

<p>Informazione Regolamentata n. 1693-9-2023</p>	<p>Data/Ora Ricezione 10 Febbraio 2023 19:42:15</p>	<p>Euronext Star Milan</p>
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Societa' : GENERALFINANCE S.p.A.

Identificativo : 172399

Informazione
Regolamentata

Nome utilizzatore : GENERALFINANCEN01 - Saviolo

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Diffusione presunta

Oggetto : Results as at 31 december 2022 approved,
40th year since establishment

Testo del comunicato

Vedi allegato.



RESULTS AS AT 31 DECEMBER 2022 APPROVED, 40th YEAR SINCE ESTABLISHMENT

In the first half of the year, the listing on the STAR segment of the Euronext Milan market was completed, with a total amount placed of €38.5 million, of which €20.2 million for capital strengthening, to support the development of the core business

*Generalfinance closed the year 2022 with an adjusted net profit¹ up by 28% YoY of €12.1 million
Strong growth in core business, turnover² at €2,009 million (+43%) and €1,674 million of disbursements (+50%)*

The excellent credit quality was confirmed: gross NPE ratio³ at 0.35% and cost of risk⁴ at 7 basis points

Total dividends proposed to the Shareholders' Meeting of €5.4 million with a payout of approximately 50% and a dividend yield - on the stock market price of the shares as at 9 February 2023 - of 6%

INCOME PERFORMANCE

- Net interest and other banking income at €30.9 million, +29% over 2021
- Adjusted net profit of €12.1 million, +28% over 2021
- ⁵Adjusted cost/income ratio of 38% compared to 41% in 2021
- ⁶Adjusted ROE of 26%, significantly higher than the cost of capital

¹ Calculated net of non-recurring expenses related to the IPO process - totalling approximately €1.6 million - and the related higher tax rate for certain non-deductible expenses.

² Turnover including operations involving advances on future receivables

³ Gross non-performing loans divided by gross loans to customers

⁴ Net value adjustments on loans divided by annual disbursement

⁵ Operating costs - net of non-recurring expenses - divided by net interest and other banking income

⁶ Adjusted net profit divided by equity minus net profit

FURTHER GROWTH IN THE CORE BUSINESS

- Flow of loans disbursed at €1,674 million, +50% YoY
- Turnover² at €2,009 million, +43% over 2021
- Roughly 80% of advances covered by insurance guarantee, through the long-established strategic partnership with Allianz Trade, a global leader in credit insurance

Milan, 10 February 2023. The Board of Directors of Generalfinance - meeting under the chairmanship of **Maurizio Dallochio** - approved the draft financial statements for 2022, which show a **net profit of €10.9 million (€12.1 million on an adjusted basis)**, up significantly (+15% on a stated "basis" and +28% on an "adjusted" basis) compared to 2021 and **shareholders' equity of €56.8 million**.

Massimo Gianolli, Chief Executive Officer of Generalfinance, declared: *"2022 was a crucial year in the life of our company; based on an understanding with our shareholder, Crédit Agricole Italia, we completed the listing of Generalfinance's shares on Euronext Milan, Euronext STAR Milan segment, a strategic transaction for us, given that it enabled us to raise €20 million in new capital. We then approved a new three-year business plan, with which we intend to grow further as part of our core business, the financing of distressed companies through the disposal of working capital.*

From a commercial point of view, we recorded significant growth in the flow of disbursements during the year, amounting to €1,674 million, +50% compared to 2021, with revenues up by 29%; that confirming the growth trend in a liquidity shortage context for companies that are distressed or with low ratings - our target customers - which have limited access or no access to bank credit, concentrated primarily on low risk counterparties or on medium-/long-term loans guaranteed by the State.

I would like to thank all my team and all the stakeholders for the remarkable results achieved last year."

Main reclassified income statement data (in thousands of Euro) - "stated" data

Income for:	Year 2022	Year 2021	Change
Interest margin	7,267	6,231	17%
Net fee and commission income	23,596	17,691	33%
Net interest and other banking income	30,865	23,925	29%
Operating costs	-13,188	-9,781	35%
Pre-tax profit from current operations	16,470	13,926	18%
Profit for the year	10,885	9,453	15%

Key balance sheet data (in thousands of Euro)

Balance sheet item	Year 2022	Year 2021	Change
Loans to customers	385,434	321,044	17%
Financial liabilities measured at amortised cost	368,388	314,641	15%
Shareholders' equity	56,775	31,966	44%
Total assets	443,815	365,269	18%

Main performance indicators - "stated" data

Indicator	Year 2022	Year 2021
ROE	24%	42%
Cost/Income ratio	43%	41%
Net interest income/Net interest and other banking income	24%	26%
Net fee and commission income/Net interest and other banking income	76%	74%

Economic data and operating structure

Net interest income amounted to €7.3 million, up (+17%) compared to 2021, mainly due to the growth in loans disbursed, in addition to the increase in market rates (3-month Euribor) in the second part of the year, which led to an increase in interest income for the variable rate advances component.

