

1°
giorno di
quotazione

BORSA ITALIANA Euronext



GENERALFINANCE

1H24 Results



July 26, 2024

Disclaimer

This presentation has been prepared by Generalfinance and contains certain information of a forward-looking nature, projections, targets, and estimates that reflect Generalfinance management's current views related to future events. Forward-looking information not represent historical facts. Such information includes financial projections and estimates as well as related assumptions, information referring to plans, objectives, and expectations regarding future operations, products, and services, and information regarding future financial results. By their very nature, forward-looking information involves a certain amount of risk, uncertainty and assumptions so that actual results could differ significantly from those expressed or implied in forward-looking information. These forward-looking statements have been developed from scenarios based on a set of economic assumptions related to a given competitive and regulatory environment.

There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of futures performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise expect as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.

The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advise or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any State or other jurisdiction of the United States or in Australia, Canada or Japan or any jurisdiction where such an offer or solicitation would be unlawful (the "Other Countries"), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form apart of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries.

Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Ugo Colombo, in his capacity as manager responsible for the preparation of the Company's financial reports declares that the accounting information contained in this Presentation reflects the Generalfinance documented results, financial accounts and accounting records. Neither the Company nor any of its or their respective representatives, directors or employees accept any liability whatsoever in connection with this Presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it.

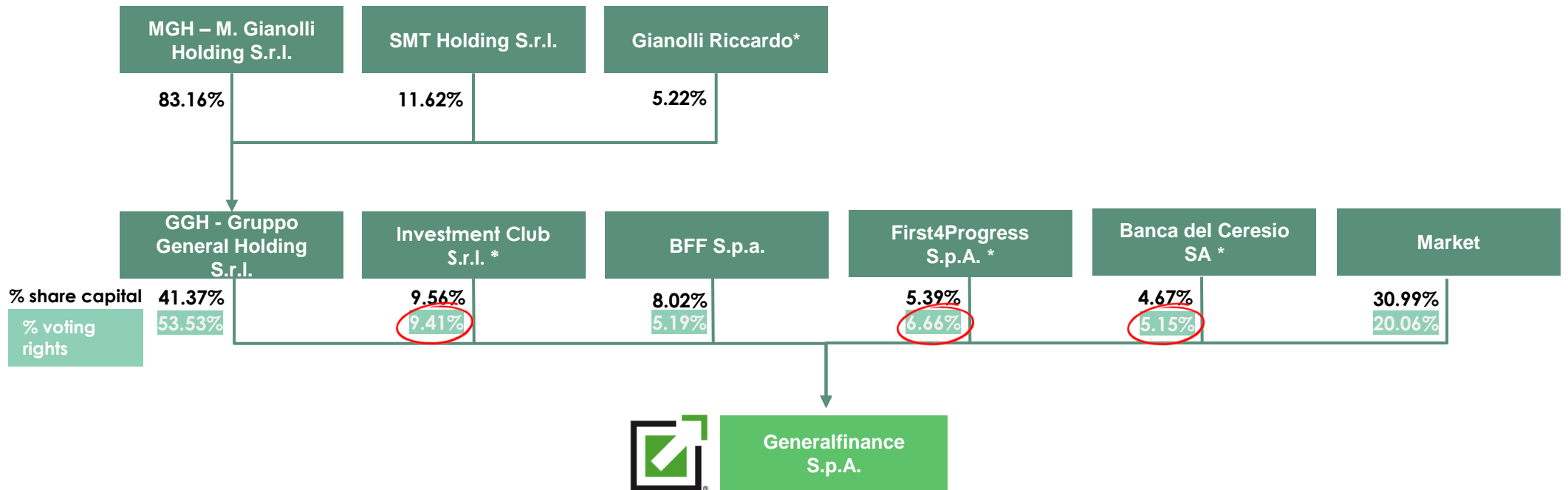
Agenda

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

Main events and results 1H 2024

Strong and long term oriented shareholder base

Shareholders' structure



Increased voting rights

On July 15, 2024, the Shareholders **Investment Club S.r.l.**, **First4Progress S.p.A.** and **Banca del Ceresio SA** acquired the increase in voting rights, with respect to the shares (*) for which, on that date, it was ascertained that the period of twenty-four months of uninterrupted registration in the Special List had elapsed. Consequently, the overall distribution of voting rights was proportionally changed, due to the higher number of voting rights resulting from the aforementioned increase.

Workinvoice - Acquisition of 96% of the share capital

Key Highlights 2023 - Workinvoice

Turnover

€107
mln

EBITDA

€0.5
mln

Revenues

€1.9
mln

Net Profit

€0.2
mln

**10 YEARS OF
ACTIVITY**

FIRST MOVER IN THE
INVOICE TRADING
MARKET

**MORE THAN 700
MLN**

RECEIVABLES TRADED
ON THE MARKETPLACE
SINCE 2013

- ✓ **Workinvoice**, a fintech company founded at the end of 2013, among the pioneer in the invoice trading (www.workinvoice.it).
- ✓ **More than 700 million** receivables have been traded on the marketplace since the start of operations (2013).
- ✓ **Generalfinance** aims to further specialise its factoring framework, particularly focusing on distressed corporate: gradually, retail customers will be directed to the Workinvoice platform.
- ✓ **WI will be merged by incorporation into Generalfinance.** Following the merger, a new Generalfinance “**Fintech & Digital Lending**” Department will be established.

Milan, 17 June 2024 - Generalfinance S.p.A., announces that has signed a contract for the **acquisition of 96% of the share capital of Workinvoice S.r.l.**, a leading operator and pioneer in the invoice trading market in Italy.

The Transaction provides for an initial consideration of **EUR 6.4 million**. Of this amount, **EUR 1.8 million will be paid in cash and EUR 4.6 million will be settled in newly issued Generalfinance shares**, valued at a unit price of **EUR 10,96**.

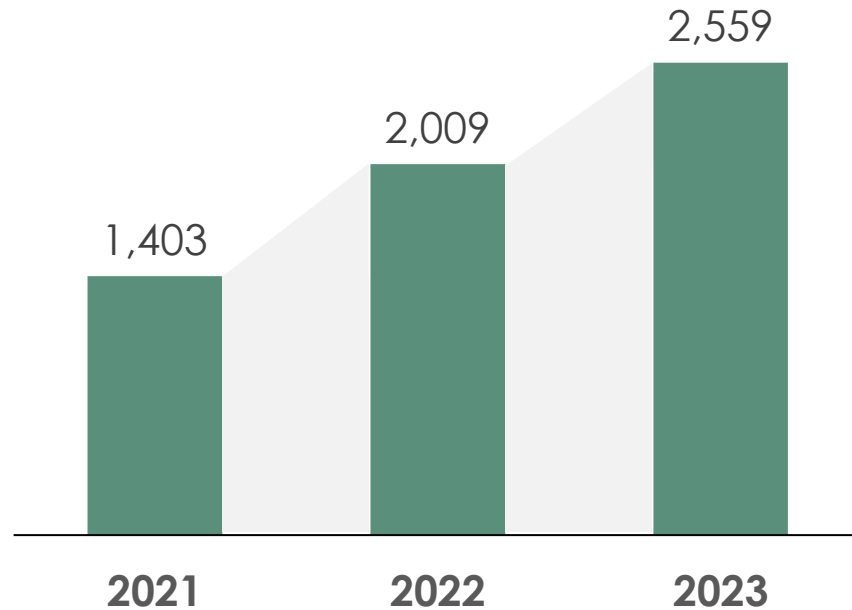
Expected closing by year end and with the **full integration of WI in Generalfinance**.

Turnover witnessing a strong growth story

Growth in Turnover Volume (€M)

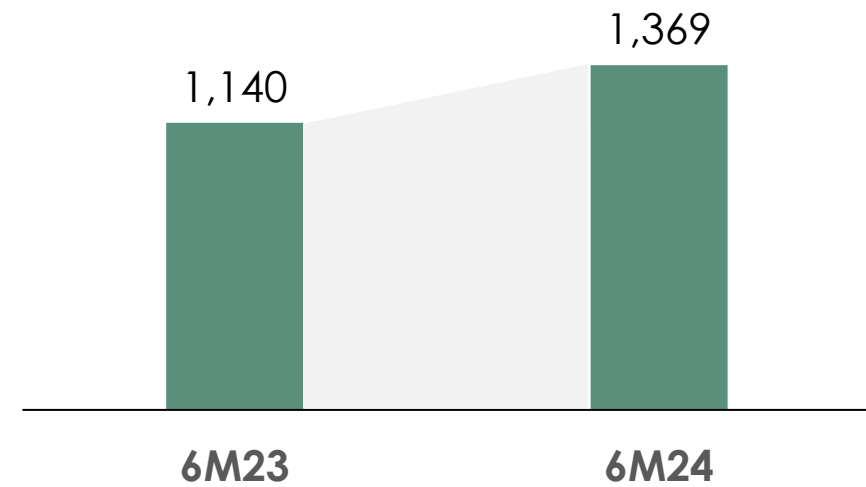
Data in €mln

CAGR
'21-'23
+35%



Data in €mln

VAR. YOY
23-24
+20%



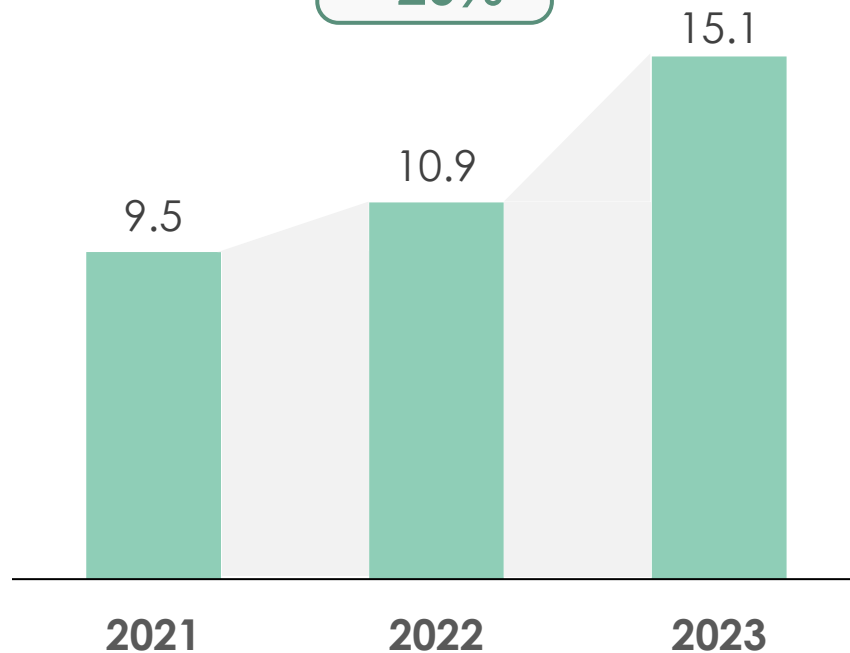
2024 annual growth rate (20%) well above the market average (+2%)

