

**Managing Director's Address to
General Capital Ltd.'s ASM 24 August 2023**

Thank you, Chairman.

Good afternoon, everyone. Thank you for taking the time to attend our shareholder meeting today.

We released our Annual Report to 31st March 2023 on the 27th of June 2023.

I am sure you have all had an opportunity to review the Report.

[Slide 10]

The General Capital Group started the financial year with the turmoil of the end of the COVID lockdowns.

The year was volatile for most participants in the financial sector.

We are pleased with how we performed during the period and how we finished the year in a very strong financial position.

This has been an outstanding year for the Group.

Revenue was 71% higher than the previous year which resulted in net profit after tax of \$2.3m for the year ended 31 March 2023, the strongest result since the Group was listed in 2018.

This was also after a goodwill impairment of \$537k was recognised in the 2023 financial year.

This of course was a non-cash expense.

The Groups total assets increased a further 32% since March 2022.

The Group completed two share placements raising \$8.7m of capital in February 2023.

\$3m of that has been utilised for the growth of General Finance Limited with the balance kept at the parent level.

General Finance Limited Credit Rating was upgraded twice during the year from BB- with stable outlook to BB stable.

General Capital Consolidated Balance Sheet

[Slide 11]

As you can see from slide 11 the Group has been consistently strengthening its Balance Sheet since its establishment in FY18.

Growth in General Finance Limited

[Slide 12]

General Finance is our largest trading subsidiary and income earner in the Group.

It has the largest capital, assets and liabilities.

It holds the most cash of any company in the Group.

We are very pleased with the development of General Finance over the last four years and particularly over the last year.

Secured Term Deposits by Location 2020 - 2023

[Slide 13]

General Finance has developed a very significant business, offering secured term deposits to the public seeking fixed term deposits.

Slide 13 provides a useful insight into our term deposits by location.

Overall, most of the regions in NZ experienced growth in FY23.

Auckland is the biggest market for us and it was good to see a healthy jump in the South Island.

Loan by Security Type

[slide 14]

General Finance lends to borrowers seeking short term loans secured by first registered mortgages over residential or commercial property.

You can see from the graph that \$93m of the loan book is lent to residential housing.

The maximum exposure as at 31 March 2023 was 67.2% Loan to Value Ratio (LVR).

Loan by Location

[slide 15]

Although we have loans across New Zealand the largest group by far is centred in Auckland. The market is deeper in Auckland and we have the highest level of comfort of being able to realise the security over which our loan is secured.

Sponsorships

[Slides 16 and 17]

The Group has sponsored several Synthony events around New Zealand. The benefits we gain are considerable, which helps with promotion of our brand to the wider market.

Conclusion

Fellow shareholders.

We are very pleased with the year to 31st March 2023.

The start to the 2024 year is less buoyant than last year, however we are currently trading ahead of last year.

The Next Stage

A key factor for General Finance has been the passing of the Deposit Takers Act in July of this year.

This will create a series of opportunities for us as well as some costs.

The major benefit is that we have an opportunity to be covered by the Depositor Compensation Scheme.

This is the scheme that if Depositor loses money they will be compensated by the fund up to \$100,000 per investor.

We believe this will significantly help grow further confidence in the sector whereby the effective security is backed by the Fund. The Banks and the Finance companies will have the same security for the first \$100,000.

We expect that there will be a significant number of new depositors looking to take advantage of this. We do not expect, nor want, investors to put all their funds with us. We do expect a considerable number of investors to put at least \$100,000 with us.

This is very positive for growth in the sector.

There is always a negative.

We expect to have to pay a levy for this benefit. Currently we do not know what the cost that will be.

This cost will be worked out by the RBNZ.

Those people are not known for their generosity so we must consider the next stage very carefully.

Ladies and Gentlemen. We are very well placed for the future with strong cashflow, capital available for acquisition, a stronger management team and a larger business than last year.

I wanted to personally thank you for the support that you have shown us as we have built the business.

We are very proud of the business and what we have achieved.

We want to thank all of our new shareholders who have joined us over the year. I want to particularly thank the API team, Megan, Anton and Michael for their contributions.

Everybody, we are now very well placed to seize opportunities that the market will present to us.

Thank you for your support.

Back to you Chairman.