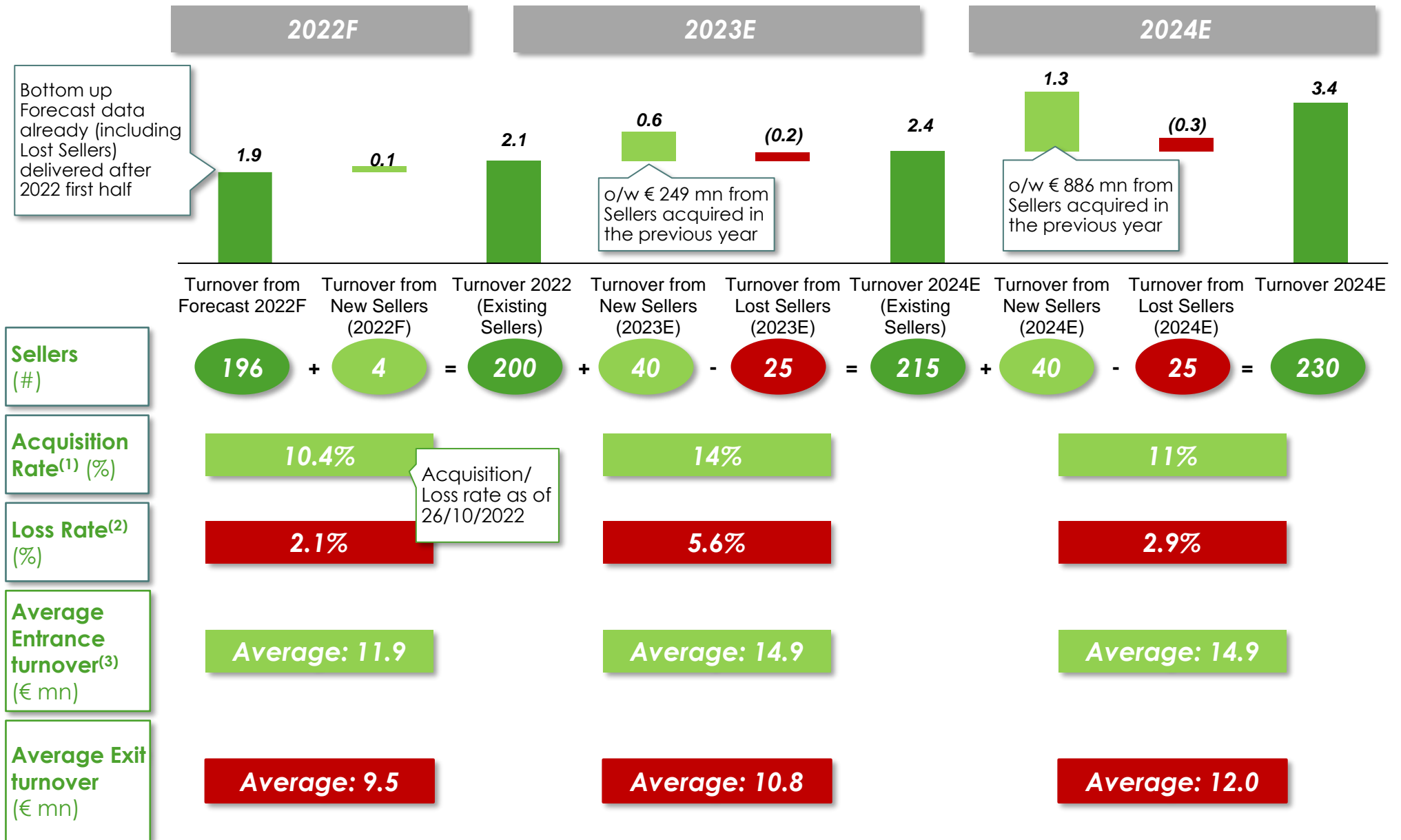
Turnover evolution

- Turnover reach € **3.4 bn** in **2024** based on the following assumptions:
 - Favorable target **market development**
 - Increase in average **Companies revenues** over the plan
 - Acquisition of more than **30 net new corporate sellers** over the plan
- The average turnover for each seller will grow because Generalfinance is **shifting its portfolio mix to larger (corporate) sellers** than before



Note: (1)It includes future receivables (2) Disbursed amount is the portion of the trade receivable that is paid by the customer (3) LTV: Loan to Value

Turnover and number of sellers evolution over the Plan



Note: (1) turnover from new seller / turnover of the year; (2) turnover related to lost sellers / turnover of the year; (3) 1st year entrance Turnover
Corporate Seller: > 20M Revenues; Retail Seller: < 20M Revenues

1°
giorno di
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GENERALFINANCE

THIRD QUARTER RESULTS AND STRATEGIC PLAN 2022-2024

