

GENERAL
FINANCE

**INTERIM REPORT ON OPERATIONS
AS AT 30 SEPTEMBER 2024**

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Interim report on operations as at 30 September 2024

Foreword

Statement of compliance with International Accounting Standards

This Interim report on operations as at 30 September 2024 is prepared on a voluntary basis as the obligation to provide periodic financial disclosure in addition to the annual and half-yearly disclosure no longer applies, due to the wording of art. 154-ter, paragraph 5, of Italian Legislative Decree no. 58/1998 ("Consolidated Law on Finance" or "TUF") introduced by Italian Legislative Decree no. 25/2016 implementing the Transparency Directive 2013/50/EU.

The Interim report on operations as at 30 September 2024, as far as recognition and measurement criteria are concerned, was prepared in accordance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), endorsed by the European Commission pursuant to EU Regulation no. 1606 of 19 July 2002, taking into account the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRC), as expressed in the section "Preparation criteria and accounting standards" of the Notes to the Financial Statements as at 31 December 2023.

The Interim report on operations as at 30 September 2024 consists of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and is also accompanied by a Report on operations, on the economic results achieved and on the equity and financial position of Generalfinance.

In terms of financial reporting, being prepared pursuant to the aforementioned art. 154-ter, paragraph 5, of the Consolidated Law on Finance as well as for the purposes of determining regulatory capital (own funds) and the capital ratios, this Report does not include some explanatory notes that would be required to represent the equity and financial position and the economic result for the period in compliance IAS 34 Interim Financial Reporting.

The Interim report on operations as at 30 September 2024 does not disclose all the information required in the Annual Financial Statements. For this reason, it is necessary to read it together with the financial statements as at 31 December 2023.

This Report is accompanied by the certification of the Financial Reporting Officer, pursuant to art. 154-bis of the Consolidated Law on Finance, and the financial statements are subject to a limited audit by Deloitte & Touche S.p.A. in order to include the interim result in own funds.

Events after the reference date of the Interim report on operations

No events or circumstances have occurred since the end of the first nine months of the financial year 2024 that would appreciably alter what has been presented in this Interim report on operations.

However, it is useful to point out that with its registration with the Register of Companies of Milan Monza Brianza Lodi, which took place on 18 October 2024, the Articles of Association became effective, incorporating the amendments resolved by the Extraordinary Shareholders' Meeting of 6 September. In this regard, it should be noted that the resolution in favour of the introduction of the enhanced voting rights (as opposed to the increased voting rights previously in force) entailed, pursuant to Article 2437 of the Italian Civil Code, the right of withdrawal for shareholders who did not participate in the resolution. Since in the period envisaged to exercise the right of withdrawal, the Company received only one declaration of withdrawal, concerning 600 ordinary shares, representing approximately 0.004% of the share capital, the Company acknowledged the fulfilment of the condition precedent to which the aforementioned shareholders' meeting resolution was subject, i.e. that the amount in cash that may have to be paid by Generalfinance to the shareholders who had exercised the right of withdrawal should not exceed the amount of EUR 5,000,000.00. In fact, considering that the liquidation value of the shares subject to withdrawal - defined pursuant to Art. 2437-ter, paragraph 3, of the Italian Civil Code - was set at EUR 10.13, the liquidation value is equal to EUR 6,078.00, well below the threshold envisaged by the condition precedent.

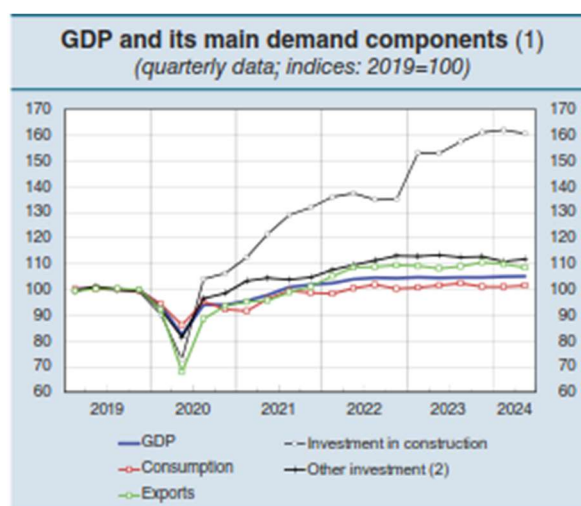
It should be noted that, in accordance with IAS 10, this Report was authorised for publication by the Company's Directors on 8 November 2024.

THE MACROECONOMIC CONTEXT AND THE FACTORING MARKET IN 2024¹

Macroeconomic context

In the second quarter of 2024, GDP in Italy continued to grow moderately, still supported by the expansion in services, in the face of the decline in added value in the industry. Domestic demand increased, driven by household consumption and investments in capital goods, while net exports decreased.

In the second quarter, GDP grew by 0.2% compared to the previous period. The slight recovery in household consumption continued, after the sharp decline observed at the end of last year. Gross fixed investments decreased slightly: the negative contribution of residential construction was offset by the increase in all other components. The change in inventory, which subtracted more than 2 points from growth in the previous three quarters, supported GDP by 0.3 percentage points. Foreign trade provided a contribution of -0.5 percentage points, due to the sharp decline in exports of goods and services, higher than the estimates inferred from the monthly foreign trade data, against a slight increase in imports. On the supply side, added value continued to decline in the industry in the strict sense and in construction (-0.5 and -0.6%, respectively), while it grew in services. The expansion of the tertiary sector, which concerned almost all segments, was most intense in information and communication services, in real estate and financial and insurance activities.



Source: Based on Istat data.

(1) Chain-linked volumes; data seasonally and calendar adjusted. –
 (2) Includes investment in machinery, equipment and weapons systems (which also consists of transport equipment), as well as cultivated biological resources and intellectual property products.

Source: Bank of Italy, Economic Bulletin no. 4/2024

Based on our estimates, economic activity increased moderately in the third quarter. The expansion of services was expected to continue, while added value was to remain broadly stable in construction and to fall again in manufacturing. On the demand side, the further recovery in consumption would be associated with the limited performance in investments and the weakness of net foreign demand. In September, the Ita-coin indicator, which measures the trend of the product without cyclical volatility, though improving, remained at negative values. Based on our most recent macroeconomic projections, GDP will increase by 0.6% in 2024 (by 0.8% excluding the correction for working days), and will grow cumulatively by more than 2% in the two-year period 2025-26.

¹ The chapter refers to and/or reports extensive excerpts from the Bank of Italy's "Economic Bulletin no. 4/2024" and Assifact statistical circular no. 45-24 "Il factoring in cifre - Sintesi dei dati di Giugno 2024" (Factoring in figures - Summary of the June 2024 data).

GDP and its main components (1) (percentage change on previous period and percentage points)					
	2023	2023		2024	
		Q3	Q4	Q1	Q2
GDP	0.7	0.2	0.0	0.3	0.2
Imports of goods and services	-0.4	-2.4	-1.3	-2.3	0.2
National demand (2)	0.3	-0.9	-1.0	-0.2	0.6
National consumption	1.2	0.8	-1.2	-0.1	0.5
Household spending (3)	1.0	0.9	-1.7	0.1	0.3
General government spending	1.9	0.5	0.1	-0.7	1.0
Gross fixed capital formation	8.5	1.2	1.4	-0.5	-0.1
Construction	14.5	3.0	2.4	0.6	-0.8
Capital goods (4)	2.3	-0.7	0.2	-1.7	0.8
Change in inventories (5)	-2.5	-1.9	-0.3	-0.1	0.3
Exports of goods and services	0.8	0.7	1.4	-0.6	-1.2
Net exports (6)	0.4	1.1	1.0	0.5	-0.5

Source: Istat.

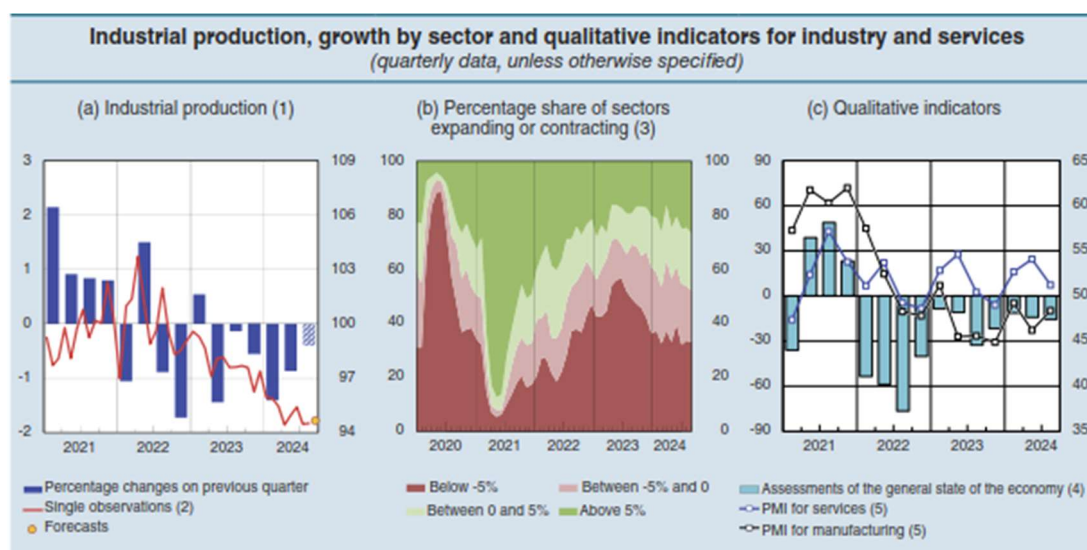
(1) Chain-linked volumes; the quarterly data are seasonally and calendar adjusted. – (2) Includes the item 'changes in inventories, including valuables'. – (3) Includes non-profit institutions serving households. – (4) Includes investment in machinery, equipment and weapons systems (which also consists of transport equipment), cultivated biological resources and intellectual property products. – (5) Includes valuables; contributions to GDP growth on previous period; percentage points. – (6) Difference between exports and imports; contributions to GDP growth on previous period; percentage points.

