GENERAL
FINANCE

INTERIM REPORT ON OPERATIONS
AS AT 30 SEPTEMBER 2023

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Interim report on operations as at 30 September 2023

Foreword

Statement of compliance with International Accounting Standards

This Interim report on operations as at 30 September 2023 is prepared on a voluntary basis 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 no. 58/1998 ("Consolidated Law on Finance" or "TUF") introduced by Italian Legislative Decree no. 25/2016 implementing the Transparency Directive 2013/50/EU.

The Interim report on operations as at 30 September 2023, as far as recognition and measurement criteria are concerned, was prepared in accordance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB), endorsed 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 2022.

The Interim report on operations as at 30 September 2023 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) and the capital ratios, 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 2023 does not disclose all the information required in the Annual Financial Statements. For this reason, it is necessary to read it together with the financial statements as at 31 December 2022.

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.

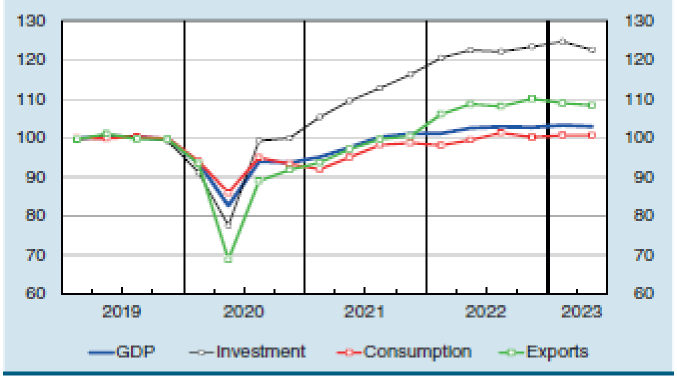
THE MACROECONOMIC CONTEXT AND THE FACTORING MARKET IN 2023[1]

Macroeconomic context

In Italy, the cyclical phase has recently shown considerable volatility. After the sharp rise in the first quarter, GDP decreased in the second quarter, reflecting the decline in value added in industry and the slowdown in services expansion, almost uninterrupted since the spring of 2021 following the progressive reopening after the pandemic crisis. In the third quarter, activity remained sluggish both in manufacturing and in the tertiary sector.

The sharp rise in GDP in the first quarter was largely offset by the decline recorded in the second quarter, which was greater than expected. Household consumption slowed down in the spring months, as the labour market held up and disposable income stagnated. Fixed investment expenditure began to decline again after a prolonged expansion, but still remained at levels almost 25 per cent higher than pre-pandemic levels; this reduction is attributable to the construction component, which was affected, especially for housing, by the reduced impact of fiscal support measures. The foreign trade contribution was slightly negative due to a decline in exports, reflecting the deterioration in global demand, and stagnation in imports.

GDP and its main demand components (1)
(quarterly data; indices: 2019=100)



Source: Based on Istat data.
(1) Chain-linked volumes; data seasonally and calendar adjusted.

GDP and its main components (1)
(percentage change on previous period and percentage points)

	2022		2023		2022
	Q3	Q4	Q1	Q2	
GDP	0.3	-0.2	0.6	-0.4	3.7
Imports	2.1	-2.0	1.0	0.0	12.4
National demand (2)	1.2	-1.4	1.3	-0.2	4.3
National consumption	1.8	-1.1	0.5	0.0	3.9
Household spending (3)	2.5	-1.7	0.6	0.2	5.0
Gen. gov. spending (4)	-0.1	0.6	0.3	-0.8	0.7
Gross fixed investment	-0.3	1.0	1.0	-1.7	9.7
Construction	-2.9	0.9	0.4	-3.3	11.4
Capital goods (5)	2.4	1.2	1.7	-0.1	8.1
Change in stocks (6)	-0.1	-0.8	0.8	0.3	-0.7
Exports	-0.5	1.8	-1.0	-0.6	9.9
Net exports (7)	-0.9	1.3	-0.8	-0.2	-0.5

Source: Istat
(1) Chain-linked volumes; the quarterly data are seasonally and calendar adjusted. – (2) Includes the change in stocks and valuables. – (3) Includes non-profit institutions serving households. – (4) General government spending. – (5) Include investment in plants, machinery and arms (which also comprise transport equipment), cultivated biological resources and intellectual property. – (6) Includes valuables; contributions to GDP growth on previous period; percentage points. – (7) Difference between exports and imports; contributions to GDP growth on previous period; percentage points.

Source: Bank of Italy, Economic Bulletin no. 4/2023

On the supply side, added value decreased in all sectors: significantly in agriculture and construction, to a lesser extent in industry, strictly speaking, and only marginally in services.

Based on our estimates, the cyclical phase was weak in the third quarter. Despite the sluggish activity in industry, strictly speaking, and in services, signs of improved resilience emerged for added value in construction, albeit on a downward trend, compared to the previous quarter. On the demand side, the trend in GDP would have reflected a substantial stagnation in consumption and a decrease in investment, also attributable to the tightening of financing conditions. In September, the Ita-coin indicator remained negative, confirming the underlying weakness of the product since the middle of last year.

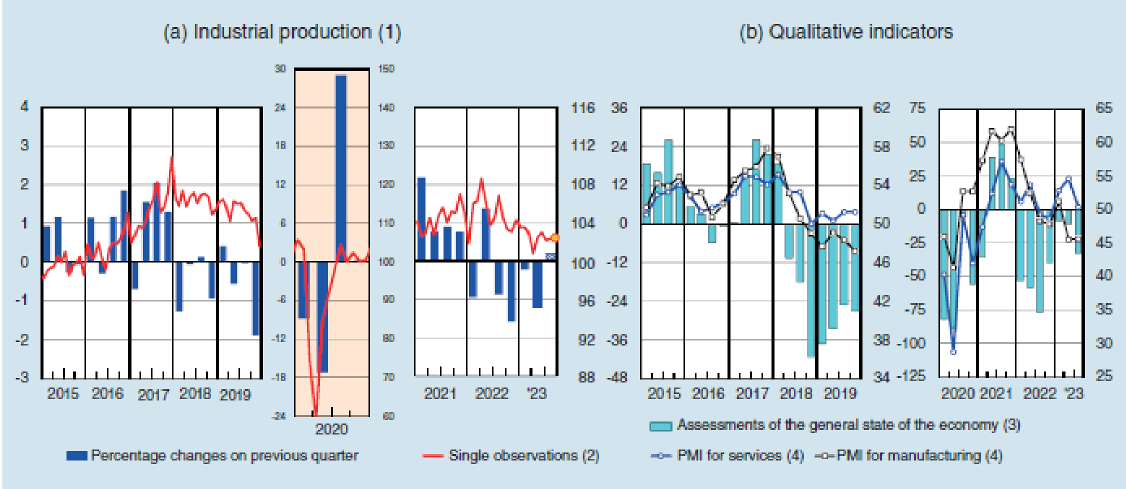
Businesses

[1] *The chapter refers to and/or reports extensive excerpts from the Bank of Italy's "Economic Bulletin no. 4/2023" and Assifact statistical circular no. 48-23 "Il factoring in cifre - Sintesi dei dati di Giugno 2023" (Factoring in figures - Summary of the June 2023 data).*

The decline in industrial production that had been ongoing since the second half of 2022 came to a halt in the third quarter; however, our surveys and qualitative indicators continue to point to widespread weakness in manufacturing activity. Value added in the tertiary sector almost stagnated for the second consecutive quarter, indicating the end of the strong recovery that began with the reopening of economic activities after the most acute phase of the pandemic.

Industrial production rose by 0.2 per cent in August (from -0.9 per cent in July). In the quarter ending in that month, almost 60 per cent of the industry sectors, which account for about half of the production, showed a decline over the previous three months. The weakness in manufacturing activity is still attributable to the more energy-intensive sectors, whose production levels remain far below pre-pandemic levels.

Industrial production and qualitative indicators for industry and services
(monthly and quarterly data)



Sources: Based on data from the Bank of Italy, Istat, Markit and Terna.
(1) Data adjusted for seasonal and calendar effects. The yellow dot represents the forecast for September 2023, the striped bar represents the forecast for the third quarter. For visual layout reasons, the scale used for plotting the data for 2020 is different from that used for the other years. – (2) Monthly data. Index: 2015=100, right-hand scale. – (3) Quarterly data. Balance, in percentage points, of the responses 'better' and 'worse' to the question on the general state of the economy (see 'Survey on Inflation and Growth Expectations', Banca d'Italia, Statistics Series, 10 October 2023). – (4) Average quarterly data. Diffusion indices for economic activity in the sector. Right-hand scale.

