



**GENERAL**  
**FINANCE**

**INTERIM REPORT ON OPERATIONS  
AS AT 30 SEPTEMBER 2022**

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**Interim Report on Operations as at 30 September  
2022**

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## Foreword

### Statement of compliance with International Accounting Standards

This Interim Report on Operations as at 30 September 2022 is prepared on a voluntary basis in order to ensure continuity with the previous disclosures provided during the current year, also by virtue of the recent listing transaction finalized in June 2022, as the obligation to provide periodic financial disclosure in addition to the annual and half-yearly disclosure no longer applies, due to the wording of art. 154-ter, paragraph 5, of Italian Legislative Decree 58/1998 ("Consolidated Law on Finance" or "TUF") introduced by Legislative Decree 25/2016 implementing the Transparency Directive 2013/50/EU.

This Interim Report on Operations of Generalfinance S.p.A. as at 30 September 2022, with regard to recording and evaluation criteria, was prepared in accordance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), approved by the European Commission pursuant to EU Regulation no. 1606 of 19 July 2002, taking into account the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRC), as expressed in the section "Preparation criteria and accounting standards" of the Notes to the Financial Statements as at 31 December 2021.

The Interim Report on Operations as at 30 September 2022 consists of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and is also accompanied by a Report on Operations, on the economic results achieved and on the equity and financial position of Generalfinance.

In terms of financial reporting, being prepared pursuant to the aforementioned art. 154-ter, paragraph 5, of the Consolidated Law on Finance as well as for the purposes of determining regulatory capital (own funds), this Report does not include some explanatory notes that would be required to represent the equity and financial position and the economic result for the period in compliance IAS 34 Interim Financial Reporting.

The Interim Report on Operations as at 30 September 2022 do not disclose all the information required in the annual financial statements. For this reason, it is necessary to read them together with the financial statements as at 31 December 2021.

This Report is accompanied by the certification of the Financial Reporting Officer, pursuant to art. 154-bis of the Consolidated Law on Finance, and the financial statements are subject to a limited audit by Deloitte & Touche S.p.A. in order to include the interim result in own funds.

### Events after the reference date of the Interim Report on Operations

No events or circumstances have occurred since the end of the first nine months of the financial year 2022 that would appreciably alter what has been presented in this Interim Report on Operations.

Pursuant to IAS 10, the date on which this Report was authorised for publication by the Company's Directors is 4 November 2022.

## The factoring market in 2022<sup>(1)</sup>

In the second quarter of 2022 the factoring market recorded a turnover of approximately EUR 140 billion, up 16.59% compared to the same period of the previous year, improving the growth trend compared to the first quarter.

The turnover from Supply chain finance transactions amounted to EUR 13.29 billion, up 17.05% compared to the previous year.

The sector operators expect a positive trend for 2022 for all the main factoring indicators; in particular, total turnover is expected to grow, on average, by +11.65%.

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1 The chapter mentions and/or reports extensive extracts from Assifact, Assifact Statistical Circular 47-22 "Factoring in figures - Summary of June 2022 data" and Circular 55-22 "Factoring in figures - Summary of August 2022 data"

In the second quarter of the year, there was a net change in advances of close to EUR +7 billion, which brings the advances disbursed to a total of more than EUR 52 billion and more than 15% compared to the same period of 2021.

Purchases of trade receivables from the public administration amounted to over EUR 9.1 billion in June 2022. Outstanding loans amounted to EUR 8.5 billion, of which EUR 3.5 billion were past due.

<b>Dati in migliaia di euro</b>		<b>Quota % sul totale</b>	<b>Var. % rispetto all'anno precedente</b>
<b>Turnover Cumulativo</b>	<b>139.784.291</b>		<b>16,59%</b>
Pro solvendo	31.286.946	22%	
Pro soluto	108.497.345	78%	
<b>Outstanding</b>	<b>67.761.777</b>		<b>17,29%</b>
Pro solvendo	18.107.583	27%	
Pro soluto	49.654.194	73%	
<b>Anticipi e corrispettivi pagati</b>	<b>52.102.741</b>		<b>15,45%</b>

Source: Assifact, statistical circular 47-22 "Factoring in figures - Summary of June 2022 data". Values in thousands of Euros.

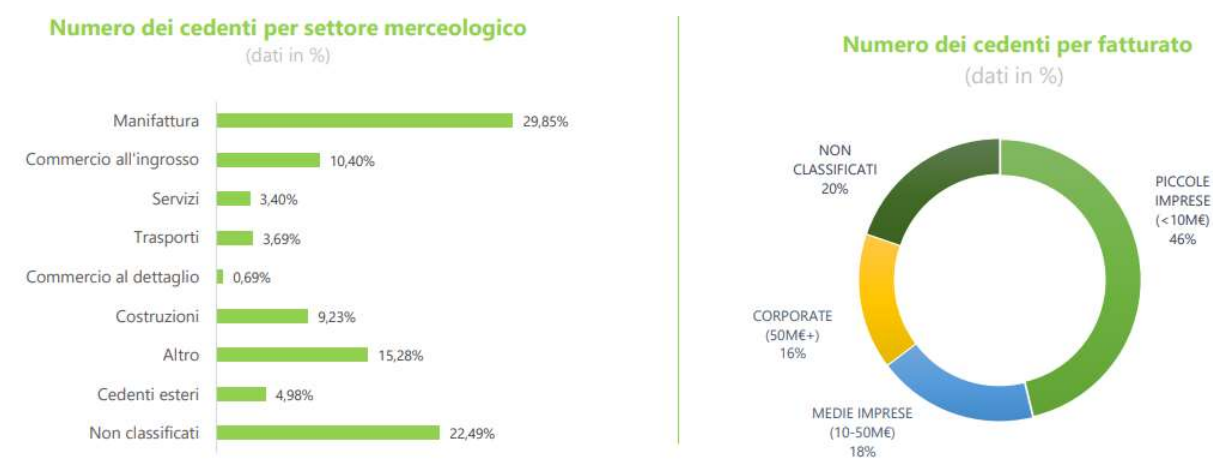
In the second quarter of 2022, turnover was up by 16.59% compared to the same period of the previous year.

Despite the historical time of high uncertainty due to the strong geopolitical tensions underway, the sector experienced further growth in the second quarter. At the end of the third quarter of 2022, Associates expected turnover growth to continue, albeit at a more moderate rate equal to +11.23% compared to the same period of 2021.

For the year 2022 as a whole, operators expect, on average, positive growth (+11.65%).

Over 31,000 companies use factoring, 64% of which are SMEs.

It is used predominantly in the manufacturing sector.

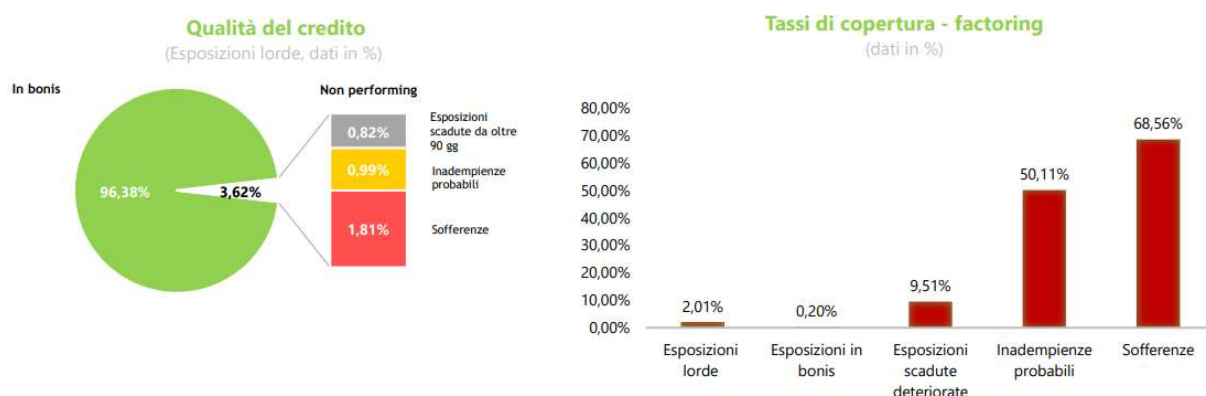


Source: Assifact, statistical circular 47-22 "Factoring in figures - Summary of June 2022 data". Values in thousands of Euros.