Source: Bank of Italy, Economic Bulletin no. 4/2024

Businesses

In the third quarter, there were still signs of weakness in business activities. After the decline in July, industrial production remained substantially stable in August, with differing trends between sectors: the increase in consumer and energy goods was offset by the decline in intermediate and capital goods. The share of segments that are down compared to the same period of the previous year remains high (52%): marked reductions concerned the manufacture of means of transport and, exacerbating a long-term trend, textiles. In the third quarter, the SME index for manufacturing, albeit slightly up compared to the spring months, remained below the expansion threshold. In qualitative surveys, businesses indicate a gradual deterioration in production levels, especially in the intermediate goods sector. The opinions on the general economic situation are still unfavourable.

Our estimates for September – based on electricity and gas consumption, motorway and rail traffic, as well as qualitative indicators on business confidence and expectations – suggest a decline in industrial activity over the summer as a whole, less marked than in the previous quarter.



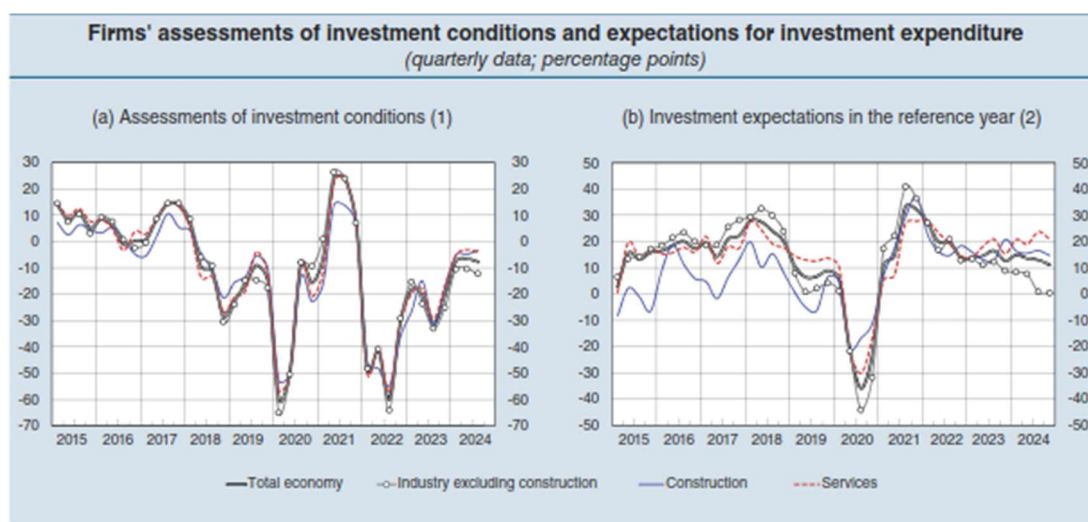
Sources: Based on data from the Bank of Italy, Istat, Markit and Terna.

(1) Data adjusted for seasonal and calendar effects. The yellow dot represents the forecast for September 2024, the last bar represents the forecast for the third quarter. – (2) Monthly data. Index: 2021=100. Right-hand scale. – (3) Monthly data. The share of sectors expanding or contracting (as per the Ateco classification) is calculated based on the 3-month moving averages of the year-on-year growth rates of the sectoral indices for industrial production, adjusted for calendar effects. – (4) Balance, in percentage points, of the responses 'better' and 'worse' to the question on the general state of the economy (see 'Survey on Inflation and Growth Expectations', Banca d'Italia, Statistics Series, 8 October 2024). – (5) Average quarterly data. Diffusion indices for economic activity in the sector. Right-hand scale.

Source: Bank of Italy, Economic Bulletin no. 4/2024

In the summer months, the SME indices for the services sector foresee, in line with the increase in turnover from services in July, a further expansion of activity, albeit less intense than the previous quarter. The Bank of Italy's surveys conducted between August and September also show signs of a growth in demand for service companies, which are offset by indications of continuing weakness in manufacturing.

In the second quarter, investments decreased slightly (-0.1%). The decline is mainly attributable to the contraction in the housing component (-2.0%), against an increase in investments both in plant, machinery and equipment, and in non-residential construction. Based on the indications of the Italian Leasing Association (Assilea), in the two-month period of July-August, the value of lease contracts to finance capital goods slowed down compared to the previous quarter. According to the businesses interviewed by the Bank of Italy, the conditions for investing remain unfavourable. The balance between the percentage of companies that expect an increase in nominal investment spending in 2024 and that indicating a reduction remains positive, with differing trends between sectors: expectations are weaker in industry in the strict sense and more favourable in construction and, above all, in services. Over half of the construction companies expect to benefit from the measures associated with the National Recovery and Resilience Plan (NRRP).



Source: Survey on Inflation and Growth Expectations, Banca d'Italia, Statistics Series, 8 October 2024.

(1) Balance of opinion between positive and negative assessments compared with the previous quarter. – (2) Balance between expectations of an increase and of a decrease compared with the previous year. The first expectations for the reference year are surveyed in the fourth quarter of the preceding year.

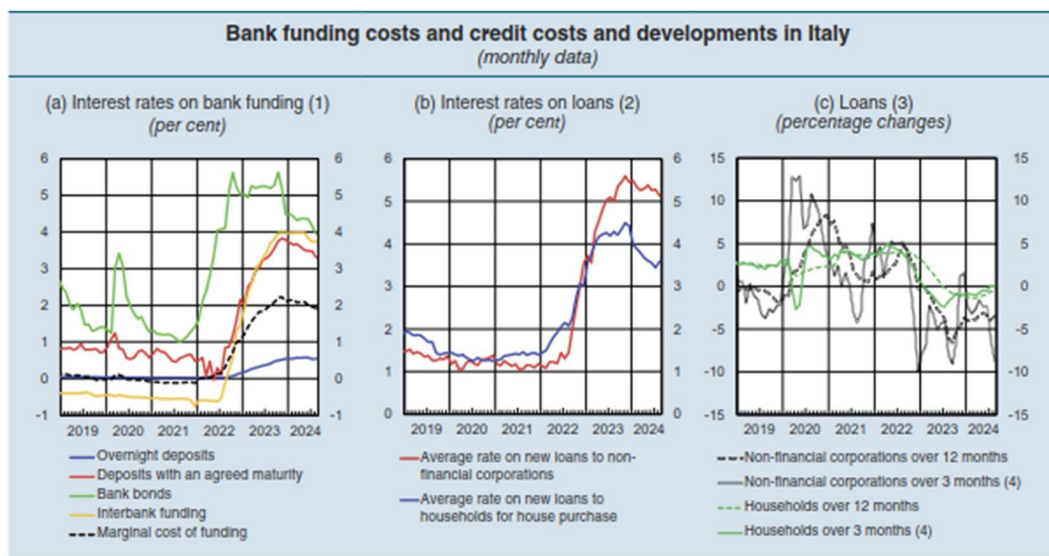
Source: Bank of Italy, Economic Bulletin no. 4/2024

Credit and loan conditions

The slight reduction in the cost of bank funding in the summer months favoured a modest decline in rates on loans to businesses. Given an initial easing of supply criteria in the spring, the further contraction in bank loans to non-financial companies reflects a still weak demand for credit. Corporate bond issues also fell, despite the drop in yields. The trend of mortgages to households for home purchases showed slight signs of recovery while remaining contained. In the third quarter, companies indicated almost unchanged conditions of access to credit.

Between May and August, the marginal cost of bank funding fell by around 15 basis points (to 1.9%). The main contributors to this were the drop in rates on the interbank market and the lower cost of bond funding. The rate on current account deposits remained substantially unchanged (at 0.5%), while that on new deposits with a set duration fell by 2 tenths (to 3.3%). Bank bond funding grew significantly: in the second quarter, net issues amounted to EUR 14.9 billion (EUR 2.8 billion in the previous quarter). However, the planned repayment of TLTRO3 funds led to a new contraction in total bank deposits (-2.6% over the twelve months in August, from -6.2% in May).

Between May and August, interest rates on new bank loans to businesses fell (from 5.4 to 5.1%), as did those on existing loans (from 5.4 to 5.2%), though remaining at levels close to the highs reached at the end of 2023. The average cost of new mortgages to households for the purchase of homes remained almost stable (at 3.6%); that of variable-rate loans fell by approximately 2 tenths. The cost of consumer credit declined slightly (from 9.0% to 8.8%).



Sources: Based on data from the Bank of Italy, Bloomberg and ICE Bank of America Merrill Lynch.