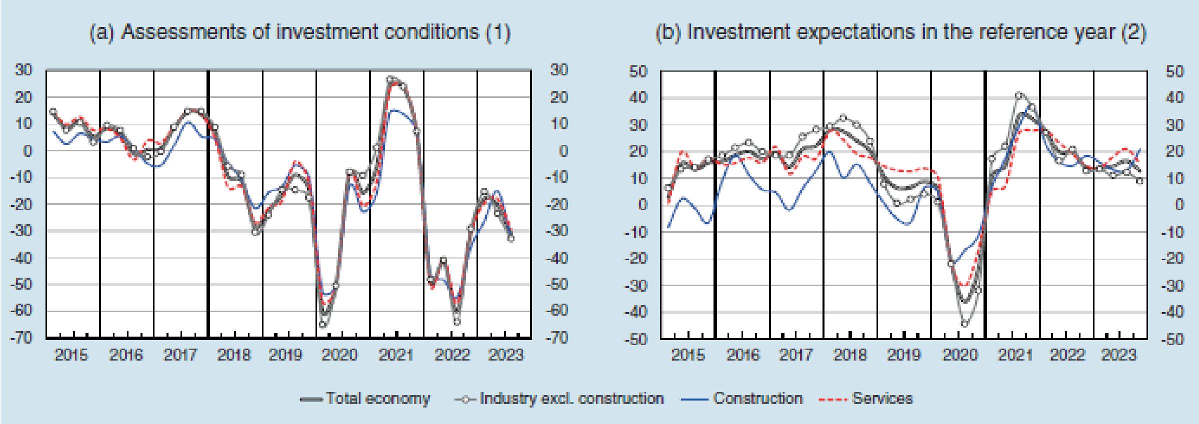
Source: Bank of Italy, Economic Bulletin no. 4/2023

Based on our estimates for September – which take into account high-frequency data on electricity and gas consumption and motorway traffic, as well as qualitative indicators – industrial production barely increased on average over the summer months. However, manufacturing activity would continue to be weighed down by the weakness of the global production cycle and in particular that of Germany, which is held back – as in Italy – by the decline in the production of intermediate goods. This is also confirmed by the opinions collected through a six-month survey on the local economic situation conducted by the Branches of the Bank of Italy among companies, trade associations and financial intermediaries; in particular, in the North of the country, there was also a slightly negative impact on logistics.

In the third quarter, business confidence as measured by Istat deteriorated further – back to the levels of early 2021 – in the manufacturing sector and also weakened in services; expectations on orders worsened. By contrast, the confidence of construction companies stabilised at still high levels. According to surveys conducted by the Bank of Italy between August and September, companies' opinions on the general economic situation worsened sharply, as did their pessimism about their own operations. Manufacturing SMEs remain below values consistent with economic expansion, albeit with a slight recovery from the lows of last June; services indices suggest a substantial resilience of activity.

Investment fell in the second quarter (-1.7 per cent, down from 1.0 per cent in the first quarter), mainly due to the drop in construction (housing and other construction showed similar declines); expenditure on capital goods remained stable, despite the further recovery of expenditure on transport, which returned to pre-pandemic levels. Data from the Italian Leasing Association (Assilea) on the value of lease contracts for the financing of industrial vehicles and capital goods indicate that the accumulation almost came to a halt in the summer months compared to the previous quarter. Companies surveyed by the Bank of Italy continue to express pessimism about the conditions for investing in all sectors. Businesses also foresee a slowdown in nominal investment spending this year as a whole, also due to difficulties in accessing credit. Nevertheless, the incentives provided for in the National Recovery and Resilience Plan (NRRP), from which around 30 per cent of companies benefited in the first nine months of 2023, contribute to the still rising prospects for investment spending. According to the Bank of Italy's surveys, the Bank of Italy’s surveys, in the construction sector the benefits connected with the ‘Superbonus’ are going to gradually fade out, partly offset by the boost stemming from the incentives in the public works segment.

Firms’ assessments of investment conditions and expectations for investment expenditure
(quarterly data; percentage points)



Source: ‘Survey on Inflation and Growth Expectations’, Banca d’Italia, Statistics Series, 10 October 2023.
(1) Balance of opinion between positive and negative assessments compared with the previous quarter. – (2) Balance between increase and decrease expectations compared with the previous year. The first expectations for the reference year are surveyed in the fourth quarter of the preceding year.

Source: Bank of Italy, Economic Bulletin no. 4/2023

In the second quarter, the slowdown in gross fixed investments led to a lower recourse to internal sources of financing by companies. These sources therefore increased slightly, in particular in the component of demand deposits, which remain at historically high levels. In the same period, recourse to external sources of financing (represented by overall nominal debt) remained substantially unchanged compared to the previous quarter, while it barely decreased as a percentage of GDP (to 66 per cent). Corporate debt in relation to GDP continues to be well below the euro area average (99 per cent).

<u>*Banks and the credit market*</u>

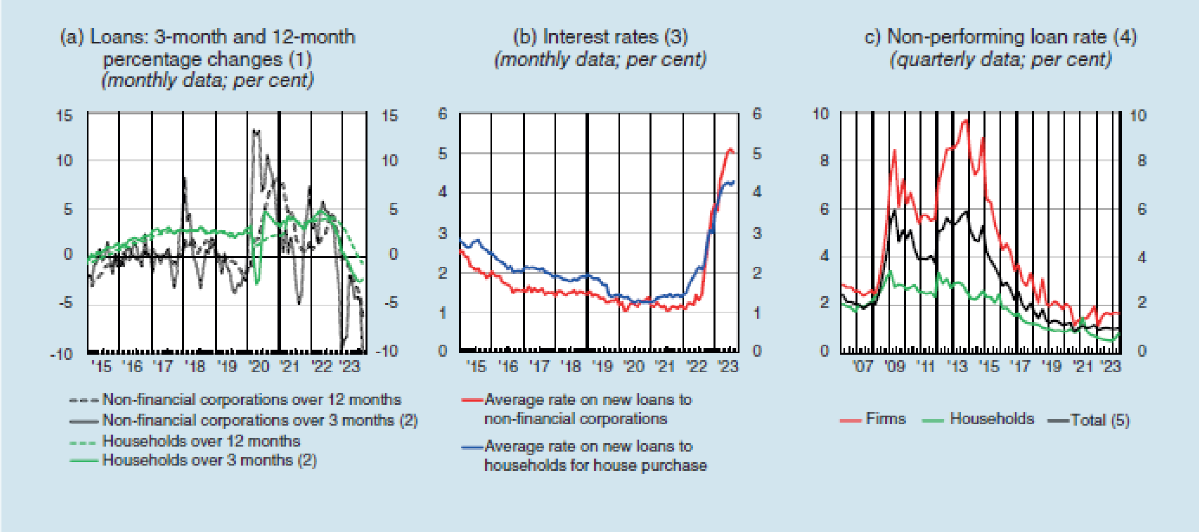
Between May and August, the decline in bank lending to businesses and households became more pronounced; the drop reflects both the marked weakness in demand for credit, held back by higher borrowing costs and lower liquidity requirements for investments, and the tightening of supply criteria, mainly driven by the higher perceived risk of intermediaries and the lower willingness to tolerate it. The rise in the ECB's policy rates continues to be passed on to the cost of credit. The decline in demand deposits continued, partly offset by the increase in other deposits. In the second quarter of 2023, the credit deterioration rate remained low.

The decline in credit to the non-financial private sector accelerated in August. The decline in loans to non-financial companies became more pronounced (-9.9 per cent over the three months and year-on-year, from -4.2 per cent in May) and the trend in lending to households weakened further (- 2.2, from -1.9). The decline in lending reflects the tightening of supply criteria and weakening demand for loans.

Over the twelve months, the reduction in loans to businesses continued to be strongest for companies with fewer than 20 employees (-9.2 per cent) and worsened in both the manufacturing and services sectors (-6.4 and -6.1 per cent respectively, from -3.8 and -2.4 per cent in May).

Italian banks surveyed last July in the quarterly Bank Lending Survey (BLS) in the euro area reported a new tightening of the offer criteria on loans to businesses in the second quarter of 2023, albeit to a lesser extent than in the previous three quarters. In the banks' assessments, the demand for corporate credit decreased further, being affected by lower financing needs for investment purposes and the general increase in the level of interest rates. The supply criteria applied to households remained unchanged after the gradual tightening observed since the second quarter of last year; demand is said to have shrunk in both housing and consumer loans. Intermediaries stated that they expected a new tightening of lending policies for companies; lending policies for households would remain unchanged. Since the start of the ECB's monetary policy normalisation process, the criteria for lending to businesses and households have become more stricter both in Italy and in the euro area, in response to the greater risk perceived by intermediaries, the lower willingness to tolerate it, and – to a lesser extent – a worsening of bank funding conditions.

Lending in Italy: recent developments, cost and credit quality



Sources: Central Credit Register and supervisory reports.
(1) Includes bad debts, repos and loans not reported in banks' balance sheets because they have been securitized. The percentage changes are net of reclassifications, exchange rate variations, value adjustments, and other variations not due to transactions. 3-month percentage changes are annualized. – (2) Data are seasonally adjusted following a methodology that is in accordance with the guidelines of the European Statistical System. – (3) Average values. Rates on loans refer to euro-denominated transactions and are collected and processed in accordance with the Eurosystem's harmonized methodology. – (4) Annualized quarterly flows of non-performing loans adjusted to the stock of loans, net of adjusted non-performing loans, at the end of the previous quarter. Seasonally adjusted where applicable. – (5) The total includes households, firms, financial corporations, the foreign sector, general government, and non-profit institutions.