Advances and fees paid, amounting to EUR 52,10 billion, showed a net increase compared to the same quarter of the previous year.

Non-performing loans at the end of the second quarter of 2022 (3.62%) were down compared to the first quarter.

The policies for hedging non-performing loans are, as usual, very prudent with respect to probable bad and non-performing loans.



Source: Assifact, statistical circular 47-22 "Factoring in figures - Summary of June 2022 data". Values in thousands of Euros.

### Factoring market – monthly position in August 2022

Based on the latest monthly report available, in August 2022 turnover was approximately EUR 180 billion, up by approximately 18% on the previous year. Outstanding amounts at the reporting date amounted to approximately EUR 59 billion, with growth of 16% on the previous year, while advances amounted to approximately EUR 44 billion (+18%).

Dati in migliaia di euro		Quota % sul totale	Var. % rispetto all'anno precedente
<b>Turnover Cumulativo<sup>1</sup></b>	<b>179.937.240</b>		<b>17,67%</b>
Pro solvendo	41.164.547	23%	
Pro soluto	138.772.693	77%	
<b>Outstanding</b>	<b>58.511.468</b>		<b>15,92%</b>
Pro solvendo	16.406.368	28%	
Pro soluto	42.105.100	72%	
<b>Anticipi e corrispettivi pagati</b>	<b>44.327.720</b>		<b>17,80%</b>
<b><sup>1</sup> di cui Turnover riveniente da operazioni di Supply Chain Finance</b>	<b>17.649.199</b>	<b>10%</b>	

Source: Assifact, statistical circular 55-22 "Factoring in figures - Summary of August 2022 data". Values in thousands of Euros.

## Operating performance and result

### *Shareholding structure*

The share capital amounts to EUR 4,202,329 and is divided into no. 12,635,066 ordinary shares with unexpressed nominal value, pursuant to art. 2346 of the Italian Civil Code and art. 5 of the current Articles of Association. Following the listing of the Company's shares on Euronext Milan, organized and managed by Borsa Italiana S.p.A., Euronext STAR Milan segment, the share capital - as at 30 September 2022 - is broken down as follows:

- **GGH - Gruppo General Holding S.r.l. (GGH)**, which holds approximately 41.37% of the share capital (52.627% of the voting rights taking into account the increased vote);
- **Credit Agricole Italia (CAI)**, which holds approximately 16.29% of the share capital (approximately 20.441% of the voting rights taking into account the increased vote);

- **First4Progress S.p.A. (F4P)**, which owns approximately 5.14% of the share capital (approximately 3.272% of the voting rights);
- (floating) **market**, which overall holds an approximately 37.20% of the share capital (approximately 23.660% of total voting rights).

It should be noted that, on 29 June 2017, in execution of agreements between shareholders, GGH established a first degree pledge on 1,271,766 ordinary shares of Generalfinance owned by it in favour of CAI and that on 20 January 2021 and in compliance with the provisions of the deed of incorporation of the pledge - CAI agreed to the release from restriction on 423,992 Generalfinance shares. As at today's date, therefore, the restriction continues to be in place on the additional 847,844 shares owned by GGH. However, it does not entail any limitation on the rights of GGH as, in derogation from art. 2352 of the Italian Civil Code, the right to vote on the shares encumbered by the pledge is regularly exercised by GGH, both in ordinary and extraordinary shareholders' meetings. Similarly, the Parent Company maintained the right to receive any amount due from Generalfinance in relation to the shares encumbered by the pledge.

In addition, on 21 July 2022 GGH established a first degree pledge in favour of Banca Nazionale del Lavoro S.p.A. on a number of ordinary shares of Generalfinance owned by it corresponding to a countervalue, at the grant date, of EUR 9,100,080.00 to guarantee the obligations assumed with a credit line/special credit agreement within 28 months.

### **Main performance indicators**

Generalfinance closed the first nine months of 2022 with a net profit of EUR 8.4 million (+28% compared to 30 September 2021) - including approximately EUR 1.2 million of non-recurring operating costs related to the stock market listing process, mainly professional expenses - and further growth in the *distressed financing* sector. Including advance payments on future receivables, turnover reached EUR 1,431 million (+55%) with EUR 1,183 million disbursed (+60%). Net of future receivables, the turnover was equal to EUR 1,367 million.

In order to provide a clear and immediate view of the Company's economic performance, the following tables show some indicators for the year, compared with the figures for the previous year.

### **Main reclassified income statement data (in thousands of Euro)**

<b>Income for:</b>	<b>30/09/2022</b>	<b>30/09/2021</b>	<b>Change</b>
- Interest margin	5,681	4,490	+ 27%
- Net fee and commission income	17,101	12,453	+ 37%
<b>- Net interest and other banking income</b>	<b>22,784</b>	<b>16,945</b>	<b>+ 34%</b>
- Operating costs	(9,827)	(7,079)	+ 39%
<b>- Pre-tax profit from current operations</b>	<b>12,656</b>	<b>9,621</b>	<b>+ 32%</b>
<b>- Profit for the year</b>	<b>8,432</b>	<b>6,597</b>	<b>+ 28%</b>

	<b>30/09/2022</b>	<b>30/09/2021</b>
Cost/Income ratio (%)	43%	42%
ROE (%)	24%	39%
Net interest income/Net interest and other banking income (%)	25%	26%
Net fee and commission income/Net interest and other banking income (%)	75%	73%

These results are particularly significant as they were achieved in a challenging year marked by the impacts, in particular on the business system, relating to the effects of the ongoing conflict between Russia and Ukraine and the additional

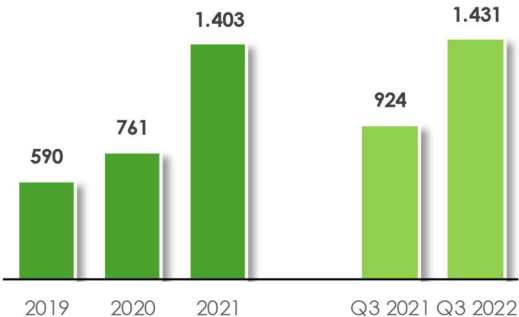
macroeconomic factors that emerged in the last part of the semester (inflation rate, increase in the cost of money and energy).

**Turnover**

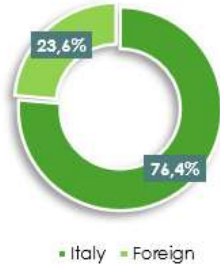
Including data referring to future credit advances, turnover reached EUR 1,431 million as at 30 September 2022, up by 55% compared to the same period of 2021. With reference to the annual "LTM - Last Twelve Months" turnover (September 2021 - September 2022), the breakdown by nationality of the transferred debtors shows an increasing relative weight of international factoring, which accounts for roughly 23.6% of business volumes, with significant diversification by country, reflecting the high level of service that the Company is able to provide to export-oriented customers.

