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GENERALFINANCE

1Q24 Results



April, 2024

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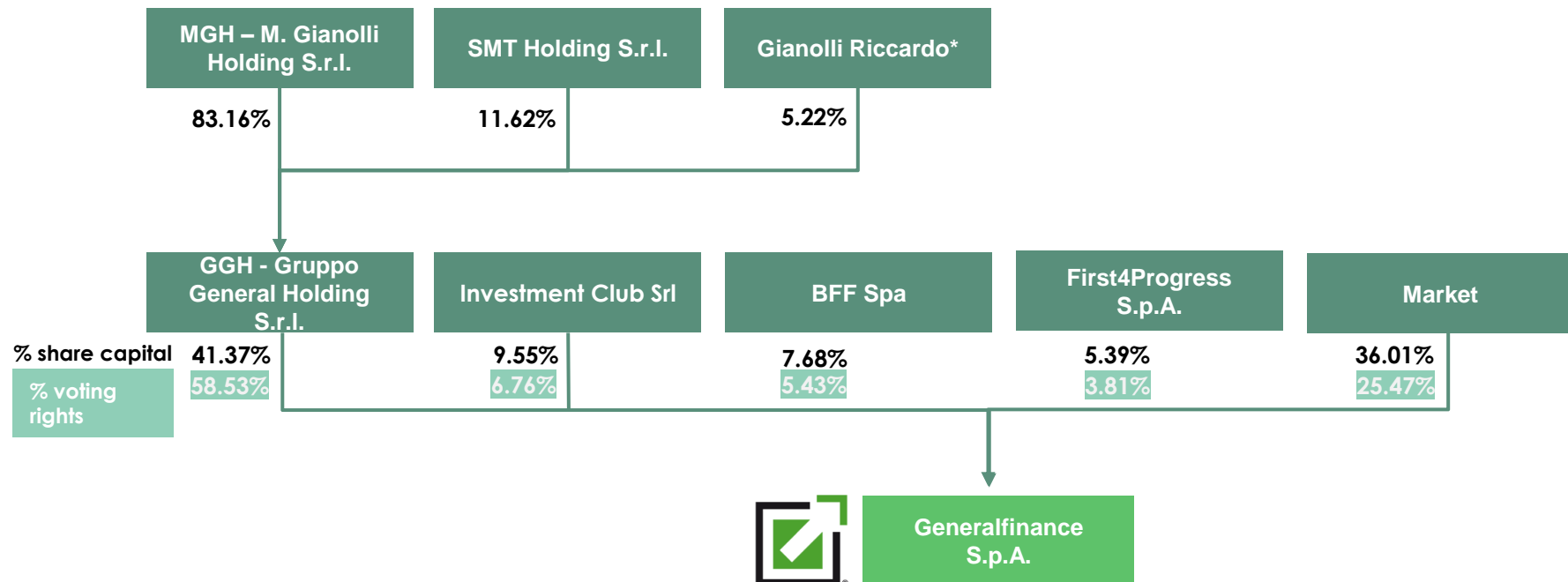
Agenda

- **Main 1Q 2024 Results**
- **Focus on Asset Quality and Digital Factoring**
- **1Q 2024 Results: Balance Sheet, P&L, Funding and Capital**
- **Closing Remarks**
- **Annexes**

Main 1Q 2024 Results

Strong and long term oriented shareholder base

Updated shareholders' structure

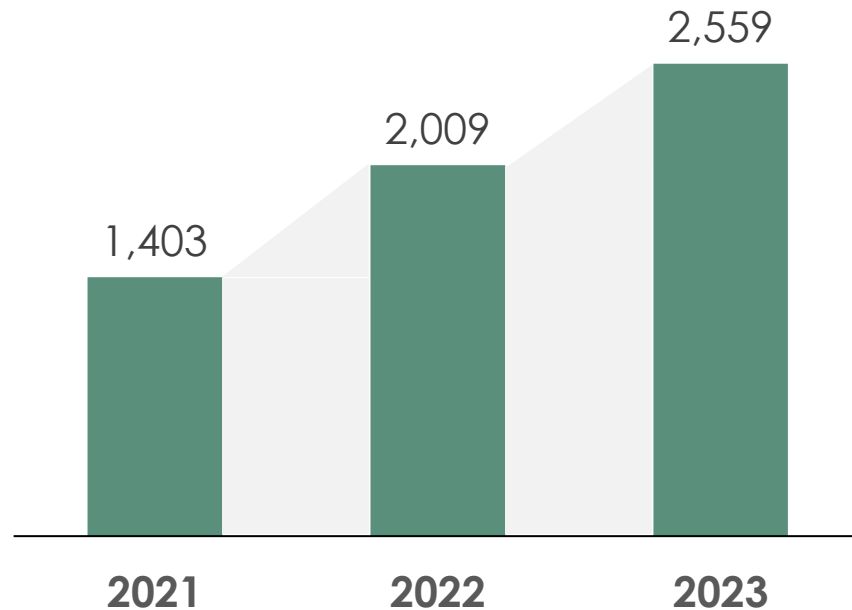


Turnover witnessing a strong growth story

Growth in Turnover Volume (€M)

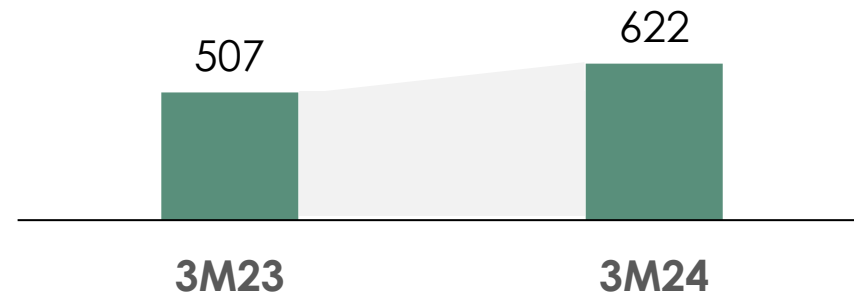
Data in €mln

CAGR
'21-'23
+35%



Data in €mln

VAR. YOY
23-24
+23%



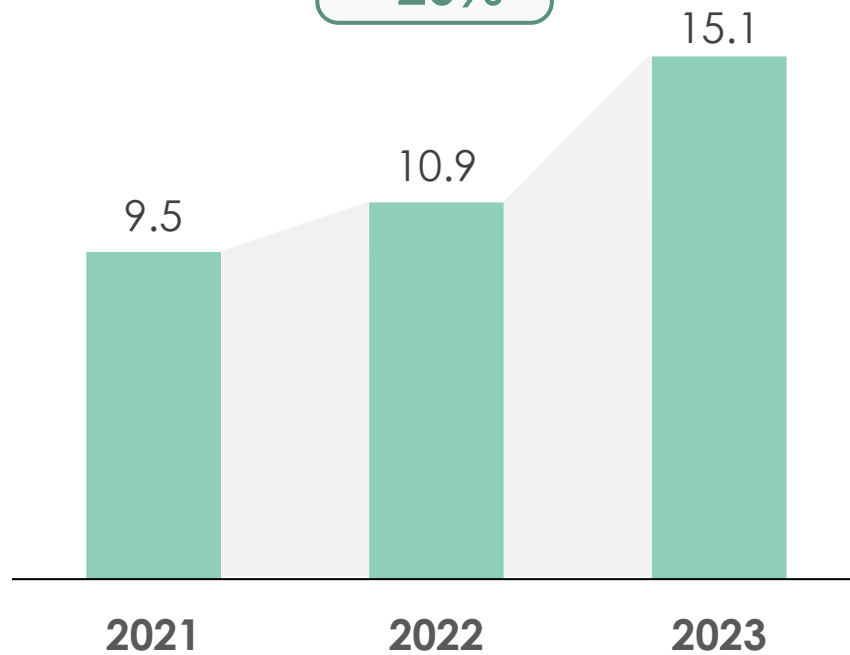
2024 annual growth rate (23%) well above the market average (+3%)

Net Income: high profitability from the operations

Growth in net income (€M)

