

1°
giorno di
quotazione
BORSA ITALIANA Euronext



GENERALFINANCE

2022 Financial Results



February 13, 2023

Disclaimer

This presentation has been prepared by Generalfinance and contains certain information of a forward-looking nature, projections, targets, and estimates that reflect Generalfinance management's current views related to future events. Forward-looking information not represent historical facts. Such information includes financial projections and estimates as well as related assumptions, information referring to plans, objectives, and expectations regarding future operations, products, and services, and information regarding future financial results. By their very nature, forward-looking information involves a certain amount of risk, uncertainty and assumptions so that actual results could differ significantly from those expressed or implied in forward-looking information. These forward-looking statements have been developed from scenarios based on a set of economic assumptions related to a given competitive and regulatory environment.

There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of futures performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise expect as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.

The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advise or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any State or other jurisdiction of the United States or in Australia, Canada or Japan or any jurisdiction where such an offer or solicitation would be unlawful (the "Other Countries"), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form apart of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries.

Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Ugo Colombo, in his capacity as manager responsible for the preparation of the Company's financial reports declares that the accounting information contained in this Presentation reflects the Generalfinance documented results, financial accounts and accounting records. Neither the Company nor any of its or their respective representatives, directors or employees accept any liability whatsoever in connection with this Presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it.

Today's presenters



Massimo Gianolli
CEO



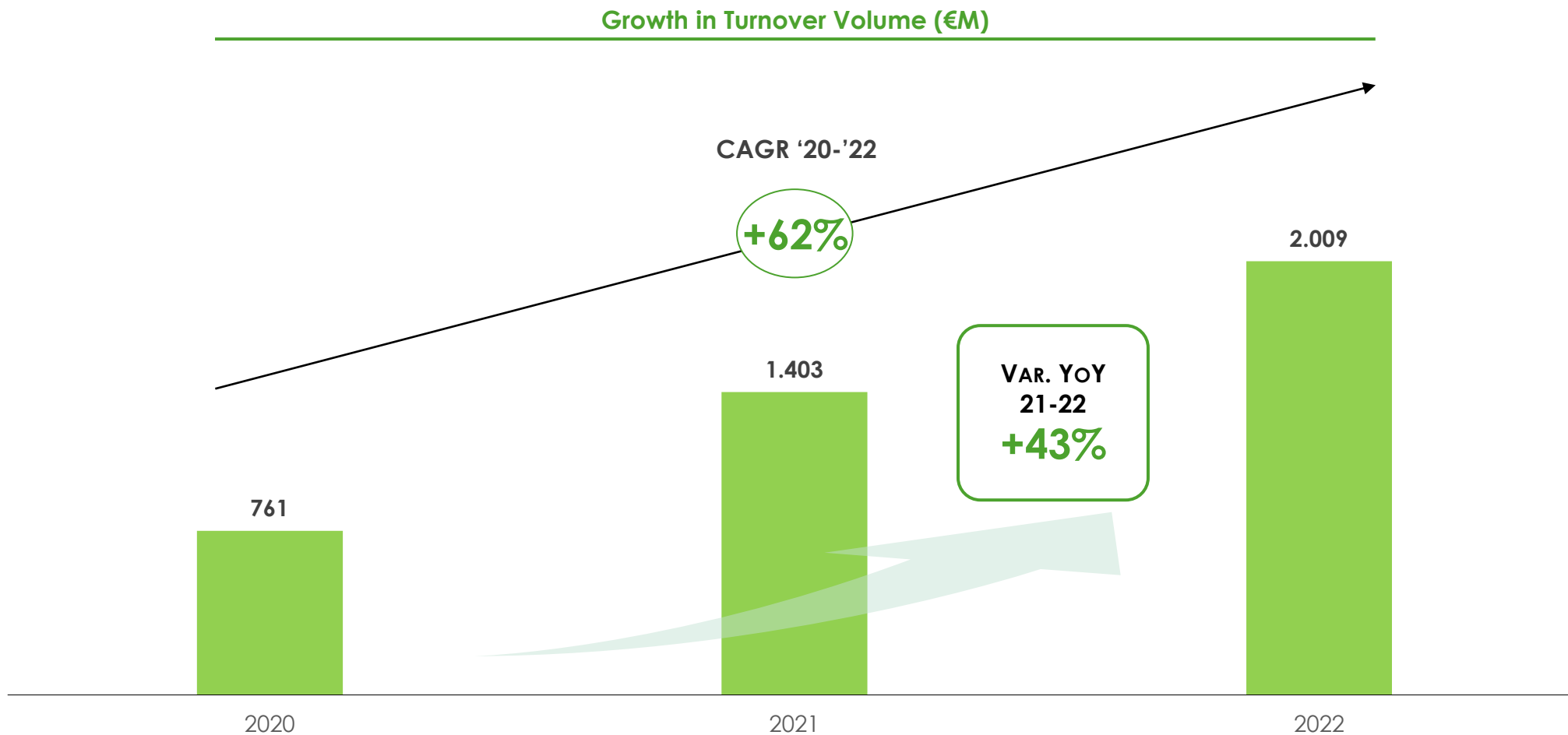
Ugo Colombo
CFO

Agenda

- Generalfinance Overview and Main 2022 Results
- Focus on Asset Quality, Organization and Digital Factoring
- 2022 Results: Balance Sheet, P&L, Funding and Capital
- Closing Remarks

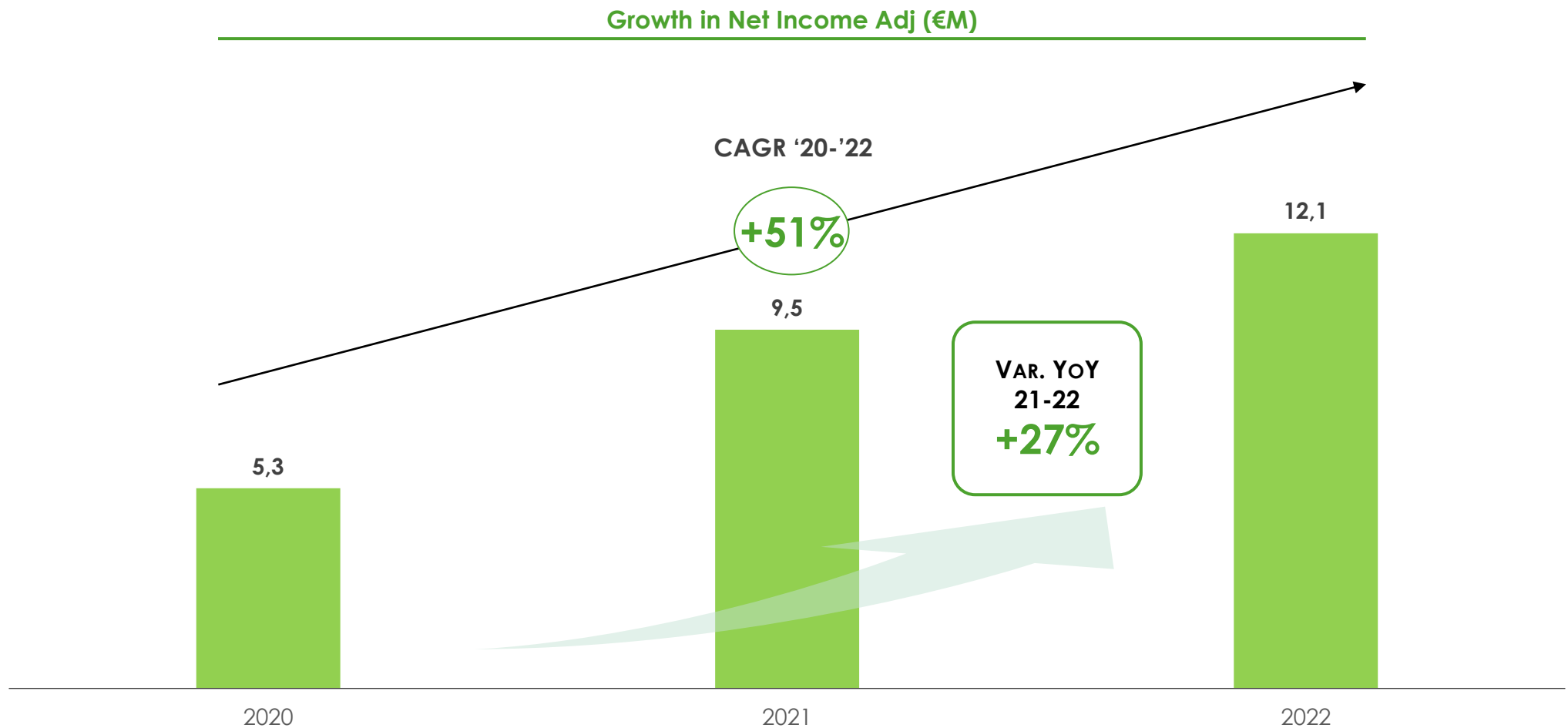
Generalfinance: 2022 Overview and Main results

Turnover witnessing a strong growth story



2022 annual growth rate (43%) significantly above the market average (14,5%)