Net fee and commission income amounted to €23.6 million, up compared to €17.7 million in 2021 (+33%). The trend in fee and commission income was affected by the highly positive trend in turnover (+43% year on year), reflecting the excellent commercial and operating performance of the Company during the year.

Net interest and other banking income amounted to €30.9 million (+29%), while net value adjustments on loans amounted to €1.2 million, for a **cost of risk** - adjustments divided by annual disbursement - equal to 7 basis points.

Operating costs amounted to €13.2 million and increased by 35%; this increase is partly attributable to the extraordinary costs linked to the IPO transaction completed in June, which amounted to a total of €1.6 million (€0.2 million for personnel expenses and €1.4 million for other administrative expenses, mainly related to professional services). In the absence of these extraordinary costs, operating costs would amount to €11.6 million (+19% over 2021).

Taking into account the **tax** item of approximately €5.6 million, the **net result for the period** amounted to €10.9 million compared to €9.5 million recorded in 2021 (+15%). Net of extraordinary costs and the related

tax effect, **adjusted net profit** amounted to €12.1 million, +28%. At the end of the year, Generalfinance had **63 employees compared to 53 at the end of 2021**.

Balance sheet, funding and asset quality data

Net loans to customers stood at €385 million, up by 17% compared to 31 December 2021, due mainly to the increase in the flow of loans disbursed, which rose from €1,118 million in 2021 to €1,674 million in 2022 (+50%). The **disbursement percentage** or **LTV** - ratio of the amount disbursed to turnover in the year - increased from 80% in 2021 to 83% in 2022; the **DSO (Days Sales Outstanding)** decreased from 80 in 2021 to 75 in 2022, reflecting the extremely low and falling asset duration profile.

Within the aggregate, **gross non-performing loans** totalled €1.35 million, with a **gross NPE ratio** of approximately 0.35%, in line with the previous year. The coverage of non-performing loans stood at around 33%.

Cash and cash equivalents - largely represented by sight loans to banks - amounted to approximately €43.7 million - confirming the prudent liquidity management profile - while **total balance sheet assets** amounted to €443.6 million, compared to €365.3 million at the end of 2021.

Property, plant and equipment - operating properties and rights of use relating to property and operating assets - amounted to €4.9 million, in line with the same period of the previous year.

Financial liabilities measured at amortised cost, equal to €368.4 million, are made up of payables of €331.2 million and securities issued of €37.2 million.

Payables are mainly represented by the RCF pool loan stipulated in January (€133.6 million) with some Italian banks, in addition to the other bilateral lines with banks and factoring companies. In addition, the item includes the payable to the vehicle (€134.5 million) relating to the securitisation transaction concluded in December 2021, which saw the entry, in the current year, of Intesa Sanpaolo and Banco BPM as senior lenders, in addition to BNP Paribas.

The securities consist of two subordinated bonds issued, in addition to the commercial paper issued at the reporting date.

Impact resulting from the conflict between Russia and Ukraine

Also with reference to what is indicated by ESMA in the public statement "Implications of Russia's invasion of Ukraine on half-yearly financial reports" on 14 March 2022 and to the CONSOB communication of 19 March 2022 "Conflict in Ukraine: CONSOB warnings for supervised issuers on financial reporting and on the obligations related to compliance with the restrictive measures adopted by the European Union against Russia, as well as on the obligations of managers of online portals", in the context of the constant monitoring of its loan portfolio the Company has paid particular attention, on the geopolitical front, to the developments of the conflict between Ukraine and Russia, which resulted in the invasion by Russia of the Ukrainian territory starting on 24 February 2022 and in the imposition of economic sanctions by the European Union, Switzerland, Japan, Australia and NATO countries on both Russia and Belarus and some representatives of

these countries; starting from February 2022, the conflict and the sanctions have had significant negative repercussions on the global economy, also taking into account the negative effects on the trend in raw material costs (with particular reference to the prices and availability of electricity and gas), as well as on the performance of the financial markets.