Net Income: high profitability from the operations

Growth in net income (€M)

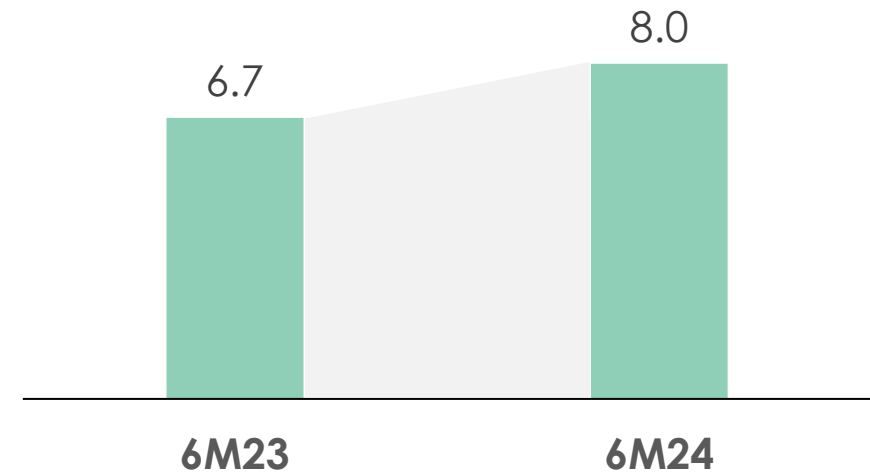
Data in €mln

CAGR
'21-'23
+26%



Data in €mln

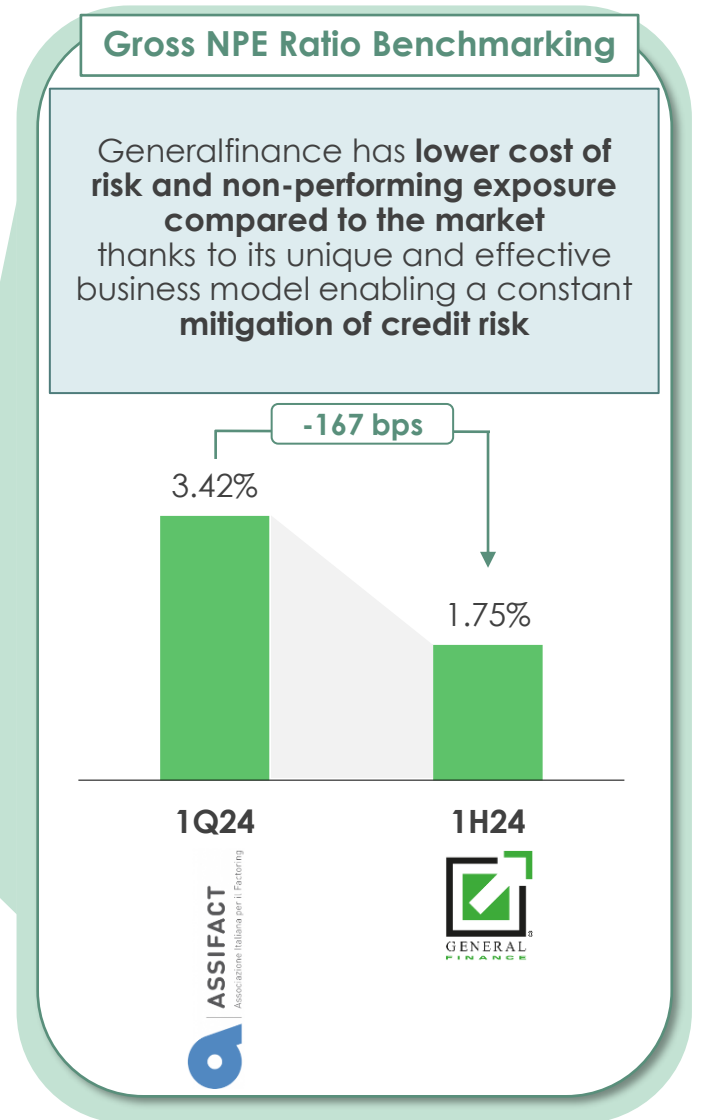
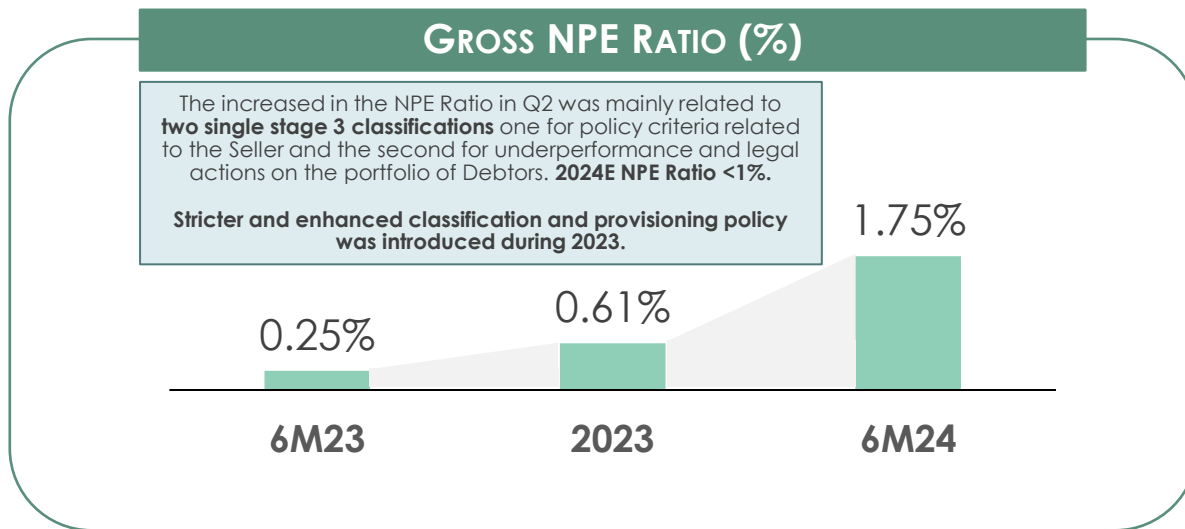
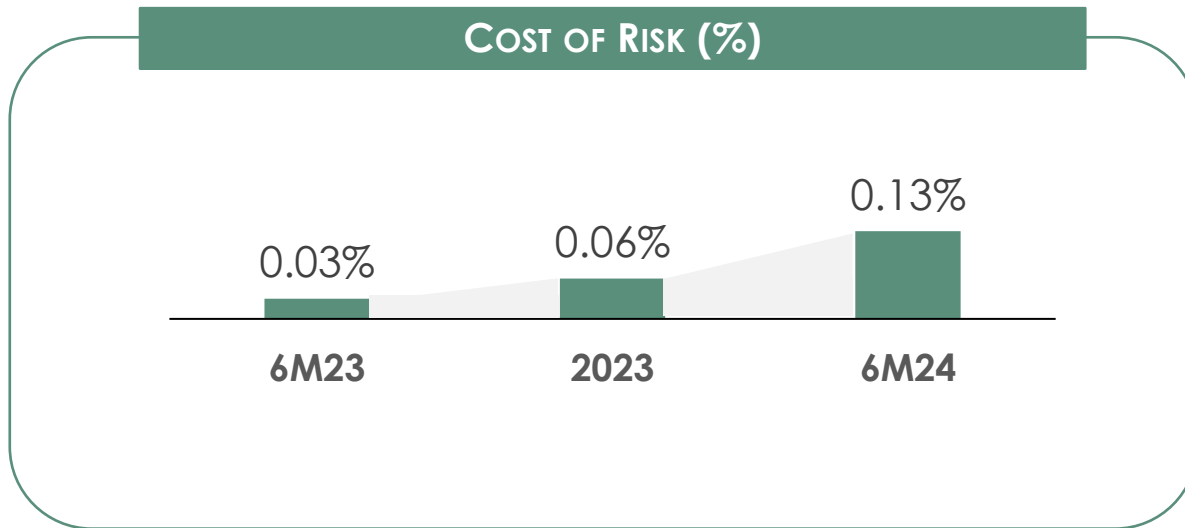
VAR. YOY
23-24
+19%



Profitability level very strong, substantially in line with 2024 Budget

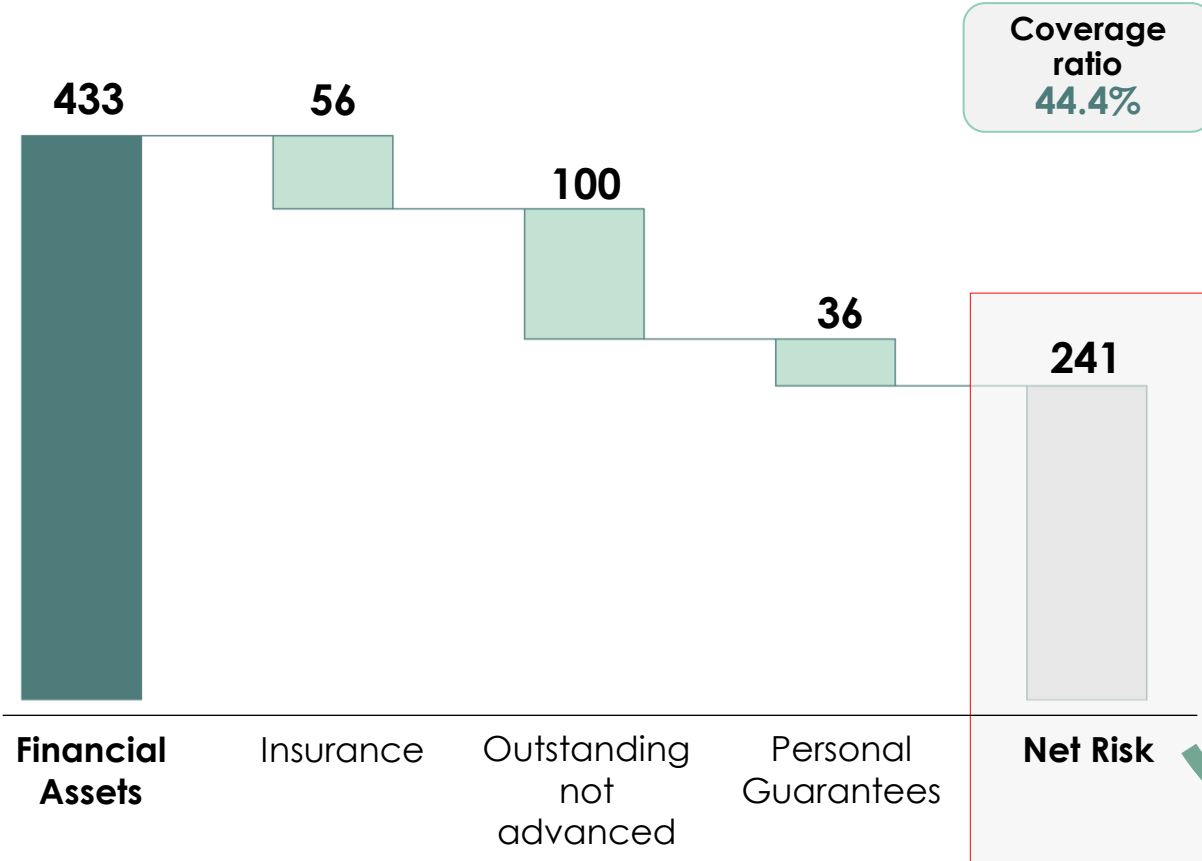
Focus on Asset Quality and Digital Factoring