Source: Bank of Italy, Economic Bulletin no. 4/2023

Compared to last May, the average interest rate on new bank loans to businesses rose by 2 tenths (to 5.0 per cent in August). The cost of new loans to households for house purchases rose by one tenth (to 4.3 per cent); the cost of variable-rate mortgages rose by four tenths, while the cost of fixed-rate loans for at least one year remained virtually unchanged. Since the start of the monetary policy normalisation process, the rate applied to new loans has increased by 3.8 percentage points for businesses and 2.9 percentage points for mortgages.

In August, bank funding decreased by 7.9% over twelve months. The decline was affected both by the trend in resident deposits (-5.4 per cent), and by the reduction in liabilities to the Eurosystem, following the repayments of loans obtained with TLTRO3 that had reached maturity. Since the start of the monetary policy normalisation process, the trend in resident deposits has gradually weakened, reflecting the trend in current account deposits (-10.6 per cent in August). The growth in demand deposits, equal to 9.7 per cent at the end of 2021, gradually declined and became negative in November 2022; the decline subsequently became more pronounced and was only partially offset by a strengthening of growth in other deposits (13.2 per cent). This recomposition is due to the slower adjustment of interest rates on current account deposits to changes in policy rates compared to those on term deposits. This would also have favoured an increase in demand for government bonds by households. The marginal cost of funding stood at 2.0 per cent (from 1.8 in May); it was essentially zero at the start of the monetary policy normalisation phase.

Main assets and liabilities of Italian banks (1)
(billions of euros and percentage changes)

	End-of-month stocks		12-month percentage changes (2)	
	May 2023	August 2023	May 2023	August 2023
Assets				
Loans to Italian residents (3)	1,701	1,675	-1.8	-4.2
of which: firms (4)	637	625	-2.8	-6.2
households (5)	676	673	0.8	-0.6
Claims on central counterparties (6)	39	30	6.6	-9.3
Debt securities (7)	526	516	-4.4	-4.5
of which: securities of Italian general government entities (8)	383	374	-5.3	-6.7
Claims on the Eurosystem (9)	300	207	-25.4	-38.4
External assets (10)	523	515	5.5	4.2
Other assets (11)	863	847	7.1	1.0
Total assets	**3,952**	**3,790**	**-1.7**	**-5.0**
Liabilities				
Deposits of Italian residents (3) (12) (13)	1,806	1,780	-4.3	-5.4
Deposits of non-residents (10)	375	402	16.9	25.5
Liabilities towards central counterparties (6)	126	110	4.1	3.2
Bonds (13)	223	233	13.2	18.3
Liabilities towards the Eurosystem (9)	319	179	-29.7	-58.5
Liabilities connected with transfers of claims	118	121	-2.4	4.3
Capital and reserves	346	352	2.4	4.7
Other liabilities (14)	639	614	8.6	1.7
Total liabilities	**3,952**	**3,790**	**-1.7**	**-5.0**
of which: total funding (15)	2,810	2,674	-4.5	-7.9

Source: Supervisory reports.
(1) August 2023 data are provisional. – (2) Adjusted for reclassifications, value adjustments and exchange rate movements. Changes in loans to firms and households are adjusted for securitizations. – (3) Excludes transactions with central counterparties. – (4) Harmonized definition, excludes producer households. – (5) Harmonized definition, includes producer households, non-profit institutions serving households and households not classified elsewhere. – (6) Only repos. – (7) Excludes bonds of resident MFIs, i.e. banks and money market funds. – (8) Includes only securities of Italian general government entities. – (9) Includes the accounts with the Eurosystem for monetary policy operations; see Tables 3.3a and 3.3b in 'Banks and Money: National Data', Banca d'Italia, Statistics Series. – (10) In the period considered these refer mainly to interbank transactions. – (11) Includes bonds issued by resident MFIs; loans to resident MFIs; shares and other equity of resident companies; cash; money market fund units; derivatives; movable and immovable property; other minor items. – (12) Excludes liabilities connected with transfers of claims. – (13) Excludes liabilities towards resident MFIs. – (14) Includes bonds held by resident MFIs and deposits of resident MFIs that are considered for the calculation of the marginal cost of funding. Also includes derivatives and other minor items. – (15) Bank funding is the sum of the following items: deposits by residents, deposits by non-residents, liabilities with central counterparties (excluding reverse repos), bonds and liabilities with the Eurosystem.

Source: Bank of Italy, Economic Bulletin no. 4/2023

In the second quarter, the flow of new non-performing loans in relation to total loans remained stable at 1.0 per cent (seasonally adjusted and year-on-year). The indicator remained almost unchanged for loans to businesses, at 1.7 per cent, while it increased by 20 basis points for loans to households, to 0.8 per cent.

The ratio of impaired loans to total loans of both significant and less significant banking groups remained stable in the second quarter of 2023, before and after value adjustments. The coverage rate of these loans is basically unchanged for both categories of banks.

In the first half of 2023, profitability increased compared to the same period last year for both significant and, to a lesser extent, less significant banks. Net of non-recurring items, the improvement in the annualised return on equity (ROE) reflected the growth in net interest income, which more than offset the decline in other revenues. For the significant banking groups, operating costs increased slightly, while loan impairments decreased significantly; for the less significant banks, the increase in costs was more pronounced and loan impairments remained essentially stable. Looking ahead, the growth in net interest income is likely to weaken due to the gradual increase in interest expenses, which to date have responded less strongly to monetary policy impulses than interest income. Competition among intermediaries is also counterbalancing the restrictive impact of other factors (risk and funding conditions) on the terms and conditions applied to new loans. With Italian Law 136/2023, approved on 9 October, the Government introduced an extraordinary tax on banks.

In the second quarter, the level of capitalisation of significant and less significant intermediaries rose; the former fully recovered the decline observed in the winter months.

Main indicators for significant Italian banks (1) *(per cent)*	March 2023	June 2023
Non-performing loans (NPLs) (2)		
Gross NPL ratio	2.4	2.4
Net NPL ratio	1.1	1.1
Coverage ratio (3)	54.4	54.1
Regulatory capital		
Common equity tier 1 (CET1) ratio	15.4	15.9
	H1 2022	H1 2023
Profitability		
Return on equity (ROE) (4)	9.2	14.0
Net interest income (5)	8.5	51.6
Gross income (5)	1.8	20.7
Operating expenses (5)	-3.1	2.6
Operating profit (5)	10.6	49.5
Loan loss provisions (5)	2.2	-44.7

Source: Consolidated supervisory reports.
(1) Provisional data for June and for H1 2023. Significant banks are those directly supervised by the ECB. In 2022 significant groups expanded by two units following the inclusion of Mediolanum and Fineco. The data prior to that date were pro forma recalculated as if the two banks were already significant in the previous periods. – (2) End-of-month data. Includes loans to customers, credit institutions and central banks. The NPL ratio is reported gross and net of loan loss provisions. – (3) The coverage ratio is measured as the ratio of loan loss provisions to the corresponding gross exposure. – (4) Net of non-recurring items. – (5) Percentage changes with respect to the year-earlier period.

Source: Bank of Italy, Economic Bulletin no. 4/2023

The factoring market in 2023 (2)

The factoring market at the end of the second quarter recorded a turnover of EUR 141.34 billion, up 1.11% year-on-year, showing a slowdown consistent with the downturn in economic activity during the period.

The turnover from supply chain finance transactions amounted to EUR 13.74 billion, up roughly 3.40% compared to the previous year.

Industry operators expect volumes at the end of the third quarter to be in line with the first nine months of 2022 (+0.42%), while growth of 5.99% is expected for the entire year 2023.

In the second quarter of the year, there was a negative net change in advances of EUR 1.4 billion compared to the same quarter of the previous year, which brings the advances disbursed to EUR 50.73 billion, down by 2.64% compared to the second quarter of 2022.

Trade receivables purchased in the first half of the year from the PA amounted to EUR 10.17 billion (up 12% YoY). As at June 2023, outstanding receivables amount to EUR 8.91 billion, of which EUR 3.7 billion are past due in relation to the notoriously long payment times of Public Entities.

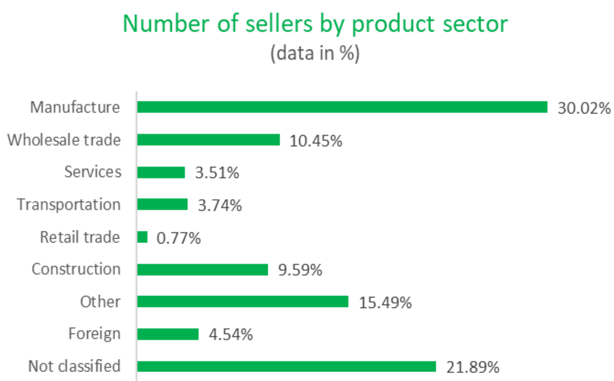
Gross impaired loans amounted to 3.62%, down slightly compared to March (3.66%) and up compared to December 2022 (3.34%). Bad loans remained at low levels of 1.71%.