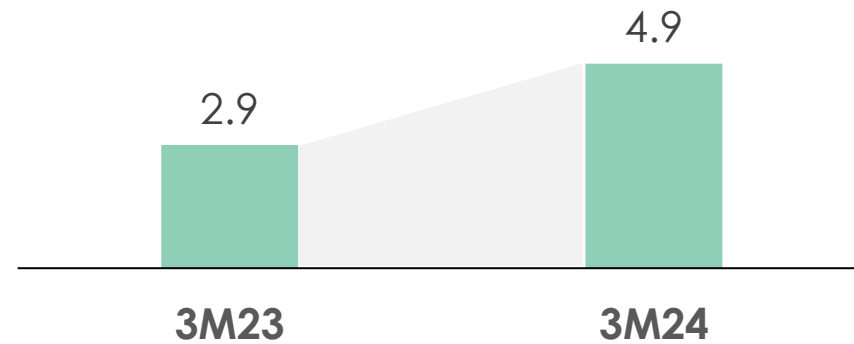
Data in €mln

CAGR
'21-'23
+26%



Data in €mln

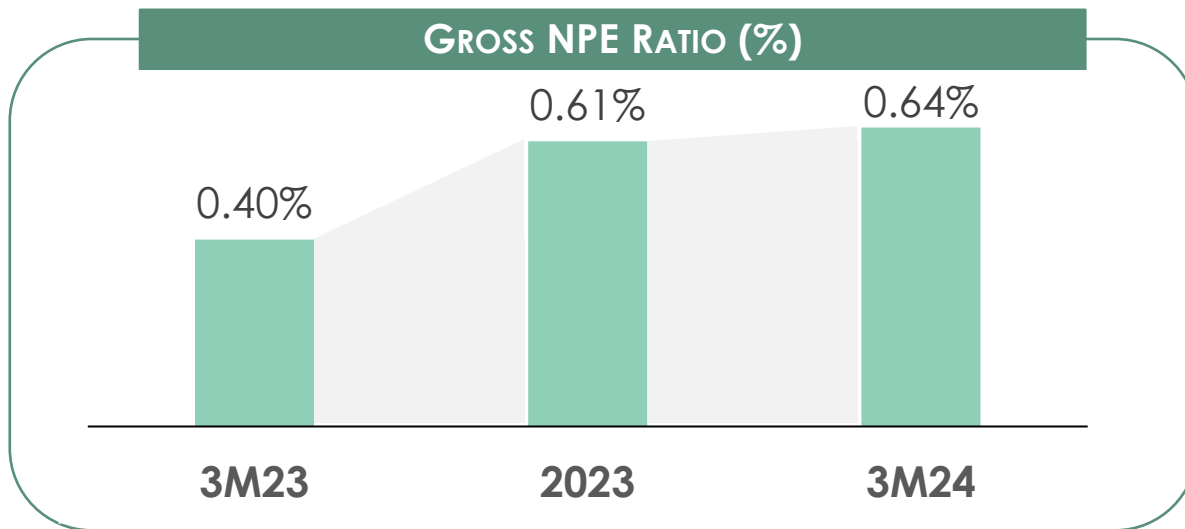
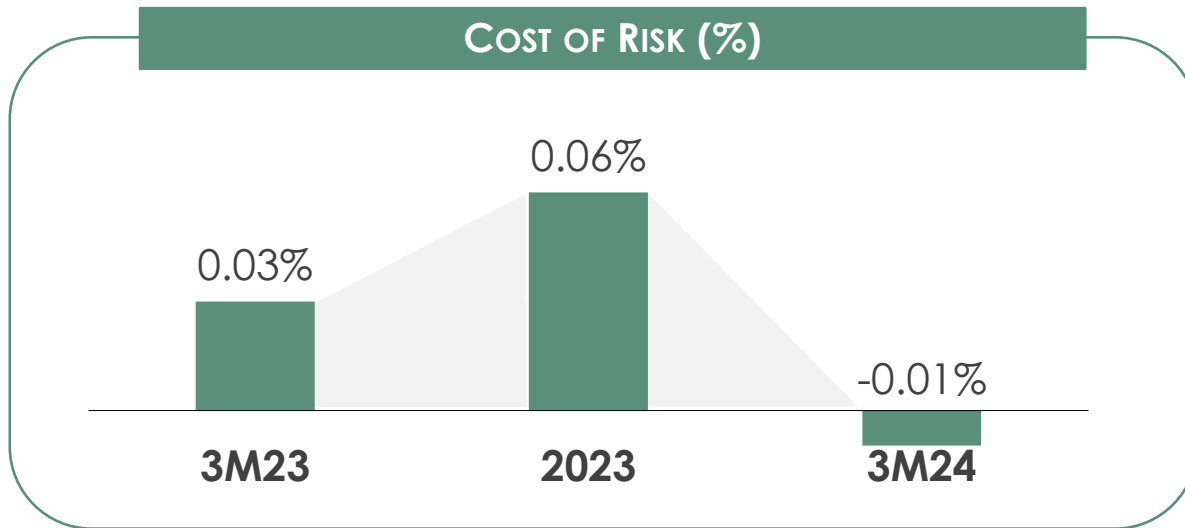
VAR. YOY
23-24
+66%



Profitability level very strong, in line with 2024 Budget

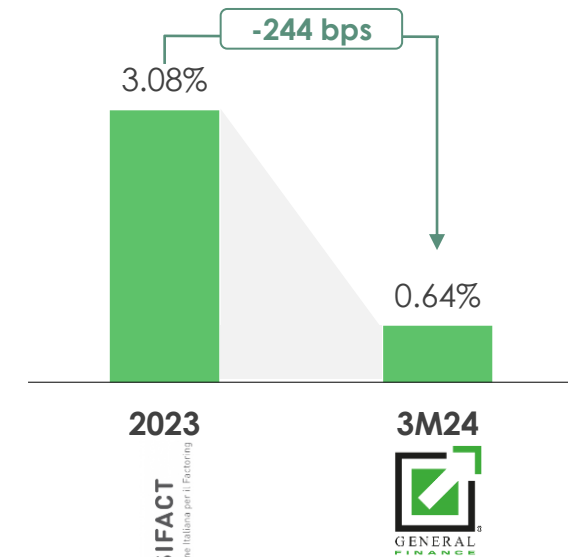
Focus on Asset Quality and Digital Factoring

A low risk model with a best in class asset quality



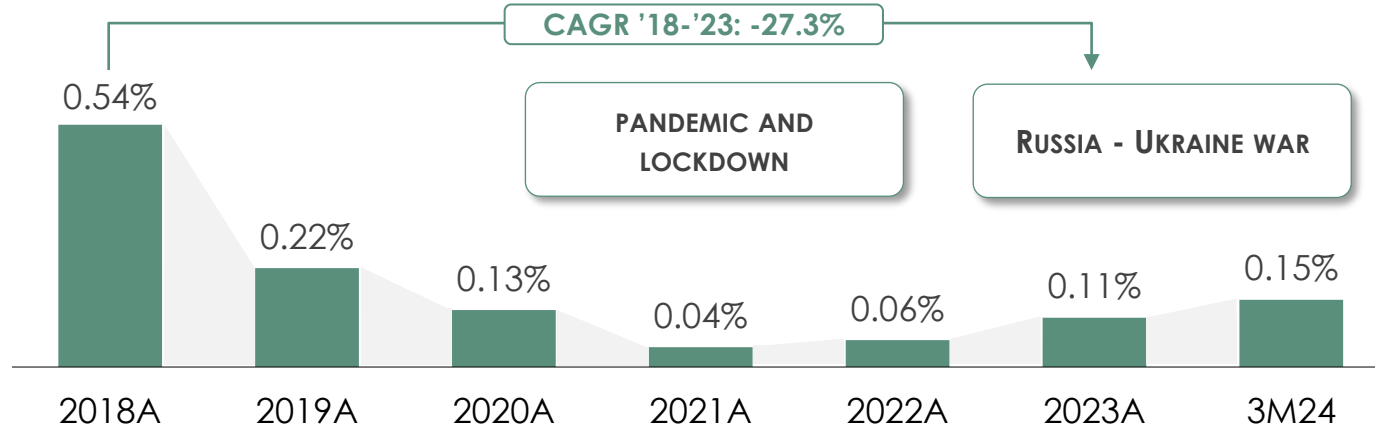
Gross NPE Ratio Benchmarking

Generalfinance has **lower cost of risk and non-performing exposure compared to the market** thanks to its unique and effective business model enabling a constant **mitigation of credit risk**

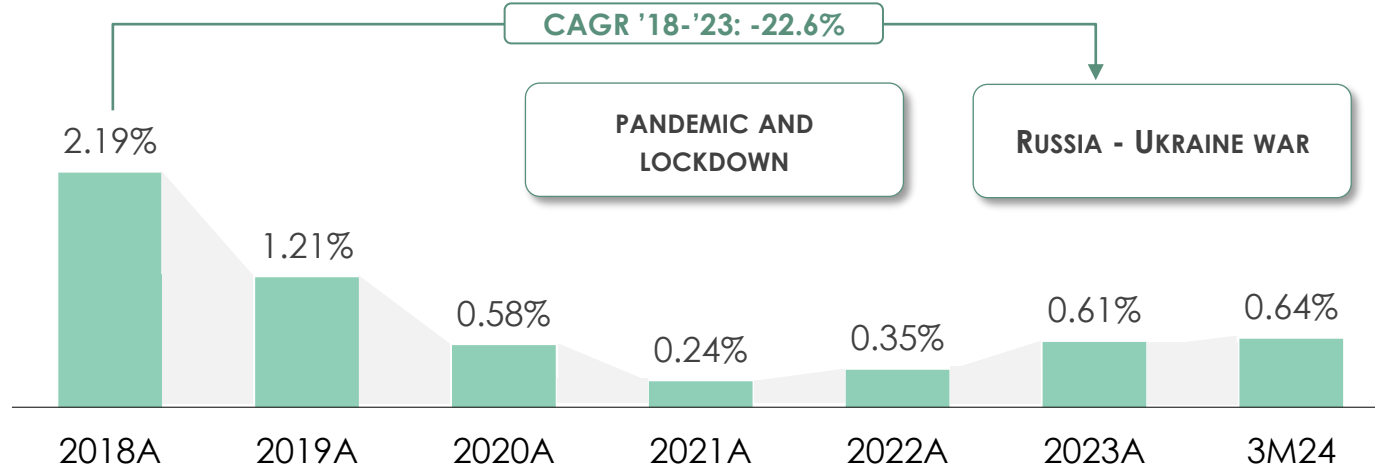


Default Rate and NPE Ratio constantly improving

DEFAULT RATE (%)



GROSS NPE RATIO (%)

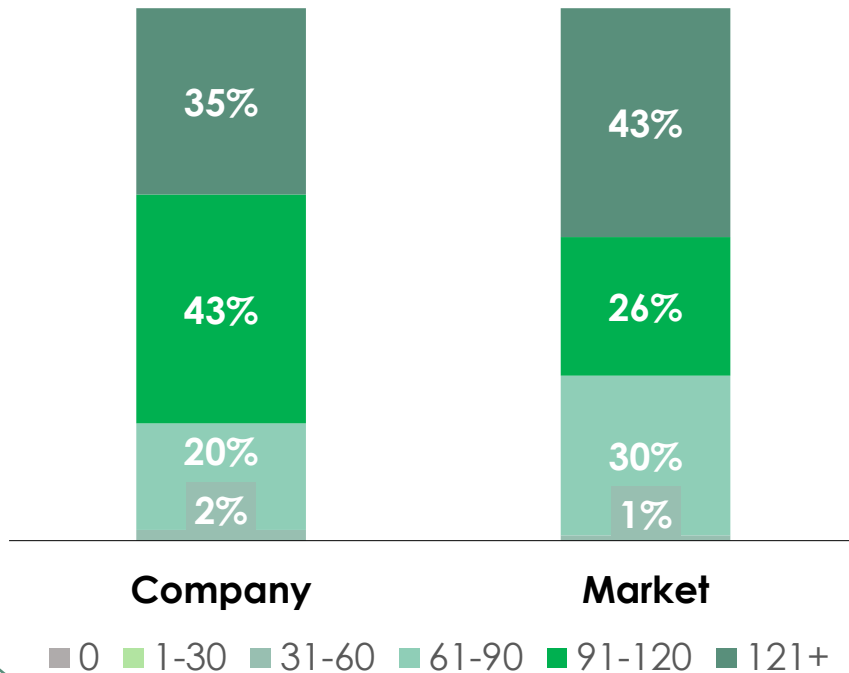


Default rate: NPE inflow of the year / loans disbursement flow of the year
 Assifact NPE Ratio (%) as at December 31, 2023

