FINECO

3Q22 Results

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CEO and General Manager

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FINECO. SIMPLIFYING BANKING.

A new market structure enlarging our growth opportunities

A structurally higher profitability and capital light business model, leading to higher DPS and to invest in our growth

The current environment has significantly changed

Acceleration of structural trends reshaping our society

- ✓ Increasing demand for advice
- ✓ Increasing digitalization
- ✓ Consolidation in traditional banking system

New interest rates environment [1]

+297 bps on 2023 AVG Euribor 3M vs beginning of the year
+248 bps on 2023 AVG EURIRS 10Y vs beginning of the year

Fineco as a fully-fledged Platform benefitting from the new market structure

Net Financial Income:

Expected strong increase vs recent past

Thanks to the strong gearing to the interest rates of our **quality and capital light NII**: **driven by our clients' valuable transactional liquidity (cost of funding at 0)** and not by lending as for other banks

Investing:

Strong results in a challenging environment thanks to resilient inflows and FAM

Inflows driven by structural trends, top-quality product offer and fair pricing. Growing contribution by FAM, which is taking a higher control of the value chain

Brokerage:

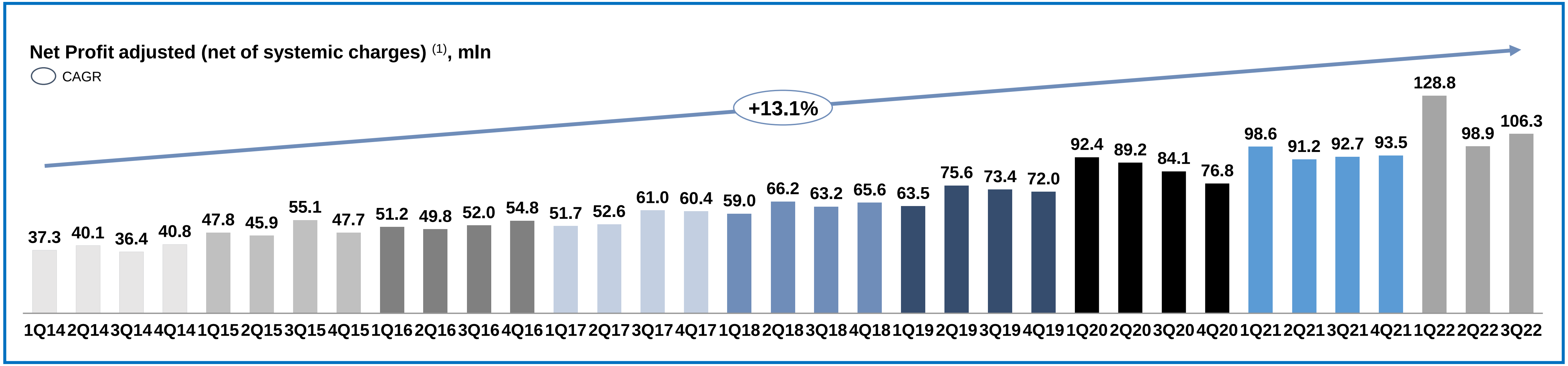
Higher floor thanks to our quality target market and business model

Target market focused on wealthy and financially aware clients and our one-stop-solution business model

[1] Forward rate curves as of October 31st, 2022, see on slide 47 for further details

Healthy and sustainable growth with a long term horizon

Diversified revenues mix leading to consistent results in every market conditions