Net Income Adjusted: high profitability from the operations



2022 annual growth rate (27%) on adjusted basis

A low risk model with a best in class asset quality



Q4 2022



7 BPS
COST OF
RISK¹



0,35%
GROSS
NPE²

COST OF RISK AND NPE RATIO (%)

MARKET GROSS NPE*

4,2%

4,2%

GROSS
NPE

0,24%

0,35%

2021

2022

COST OF RISK (%)

0,02%

0,07%

COST OF RISK ADJ (%)

0,02%

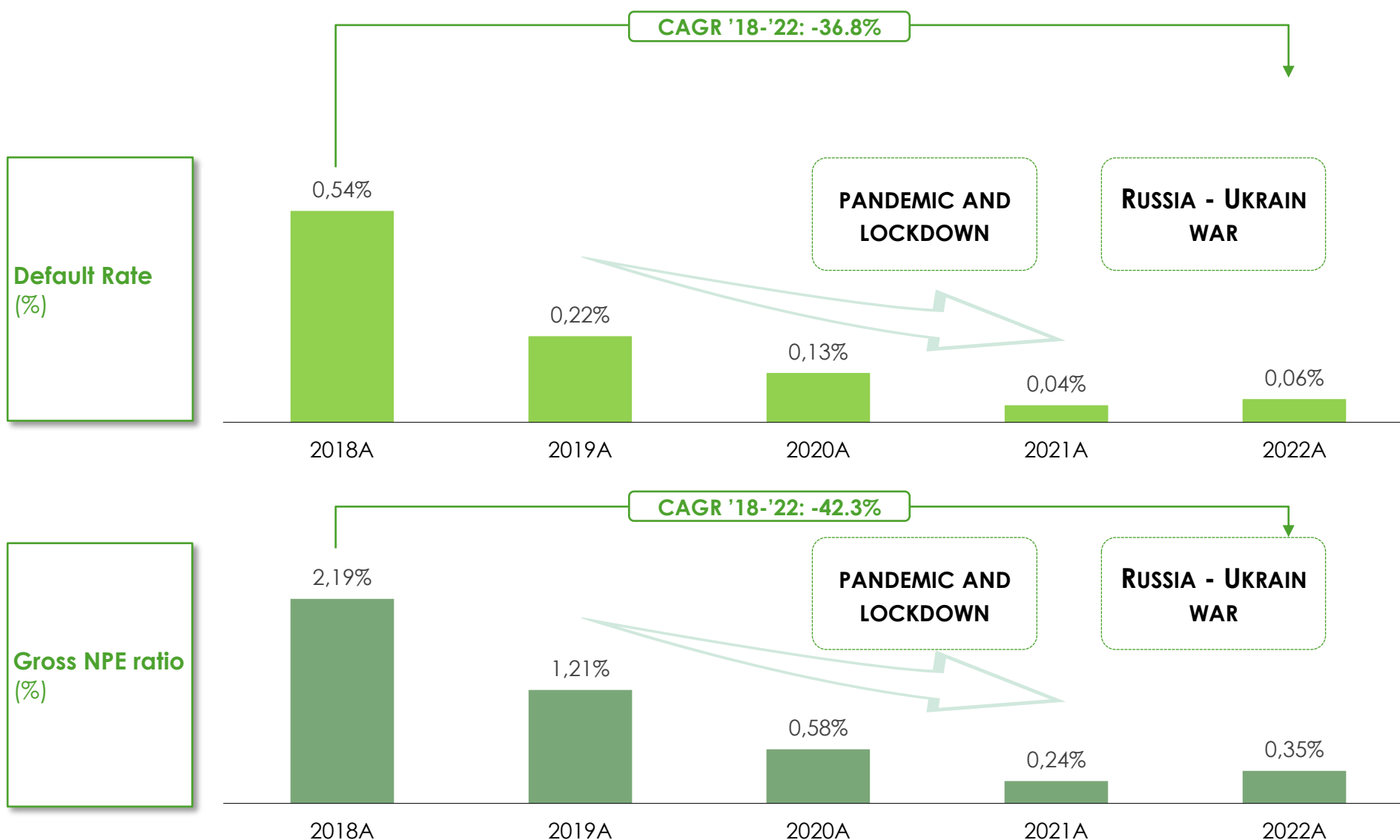
0,04%

Generalfinance has a lower cost of risk and a non-performing exposure compared to the market thanks to its unique and effective business model enabling a constant mitigation of credit risk

Focus on Asset Quality, Organization and Digital Factoring

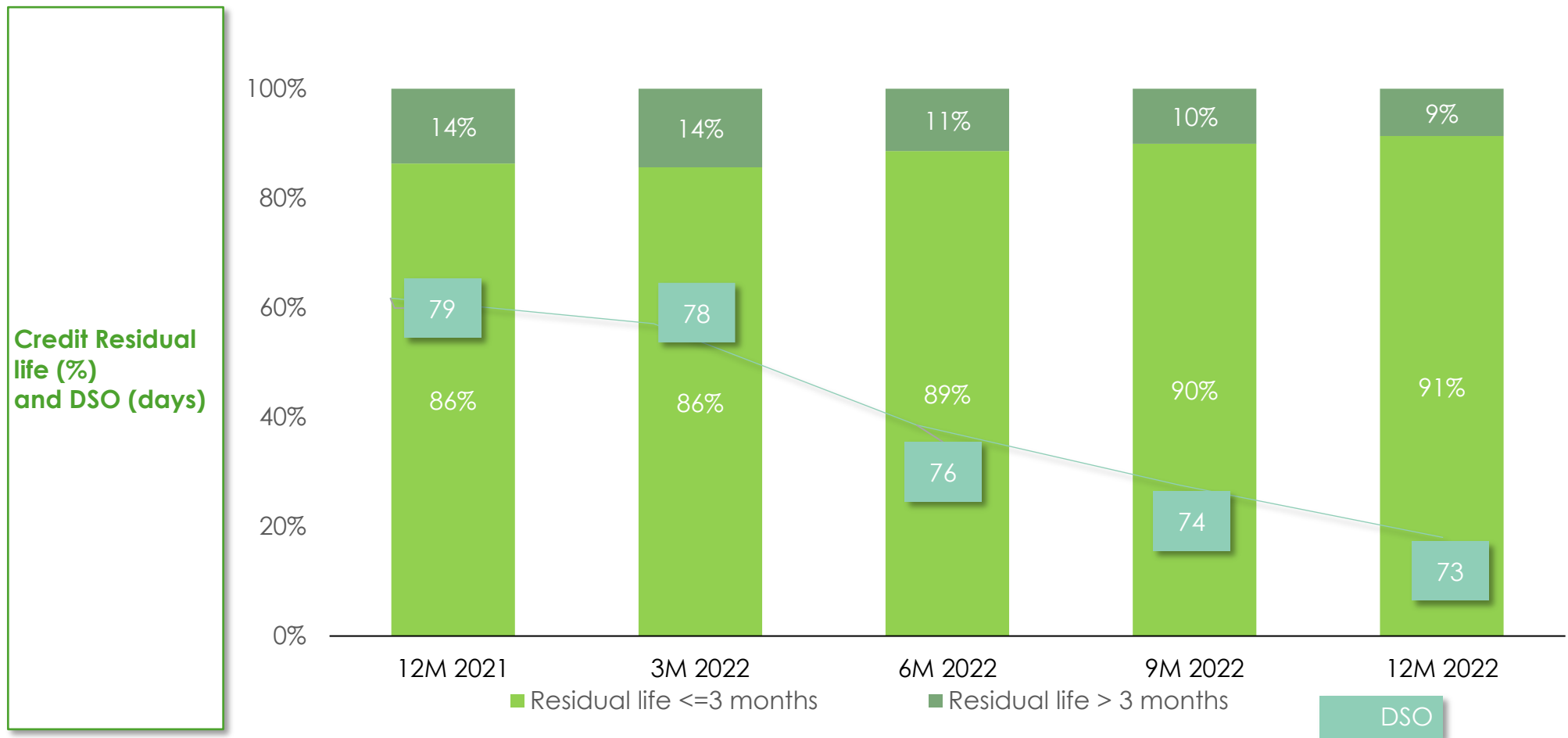
Default Rate and NPE Ratio constantly improving

DEFAULT RATE AND GROSS NPE RATIO (%)