Collection performance: a strategic delivery to our Customers

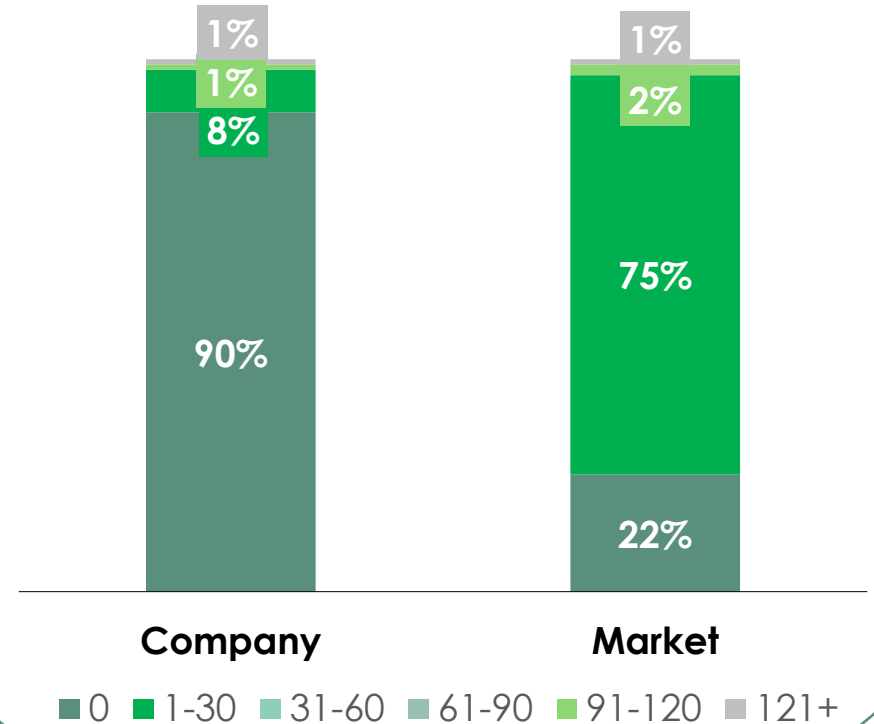
Payment Conditions (DSO)

Only **35%** of Generalfinance's portfolio has payment conditions exceeding 120 days (vs **43%** of the market)



Payment Delays (days)

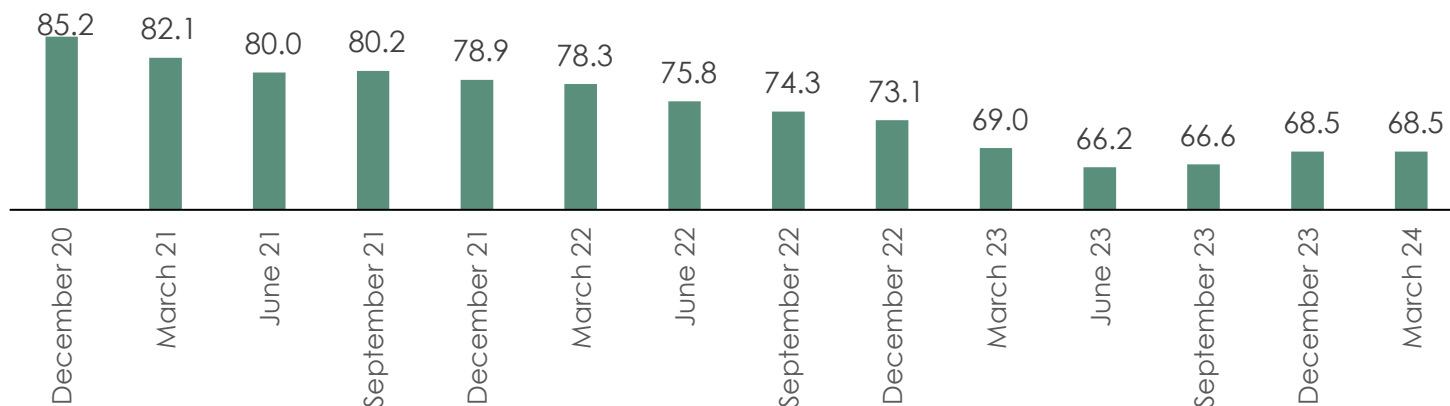
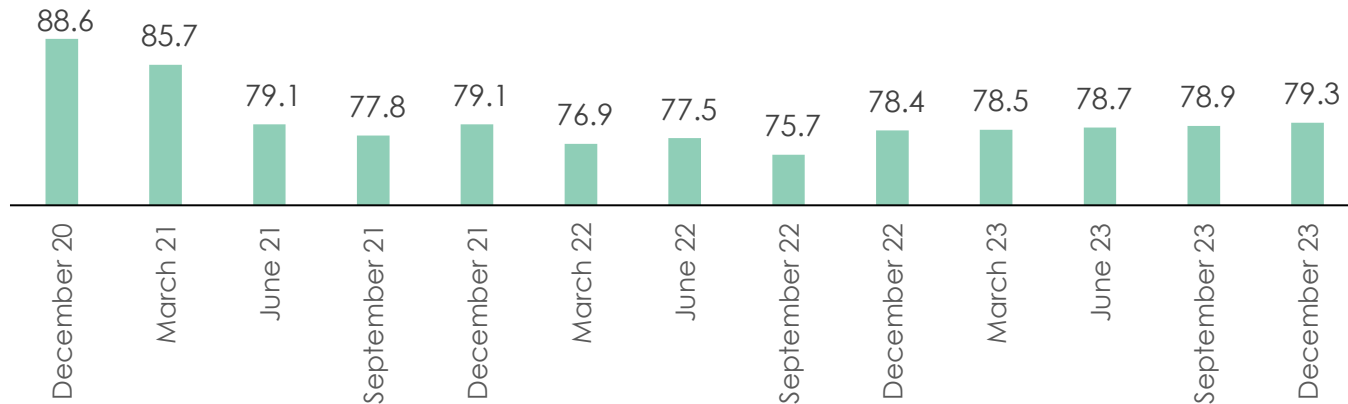
90% of Generalfinance's portfolio has **no payment delays** (vs **22%** of the market)



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

Company's DSO expressing a very low duration of the portfolio

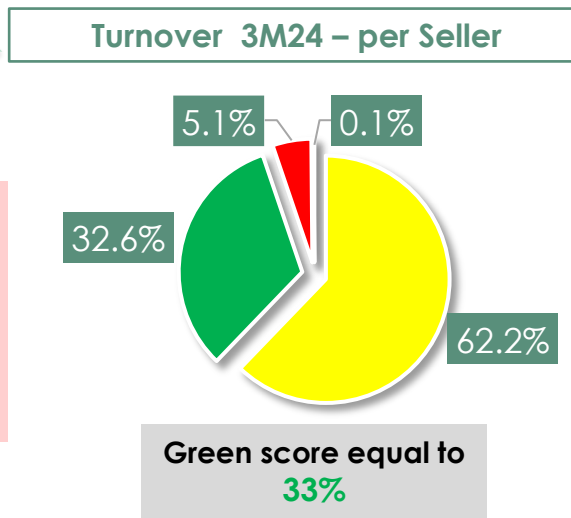
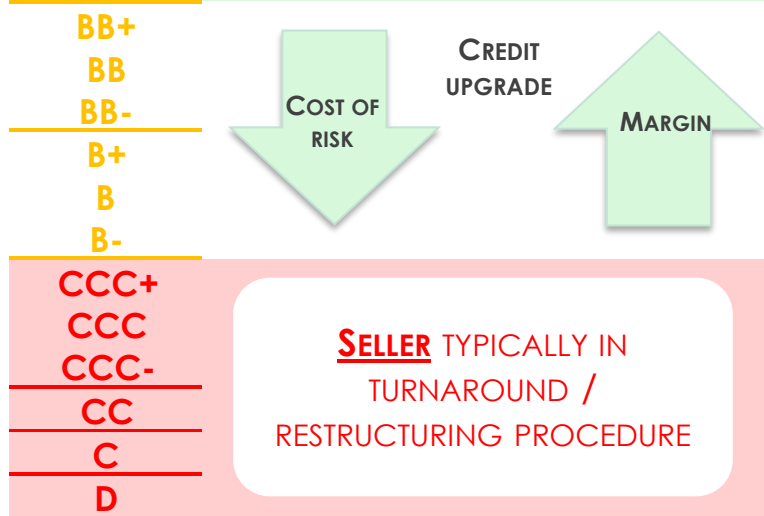
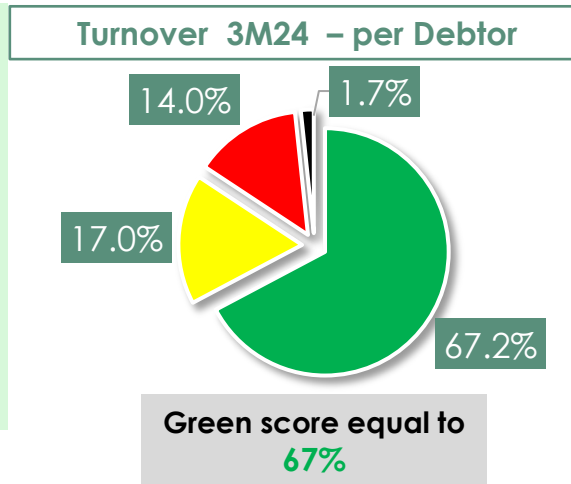
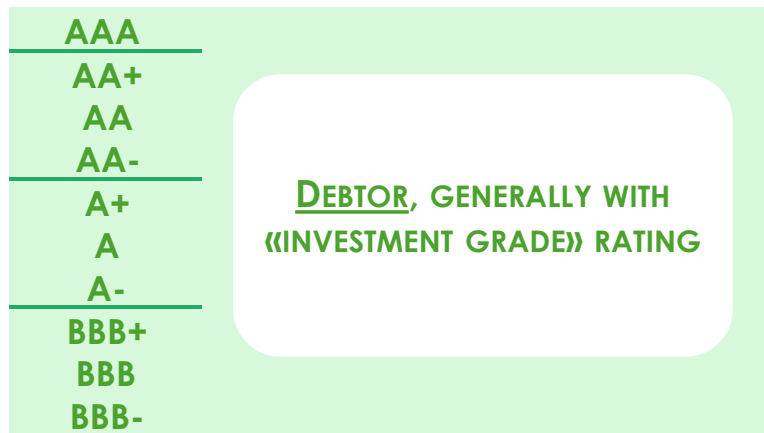
Days Sales Outstanding (DSO) – Receivables from private companies