In said context, it should be stressed that Generalfinance has zero direct presence in the Russian/Ukrainian/Belarusian market (areas directly impacted by the conflict), since the Company has factoring relations solely with transferors active in Italy. **With reference to the Transferred Debtors based in Russia, Ukraine and Belarus, Generalfinance has an extremely limited overall exposure, as at 31 December 2022, of €0.1 million, significantly down on the exposure as at 31 December 2021 (€2.6 million); this exposure accounts for less than 0.1% of gross receivables from customers.** Since the invasion of Ukraine, Generalfinance has suspended the credit lines relating to Transferred Debtors operating in the countries directly involved in the conflict.

Shareholders' equity and capital ratios

Shareholders' equity as at 31 December 2022 amounted to €56.8 million, compared to €32 million as at 31 December 2021. The change in equity is mainly determined by the increase in capital carried out in the context of the IPO for approximately €20.2 million - less the costs directly attributable to the transaction transited to shareholders' equity, net of the related tax effect (€1.7 million) - as well as the allocation of the profit for 2021 to the reserve, for €4.7 million.

The **capital ratios** of Generalfinance show the following values:

- CET1 ratio 14.55%;
- TIER1 ratio 14.55%;
- Total Capital ratio 17.61%.

The ratios are well above the minimum regulatory values set forth in Bank of Italy Circular 288.

Significant events after the end of the year

As of today's date, no significant events occurred after the end of the year.

Business outlook

The positive trend in commercial activity recorded in 2022 - trend in turnover, loans disbursed and the customer base - and the favourable reference context for Generalfinance's activities allows us to look at the Company's economic and financial performance in 2023 with optimism. In fact, the Company expects further growth in profits compared to those achieved in 2022 and in line with the objectives defined in the recent Strategic Plan.

Dividends

The Board of Directors - taking into account the need to continuously strengthen the capital ratios in line with the long-term strategic objectives - proposes to allocate the net profit for the year as follows:

- a cash **dividend** to shareholders (gross of legal withholdings) of **€0.43 for each ordinary share** with coupon detachment on 03 April 2023. Pursuant to Article 83-terdecies of Italian Legislative Decree no. 58 (TUF) of 24 February 1998, the entitlement to pay the dividend is determined with reference to the records of the intermediary's accounts pursuant to Article 83-quater, paragraph 3 of the TUF, at the end of the accounting day of 4 April 2023 (record date); the payment will be made from 5 April 2023 through the authorised intermediaries with which the shares are registered in the Monte Titoli System. Based on the share price as at 9 February, the dividend yield of the share is 6%. The total dividend therefore amounts to €5,433,078.38.
- €185,313.80 to increase the **legal reserve**, up to one fifth of the share capital.
- **To reserves** - in particular to the Extraordinary Reserve - for the residual amount of €5,266,995.01.

Finally, it should be noted that, at the meeting of 8 February 2023, pursuant to recommendation 9 of the Corporate Governance Code, the Board of Statutory Auditors periodically verified the independence requirements of its members and conducted the periodic self-assessment of the body with regard to the continued possession of the requirements envisaged for its members as well as with regard to the correctness and effectiveness of its functioning. As a result of the checks carried out, it emerged that the Board of Statutory Auditors meets the requirements of integrity and independence envisaged by Article 2, rec. 7, of the Corporate Governance Code and the professionalism requirements envisaged for the assumption of the office as well as the correctness and effectiveness of its functioning.

Mr Ugo Colombo, as Financial reporting manager, hereby states that, pursuant to paragraph 2, Article 154-bis of the TUF (Consolidated Law on Finance), the accounting information contained in this press release corresponds to the documentary results, the books and the accounting records.

Generalfinance's results as at 31 December 2022 will be presented to the financial community in a **conference call set for 13 February 2023 at 09.00 (C.E.T.)**. A set of slides supporting the presentation will be available by the next day, before the start of the conference call, on the corporate website

<https://www.generalfinance.it/bilanci-e-relazioni/>. The conference call will be conducted in Italian and in English.

To connect to the conference call, phone the following numbers:

ITALY:	+39 02 802 09 11
UK:	+44 1 212818004
PRESS:	+39 02 802 09 27

The Financial Statements as at 31 December 2022 will be made available to the public, according to law, at the company's registered office and at Borsa Italiana, as well as on the website www.generalfinance.it and on the website of the authorised storage mechanism www.emarketstorage.com.