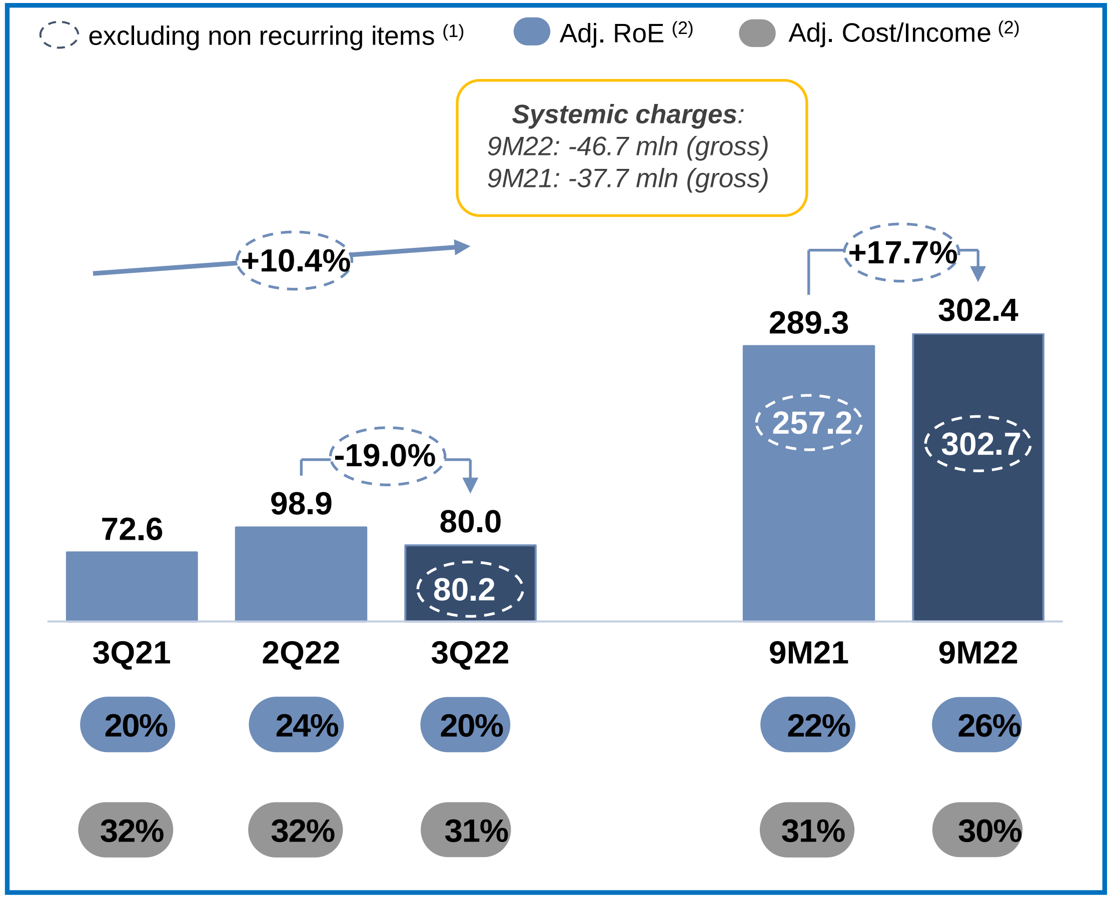


(1) Figures adjusted by non recurring items and Net Profit adjusted net of systemic charges (FY15: -3.1mln net, FY16: -7.1mln net, FY17: -7.1mln net, FY18: -9.6mln net, FY19: -12.1 mln net, 1Q20: -0.3mln gross, -0.2mln net, 2Q20: -0.7mln gross, -0.4mln net; 3Q20: -28.0mln gross, -18.7mln net; 4Q20: +2.1mln gross, +1.4mln net; 1Q21: -5.8mln gross, -3.9mln net; 2Q21: -1.9mln gross, -1.3 mln net; 3Q21: -30.0mln gross, -20.1mln net; 4Q21: -2.3mln gross, -1.6mln net; 1Q22: -7.7mln gross, -5.2mln net; 3Q22: -39.0 mln gross, -26.1 mln net).

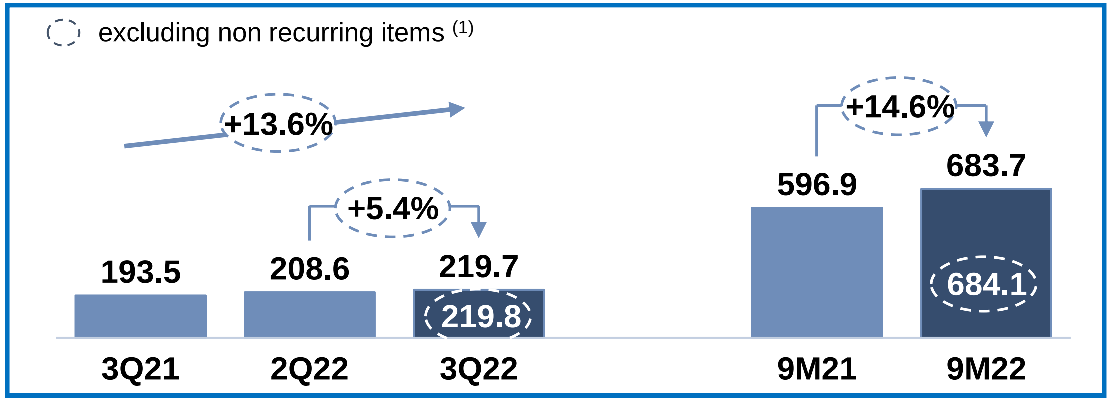
Delivering strong Net Profit in every market condition