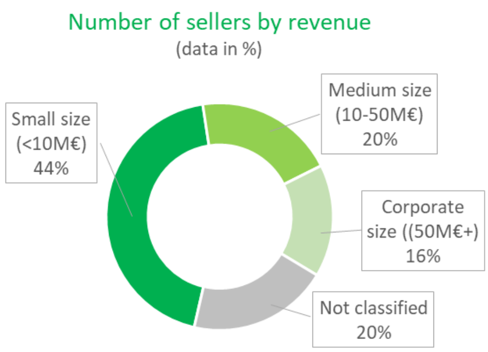
2 This chapter mentions and/or reports extensive excerpts from Assifact Statistical Circular 48-23 "Il factoring in cifre – Sintesi dei dati di Giugno 2023" (Factoring in figures – Summary of June 2023 data) and Assifact Statistical Circular 57-23 "Il factoring in cifre - Sintesi dei dati di Settembre 2023" (Factoring in figures – Summary of September 2023 data)

Data in thousands of euro		Share % of total	% change from previous year
Cumulative Turnover	**141,339,032**		**1.11%**
With Recourse	29,420,811	21%	
Without Recourse	111,918,221	79%	
Outstanding	**64,529,303**		**-4.77%**
With Recourse	16,071,410	25%	
Without Recourse	48,457,893	75%	
Exposures	**50,726,219**		**-2.64%**

Source: Assifact, statistical circular 48-23 "Il factoring in cifre – Sintesi dei dati di Giugno 2023" (Factoring in figures - Summary of June 2023 data). Values in thousands of Euro.

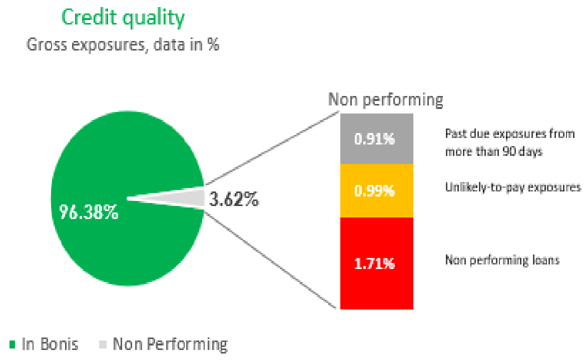
In the second quarter of 2023, turnover was up by 1.11% compared to the same period of the previous year.
The slowdown in the growth rate of turnover, already noted in the first quarter, continued, consistent with the dynamics of economic activity.
For the third quarter of 2023, operators expect a substantial stability in cumulative volumes compared to the same period of 2022 (+0.42%).
The forecasts for the year-end 2023 formulated by members are positive overall, with an expected average growth rate of +5.99%.
Over 32,000 companies use factoring, 64% of which are SMEs.
It is used predominantly in the manufacturing sector.

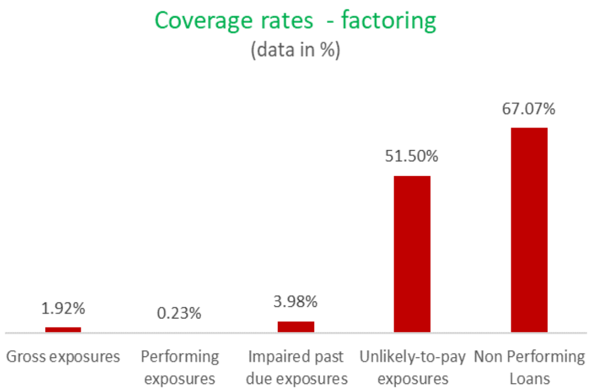




Source: Assifact, statistical circular 48-23 "Il factoring in cifre – Sintesi dei dati di Giugno 2023" (Factoring in figures - Summary of June 2023 data).

Non-performing loans at the end of the second quarter of 2023 (3.62%) were down slightly compared to March (3.66%) and up compared to December 2022 (3.34%). Bad loans represent 1.71% of total gross exposure.
The policies for hedging non-performing loans are, as usual, very prudent with respect to unlikely to pay and bad loans.





Source: Assifact, statistical circular 48-23 "Il factoring in cifre – Sintesi dei dati di Giugno 2023" (Factoring in figures - Summary of June 2023 data).

Factoring market – monthly position in September 2023

Based on the latest available monthly report, the cumulative turnover as at September 2023 is approximately EUR 206 billion, stable compared to the same period last year. Outstanding at the reporting date amounted to approximately EUR 59 billion, down 4% on the previous year, while advances amounted to approximately EUR 47 billion (-5%).

Data in thousands of euro		Share % of total	% change from previous year
Cumulative Turnover	**206,386,186**		**-0.52%**
With Recourse	43,487,313	21%	
Without Recourse	162,898,873	79%	
Outstanding	**58,782,235**		**-3.73%**
With Recourse	15,122,391	26%	
Without Recourse	43,659,844	74%	
Exposures	**47,394,454**		**-5.41%**
of which turnover from Supply Chain Finance operations.	**20,287,603**	**10%**	**-0.06%**

Source: Assifact, statistical circular 57-23 "Il factoring in cifre - Sintesi dei dati di Settembre 2023" (Factoring in figures - Summary of September 2023 data). Values in thousands of Euro.

OPERATING PERFORMANCE AND RESULT

Share capital – Transactions affecting the corporate structure

The company's share capital currently amounts to EUR 4,202,329.36 and is divided into 12,635,066 ordinary shares without nominal value, pursuant to paragraph 3 of art. 2346 of the Italian Civil Code and Art. 5 of the current Articles of Association. Based on the information available to the Company, as at 30 September 2023 it was broken down as follows:

- ***GGH - Gruppo General Holding S.R.L.*** ("**GGH**"), which holds 5,227,273 shares, equal to 41.37% of the share capital;
- ***Crédit Agricole Italia S.p.A.*** ("**CAI**") which holds 2,057,684 shares, equal to 16.29% of the share capital;
- ***First 4 Progress S.p.A.*** ("**F4P**"), which holds 663,126 shares, equal to 5.25% of the share capital;

The remaining 4,686,983 ordinary shares (equal to 37.09% of the share capital) are held by institutional and professional investors who subscribed the securities as part of the Company's listing.

The shares, all ordinary and traded on Euronext STAR Milan, have no nominal value, all have equal rights, both administrative and financial, as established by law and by the Articles of Association, except for the provisions of the latter regarding increased voting rights. The shares are indivisible, registered and freely transferable by an act inter vivos and transmissible on death. The currently applicable legislation and regulations regarding representation, legitimate entitlement and circulation of shares set forth for financial instruments traded on regulated markets is applied to the shares. The shares are issued in dematerialised form.

Pursuant to art. 127-quinquies of Italian Legislative Decree no. 58 of 24 February 1998 (“TUF” or "Consolidated Law on Finance"), each share gives the right to double votes (and therefore two votes for each share) where both the following conditions are met: (a) the share belongs to the same party, based on a real right that legitimately entitles them to exercise the voting right (full ownership with voting right or bare ownership with voting right or usufruct with voting right) for a continuous period of at least 24 (twenty-four) months; (b) the meeting of the condition pursuant to point (a) is certified by the continuous registration, for a period of at least 24 (twenty-four) months, in the duly established list, kept by the Company, in compliance with the legislative and regulatory provisions in force. The assessment of the prerequisites for the attribution of the increased vote is carried out by the administrative body.

As at 30 September 2023, only the shareholders GGH and CAI had acquired the right to double vote on their shares: in particular, GGH on all the shares it holds; CAI on 2,002,868 shares.

The shares held by GGH are partially encumbered by a pledge in favour of CAI. In this regard, 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 Creval (now CAI) and that, in execution of the provisions of the deed of incorporation of the pledge:

a) on 20 January 2021, Creval agreed to the release from the restriction on 423,922 Generalfinance shares;
b) in the first part of 2023, CAI agreed to the release from the restriction on an additional 423,922 Generalfinance shares.

As at today's date, therefore, the restriction continues to be in place on the additional 423,922 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, GGH maintained the right to receive any amount due from Generalfinance in relation to the shares encumbered by the pledge.

Furthermore, it should be noted that GGH has entered into a loan agreement with Banca Nazionale del Lavoro S.p.A. for an amount of EUR 5 million; in relation to this contract, GGH pledged a first degree pledge on 1,263,900 ordinary shares owned by it. Also in this case, the voting right relating to the shares encumbered by the pledge is duly exercised by GGH, both in ordinary and extraordinary shareholders' meetings. Similarly, GGH maintained the right to receive any amount due from Generalfinance in relation to the shares encumbered by the pledge.

It should be noted that, at the date of this report, the Company does not hold treasury shares in its portfolio.

Changes in the shareholding structure and governance after 30 September 2023.

It should be noted that the shareholder CAI, in execution of the agreements reached at the time with GGH regarding the disposal of its equity investment at the time of Company listing, after an initial sale that took place at the same time as the start of negotiations, on 4 October 2023, through block sales, sold the additional 2,057,684 ordinary shares of Generalfinance that it still held, corresponding to 16.3% of the share capital and 20.4% of the total number of voting rights. The block sales did not lead to a change in the share capital, but only to a reduction in voting rights since, as a result of the transfer, some of the Generalfinance shares held by CAI lost the increased voting rights they previously held.

In addition, as a result of the planned exit of Crédit Agricole Italia S.p.A. from the shareholding structure of Generalfinance, on 12 October, the directors E. Ciotti and R. Antonucci tendered their resignation, with respect to which the Board of Directors will take the appropriate steps decisions regarding their possible replacement, pursuant to art. 2386 of the Italian Civil Code.