Source: Assifact monthly and quarterly statistics; excluding public sector

A unique business model, leveraging the factoring features

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** (normally investment grade)



HIGHLIGHTS FOR GENERALFINANCE¹

PRODUCTS

- ✓ Pro-solvendo factoring (c. **74%** of turnover; vs 20% Assifact average)
- ✓ Pro-soluto factoring (c. **26%** of turnover; vs 80% Assifact)
- ✓ Reverse factoring
- ✓ C. **79%** of turnover covered by insurance with Allianz Trade
- ✓ **73%** LTV Pro solvendo in 3M 2024, adjustable according to credit risk

CUSTOMERS

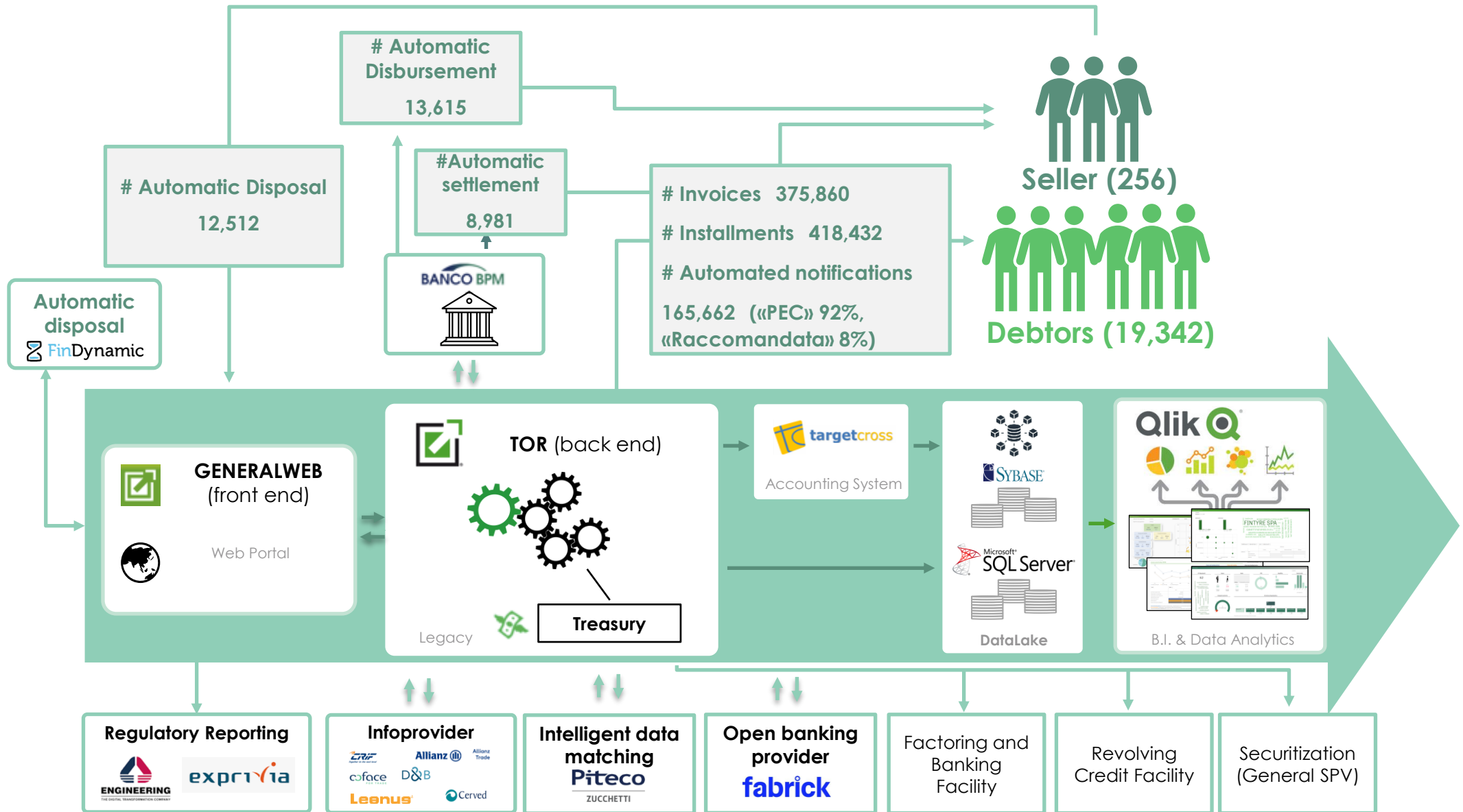
- ✓ High ratio Debtor/Seller (~**75** vs 7 of Assifact average²)
- ✓ Average Seller **retention about 6.5 years**

■ Distressed ■ Bonis ■ NewCo³



Notes: 1) Generalfinance data refers to March 31, 2024 (LTM); Assifact data refers to December 31, 2023; 2) Assifact data net of household debtors; 3) NewCo: New Company after the definition of the turnaround plan

A strategic asset: the proprietary digital platform



Data LTM, as of March 2024

1Q 24 Results: Balance Sheet, P&L, Funding and Capital

Main KPIs behind our business

Income Statement (€m)	2021A	2022A	2023A	CAGR '21-'23	3M23	3M24	YoY%
Interest Margin	6.2	7.3	9.0	20.0%	1.8	2.6	50.0%
Net Commission	17.7	23.6	27.2	24.0%	6.0	8.0	32.0%
Net Banking Income	23.9	30.9	36.2	23.0%	7.8	10.6	36.0%
Net value adjustments / write-backs for credit risk	(0.2)	(1.2)	(1.3)	141.2%	(0.1)	0.0	(143.5%)
Operating Costs	(9.8)	(13.2)	(12.9)	15.0%	(3.2)	(3.3)	3.2%
Net Profit	9.5	10.9	15.1	26.2%	2.9	4.9	66.1%

(€m)	2021A	2022A	2023A	CAGR '21-'23	3M23	3M24	YoY%
Turnover	1,402.9	2,009.4	2,559.3	35.1%	506.9	621.6	22.6%
Disbursed Amount	1,118.5	1,674.0	2,161.4	39.0%	411.7	481.7	17.0%
LTV	79.7%	83.3%	84.5%	2.9%	81.2%	77.5%	-4.6%
LTV Pro-solvendo	78.6%	81.6%	79.7%	0.7%	79.4%	73.4%	-7.7%