(1) The marginal cost of funding is calculated as a weighted average of the costs of banks' various funding sources, using their respective outstanding amounts as weights. This is the cost that a given bank would incur to increase its balance sheet by one unit, drawing on funding sources in proportion to the composition of its liabilities at that time. — (2) Average values. Rates on loans refer to euro-denominated transactions and are collected and processed in accordance with the Eurosystem's harmonized methodology. — (3) Includes bad debts, repos and loans not reported in banks' balance sheets because they have been securitized. The percentage changes are net of reclassifications, exchange rate variations, value adjustments, and other variations not due to transactions. 3-month percentage changes are annualized. — (4) Data are seasonally adjusted following a methodology that is in accordance with the guidelines of the European Statistical System.

Source: Bank of Italy, Economic Bulletin no. 4/2024

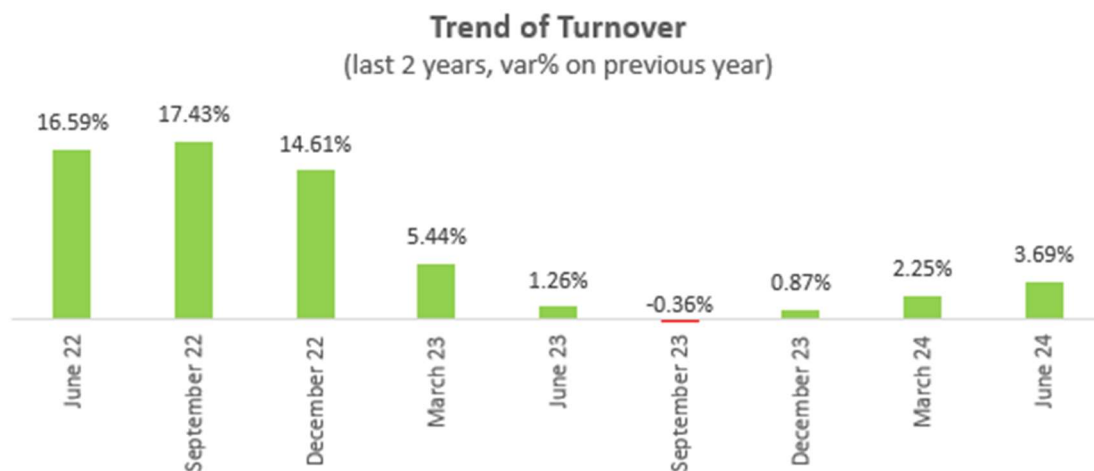
In August, loans to businesses declined again (-8.7% over the three months and year-on-year); the decrease was more pronounced for service companies and in the medium and long-term loans segment, generally associated with investment needs. Loans to households remained weak, despite the slight recovery in mortgages and the acceleration in consumer credit. The banks interviewed in June in the quarterly Bank Lending Survey in the Eurozone reported a slight easing of supply criteria on loans to businesses in the second quarter, reflecting greater risk tolerance and lower costs of funding; intermediaries also reported a new contraction in demand, attributable to the decreased need for credit for investments and the increased use of self-financing. More recent information, taken from the Survey on inflation and growth expectations conducted by the Bank of Italy on businesses between the end of August and mid-September, indicates conditions of access to credit that were generally unchanged at restrictive levels, with a slight improvement for medium-sized companies and for services companies. The weakness in credit demand was also reflected on the bond markets: in the second quarter, net issues of bonds by non-financial companies almost halved (2.2 billion, from 4.3 in the previous quarter), mainly due to the sharp increase in reimbursements, offset only in part by the growth in gross issues; financing through venture capital was limited. Since mid-July, yields on bonds of non-financial Italian companies have fallen by around 40 basis points, substantially in line with the reduction in risk-free rates on medium-term maturities.

Factoring market – last half-yearly report

At the end of the first half-year, the factoring market recorded a turnover of EUR 146.77 billion, up 3.69% year-on-year. Cumulative turnover from *supply chain finance transactions* amounted to EUR 13.85 billion, up by 0.95% compared to the same period last year. For 2024, sector operators expect further volume growth, at an expected average growth rate of 3.86%, in line with the actual end of the first half of the year. Trade receivables purchased from the public administration in the first half of 2024 amounted to EUR 9.30 billion (down 8.61% y-o-y). As at 30 June 2024, outstanding receivables amounted to EUR 7.56 billion, of which EUR 3.1 billion past due in relation to the notoriously long payment times of Public Entities.

Data in thousands of euro		Share % of total	% change from previous year
Cumulative Turnover	146,773,307		3.69%
With Recourse	28,483,808	19%	
Without Recourse	118,289,499	81%	
Outstanding	64,909,856		0.41%
With Recourse	15,718,688	24%	
Without Recourse	49,191,168	76%	
Exposures	52,383,874		0.26%

Source: Assifact, statistical circular 45-24 "Il factoring in cifre – Sintesi dei dati di Giugno 2024" (Factoring in figures - Summary of June 2024 data). Values in thousands of euro.



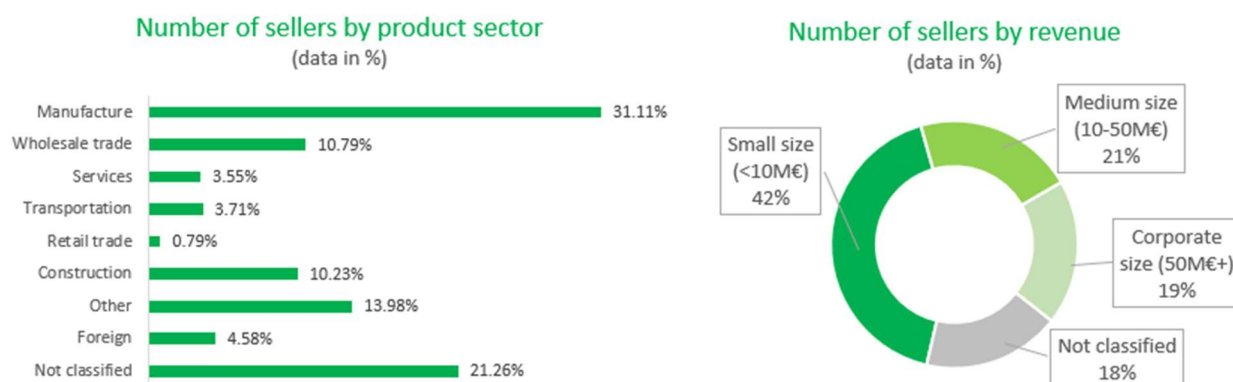
Source: Assifact, statistical circular 45-24 "Il factoring in cifre – Sintesi dei dati di Giugno 2024" (Factoring in figures - Summary of June 2024 data).

In the second quarter of 2024, turnover was up by 3.69% compared to the same period of the previous year.

The turnover trend shows a further improvement in the growth rate despite the fact that economic activity is still weak.

During the third quarter of 2024, operators expect an increase in turnover compared to the same period of 2023, equal to +2.89%. For the year 2024 as a whole, operators foresee, on average, positive growth (+3.86%).

Over 32,000 companies use factoring, approximately 63% of which are SMEs. It is used predominantly in the manufacturing sector.



Source: Assifact, statistical circular 45-24 "Il factoring in cifre – Sintesi dei dati di Giugno 2024" (Factoring in figures - Summary of June 2024 data).

Advances and fees paid, amounting to EUR 52,38 billion, were substantially stable compared to the same period of the previous year.

Factoring market – monthly position in August 2024

Based on the latest monthly report available, turnover as of August 2024 was approximately EUR 184.5 billion, up by approximately 1.39% on the previous year. Outstanding at the reporting date amounted to around EUR 55 billion, down 3.42% year-on-year, while advances amounted to around EUR 42 billion, down 5.65% year-on-year.

Data in thousands of euro		Share % of total	% change from previous year
Cumulative Turnover	184,535,712		1.39%
With Recourse	37,154,596	20%	
Without Recourse	147,381,116	80%	
Outstanding	54,841,878		-3.42%
With Recourse	14,380,292	26%	
Without Recourse	40,461,585	74%	
Exposures	42,358,234		-5.65%
of which turnover from Supply Chain Finance operations.	18,014,283	10%	1.09%

Source: Assifact, statistical circular 53-24 "Factoring in figures - Summary of August 2024 data".

Operating performance and result

Share capital – Transactions affecting the corporate structure

The Company's share capital currently amounts to EUR 4,202,329.36 and is divided into 12,635,066 ordinary shares without nominal value, pursuant to paragraph 3 of Art. 2346 of the Italian Civil Code and Art. 5 of the current Articles of Association. Based on the information available to the Company, as at 30 September 2024 it is broken down as follows:

- **GGH – Gruppo General Holding S.r.l. (GGH)**, which holds approximately 41.37% of the share capital (roughly 53.53% of the voting rights taking into account the increased vote);
- **Investment Club S.r.l. (IC)**, which holds approximately 9.56% of the share capital (approximately 9.41% of the voting rights taking into account the increased vote);
- **BFF Bank S.p.A. (BFF)**, which holds approximately 8.02% of the share capital (approximately 5.19% of the voting rights);
- **First4Progress 1 S.r.l. (F4P) (2)**, which holds approximately 5.39% of the share capital (approximately 6.66% of the voting rights taking into account the increased vote);
- **Banca del Ceresio SA (BS)**, which holds approximately 4.67% of the share capital (approximately 5.15% of the voting rights, taking into account the increased vote);
- (floating) **market**, which overall holds approximately 30.99% of the share capital (approximately 20.06% of total voting rights).