The current composition of the Company's share capital, with respect to which there have been no changes, is shown below.

	Share capital		
	EUR	No. of shares	Nominal value per unit
Total	4,202,329.36	12,635,066	(*)
of which: ordinary shares (regular dividend entitlement: 1 January 2022); current coupon number: 2	4,202,329.36	12,635,066	(*)

(*) Shares with no nominal value.

The total amount of the voting rights before and after the loss of the increased voting right of part of the Generalfinance shares sold by CAI is shown below.

	Updated situation		Prior situation	
	Number of shares making up the share capital	Number of voting rights	Number of shares making up the share capital	Number of voting rights
Total ordinary shares	12,635,066	17,862,339	12,635,066	19,865,207
Ordinary shares without increased voting rights (regular dividend entitlement: 1 January 2022); current coupon number: 2	7,407,793	7,407,793	5,404,925	5,404,925
Ordinary shares with increased voting rights (regular dividend entitlement: 1 January 2022); current coupon number: 2	5,227,273	10,454,546	7,230,141	14,460,282

Accordingly, based on the information available to the Company at the date of this report, the share capital is allocated as follows:

Shareholder	Shares held	% Share capital	% voting rights
GGH - Gruppo General Holding S.r.L	5,227,273	41.37	58.53
Investment Club S.r.l.	1,207,267	9.55	6.76
BFF Bank S.p.A.	969,974	7.68	5.43
First 4 Progress S.p.A.	843,126	6.67	4.72
Free float	4,387,426	34.73	24.56

Main performance indicators

Generalfinance closed the first nine months of 2023 with a net profit of EUR 10.7 million (+27% compared to 30 September 2022). Including advance payments on future receivables, turnover reached EUR 1,774 million (+24%) with EUR 1,482 million disbursed (+25%). Net of future receivables, the turnover was equal to EUR 1,672 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)

Income statement items	30/09/2023	30/09/2022	Change
- Net interest income	5,873	5,681	3%
- Net fee and commission income	19,599	17,101	15%
- Net interest and other banking income	**25,472**	**22,784**	**12%**
- Operating costs	-9,658	-9,827	-2%
- Pre-tax profit from current operations	**15,676**	**12,656**	**24%**
- Profit for the period	**10,667**	**8,432**	**27%**

Key balance sheet data (in thousands of Euro)

Balance sheet item	30/09/2023	31/12/2022	Change
Loans to customers	383,166	385,434	-1%
Financial liabilities measured at amortised cost	394,265	368,388	7%
Shareholders' equity	62,041	56,775	8%
Total assets	476,719	443,815	7%

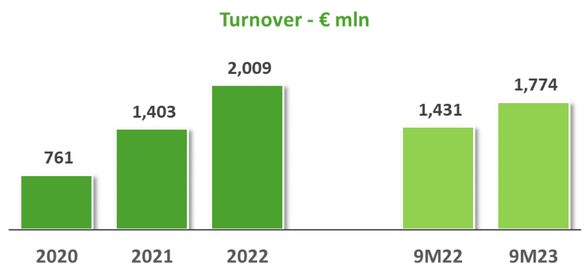
Main performance indicators

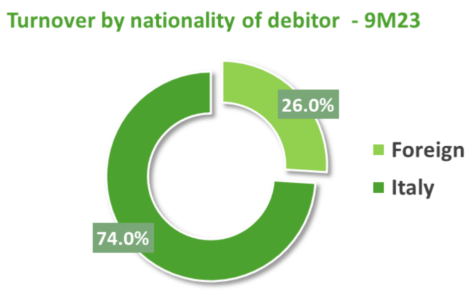
KPI	30/09/2023	30/09/2022
Cost/Income ratio (%)	38%	43%
ROE (%)	28%	24%
Net interest income/Net interest and other banking income (%)	23%	25%
Net fee and commission income/Net interest and other banking income (%)	77%	75%

These positive operating results were achieved in a period still marked by the impacts, particularly on the business system, of the ongoing conflict between Russia and Ukraine and the additional macroeconomic factors that emerged in the second half of 2022 (inflation rate, increase in the cost of borrowing and energy).

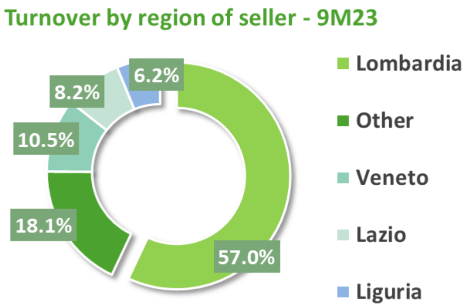
Turnover

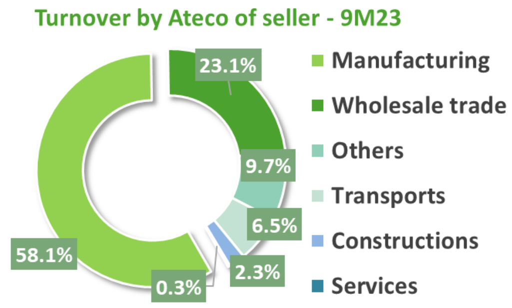
Including data referring to future credit advances, turnover reached EUR 1,774 million as at 30 September 2023, up by 24% compared to the same period of 2022. With reference to the annual "LTM – Last Twelve Months" turnover (October 2022 – September 2023), the breakdown by nationality of the transferred debtors shows a significant relative weight of international factoring, which accounts for roughly 26.0% 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 Sellers' registered offices, the Company has a deeply-rooted presence in the North of the country, with a special focus on Lombardy (57.0% of turnover), Veneto (10.5%) and Liguria (6.2%); turnover from companies operating in Lazio increased (8.2%). Overall, these four regions account for approximately 82% of turnover, highlighting the significant presence of Generalfinance in some of the most productive and relevant areas of the country.





Note: LTM turnover data

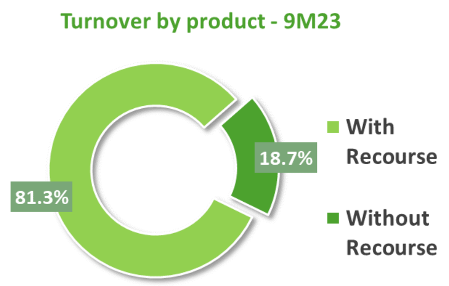


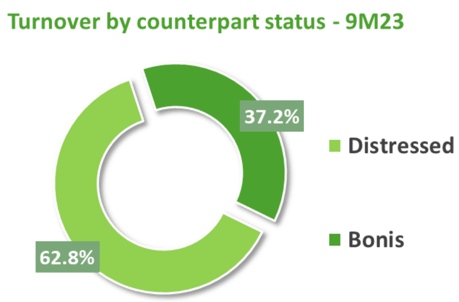


Note: LTM turnover data

From a sector point of view, manufacturing represents the most important portion of turnover developed with respect to the sellers, with approximately 58.1%; 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 81% of volumes, while the without recourse portion of accounts for around 19%, up compared to the previous year. Lastly, 62.8% of the turnover is developed with regard to "distressed" sellers, i.e. those engaged in restructuring projects through the various instruments set forth in the Corporate Crisis Code.





Note: LTM turnover data

Economic data

Net interest income amounted to EUR 5.9 million, up (+3%) compared to the same period of the previous year due to the upward trend in Euribor rates, which negatively impacted the cost of funding, offset by the increase in volumes and the rise in lending rates, correlated to the 3-month Euribor parameter. Net fee and commission income amounted to EUR 19.6 million, up compared to EUR 17.1 million in the first nine months of 2022 (+15%). The trend in net fee and commission income was affected by the particularly positive trend in turnover (+24% with respect to the same period of the previous year) and the moderate reduction in commission rates, reflecting the excellent commercial and operating performance of the Company.

Net interest and other banking income amounted to approximately EUR 25.5 million (+12%), while operating expenses, at around EUR 9.7 million, decreased (-2%). In this regard, it should be noted that in the first nine months of 2022, non-recurring costs (administrative expenses and personnel expenses) were incurred in connection with the listing process for a total amount of approximately EUR 1.2 million.

Taking into account the particularly low cost of risk (net value adjustments of EUR 0.1 million, with an annualised cost of risk at 1 basis point) and estimated taxes of EUR 5.0 million, the net result for the period was approximately EUR 10.7 million compared to EUR 8.4 million recorded in the first nine months of 2022 (+27%).