A business model with low duration for a conservative risk profile

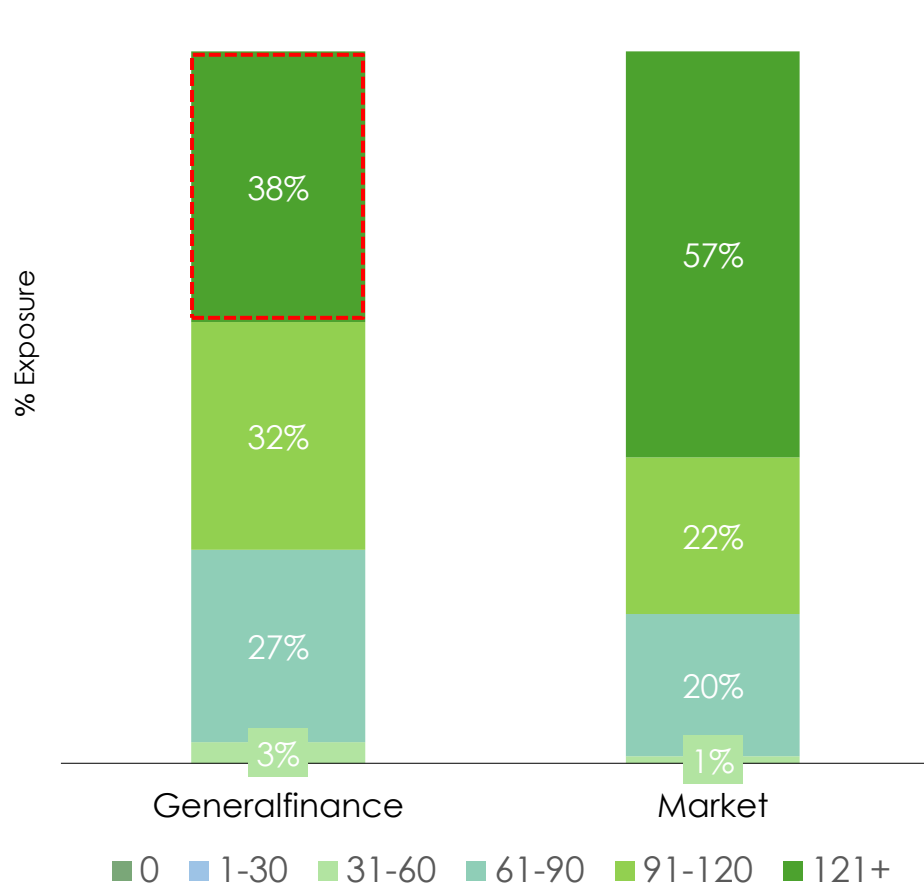
CREDIT RESIDUAL LIFE AND DSO



Collection performance: a strategic delivery to our Customers

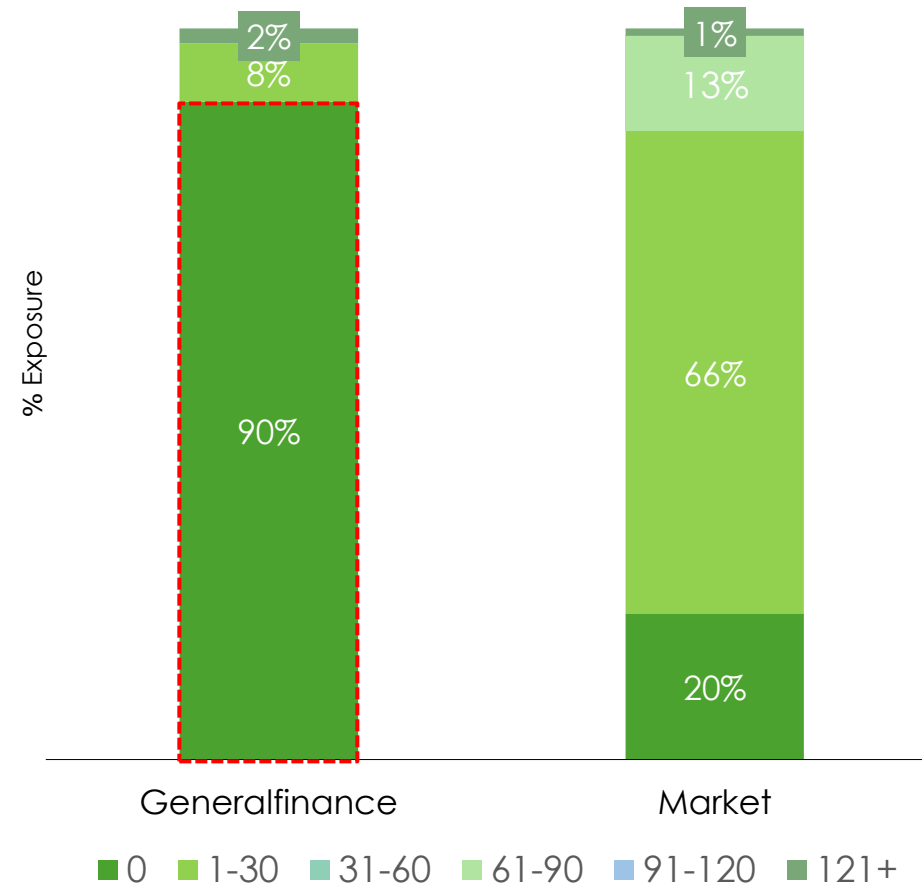
Payment Conditions (days)

Only **38%** of Generalfinance's portfolio has payment conditions exceeding 120 days (vs 57% of the market)



Payment Delays (days)

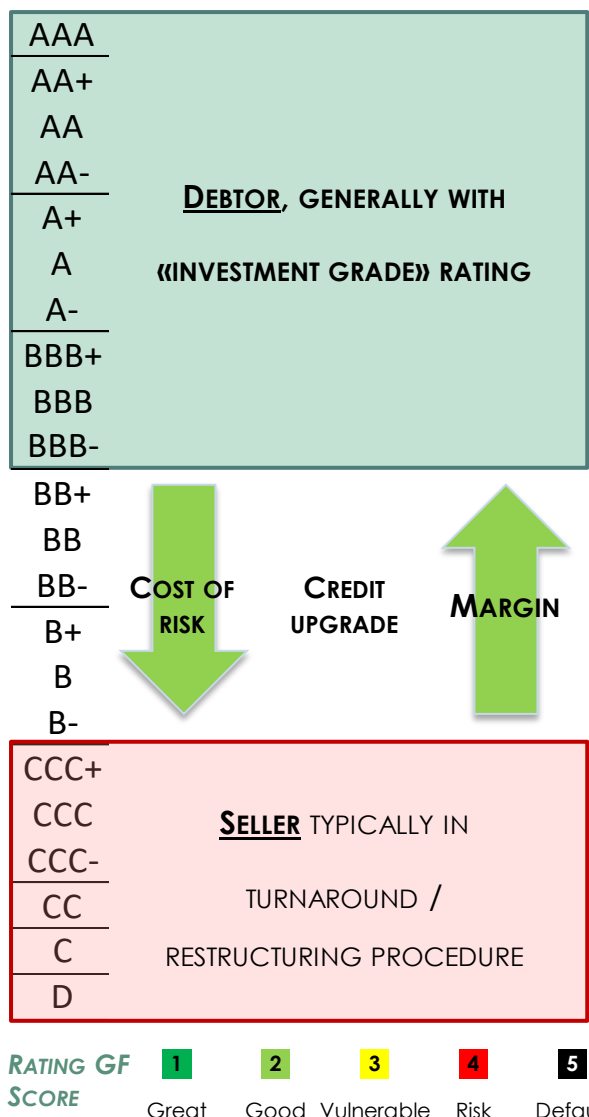
90% of Generalfinance's portfolio has no payment delays (vs 20% of the market)



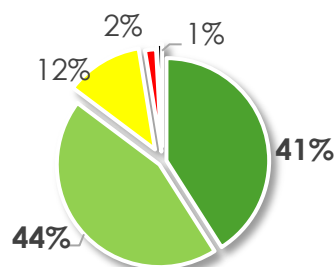
Generalfinance boasts a portfolio quality, both in terms of Payment Conditions and Payment Delays, higher than the rest of the market

A unique business model, leveraging the factoring features

The peculiarity of Generalfinance's business model is the choice of Seller-Debtor, where clients (Sellers) typically have a low credit rating (turnaround situation) while the Debtors underlying customer loans refer to a high credit rating (investment grade)