The shares, all ordinary and traded on Euronext STAR Milan, all have equal rights, both administrative and financial, as established by law and by the Articles of Association, except for the provisions of the latter regarding increased voting rights, as specified below. The shares are indivisible, registered and freely transferable by an act inter vivos and transmissible on death. The currently applicable legislation and regulations regarding representation, legitimate entitlement and circulation of shares set forth for financial instruments traded on regulated markets is applied to the shares. The shares are issued in dematerialised form.

Pursuant to Art. 127-quinquies of Italian Legislative Decree no. 58 of 24 February 1998 ("TUF" or "Consolidated Law on Finance"), each share gives the right to double votes (and therefore two votes for each share) where both the following conditions are met: (a) the share belongs to the same party, based on a real right that legitimately entitles them to exercise the voting right (full ownership with voting right or bare ownership with voting right or usufruct with voting right) for a continuous period of at least 24 (twenty-four) months; (b) the meeting of the condition pursuant to point (a) is certified by the continuous registration, for a period of at least 24 (twenty-four) months, in the duly established list, kept by the Company, in compliance with the legislative and regulatory provisions in force. The assessment of the prerequisites for the attribution of the increased vote is carried out by the administrative body.

As at 30 September 2024, the shareholders GGH, Investment Club S.r.l., Firt4Progress 1 S.r.l. and Banca del Ceresio SA acquired the increased voting rights.

The current **composition of the Company's share capital**, with respect to which there have been no changes, is shown below.

	Share capital		
	EUR	No. of shares	Nominal value per unit
Total	4,202,329.36	12,635,066	(*)
of which: ordinary shares (regular dividend entitlement)	4,202,329.36	12,635,066	(*)

(*) Shares with no nominal value.

The **total amount of voting rights as at 30 September 2024** is shown below.

² During the third quarter, the shareholder "First4Progress S.p.A." informed the Company of the change in its company name to "FIRST4PROGRESS 1 S.r.l." or "FIRST FOR PROGRESS 1 S.r.l." or "F4P1 S.r.l." for short.

	Situation as at 30 September 2024	
	Number of shares	Number of voting rights
Total ordinary shares	12,635,066	19,530,005
Ordinary shares without increased voting rights	5,740,127	5,740,127
Ordinary shares with increased voting rights	6,894,939	13,789,878

By virtue of the above, as at today's date, the voting rights that can be exercised by shareholders are as follows:

Shareholder	Shares held	30 September 2024	
		% share capital	% voting rights
GGH – Gruppo General Holding S.r.l.	5,227,273	41.37	53.53
Investment Club S.r.l.	1,207,267	9.56	9.41
First4Progress 1 S.r.l.	681,140	5.39	6.66
BFF Bank S.p.A.	1,013,378	8.02	5.19
Banca del Ceresio SA	589,666	4.67	5.15
Market	3,916,342	30.99	20.06

As at 30 September 2024, the first-degree pledge established by the shareholder GGH on 1,263,900 shares of Generalfinance owned by it is still in place to guarantee a loan that the shareholder has in place with Banca Nazionale del Lavoro S.p.A. for a credit line of EUR 5 million. However, it does not entail any limitation on the rights of GGH as, in derogation from Art. 2352 of the Italian Civil Code, the right to vote on the shares encumbered by the pledge is regularly exercised by GGH itself, both in ordinary and extraordinary shareholders' meetings. Similarly, GGH maintained the right to receive any amount due from Generalfinance in relation to the shares encumbered by the pledge.

On the other hand, it should be noted that the pledge established at the time by GGH in favour of Credito Valtellinese S.p.A. ("Creval") on 1,271,766 shares of Generalfinance no longer exists as a result of the issue of consent by Crédit Agricole Italia S.p.A. (which took over from Creval following incorporation) to the release of the residual restriction.

At the date of this report, the Company does not hold treasury shares in its portfolio.

Main performance indicators

Generalfinance closed the first nine months of 2024 with a net profit of EUR 13.6 million (+27% compared to 30.09.2023) and further growth in the area of *distressed financing*. Turnover – including advance orders – reached EUR 2,098 million (+18%) with EUR 1,628 million disbursed (+10%).

In order to provide a clear and immediate view of the Company's economic performance, the following tables show some indicators for the period, compared with the figures related to the same period of the previous year.

The main economic and financial data and some operating indicators are presented below, with comments on their performance in the following paragraphs.

Main reclassified income statement data (in thousands of Euro)

Income for:	30.09.2024	30.09.2023	Change
Net interest income	7,956	5,873	35%
Net fee and commission income	24,958	19,599	27%
Net interest and other banking income	32,881	25,472	29%
Operating costs	-11,055	-9,658	14%
Pre-tax profit from current operations	20,525	15,676	31%
Profit for the period	13,579	10,667	27%

Key balance sheet data (in thousands of Euro)

Balance sheet item	30.09.2024	31.12.2023	Change
Financial assets measured at amortised cost	445,354	462,365	-4%
Financial liabilities measured at amortised cost	445,508	409,388	9%
Shareholders' equity	72,565	66,433	9%
Total assets	581,808	500,043	16%

Main performance indicators

Indicator	30.09.2024	30.09.2023
Cost/Income ratio	34%	38%
ROE	31%	28%
Net interest income/Net interest and other banking income	24%	23%
Net fee and commission income/Net interest and other banking income	76%	77%

Notes:

- Cost Income Ratio calculated as the ratio between operating costs and Net interest and other banking income
- ROE calculated as the ratio of annualised profit for the period to shareholders' equity at the end of the period

These positive operating results were achieved in a period still marked by a slowdown in the global economy and geopolitical tensions.

Turnover

Including data referring to future credit advances, turnover reached EUR 2,098 million as at 30 September 2024, up by 18% compared to the first nine months of 2023.

With reference to the annual "LTM – Last Twelve Months" turnover (October 2023 - September 2024), the breakdown by nationality of the transferred debtors shows a relative weight of international factoring equal to around 24.5% of *business volumes*, with significant diversification by country, reflecting the high level of service that the Company is able to provide to export-oriented customers.



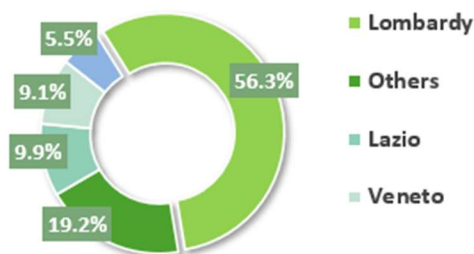
Turnover by nationality of debtor - 9M24



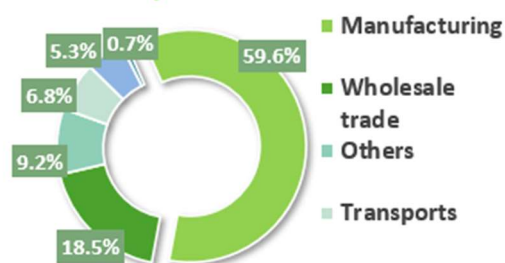
Looking at the registered office of the transferor, the company is strongly rooted in the north of the country, with a particular focus on Lombardy (56.3% of turnover), Veneto (9.1%) and Emilia-Romagna (5.5%); turnover from companies operating in Lazio (9.9%) is growing.

At sector level, manufacturing represents the most important portion of turnover, with approximately 59,6%; this positioning is consistent with the “DNA” of Generalfinance as a reference factor for manufacturing SMEs affected by turnaround processes.

Turnover by region of seller - 9M24



Turnover by Ateco of seller - 9M24

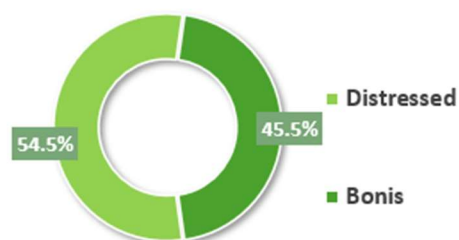


The activity is mainly represented by factoring with recourse, which accounts for approximately 75.3% of volumes, while the without recourse portion accounts for around 24.7%, up compared to the same period of the previous year. Lastly, around 54,5% of the turnover is developed with regard to “distressed” transferors, i.e. those engaged in restructuring projects through the various instruments set forth in the Corporate Crisis Code.

Turnover by product - 9M24



Turnover by counterpart status - 9M24



Economic data

Net interest income amounted to EUR 8.0 million, up (+35%) compared to the same period of 2023, as a result of the positive effect generated by the renegotiation of factoring contracts with respect to Euribor rate trends; net commissions amounted to EUR 25.0 million, up from EUR 19.6 million in the same period of 2023 (+27%). The trend in fee and commission income was affected by the highly positive trend in turnover (+18% year on year), reflecting the excellent commercial and operating performance of the Company during the year.

Net interest and other banking income amounted to EUR 32.9 million (+29%), while net value adjustments on loans amounted to EUR 1.3 million, determining a cost of risk, calculated by correlating the adjustments with the annual disbursement, equal to 8 *basis points*.