With reference to the Transferors' registered offices show that the Company has a deeply rooted presence in the North of the country, with a particular focus on Lombardy (54.7% of turnover), Veneto (14.2%), Lazio (7.4%) and Emilia-Romagna (6.5%). Overall, these four regions account for approximately 82,9% of turnover, highlighting the significant presence of Generalfinance in some of the most productive areas of the country.

**Turnover**

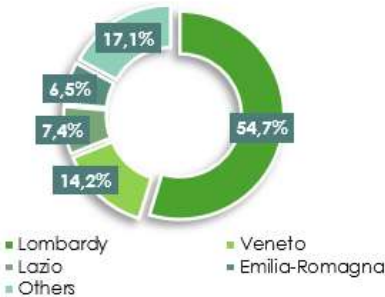


**Turnover by nationality of debtor 09/2022**



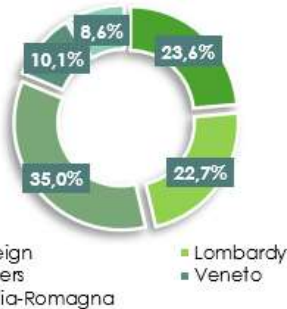
Note: LTM data

**Turnover by region of assignor 09/2022**



Note: LTM data

**Turnover by region of debtor 09/2022**



Note: LTM data

From a sector point of view, manufacturing represents the most important portion of turnover developed with respect to the transferors, with approximately 59,7%; this positioning is consistent with the "DNA" of Generalfinance as a reference factor for manufacturing SMEs affected by turnaround processes. The activity is mainly represented by factoring with recourse, which accounts for approximately 93.5% of volumes, with a residual portion of factoring without recourse (definitive purchase, for around 6.5%).



Turnover by ATECO of assignor 09/2022



Note: LTM data

Turnover by product 09/2022



Note: LTM data

Lastly, approximately 72% of the turnover is generated with regard to “distressed” transferors, i.e. those engaged in restructuring projects (arrangement with creditors, recovery plan, restructuring agreement, extraordinary administration and new.co within the context of turnaround plans).

### Economic data

The interest margin stood at EUR 5.7 million, a significant increase (+27%) compared to the first nine months of 2021, thanks in particular to the growth in loans disbursed, to an overall stability in the average rate on advances granted and the controlled trend of the cost of funding.

Net fee and commission income amounted to EUR 17.1 million, up compared to EUR 12.5 million in the first nine months of 2021 (+37%). The trend in these two aggregates was affected by the particularly positive trend in turnover (+55% over the previous year), the contained reduction of commission rates, reflecting the excellent commercial and operating performance of the Company.

Net interest and other banking income amounted to approximately EUR 22.8 million (+34%) while operating costs, equal to EUR 9.8 million, represented a 39% increase. Under operating costs, roughly EUR 1.2 million of non-recurring costs were recorded, related to the stock market listing process, of which EUR 0.2 million under personnel expenses and EUR 1 million - consistently with the provisions of IAS 32 - under other administrative expenses.

Taking into account the particularly low cost of risk (net value adjustments equal to EUR 0.3 million, with a cost of risk at 3 basis points, despite the effects of the adjustment of the IFRS 9 policy with reference to the estimate of the ECL of future receivables, with a one-off impact of approximately EUR 0.1 million) and taxes of EUR 4.2 million, the net result for the period amounted to approximately EUR 8.4 million (+28%) against of EUR 6.6 million recorded in the first nine months of 2021.

*Breakdown of interest income and similar income - Item 10 of the Income Statement*

Items/Technical forms	Debt securities	Loans	Other transactions	30/09/2022	30/09/2021
<b>1. Financial assets measured at fair value through profit or loss:</b>	-	-	-	-	-
1.1 Financial assets held for trading					
1.2 Financial assets designated at fair value					
1.3 Other financial assets mandatorily measured at fair value					
<b>2. Financial assets measured at fair value through other comprehensive income</b>	-	-	X	-	-
<b>3. Financial assets measured at amortised cost</b>	-	9,814,887	-	9,814,887	6,364,076
3.1 Loans to banks	-	-	X	-	-
3.2 Receivables from financial companies	-	-	X	-	-
3.3 Loans to customers	-	9,814,887	X	9,814,887	6,364,076
<b>4. Hedging derivatives</b>	X	X	-	X	-
<b>5. Other assets</b>	X	X	-	X	-
<b>6. Financial liabilities</b>	X	X	X	X	-
<b>Total</b>	-	<b>9,814,887</b>	-	<b>9,814,887</b>	<b>6,364,076</b>
<b>of which: interest income on impaired financial assets</b>	-	-	-	-	-
<b>of which: interest income on leases</b>	X	-	X	-	-

*Breakdown of interest expense and similar charges - Item 20 of the Income Statement*

Items/Technical forms	Payables	Securities	Other transactions	30/09/2022	30/09/2021
<b>1. Financial liabilities measured at amortised cost</b>	3,183,320	936,309	-	4,119,629	1,874,561
1.1 Due to banks	1,755,003	X	X	1,755,003	1,369,089
1.2 Payables to financial companies	1,407,596	X	X	1,407,596	457,453
1.3 Due to customers	20,721	X	X	20,721	28,674
1.4 Securities issued	X	936,309	X	936,309	19,345
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	X	X	13,976	13,976	10
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	-	-
<b>Total</b>	<b>3,183,320</b>	<b>936,309</b>	<b>13,976</b>	<b>4,133,605</b>	<b>1,874,571</b>
<b>of which: interest expense on lease payables</b>	<b>20,721</b>	<b>X</b>	<b>X</b>	<b>20,721</b>	<b>28,674</b>

*Breakdown of fee and commission income - Item 40 of the Income Statement*

Detail	Total 30/09/2022	Total 30/09/2021
a) leasing transactions	-	-
b) factoring transactions	20,066,878	14,619,150
c) consumer credit	-	-
d) guarantees issued	-	-
e) services of:		
- management of funds on behalf of third parties	-	-
- foreign exchange brokerage	-	-
- product distribution	-	-
- others	-	-
f) collection and payment services	-	-
g) servicing in securitisation transactions	-	-
h) other commissions	-	-
<b>Total</b>	<b>20,066,878</b>	<b>14,619,150</b>

*Breakdown of fee and commission expense - Item 50 of the Income Statement*

Retail/Sectors	Total 30/09/2022	Total 30/09/2021
a) guarantees received	280	280
b) distribution of services by third parties	-	-
c) collection and payment services	-	-
d) other commissions	2,965,121	2,166,103
d.1 advances on business loans (Law no. 52/91)	405,128	304,026
d.2 others	2,559,993	1,862,077
<b>Total</b>	<b>2,965,401</b>	<b>2,166,383</b>

Fee and commission expense for advances on business receivables are represented by commissions and fees paid to factoring companies in the context of existing financial agreements.

The sub-item "Other" is mainly composed of bank charges and commissions for Euro 1,445,266 and costs incurred for credit insurance for EUR 1,065,063.

Breakdown of net value adjustments/write-backs for credit risk relating to financial assets measured at amortised cost: breakdown - Item 130 of the Income Statement

Transactions / Income components	Value adjustments (1)						Write-backs (2)				Total 30/09/2022	Total 30/09/2021
	First stage	Second stage	Third stage		purchased or originated impaired		First stage	Second stage	Third stage	purchased or originated impaired		
			Write-off	Others	Write-off	Others						
<b>1. Loans to banks</b>	<b>(448)</b>	-	-	-	-	-	<b>4</b>	-	-	-	<b>(444)</b>	<b>(321)</b>
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(448)	-	-	-	-	-	4	-	-	-	(444)	(321)
<b>2. Receivables from financial companies</b>	-	-	-	-	-	-	-	-	-	-	-	-
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
<b>3. Loans to customers</b>	<b>(166,770)</b>	-	<b>(38,000)</b>	<b>(168,884)</b>	-	-	-	<b>3,037</b>	<b>69,886</b>	-	<b>(300,731)</b>	<b>(244,878)</b>
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	(166,770)	-	(38,000)	(168,884)	-	-	-	3,037	69,886	-	(300,731)	(244,878)
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- loans on pledge	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(167,218)</b>	-	<b>(38,000)</b>	<b>(168,884)</b>	-	-	<b>4</b>	<b>3,037</b>	<b>69,886</b>	-	<b>(301,175)</b>	<b>(245,199)</b>

The amounts included in the item “Loans and receivables with banks” refer to the amounts due from banks “on demand” reported in the item “Cash and cash equivalents”.