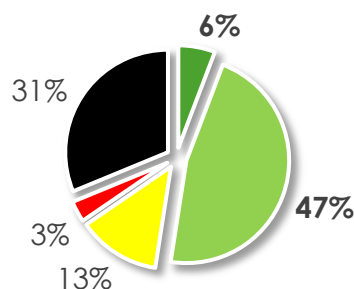


Turnover 2022 – per Debtor



Rating Class 1 and 2 equal to 85%

Turnover 2022 – per Seller



Rating Class 1 and 2 equal to 53%

HIGHLIGHTS FOR GENERALFINANCE¹

PRODUCTS

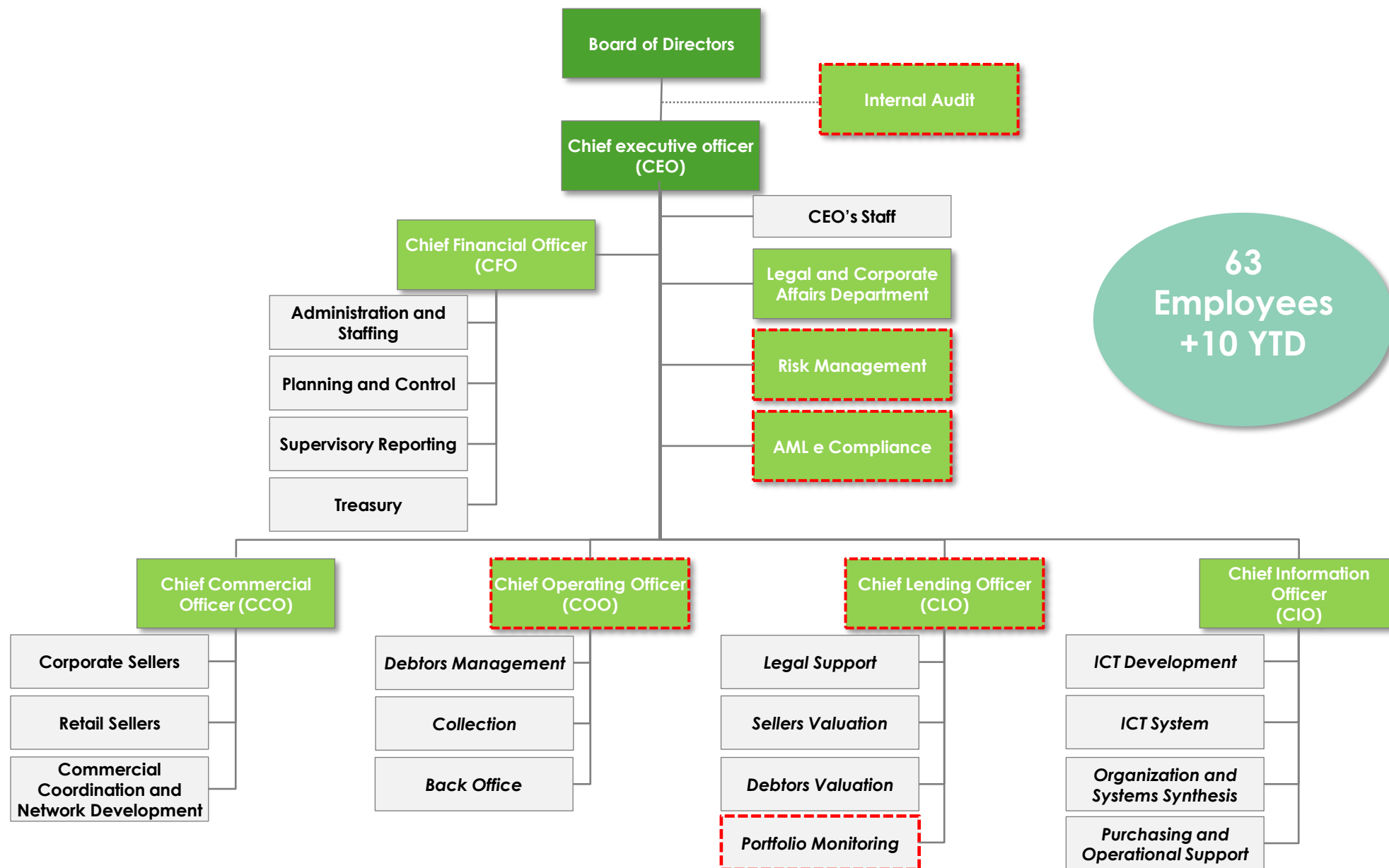
- Pro-solvendo factoring (c. 91% of turnover; vs 22% Assifact average)
- Pro-soluto factoring (c. 9% of turnover; vs 78% Assifact)
- Reverse factoring
- C. 80% of turnover covered by insurance with Allianz Trade
- 83% LTV in 2022, adjustable according to credit risk

CUSTOMERS

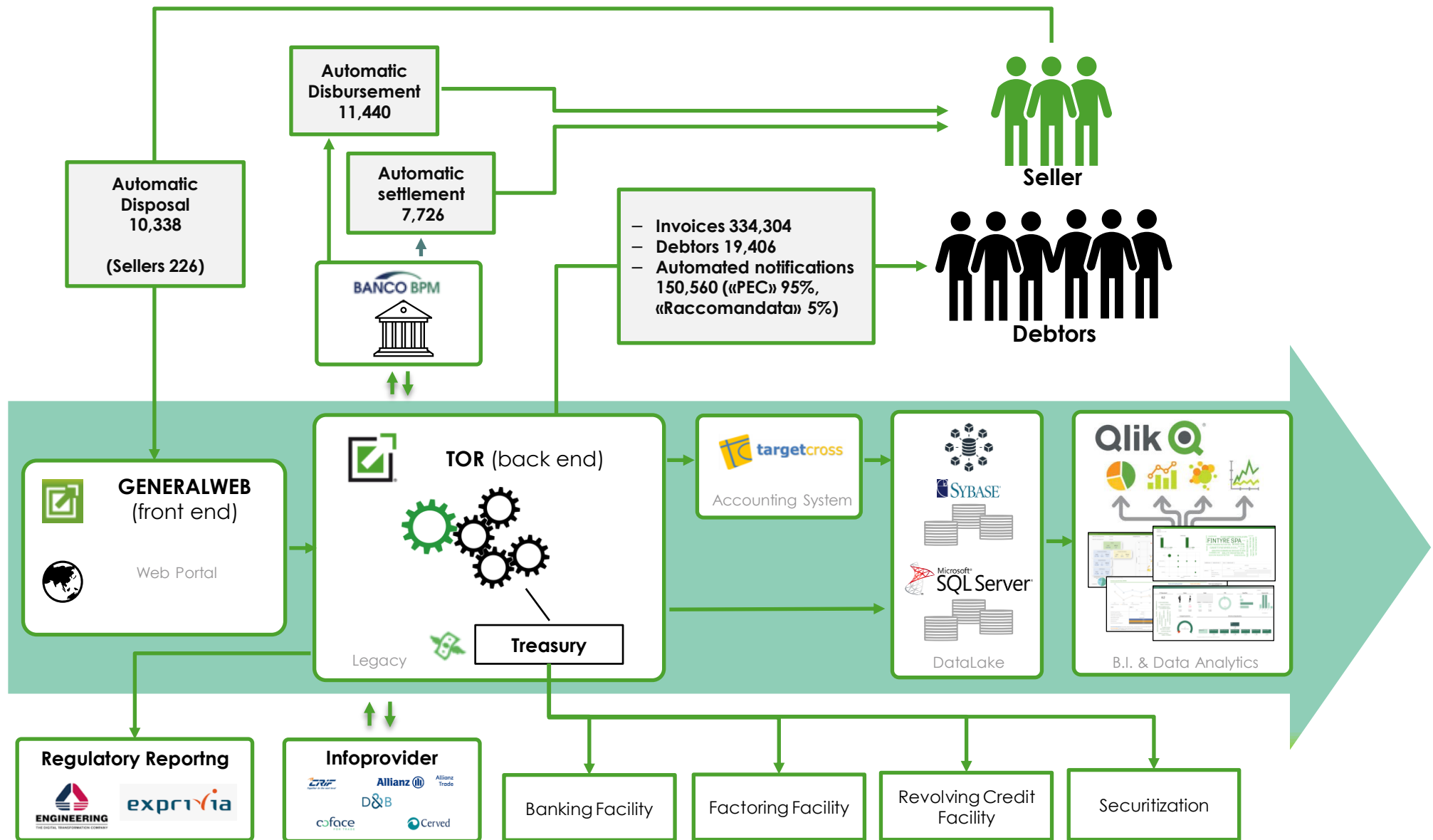
- Italian corporates (revenues higher than €20M) mainly distressed (c. 69% of turnover) and "in bonis" (c. 31% of turnover)
- High diversification by sector
- Debtors from Italy and abroad with an "investment grade" rating
- High ratio Debtor/Seller (~86 vs 10 of Assifact average²)
- Average Seller retention about 3 years

Notes: 1) Generalfinance data refers to 2022; Assifact data refers to 3Q 2022; 2) Assifact data net of household debtors.