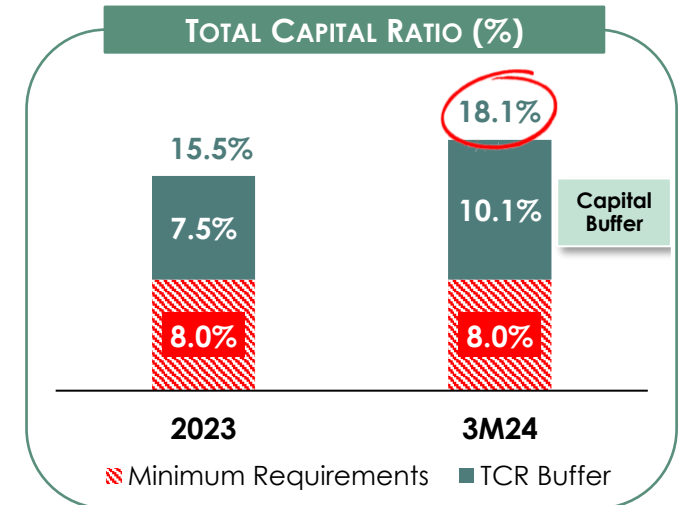
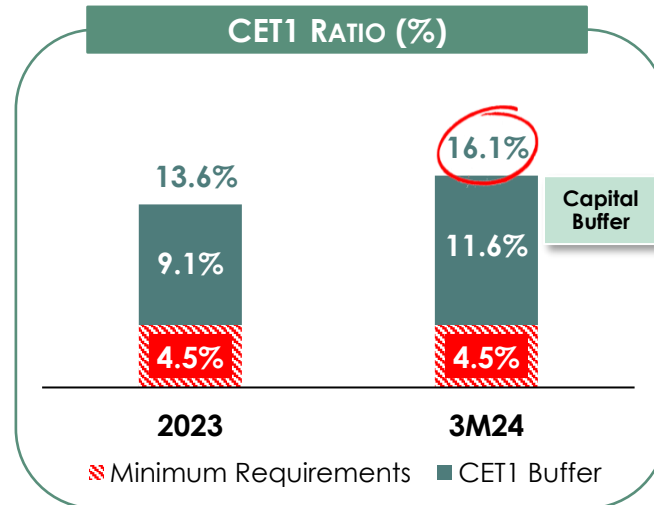
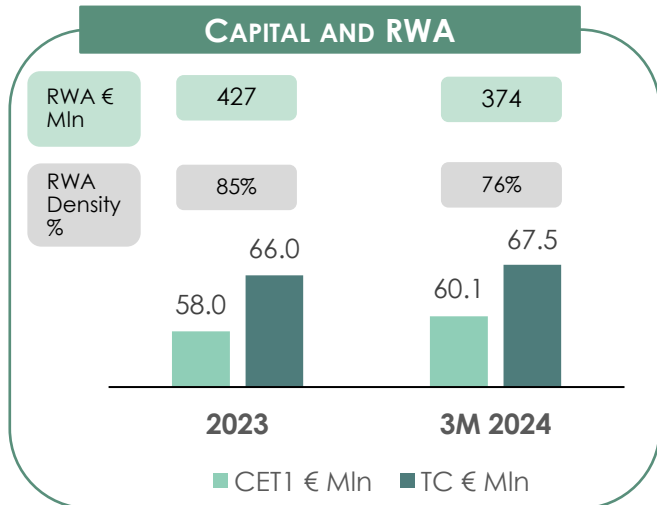
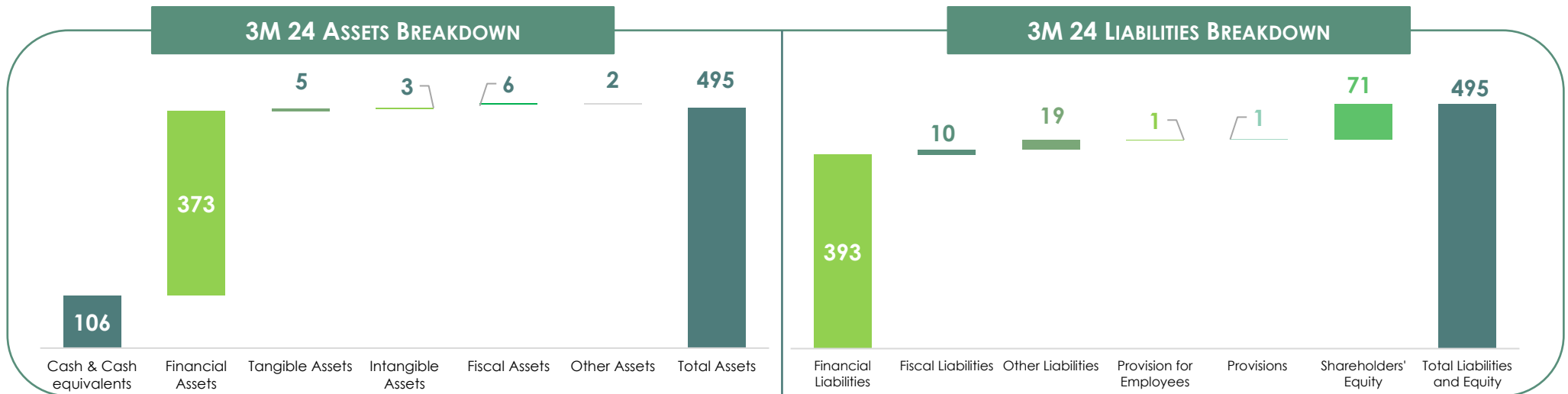
Net Banking Income / Average Loan (%)	9.6%	8.7%	8.5%	(5.8%)	8.5%	10.1%	18.7%
Interest Margin / Net Banking Income (%)	26.0%	23.5%	24.8%	(2.4%)	22.5%	24.8%	10.3%
Cost Income Ratio	40.9%	42.7%	35.7%	(6.5%)	41.3%	31.4%	(24.1%)
ROE (%)	42.0%	23.7%	29.3%	(16.4%)	22.9%	29.4%	28.4%

Balance Sheet (€m)	2021A	2022A	2023A	CAGR '21-'23	3M23	3M24	YoY%
Cash & Cash Equivalents	33.5	43.7	21.7	(19.6%)	62.0	106.3	71.4%
Financial Assets	321.0	385.4	462.4	20.0%	342.9	372.6	8.7%
Other Assets	10.8	14.7	15.9	21.2%	14.6	16.2	11.1%
Total Assets	365.3	443.8	500.0	17.0%	419.5	495.1	18.0%
Financial Liabilities	314.6	368.4	409.4	14.1%	335.5	393.4	17.2%
Other Liabilities	18.7	18.6	24.2	13.9%	29.7	30.4	2.2%
Total Liabilities	333.3	387.0	433.6	14.1%	365.2	423.8	16.0%
Shareholder's Equity	32.0	56.8	66.4	44.2%	54.3	71.3	31.4%



Note: Turnover includes Future receivables
 ROE = Net Profit / (Equity - Net Profit)
 LTV: Pro Solvendo

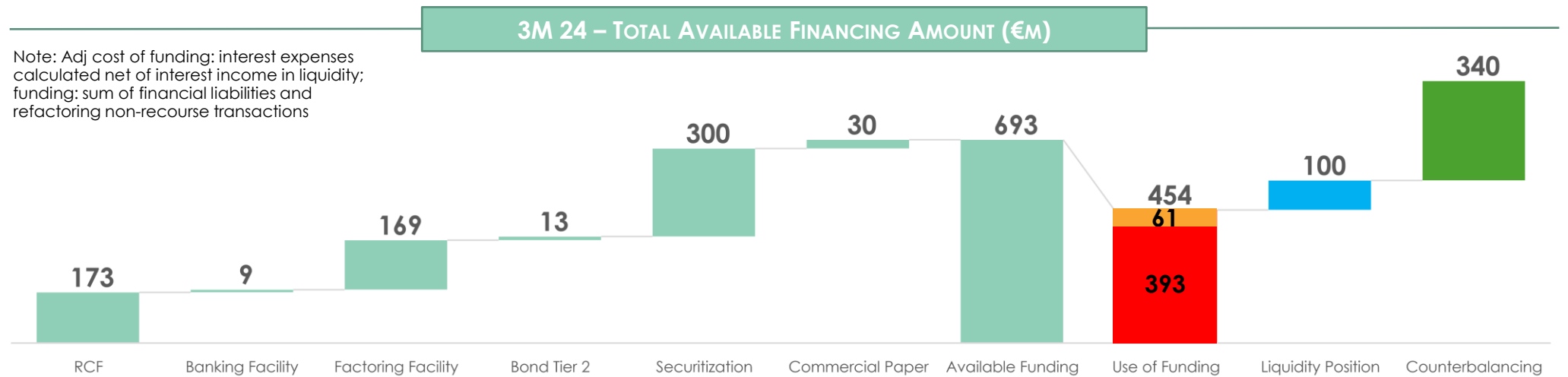
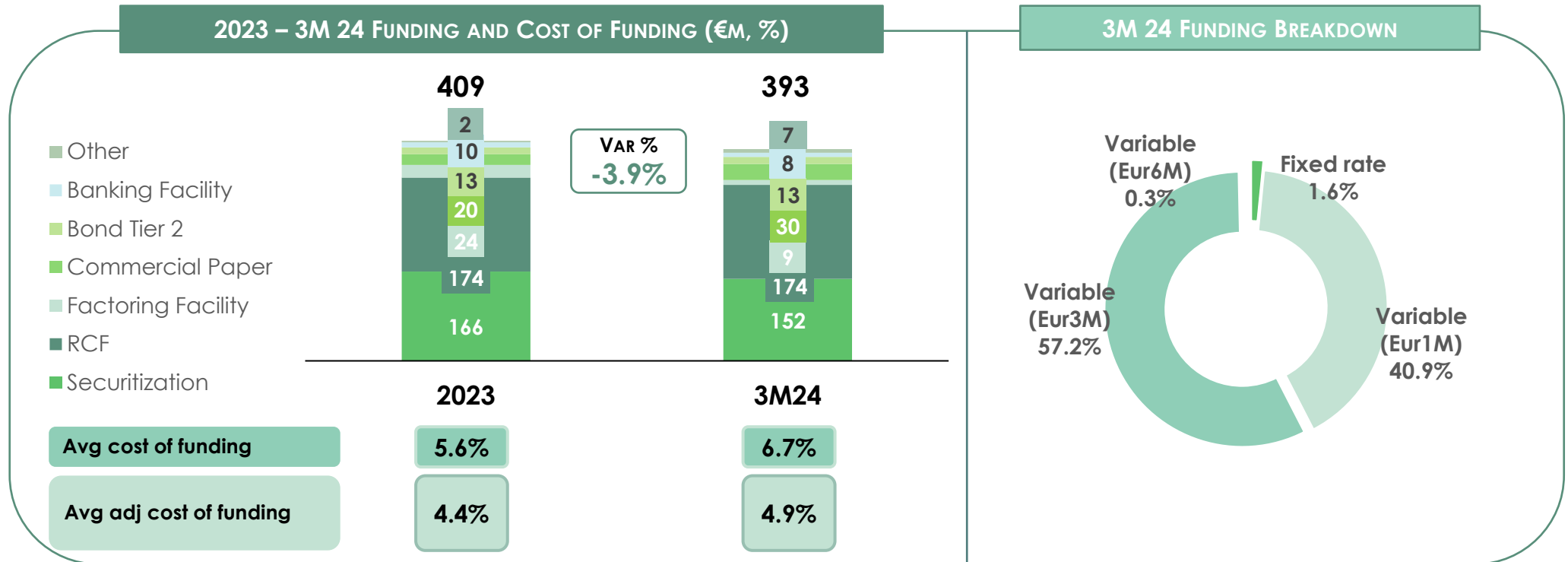
A very simple balance sheet with a strong capital position...