A low risk model with a best in class asset quality



Net Risk on Financial Assets – 1H2024

Breakdown Net Risk on Financial Assets € mln

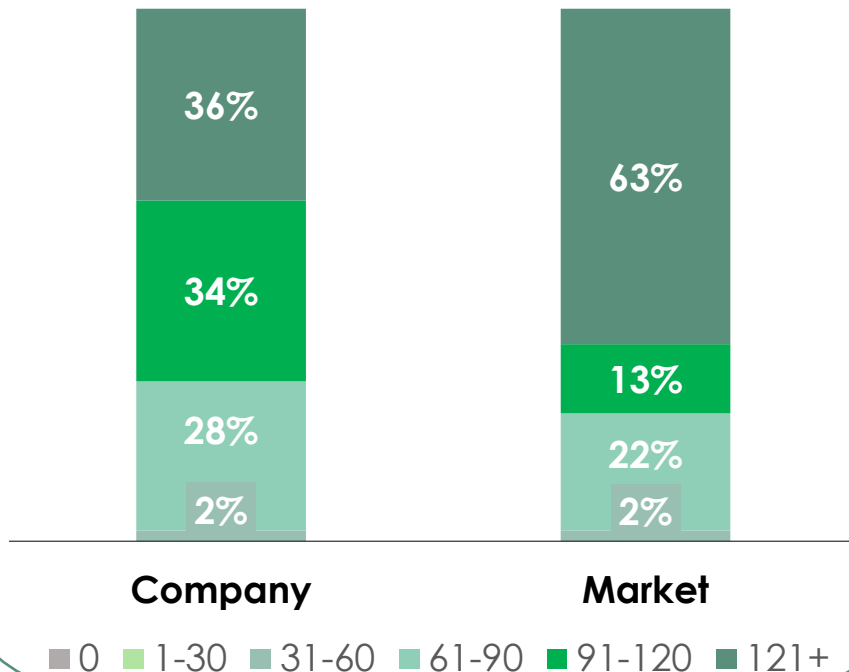


The **Net Risk** borne by Generalfinance on total financial assets as of 1 half – year of 2024 was **€241 mln.**

Collection performance: a strategic delivery to our Customers

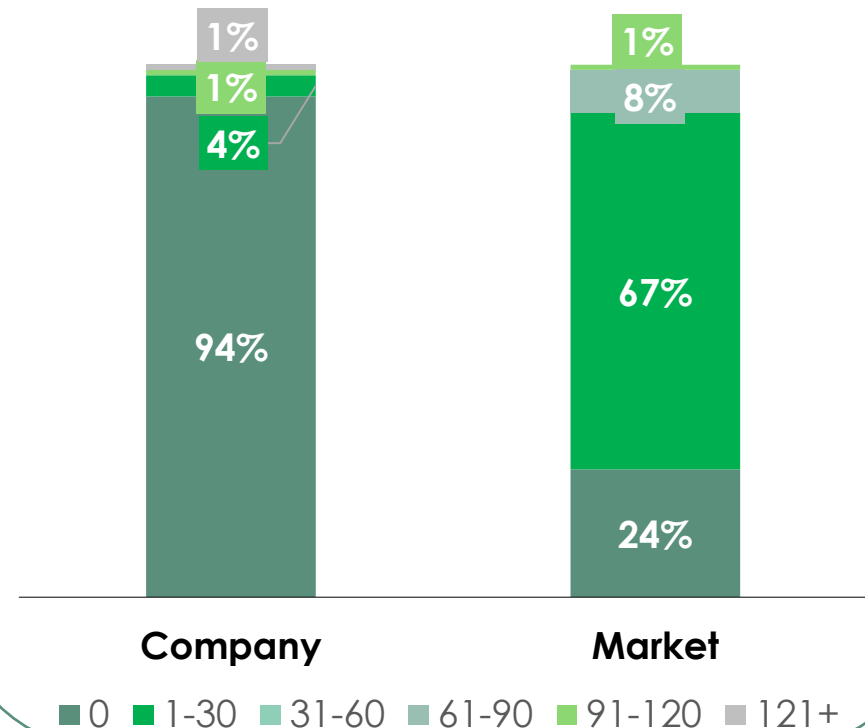
Payment Conditions (DSO)

Only **36%** of Generalfinance's portfolio has payment conditions exceeding 120 days (vs **63%** of the market)



Payment Delays (days)

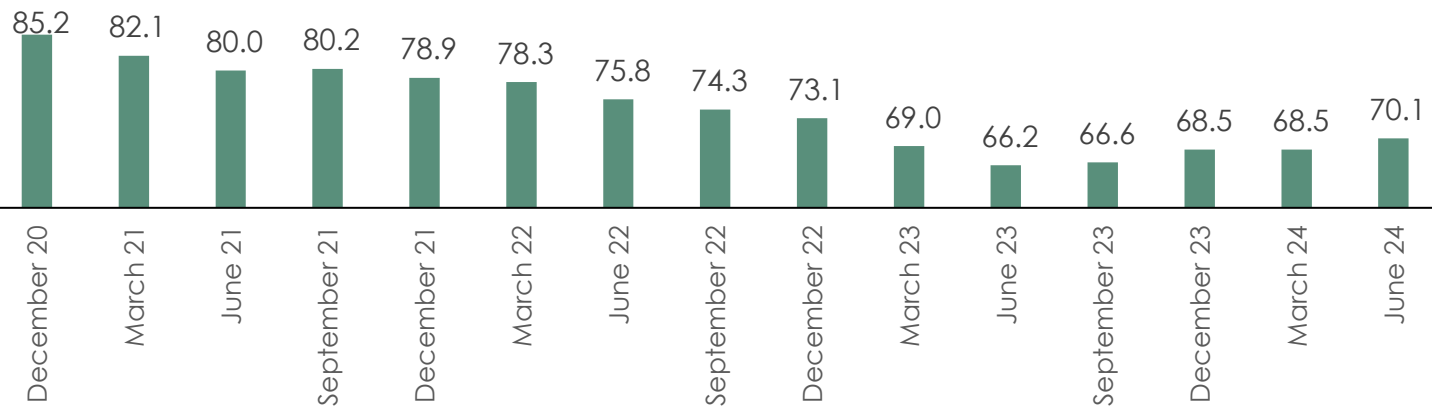
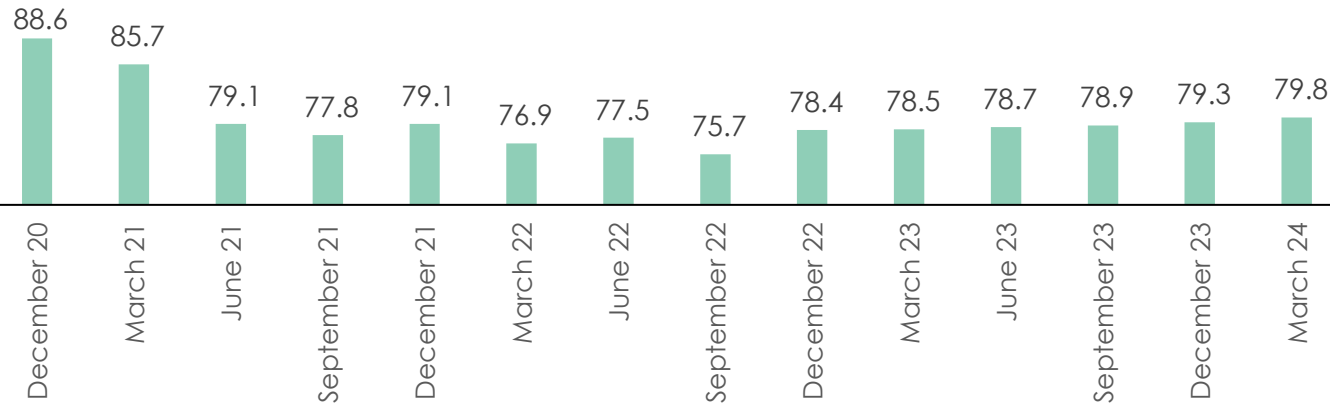
94% of Generalfinance's portfolio has **no payment delays** (vs **24%** of the market)