The increase in the level of provisions was driven in particular by the increase in stage 3 positions and the increase in the expected loss on stage 1 positions, also in connection with the more stringent classification and valuation policies introduced in 2023.

Operating costs amounted to EUR 11.1 million (+14% compared to the same period of 2023).

Taking into account the tax item of approximately EUR 6.9 million, the net result for the period was approximately EUR 13.6 million, compared to EUR 10.7 million recorded in the same period of 2023.

Breakdown of interest income and similar income – Item 10 of the Income Statement

Items/Technical forms	Debt securities	Loans	Other transactions	30/09/2024	30/09/2023
1. Financial assets measured at fair value through profit or loss:	-	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	X	-	-
3. Financial assets measured at amortised cost	-	27,802,768	-	27,802,768	20,398,791
3.1 Loans to banks	-	1,343,643	X	1,343,643	474,866
3.2 Receivables from financial companies	-	1,170,483	X	1,170,483	699,746
3.3 Loans to customers	-	25,288,642	X	25,288,642	19,224,179
4. Hedging derivatives	X	X	-	-	-
5. Other assets	X	X	240,132	240,132	92,100
6. Financial liabilities	X	X	X	-	-
Total	-	27,802,768	240,132	28,042,900	20,490,891
of which: interest income on impaired financial assets	-	-	-	-	-
of which: interest income on leases	X	-	X	-	-

Breakdown of interest expense and similar charges – Item 20 of the Income Statement

Items/Technical forms	Payables	Securities	Other transactions	30/09/2024	30/09/2023
1. Financial liabilities measured at amortised cost	17,916,458	2,170,384	-	20,086,842	14,618,326
1.1 Due to banks	7,417,514	X	X	7,417,514	5,080,182
1.2 Payables to financial companies	10,443,132	X	X	10,443,132	7,554,666
1.3 Due to customers	55,812	X	X	55,812	30,889
1.4 Securities issued	X	2,170,384	X	2,170,384	1,952,589
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	X	X	2	2	3
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	-	-
Total	17,916,458	2,170,384	2	20,086,844	14,618,329
of which: interest expense on lease payables	55,812	X	X	55,812	30,889

Breakdown of fee and commission income – Item 40 of the Income Statement

Detail	Total 30/09/2024	Total 30/09/2023
a) lease transactions	-	-
b) factoring transactions	27,828,790	22,713,144
c) consumer credit	-	-
d) guarantees issued	-	-
e) services of:	-	-
- management of funds on behalf of third parties	-	-
- foreign exchange brokerage	-	-
- product distribution	-	-
- others	-	-
f) collection and payment services	-	-
g) servicing in securitisation transactions	-	-
h) other commissions	-	-
Total	27,828,790	22,713,144

Breakdown of fee and commission expense – Item 50 of the Income Statement

Retail/Sectors	Total 30/09/2024	Total 30/09/2023
a) guarantees received	282	280
b) distribution of services by third parties	-	-
c) collection and payment services	-	-
d) other commissions	2,870,644	3,113,878
d.1 advances on business loans (lt. Law no. 52/91)	1,094,765	1,178,509
d.2 others	1,775,879	1,935,369
Total	2,870,926	3,114,158

Fee and commission expense for advances on business receivables are represented by commissions and fees paid to third parties and fee and commission expense for re-factoring transactions.

The sub-item “*Other*” is mainly composed of bank charges and commissions for EUR 572,569 and costs incurred for credit insurance for EUR 1,156,283.

Breakdown of net value adjustments/write-backs for credit risk relating to financial assets measured at amortised cost: breakdown – Item 130 of the Income Statement

Transactions/Income components	Value adjustments (1)						Write-backs (2)				Total 30/09/2024	Total 30/09/2023
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
			Write-off	Other	Write-off	Other						
1. Loans to banks	(1,956)	-	-	-	-	-	11	-	-	-	(1,945)	(5,768)
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(1,956)	-	-	-	-	-	11	-	-	-	(1,945)	(5,768)
2. Receivables from financial companies	-	-	-	-	-	-	-	-	-	-	-	-
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans to customers	(324,861)	(46,190)	-	(1,406,341)	-	-	28,903	40,186	450,811	-	(1,257,492)	(132,537)
- for leases	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	(324,861)	(46,190)	-	(1,406,341)	-	-	28,903	40,186	450,811	-	(1,257,492)	(132,537)
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- loans on pledge	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Total	(326,817)	(46,190)	-	(1,406,341)	-	-	28,914	40,186	450,811	-	(1,259,437)	(138,305)

The amounts included in the item “Loans to banks” refer to the amounts due from banks “on demand” reported in the item “Cash and cash equivalents”.

Breakdown of personnel expenses – Item 160 a) of the Income Statement

Types of expenses/Values	Total 30/09/2024	Total 30/09/2023
1. Employees	5,273,711	4,493,040
a) wages and salaries	3,634,319	3,025,193
b) social security contributions	955,691	843,799
c) employee severance indemnity	9,216	2,714
d) social security expenses	-	-
e) employee severance indemnity provision	166,695	148,751
f) allocation to the provision for pensions and similar obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	94,294	75,408
- defined contribution	94,294	75,408
- defined benefit	-	-
h) other employee benefits	413,496	397,175
2. Other active personnel	-	-
3. Directors and Statutory Auditors	967,766	964,171
4. Retired personnel	-	-
5. Expense recoveries for employees seconded to other companies	-	-
6. Reimbursement of expenses for employees seconded to the company	-	-
Total	6,241,477	5,457,211

Breakdown of other administrative expenses – Item 160 b) of the Income Statement

Type of expense/Values	Total 30/09/2024	Total 30/09/2023
Professional fees and consultancy	2,023,336	2,221,593
Charges for indirect taxes and duties	122,269	95,568
Maintenance costs	59,281	43,251
Utility costs	136,482	94,981
Rent payable and condominium expenses	126,655	143,640
Insurance	29,701	29,137
Commercial information	535,078	547,061
Other administrative expenses	1,728,868	1,652,881
Total	4,761,670	4,828,112

Balance sheet and asset quality data

Financial assets at amortised cost – largely consisting of net loans and advances to customers – amounted to EUR 445 million, down 4% from 31 December 2023. The flow of loans disbursed increased from EUR 1,482 million as at 30 September 2023 to EUR 1,628 million as at 30 September 2024 (+10%). The overall disbursement percentage (average between recourse and non-recourse) – the ratio of disbursement to turnover for the year – decreased from 84% in the first nine months of 2023 to 78% in the first nine months of 2024; the average days of credit increased from 67 in the first nine months of 2023 to 75 in the first nine months of 2024.

Within the aggregate, total gross non-performing loans amounted to EUR 6.8 million, with a gross NPE ratio of 1.50% (1.11% of the net NPE ratio), compared to 0.61% in 2023.

The coverage of non-performing loans stood at 27%. The increase in the stock of non-performing loans as at 30 September 2024 was due, in particular, to the increase in positions classified as likely to default, also as a result of the more stringent classification and valuation policies introduced in 2023.

Breakdown of receivables from banks – Item 40 c) of Assets

Breakdown	Total 30/09/2024						Total 31/12/2023					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
1. Deposits at maturity	-	-	-	-	-	-	-	-	-	-	-	-
2. Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans	39,132	-	-	-	-	39,132	65,750	-	-	-	-	65,750
3.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
3.3 Factoring	39,132	-	-	-	-	39,132	65,750	-	-	-	-	65,750
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	39,132	-	-	-	-	39,132	65,750	-	-	-	-	65,750
3.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
4.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
4.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
5. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	39,132	-	-	-	-	39,132	65,750	-	-	-	-	65,750

L1 = level 1; L2 = level 2; L3 = level 3

Breakdown of receivables from finance companies – Item 40 c) of Assets

Breakdown	Total 30/09/2024						Total 31/12/2023					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
1. Loans	26,504	-	-	-	-	26,504	200,017	-	-	-	-	200,017
1.1 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Factoring	26,504	-	-	-	-	26,504	200,017	-	-	-	-	200,017
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	26,504	-	-	-	-	26,504	200,017	-	-	-	-	200,017
1.4 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	26,504	-	-	-	-	26,504	200,017	-	-	-	-	200,017

L1 = level 1; L2 = level 2; L3 = level 3

Breakdown of receivables from customers – Item 40 c) of Assets

Breakdown	Total 30/09/2024						Total 31/12/2023					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated impaired	L1	L2	L3
1. Loans	440,400,465	4,887,612	-	-	-	445,288,077	460,179,378	1,920,350	-	-	-	462,099,728
1.1 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
<i>of which: without final purchase option</i>	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	440,400,465	4,887,612	-	-	-	445,288,077	460,179,378	1,920,350	-	-	-	462,099,728
- with recourse	350,279,354	4,874,524	-	-	-	355,153,878	338,471,255	1,920,350	-	-	-	340,391,605
- without recourse	90,121,111	13,088	-	-	-	90,134,199	121,708,123	-	-	-	-	121,708,123
1.3 Consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Pledged loans	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Loans granted in relation to payment services provided	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
<i>of which: from enforcement of guarantees and commitments</i>	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	440,400,465	4,887,612	-	-	-	445,288,077	460,179,378	1,920,350	-	-	-	462,099,728

L1 = level 1; L2 = level 2; L3 = level 3

Cash and cash equivalents – represented by loans to banks – amounted to approximately EUR 119 million – reflecting the prudent profile of liquidity management – while total balance sheet assets amounted to EUR 581.8 million, compared to EUR 500 million at the end of 2023.