GENERALFINANCE

Founded in 1982 and led by Massimo Gianolli for over 30 years, Generalfinance is a supervised financial intermediary specialised in factoring, able to guarantee rapid and customised interventions according to the different needs of its customers. Operating from its two offices in Milan and Biella with a team of roughly 60 professionals, Generalfinance is a leader in the segment of factoring for distressed companies.

Generalfinance S.p.A.

Chief Financial Officer - Investor Relations

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BALANCE SHEET

(values in Euro)

Asset items		31/12/2022	31/12/2021
10.	Cash and cash equivalents	43,725,230	33,458,171
20.	Financial assets measured at fair value through profit or loss	20,300	28,415
	<i>c) other financial assets mandatorily measured at fair value</i>	20,300	28,415
40.	Financial assets measured at amortised cost	385,434,057	321,043,769
	<i>c) loans to customers</i>	385,434,057	321,043,769
80.	Property, plant and equipment	4,865,994	4,922,460
90.	Intangible assets	2,047,798	1,670,567
	- of which goodwill	0	0
100.	Tax assets	4,572,048	1,191,075
	<i>a) current</i>	4,148,970	927,209
	<i>b) deferred</i>	423,078	263,866
120.	Other assets	3,149,078	2,954,436
Total assets		443,814,505	365,268,893

Liabilities and shareholders' equity items		31/12/2022	31/12/2021
10.	Financial liabilities measured at amortised cost	368,388,464	314,640,957
	<i>a) payables</i>	331,170,709	283,616,382
	<i>b) securities issued</i>	37,217,755	31,024,575
60.	Tax liabilities	4,927,373	1,234,511
	<i>a) current</i>	4,880,108	1,234,511
	<i>b) deferred</i>	47,265	0
80.	Other liabilities	11,585,712	15,797,060
90.	Severance pay	1,316,956	1,353,695
100.	Provisions for risks and charges	821,254	276,528
	<i>b) pension and similar obligations</i>	142,487	118,452
	<i>c) other provisions for risks and charges</i>	678,767	158,076
110.	Share capital	4,202,329	3,275,758
140.	Share premium reserve	25,419,745	7,828,952
150.	Reserves	16,171,811	11,445,129
160.	Valuation reserves	95,474	(37,061)
170.	Profit (loss) for the year	10,885,387	9,453,364
Total liabilities and shareholders' equity		443,814,505	365,268,893

INCOME STATEMENT

(values in Euro)

	Items	31/12/2022	31/12/2021
10.	Interest income and similar income	14,013,202	9,203,533
	of which: interest income calculated using the effective interest method	14,013,202	9,203,533
20.	Interest expense and similar charges	(6,745,881)	(2,972,440)
30.	Interest margin	7,267,321	6,231,093
40.	Fee and commission income	27,426,186	20,800,830
50.	Commission liabilities	(3,829,758)	(3,109,826)
60.	Net fee and commission income	23,596,428	17,691,004
70.	Dividends and similar income	584	184
80.	Net profit (loss) from trading	(299)	(185)
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	857	2,555
	<i>b) other financial assets mandatorily measured at fair value</i>	857	2,555
120.	Net interest and other banking income	30,864,891	23,924,651
130.	Net value adjustments/write-backs for credit risk of:	(1,206,562)	(217,254)
	<i>a) financial assets measured at amortised cost</i>	(1,206,562)	(217,254)
150.	Net profit (loss) from financial management	29,658,329	23,707,397
160.	Administrative expenses	(13,044,192)	(8,672,511)
	<i>a) personnel expenses</i>	(6,748,499)	(5,235,531)
	<i>b) other administrative expenses</i>	(6,295,693)	(3,436,980)
170.	Net provisions for risks and charges	(24,035)	(214,231)
	<i>b) other net provisions</i>	(24,035)	(214,231)
180.	Net value adjustments/write-backs on property, plant and equipment	(737,841)	(713,412)
190.	Net value adjustments/write-backs on intangible assets	(335,855)	(231,268)
200.	Other operating income and expenses	953,950	50,128
210.	Operating costs	(13,187,973)	(9,781,294)
260.	Pre-tax profit (loss) from current operations	16,470,356	13,926,103
270.	Income taxes for the year on current operations	(5,584,969)	(4,472,739)
280.	Profit (loss) from current operations after tax	10,885,387	9,453,364
300.	Profit (loss) for the year	10,885,387	9,453,364

Fine Comunicato n.1693-9

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