



PRESS RELEASE

GENERALFINANCE BoD APPROVED RESULTS AS AT 31 DECEMBER 2020

Generalfinance closed FY 2020 with a net adjusted¹ profit of 6.2 mln Euro (+47% YoY) and a further growth in distressed financing Turnover landed at 761 mln Euro (+29% YoY) with 561 mln of issued loans (+26%) Excellent credit quality: Gross² NPE Ratio 0.6% and Texas Ratio³ 3%

More than 2 million euros of dividend with a dividend yield⁴ over 12%

EXCELLENT INCOME PERFORMANCE

- Operating income 17 mln Euro, + 27% vs 2019
- Net adjusted profit 6.2 mln Euro, + 47% vs 2019
- Net profit for the period 5.3 mln Euro, +27% YoY
- Cost/income ratio⁵ 43%, down from 51% in 2019
- ROE⁶ 36%, reconfirming a highly profitable business model

FURTHER CORE BUSINESS GROWTH IN DISTRESSED FINANCING

- Disbursed loans 561 mln Euro, + 26% vs 2019
- Turnover 761 mln Euro, + 29% vs 2019
- About 70% of loans are covered by insurance, thanks to the long-standing strategic partnership with Euler Hermes, a global leader in trade credit insurance

¹ Net profit not including non-recurring components under items 170 'Net provisions for risk and charges' and '130 Net value adjustments/write backs'

² Gross NPL divided by gross customer loans

³ Net NPL divided by net tangible equity

⁴ Dividends / equity (net of earnings)

⁵ Operating costs divided by operating income, adjusted for non-recurring items

⁶ Net profit divided by net equity, less net profit adjusted for non-recurring items

Milan, March 1, 2021. The Board of Directors of Generalfinance approved results as at 31 December, 2020. IAS/IFRS international accounting principles were applied, leading to an **adjusted net profit of 6.2 million Euro** – with a meaningful growth (+47%) versus 2019 - and a **net shareholders' equity of 22 million Euro**. Net profit for the period was 5.3 million Euro.

Total dividends proposed to the General Meeting amounts to more than 2.1 million Euro, with a payout ratio of 40%. The dividend yield exceeded 12%, witnessing the very high profitability of the year.

In 2020, Generalfinance recorded an **excellent performance in revenues**. Our **operating income stood at 17 million Euro** (+27% vs 2019), while our adjusted ROE landed at 36%, thus further confirming that we rely on a highly profitable *business model*.

Net interest income was about 4.1 million Euro, up 19% vs 2019. Net commissions were 13.1 million Euro, up 30%. The performance of the above components was **positively affected** by the **strong turnover, 761 million Euro** (+29% YoY), bearing witness to the sizeable effort the company made both from a sales and operating performance standpoint.

Adjusted operating costs stood at 7.3 million Euro, up 6%, showing the ability Generalfinance had in controlling administrative costs and **progressively reducing the adjusted cost/income ratio to about 43%**, with a marked improvement versus 2019, when it was 51%. Low provisions, a **cost of risk⁷ equal to 9** basis points and taxes amounting to 2.8 mln Euro led to a net profit for the period of 5.3 million Euro vs 4.2 million Euro in 2019 (+27%).

GENERALFINANCE

Established in 1982 and led by Massimo Gianolli, Generalfinance is a supervised financial intermediary specialized in factoring. We can provide fast and customized solutions to meet different client needs. Operating from two offices - Milan and Biella – Generalfinance relies on a team of more than 50 professionals, and is a leader in factoring for distressed SMEs.

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⁷ Net value adjustments on loans/disbursed loans adjusted for non-recurring items related to the IFRS 9 model update.

BALANCE SHEET

(EURO)

Assets		31/12/2020	31/12/2019
10.	Cash and cash equivalents	2,268	1,460
20.	Financial assets at fair value through profit or loss	46,298	46,974
	c) other financial assets mandatorily measured at fair value	46,298	46,974
40.	Financial assets at amortised cost	200,695,867	148,705,529
	a) loans and receivables with banks	24,191,105	16,757,215
	c) loans and receivables with customers	176,504,762	131,948,314
80.	Property, equipment and investment property	5,075,660	5,342,512
90.	Intangible assets	763,812	352,086
	- Of which goodwill	0	0
100.	Tax assets	1,419,320	883,778
	a) current	650,424	458,086
	b) deferred	768,896	425,692
120.	Other assets	2,206,393	3,077,065
Total assets		210,290,618	158,409,404

Liabilities and equity		31/12/20	31/12/2019
10.	Financial liabilities at amortised cost	175,396,270	129,006,333
	a) due	175,396,270	129,006,333
60.	Tax liabilities	904,002	636,513
	a) current	904,002	639,413
80.	Other liabilities	8,335,985	7,641,890
90.	Post-employment benefits	1,390,799	1,210,182
100.	Provisions for risks and charges	1,618,341	554,830
	b) pension and similar obligations	62,297	54,830
	c) other provisions for risks and charges	1,556,044	500,000
110.	Share capital	3,275,758	3,275,758
140.	Share premium reserve	5,837,550	5,837,550
150.	Reserves	8,248,374	6,154,672
160.	Valuation reserves	(125,386)	(95,728)
170.	Profit (loss) for the year	5,327,925	4,187,404
Total liabilities and equity		210,209,618	158,409,404

INCOME STATEMENT

(EURO)

	Voci	31/12/2020	31/12/2019
10.	Interest and similar income	5,720,563	4,638,228
20.	Interest and similar expense	(1,626,944)	(1,202,101)
30.	Net interest income	4,093,619	3,436,127
40.	Fee and commission income	14,748,279	11,541,473
50.	Fee and commission expense	(1,628,538)	(1,444,662)
60.	Net fee and commission income	13,119,741	10,096,811
80.	Profits (Losses) on trading	(29)	(40)
110.	Profits (losses) on other assets and liabilities at fair value through profit or loss	(676)	184
	<i>b) other financial assets mandatorily measured at fair value</i>	(676)	184
120.	Total income	17,212,655	13,533,082
130.	Net impairment losses for credit risk on:	(713,448)	(352,337)
	<i>a) financial assets at amortised cost</i>	(713,448)	(352,337)
150.	Net financial income	16,499,207	13,180,745
160.	Administrative expenses:	(7,246,916)	(6,805,600)
	<i>a) personnel expenses</i>	(4,272,217)	(3,760,925)
	<i>b) other administrative expenses</i>	(2,974,699)	(3,044,675)
170.	Net accruals to provisions for risks and charges	(1,063,511)	(6,676)
	<i>b) other net accruals</i>	(1,063,511)	(6,676)
180.	Depreciation and net impairment losses on property, equipment and investment property	(656,518)	(606,221)
190.	Amortisation and net impairment losses on intangible assets	(199,004)	(232,661)
200.	Other operating net income	776,570	750,544
210.	Operating costs	(8,389,379)	(6,900,614)
260.	Pre-tax profit from continuing operations	8,109,828	6,280,131
270.	Income taxes on continuing operations	(2,781,903)	(2,092,727)
280.	Profit (Loss) from continuing operations	5,327,925	4,187,404
300.	Profit (Loss) for the period	5,327,925	4,187,404