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

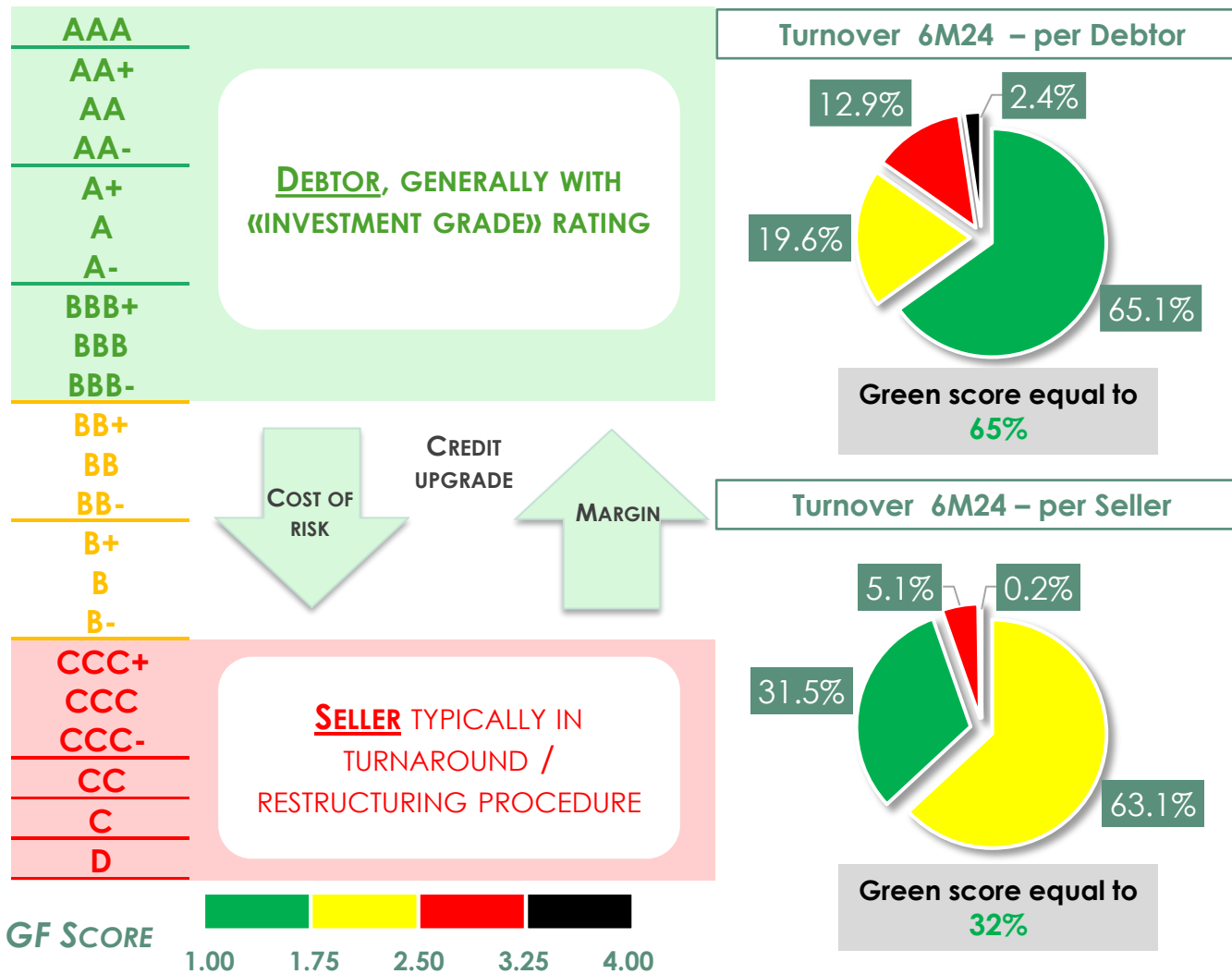
Days Sales Outstanding (DSO) – Receivables from private companies



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
- ✓ **74%** LTV Pro solvendo in 6M 2024, adjustable according to credit risk

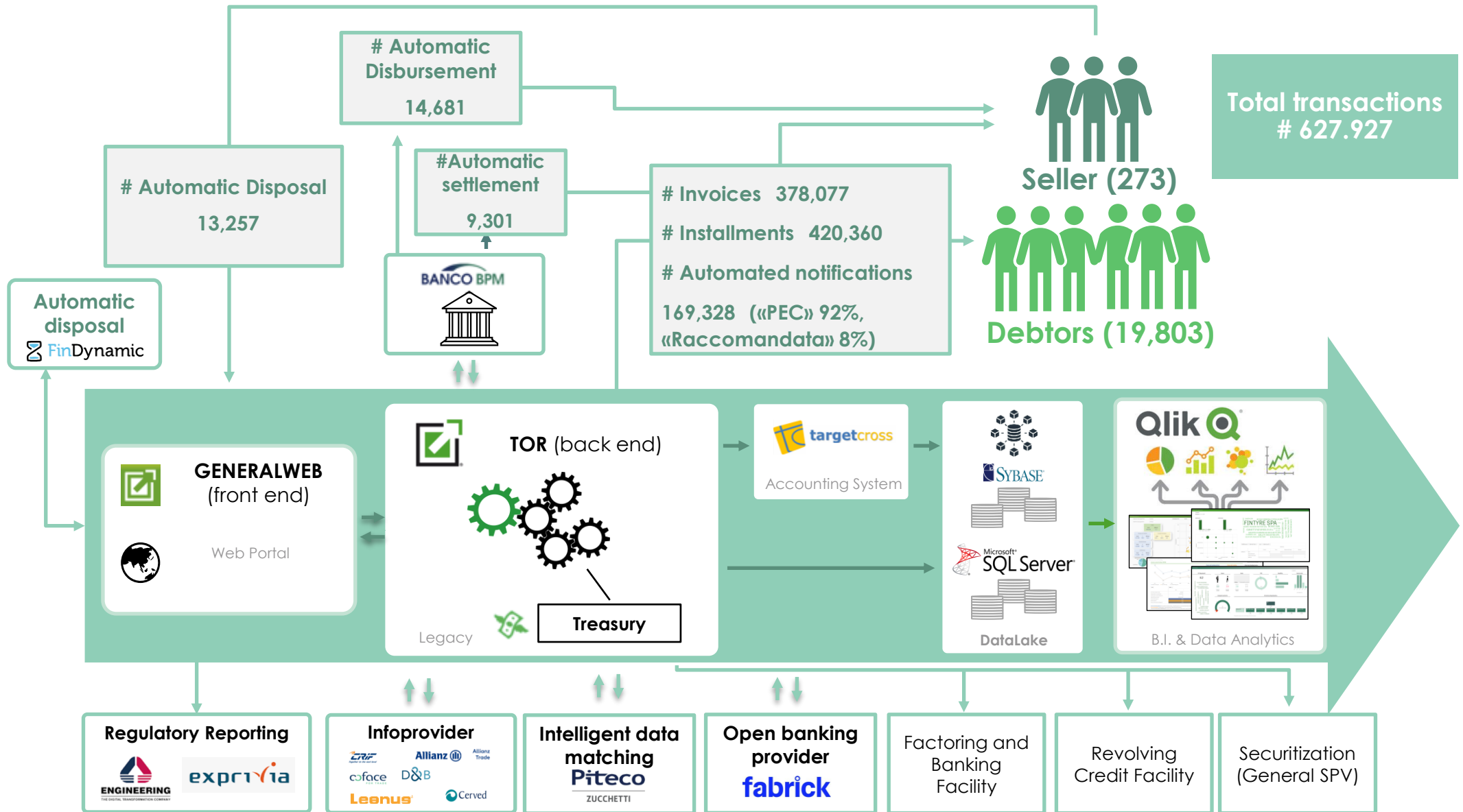
CUSTOMERS

- ✓ High ratio Debtor/Seller (~**73 vs 7** of Assifact average²)
- ✓ Average Seller **retention about 6.6 years**

■ Distressed ■ Bonis ■ NewCo

Notes: 1) Generalfinance data refers to June 30, 2024 (LTM); Assifact data refers to March 31, 2024; 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 June 2024

Total transactions: sum of Automatic Disposal, Automatic Disbursement, Automatic settlement, Installments and Automated notifications

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

Main KPIs behind our business

Income Statement (€m)	2021A	2022A	2023A	CAGR '21-'23	6M23	6M24	YoY%
Interest Margin	6.2	7.3	9.0	20.0%	3.8	5.0	29.0%
Net Commission	17.7	23.6	27.2	24.0%	12.5	16.0	28.4%
Net Banking Income	23.9	30.9	36.2	23.0%	16.3	21.0	28.5%
Net value adjustments / write-backs for credit risk	(0.2)	(1.2)	(1.3)	141.2%	(0.3)	(1.4)	428.4%
Operating Costs	(9.8)	(13.2)	(12.9)	15.0%	(6.4)	(7.4)	16.5%
Net Profit	9.5	10.9	15.1	26.2%	6.7	8.0	19.2%

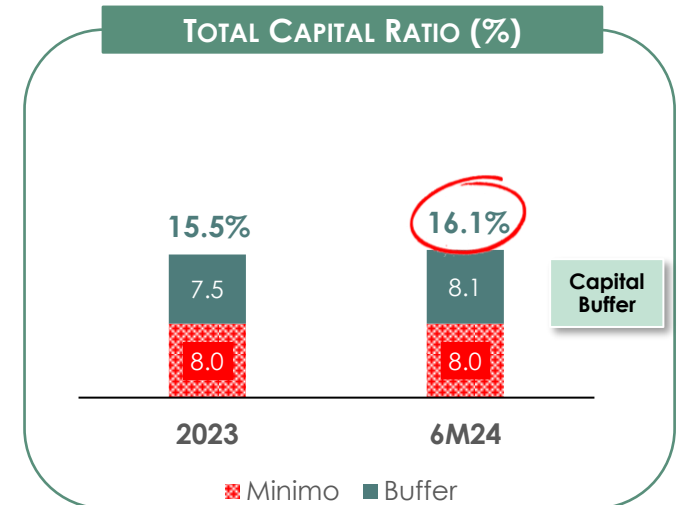
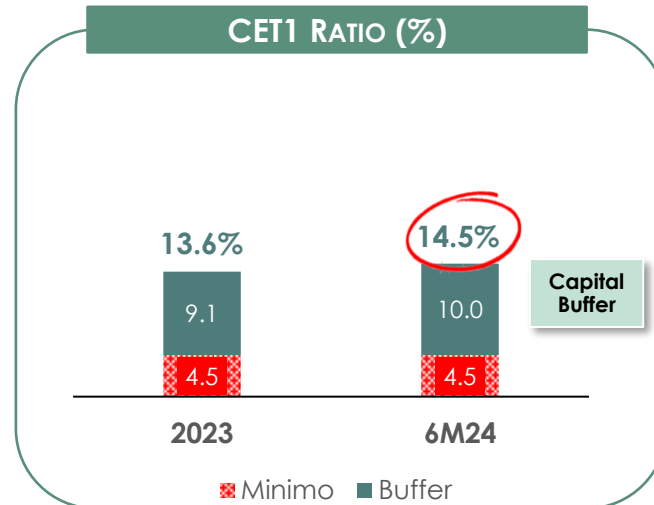
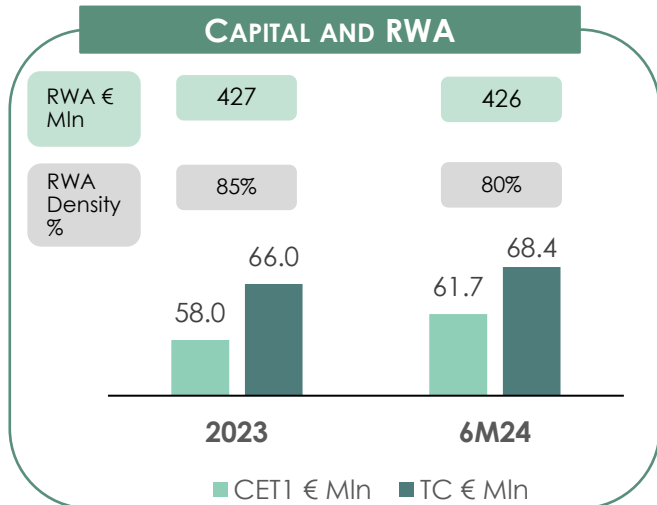
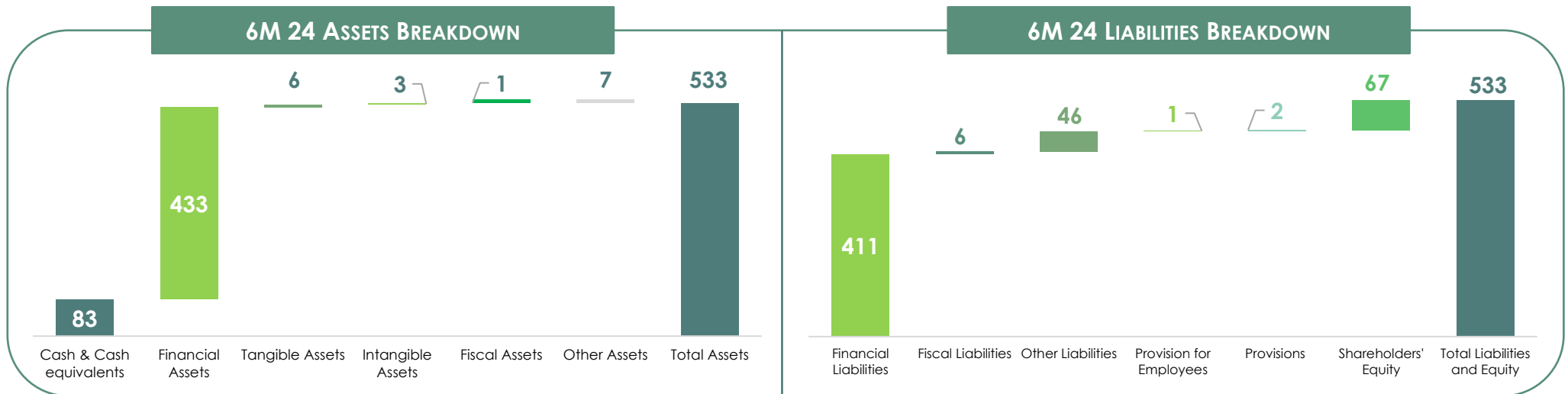
(€m)	2021A	2022A	2023A	CAGR '21-'23	6M23	6M24	YoY%
Turnover	1,402.9	2,009.4	2,559.3	35.1%	1,140.1	1,369.4	20.1%
Disbursed Amount	1,118.5	1,674.0	2,161.4	39.0%	931.7	1,045.1	12.2%
LTV	79.7%	83.3%	84.5%	2.9%	81.7%	76.3%	-6.6%
LTV Pro-solvendo	78.6%	81.6%	79.7%	0.7%	78.8%	74.1%	-6.1%

