



Press release

GENERALFINANCE

CONTRACT SIGNED FOR THE ACQUISITION OF 96% OF THE SHARE CAPITAL OF WORKINVOICE, A LEADING OPERATOR IN THE INVOICE TRADING MARKET

STRATEGIC TRANSACTION AIMED AT DEVELOPING INVOICE DISCOUNTING AND WORKING CAPITAL FINANCING FOR SMES WITH INNOVATIVE DIGITAL LENDING SOLUTIONS

SUBSEQUENT MERGER BY INCORPORATION OF WORKINVOICE INTO GENERALFINANCE WITH CONSEQUENT CREATION OF THE NEW “FINTECH & DIGITAL LENDING” DEPARTMENT

Milan, 17 June 2024 - Generalfinance S.p.A. (“**Generalfinance**” or the “**Company**”), a company listed on Euronext STAR Milan and a financial intermediary specialised in factoring to SMEs, announces that today has signed a contract for the acquisition of 96% of the share capital of Workinvoice S.r.l. (“**Workinvoice**”), a leading operator and pioneer in the *invoice trading market* in Italy (the “**Transaction**”).

Workinvoice, a fintech company founded at the end of 2013 by Matteo Tarroni, Ettore Decio and Fabio Bolognini, manages the invoice trading platform of the same name (www.workinvoice.it), which allows companies to sell their trade receivables to institutional investors, and on which more than 700 million receivables have been traded since the start of operations. In 2023, trade invoices were exchanged on the Workinvoice marketplace for EUR 107 million in turnover and the company recorded a virtuous profit performance. With EUR 1.9 million in revenues, it generated an EBITDA of EUR 0.5 million and EUR 0.2 million of net profits.

The acquisition of Workinvoice holds significant strategic value for Generalfinance, as it allows the company to develop its invoice discounting and working capital financing services for SMEs by introducing innovative digital lending products and services.

Massimo Gianolli, Chief Executive Officer of Generalfinance, said, *“The agreement with Workinvoice marks a significant milestone in Generalfinance’s growth journey, in line with our ambitious expansion and digitalisation plans outlined in our strategic growth guidelines. This is the first acquisition in the Company’s history and it aims to enhance the value of our services, both with regard to Corporate Distressed customers and SMEs, by addressing the increasing demand for specialisation, flexibility and digitalisation in our product offerings. The experience and expertise of Workinvoice’s management will enable us to further consolidate our presence in the market and improve our customers’ satisfaction through a tailor-made and efficient offer”*.

Matteo Tarroni, CEO and Founder of Workinvoice said, *“We are extremely pleased about this transaction with Generalfinance. As a fintech company, our mission has always been to innovate and push forward advanced technological solutions. This agreement strengthens the services of the Workinvoice platform, thanks to Generalfinance’s resources, allowing us to develop innovative supply chain finance solutions. These effective and flexible tools for working capital management address companies’ needs with efficiency and speed. We*

believe that these technology-enabled lending strategies will play a crucial role in supporting SMEs and positively impact the real economy. This agreement positions us as a significant and advanced player in the digital lending landscape”.

The Transaction, pending authorisation from the Bank of Italy, in compliance with the applicable laws and regulations and subject to the conditions precedent for such transactions, provides for an initial consideration of EUR 6.4 million. Of this amount, EUR 1.8 million will be paid in cash and EUR 4.6 million will be settled in newly issued Generalfinance shares, valued at a unit price of EUR 10,96 ⁽¹⁾. These shares will be issued as part of a capital increase reserved for certain Workinvoice shareholders, including the founders Matteo Tarroni and Ettore Decio and the industrial partner Crif S.p.A. This issuance will be executed pursuant to Art. 2441, paragraph 4, first sentence, of the Italian Civil Code, through the contribution of their Workinvoice shares. Banco di Desio e della Brianza S.p.A. (“**Banco Desio**”) is also expected to participate in the Transaction. The bank will subscribe to a share capital increase in Workinvoice, followed by an exchange of the acquired stake in Generalfinance shares. For Banco Desio, the Transaction pursues the objective of expanding the offer of services and products to customers in the Small Business segment in line with the strategic drivers of the “Beyond 26” Industrial Plan.

As part of the Transaction, two additional price components (“**Earn Outs**”) are outlined based on the EBITDA targets jointly defined in Workinvoice's 2024-2026 Business Plan, which anticipates substantial business growth, enhanced management skills and Workinvoice platform improvements. The first Earn Out, amounting to EUR 1.2 million, will be settled in Generalfinance shares upon reaching a predefined EBITDA target. The second Earn Out, up to EUR 3 million, can be settled at Generalfinance's discretion in either shares or cash, contingent upon achieving a higher EBITDA target.

The capital increase serving the Transaction will, therefore, have a maximum countervalue of around EUR 8.9 million. In this regard, it should be noted that GGH - Gruppo General Holding S.r.l., the Company's controlling shareholder, has declared that it will support the Transaction, voting in favour of the aforesaid capital increase at the Company's extraordinary shareholders' meeting to be called soon.

Under the terms of the Transaction, following the acquisition of Workinvoice by Generalfinance, within the shortest possible technical time frame and subject to the necessary regulatory approvals, Workinvoice will be merged by incorporation into Generalfinance; following the merger, a new Generalfinance “Fintech & Digital Lending” Department will be established and will be headed by Matteo Tarroni, founder of Workinvoice.

Generalfinance will therefore be able to operate in the Workinvoice marketplace through a newly-established special purpose entity in accordance with Italian Law 130/99. It will acquire invoices from Workinvoice's corporate customers, with an investment cap of up to EUR 50 million, and adhere to defined credit policies consistent with the company's risk assessment standards. This strategy will bolster the platform's transaction volumes and financial performance over the coming three years.

Primarily, through the Transaction, Generalfinance aims to further specialise its factoring framework, particularly focusing on distressed corporate customers navigating turnaround processes. It plans to offer increasingly specialised financing and working capital management services to this segment, alongside enhancing commercial oversight and risk management protocols. Gradually, retail customers will be directed to the Workinvoice platform, facilitated by the introduction of standardised digital working capital financing products. This initiative aims to improve time-to-service, overall efficiency and risk management. Additionally, it will leverage the potential of open banking, artificial intelligence and machine learning.

¹ The price per share is equal to the [volume-weighted] average of the Generalfinance share price recorded on Euronext Milan in the 30 (thirty) trading days preceding the announcement of the Transaction to the market.

The Transaction will have essentially no initial impact on Generalfinance's capital ratios and will result in a marginal positive impact on the 2024 EPS.

Generalfinance was assisted by KPMG Corporate Finance and Ceresio Investors as financial advisors and by Legance Avvocati Associati and BonelliErede as legal advisors.

Workinvoice was assisted by Portolano Cavallo as legal advisor.

PriceWaterhouseCoopers Business Services Srl will draw up the appraisal pursuant to art. 2343-ter of the Civil Code to be prepared for the purposes of the Generalfinance capital increase.

GENERALFINANCE

Founded in 1982 and in the factoring business for over 30 years, Generalfinance is a supervised financial intermediary specialised in financing the working capital of businesses, 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 roughly 70 professionals, Generalfinance is a leader in the segment of factoring for distressed companies. www.generalfinance.it

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WORKINVOICE

Founded in 2013, it was the first invoice trading platform in Italy. It operates a marketplace that allows companies to obtain immediate liquidity by selling trade receivables to institutional investors. Fast turnaround times, transparent terms and flexibility are the distinguishing features that improve working capital management without resorting to traditional financing. www.workinvoice.it