Breakdown of interest income and similar income – Item 10 of the Income Statement

Items/Technical forms	Debt securities	Loans	Other transactions	30/09/2023	30/09/2022
1. Financial assets measured at fair value through profit or loss:	**-**	**-**	**-**	**-**	**-**
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	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	**-**	**-**	**X**	**-**	**-**
3. Financial assets measured at amortised cost	**-**	**20,398,791**	**-**	**20,398,791**	**9,814,887**
3.1 Loans to banks	-	474,866	**X**	474,866	-
3.2 Receivables from financial companies	-	699,746	**X**	699,746	-
3.3 Loans to customers	-	19,224,179	**X**	19,224,179	9,814,887
4. Hedging derivatives	**X**	**X**	**-**	**-**	**-**
5. Other assets	**X**	**X**	**92,100**	**92,100**	**-**
6. Financial liabilities	**X**	**X**	**X**	**-**	**-**
Total	**-**	**20,398,791**	**92,100**	**20,490,891**	**9,814,887**
of which: interest income on impaired financial assets	**-**	**-**	**-**	**-**	**-**
of which: interest income on leases	**X**	**-**	**X**	**-**	**-**

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

Items/Technical forms	Payables	Securities	Other transactions	30/09/2023	30/09/2022
1. Financial liabilities measured at amortised cost	12,665,737	1,952,589	-	14,618,326	4,119,629
1.1 Due to banks	5,080,182	X	X	5,080,182	1,755,003
1.2 Payables to financial companies	7,554,666	X	X	7,554,666	1,407,596
1.3 Due to customers	30,889	X	X	30,889	20,721
1.4 Securities issued	X	1,952,589	X	1,952,589	936,309
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	X	X	3	3	13,976
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	-	-
Total	**12,665,737**	**1,952,589**	**3**	**14,618,329**	**4,133,605**
of which: interest expense on lease payables	**30,889**	**X**	**X**	**30,889**	**20,721**

Breakdown of fee and commission income – Item 40 of the Income Statement

Detail	Total 30/09/2023	Total 30/09/2022
a) leasing transactions	-	-
b) factoring transactions	22,713,144	20,066,878
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	-	-
Total	**22,713,144**	**20,066,878**

Breakdown of fee and commission expense – Item 50 of the Income Statement

Retail/Sectors	Total 30/09/2023	Total 30/09/2022
a) guarantees received	280	280
b) distribution of services by third parties	-	-
c) collection and payment services	-	-
d) other commissions	3,113,878	2,965,121
d.1 advances on business loans (It. Law 52/91)	331,355	405,128
d.2 others	2,782,523	2,559,993
Total	**3,114,158**	**2,965,401**

Fee and commission expense for advances on business receivables are represented by commissions and fees paid to third parties.
The sub-item "*Others*" is mainly composed of bank charges and commissions for EUR 1,460,470 and costs incurred for credit insurance for EUR 1,154,597.

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 30/09/2023	Total 30/09/2022
	First stage	Second stage	Third stage		purchased or originated impaired		First stage	Second stage	Third stage	purchased or originated impaired		
			Write-off	Other	Write-off	Other						
1. Loans to banks	**(8,374)**	**-**	**-**	**-**	**-**	**-**	**2,606**	**-**	**-**	**-**	**(5,768)**	**(444)**
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	(8,374)	-	-	-	-	-	2,606	-	-	-	(5,768)	(444)
2. Receivables from financial companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
3. Loans to customers	**(2,683)**	**(108,728)**	**-**	**(136,906)**	**-**	**-**	**102,526**	**-**	**13,254**	**-**	**(132,537)**	**(300,731)**
- for leasing	-	-	-	-	-	-	-	-	-	-	-	-
- for factoring	(2,683)	(108,728)	-	(136,906)	-	-	102,526	-	13,254	-	(132,537)	(300,731)
- for consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- loans on pledge	-	-	-	-	-	-	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(11,057)**	**(108,728)**	**-**	**(136,906)**	**-**	**-**	**105,132**	**-**	**13,254**	**-**	**(138,305)**	**(301,175)**

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

Breakdown of personnel expenses – Item 160 a) of the Income Statement

Types of expenses/Values	Total 30/09/2023	Total 30/09/2022
1. Employees	**4,493,040**	**4,011,159**
a) wages and salaries	3,025,193	2,966,347
b) social security contributions	843,799	772,300
c) employee severance indemnity	2,714	2,105
d) social security expenses	-	-
e) employee severance indemnity provision	148,751	127,468
f) allocation to the provision for pensions and similar obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	75,408	59,078
- defined contribution	75,408	59,078
- defined benefit	-	-
h) other employee benefits	397,175	83,861
2. Other active personnel	**-**	**-**
3. Directors and Statutory Auditors	**964,171**	**626,032**
4. Retired personnel	**-**	**-**
5. Expense recoveries for employees seconded to other companies	**-**	**-**
6. Reimbursement of expenses for employees seconded to the company	**-**	**-**
Total	**5,457,211**	**4,637,191**

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

Type of expense/Values	Total 30/09/2023	Total 30/09/2022
Professional fees and consultancy	2,221,593	2,245,963
Charges for indirect taxes and duties	95,568	99,333
Maintenance costs	43,251	48,056
Utility costs	94,981	116,262
Rent payable and condominium expenses	143,640	59,384
Insurance	29,137	30,602
Commercial information	547,061	430,895
Other administrative expenses	1,652,881	1,383,407
Total	**4,828,112**	**4,413,902**

Breakdown of other operating income – Item 200 of the Income Statement

	Total 30/09/2023	Total 30/09/2022
Reimbursement of expenses	445,591	415,605
Insurance reimbursements	7,621	47,140
Contingent assets	1,114,373	132,831
Others	192,629	106,793
Total	**1,760,214**	**702,369**

The sub-item “Contingent assets” includes the following contributions and tax credits:

- Listing bonus of EUR 500,000
- Art bonus of EUR 39,000
- Energy bonus of EUR 7,965
- Investment bonus in capital goods of EUR 14,509
- Advertising bonus of EUR 11,701
- Capital goods 4.0 bonus of EUR 45,550
- Digital innovation 4.0 bonus of EUR 78,771
- Patent box of EUR 70,508

- Training bonus 4.0 of EUR 60,630

The sub-item “Others” includes EUR 98,959 for direct costs (essentially personnel costs) relating to the development of software generated internally.

Balance sheet and asset quality data

Net loans to customers amounted to EUR 383.2 million, down 0.6% compared to 31 December 2022. The average disbursement percentage between recourse and non-recourse transactions was approximately 84% (83% in 2022), while the average number of credit days – i.e. 68 – was down from the year-end figure for 2022 (75).

Within the aggregate of loans, total gross non-performing loans amounted to EUR 1.0 million, with a gross NPE ratio of approximately 0.27% (0.13% of the net NPE ratio). The coverage of non-performing loans stood at around 54%.

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

Breakdown	Total 30/09/2023						Total 31/12/2022					
	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
1. Loans	**382,683,538**	**482,077**	**-**	**-**	**-**	**383,165,615**	**384,532,580**	**901,477**	**-**	**-**	**-**	**385,434,057**
1.1 Loans for leases	-	-	-	-	-	-	-	-	-	-	-	-
of which: without final purchase option	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	382,683,538	482,077	-	-	-	383,165,615	384,532,580	901,477	-	-	-	385,434,057
- with recourse	302,567,419	482,077	-	-	-	303,049,496	327,014,977	882,068	-	-	-	327,897,045
- without recourse	80,116,119	-	-	-	-	80,116,119	57,517,603	19,409	-	-	-	57,537,012
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	-	-	-	-	-	-	-	-	-	-	-	-
of which: from enforcement of guarantees and commitments	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
3. Other assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**382,683,538**	**482,077**	**-**	**-**	**-**	**383,165,615**	**384,532,580**	**901,477**	**-**	**-**	**-**	**385,434,057**

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

Cash and cash equivalents – represented by loans to banks – amounted to approximately EUR 80 million – reflecting the prudent profile of liquidity management – while total balance sheet assets amounted to EUR 476.7 million, compared to EUR 443.8 million at the end of 2022.
Property, plant and equipment amounted to EUR 5.1 million, compared to approximately EUR 4.9 million in 2022. Intangible assets amounted to EUR 2.3 million, compared to approximately EUR 2 million at the end of 2022.
Financial liabilities measured at amortised cost, equal to EUR 394.3 million, are made up of payables of EUR 356.8 million and securities issued of EUR 37.4 million.
Payables are mainly represented by the pool loan (EUR 174.1 million as at 30 September) stipulated with a number of Italian banks, in addition to the mortgage loans and other bilateral lines with banks and factoring companies (EUR 47.2 million). In addition, the item includes the payable to the vehicle (EUR 132.5 million) related to the securitisation transaction concluded in December 2021.
The securities consist of two subordinated bonds (EUR 12.5 million) issued in the second half of 2021, in addition to the outstanding commercial papers (EUR 25 million).

Breakdown of payables by type – Item 10 a) of Liabilities

Items	Total 30/09/2023			Total 31/12/2022		
	to banks	to financial companies	to customers	to banks	to financial companies	to customers
1. Loans	**183,380,668**	**37,949,819**	**-**	**162,689,489**	**31,780,565**	**-**
1.1 repurchase agreements	-	-	-	-	-	-
1.2 other loans	183,380,668	37,949,819	-	162,689,489	31,780,565	-
2. Lease payables	**-**	**-**	**1,985,304**	**-**	**-**	**1,571,038**
3. Other payables	**-**	**132,487,328**	**1,034,155**	**-**	**134,729,206**	**400,411**
Total	**183,380,668**	**170,437,147**	**3,019,459**	**162,689,489**	**166,509,771**	**1,971,449**
Fair value - level 1	-	-	-	-	-	-
Fair value - level 2	-	-	-	-	-	-
Fair value - level 3	**183,380,668**	**170,437,147**	**3,019,459**	**162,689,489**	**166,509,771**	**1,971,449**
Total Fair Value	**183,380,668**	**170,437,147**	**3,019,459**	**162,689,489**	**166,509,771**	**1,971,449**

The total for "payables" item therefore amounts to EUR 356,837,274.