Value adjustments include both allocations to the provision to cover expected credit losses and credit losses. The value of the write-offs recognised directly in the income statement is equal to EUR 38,000.

*Breakdown of personnel expenses - Item 160 a) of the Income Statement*

Types of expenses/Values	Total 30/09/2022	Total 30/09/2021
<b>1. Employees</b>	<b>4,011,159</b>	<b>3,341,528</b>
a) wages and salaries	2,966,347	2,375,944
b) social security contributions	772,300	716,415
c) severance pay	2,105	8,567
d) social security expenses	-	-
e) severance pay provision	127,468	113,576
f) allocation to the provision for pensions and similar obligations:		
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:		
- defined contribution	59,078	43,048
- defined benefit	-	-
h) other employee benefits	83,861	83,978
<b>2. Other active personnel</b>	-	-
<b>3. Directors and Statutory Auditors</b>	<b>626,032</b>	<b>505,976</b>
<b>4. Retired personnel</b>	-	-
<b>5. Expense recoveries for employees seconded to other companies</b>	-	-
<b>6. Reimbursement of expenses for employees seconded to the company</b>	-	-
<b>Total</b>	<b>4,637,191</b>	<b>3,847,504</b>

*Breakdown of other administrative expenses - Item 160 b) of the Income Statement*

Type of expense/Values	Total 30/09/2022	Total 30/09/2021
Professional fees and consultancy	2,195,691	779,002
Charges for indirect taxes and duties	99,333	78,590
Maintenance costs	48,056	39,679
Utility costs	116,262	81,926
Rent payable and condominium expenses	59,384	63,182
Insurance	30,602	30,644
Other administrative expenses	1,864,574	1,216,734
<b>Total</b>	<b>4,413,902</b>	<b>2,289,757</b>

The increase in the item “Professional remuneration and consultancy” is mainly due to the costs incurred for the listing transaction charged directly to the Income Statement on the basis of the provisions of the IAS 32 international accounting standard.

**Balance sheet and asset quality data**

Net loans to customers amounted to EUR 336.1 million, up 5% compared to 31 December 2021. The disbursement rate increased from 80% in 2021 to 83% in the first nine months of 2022, while the average number of days of credit of 74 was essentially stable compared to the 2021 figure (79).

Within the aggregate of loans, total gross non-performing loans amounted to EUR 3.3 million, with a gross NPE ratio of approximately 0.98% (0.84% of the net NPE ratio). The coverage of non-performing loans stood at around 15%.

Breakdown of receivables from customers - Item 40 c) of Assets

Composition	Total 30/09/2022						Total 31/12/2021					
	Book value			Fair Value			Book value			Fair Value		
	First and second stage	Third stage	purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	purchased or originated impaired	L1	L2	L3
<b>1. Loans</b>	<b>333,311,276</b>	<b>2,818,747</b>	<b>95</b>	-	-	<b>336,130,118</b>	<b>320,648,251</b>	<b>395,423</b>	<b>95</b>	-	-	<b>321,043,769</b>
1.1 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
<i>of which: without final purchase option</i>	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	333,311,276	2,818,747	95	-	-	336,130,118	320,648,251	395,423	95	-	-	321,043,769
- with recourse	325,022,913	2,818,747	-	-	-	327,841,660	307,303,491	395,423	-	-	-	307,698,914
- without recourse	8,288,363	-	95	-	-	8,288,458	13,344,760	-	95	-	-	13,344,855
1.3 Consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Pledged loans	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Loans granted in relation to payment services provided	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
<i>of which: from enforcement of guarantees and commitments</i>	-	-	-	-	-	-	-	-	-	-	-	-
<b>2. Debt securities</b>	-	-	-	-	-	-	-	-	-	-	-	-
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
<b>3. Other assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>333,311,276</b>	<b>2,818,747</b>	<b>95</b>	-	-	<b>336,130,118</b>	<b>320,648,251</b>	<b>395,423</b>	<b>95</b>	-	-	<b>321,043,769</b>

L1 = level 1; L2 = level 2; L3 = level 3

*Breakdown by debtor/issuer of receivables from customers*

Type of transactions/Values	Total 30/09/2022			Total 31/12/2021		
	First and second stage	Third stage	purchased or originated impaired	First and second stage	Third stage	purchased or originated impaired
<b>1. Debt securities</b>	-	-	-	-	-	-
a) Public administrations	-	-	-	-	-	-
b) Non-financial companies	-	-	-	-	-	-
<b>2. Loans to:</b>	<b>333,311,276</b>	<b>2,818,747</b>	<b>95</b>	<b>320,648,251</b>	<b>395,423</b>	<b>95</b>
a) Public administrations	-	-	-	-	-	-
b) Non-financial companies	332,545,353	2,818,747	-	319,461,678	395,423	-
c) Households	765,923	-	95	1,186,573	-	95
<b>3. Other assets</b>	-	-	-	-	-	-
<b>Total</b>	<b>333,311,276</b>	<b>2,818,747</b>	<b>95</b>	<b>320,648,251</b>	<b>395,423</b>	<b>95</b>

Cash and cash equivalents - largely represented by loans to banks - amounted to approximately EUR 56 million - reflecting the prudent profile of liquidity management - while total assets statements amounted to EUR 403.6 million in the financial statements, compared to EUR 365.3 million at the end of 2021.

Property, plant and equipment amounted to EUR 4.7 million, compared to approximately EUR 4.9 million in 2021. Intangible assets amounted to EUR 1.8 million, compared to approximately EUR 1.7 million in 2021.

Financial liabilities measured at amortised cost, equal to EUR 327.1 million, are made up of payables of EUR 289.6 million and securities issued of EUR 37.6 million.

Payables are mainly represented by the pool loan (EUR 133.3 million) stipulated in January 2019 with some Italian banks and renewed early during the half-year period until January 2025, in addition to the other bilateral lines with banks and factoring companies (EUR 60 million). In addition, the item includes the payable to the vehicle (EUR 93.7 million) relating to the securitization transaction concluded in December 2021, which saw BNP Paribas and Intesa Sanpaolo as senior lender.

The securities consist of two subordinated bonds (12.5 million) issued in the second half of 2021, in addition to the outstanding commercial papers (25 million).