A new organization oriented to risk control and business



A strategic asset: the proprietary digital platform



Note: LTM Company data

2022 Results: Balance Sheet, P&L, Funding and Capital

Income statement 2022 – adjustments

Income Statement (€m)	2022A	Adj	2022 Adj
Interest income and similar income	14,0	0,0	14,0
Interest expense and similar charges	(6,7)	0,0	(6,7)
INTEREST MARGIN	7,3	0,0	7,3
Fee and commission income	27,4	0,0	27,4
Fee and commission expense	(3,8)	0,0	(3,8)
NET FEE AND COMMISSION INCOME	23,6	0,0	23,6
Dividends and similar income	0,0	0,0	0,0
Net profit (loss) from trading	(0,0)	0,0	(0,0)
Net results of other financial assets and liabilities measured at fair value through profit or loss	0,0	0,0	0,0
NET INTEREST AND OTHER BANKING INCOME	30,9	0,0	30,9
Net value adjustments / write-backs for credit risk	(1,2)	0,0	(1,2)
a) Financial assets measured at amortised cost	(1,2)	0,0	(1,2)
NET PROFIT (LOSS) FROM FINANCIAL MANAGEMENT	29,7	0,0	29,7
Administrative expenses	(13,0)	1,6	(11,5)
a) Personnel expenses	(6,7)	0,2	(6,5)
b) Other administrative expenses	(6,3)	1,3	(5,0)
Net provision for risks and charges	(0,0)	0,0	(0,0)
b) Other net provisions	(0,0)	0,0	(0,0)
Net value adjustments / write-backs on property, plan and equipment	(0,7)	0,0	(0,7)
Net value adjustments / write-backs on intangible assets	(0,3)	0,0	(0,3)
Other operating income and expenses	1,0	0,0	1,0
OPERATING COSTS	(13,2)	(1,6)	(11,6)
PRE-TAX PROFIT (LOSS) FROM CURRENT OPERATIONS	16,5	(1,6)	18,0
Income tax for the year on current operations	(5,6)	0,4	(6,0)
PROFIT (LOSS) FOR THE YEAR	10,9	(1,2)	12,1

Extraordinary costs booked in 2022, related to the IPO Process, ~ 1,6 € M

Adjusted Net income 12,1 € M, +27% YoY

Main KPIs behind our business – adjusted figures

Income Statement (€m)	2020A	2021A	2022A	YoY	CAGR '20-'22
Interest Margin	4,1	6,2	7,3	17,7%	33,4%
Net Commission	13,1	17,7	23,6	33,3%	34,2%
Net Banking Income	17,2	23,9	30,9	29,3%	34,0%
Operating Costs	(8,4)	(9,8)	(11,6)	18,4%	17,5%
Net Profit	5,3	9,5	12,1	27,4%	51,1%

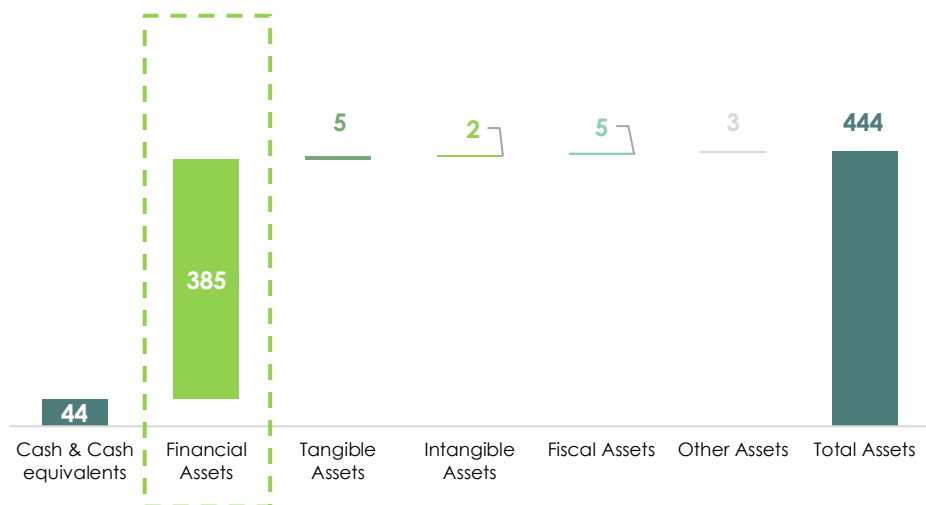
(€m)	2020A	2021A	2022A	YoY	CAGR '20-'22
Turnover	761	1.403	2.009	43,2%	62,5%
Allocated Amount	562	1.118	1.674	49,7%	72,6%
LTV	74%	80%	83%	4,5%	6,2%

Net Banking Income / Average Loan (%)	11,2%	9,6%	8,7%	(9,0%)	(11,7%)
Interest Margin / Net Banking Income (%)	23,8%	26,0%	23,5%	(9,4%)	(0,5%)
Cost Income Ratio	48,7%	40,9%	37,7%	(7,9%)	(12,1%)
ROE (%)	30,9%	42,0%	26,3%	(37,5%)	(7,8%)

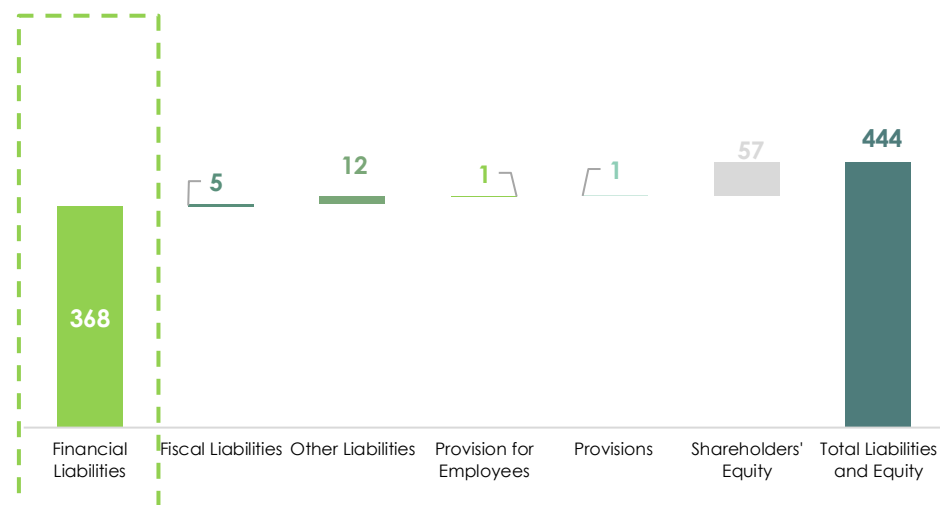
Balance Sheet (€m)	2020A	2021A	2022A	YoY	CAGR '20-'22
Cash & Cash Equivalents	24	34	44	30,4%	34,4%
Financial Assets	177	321	385	20,1%	47,8%
Other Assets	10	11	15	35,2%	24,0%
Total Assets	210	365	444	21,5%	45,3%
Financial Liabilities	175	315	368	17,1%	44,9%
Other Liabilities	12	19	19	(1,1%)	23,1%
Total Liabilities	188	333	387	16,1%	43,6%
Shareholder's Equity	23	32	57	77,5%	58,5%

A very simple balance sheet with a strong capital position...

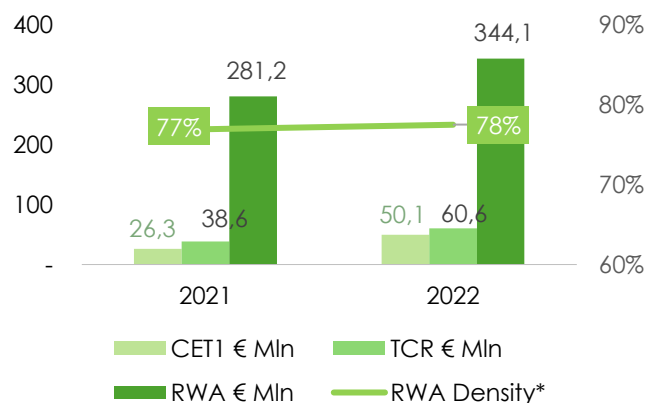
2022A ASSETS BREAKDOWN



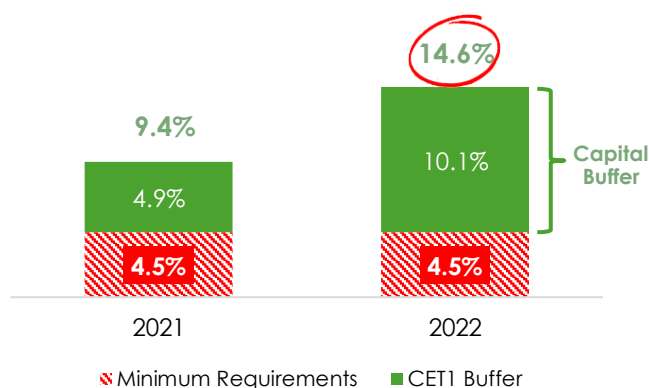
2022A LIABILITIES BREAKDOWN



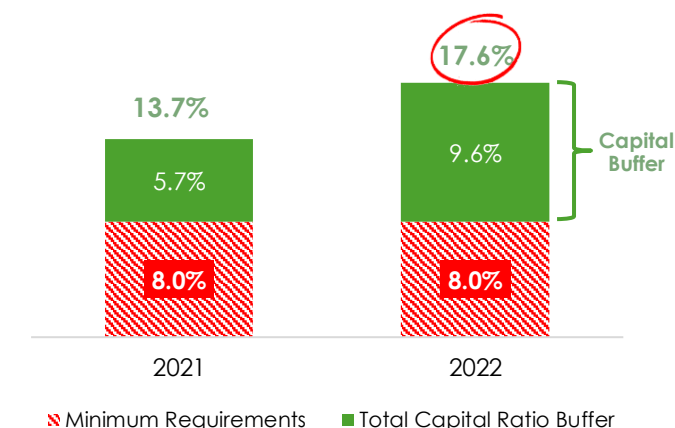
CAPITAL AND RWA



CET1 RATIO (%)