Payables to banks refer to:

Technical form	Amount
Current account exposures for SBF advances	1,858,017
Unsecured loans	7,393,548
Pool loan	174,129,103
Total	**183,380,668**

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 30/09/2023				Total 31/12/2022			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	**12,653,578**	**-**	**-**	**12,653,578**	**12,757,100**	**-**	**-**	**12,757,100**
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	12,653,578	-	-	12,653,578	**12,757,100**	-	-	**12,757,100**
2. other securities	**24,774,380**	**24,774,380**	**-**	**-**	**24,460,655**	**24,460,655**	**-**	**-**
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	24,774,380	24,774,380	-	-	24,460,655	24,460,655	-	-
Total	**37,427,958**	**24,774,380**	**-**	**12,653,578**	**37,217,755**	**24,460,655**	**-**	**12,757,100**

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 ACCESS Professional Milan, professional segment of the ACCESS market, a multilateral trading system managed by Borsa Italiana S.p.A.
In particular, at the reporting date, four securities were issued and still not reimbursed. The first, with a duration of 12 months, was issued for a total of EUR 10 million – zero coupon – at a fixed annual rate of 5.55%. 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 4.50%. The third, with a 3-month duration, was issued for a total of EUR 5 million – zero coupon – at a fixed annual rate of 4.70%. The fourth and last, with a 3-month duration, was issued for a total of EUR 5 million – zero coupon – at a fixed annual rate of 4.85%.

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 restrictions imposed by the European Union on 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 European Union, Switzerland, Japan, Australia and NATO countries vis-à-vis both Russia and Belarus and some representatives of these countries; the conflict and the 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/Belarussian 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, it should be noted that Generalfinance has a very marginal exposure (amounting to approximately EUR 38 thousand) as at 30 September 2023.

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.

Shareholders' equity and capital ratios

Shareholders' equity as at 30 June 2023 amounted to EUR 62 million, compared to EUR 56.8 million as at 31 December 2022.

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:

- 15.26% CET1 ratio;
- 15.26% TIER1 ratio;
- 17.63% 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 art. 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 2023, net of expected dividends.

For the purposes of the above, please note that:

- the profits will be verified by entities independent from the entity responsible for auditing the entity's accounts, as required by art. 26 (2) of the CRR. In this regard, Deloitte & Touche S.p.A. 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 30/09/2023	Total 31/12/2022
A. Tier 1 capital before the application of prudential filters	**62,040,644**	**56,774,746**
B. Prudential filters of Tier 1 capital	-	-
B.1 Positive IAS/IFRS prudential filters (+)	-	-
B.2 Negative IAS/IFRS prudential filters (-)	-	-
C. Tier 1 capital gross of elements to be deducted (A+B)	**62,040,644**	**56,774,746**
D. Elements to be deducted from Tier 1 capital	6,586,722	6,694,664
E. Total Tier 1 capital (C-D)	**55,453,922**	**50,080,082**
F. Tier 2 capital before the application of prudential filters	**12,500,000**	**12,500,000**
G. Prudential filters of Tier 2 capital	-	-
G.1 Positive IAS/IFRS prudential filters (+)	-	-
G.2 Negative IAS/IFRS prudential filters (-)	-	-
H. Tier 2 capital gross of elements to be deducted (F+G)	**12,500,000**	**12,500,000**
I. Elements to be deducted from Tier 2 capital	3,870,482	2,001,643
L. Total Tier 2 capital (H-I)	**8,629,518**	**10,498,357**
M. Elements to be deducted from total Tier 1 and Tier 2 capital	-	-
N. Regulatory capital (E+L-M)	**64,083,440**	**60,578,439**

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 pillar II 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 II risks are subject to qualitative assessment.

Quantitative information

Categories/Values	Non-weighted amounts		Weighted amounts/requirements	
	30/09/2023	31/12/2022	30/09/2023	31/12/2022
A. RISK ASSETS	-	-	-	-
A.1 Credit and counterparty risk	478,964,364	445,751,833	317,202,987	297,862,971
B. REGULATORY CAPITAL REQUIREMENTS	-	-	-	-
B.1 Credit and counterparty risk	-	-	25,376,239	23,829,038
B.2 Risk for the provision of payment services	-	-	-	-
B.3 Requirement for the issue of electronic money	-	-	-	-
B.4 Specific prudential requirements	-	-	3,696,945	3,696,945
B.5 Total prudential requirements	-	-	29,073,184	27,525,983
C. RISK ASSETS AND SUPERVISORY RATIOS	-	-		
C.1 Risk-weighted assets	-	-	363,414,796	344,074,780
C.2 Tier 1 capital/Risk-weighted assets (TIER 1 capital ratio)	-	-	15.3%	14.6%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)	-	-	17.6%	17.6%

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.

Bank of Italy inspection

Generalfinance was subject to inspections by the Bank of Italy in the period 3 October - 30 December 2022, pursuant to art. 108 of the Consolidated Law on Banking. On 30 March 2023, the Supervisory Authority formalised the results of the inspection to the Company, with the initiation of sanctioning proceedings in the area of anti-money laundering and credit management, in respect of which Generalfinance presented its counter-arguments in accordance with the applicable laws and regulations. At the date of approval of this Interim report on operations, the proceedings have not yet been concluded. For more information on the communication received from the Bank of Italy after the reference date of this interim report, please refer to the section “Significant events after the end of the quarter” below.

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 key managers have been identified, namely the CFO and the CLO. The gross annual remuneration of key management personnel amounts to a total of EUR 300,000.

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 bonuses in relation to short-term and medium/long-term monetary incentive plans determined on the basis of the Company's results.

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 2023 as defined above on the basis of the provisions of IAS 24.

TRANSACTIONS WITH RELATED PARTIES (amounts in Euro)	Parent company	Other related parties
BALANCE SHEET ITEMS		
10. Cash and cash equivalents	-	2,544,172
40. Financial assets measured at amortised cost	-	417,922
120. Other assets	-	140,666
Total assets	**-**	**3,102,760**
10. Financial liabilities measured at amortised cost	-	40,258,649
80. Other liabilities	-	831,661
90. Employee severance indemnity	-	65,465
100. Provisions for risks and charges	-	786,575
Total liabilities	**-**	**41,942,350**

TRANSACTIONS WITH RELATED PARTIES (amounts in Euro)	Parent company	Other related parties
INCOME STATEMENT ITEMS		
10. Interest income and similar income	-	42,538
20. Interest expense and similar charges	-	(1,305,926)
40. Fee and commission income	-	28,767
50. Fee and commission expense	-	(109,418)
160. Administrative expenses: a) personnel expenses	-	(1,472,218)
160. Administrative expenses: b) other administrative expenses	-	(216,000)
180. Net value adjustments/write-backs on property, plant and equipment	-	(3,946)
200. Other operating expenses/income	224	14,621
Total items	**224**	**(3,021,582)**
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.
INCOME STATEMENT ITEMS		
200. Other operating expenses/income	11,668	224
Total items	**11,668**	**224**

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.

It should also be noted that the Bank of Italy sent a communication to Generalfinance in which, among other things, it requested that the Company adopt – by 31 December 2023 – a mechanism for calculating the materiality threshold of the past due that puts an end to the interpretative uncertainties, which emerged in the context of the inspection conducted on the Company by the same Authority, regarding the methods for applying the "Definition of Default, DoD" to recourse factoring transactions.

Specifically, the Authority clarified that the past-due count is triggered when the latter is greater than 1% of the total exposure (and greater than the absolute value of EUR 100 or EUR 500, depending on the type of counterparty), regardless of the nominal value of

the loan portfolio and the associated "buffer" existing between this nominal value and the Company's actual exposure. The application of this new method for recognising Past Due may result in an increase in past due exposures in the fourth quarter.
It is worth noting in this regard that the Company promptly undertaken a series of activities to prepare for implementing the observations made in accordance with the provisions of the Supervisory Authority.

Business outlook

In the current context, with reference to the prospects for 2023, we need to take into consideration possible further impacts, particularly on the business system, of the effects of the geopolitical tensions underway – in particular, the ongoing conflict between Russia and Ukraine – and of other macroeconomic factors that emerged at global level in the second part of 2022 (marked increase in the rate of inflation, marked increase in energy costs and in the cost of borrowing).
In said general scenario still characterised by critical elements for the real economy, the sales activities developed by Generalfinance in the first nine months of 2023 – 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 a business performance and related net profitability for the entire year 2023 at levels in line with the budget/Business Plan, without prejudice to the possible impacts – also at the level of provisions – related to the new interpretation on DoD provided by the Bank of Italy, anticipated in the "Significant events after the end of the quarter".