Net Banking Income / Average Loan (%)	9.6%	8.7%	8.5%	(5.8%)	8.2%	9.4%	14.1%
Interest Margin / Net Banking Income (%)	26.0%	23.5%	24.8%	(2.4%)	23.6%	23.7%	0.4%
Cost Income Ratio	40.9%	42.7%	35.7%	(6.5%)	39.1%	35.4%	(9.3%)
ROE (%)	42.0%	23.7%	29.3%	(16.4%)	26.1%	27.0%	3.7%

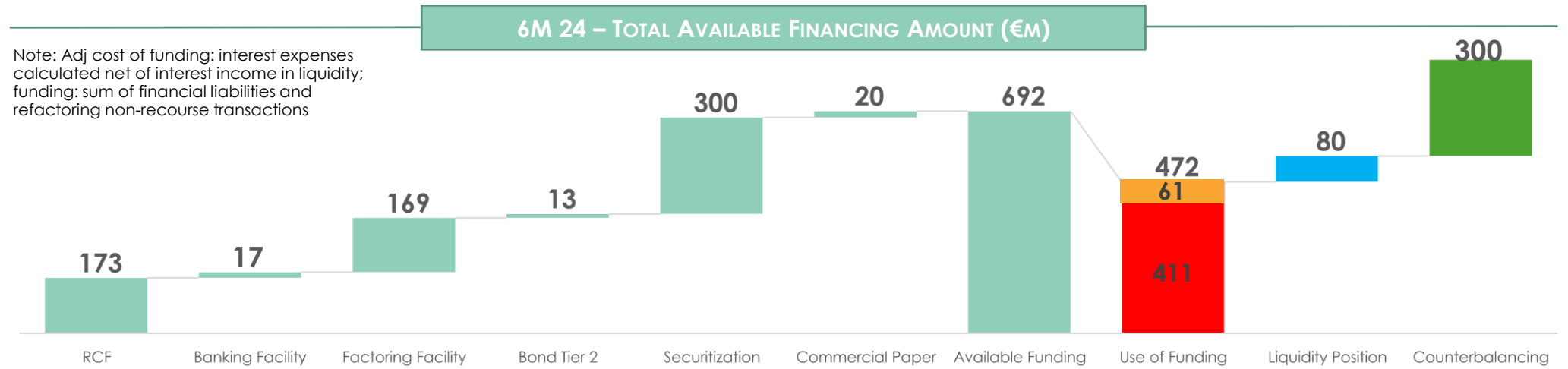
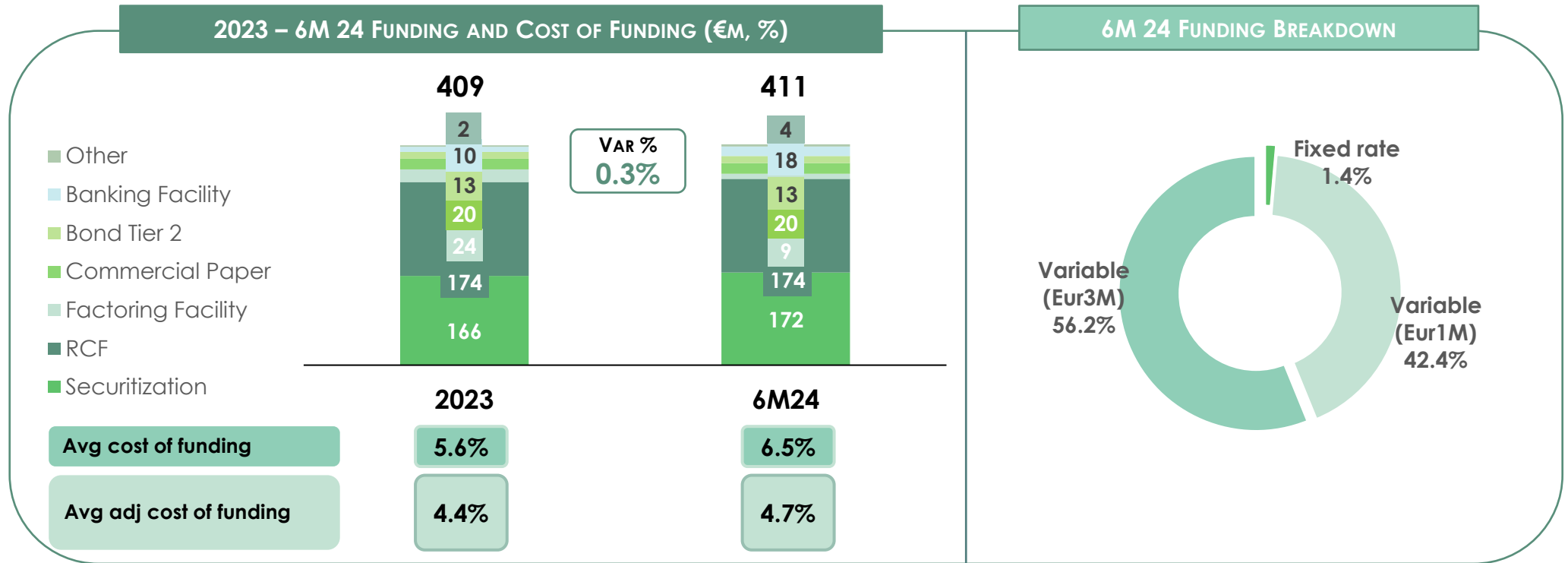
Balance Sheet (€m)	2021A	2022A	2023A	CAGR '21-'23	6M23	6M24	YoY%
Cash & Cash Equivalents	33.5	43.7	21.7	(19.6%)	48.0	83.5	74.0%
Financial Assets	321.0	385.4	462.4	20.0%	408.7	432.7	5.9%
Other Assets	10.8	14.7	15.9	21.2%	13.3	16.3	23.1%
Total Assets	365.3	443.8	500.0	17.0%	470.0	532.5	13.3%
Financial Liabilities	314.6	368.4	409.4	14.1%	387.7	410.6	5.9%
Other Liabilities	18.7	18.6	24.2	13.9%	24.2	54.9	127.3%
Total Liabilities	333.3	387.0	433.6	14.1%	411.9	465.5	13.0%
Shareholder's Equity	32.0	56.8	66.4	44.2%	58.1	67.0	15.4%

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

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



...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»