Adj. Net Profit at 302.7mln, +17.7% y/y boosted by strong acceleration of Investing, confirming the effectiveness of our initiatives, and Net Financial Income. Strong operating leverage confirmed

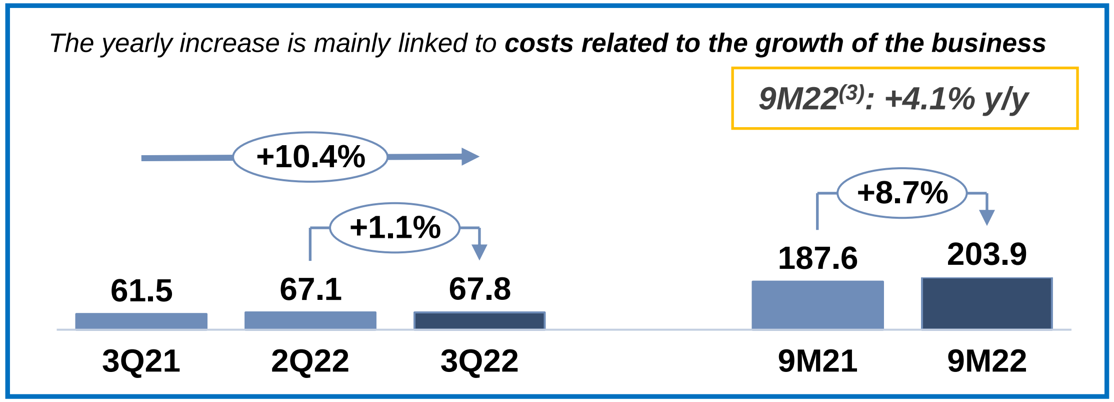
Net Profit, *mln*



Revenues, *mln*



Operating costs, *mln*



[1] 2022 non recurring items: 3Q22 -0.2 mln gross (-0.1 mln net) and 1Q22 -0.3 mln gross (-0.2 mln net) due to Voluntary Scheme; 2021 non recurring items: 4Q21 -0.7 mln gross (-0.5 mln net) due to Voluntary Scheme; 2Q21 realignment of the intangible assets: 32 mln net
[2] Adj. Cost/Income and Adj. RoE calculated net of non recurring items. ROE calculated as: annualised adj.net profit divided by average book equity for the period (excl. dividends for which distribution is expected and valuation reserves)
[3] Excluding costs strictly related to the growth of the business, mainly FAM (-5.5 mln y/y) and marketing (-3.2 mln y/y)