Financial statements

BALANCE SHEET
(values in Euro)

	Asset items	30/09/2023		31/12/2022	
10.	Cash and cash equivalents		80,294,955		43,725,230
20.	Financial assets measured at fair value through profit or loss		23,274		20,300
	c) other financial assets mandatorily measured at fair value	*23,274*		*20,300*	
40.	Financial assets measured at amortised cost		383,165,615		385,434,057
	c) loans to customers	*383,165,615*		*385,434,057*	
70.	Equity investments		12,500		0
80.	Property, plant and equipment		5,095,554		4,865,994
90.	Intangible assets		2,342,523		2,047,798
	- of which goodwill	*0*		*0*	
100.	Tax assets		2,713,418		4,572,048
	a) current	*2,226,658*		*4,148,970*	
	b) deferred	*486,760*		*423,078*	
120.	Other assets		3,071,647		3,149,078
Total assets			**476,719,486**		**443,814,505**

	Liabilities and shareholders' equity items	30/09/2023		31/12/2022	
10.	Financial liabilities measured at amortised cost		394,265,232		368,388,464
	a) payables	*356,837,274*		*331,170,709*	
	b) securities issued	*37,427,958*		*37,217,755*	
60.	Tax liabilities		5,132,212		4,927,373
	a) current	*5,072,879*		*4,880,108*	
	b) deferred	*59,333*		*47,265*	
80.	Other liabilities		12,519,314		11,585,712
90.	Employee severance indemnity		1,415,541		1,316,956
100.	Provisions for risks and charges		1,346,543		821,254
	b) pension and similar obligations	*160,096*		*142,487*	
	c) other provisions for risks and charges	*1,186,447*		*678,767*	
110.	Share capital		4,202,329		4,202,329
140.	Share premium reserve		25,419,745		25,419,745
150.	Reserves		21,624,119		16,171,811
160.	Valuation reserves		127,289		95,474
170.	Profit (loss) for the period		10,667,162		10,885,387
Total liabilities and shareholders' equity			**476,719,486**		**443,814,505**

INCOME STATEMENT
(values in Euro)

	Items	30/09/2023	30/09/2022
10.	Interest income and similar income	20,490,891	9,814,887
	of which: interest income calculated using the effective interest method	20,490,891	9,814,887
20.	Interest expense and similar charges	(14,618,329)	(4,133,605)
30.	**Net interest income**	**5,872,562**	**5,681,282**
40.	Fee and commission income	22,713,144	20,066,878
50.	Fee and commission expense	(3,114,158)	(2,965,401)
60.	**Net fee and commission income**	**19,598,986**	**17,101,477**
70.	Dividends and similar income	0	584
80.	Net profit (loss) from trading	626	(324)
110.	Net result of other financial assets and liabilities measured at fair value through profit or loss	0	857
	b) other financial assets mandatorily measured at fair value	*0*	*857*
120.	**Net interest and other banking income**	**25,472,174**	**22,783,876**
130.	Net value adjustments/write-backs for credit risk of:	(138,305)	(301,175)
	a) financial assets measured at amortised cost	*(138,305)*	*(301,175)*
150.	**Net profit (loss) from financial management**	**25,333,869**	**22,482,701**
160.	Administrative expenses	(10,285,323)	(9,051,093)
	a) personnel expenses	*(5,457,211)*	*(4,637,191)*
	b) other administrative expenses	*(4,828,112)*	*(4,413,902)*
170.	Net provisions for risks and charges	(17,610)	(17,604)
	b) other net provisions	*(17,610)*	*(17,604)*
180.	Net value adjustments/write-backs on property, plant and equipment	(596,849)	(551,102)
190.	Net value adjustments/write-backs on intangible assets	(327,716)	(250,046)
200.	Other operating income and expenses	1,569,988	43,246
210.	**Operating costs**	**(9,657,510)**	**(9,826,599)**
260.	**Pre-tax profit (loss) from current operations**	**15,676,359**	**12,656,102**
270.	Income taxes for the period on current operations	(5,009,197)	(4,223,826)
280.	**Profit (loss) from current operations after tax**	**10,667,162**	**8,432,276**
300.	**Profit (loss) for the period**	**10,667,162**	**8,432,276**

STATEMENT OF COMPREHENSIVE INCOME
(values in Euro)

	Asset items	30/09/2023	30/09/2022
10.	**Profit (loss) for the period**	**10,667,162**	**8,432,276**
	Other income components net of taxes without reversal to the income statement		
20.	Equity securities designated at fair value through other comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedging of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	31,815	140,928
80.	Non-current assets and disposal groups	-	-
90.	Portion of valuation reserves of equity-accounted investments	-	-
	Other income components net of taxes with reversal to the income statement		
100.	Hedging of foreign investments	-	-
110.	Exchange rate differences	-	-
120.	Cash flow hedging	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (other than equity instruments) measured at fair value through other comprehensive income	-	-
150.	Non-current assets and disposal groups	-	-
160.	Portion of valuation reserves of equity-accounted investments	-	-
170.	**Total other income components net of taxes**	**31,815**	**140,928**
180.	**Comprehensive income (Item 10 + 170)**	**10,698,977**	**8,573,204**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 30/09/2023
(values in Euro)

	Balance as at 31/12/2022	Change in opening balances	Balance as at 01/01/2023	Allocation of previous year's result		Changes in the period						Comprehensive income 30/09/2023	Shareholders' equity as at 30/09/2023
				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	4,202,329	-	4,202,329	-	-	-	-	-	-	-	-	-	4,202,329
Share premium reserve	25,419,745	-	25,419,745	-	-	-	-	-	-	-	-	-	25,419,745
Reserves													
a) of profits	15,832,293	-	15,832,293	5,452,309	-	(1)	-	-	-	-	-	-	21,284,601
b) others	339,518	-	339,518	-	-	-	-	-	-	-	-	-	339,518
Valuation reserves	95,474	-	95,474	-	-	-	-	-	-	-	-	31,815	127,289
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	10,885,387	-	10,885,387	(5,452,309)	(5,433,078)	-	-	-	-	-	-	10,667,162	10,667,162
Shareholders' equity	56,774,746	-	56,774,746	-	(5,433,078)	(1)	-	-	-	-	-	10,698,977	62,040,644

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 period						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 period	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 *new shares issued* item 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.

CASH FLOW STATEMENT - INTERMEDIARIES (indirect method)

(values in Euro)

A. OPERATING ACTIVITIES	Amount	
	30/09/2023	30/09/2022
1. Management	**18,934,391**	**14,211,482**
- profit (loss) for the period (+/-)	10,667,162	8,432,276
- gains/losses on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	-	(1,441)
- gains/losses on hedging activities (-/+)	-	-
- net value adjustments for credit risk (+/-)	138,305	301,175
- net value adjustments to property, plant and equipment and intangible assets (+/-)	924,565	801,148
- net provisions for risks and charges and other costs/revenues (+/-)	579,166	329,387
- unpaid taxes, duties and tax credits (+/-)	4,714,672	4,184,826
- net value adjustments to discontinued operations net of tax effect (+/-)	-	-
- other adjustments (+/-)	1,910,521	164,111
2. Liquidity generated/absorbed by financial assets	**3,970,743**	**(16,129,972)**
- 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	1,667,937	(15,184,107)
- other assets	2,302,806	(945,865)
3. Cash flow generated/absorbed by financial liabilities	**19,806,959**	**12,094,718**
- financial liabilities measured at amortised cost	23,469,512	11,782,794
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	(3,662,553)	311,924
Net cash flow generated/absorbed by operating activities	**42,712,093**	**10,176,228**
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by	**10,672**	**11,819**
- sales of equity investments	-	8,972
- dividends collected on equity investments	-	584
- sales of property, plant and equipment	10,672	2,263
- sales of intangible assets	-	-
- sales of business units	-	-
2. Liquidity absorbed by	**(714,194)**	**(572,752)**
- purchases of equity investments	(15,474)	-
- purchases of property, plant and equipment	(152,260)	(221,381)
- purchases of intangible assets	(546,460)	(351,371)
- purchases of business units	-	-
Net cash flow generated/absorbed by investment activities	**(703,522)**	**(560,933)**
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	17,698,968
- issues/purchases of equity instruments	-	-
- distribution of dividends and other purposes	(5,433,078)	(4,726,682)
Net cash flow generated/absorbed by funding activities	**(5,433,078)**	**12,972,286**
NET CASH FLOW GENERATED/ABSORBED DURING THE PERIOD	**36,575,493**	**22,587,581**

RECONCILIATION	Amount	
	30/09/2023	30/09/2022
Cash and cash equivalents at the beginning of the period	43,731,790	33,458,839
Total net cash flow generated/absorbed during the period	36,575,493	22,587,581
Cash and cash equivalents: effect of changes in exchange rates	0	0
Cash and cash equivalents at the end of the period	**80,307,283**	**56,046,420**

Statement of the Financial Reporting Officer

Statement of the Financial Reporting Officer

The undersigned, Ugo Colombo, as Financial Reporting Manager of Generalfinance S.p.A., certifies, in compliance with the provisions of paragraph 2 of art. 154-bis of Italian Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this Interim report on operations as at 30 September 2023 corresponds to the documentary results, books and accounting records.

Milan, 10 November 2023

Ugo Colombo

CFO - Financial Reporting Manager

GENERAL FINANCE

INTERIM REPORT ON OPERATIONS
AS AT 30 SEPTEMBER 2023