*Breakdown of payables by type - Item 10 a) of Liabilities*

Items	Total 30/09/2022			Total 31/12/2021		
	to banks	to financial companies	to customers	to banks	to financial companies	to customers
<b>1. Loans</b>	<b>152,633,715</b>	<b>40,314,270</b>	<b>-</b>	<b>167,761,028</b>	<b>77,936,011</b>	<b>-</b>
1.1 repurchase agreements	-	-	-	-	-	-
1.2 other loans	152,633,715	40,314,270	-	167,761,028	77,936,011	-
<b>2. Lease payables</b>	-	-	<b>1,591,117</b>	-	-	<b>1,667,121</b>
<b>3. Other payables</b>	-	<b>93,699,357</b>	<b>1,336,001</b>	-	<b>35,799,682</b>	<b>452,540</b>
<b>Total</b>	<b>152,633,715</b>	<b>134,013,627</b>	<b>2,927,118</b>	<b>167,761,028</b>	<b>113,735,693</b>	<b>2,119,661</b>
<b>Fair value - level 1</b>	-	-	-	-	-	-
<b>Fair value - level 2</b>	-	-	-	-	-	-
<b>Fair value - level 3</b>	<b>152,633,715</b>	<b>134,013,627</b>	<b>2,927,118</b>	<b>167,761,028</b>	<b>113,735,693</b>	<b>2,119,661</b>
<b>Total Fair Value</b>	<b>152,633,715</b>	<b>134,013,627</b>	<b>2,927,118</b>	<b>167,761,028</b>	<b>113,735,693</b>	<b>2,119,661</b>

The total for this item therefore amounts to Euro 289,574,460.

Payables to banks refer to:

Technical form	Amount
Current account exposures for SBF advances	19,304,630
Pool loan	133,329,085
<b>Total</b>	<b>152,633,715</b>

With regard to the pool loan agreement, it should be noted that the Company – in the context of funding strategies – has obtained a prorogation of the contract's expiry from the credit institutions of a further 2 years, to January 2025.

Payables for loans to financial companies mainly refer to payables for advances on Italian and foreign invoices (refactoring transactions).

Other payables to financial companies refer to payables to the special purpose vehicle relating to the securitisation transaction concluded in December 2021 and relating to a revolving portfolio of receivables deriving from with and without recourse factoring contracts owned by the Company.

Payables to customers refer to amounts to be paid to transferors deriving from collections of transferred receivables, to payables for leases, recognised following the adoption of the new accounting standard "IFRS 16 Leases".

*Breakdown of securities issued by type - Item 10 b) of Liabilities*

Type of securities/Values	Total 30/09/2022				Total 31/12/2021			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
<b>A. Securities</b>								
<b>1. bonds</b>	<b>12,606,575</b>	-	-	<b>12,606,575</b>	<b>12,734,246</b>	-	-	<b>12,734,246</b>
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	12,606,575	-	-	12,606,575	12,734,246	-	-	12,734,246
<b>2. other securities</b>	<b>24,950,897</b>	<b>24,950,897</b>	-	-	<b>18,290,329</b>	<b>18,290,329</b>	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	24,950,897	24,950,897	-	-	18,290,329	18,290,329	-	-
<b>Total</b>	<b>37,557,472</b>	<b>24,950,897</b>	-	<b>12,606,575</b>	<b>31,024,575</b>	<b>18,290,329</b>	-	<b>12,734,246</b>

With regard to bonds, during the months of September and October 2021, the Company issued and placed two Tier 2 subordinated bonds.

The first, with a duration of six years and maturity on 30 September 2027, was issued for an amount of EUR 5 million with an annual coupon at a fixed rate of 10%.

The second, with a duration of five years and maturity on 28 October 2026, was issued for an amount of EUR 7.5 million and with an annual coupon at a floating rate equal to the 3-month Euribor plus a spread of 800 basis points.

The bonds - subscribed by institutional investors - were entered into the centralised management system at Monte Titoli S.p.A. and subject to the dematerialisation regulations.

The other securities are commercial paper admitted in dematerialised form in Monte Titoli and traded on the ExtraMOT PRO, Professional Segment of the ExtraMOT Market, multilateral trading system managed by Borsa Italiana S.p.A.

In particular, at the reporting date, three bonds with similar characteristics were issued. The first, with a three-month duration, was issued for a total of EUR 15 million - zero coupon - at a fixed annual rate of 0.80%. The second, with a duration of six months, was issued for a total of EUR 5 million - zero coupon - at a fixed annual rate of 1%. The third and last, with a three-month duration, was issued for a total of EUR 5 million - zero coupon - at a fixed annual rate of 1.90%.

*Payables and subordinated securities*

The item "Debt securities issued" includes subordinated securities relating to the issue of Tier 2 bonds for a nominal amount of EUR 12.5 million.

**Impact resulting from the conflict between Russia and Ukraine**

Also with reference to what is indicated by ESMA in the public statement "Implications of Russia's invasion of Ukraine on interim financial reports" on 14 March 2022 and to the CONSOB communication of 19 March 2022 "Conflict in Ukraine: CONSOB warnings



for supervised issuers on financial reporting and on the obligations related to compliance with the restrictive measures adopted by the European Union against Russia, as well as on the obligations of managers of online portals", 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 starting on 24 February 2022 and in the adoption of economic sanctions by the Union European, Switzerland, Japan, Australia and NATO countries vis-à-vis both Russia and Belarus and some representatives of these countries; in the half-year, conflict and sanctions have had 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. With reference to the Transferred Debtors based in Russia, Ukraine and Belarus, Generalfinance has a limited overall exposure, as at 30 September 2022, of EUR 0.3 million, significantly down on the exposure as at 31 December 2021 (EUR 2.6 million); this exposure accounts for 0.08% of gross receivables from customers and at present no significant critical issues have been identified in relation to the collection of the exposure itself. Since the invasion of Ukraine, Generalfinance has suspended the credit lines relating to Transferred Debtors operating in the countries directly involved in the conflict.

As regards the indirect effects of the conflict, the Company has classified a Transferor among the unlikely to pay (gross exposure equal to EUR 0.7 million, of which EUR 0.4 million guaranteed by the insurance company), as the main transferred debtor has initiated a restructuring process determined by the indirect effects of the conflict.

In this context, however, due consideration must be given to the anti-cyclical nature of Generalfinance's business, which benefits from difficult times in the economic situation; specifically, the persistence of market volatility following the invasion of Ukraine could have a negative impact on the risk appetite of the traditional banking system (partly exposed to a significant extent to the countries mentioned), which would reasonably lead to a reduction in the availability of credit by banks to the most vulnerable SMEs, creating potential new business opportunities for Generalfinance. Furthermore, the impact of the crisis scenario on the cost of raw materials (with particular reference to the prices and availability of electricity and gas) could determine the need, on the part of client companies, for increases in their available credit lines/ portfolios, in order to increase available liquidity, increasing the turnover volumes of Generalfinance.

The persistence, over a prolonged period, of the crisis scenario could then determine an increase in the number of companies with a lack of liquidity, fuelling the Company's reference market. The nature of the Company's business and the market niche in which it operates is anti-cyclical and, generally, it benefits from situations of tension on the financial, banking and real economy markets.

### **Shareholders' equity and capital ratios**

Shareholders' equity as at 30 June 2022 amounted to EUR 54.3 million, compared to EUR 32 million as at 31 December 2021. A significant share capital increase was completed during the half-year period for a total of EUR 20.2 million in the context of the listing transaction. In line with IAS 32, part of the costs connected with the listing transaction were recognised in a negative shareholders' equity reserve (under the item "Issue premiums") for EUR 1.7 million, net of the associated taxes.

Generalfinance's *capital ratios* - including profit for the period net of the expected dividend, calculated by taking into account a *target pay-out* of 50%, in line with the Company's dividend policy - highlight the following values:

- 16.66% CET1 ratio;
- 16.66% TIER1 ratio;
- 20.43% Total Capital ratio.

The ratios are well above the minimum regulatory values set forth in Bank of Italy Circular no. 288 of 3 April 2015.

### **Own funds**

Qualitative information

#### **1. Tier 1 capital**

It should be noted that - in accordance with Article 26(2) of Regulation (EU) No. 575/2013 of the European Parliament (the "CRR") - the Tier 1 Capital includes the net profits resulting from the financial statements for the period related to the first nine months of 2022, net of expected dividends.

