

- **Equita Group announces its listing project**
- **Strong progression of results with a net profit of €4.5mln in 1H17, significantly up compared to 1H16**
- **Approved 2020 strategic plan**

Milan, October 5th 2017

Approved the listing project of Equita Group

- Launched the listing project on AIM Italia – Alternative Investment Market, organized and managed by Borsa Italiana
- Massimiliano R. Riggi appointed Head of Planning and Investor Relations

Strong progression of results from Equita Group as of June 2017

- Net profit at €4.5mln in 1H17, sharply increasing y/y (+22.8% before minorities)
- Positive evolution of operating profitability, with revenues at €27.6mln increasing by 16.6% vs. 1H16, supported by Investment Banking, Alternative Asset Management and Proprietary Trading
- Compensation to revenues ratio stable at 50% and cost / income ratio at 66% (-1pp y/y)
- Solid balance sheet structure with Total Capital Ratio (TCR) at 18.3% as of 30 June 2017

Guidelines of 2020 strategic plan

- Sustainable growth to enhance competitive positioning, supported by further diversified revenues
- The 2020 strategic plan envisages a strong contribution from all divisions, with a particular development of Investment Banking and Alternative Asset Management activities

Statement of the President of Equita Group Francesco Perilli:

“We are very happy to launch the process of listing Equita Group, a target which has always been key in our strategy. The IPO will allow us to grow, strengthen our position, seize opportunities for external growth and continue to attract talented professionals who share our vision.”

Equita is a reference partner for Italian companies and institutional investors, with over 40 years experience. The business model is clear and focused: the activity Sales & Trading on equities and bonds for domestic and international institutional customers is combined with a high profile Investment Banking platform dedicated to advisory to companies and financial institutions. The Proprietary Trading – with market making activities and advice on valuation of financial instruments – and Alternative Asset Management – providing with traditional portfolio management with concentrated positions along with innovative private debt e private equity portfolio management, such as the recent SPAC, focusing also non listed companies – complete the range of specialized and synergic services offered by Equita. All business divisions are supported by an Equity Research team recognized for its excellence. Independent advice and deep knowledge of capital markets grant Equita credibility by domestic and international institutional investors, ensuring a unique positioning in the Italian market.

1. Listing Project

On October 4th 2017 the Board of Directors of Equita Group SpA, approved the launch of preliminary activities to support the listing project on AIM Italia – Alternative Investment Market, organized and managed by Borsa Italiana.

Mediobanca – Banca di Credito Finanziario SpA will act as Nomad, Global Coordinator and Book Runner. The law firm Bonelli Erede will act as legal counsel for the deal.

The listing on AIM Italia represents the first step in a broader vision to be completed by the listing in the STAR segment in the near future.

As of September 12th, Massimiliano R. Riggi has been appointed to Head of Planning and Investor Relations. The new function has been set up to support the listing project of Equita Group on AIM Italia and to plan all activities needed to achieve the targets of the plan. Massimiliano holds a degree in Economics from Università Bocconi and a PhD in Economics and Institutions from the Università di Bologna, dealing in research on regional economics, with a focus in Mid & Small Caps. Before joining Equita, he was Head of Equity Investor Relations at UniCredit.

AIM Italia – Alternative Investment Market, is a Multilateral Trading Facility, managed by Borsa Italiana which benefits from international visibility leveraging on the successful experience of AIM in the UK. Over the past year, the introduction of PIR funds has encouraged further interest by both domestic and institutional investors on Mid & Small caps. The average size of IPO on AIM Italia has increased from €33mln in 2015 to €57mln in 2016 and €103mln in 2017.

2. Results as of 30 June 2017 show a significant progression

In the first half 2017 Equita Group recorded a consolidated net profit of €4.5mIn in 1H17, sharply increasing compared to the first half 2016 (+22.8% before minorities).

The results of 1H17 show a sound trend of operating performance and are in line with the strategic plan forecasts.

The improvement of results was driven by Proprietary Trading (+€2.8mIn, increasing by 80.1% y/y), Investment Banking activities (+€1.1mIn, increasing by 20.1% y/y) and Alternative Asset Management (+€0.4mIn, increasing by 41.1% y/y).

The increase of the cost base is mainly related to personnel costs – at 50% of revenues – mirroring the positive trend of the activity. The remuneration policy of Equita - tightly linked to results - ensures the full alignment of interests of the company and employees, and strongly motivates the team to achieve targets. Other administrative expenses increased mainly because of the introduction of a new IT system to comply with the evolution of regulation, and due to additional rental costs to support growth.

Divisional detail, results as of 30 June 2017

Investment Banking

The Investment Banking division has generated revenues equal to €6.9mIn, with a strong increase (+20.1% y/y) related to most business lines, especially the Equity Capital Markets with Equita involved - among other things – in the role of Sponsor to list the shares of Avio SpA in the STAR segment of Borsa Italiana, the role of Bookrunner for the placement of shares of Cattolica Assicurazioni Soc. Coop., Datalogic SpA and Openjobmetis SpA, the role of Co-Manager in the capital increase of UniCredit SpA and the role of Bookrunner for bonds issued by HP Pelzer Holding GmbH.

Sales & Trading

Revenues amounted to €13mIn, down by 3.2% vs 1h16, mainly related to the general slowdown of volumes and a significantly lower volatility. In this context also the first impacts of MIFID II materialized, with an increase of remuneration of research through CSA (Commission Sharing Agreement) which has mitigated lower revenues from trading for customers.