Property, plant and equipment amounted to EUR 6.2 million, compared to approximately EUR 5 million in 2023. Intangible assets amounted to EUR 3.1 million, an increase compared to EUR 2.6 million at the end of 2023.

Financial liabilities measured at amortised cost, equal to EUR 445.5 million, are made up of payables of EUR 383.2 million and securities issued of EUR 62.3 million.

Payables are mainly represented by the pool loan (EUR 174 million as at 30 September) stipulated with a number of Italian banks, in addition to the mortgage loans and other bilateral lines with banks and factoring companies (EUR 34.6 million). In addition, the item includes the payable to the vehicle (EUR 169 million) relating to the securitisation transaction concluded in December 2021, which saw BNP Paribas, Banco BPM and Intesa Sanpaolo as senior lenders.

The securities consist of two subordinated bonds (EUR 12.5 million) issued in the second half of 2021, in addition to the outstanding commercial paper (EUR 50 million).

Breakdown of payables by type – Item 10 a) of Liabilities

Items	Total 30/09/2024			Total 31/12/2023		
	to banks	to financial companies	to customers	to banks	to financial companies	to customers
1. Loans	189,355,565	19,215,140	-	183,917,293	23,554,445	-
1.1 repurchase agreements	-	-	-	-	-	-
1.2 other loans	189,355,565	19,215,140	-	183,917,293	23,554,445	-
2. Lease payables	-	-	3,203,945	-	-	1,974,806
3. Other payables	-	169,044,733	2,373,887	-	166,501,036	803,190
Total	189,355,565	188,259,873	5,577,832	183,917,293	190,055,481	2,777,996
Fair value – level 1	-	-	-	-	-	-
Fair value – level 2	-	-	-	-	-	-
Fair value – level 3	189,355,565	188,259,873	5,577,832	183,917,293	190,055,481	2,777,996
Total Fair Value	189,355,565	188,259,873	5,577,832	183,917,293	190,055,481	2,777,996

The total for "payables" item therefore amounts to EUR 383,193,270.

Payables to banks refer to:

Technical form	Amount
Current account exposures for SBF advances	1,433,777
Unsecured loans	13,926,259
Pool loan	173,995,529
Total	189,355,565

As at the date of the financial report, the following unsecured loans were outstanding:

Bank	Expiry	Residual capital
Cassa di Risparmio di Asti S.p.A.	22/04/2025	10,000,000
Banca Galileo S.p.A.	03/10/2024	3,000,000
Cassa di Risparmio di Savigliano S.p.A.	11/11/2024	677,441

With reference to unsecured mortgages, it should be noted that the mortgage contracted with Banca Galileo was fully repaid at the beginning of October.

With regard to the revolving pool loan agreement, it should be noted that the Company – in the context of funding strategies – has obtained an extension of the contract's expiry from the credit institutions until January 2025. In this regard, it is specified that the RCF Agreement envisages certain covenants relating in particular to:

- the capitalisation of the Company ("Financial Parameter");
- the proportion of non-performing loans to total loans;
- the loan to value of the overall line;
- the degree of insurance coverage of credit exposures.

These covenants have been constantly respected since the signing of the RCF Contract and are in line with the contractual limits also with reference to 30 September 2024.

It should be noted that the Company has initiated talks with the financing banks with a view to extending the maturity of the RCF Contract until 31 December 2028. The Company and the lending banks have already defined the most significant contractual changes - all in an improved sense for Generalfinance - and the process for renewal is expected to be finalised by the end of the current financial year, once formal resolutions have been taken by the participating banks.

At the current state of negotiations, it is noted that:

- the contractual amendments provide for improved operating conditions for the company;
- the number of banks participating in the pool will remain the same;
- previous renewals, starting in 2019, were negotiated without any critical issues;
- the covenants under the contract have always been respected during the contractual term.

Contacts are underway with the banking sector in order to define the conditions of the loan (in particular: spread on the 3-month Euribor and up-front fees and commissions), which are expected to be at least in line with the current ones.

Payables for loans to financial companies mainly refer to payables for re-factoring with recourse on Italian and foreign invoices (refactoring transactions).

Other payables to financial companies refer to payables to the special purpose vehicle relating to the securitisation transaction concluded in December 2021 and maturing in December 2024, relating to a revolving portfolio of receivables deriving from factoring contracts with and without recourse owned by the Company. With reference to the securitisation transaction in place, it should be noted that the contractual documentation signed with the lenders provides for certain triggers, after which the transaction may go into a phase of amortisation. These triggers refer in particular to the performance of the securitised portfolio (delinquency and default levels). These triggers are in line with the contractual limits also with reference to 30 September 2024.

The Company has initiated talks with the senior lenders of the securitisation with a view to extending the maturity of the securitisation programme for a further three years, until December 2027. The renewal process is expected to be finalised by the end of the current financial year.

At the current state of negotiations, it is noted that:

- significant changes to the contractual documents are not envisaged;
- the number of banks participating in the securitisation programme will remain the same;
- annual renewals, starting in 2021, were negotiated without any critical issues;
- the covenants/triggers under the contract have been respected during the contractual term.

Based on the discussions with the three lenders, the conditions of the securitisation programme (in particular: spread on the Euribor) are expected to be substantially equal to the current ones.

Payables to customers refer to amounts to be paid to transferors deriving from collections of transferred receivables, to payables for leases, recognised following the adoption of the new accounting standard "IFRS 16 Leases".

Breakdown of securities issued by type – Item 10 b) of Liabilities

Type of securities/Values	Total 30/09/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	13,155,815	-	-	13,155,815	12,781,091	-	-	12,781,091
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	13,155,815	-	-	13,155,815	12,781,091	-	-	12,781,091
2. other securities	49,158,511	49,158,511	-	-	19,856,178	19,856,178	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	49,158,511	49,158,511	-	-	19,856,178	19,856,178	-	-
Total	62,314,326	49,158,511	-	13,155,815	32,637,269	19,856,178	-	12,781,091

With regard to bonds, during the months of September and October 2021, the Company issued and placed two Tier 2 subordinated bonds.

The first, with a duration of six years and maturity on 30 September 2027, was issued for an amount of EUR 5 million with an annual coupon at a fixed rate of 10%.

The second, with a duration of five years and maturity on 28 October 2026, was issued for an amount of EUR 7.5 million and with an

annual coupon at a floating rate equal to the 3-month Euribor plus a spread of 800 basis points.

The bonds – subscribed by institutional investors – were entered into the centralised management system at Monte Titoli S.p.A. and subject to the dematerialisation regulations.

The other securities are commercial paper admitted in dematerialised form in Monte Titoli and traded on Euronext Access Milan, a multilateral trading system managed by Borsa Italiana S.p.A.

In particular, at the reporting date, five securities were issued and still not reimbursed. The first, with a duration of twelve months, was issued for an amount of EUR 10 million – with a six-month coupon – at an annual floating rate of 6-month EURIBOR + 1.45%. The second, with a duration of six months, was issued for a total of EUR 5 million – zero coupon – at a fixed annual rate of 4.60%. The third, with a duration of 5 months, was issued for a total of EUR 10 million – zero coupon – at a fixed annual rate of 4.65%. The fourth, with a duration of 6 months, was issued for a total of EUR 5 million - zero coupon - at a fixed annual rate of 4.65%. The fifth and last, with a duration of ten months, was issued for a total of EUR 20 million - zero coupon - at a fixed annual rate of 4.95%.

Payables and subordinated securities

The item “Debt securities issued” includes subordinated securities relating to the issue of Tier 2 bonds for a nominal amount of EUR 12.5 million.

Impact resulting from the conflict between Russia and Ukraine

With reference to the information provided by ESMA in the public statement "Implications of Russia's invasion of Ukraine on half-yearly financial reports" on 14 March 2022 and 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 restrictions imposed by the European Union on 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 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; the conflict and sanctions have had, since February 2022, 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. As at 30 September 2024, Generalfinance did not have any exposure to transferred debtors based in Russia, Ukraine and Belarus. 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 30 September 2024 amounted to EUR 72.6 million, compared to EUR 66.4 million as at 31 December 2023. Generalfinance's capital ratios – including profit for the period net of the expected dividend, calculated by taking into account a target pay-out of 50%, in line with the Company's dividend policy – highlight the following values:

- 15.21% CET1 ratio;
- 15.21% TIER1 ratio;
- 16.66% Total Capital ratio.

The ratios are well above the minimum regulatory values set forth in Bank of Italy Circular no. 288 of 3 April 2015.

Own funds

Qualitative information

1. Tier 1 capital

It should be noted that – in accordance with art. 26(2) of Regulation (EU) no. 575/2013 of the European Parliament (the "CRR") – the Tier 1 Capital includes the net profits resulting from the financial statements for the period related to the first nine months of 2024, net of expected dividends.

For the purposes of the above, please note that:

- the profits were verified by entities independent from the entity responsible for auditing the entity's accounts, as required by Article 26 (2) of the CRR.
- the profits were valued in compliance with the standards established by the applicable accounting regulations;
- all foreseeable charges and dividends were deducted from the amount of profits;
- the amount of dividends to be deducted was estimated in accordance with applicable regulations.

