



GENERAL
FINANCE

Press release

RESULTS AS AT 30 SEPTEMBER 2024 APPROVED

**Generalfinance closed the third quarter of 2024 with a net profit of EUR 13.6 million, up 27% YoY
Significant growth in core business, turnover¹ at EUR 2,098 million (+18%) and EUR 1,628 million
of disbursements (+10%)**

Gross NPE ratio² at 1.5% and cost of risk³ at 8 basis points

INCOME PERFORMANCE

- Net profit of EUR 13.6 million, +27% compared to the same period of 2023
- *Cost/income ratio*⁴ of 34% compared to 38% over the same period in 2023
- ROE⁵ of 31%, significantly higher than the cost of capital

FURTHER GROWTH IN THE CORE BUSINESS

- Flow of loans disbursed at EUR 1,628 million, +10% YoY
- Turnover¹ at EUR 2,098 million, +18% over the same period of 2023

Roughly 79% of advances covered by insurance guarantee, through the long-established strategic partnership with Allianz Trade, a global leader in credit insurance.

Milan, 8 November 2024. The Board of Directors of Generalfinance – meeting under the chairmanship of Professor **Maurizio Dallochio** – has approved the interim report on operations for the third quarter of 2024, which shows a **net profit of EUR 13.6 million**, up (+27%) compared to the same period of 2023, and **shareholders' equity of EUR 72.6 million**.

Massimo Gianolli, Chief Executive Officer of Generalfinance, said: *“The third quarter of 2024 showed a performance particularly positive, above our expectations.*

We recorded an excellent commercial performance, with business growth of 18% and overall profitability significantly up on the previous year. The return on invested capital remained high, at 31%, as did the cost/income ratio, at 34%, confirming high operational efficiency. We are constantly striving to support customers with customised financial solutions at a time in the economic cycle when it is particularly important to provide rapid answers and specialised assistance to businesses, and we expect our economic and business performance to accelerate in the last quarter of the year”.

¹ Turnover including operations involving advances on future receivables

² Gross non-performing loans divided by gross loans to customers

³ Net value adjustments on loans divided by annual disbursement

⁴ Operating costs – net of non-recurring expenses – divided by net interest and other banking income

⁵ Net profit divided by equity minus net profit

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 year	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%

Economic data

Net interest income amounted to EUR 8 million, up (+35%) compared to the same period of the previous year, due to the growth in loans disbursed and the positive effect – compare to the previous year - generated by the full realignment of the lending rates of factoring contracts with respect to Euribor rate developments. **Net fee and commission income** amounted to EUR 25 million, up compared to EUR 19.6 million in the first nine months of 2023 (+27%). In this context, the trend in fee and commission income was affected by the particularly positive trend in turnover (+18% compared to the same period of the previous year), a careful pricing policy for services, and the optimisation of costs related to the insurance policy and existing funding lines.

Net interest and other banking income amounted to EUR 32.9 million (+29%), while net adjustments to loans were EUR 1.3 million, resulting in a risk cost of 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 and

2 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 in 2023). As at 30 September 2024, the number of employees of Generalfinance stood at 76 compared to 69 in the same period of 2023.

Taking into account the tax item, estimated at 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.

Balance sheet, funding and asset quality data

Financial assets at amortised cost – largely consisting of **net loans to customers** – amounted to EUR 445.4 million, down 4% compared to 31 December 2023. The disbursement rate was approximately 78% (84% in 2023), while the average Days Sales Outstanding (DSO) – 75.6 in the first nine months of 2024 – increased compared to the first nine months of 2023 (67.8).

Within the aggregate of loans, total **gross non-performing loans** amounted to EUR 6.7 million, with a gross NPE ratio of 1.5% (1.1% of the net NPE ratio). The **coverage of non-performing loans** stood at 27%. The increase in the stock of non-performing loans in the first half of the year 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.

Cash and cash equivalents – mainly represented by deposits in banks – amounted to approximately EUR 118.9 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, up from the end of 2023 (EUR 2.6 million).

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 totalling EUR 62.3 million.

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.

The **capital ratios** of Generalfinance – also including the profit for the first nine months of 2024, net of expected dividends – show the following values:

- 15.2%, CET1 ratio;
- 15.2%, TIER1 ratio;
- 16.7%, Total Capital ratio.

The ratios are well above the minimum regulatory values set forth in Bank of Italy Circular 288.

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 communications of 19 May 2022 "Conflict in Ukraine: Call for the attention of the supervised entities on financial reporting and on the obligations related to compliance with the restrictive measures adopted by the European Union against Russia" and "Conflict in Ukraine: Implications on the obligations of online portal managers", 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 had no exposure to assigned debtors located 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.

Significant events after the end of the year

As of today's date, no significant events occurred after the end of the third quarter.

Business outlook

In said general scenario still characterised by critical elements for the real economy, the sales activities developed by Generalfinance in the first three quarters 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 make it possible to forecast business performance and related net profitability for the whole of 2024 in line with the guidance already communicated to the market (EUR 20 million) and in line with the budget.

Mr Ugo Colombo, as Financial reporting manager, hereby states that, pursuant to art.154-bis, paragraph 2 of the TUF (Consolidated Law on Finance), the accounting information contained in this press release corresponds to the documentary results, the books and the accounting records.

Generalfinance's results as at 30 September 2024 will be presented to the financial community in a **conference call scheduled for this afternoon, 11 November, at 10 .m. (CET).**

A set of slides supporting the presentation will be available before the start of the conference call, on the homepage of the corporate website <https://www.generalfinance.it/?lang=en> or at the link

<https://investors.generalfinance.it/en/financial-reportsand-presentations/>

The conference call will be conducted in Italian and English.

To connect to the conference call, please register using the following link:

[Pre registration Generalfinance 300924](https://investors.generalfinance.it/en/financial-reportsand-presentations/)

The half-yearly financial report will be made available to the public, according to law, at the company's registered office, as well as on the website <https://www.generalfinance.it/?lang=en> and disseminated through the authorised storage mechanism www.emarketstorage.com.

GENERALFINANCE

Founded in 1982 and led by Massimo Gianolli for over 30 years, Generalfinance is a supervised financial intermediary, specialised in factoring, able to guarantee rapid and customised interventions according to the different needs of its customers. Operating from its two offices in Milan and Biella with a team of more than 70 professionals, Generalfinance is a leader in the segment of factoring for distressed companies.

Generalfinance S.p.A.

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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 year	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 year 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 year	13,578,580	10,667,162