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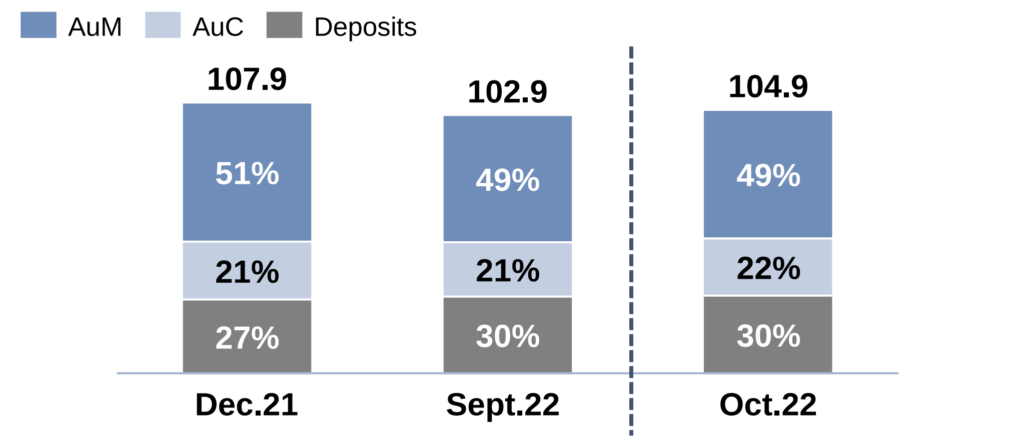
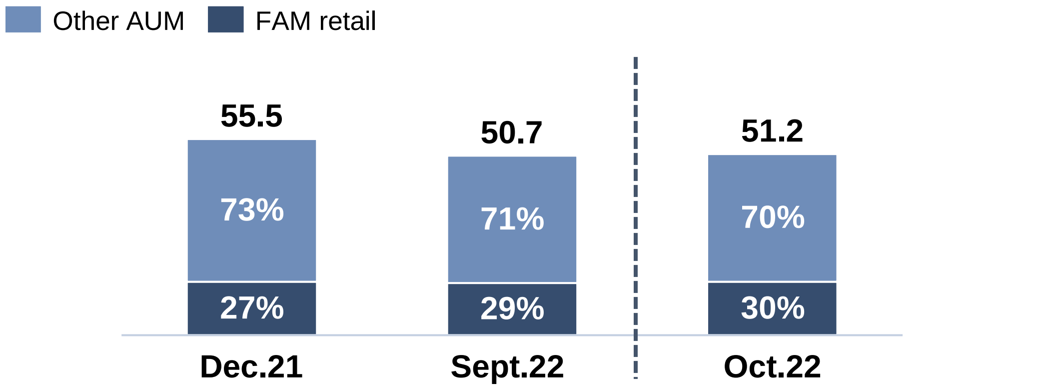
TFA and Net sales breakdown

Successful shift towards high added value products thanks to strong productivity of the network.
High quality net sales growth, on the wave of structural trends thanks to our diversified business model.