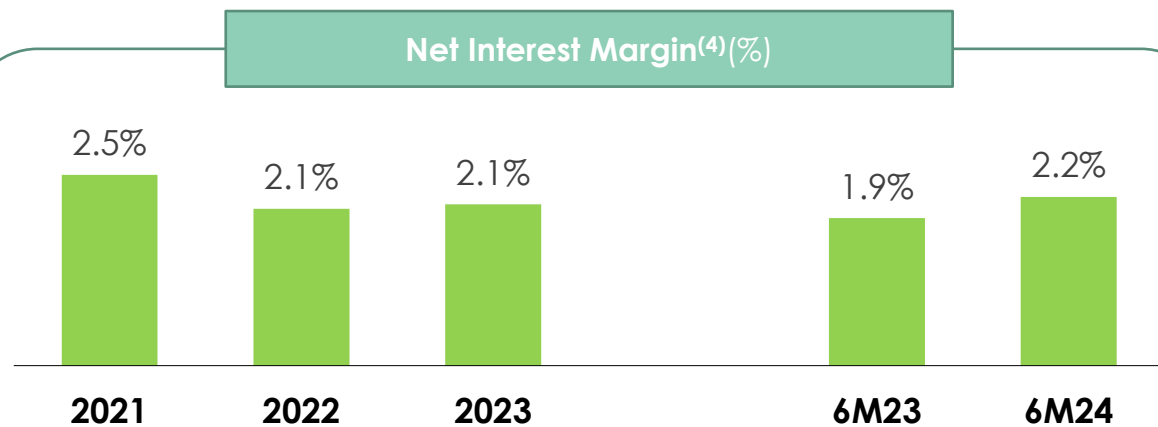
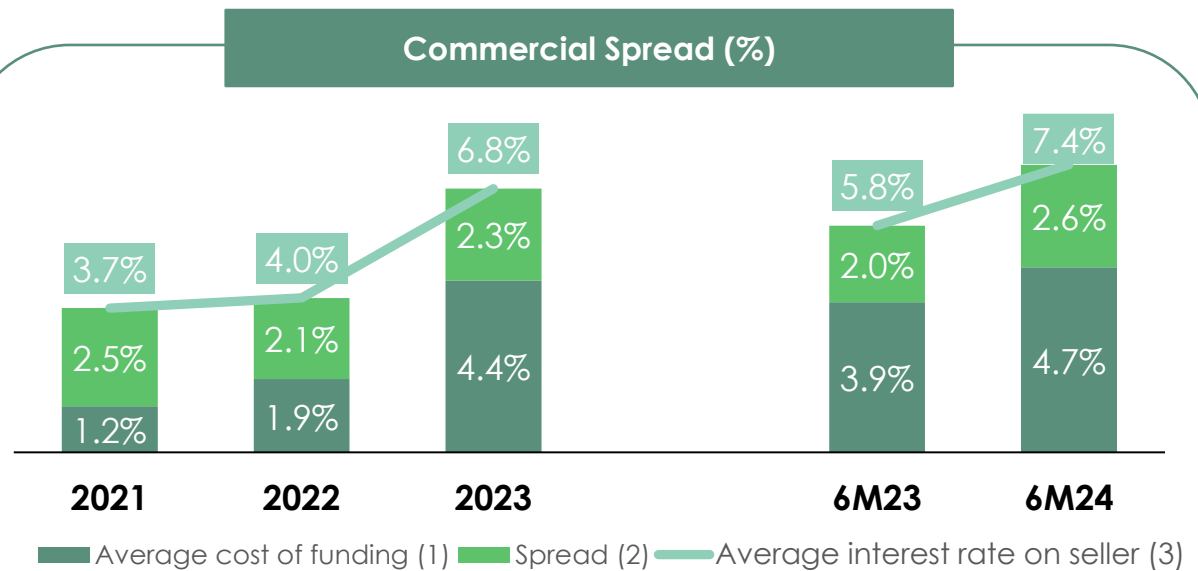
Liquidity Position: excluding pledge accounts amounting to 3.4 €mln

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

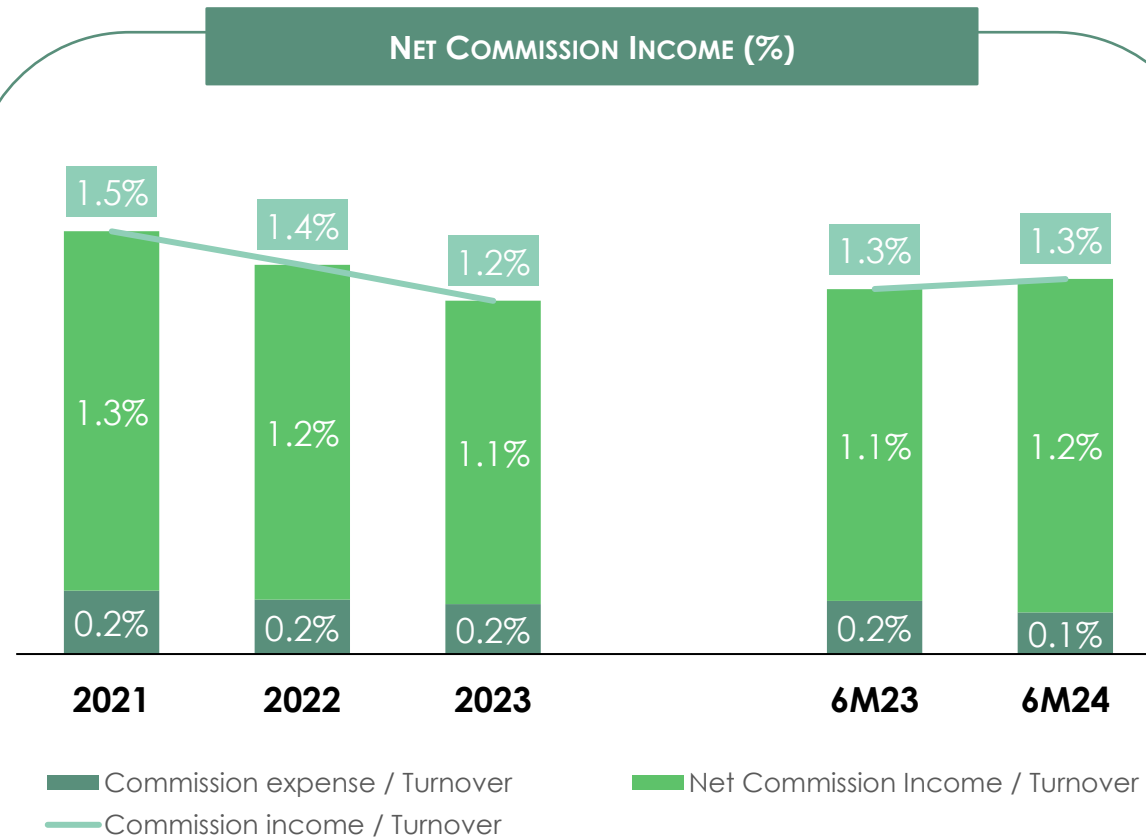
Net interest Income fully «hedged» against interest rates volatility

- Net Interest Income **~24%** of the Net Banking Income
- Almost all **funding variable rates (Euribor 1M, 3M and 6M)**
- All the **factoring contracts** at variable rates (**based on Euribor 3M**)



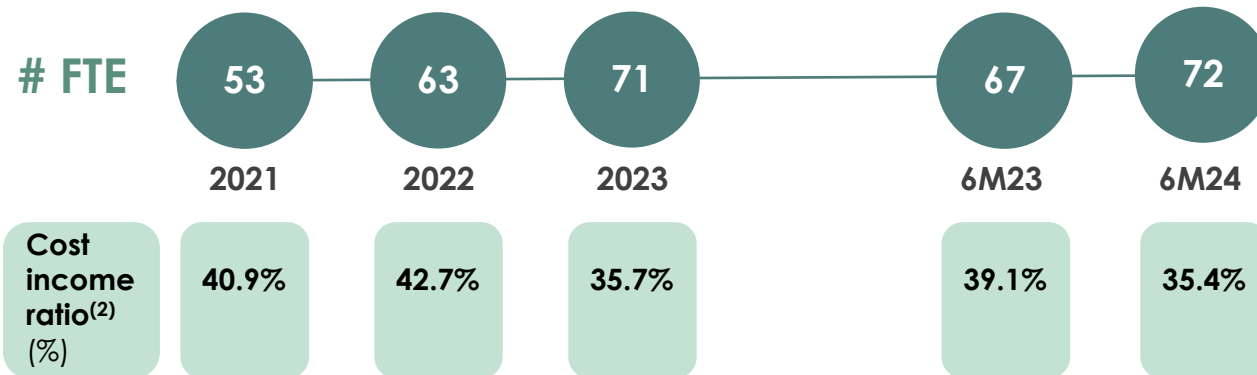
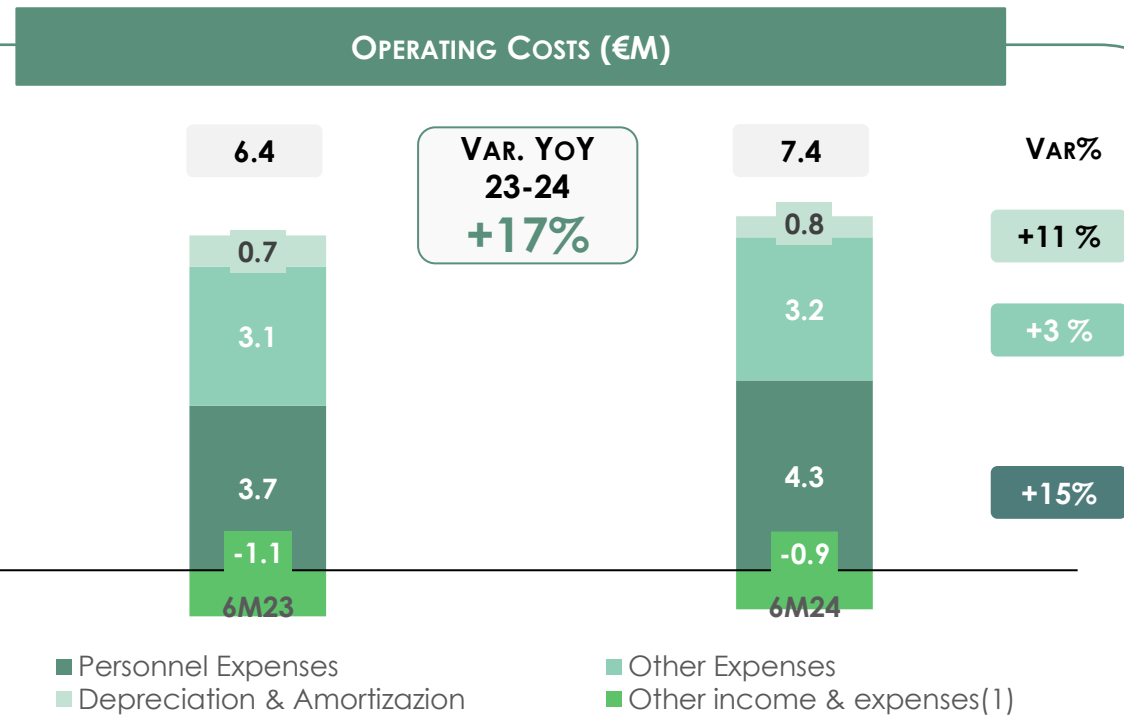
Net commission income, the primary source of profitability

- Net Commission Income ~**76%** 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

- **#72 FTE** as of 6M 2024
- **#Cost income remaining at excellent levels** due to the high **efficiency** of the operating machine and the **economy of scale (IT proprietary platform)**



Note: (1) other net revenues and risk charges; (2) Operating Costs / Net Banking Income
 Operating costs 2022 Adjusted (net of IPO costs): 11.6 €mln
 Cost income ratio 2022 Adjusted (net of IPO costs): 37.7%

Closing Remarks

Closing Remarks

2024 first 6 months of the year confirm a growing trend, in line with full year budget:

- Profitability level showing significant growth: net profit up +19%
- Very good asset quality confirmed
- NPE Ratio impacted by more conservative classification policy and single name default
- Further reduction of the cost income ratio, expected to drop further thanks to the very good operating leverage
- An updated organization oriented to risk control and business development
- 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
- Closing of Workinvoice deal expected by year end with full integration of the invoice discounting business
- Expanding Generalfinance abroad: establishment of Spanish branch expected by year end, subject to Bol approval
- Net Income 2024 guidance confirmed: >20M