The amount referred to the so-called "Quick Fix" with which the value of the assets in the form of software to be deducted from the Common Equity Tier 1 capital and the amount referred to intangible assets in progress was also deducted from Tier 1 capital.

Lastly, following the declaration of withdrawal referred to above, the Company initiated, pursuant to regulatory provisions, the option offer relating to the Shares Subject to Withdrawal, not yet completed as of today.

Therefore, the Total Withdrawal Amount was prudently deducted from Tier 1 capital, pending the completion of the aforementioned option offer.

2. Tier 2 capital

Tier 2 capital includes subordinated bonds that the Company issued in 2021, net of the amortisation charge calculated in accordance with art. 64 of the CRR (EU Regulation no. 575/2013).

Quantitative information

	Total 30/09/2024	Total 31/12/2023
A. Tier 1 capital before the application of prudential filters	72,565,468	62,033,139
B. Prudential filters of Tier 1 capital	-	-
B.1 Positive IAS/IFRS prudential filters (+)	-	-
B.2 Negative IAS/IFRS prudential filters (-)	-	-
C. Tier 1 capital gross of elements to be deducted (A+B)	72,565,468	62,033,139
D. Elements to be deducted from Tier 1 capital	8,363,786	6,276,890
E. Total Tier 1 capital (C-D)	64,201,682	55,756,249
F. Tier 2 capital before the application of prudential filters	12,500,000	12,500,000
G. Prudential filters of Tier 2 capital	-	-
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	-	-
H. Tier 2 capital gross of elements to be deducted (F+G)	12,500,000	12,500,000
I. Elements to be deducted from Tier 2 capital	6,375,958	4,500,274
L. Total Tier 2 capital (H-I)	6,124,042	7,999,726
M. Elements to be deducted from total Tier 1 and Tier 2 capital	-	-
N. Regulatory capital (E+L-M)	70,325,724	63,755,975

Capital adequacy

Qualitative information

Generalfinance assesses the adequacy of own funds to support current and future assets, in line with its own risk containment policy. In the context of the ICAAP process, Generalfinance defines the components of total capital (capital components to cover internal capital, i.e. the capital requirement relating to a given risk) on the basis of the prudential methodology. The components of total capital therefore coincide with the items of shareholders' equity and with those of own funds.

The Company measures the following types of risk: credit, operational, concentration, interest rate on the banking book, liquidity. With regard to the first four types, the Company determines the internal capital necessary to hedge the risks generated by current and future assets. Pillar I risks are measured with similar criteria to those used to determine the minimum prudential requirements and, in particular, the standardised method for credit risk and the basic method for operational risk. With reference to the pillar II risks, Generalfinance uses the following quantitative measurement tools proposed in Bank of Italy Circular no. 288/15:

- for concentration risk (by parties and by groups of connected customers), the simplified method proposed in Bank of Italy Circular no. 288/15 under Title IV, Chapter 14, Annex B;

- for interest rate risk on the banking book, the simplified method envisaged by Bank of Italy Circular no. 288/15 in Title IV, Chapter 14, Annex C;
 - for liquidity risk, the funding risk measurement maturity ladder model, envisaged by Bank of Italy Circular no. 288/15.
- The other Pillar II risks are subject to qualitative assessment.

Quantitative information

Categories/Values	Non-weighted amounts		Weighted amounts/requirements	
	30/09/2024	31/12/2023	30/09/2024	31/12/2023
A. RISK ASSETS	-	-	-	-
A.1 Credit and counterparty risk	589,321,043	506,583,205	363,999,099	369,062,956
B. REGULATORY CAPITAL REQUIREMENTS	-	-	-	-
B.1 Credit and counterparty risk	-	-	29,119,929	29,525,036
B.2 Risk for the provision of payment services	-	-	-	-
B.3 Requirement for the issue of electronic money	-	-	-	-
B.4 Specific prudential requirements	-	-	4,656,969	4,656,969
B.5 Total prudential requirements	-	-	33,776,898	34,182,005
C. RISK ASSETS AND SUPERVISORY RATIOS	-	-	-	-
C.1 Risk-weighted assets	-	-	422,211,221	427,275,078
C.2 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	-	-	15.2%	13.0%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)	-	-	16.7%	14.9%

The risk-weighted assets, shown in item C.1, also used in the calculation of the ratios reported in items C.2 and C.3, are calculated as the product of the total prudential requirement (item B.5) and 12.50 (inverse of the mandatory minimum coefficient of 8%).

Information on business prospects with particular reference to the going concern basis

As regards the assumption of going concern, in light of the main economic and financial and equity indicators, liquidity position and the foreseeable business outlook, the Board of Directors has the reasonable certainty that the Company will continue to operate in the foreseeable future.

Transactions with related parties

The accounting standard of reference is IAS 24, the new version of which, approved by the IASB on 4 November 2009, was endorsed with Regulation no. 632 of 19 July 2010. This version defines a related party as a person or entity related to the one preparing the financial statements. Two entities cannot be included among related parties simply because they share a director or another manager with strategic responsibilities.

Information on remuneration of key management personnel

In addition to the directors, three key managers have been identified, namely the CFO, the CCO and the CLO. The gross annual remuneration of key management personnel amounts to a total of EUR 452.500.

This amount does not consider allocations to the employee severance indemnity provision, the employee severance indemnity provision paid to supplementary pension funds, the non-competition agreement and any bonuses in relation to short-term and medium/long-term monetary incentive plans determined on the basis of the Company's results.

Loans and guarantees issued in favour of directors and statutory auditors

It should be noted that the company has no receivables due from directors and statutory auditors and that no guarantees have been issued in favour of directors and statutory auditors.

Information on transactions with related parties

The following table shows the amounts relating to the balance sheet and income statement transactions with related parties in the first nine months of 2024 as defined above on the basis of the provisions of IAS 24.

TRANSACTIONS WITH RELATED PARTIES (amounts in Euro)	Parent company	Other related parties
BALANCE SHEET ITEMS		
40. Financial assets measured at amortised cost	-	942,483
120. Other assets	-	109,800
Total assets	-	1,052,283
80. Other liabilities	-	572,113
90. Employee severance indemnity	-	66,623
100. Provisions for risks and charges	-	1,236,885
Total liabilities	-	1,875,621

TRANSACTIONS WITH RELATED PARTIES (amounts in Euro)	Parent company	Other related parties
INCOME STATEMENT ITEMS		
10. Interest income and similar income	-	43,736
40. Fee and commission income	-	37,099
160. Administrative expenses: a) personnel expenses	-	(1,666,515)
160. Administrative expenses: b) other administrative expenses	-	(266,558)
200. Other operating expenses/income	11,681	3,372
Total items	11,681	(1,848,866)

NB. It should be noted that the costs include non-deductible VAT.

DETAILED STATEMENT OF RELATIONS WITH GROUP COMPANIES (amounts in Euro)	GGH – Gruppo General Holding S.r.l.	Generalbroker S.r.l.
INCOME STATEMENT ITEMS		
200. Other operating expenses/income	11,681	227
Total items	11,681	227

All transactions with related parties were carried out under market conditions.

Significant events after the end of the quarter

No significant events or circumstances have occurred after the end of the quarter that would appreciably alter what has been presented in this Interim Report on Operations.

Business outlook

As already illustrated in the press release of 17 June 2024, a contract was recently signed for the acquisition of approximately 96% of the capital of Workinvoice S.r.l., a leading operator and pioneer in the invoice trading market in Italy. The transaction should be finalized by the end of the first quarter of 2025, subject to obtaining authorization from the Bank of Italy.

In said general scenario still characterised by a global economic slowdown and geopolitical tensions, the sales activities developed by Generalfinance in the first nine months of 2024 (trend in turnover, revenues and profitability) show a trend substantially in line with that defined in the budget on a consistent basis with the Business Plan in force with reference to the current year. These elements allow us to predict a business performance and related net profitability for the whole of 2024 at levels in line with the budget.