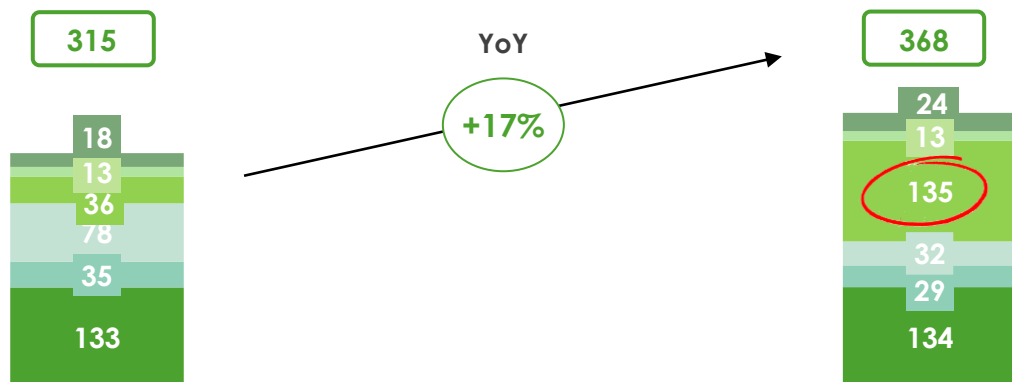


TOTAL CAPITAL RATIO (%)



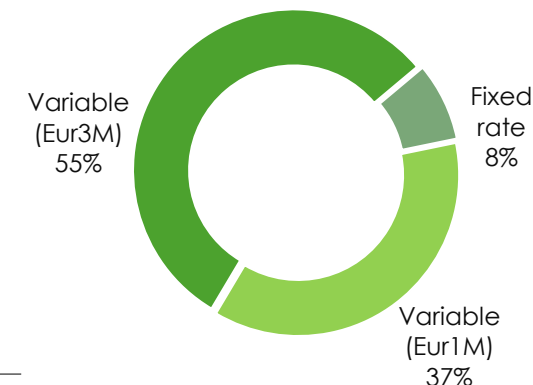
...coupled with a robust funding and liquidity position

2021A – 2022A FUNDING AND COST OF FUNDING (€M, %)



YoY
+17%

2022A FUNDING BREAKDOWN



2021 2022

■ RCF ■ Banking Facility ■ Factoring Facility ■ Securitization ■ Bond Tier 2 ■ Commercial Paper

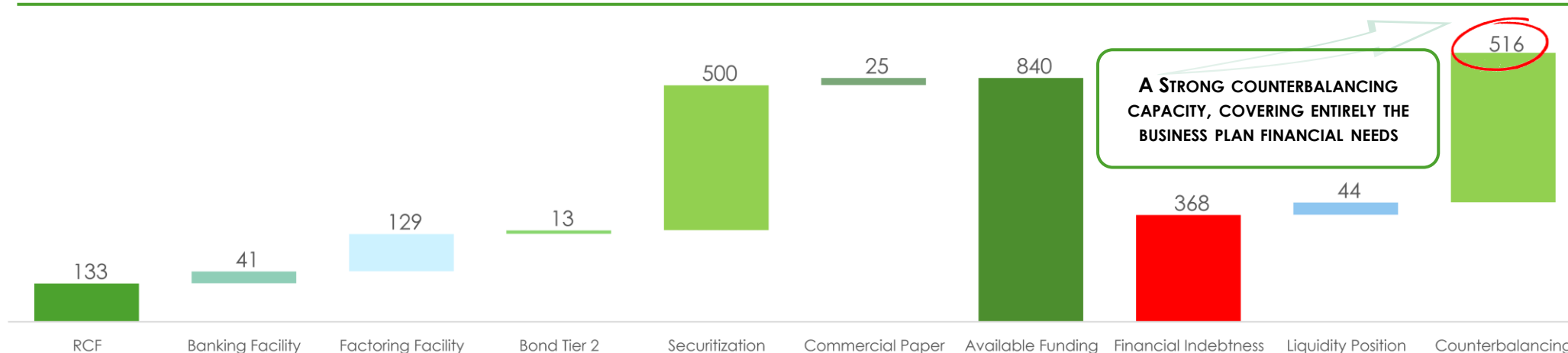
Avg cost of funding 1.2%

2.0%

Avg cost of funding excluded Tier 2 Bonds 1.1%

1.6%

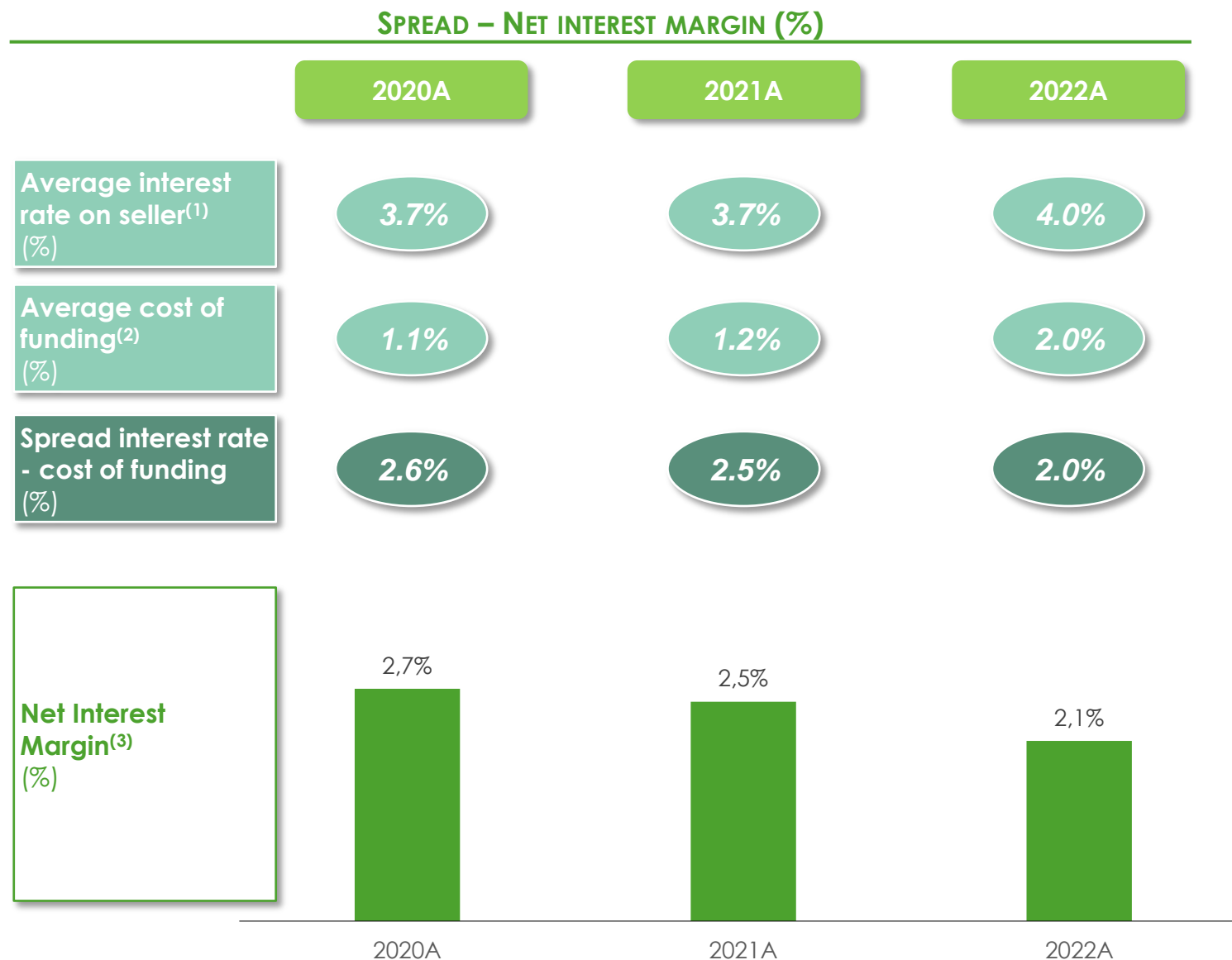
2022A TOTAL AVAILABLE FINANCING AMOUNT (€M)



A STRONG COUNTERBALANCING CAPACITY, COVERING ENTIRELY THE BUSINESS PLAN FINANCIAL NEEDS

Net interest Income, «hedged» against interest rate rises

- **Net Interest Income only ~ 24% of the Net Banking Income**
- Almost **all funding available at variable rates** (Eurbor 1M, 3M)
- As of today, **around 98% of the factoring contracts** had been renegotiated, changing the calculated interest rate from fixed to **variable (based on Euribor 3M)**