1°
giorno di
quotazione

BORSA ITALIANA Euronext



Annexes



Income Statement

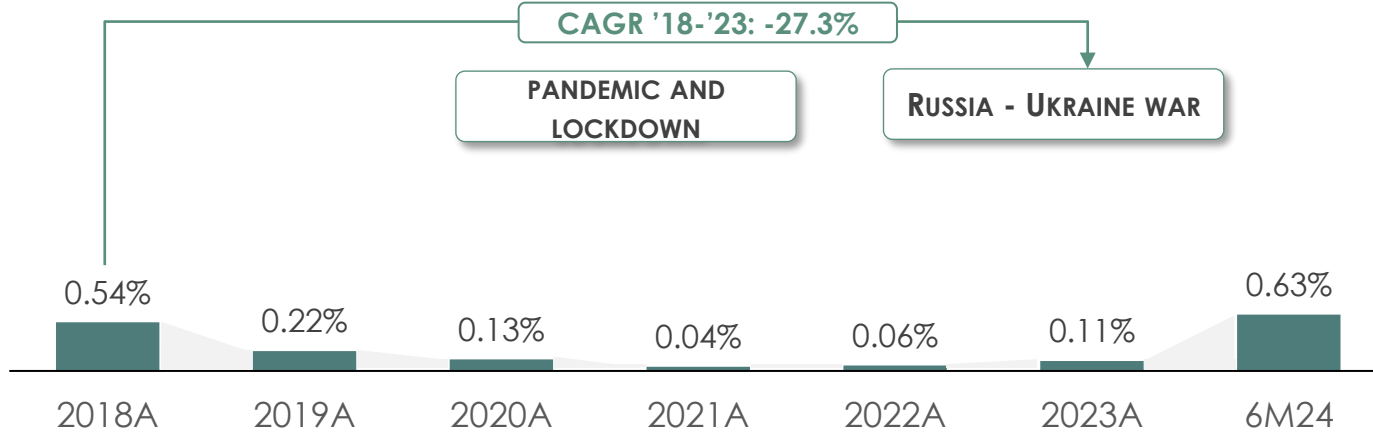
Income Statement (€m)	6M23	6M24	YoY%
Interest income and similar income	12.1	18.2	50%
Interest expense and similar charges	(8.3)	(13.3)	60%
INTEREST MARGIN	3.8	5.0	29%
Fee and commission income	14.6	18.0	23%
Fee and commission expense	(2.1)	(2.0)	-6%
NET FEE AND COMMISSION INCOME	12.5	16.0	28%
Dividends and similar income	0.0	0.0	-
Net profit (loss) from trading	0.0	(0.0)	-155%
Net results of other financial a/l measured at fv	0.0	(0.0)	-
NET INTEREST AND OTHER BANKING INCOME	16.3	21.0	28%
Net value adjustments / write-backs for credit risk	(0.3)	(1.4)	428%
a) Financial assets measured at amortised cost	(0.3)	(1.4)	428%
NET PROFIT (LOSS) FROM FINANCIAL MANAGEMENT	16.0	19.6	22%
Administrative expenses	(6.8)	(7.5)	10%
a) Personnel expenses	(3.7)	(4.3)	15%
b) Other administrative expenses	(3.1)	(3.2)	3%
Net provision for risks and charges	(0.0)	0.2	-2656%
b) Other net provisions	(0.0)	0.2	-2656%
Net value adjustments / write-backs on pppe	(0.4)	(0.5)	15%
Net value adjustments / write-backs on int. Ass.	(0.3)	(0.3)	57%
Other operating income and expenses	1.1	0.7	-41%
OPERATING COSTS	(6.4)	(7.4)	17%
Gains (Losses) from equity investments	0.0	(0.0)	-
PRE-TAX PROFIT (LOSS) FROM CURRENT OPERATIONS	9.7	12.1	25%
Income tax for the year on current operations	(3.0)	(4.1)	39%
PROFIT (LOSS) FOR THE YEAR	6.7	8.0	19%

Balance Sheet

Balance Sheet (€m)	2023A	6M24	Var% YTD
Cash and cash equivalents	21.6	83.5	285.7%
Financial assets measured at fair value through p/l	0.0	0.0	1.2%
Financial assets measured at amortised cost	462.4	432.7	(6.4%)
Equity investments	0.0	0.0	200.0%
Property, Plan and Equipment (PPE)	5.0	5.6	12.7%
Intangible assets	2.6	3.0	14.0%
Tax assets	5.7	0.8	(86.8%)
a) current	5.1	0.2	(96.4%)
b) deferred	0.6	0.6	1.6%
Other assets	2.7	6.9	154.1%
TOTAL ASSETS	500.0	532.5	6.5%
Financial liabilities measured at amortised cost	409.4	410.6	0.3%
a) payables	376.8	377.7	0.3%
b) outstanding securities	32.6	32.9	0.8%
Tax liabilities	7.1	6.2	(12.5%)
Other liabilities	14.0	45.7	225.7%
Severance pay	1.5	1.4	(7.5%)
Provision for risk and charges	1.6	1.6	(0.7%)
Share capital	4.2	4.2	0.0%
Share premium reserve	25.4	25.4	0.0%
Reserves	21.6	29.2	35.2%
Valuation reserves	0.1	0.2	57.6%
Profit (loss) for the year	15.1	8.0	(47.0%)
TOTAL LIABILITIES AND SHAREHOLDERS'S EQUITY	500.0	532.5	6.5%

Gross NPE Ratio expected to drop in 2H

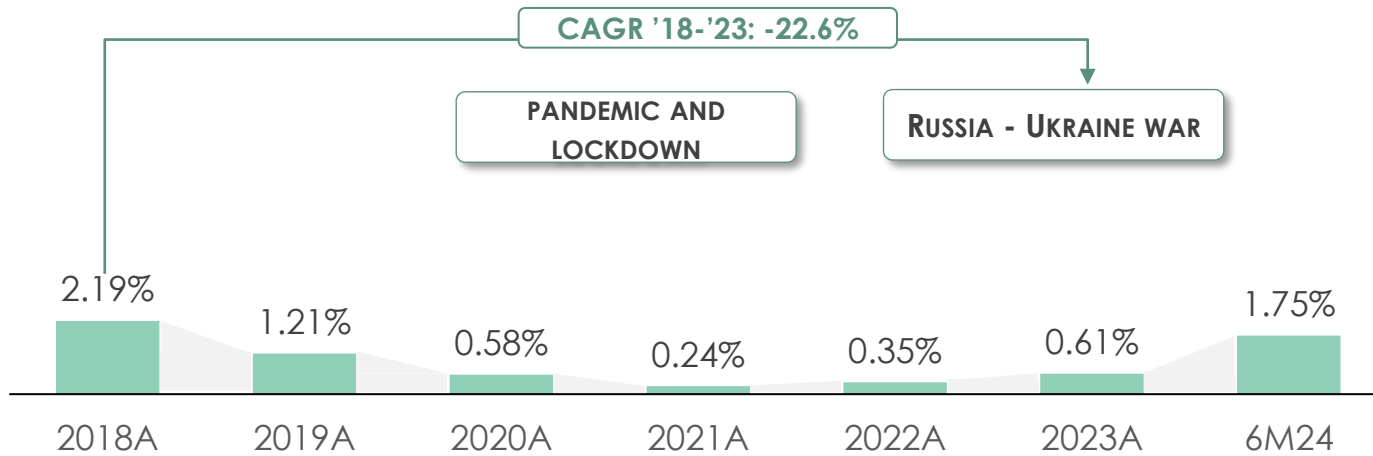
DEFAULT RATE (%)



The increased in the NPE Ratio in Q2 was mainly related to **two single stage 3 classifications** one for policy criteria related to the Seller and the second for underperformance and legal actions on the portfolio of Debtors. **2024E NPE Ratio <1%**.

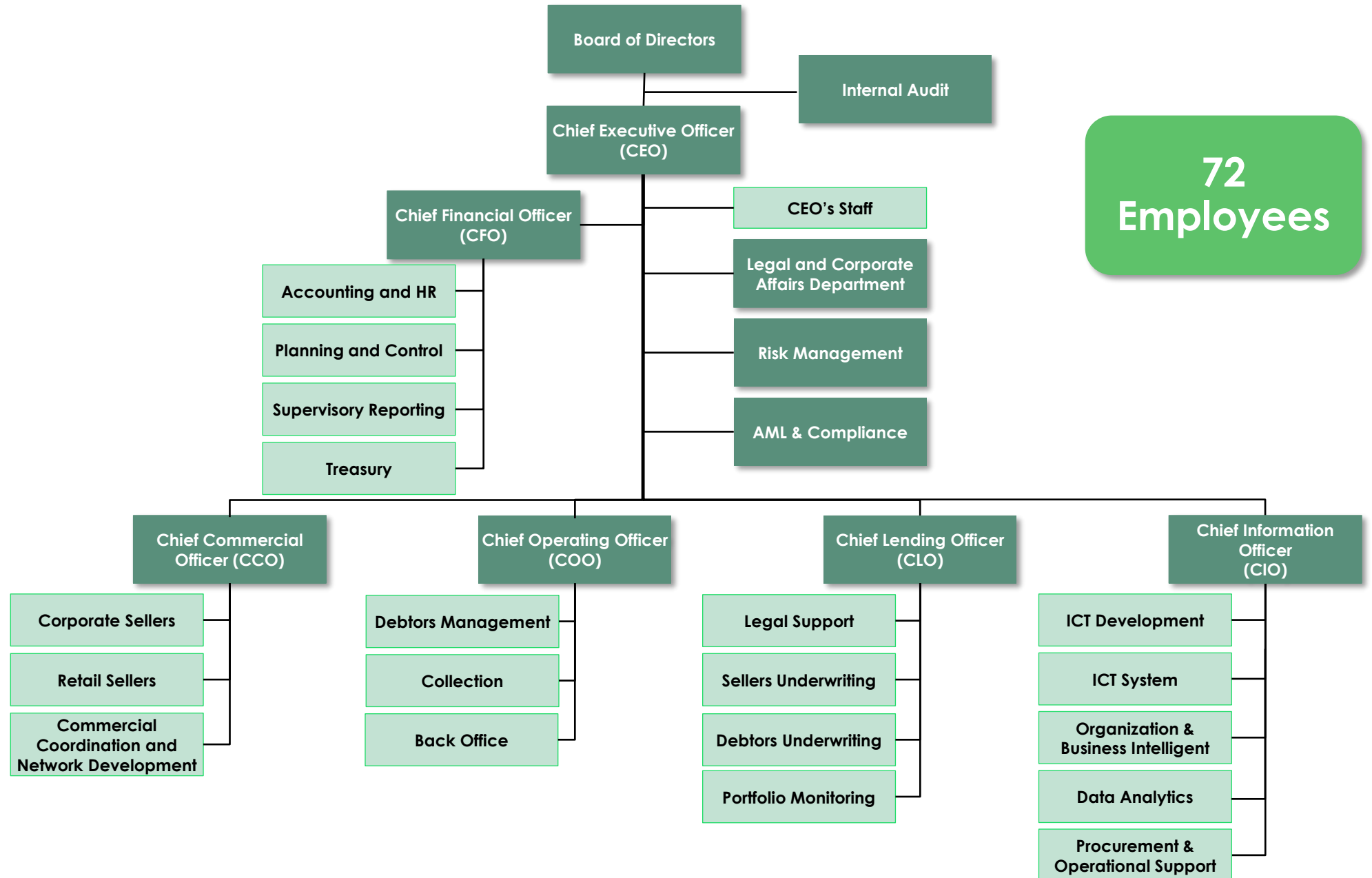
Stricter and enhanced classification and provisioning policy was introduced during 2023.