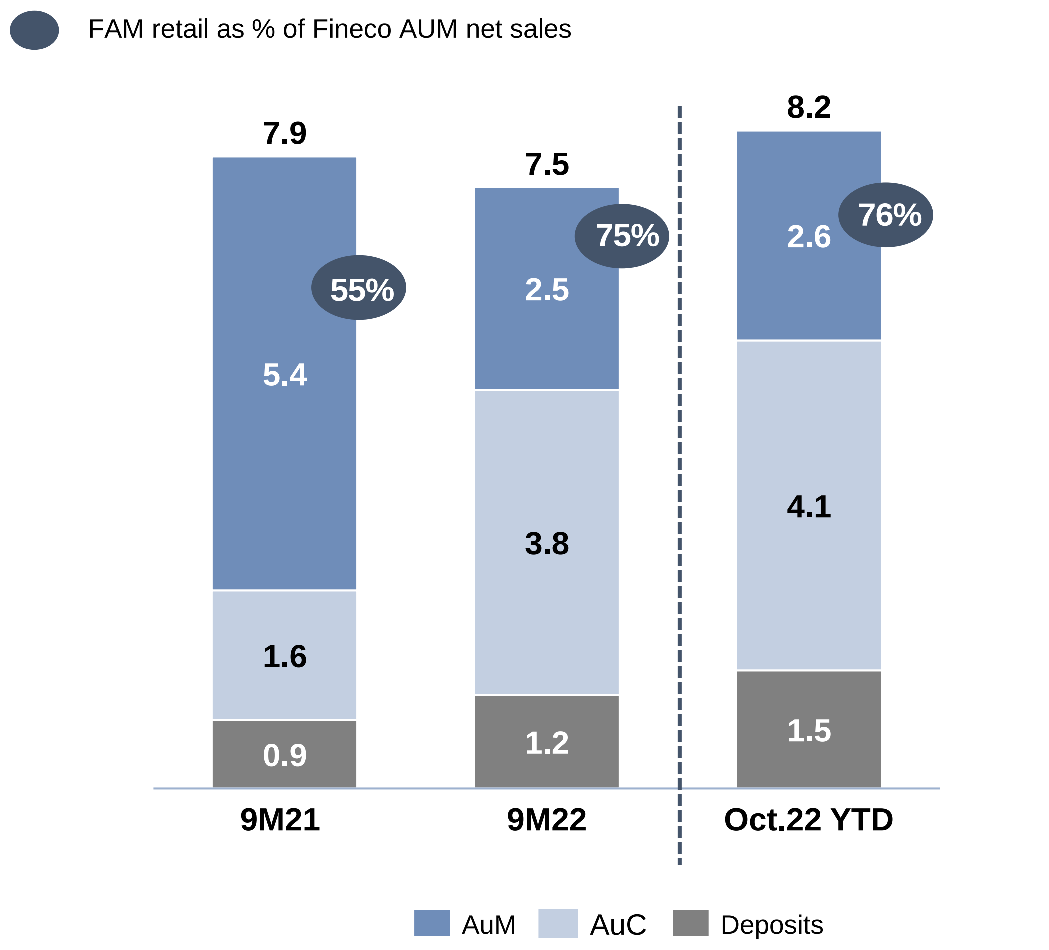
Total Financial Assets, *bn*



AUM Breakdown: FAM retail vs Other AUM



Total Net Sales, *bn*

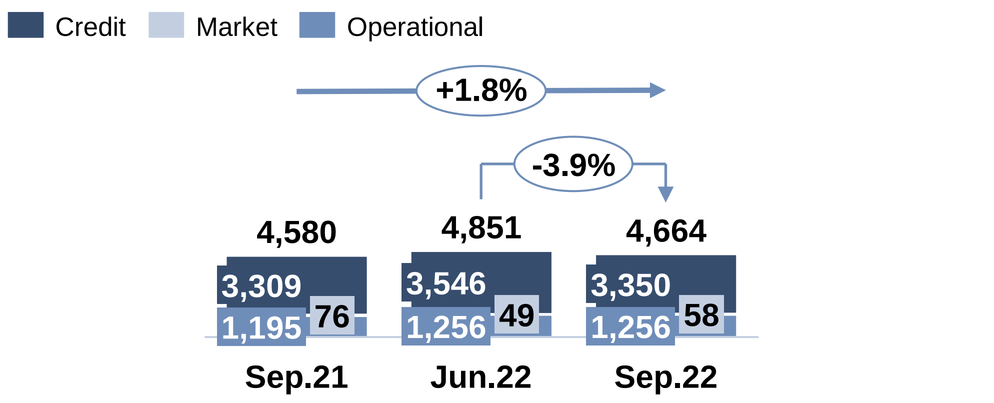


AuC and Deposits under advisory have been reclassified within AuM in order to have a better representation of the advisory nature of Advice and Plus services