For the purposes of the above, please note that:

- the profits were verified by entities independent from the entity responsible for auditing the entity's accounts, as required by Article

26 (2) of the CRR. In this regard, Deloitte & Touche SpA was appointed to prepare a limited scope audit report (review report) for the purpose of including undistributed profit in own funds; this report will be issued in time for the submission of prudential reports to the Supervisory Body;

- the profits were valued in compliance with the standards established by the applicable accounting regulations;
- all foreseeable charges and dividends were deducted from the amount of profits;
- the amount of dividends to be deducted was estimated in accordance with applicable regulations.

The amount referred to the so-called "Quick Fix" with which the value of the assets in the form of software to be deducted from the Common Equity Tier 1 capital and the amount referred to intangible assets in progress was also deducted from Tier 1 capital.

## 2. Tier 2 capital

Tier 2 capital includes subordinated bonds that the Company issued in 2021, net of the amortisation charge calculated in accordance with art. 64 of the CRR (EU Regulation no. 575/2013).

### Quantitative information

	Total 30/09/2022	Total 31/12/2021
<b>A. Tier 1 capital before the application of prudential filters</b>	<b>54,344,048</b>	<b>31,966,142</b>
B. Prudential filters of Tier 1 capital	-	-
B.1 Positive IAS / IFRS prudential filters (+)	-	-
B.2 Negative IAS / IFRS prudential filters (-)	-	-
<b>C. Tier 1 capital gross of elements to be deducted (A + B)</b>	<b>54,344,048</b>	<b>31,966,142</b>
D. Elements to be deducted from Tier 1 capital	5,208,369	5,665,072
<b>E. Total Tier 1 capital (C - D)</b>	<b>49,135,679</b>	<b>26,301,070</b>
<b>F. Tier 2 capital before the application of prudential filters</b>	<b>12,500,000</b>	<b>12,500,000</b>
G. Prudential filters of Tier 2 capital	-	-
G.1 Positive IAS / IFRS prudential filters (+)	-	-
G.2 Negative IAS / IFRS prudential filters (-)	-	-
<b>H. Tier 2 capital gross of elements to be deducted (F + G)</b>	<b>12,500,000</b>	<b>12,500,000</b>
I. Elements to be deducted from Tier 2 capital	1,371,851	250,548
<b>L. Total Tier 2 capital (H - I)</b>	<b>11,128,149</b>	<b>12,249,452</b>
M. Elements to be deducted from total Tier 1 and Tier 2 capital	-	-
<b>N. Regulatory capital (E + L - M)</b>	<b>60,263,828</b>	<b>38,550,522</b>

### Capital adequacy

#### Qualitative information

Generalfinance assesses the adequacy of own funds to support current and future assets, in line with its own risk containment policy. In the context of the ICAAP process, Generalfinance defines the components of total capital (capital components to cover internal capital, i.e. the capital requirement relating to a given risk) on the basis of the prudential methodology. The components of total capital therefore coincide with the items of shareholders' equity and with those of own funds.

The Company measures the following types of risk: credit, operational, concentration, interest rate on the banking book, liquidity. With regard to the first four types, the Company determines the internal capital necessary to hedge the risks generated by current and future assets. Pillar I risks are measured with similar criteria to those used to determine the minimum prudential requirements and, in particular, the standardised method for credit risk and the basic method for operational risk. With reference to the second pillar risks, Generalfinance uses the following quantitative measurement tools proposed in Bank of Italy Circular no. 288/15:

- for concentration risk (by parties and by groups of connected customers), the simplified method proposed in Bank of Italy Circular no. 288/15 under Title IV, Chapter 14, Annex B;
- for interest rate risk on the banking book, the simplified method envisaged by Bank of Italy Circular no. 288/15 in Title IV, Chapter 14, Annex C;
- for liquidity risk, the funding risk measurement maturity ladder model, envisaged by Bank of Italy Circular no. 288/15.

The other Pillar 2 risks are subject to qualitative assessment.

## Quantitative information

Categories/Values	Non-weighted amounts		Weighted amounts/requirements	
	30/09/2022	31/12/2021	30/09/2022	31/12/2021
A. RISK ASSETS	-	-	-	-
A.1 Credit and counterparty risk	405,490,955	366,940,749	259,698,826	245,876,990
B. REGULATORY CAPITAL REQUIREMENTS	-	-	-	-
B.1 Credit and counterparty risk	-	-	20,775,905	19,670,159
B.2 Risk for the provision of payment services	-	-	-	-
B.3 Requirement for the issue of electronic money	-	-	-	-
B.4 Specific prudential requirements	-	-	2,822,629	2,822,629
B.5 Total prudential requirements	-	-	23,598,534	22,492,788
C. RISK ASSETS AND SUPERVISORY RATIOS	-	-	-	-
C.1 Risk-weighted assets	-	-	294,981,687	281,159,851
C.2 Tier 1 capital/Risk-weighted assets (TIER 1 capital ratio)	-	-	16.7%	9.4%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)	-	-	20.4%	13.7%

The risk-weighted assets, shown in item C.1, also used in the calculation of the ratios reported in items C.2 and C.3, are calculated as the product of the total prudential requirement (item B.5) and 12.50 (inverse of the mandatory minimum coefficient of 8%).

## Information on business prospects with particular reference to the going concern basis

As regards the assumption of going concern, in light of the main economic and financial and equity indicators, liquidity position and the foreseeable business outlook, the Board of Directors has the reasonable certainty that the Company will continue to operate in the foreseeable future.

## Transactions with related parties

The accounting standard of reference is IAS 24, the new version of which, approved by the IASB on 4 November 2009, was endorsed with Regulation no. 632 of 19 July 2010. This version defines a related party as a person or entity related to the one preparing the financial statements. Two entities cannot be included among related parties simply because they share a director or another manager with strategic responsibilities.

## Information on remuneration of key management personnel

In addition to the directors, two executives with strategic responsibility have been identified, namely the CFO and the CLO. The gross annual remuneration of executives with strategic responsibility amounts to a total of EUR 260,000.

This amount does not consider allocations to the employee severance indemnity provision, the employee severance indemnity provision paid to supplementary pension funds, the non-competition agreement and any variable bonuses determined on the basis of the Company's results.

Furthermore, during the current year they benefited from an extraordinary bonus related to the success of the stock exchange listing process.

## Loans and guarantees issued in favour of directors and statutory auditors

It should be noted that the company has no receivables due from directors and statutory auditors and that no guarantees have been issued in favour of directors and statutory auditors.

### Information on transactions with related parties

The following table shows the amounts relating to the balance sheet and income statement transactions with related parties in the first nine months of 2022 as defined above on the basis of the provisions of IAS 24.

TRANSACTIONS WITH RELATED PARTIES (amounts in Euro)	Parent company	Other related parties
<b>BALANCE SHEET ITEMS</b>		
10. Cash and cash equivalents	-	377,633
40. Financial assets measured at amortised cost	-	1,239,044
120. Other assets	220,408	91,132
<b>Total assets</b>	<b>220,408</b>	<b>1,707,809</b>
10. Financial liabilities measured at amortised cost	-	40,113,542
80. Other liabilities	-	423,947
<b>Total liabilities</b>	<b>-</b>	<b>40,537,489</b>

"Other assets" due from the parent company MGH – Massimo Gianolli Holding S.r.l. refer to the receivable arising from the recourse for the higher tax owed by the Company as a result of the derecognition for the 2018 - 2020 tax periods by the financial Administration of the effectiveness of the option for tax consolidation.

