



Press release

## THE BOARD OF DIRECTORS APPROVES THE FINANCIAL REPORT AS OF 31 DECEMBER 2021

**Generalfinance closes the year with a net profit of 9.5 million euros (+77% y/y)**  
**Significant growth of distressed factoring with a turnover of €1,403m (+84%) and €1,118m in loans disbursed (+99%)**  
**Excellent asset quality: NPE ratio<sup>1</sup> at 0.2% and cost of risk<sup>2</sup> at 2 bps**

### OUTSTANDING PROFIT PERFORMANCE

- Net interest and other banking income: €23.9m up 39% compared to the same period in 2020
- Net profit amounted to €9.5 million + 77% compared to 2020
- Cost-to-income ratio<sup>3</sup> down to around 41%, an improvement vs 49% in 2020.
- ROE<sup>4</sup> at 42% vs 31% at year-end 2020, affirming the high profitability of the business model.

### STRONG OPERATING RESULTS IN DISTRESSED FINANCING

- Flow of disbursed loans at €1,118m, +99% compared to 2020
- Turnover of €1,403m, +84% compared to 2020
- Approximately 75% of advances are covered by insurance guarantees through the long-lasting strategic partnerships with Euler Hermes, the world leader in credit insurance.

**Milan, January 31, 2022** - Generalfinance's Board of Directors approved the results as of December 31 2021, prepared in accordance with the International Accounting Standards IAS/IFRS, showing a net profit of EUR 9,5 million, which increased significantly (+77%) compared to 2020 and a net equity of EUR 32 million, from EUR 22.6 million recorded as of December 31 2020.

**Massimo Gianolli, CEO of Generalfinance**, said: *"In 2021, Generalfinance put in an excellent earnings performance. The ROE is 42%, confirming the high profitability and solidity of our business model. In the past year, we recorded a strong acceleration in the flow of disbursements, amounting to over 1.1 billion euros, with a 99% increase compared to 2020. This figure highlights - better than any other consideration - our ability to grow in a context of lack of liquidity for businesses, combined with the target customer base that still struggles to access bank credit that focuses on low-risk counterparties or state-guaranteed MLT financing. We expect to grow further in the coming months, concentrating all our efforts on improving the services dedicated to our clients and to all the parties (advisors, law firms, funds, etc.) with whom we have been working profitably for years."*

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<sup>1</sup> non-performing loans to total gross loans (%)

<sup>2</sup> net value adjustments on loans/disbursed loans adjusted for non-recurring items related to the IFRS 9 model update

<sup>3</sup> operating expenses divided by revenue

<sup>4</sup> Net Income Divided Equity Less Net Income

The **net interest and other banking income** amounted to €23.9 million (+39% compared to the same period in 2020), while the net interest income was around €6.2 million, up 52% compared to the previous year. The net fees amounted to €17.7 million, up 35%. The performance of the two margins was due to a particularly positive trend in turnover, which amounted to €1,403 million (+84% y/y), confirming the company's positive commercial and operational performance over the period.

The **Operating costs**, amounting to 9.8 million euros, rose by around 17%, including an extraordinary item - amounting to around 0.5 million euros - under "Other operating income" related to a settlement of a dispute that was concluded during the year; **the cost/income ratio is approximately 41%**, compared with 49% for the whole of 2020. Taking into account extremely low value adjustments (cost of risk of 2 bps) and taxes of €4.5 million (tax rate of around 32%), **the net result for the period came to €9.5 million**.

**The NPE ratio stands at 0,2%, improved compared to 2020**, despite the regulatory change and the so-called "New Definition of Default", which came into force on January 1, 2021 involving all financial intermediaries, made the classification of the past-due exposures and UTP more stringent. **The coverage of impaired loans (50%) is significantly stronger than at the end of 2020 (35%)**.

**Customer loans amount to €321 million** compared to 177 million at the end of 2020, while total assets amount to 365 million. The exposures with technical form of the factoring "pro-solvendo"- core business of Generalfinance - are equal to 96% of gross receivables.

**The Total Capital Ratio is 13,7%** compared to a regulatory minimum of 8% - with a strong increase compared to 8.6% in 2020 - also thanks to the placement of two subordinated bonds for a total of € 12.5 million in September and October. **The CET1 Ratio is equal to 9.35%**.

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Taking into account the particularly positive performance of the year, the targets set out in the business plan with reference to the year 2021, which has just ended, were largely exceeded by the economic and financial results actually achieved; therefore, the business plan approved by the Board of Directors and communicated to the market on 2 February 2021 must be considered no longer current and outdated by the actual circumstances.