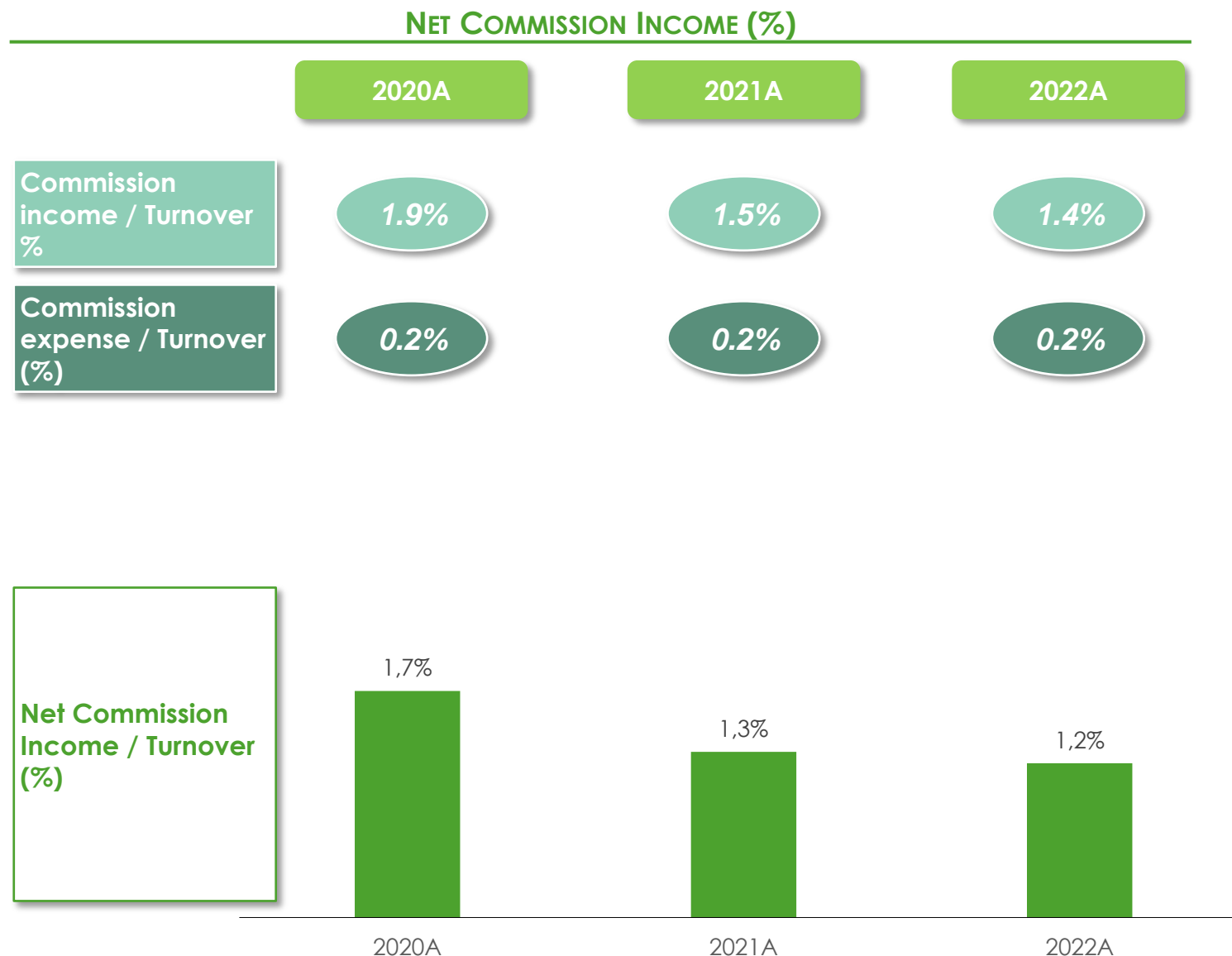


Net commission income, the primary source of profitability

- **Net Commission Income ~ 76% of the Net Banking Income**

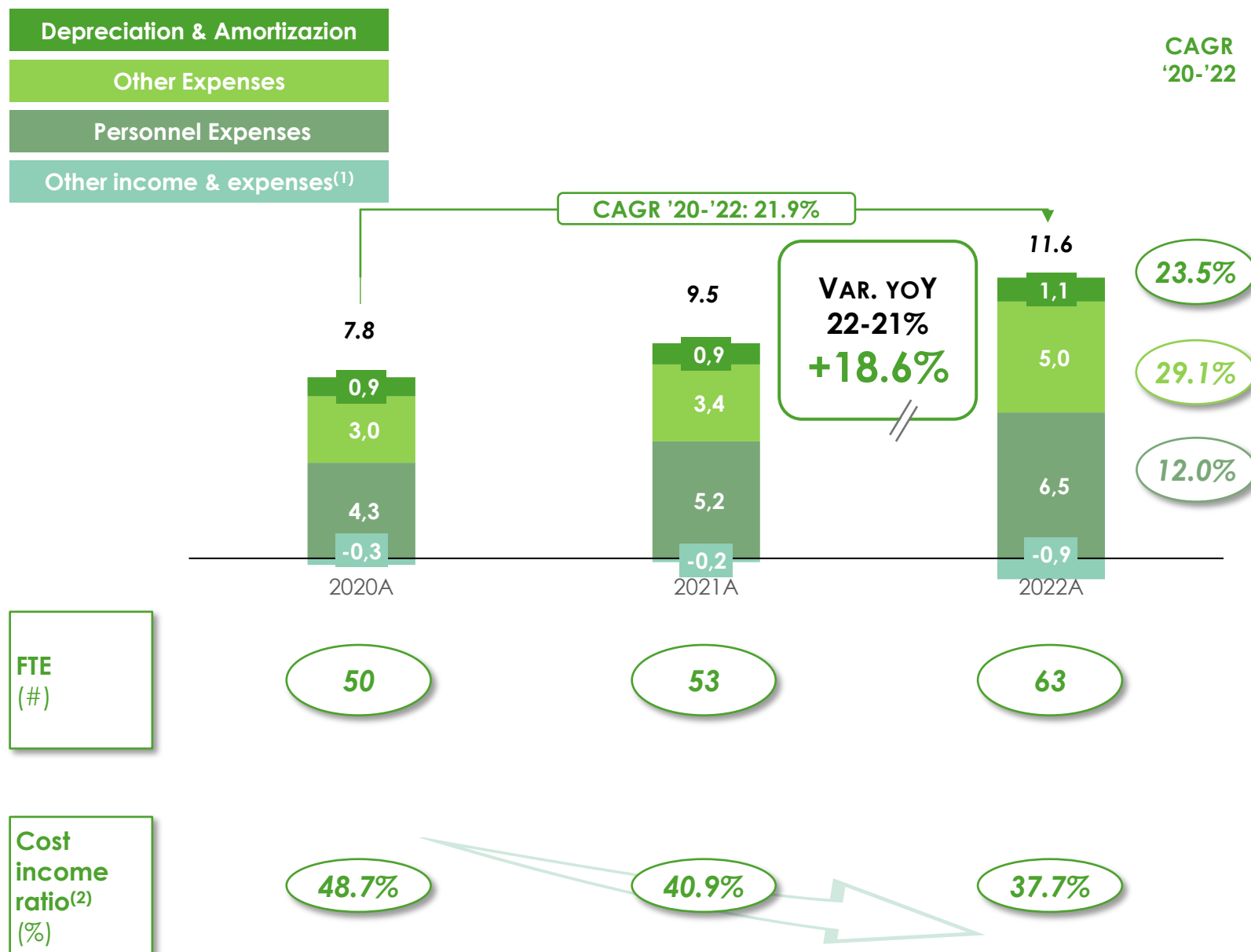
- **Commission income rate** declining in connection with the **different mix of the portfolio** (Corporate Sellers vs Retail Sellers)

- **Stable commission expense rate** thanks to **optimization of insurance costs and banking fees**



Cost / Income reflecting the efficiency of the operating machine

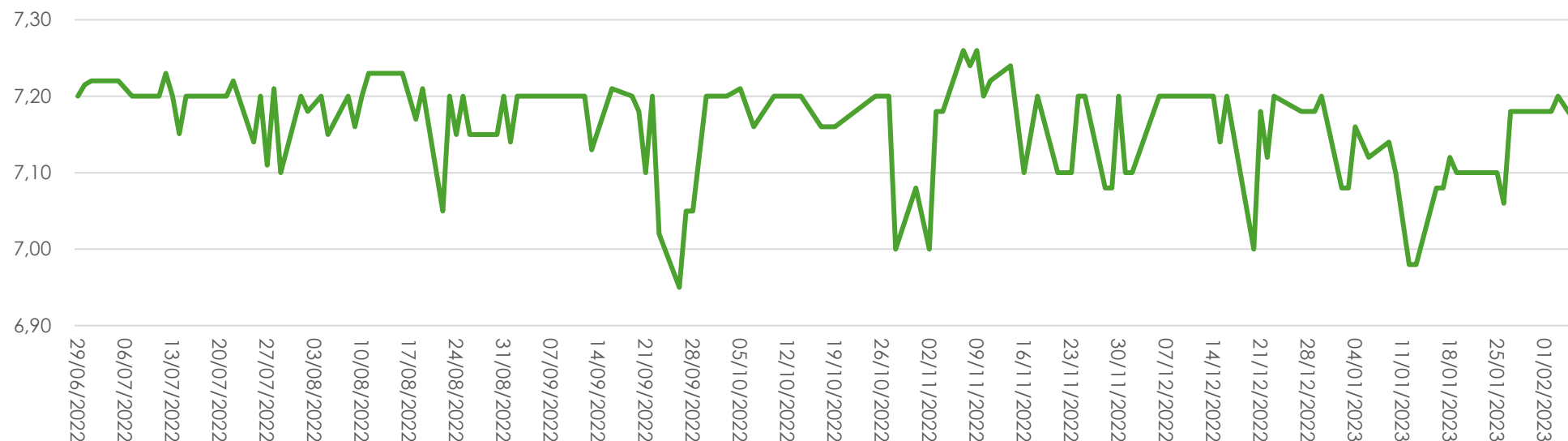
- **#10 new FTE** compared to year-end 2022
- Year-on-year **growth in operating costs in line with the CAGR** of the last 3 years
- Cost income **declining** benefitting from the **high efficiency of the operating machine** and the **economy of scale** (IT proprietary platform)