Financial statements

BALANCE SHEET

(values in euro)

Asset items		30/09/2024	31/12/2023
10.	Cash and cash equivalents	118,904,278	21,640,716
20.	Financial assets measured at fair value through profit or loss	22,974	22,974
	<i>c) other financial assets mandatorily measured at fair value</i>	22,974	22,974
40.	Financial assets measured at amortised cost	445,353,713	462,365,495
	<i>a) loans to banks</i>	39,132	65,750
	<i>b) receivables from financial companies</i>	26,504	200,017
	<i>c) loans to customers</i>	445,288,077	462,099,728
70.	Equity investments	27,500	12,500
80.	Property, plant and equipment	6,209,725	4,993,230
90.	Intangible assets	3,074,163	2,603,700
	- of which goodwill	0	0
100.	Tax assets	3,498,137	5,677,911
	<i>a) current</i>	2,931,902	5,120,420
	<i>b) deferred</i>	566,235	557,491
120.	Other assets	4,717,529	2,726,576
Total assets		581,808,019	500,043,102

Liabilities and shareholders' equity items		30/09/2024	31/12/2023
10.	Financial liabilities measured at amortised cost	445,507,596	409,388,039
	<i>a) payables</i>	383,193,270	376,750,770
	<i>b) securities issued</i>	62,314,326	32,637,269
60.	Tax liabilities	7,005,555	7,125,134
	<i>a) current</i>	6,955,177	7,077,869
	<i>b) deferred</i>	50,378	47,265
80.	Other liabilities	53,504,057	14,037,517
90.	Employee severance indemnity	1,498,375	1,471,156
100.	Provisions for risks and charges	1,726,968	1,587,887
	<i>b) pension and similar obligations</i>	177,655	164,705
	<i>c) other provisions for risks and charges</i>	1,549,313	1,423,182
110.	Share capital	4,202,329	4,202,329
140.	Share premium reserve	25,419,745	25,419,745
150.	Reserves	29,236,823	21,624,119
160.	Valuation reserves	127,991	119,783
170.	Profit (loss) for the period	13,578,580	15,067,393
Total liabilities and shareholders' equity		581,808,019	500,043,102

INCOME STATEMENT

(values in euro)

	Items	30/09/2024	30/09/2023
10.	Interest income and similar income	28,042,900	20,490,891
	of which: interest income calculated using the effective interest method	28,042,900	20,490,891
20.	Interest expense and similar charges	(20,086,844)	(14,618,329)
30.	Net interest income	7,956,056	5,872,562
40.	Fee and commission income	27,828,790	22,713,144
50.	Fee and commission expense	(2,870,926)	(3,114,158)
60.	Net fee and commission income	24,957,864	19,598,986
70.	Dividends and similar income	62	0
80.	Net profit (loss) from trading	(50)	626
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	(33,324)	0
	<i>b) other financial assets mandatorily measured at fair value</i>	<i>(33,324)</i>	<i>0</i>
120.	Net interest and other banking income	32,880,608	25,472,174
130.	Net value adjustments/write-backs for credit risk of:	(1,259,437)	(138,305)
	<i>a) financial assets measured at amortised cost</i>	<i>(1,259,437)</i>	<i>(138,305)</i>
150.	Net profit (loss) from financial management	31,621,171	25,333,869
160.	Administrative expenses	(11,003,147)	(10,285,323)
	<i>a) personnel expenses</i>	<i>(6,241,477)</i>	<i>(5,457,211)</i>
	<i>b) other administrative expenses</i>	<i>(4,761,670)</i>	<i>(4,828,112)</i>
170.	Net provisions for risks and charges	230,583	(17,610)
	<i>b) other net provisions</i>	<i>230,583</i>	<i>(17,610)</i>
180.	Net value adjustments/write-backs on property, plant and equipment	(692,375)	(596,849)
190.	Net value adjustments/write-backs on intangible assets	(503,089)	(327,716)
200.	Other operating income and expenses	913,120	1,569,988
210.	Operating costs	(11,054,908)	(9,657,510)
220.	Gains (Losses) on equity investments	(41,250)	0
260.	Pre-tax profit (loss) from current operations	20,525,013	15,676,359
270.	Income taxes for the period on current operations	(6,946,433)	(5,009,197)
280.	Profit (loss) from current operations after tax	13,578,580	10,667,162
300.	Profit (loss) for the period	13,578,580	10,667,162

STATEMENT OF COMPREHENSIVE INCOME
 (values in Euro)

	Asset items	30/09/2024	30/09/2023
10.	Profit (loss) for the period	13,578,580	10,667,162
	Other income components net of taxes without reversal to the income statement		
20.	Equity securities designated at fair value through other comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	8,208	31,815
80.	Non-current assets and disposal groups	-	-
90.	Portion of valuation reserves of equity-accounted investments	-	-
	Other income components net of taxes with reversal to the income statement		
100.	Hedging of foreign investments	-	-
110.	Exchange rate differences	-	-
120.	Cash flow hedging	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (other than equity instruments) measured at fair value through other comprehensive income	-	-
150.	Non-current assets and disposal groups	-	-
160.	Portion of valuation reserves of equity-accounted investments	-	-
170.	Total other income components net of taxes	8,208	31,815
180.	Comprehensive income (Item 10 + 170)	13,586,788	10,698,977

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30/09/2024
(values in Euro)

	Balance as at 31/12/2023	Change in opening balances	Balance as at 01/01/2024	Allocation of previous year's result		Changes in the period						Comprehensive income 30/09/2024	Shareholders' equity as at 30/09/2024
				Reserves	Dividends and other allocations	Changes in reserves	Shareholders' equity transactions				Other changes		
							New shares issued	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments			
Share capital	4,202,329	-	4,202,329	-	-	-	-	-	-	-	-	-	4,202,329
Share premium reserve	25,419,745	-	25,419,745	-	-	-	-	-	-	-	-	-	25,419,745
Reserves													
a) of profits	21,284,601	-	21,284,601	7,612,704	-	-	-	-	-	-	-	-	28,897,305
b) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	339,518
Valuation reserves	119,783	-	119,783	-	-	-	-	-	-	-	-	8,208	127,991
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	15,067,393	-	15,067,393	(7,612,704)	(7,454,689)	-	-	-	-	-	-	13,578,580	13,578,580
Shareholders' equity	66,433,369	-	66,433,369	-	(7,454,689)	-	-	-	-	-	-	13,586,788	72,565,468

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30/09/2023
(values in Euro)

	Balance as at 31/12/2022	Change in opening balances	Balance as at 01/01/2023	Allocation of previous year's result			Changes in the period					Comprehensive income 30/09/2023	Shareholders' equity as at 30/09/2023
				Reserves	Dividends and other allocations	Changes in reserves	Shareholders' equity transactions						
							New shares issued	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Other changes		
Share capital	4,202,329	-	4,202,329	-	-	-	-	-	-	-	-	-	4,202,329
Share premium reserve	25,419,745	-	25,419,745	-	-	-	-	-	-	-	-	-	25,419,745
Reserves													
a) of profits	15,832,293	-	15,832,293	5,452,309	-	(1)	-	-	-	-	-	-	21,284,601
b) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	339,518
Valuation reserves	95,474	-	95,474	-	-	-	-	-	-	-	-	31,815	127,289
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	10,885,387	-	10,885,387	(5,452,309)	(5,433,078)	-	-	-	-	-	-	10,667,162	10,667,162
Shareholders' equity	56,774,746	-	56,774,746	-	(5,433,078)	(1)	-	-	-	-	-	10,698,977	62,040,644

CASH FLOW STATEMENT - INTERMEDIARIES (indirect method)

(values in Euro)

A. OPERATING ACTIVITIES	Amount	
	30/09/2024	30/09/2023
1. Management	25,719,417	18,934,391
- profit (loss) for the period (+/-)	13,578,580	10,667,162
- gains/losses on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	74,512	-
- gains/losses on hedging activities (-/+)	-	-
- net value adjustments for credit risk (+/-)	1,259,437	138,305
- net value adjustments to property, plant and equipment and intangible assets (+/-)	1,195,464	924,565
- net provisions for risks and charges and other costs/revenues (+/-)	(35,594)	579,166
- unpaid taxes, duties and tax credits (+/-)	6,877,824	4,714,672
- net value adjustments to discontinued operations net of tax effect (+/-)	-	-
- other adjustments (+/-)	2,769,194	1,910,521
2. Liquidity generated/absorbed by financial assets	16,219,016	3,970,743
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	-	-
- financial assets measured at fair value through other comprehensive income	-	-
- financial assets measured at amortised cost	15,919,504	1,667,937
- other assets	299,512	2,302,806
3. Cash flow generated/absorbed by financial liabilities	65,385,665	19,806,959
- financial liabilities measured at amortised cost	33,726,886	23,469,512
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	31,658,779	(3,662,553)
Net cash flow generated/absorbed by operating activities	107,324,098	42,712,093
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by	28,671	10,672
- sales of equity investments	6,250	-
- dividends collected on equity investments	62	-
- sales of property, plant and equipment	22,359	10,672
- sales of intangible assets	-	-
- sales of business units	-	-
2. Liquidity absorbed by	(2,632,574)	(714,194)
- purchases of equity investments	(95,824)	(15,474)
- purchases of property, plant and equipment	(1,912,929)	(152,260)
- purchases of intangible assets	(623,821)	(546,460)
- purchases of business units	-	-
Net cash flow generated/absorbed by investment activities	(2,603,903)	(703,522)
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes	(7,454,689)	(5,433,078)
Net cash flow generated/absorbed by funding activities	(7,454,689)	(5,433,078)
NET CASH FLOW GENERATED/ABSORBED DURING THE PERIOD	97,265,506	36,575,493

RECONCILIATION	Amount	
	30/09/2024	30/09/2023
Cash and cash equivalents at the beginning of the period	21,641,149	43,731,790
Total net cash flow generated/absorbed during the period	97,265,506	36,575,493
Cash and cash equivalents: effect of changes in exchange rates	0	0
Cash and cash equivalents at the end of the period	118,906,655	80,307,283

Statement of the Financial Reporting Officer

Statement of the Financial Reporting Officer

The undersigned, Ugo Colombo, as Financial Reporting Manager of Generalfinance S.p.A., certifies, in compliance with the provisions of paragraph 2 of art. 154-bis of Italian Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this Interim report on operations as at 30 September 2024 corresponds to the documentary results, books and accounting records.

Milan, 8 November 2024

Ugo Colombo

CFO - Financial Reporting Manager





GENERAL
FINANCE

**INTERIM REPORT ON OPERATIONS
AS AT 30 SEPTEMBER 2024**