RWA Density: RWA / Total Asset

Note: CET1 Ratio and Total Capital Ratio calculated taking into account net profit of the Q124, net of total dividends to be distributed (payout 50% of net profit)

...coupled with a robust funding and liquidity position



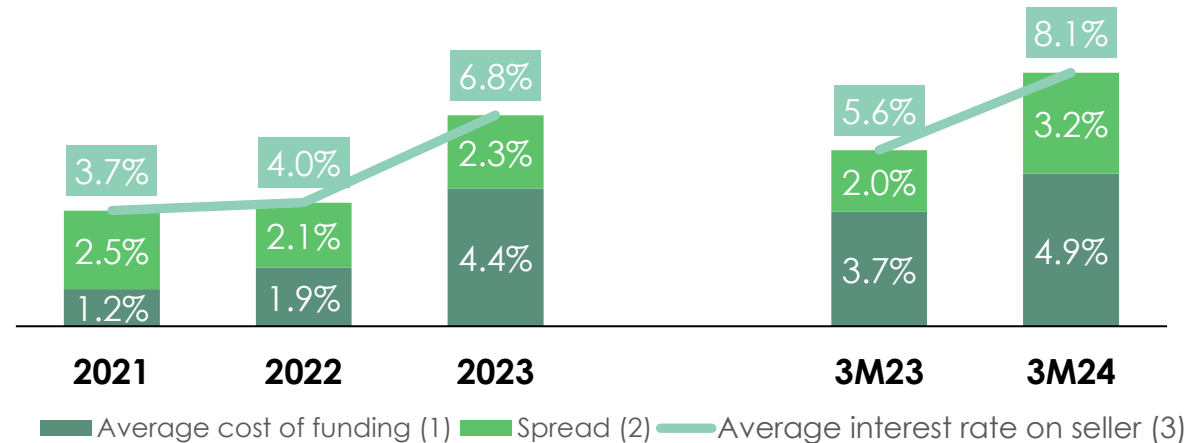
Note: Adj cost of funding: interest expenses calculated net of interest income in liquidity; funding: sum of financial liabilities and refactoring non-recourse transactions

Note: Commercial Papers included in «Fixed Rate»
 Liquidity Position: excluding pledge accounts amounting to 6.1 €mln
 Use of Funding: sum of financial liabilities (red) and refactoring non-recourse transactions (orange)
 Securitization: included only for an amount equal to the credit lines approved by banks

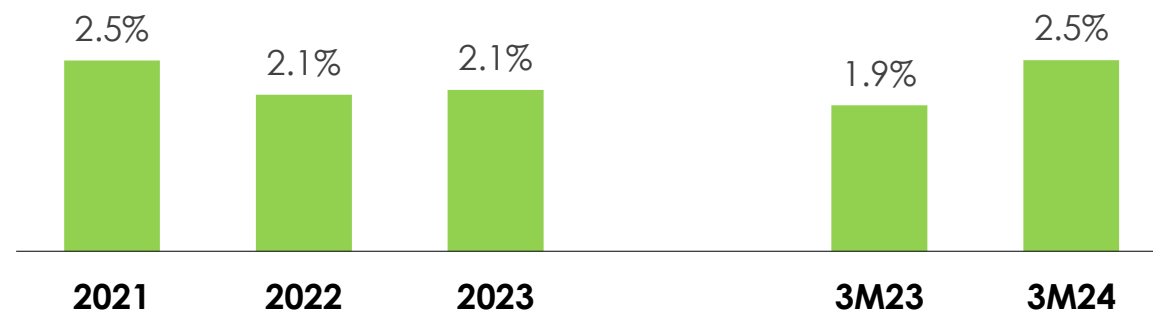
Net interest Income fully «hedged» against interest rates volatility

- Net Interest Income ~**25%** of the Net Banking Income
- Almost all **funding** available at **variable rates** (Euribor 1M, 3M and 6M)
- All the **factoring contracts** at variable rates (**based on Euribor 3M**)

Commercial Spread (%)

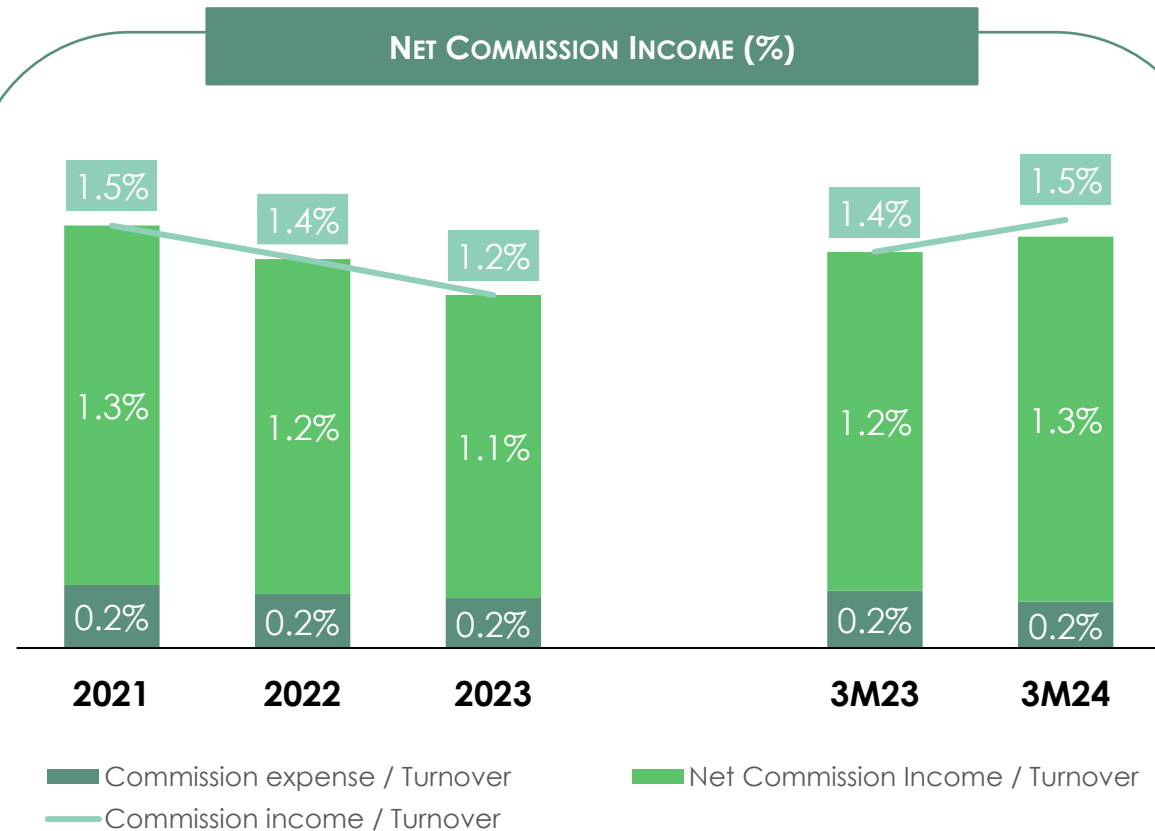


Net Interest Margin⁽⁴⁾(%)



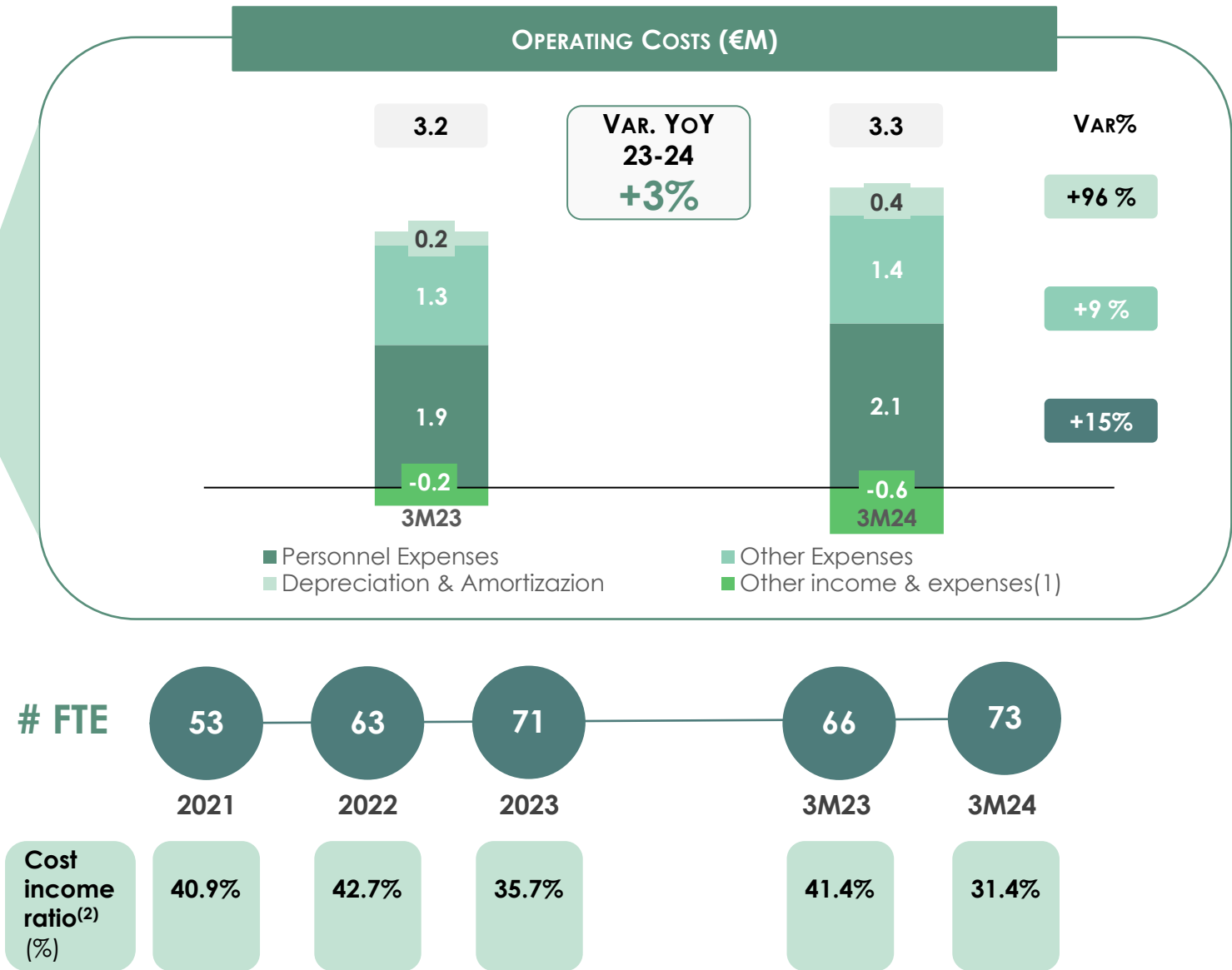
Net commission income, the primary source of profitability