## Generalfinance

*Founded in 1982 and directed by Massimo Gianolli, Generalfinance is a specialised financial intermediary that provides factoring services to guarantee rapid and personalised financial solutions according to the client's needs. Operating from its two offices in Milan and Biella with a team of over 50 experts, in 2020, Generalfinance is a leader in the segment of factoring to the financial distressed of Small and Medium Enterprises (SMES).*

## Generalfinance S.p.A.

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**BALANCE SHEET (Euro)**

	<b>Assets</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
10.	Cash and cash equivalents	33.458.171	24.193.373
20.	Financial assets at fair value through profit or loss	28.415	46.298
	<i>c) other financial assets mandatorily measured at fair value</i>	28.415	46.298
40.	Financial assets at amortised cost	321.043.769	176.504.762
	<i>a) loans and receivables with banks</i>	0	0
	<i>c) loans and receivables with customers</i>	321.043.769	176.504.762
80.	Property, equipment and investment property	4.922.460	5.075.660
90.	Intangible assets	1.670.567	763.812
	- Of which goodwill	0	0
100.	Tax assets	1.191.075	1.419.320
	<i>a) current</i>	927.209	650.424
	<i>b) deferred</i>	263.866	768.896
120.	Other assets	2.954.436	2.206.393
<b>Total assets</b>		<b>365.268.893</b>	<b>210.209.618</b>

	<b>Liabilities and equity</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
10.	Financial liabilities at amortised cost	314.640.957	175.396.270
	<i>a) due</i>	283.616.382	175.396.270
	<i>b) outstanding securities</i>	31.024.575	0
60.	Tax liabilities	1.234.511	904.002
	<i>a) current</i>	1.234.511	904.002
80.	Other liabilities	15.797.060	8.335.985
90.	Post-employment benefits	1.353.695	1.390.799
100.	Provisions for risks and charges	276.528	1.618.341
	<i>b) pension and similar obligations</i>	118.452	62.297
	<i>c) other provisions for risks and charges</i>	158.076	1.556.044
110.	Share capital	3.275.758	3.275.758
140.	Share premium reserve	7.828.952	5.837.550
150.	Reserves	11.445.129	8.248.374
160.	Valuation reserves	-37.061	-125.386
170.	Profit (loss) for the year	9.453.364	5.327.925
<b>Total liabilities and equity</b>		<b>365.268.893</b>	<b>210.209.618</b>

## INCOME STATEMENT (Euro)

	Voci	31/12/2021	31/12/2020
10.	Interest and similar income	9.203.533	5.720.563
20.	Interest and similar expense	-2.972.440	-1.626.944
<b>30.</b>	<b>Net interest income</b>	<b>6.231.093</b>	<b>4.093.619</b>
40.	Fee and commission income	20.800.830	14.748.279
50.	Fee and commission expense	-3.109.826	-1.628.538
<b>60.</b>	<b>Net fee and commission income</b>	<b>17.691.004</b>	<b>13.119.741</b>
70.	Dividends and similar income	184	0
80.	Profits (Losses) on trading	-185	-29
110.	Profits (losses) on other assets and liabilities at fair value through profit or loss	2.555	-676
	<i>b) other financial assets mandatorily measured at fair value</i>	2.555	-676
<b>120.</b>	<b>Total income</b>	<b>23.924.651</b>	<b>17.212.655</b>
130.	Net impairment losses for credit risk on:	-217.254	-713.448
	<i>a) financial assets at amortised cost</i>	-217.254	-713.448
<b>150.</b>	<b>Net financial income</b>	<b>23.707.397</b>	<b>16.499.207</b>
160.	Administrative expenses:	-8.672.511	-7.246.916
	<i>a) personnel expenses</i>	-5.235.531	-4.272.217
	<i>b) other administrative expenses</i>	-3.436.980	-2.974.217
170.	Net accruals to provisions for risks and charges	-214.231	-1.063.511
	<i>b) other net accruals</i>	-214.231	-1.063.511
180.	Depreciation and net impairment losses on property, equipment and investment property	-713.412	-656.518
190.	Amortisation and net impairment losses on intangible assets	-231.268	-199.004
200.	Other operating net income	50.128	776.570
<b>210.</b>	<b>Operating costs</b>	<b>-9.781.294</b>	<b>-8.389.379</b>
<b>260.</b>	<b>Pre-tax profit from continuing operations</b>	<b>13.926.103</b>	<b>8.109.828</b>
270.	Income taxes on continuing operations	-4.472.739	-2.781.903
<b>280.</b>	<b>Profit (Loss) from continuing operations</b>	<b>9.453.364</b>	<b>5.327.925</b>
<b>300.</b>	<b>Profit (Loss) for the period</b>	<b>9.453.364</b>	<b>5.327.925</b>