TRANSACTIONS WITH RELATED PARTIES (amounts in Euro)	Parent company	Other related parties
<b>INCOME STATEMENT ITEMS</b>		
10. Interest income and similar income	-	39,147
20. Interest expense and similar charges	-	(493,689)
40. Fee and commission income	-	63,808
50. Fee and commission expense	-	(84,638)
160. Administrative expenses: a) personnel expenses	-	(1,063,192)
160. Administrative expenses: b) other administrative expenses	-	(143,724)
180. Net value adjustments/write-backs on property, plant and equipment	-	(11,935)
200. Other operating expenses/income	224	11,344
<b>Total items</b>	<b>224</b>	<b>(1,682,879)</b>

NB. It should be noted that the costs include non-deductible VAT.

DETAILED STATEMENT OF RELATIONS WITH GROUP COMPANIES (amounts in Euro)	GGH – Gruppo General Holding S.r.l.	Generalbroker S.r.l.
<b>INCOME STATEMENT ITEMS</b>		
200. Other operating expenses/income	7,928	226
<b>Total items</b>	<b>7,928</b>	<b>226</b>

All transactions with related parties were carried out under market conditions.

### Significant events after the end of the quarter

No significant events or circumstances have occurred after the end of the quarter that would appreciably alter what has been presented in this Interim Report on Operations.

## **Business outlook**

In the current context, with reference to the prospects for 2022, we need to take into consideration possible further impacts, particularly on the business system, of the ongoing conflict between Russia and Ukraine and of other macroeconomic factors that emerged in the last part of the first half-year period (marked increase in the rate of inflation, marked increase in energy costs and in the cost of borrowing).

In said general framework still characterised by critical elements for the real economy, the sales activities developed by Generalfinance in the first nine months of 2022 - trend in turnover and customer base - shows significantly rates of growth at least in line with those recorded in 2021, with a better performance than the one envisaged in the Business Plan in force with reference to the current year. Also on the credit quality front, the first nine months of the year shows an excellent risk profile, with better indicators than those planned. These elements allow us to predict a business performance and related net profitability for 2022 at least in line with the levels determined in the budget.

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## **Financial statements**

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**BALANCE SHEET**  
(values in Euro)

Asset items		30/09/2022	31/12/2021
10.	Cash and cash equivalents	56,045,306	33,458,171
20.	Financial assets measured at fair value through profit or loss	20,300	28,415
	<i>c) other financial assets mandatorily measured at fair value</i>	20,300	28,415
40.	Financial assets measured at amortised cost	336,130,118	321,043,769
	<i>c) loans to customers</i>	336,130,118	321,043,769
80.	Property, plant and equipment	4,740,808	4,922,460
90.	Intangible assets	1,809,333	1,670,567
	- of which goodwill	0	0
100.	Tax assets	1,921,862	1,191,075
	<i>a) current</i>	1,687,757	927,209
	<i>b) deferred</i>	234,105	263,866
120.	Other assets	2,961,308	2,954,436
<b>Total assets</b>		<b>403,629,035</b>	<b>365,268,893</b>

Liabilities and shareholders' equity items		30/09/2022	31/12/2021
10.	Financial liabilities measured at amortised cost	327,131,932	314,640,957
	<i>a) payables</i>	289,574,460	283,616,382
	<i>b) securities issued</i>	37,557,472	31,024,575
60.	Tax liabilities	3,415,105	1,234,511
	<i>a) current</i>	3,375,706	1,234,511
	<i>b) deferred</i>	39,399	0
80.	Other liabilities	17,326,404	15,797,060
90.	Severance pay	1,275,490	1,353,695
100.	Provisions for risks and charges	136,056	276,528
	<i>b) pension and similar obligations</i>	136,056	118,452
	<i>c) other provisions for risks and charges</i>	0	158,076
110.	Share capital	4,202,329	3,275,758
140.	Share premium reserve	25,433,765	7,828,952
150.	Reserves	16,171,811	11,445,129
160.	Valuation reserves	103,867	(37,061)
170.	Profit (loss) for the year	8,432,276	9,453,364
<b>Total liabilities and shareholders' equity</b>		<b>403,629,035</b>	<b>365,268,893</b>

## INCOME STATEMENT

(values in Euro)

	Items	30/09/2022	30/09/2021
10.	Interest income and similar income	9,814,887	6,364,076
	of which: interest income calculated using the effective interest method	9,814,887	6,364,076
20.	Interest expense and similar charges	(4,133,605)	(1,874,571)
<b>30.</b>	<b>Interest margin</b>	<b>5,681,282</b>	<b>4,489,505</b>
40.	Fee and commission income	20,066,878	14,619,150
50.	Commission liabilities	(2,965,401)	(2,166,383)
<b>60.</b>	<b>Net fee and commission income</b>	<b>17,101,477</b>	<b>12,452,767</b>
70.	Dividends and similar income	584	184
80.	Net profit (loss) from trading	(324)	(184)
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	857	2,794
	<i>b) other financial assets mandatorily measured at fair value</i>	857	2,794
<b>120.</b>	<b>Net interest and other banking income</b>	<b>22,783,876</b>	<b>16,945,066</b>
130.	Net value adjustments/write-backs for credit risk of:	(301,175)	(245,199)
	<i>a) financial assets measured at amortised cost</i>	(301,175)	(245,199)
<b>150.</b>	<b>Net profit (loss) from financial management</b>	<b>22,482,701</b>	<b>16,699,867</b>
160.	Administrative expenses	(9,051,093)	(6,137,261)
	<i>a) personnel expenses</i>	(4,637,191)	(3,847,504)
	<i>b) other administrative expenses</i>	(4,413,902)	(2,289,757)
170.	Net provisions for risks and charges	(17,604)	(208,072)
	<i>b) other net provisions</i>	(17,604)	(208,072)
180.	Net value adjustments/write-backs on property, plant and equipment	(551,102)	(531,230)
190.	Net value adjustments/write-backs on intangible assets	(250,046)	(172,212)
200.	Other operating income and expenses	43,246	(29,886)
<b>210.</b>	<b>Operating costs</b>	<b>(9,826,599)</b>	<b>(7,078,661)</b>
<b>260.</b>	<b>Pre-tax profit (loss) from current operations</b>	<b>12,656,102</b>	<b>9,621,206</b>
270.	Income taxes for the year on current operations	(4,223,826)	(3,023,861)
<b>280.</b>	<b>Profit (loss) from current operations after tax</b>	<b>8,432,276</b>	<b>6,597,345</b>
<b>300.</b>	<b>Profit (loss) for the year</b>	<b>8,432,276</b>	<b>6,597,345</b>



**STATEMENT OF COMPREHENSIVE INCOME**  
(values in Euro)

	<b>Asset items</b>	<b>30/09/2022</b>	<b>30/09/2021</b>
<b>10.</b>	<b>Profit (loss) for the year</b>	<b>8,432,276</b>	<b>6,597,345</b>
	<b>Other income components net of taxes without reversal to the income statement</b>		
<b>20.</b>	Equity securities designated at fair value through other comprehensive income	-	-
<b>30.</b>	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
<b>40.</b>	Hedging of equity securities designated at fair value through other comprehensive income	-	-
<b>50.</b>	Property, plant and equipment	-	-
<b>60.</b>	Intangible assets	-	-
<b>70.</b>	Defined benefit plans	140,928	-
<b>80.</b>	Non-current assets and disposal groups	-	-
<b>90.</b>	Portion of valuation reserves of equity-accounted investments	-	-
	<b>Other income components net of taxes with reversal to the income statement</b>		
<b>100.</b>	Hedging of foreign investments	-	-
<b>110.</b>	Exchange rate differences	-	-
<b>120.</b>	Cash flow hedging	-	-
<b>130.</b>	Hedging instruments (non-designated elements)	-	-
<b>140.</b>	Financial assets (other than equity instruments) measured at fair value through other comprehensive income	-	-
<b>150.</b>	Non-current assets and disposal groups	-	-
<b>160.</b>	Portion of valuation reserves of equity-accounted investments	-	-
<b>170.</b>	<b>Total other income components net of taxes</b>	<b>140,928</b>	-
<b>180.</b>	<b>Comprehensive income (Item 10 + 170)</b>	<b>8,573,204</b>	<b>6,597,345</b>