GROSS NPE RATIO (%)



Default rate: NPE infow of the year / loans disbursement flow of the year

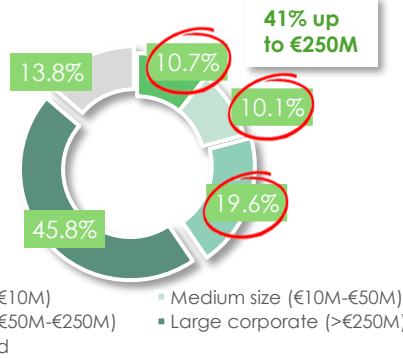
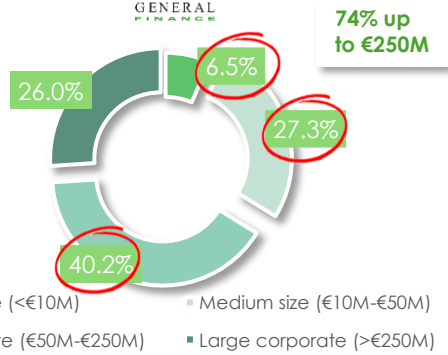
An organization oriented to risk control and business



Organizational chart as of June 30, 2024

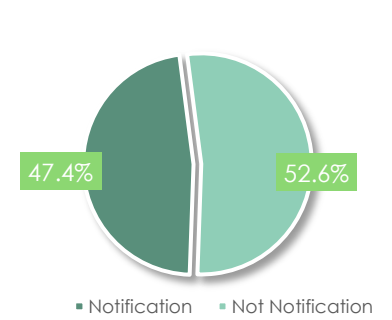
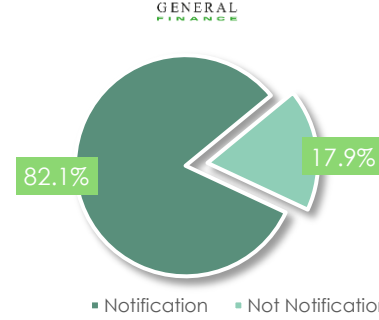
Turnover breakdown vs system average 1/2

SELLERS' DIVERSIFICATION BY DIMENSION



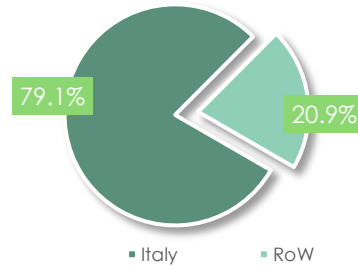
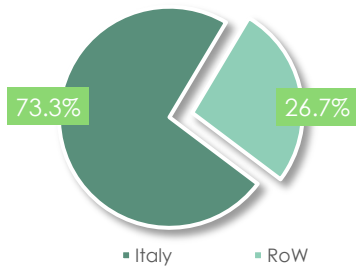
- Small size (<€10M)
- Corporate (€50M-€250M)
- Medium size (€10M-€50M)
- Large corporate (>€250M)
- Not classified

FACTORING BY NOTIFICATION STATUS



- Notification
- Not Notification

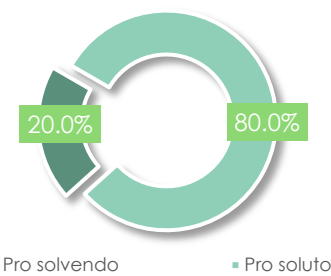
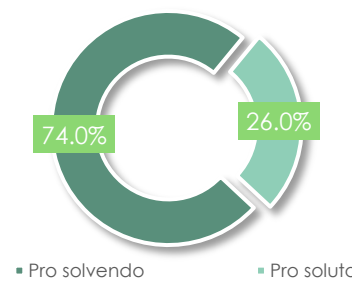
NATIONAL VS INTERNATIONAL TURNOVER



- Italy
- RoW

- Italy
- RoW

TURNOVER BY PRODUCT



- Pro solvendo
- Pro soluto

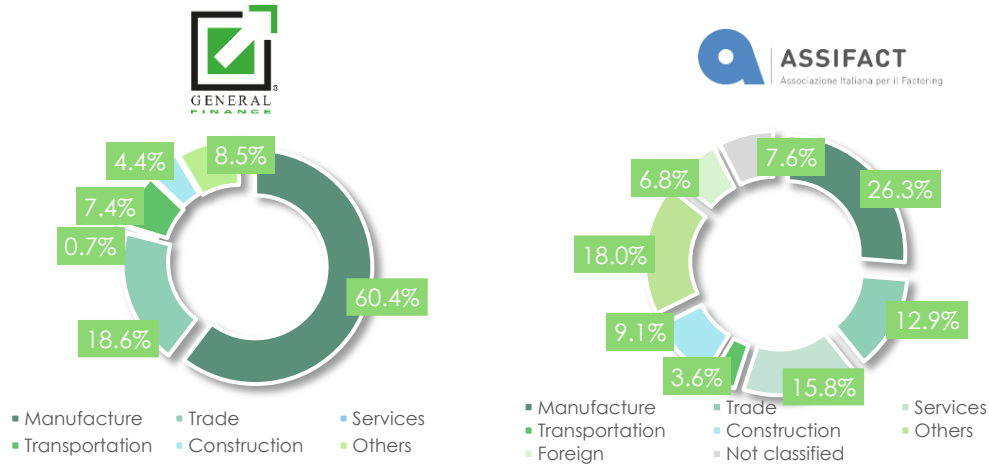
- Pro solvendo
- Pro soluto



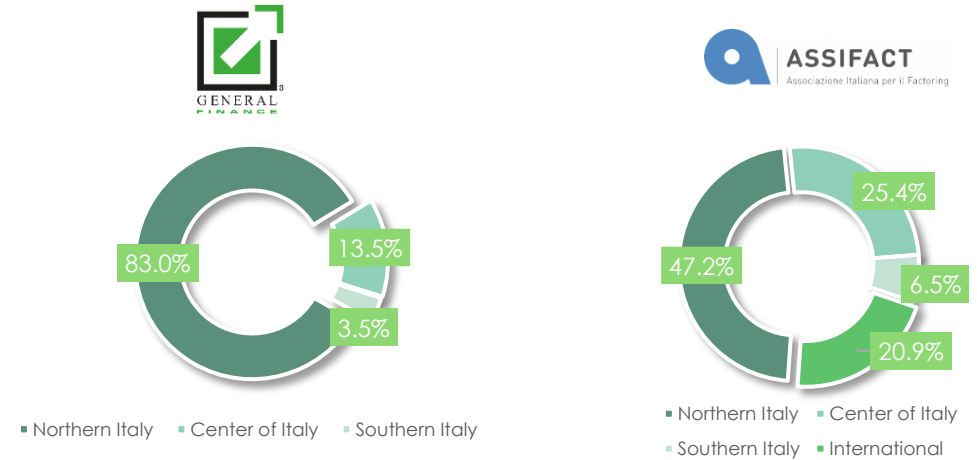
Generalfinance's Turnover data refers to June 30, 2024
Assifact's Turnover data refers to March 31, 2024

Turnover breakdown vs system average 2/2

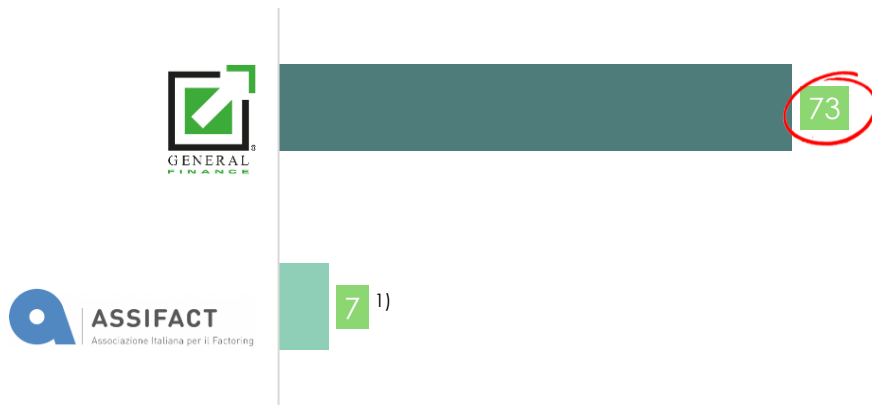
SELLERS' DIVERSIFICATION BY SECTOR



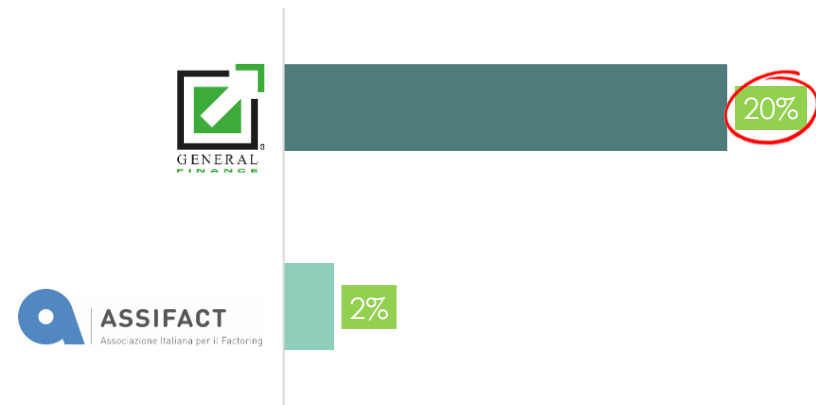
SELLERS' DIVERSIFICATION BY GEOGRAPHY



HIGHER NUMBER OF DEBTORS PER SELLER



TURNOVER - % CHANGE FROM PREVIOUS YEAR



1°
giorno di
quotazione
BORSA ITALIANA Euronext



GENERALFINANCE

1H24 Results



July 26, 2024