Closing Remarks

Dividend Policy

SHARE PERFORMANCE



Distribution of Net Profit (Euro) 2022A

Net profit 10.885.387

Number of shares 12.635.066

Dividend per share 0,43

Total dividends 5.433.078

Retained earnings 5.452.309

Payout ratio 50%

Dividend Yield 6,0%

**DIVIDEND
YIELD
6%**

Closing Remarks

- **2022: a year of great achievements:**
 - ✓ *IPO of the Company*
 - ✓ *Reinforcement of the financial profile (Total Capital Ratio up to 17.6%)*
 - ✓ *Strong growth of the business (turnover +43% YoY)*
 - ✓ *Very good asset quality (NPE Ratio 0.35%)*
 - ✓ *Stable and robust funding (Counterbalancing > 500 €M)*

- **2023 Outlook supporting Generalfinance's business:**
 - ✓ *Geopolitical and macroeconomic tensions affecting financial position of Italian SMEs*
 - ✓ *Tightening of credit standards from Italian banks*
 - ✓ *Exit from state aid supports for SMEs financing via MCC and SACE*
 - ✓ *Solid pipeline of new Sellers in the first part of the year*
 - ✓ *2023 Net Income guidance: 16-17 €m*

- **Potential add-on coming from the expansion of the Company abroad (Greece and Spain), depending on the analysis already started to be finalized in the coming quarters**

1°
giorno di
quotazione
BORSA ITALIANA Euronext



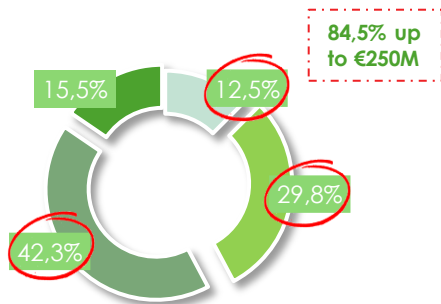
Annexes



Turnover breakdown vs system average 1/2

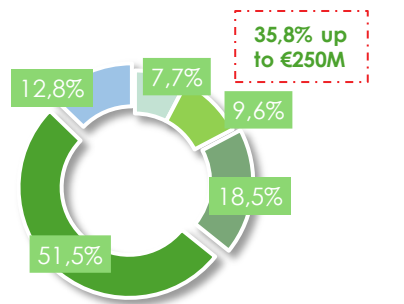
SELLERS' DIVERSIFICATION BY DIMENSION¹

GENERALFINANCE (%)



- Small size (<€10M)
- Medium size (€10M-€50M)
- Corporate (€50M-€250M)
- Large corporate (>€250M)

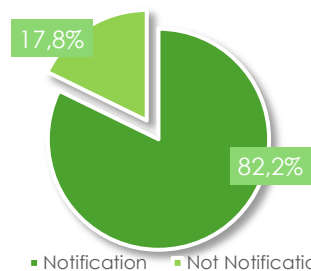
ASSIFACT (%)



- Small size (<€10M)
- Medium size (€10M-€50M)
- Corporate (€50M-€250M)
- Large corporate (>€250M)
- Not classified

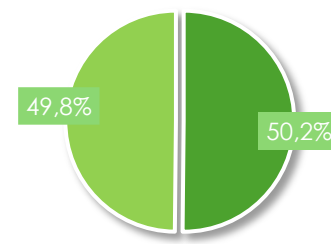
FACTORING BY NOTIFICATION STATUS¹

GENERALFINANCE (%)



- Notification
- Not Notification

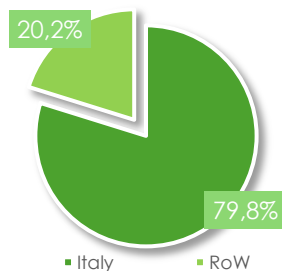
ASSIFACT (%)



- Notification
- Not Notification

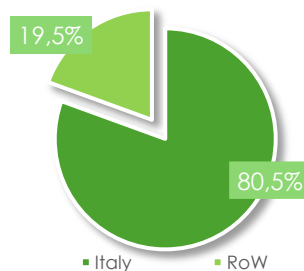
NATIONAL VS INTERNATIONAL TURNOVER¹

GENERALFINANCE (%)



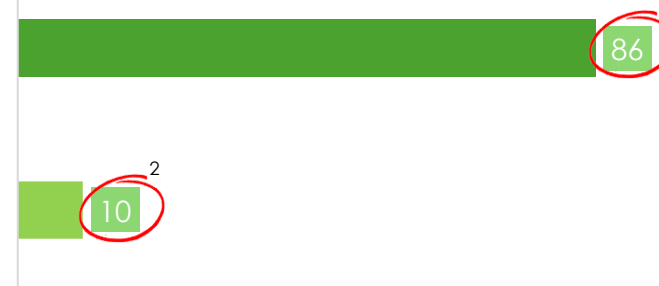
- Italy
- RoW

ASSIFACT (%)



- Italy
- RoW

HIGHER NUMBER OF DEBTORS PER SELLER¹



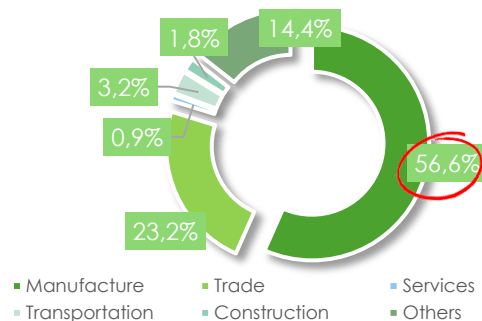
1) Generalfinance Turnover data refers to 2022; Assifact Turnover data refers to 3Q 2022

2) Household debtors have not been included

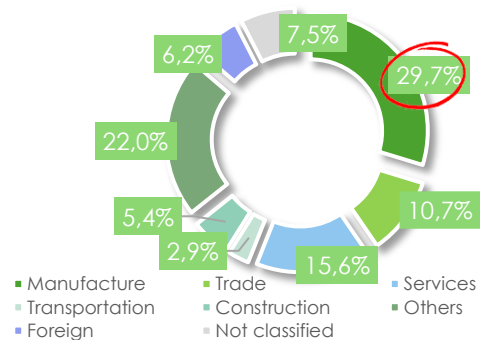
Turnover breakdown vs system average 2/2

SELLERS' DIVERSIFICATION BY SECTOR¹

GENERALFINANCE (%)

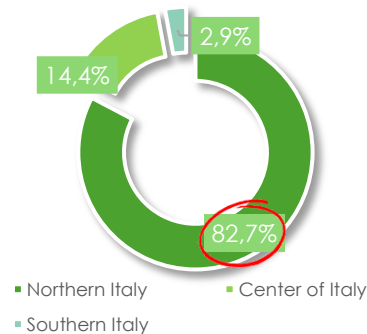


ASSIFACT (%)

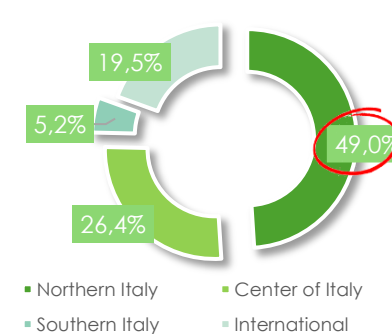


SELLERS' DIVERSIFICATION BY GEOGRAPHY¹

GENERALFINANCE (%)

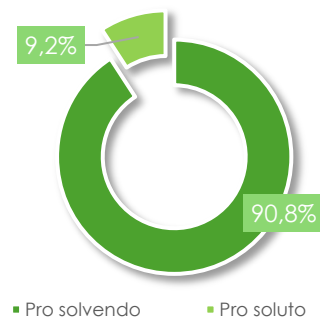


ASSIFACT (%)

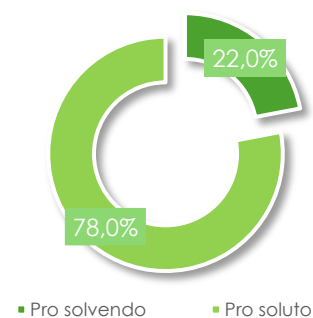


TURNOVER BY PRODUCT¹

GENERALFINANCE (%)



ASSIFACT (%)



1) Generalfinance Turnover data refers to 2022; Assifact Turnover data refers to 3Q 2022

1°
giorno di
quotazione
BORSA ITALIANA Euronext



GENERALFINANCE

2022 Financial Results



February 13, 2023