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30/09/2022**  
(values in Euro)

	Balance as at 31/12/2021	Change in opening balances	Balance as at 01/01/2022	Allocation of previous year's result			Changes in the year					Comprehensive income 30/09/2022	Shareholders' equity as at 30/09/2022
				Reserves	Dividends and other allocations	Changes in reserves	Shareholders' equity transactions						
							New shares issued	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Other changes		
Share capital	3,275,758	-	3,275,758	-	-	-	926,571	-	-	-	-	-	4,202,329
Share premium reserve	7,828,952	-	7,828,952	-	-	-	17,604,813	-	-	-	-	-	25,433,765
Reserves													
a) of profits	11,105,611	-	11,105,611	4,726,682	-	-	-	-	-	-	-	-	15,832,293
b) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	339,518
Valuation reserves	(37,061)	-	(37,061)	-	-	-	-	-	-	-	-	140,928	103,867
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the year	9,453,364	-	9,453,364	(4,726,682)	(4,726,682)	-	-	-	-	-	-	8,432,276	8,432,276
Shareholders' equity	31,966,142	-	31,966,142	-	(4,726,682)	-	18,531,384	-	-	-	-	8,573,204	54,344,048

The *issue of new shares* refers to the capital strengthening completed in the context of the listing on the Euronext Milan market, STAR segment

The value shown in the item "Share premium reserve" was reduced by the costs incurred for the listing, net of the tax effect, charged directly to shareholders' equity on the basis of the provisions of the IAS 32 international accounting standard.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30/09/2021**  
(values in Euro)

	Balance as at 31/12/2020	Change in opening balances	Balance as at 01/01/2021	Allocation of previous year's result		Changes in the year						Comprehensive income 30/09/2021	Shareholders' equity as at 30/09/2021
				Reserves	Dividends and other allocations	Changes in reserves	Shareholders' equity transactions						
							New shares issued	Purchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Other changes		
Share capital	3,275,758	-	3,275,758	-	-	-	-	-	-	-	-	-	3,275,758
Share premium reserve	5,837,550	-	5,837,550	-	-	1,991,402	-	-	-	-	-	-	7,828,952
Reserves													
a) of profits	7,908,856	-	7,908,856	3,196,755	-	-	-	-	-	-	-	-	11,105,611
b) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	339,518
Valuation reserves	(125,386)	-	(125,386)	-	-	-	-	-	-	-	-	-	(125,386)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the year	5,327,925	-	5,327,925	(3,196,755)	(2,131,170)	-	-	-	-	-	-	6,597,345	6,597,345
Shareholders' equity	22,564,221	-	22,564,221	-	(2,131,170)	1,991,402	-	-	-	-	-	6,597,345	29,021,798

**CASH FLOW STATEMENT - INTERMEDIARIES (indirect method)**

(values in Euro)

A. OPERATING ACTIVITIES	Amount	
	30/09/2022	30/09/2021
<b>1. Management</b>	<b>14,211,482</b>	<b>11,618,933</b>
- profit (loss) for the year (+/-)	8,432,276	6,597,345
- gains/losses on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	(1,441)	(2,794)
- gains/losses on hedging activities (-/+)	-	-
- net value adjustments for credit risk (+/-)	301,175	245,199
- net value adjustments to property, plant and equipment and intangible assets (+/-)	801,148	703,442
- net provisions for risks and charges and other costs/revenues (+/-)	329,387	116,616
- unpaid taxes, duties and tax credits (+/-)	4,184,826	3,023,861
- net value adjustments to discontinued operations net of tax effect (+/-)	-	-
- other adjustments (+/-)	164,111	935,264
<b>2. Liquidity generated/absorbed by financial assets</b>	<b>(16,129,972)</b>	<b>(74,933,908)</b>
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	-	-
- financial assets measured at fair value through other comprehensive income	-	-
- financial assets measured at amortised cost	(15,184,107)	(74,324,023)
- other assets	(945,865)	(609,885)
<b>3. Cash flow generated/absorbed by financial liabilities</b>	<b>12,094,718</b>	<b>64,690,811</b>
- financial liabilities measured at amortised cost	11,782,794	61,809,796
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	311,924	2,881,015
<b>Net cash flow generated/absorbed by operating activities</b>	<b>10,176,228</b>	<b>1,375,836</b>
<b>B. INVESTMENT ACTIVITIES</b>		
<b>1. Cash flow generated by</b>	<b>11,819</b>	<b>634</b>
- sales of equity investments	8,972	-
- dividends collected on equity investments	584	-
- sales of property, plant and equipment	2,263	634
- sales of intangible assets	-	-
- sales of business units	-	-
<b>2. Liquidity absorbed by</b>	<b>(572,752)</b>	<b>(593,208)</b>
- purchases of equity investments	-	-
- purchases of property, plant and equipment	(221,381)	(238,258)
- purchases of intangible assets	(351,371)	(354,950)
- purchases of business units	-	-
<b>Net cash flow generated/absorbed by investment activities</b>	<b>(560,933)</b>	<b>(592,574)</b>
<b>C. FUNDING ACTIVITIES</b>		
- issues / purchases of treasury shares	17,698,968	1,991,402
- issues / purchases of equity instruments	-	-
- distribution of dividends and other purposes	(4,726,682)	(2,131,170)
<b>Net cash flow generated/absorbed by funding activities</b>	<b>12,972,286</b>	<b>(139,768)</b>
<b>NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR</b>	<b>22,587,581</b>	<b>643,494</b>

RECONCILIATION	Amount	
	30/09/2022	30/09/2021
Cash and cash equivalents at the beginning of the year	33,458,839	24,205,475
Total net cash flow generated/absorbed during the year	22,587,581	643,494
Cash and cash equivalents: effect of changes in exchange rates	0	0
<b>Cash and cash equivalents at the end of the year</b>	<b>56,046,420</b>	<b>24,848,969</b>

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## **Statement of the Financial Reporting Officer**

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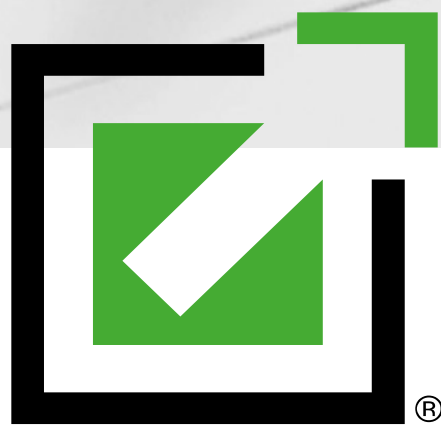
The undersigned, Ugo Colombo, as Manager in charge of preparing the corporate financial reports of Generalfinance S.p.A. certifies, in accordance with the provisions of paragraph 2 of art. 154-bis of Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this Interim Report on Operations as at 30 September 2022 corresponds to the documentary results, books and accounting records.

Milan, 4 November 2022

Ugo Colombo

CFO - Manager in charge of preparing the company's financial reports

A handwritten signature in black ink, appearing to read 'Ugo Colombo', written in a cursive style.



**GENERAL**  
**FINANCE**

**INTERIM REPORT ON OPERATIONS  
AS AT 30 SEPTEMBER 2022**