- Net Commission Income ~**75%** of the Net Banking Income
- Commission Income/Turnover improving YoY, even with the **different mix of the portfolio** (Corporate Sellers vs Retail Sellers)
- **Stable commission expense rate** thank to optimization of insurance costs and banking fees



Cost / Income reflecting the efficiency of the operating machine

- **#73 FTE** as of 3M 2024
- **#Cost income remaining at excellent levels** due to the high **efficiency** of the operating machine and the **economy of scale (IT proprietary platform)**



Closing Remarks

Closing Remarks

2024 first 3 months of the year confirms a growing trend, in line with full year budget :

- Profitability level showing significant growth: net profit up +66%
- Excellent asset quality confirms our conservative risk policy
- Further reduction of the cost income ratio, expected to drop again thanks to the very good operating leverage
- An updated organization oriented to risk control and business
- Macroeconomic evolution and more difficult environment for SME lending support our strategy

New steps ahead to further support our numbers:

- New sellers pipeline set to push a stronger growth ahead
- Robust and diversified funding structure to support future growth
- Strong Capital ratios (TCR > 15%) allowing a sound capital buffer for growth even exceeding strategic plan horizon
- Expanding Generalfinance abroad: further steps towards the conclusion of the analysis over foreign market
- Net Income 2024 guidance confirmed: >20M

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Annexes



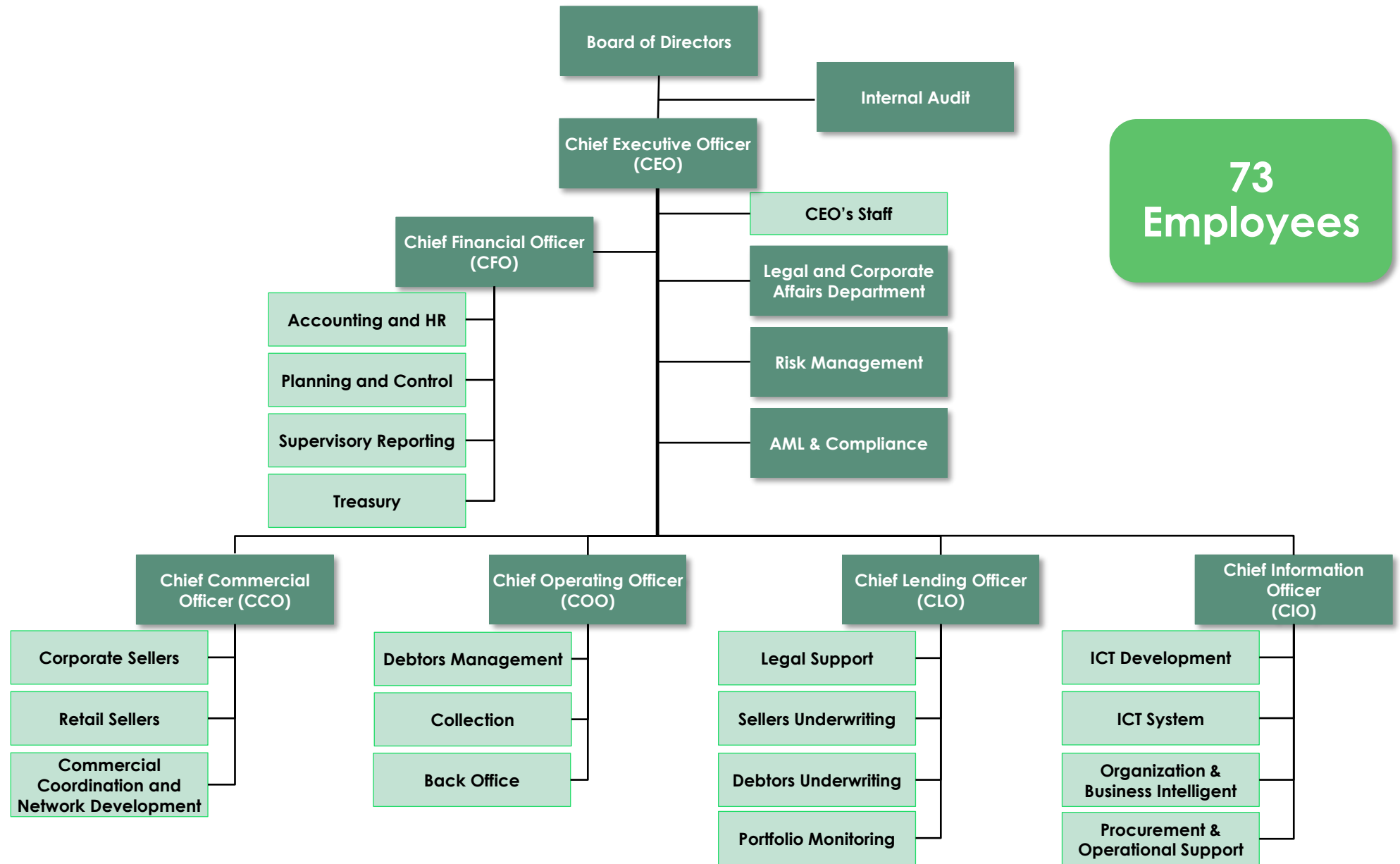
Income Statement

Income Statement (€m)	3M23	3M24	YoY%
Interest income and similar income	5.4	9.3	73.5%
Interest expense and similar charges	(3.6)	(6.7)	84.9%
INTEREST MARGIN	1.7	2.6	50.0%
Fee and commission income	7.0	9.0	27.3%
Fee and commission expense	(1.0)	(1.0)	(0.3%)
NET FEE AND COMMISSION INCOME	6.0	8.0	32.0%
Net profit (loss) from trading	0.0	(0.0)	(100.5%)
Net results of other financial a/l measured at fv	0.0	0.0	-
NET INTEREST AND OTHER BANKING INCOME	7.8	10.6	36.0%
Net value adjustments / write-backs for credit risk	(0.1)	0.0	(143.5%)
a) Financial assets measured at amortised cost	(0.1)	0.0	(143.5%)
NET PROFIT (LOSS) FROM FINANCIAL MANAGEMENT	7.7	10.6	38.5%
Administrative expenses	(3.2)	(3.6)	12.5%
a) Personnel expenses	(1.9)	(2.1)	15.0%
b) Other administrative expenses	(1.3)	(1.4)	9.0%
Net provision for risks and charges	(0.0)	0.2	(7617.1%)
b) Other net provisions	(0.0)	0.2	(7617.1%)
Net value adjustments / write-backs on pppe	(0.2)	(0.2)	11.8%
Net value adjustments / write-backs on int. Ass.	(0.1)	(0.2)	53.9%
Other operating income and expenses	0.2	0.4	52.7%
OPERATING COSTS	(3.2)	(3.3)	3.2%
Gains (Losses) from equity investments	0.0	(0.0)	-
PRE-TAX PROFIT (LOSS) FROM CURRENT OPERATIONS	4.5	7.3	63.8%
Income tax for the year on current operations	(1.5)	(2.4)	59.3%
PROFIT (LOSS) FOR THE YEAR	2.9	4.9	66.1%

Balance Sheet

Balance Sheet (€m)	2023A	3M24	Var% YTD
Cash and cash equivalents	21.6	106.3	391.2%
Financial assets measured at fair value through p/l	0.0	0.0	28.9%
Financial assets measured at amortised cost	462.4	372.6	(19.4%)
Equity investments	0.0	0.0	(100.0%)
Property, Plant and Equipment (PPE)	5.0	4.8	(3.3%)
Intangible assets	2.6	2.8	7.2%
Tax assets	5.7	5.7	0.1%
a) current	5.1	5.1	0.1%
b) deferred	0.7	0.6	0.0%
Other assets	2.8	2.9	5.8%
TOTAL ASSETS	500.0	495.1	(1.0%)
Financial liabilities measured at amortised cost	409.4	393.4	(3.9%)
a) payables	376.8	350.6	(6.9%)
b) outstanding securities	32.6	42.8	31.1%
Tax liabilities	7.1	9.5	33.9%
Other liabilities	14.0	18.1	28.1%
Severance pay	1.5	1.4	(4.8%)
Provision for risk and charges	1.6	1.4	(10.0%)
Share capital	4.2	4.2	0.0%
Share premium reserve	25.4	25.4	0.0%
Reserves	21.6	36.7	69.7%
Valuation reserves	0.1	0.1	14.2%
Profit (loss) for the year	15.1	4.9	(67.6%)
TOTAL LIABILITIES AND SHAREHOLDERS'S EQUITY	500.0	495.1	(1.0%)

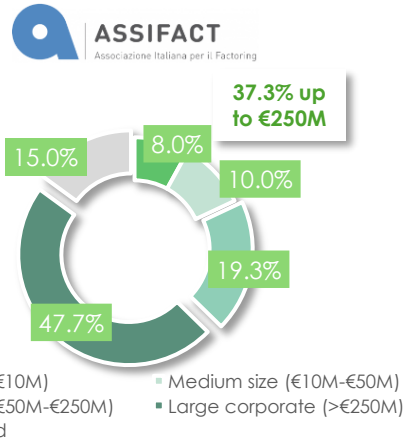
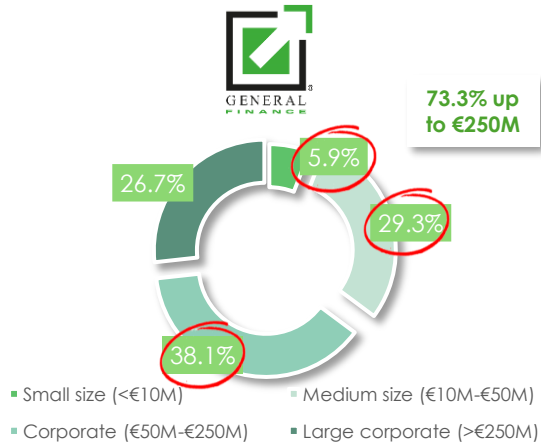
An organization oriented to risk control and business