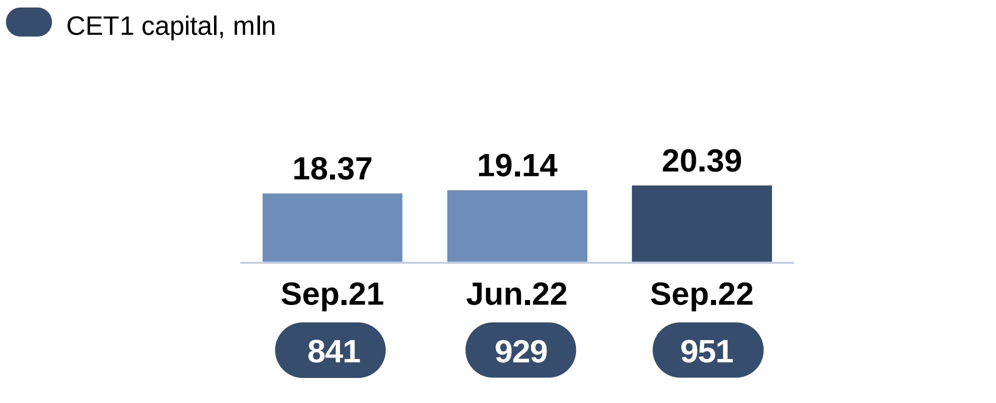
Capital Ratios

Best in class capital position and low risk balance sheet

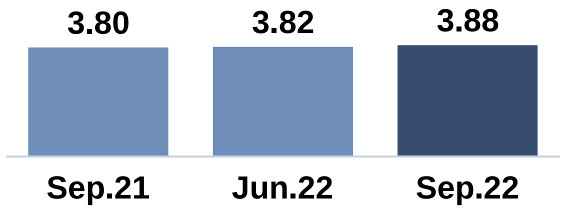
RWA, *mln*



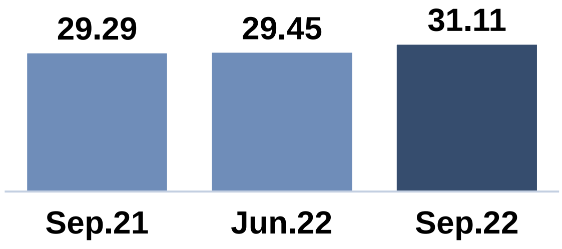
CET1 Ratio, *%*



Leverage Ratio[(1)], *%*



Total Capital Ratio, *%*



(1) Leverage Ratio excluding exposures towards Central Banks from the total LR exposures (according to art. 429a - CRR) was equal to 4.04% in Sept 2021.

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2022 Guidance and outlook going forward

FY22 Revenues y/y growth strongly improved vs previous guidance, with a different mix thanks to the diversified business model in the current volatile environment

- **BANKING REVENUES:**
  - ➢ **Net financial income (NFI: net interest income + Profit from Treasury management) expectations[1]:**

  FY22: **around 380 mln** with the current forward rate curve.

  FY23: **NFI growth by at least +70% vs FY22** upward revised expectations[2]. Going forward **we expect it to keep on benefiting from the new interest rates scenario** thanks to the sensitivity and to the volume increase

  - ➢ **Banking fees:**

  FY22 above **50mln.** FY23**:** expected to keep on growing thanks to the increase of the client base

- **INVESTING REVENUES expectations:**

  FY22:
  - **Revenues increase around 10% y/y**, including market effect up to October, with **higher ManFees margins y/y**
  - **AUM net sales** at **around 3.0 bn (FAM retail net sales around 2.5 bn)**
  - **PFAs:** net increase in a range of **110-130 PFAs** expected

  Going forward**: strong acceleration in revenues and margins expected** thanks to:
  1) **AUM net sales around 5 bn per year**
  2) The increase in **FAM penetration in Fineco AUM,** with **retail net sales ~4.5bn per year**

  ManFee margins after-tax confirmed up to ~55bps in 2024 (pre-tax ~73bps)

- **BROKERAGE REVENUES:** countercyclical business, it is **expected to remain strong with a floor** - in relative terms with respect to the market context - **definitely higher than in the pre-Covid period**

- **OPERATING COSTS expectations:**

  For FY22**: growth of around 5% y/y,** not including ~7 million of additional costs related to FAM strategic discontinuity and additional marketing costs. In the coming months we will invest few additional millions in marketing to take advantage of the strengthening of the structural trends

  Going forward we expect FAM costs to stabilize

- **COST / INCOME: we confirm our guidance on a continuously declining cost/income** in the long-run thanks to the scalability of our platform and to the strong operating gearing we have

- **SYSTEMIC CHARGES: in a range -45/47 mln** of DGS+SRF [3]

- **TAX RATE:** for 2022 **in a range 0/-0.5 p.p. y/y** due to new interest rates scenario

- **CAPITAL RATIOS: CET1 floor at 17%, Leverage Ratio** very well under control in a **range 3.75/4.0% in FY22**

- **DPS:** going forward we expect a **constantly increasing** dividend per share

- **COST OF RISK**: **in a range 3/8 bps in 2022** thanks to the quality of our portfolio

- **NET SALES:** robust, high quality and with a focus on keeping the **mix mainly skewed towards AUM** thanks to the new initiatives we are undertaking

OUTLOOK IMPROVED

The current expectations for FY22 and FY23 have strongly improved vs the previous ones as the expected uplift in the Net Financial Income is consistently higher compared to the slight decrease in the growth of Investing revenues

(1) Assumptions based on forward rate curve as of October 31st, 2022
(2) Already cautiously considering the early repayment of TLTRO on November 22nd, 2022
(3) In provisions for risk and charges based on the increase of protected deposits within the banking system. The final contribution will be communicated by FITD in December this year

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