In the first half 2017 Equita has organized more than 100 road shows in Europe, confirming the key role in promoting the Italian stock market towards the most important European institutional investors, benefitting from higher volumes traded in the AIM Italia market and from a recognized leadership of the Research division in the coverage of Mid & Small caps.

Proprietary Trading

The division has booked revenues for €6.3mIn, with a strong increase of 80.1% compared to the first half 2016 thanks to the improvement of market conditions and supported by a widening of the range of services offered.

Alternative Asset Management

The division generated €1.3mIn revenues, with a strong increase (+41.1% y/y) supported by higher assets under management: the delegated portfolio management recorded a positive dynamics with €20mIn new flows thanks to the positive trends in the equity market, especially Mid & Small caps which benefitted from the launch of PIR funds, while the private debt fund made one further investment for €4.5mIn (leading to a total of €19.8mIn), and subsequently reached the target of €100mIn funds raised.

The private equity activity was launched with the set up of EPS, a SPAC entirely promoted by a joint venture between Equita and “Private Equity Partners”, which has raised €150mIn with the purpose to support the listing of companies in the industrial sector.

3. Guidelines of 2020 strategic plan

The 2020 strategic plan aims at strengthening the strategic positioning of Equita as a leading Italian independent Investment Bank, with a deep knowledge of companies and capital markets.

In particular it is expected that a sustainable growth and further diversification will be achieved thanks to the contribution of all divisions:

1. **Investment Banking**, envisaging to continue the path of growth which has characterized the division over the past years through the strengthening of the team and benefitting its strong positioning and from the development of capital markets for Mid & Small caps
2. **Alternative Asset Management**, whose prospective development leverages on a significant increase of managed assets of third party portfolios – mainly on Italian equities – and on the success of the recent initiatives of private debt and private equity
3. **Sales & Trading**, targeting to strengthen its leading competitive positioning on Italian equities as well as pursuing further diversification and growth of the activities related to foreign stocks, bonds and derivatives
4. **Proprietary Trading**, aiming at further increasing its activity, always maintaining a level of risk consistent with the prudent management of capital and targeting in particular low risk client-driven activities, deriving from relationships with institutional investors on selected asset classes

The **Research** division will continue to operate across the firm to support all group activities with 14 experienced analysts and specialized on Italian equities, mainly Mid & Small caps. The future strategy of the Research division aims at further widening the coverage, also hiring new professionals.

Comments of the CEO Andrea Vismara of Equita Group:

“The positive results of the first half 2017 confirm the effectiveness of growth and diversification strategies implemented in the past and allow us to look forward with optimism. The 2020 strategic plan continues on the same path, and we are very satisfied that recent initiatives such as the new Alternative Asset Management division and the launch of our SPAC, have already started to show the first successes and pave the way to our future growth.”

4. Appendix

Reclassified P&L figures as of 30 June 2017

(€ million)	1H17	1H16	H/H
Sales & trading	13.0	13.5	-3.2%
Proprietary trading	6.3	3.5	+80.1%
Investment banking	6.9	5.8	+20.1%
Alternative Asset Management	1.3	0.9	+41.1%
Total revenues	27.6	23.7	+16.6%
Fee expenses	-1.7	-1.5	+12.2%
Net interest	-1.0	-0.4	<i>n.m.</i>
Gross operating margin	25.0	21.8	+14.7%
Personnel expenses	-12.9	-11.3	+14.1%
Other expenses	-5.3	-4.6	+14.6%
Total costs	-18.2	-15.9	+14.3%
Result from current activities gross of tax	6.8	5.9	+15.7%
Income Tax	-2.4	-1.8	+37.2%
Result from current activities net of tax	4.5	3.7	+22.8%
Minorities	0.0	1.8	<i>n.m.</i>
Net result for group shareholders	4.5	1.9	<i>n.m.</i>

Main KPIs	1H17	1H16	H/H
Cost / income	66%	67%	-1pp
Compensations / revenues⁽¹⁾	50%	50%	-0pp

(1) Personnel expenses (excluding compensations paid to members of board of directors and board of statutory auditors) / Gross operating margin.

Reclassified balance sheet figures as of 30 June 2017

(€ million)	Jun-17	Dec-16	Y/Y
ASSETS			
Cash and cash equivalents	0.0	0.0	-17.3%
Assets held for trading	45.4	38.8	+17.3%
Assets held for sale	0.5	0.4	+19.3%
Loans and receivables	151.5	151.8	-0.2%
Property and equipments	0.6	0.6	+2.7%
Intangible assets	13.6	13.5	+1.3%
Tax assets	5.2	6.0	-13.8%
Other assets	9.6	7.2	+33.6%
Total assets	226.4	218.2	+3.8%
Liabilities and Equity			
Debts	141.4	125.0	+13.1%
Liabilities held for trading	15.3	14.1	+9.2%
Tax liabilities	2.2	1.9	+17.7%
Other liabilities	1.5	0.9	+70.5%
Post-employment benefits	4.2	4.2	n.m.
Provisions for risk and charges	3.6	8.1	-55.8%
Equity	50.4	51.4	-2.1%
o.w. Share capital	10.0	19.2	-48.0%
o.w. Treasury shares	-8.2	0.0	n.m.
o.w. Reserves	44.0	-0.1	n.m.
o.w. Interim net profit	4.5	8.8	-48.6%
o.w. Minorities	0.0	23.5	n.m.
Total liabilities and Equity	226.4	218.2	+3.8%