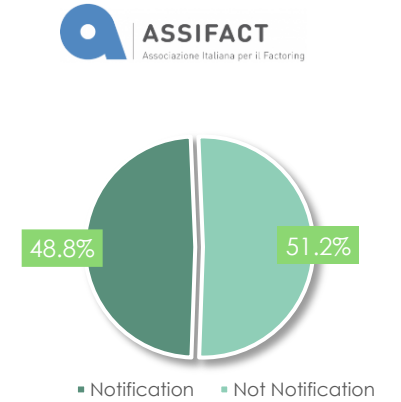
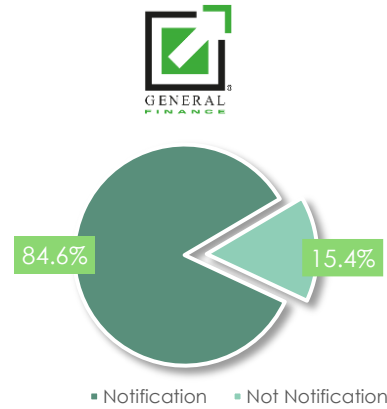
Organizational chart as of March 31, 2024

Turnover breakdown vs system average 1/2

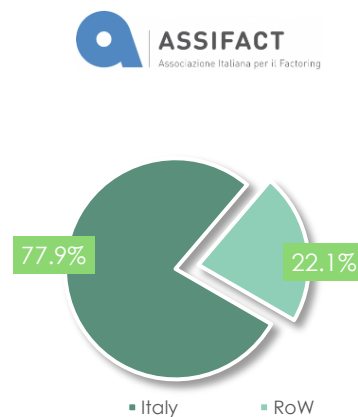
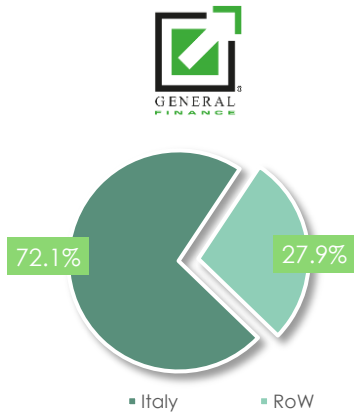
SELLERS' DIVERSIFICATION BY DIMENSION



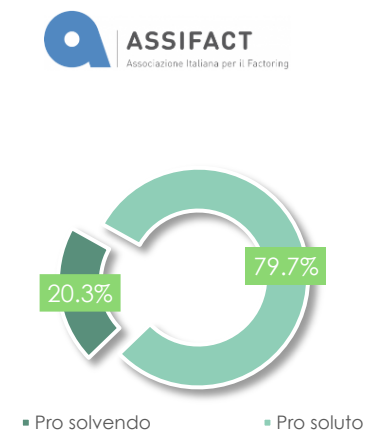
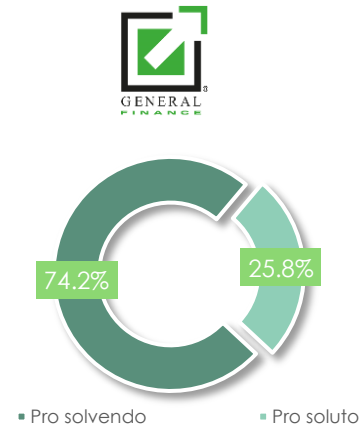
FACTORING BY NOTIFICATION STATUS



NATIONAL VS INTERNATIONAL TURNOVER

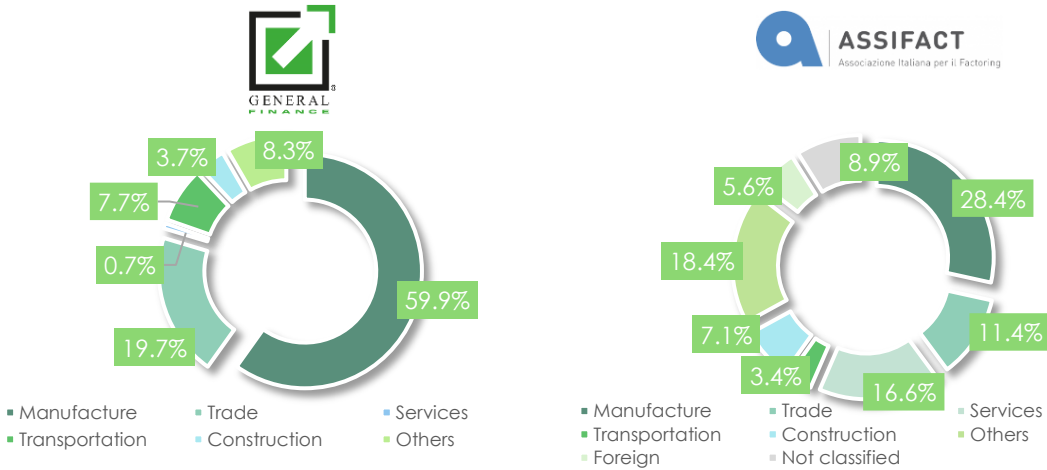


TURNOVER BY PRODUCT

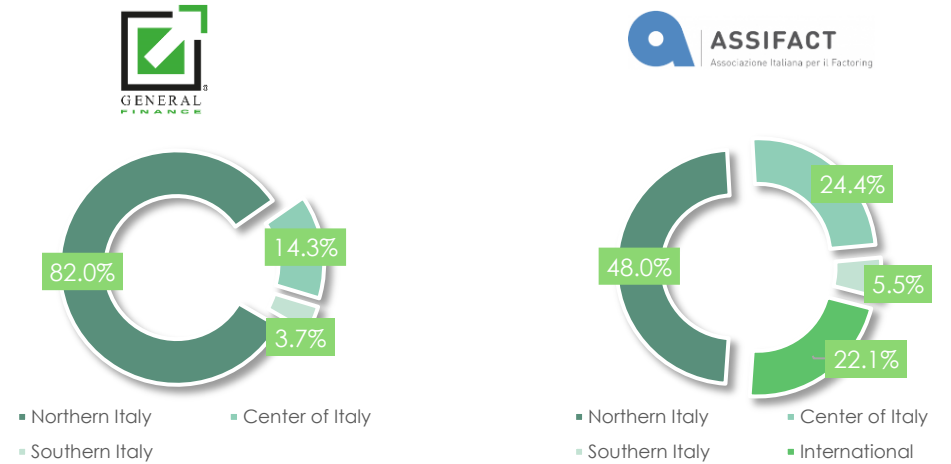


Turnover breakdown vs system average 2/2

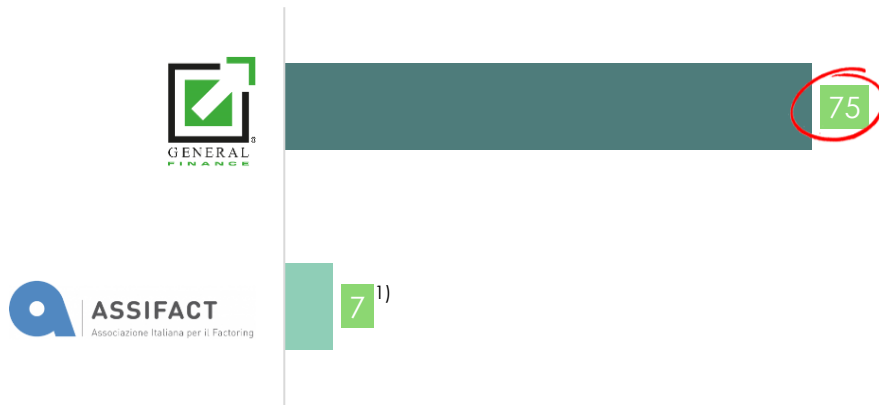
SELLERS' DIVERSIFICATION BY SECTOR



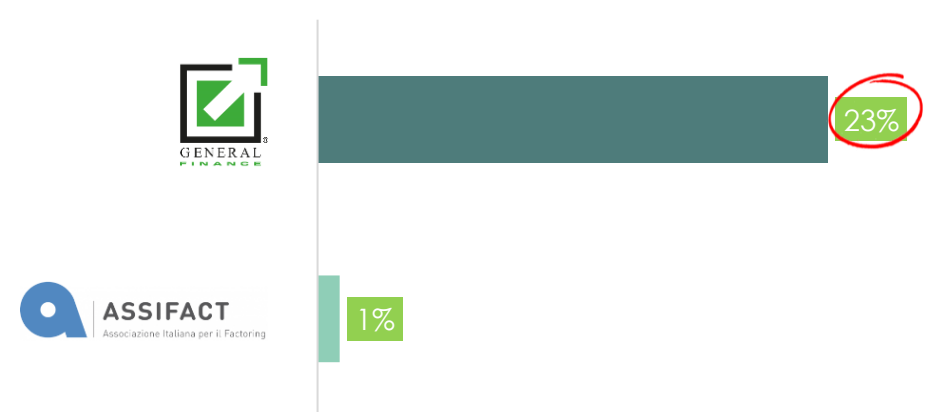
SELLERS' DIVERSIFICATION BY GEOGRAPHY



HIGHER NUMBER OF DEBTORS PER SELLER



TURNOVER - % CHANGE FROM PREVIOUS YEAR



1°
giorno di
quotazione
BORSA ITALIANA Euronext



GENERALFINANCE

1Q24 Results



April, 2024