

EQUITA GROUP

Consolidated Nine-Month Financial Report 2021



Equita is the leading Italian independent investment bank. For more than 45 years we have helped institutional investors in their investment decisions. We support corporates and financial institutions by providing innovative solutions and high-quality advisory to find investors and sustain their growth.

WE KNOW HOW

Corporate Governance

Board of Directors

Sara Biglieri	Chairman
Andrea Vismara	Chief Executive Officer
Francesco Perilli	Director (executive)
Paolo Colonna	Director (independent)
Silvia Demartini	Director (independent)
Michela Zeme	Director (independent)
Marzio Perrelli	Director (independent)

Board of Statutory Auditors

Franco Fondi	Chairman
Laura Acquadro	Standing auditor
Paolo Redaelli	Standing auditor
Dora Salvetti	Alternate auditor
Andrea Conso	Alternate auditor

External Auditors

KPMG S.p.A.

Financial Reporting Manager

Stefania Milanese

Corporate Information

Registered office	Via Turati 9 - 20121 MILANO
Tax ID and VAT code	09204170964
Identification number	20070.9
Share capital (fully paid-up)	€11.427.910,50
Milan Corporate Registry No.	2075478
Listing market	MTA di Borsa Italiana S.p.A. - Segmento STAR
Ticker symbol	BIT: EQUI

Equita Group S.p.A.

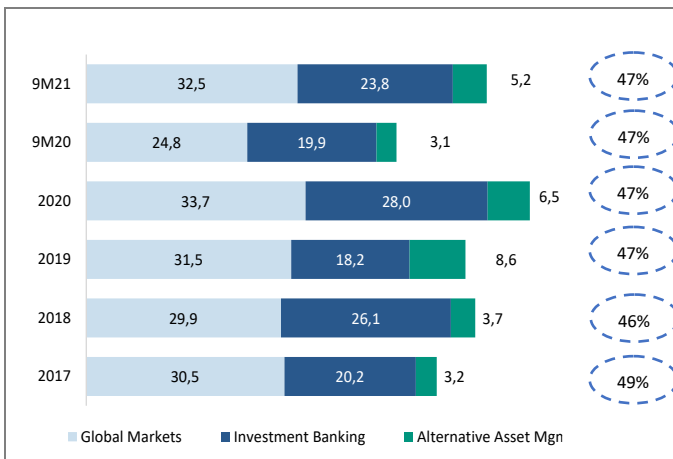
Telephone	+39 (02) 6204.1
E-mail address	info@equita.eu
Corporate website	www.equita.eu

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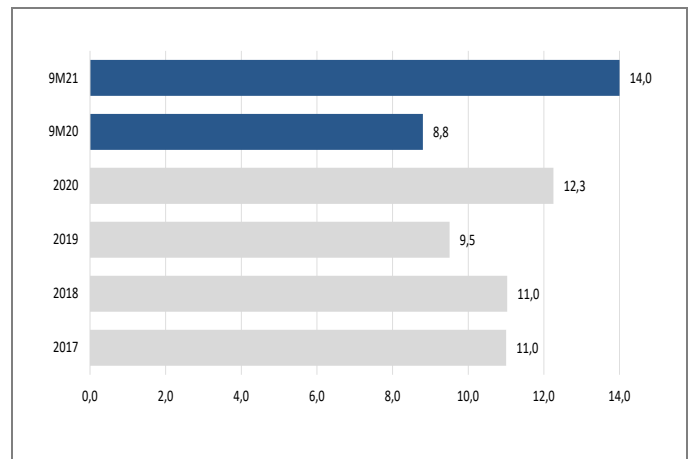
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Financial Highlights

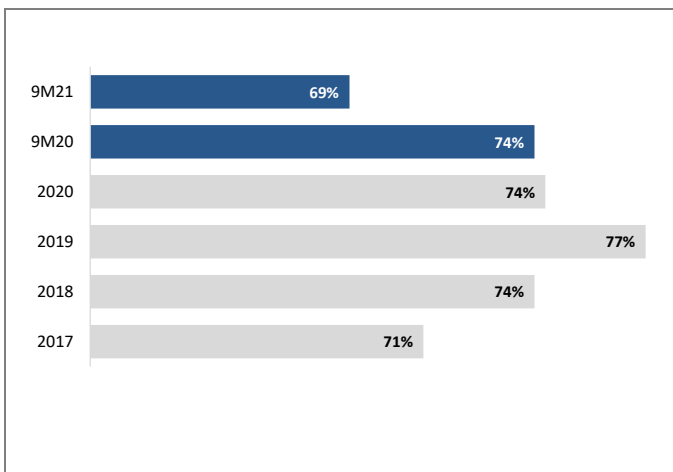
NET REVENUES (€ mn) – COMP/RATIO %



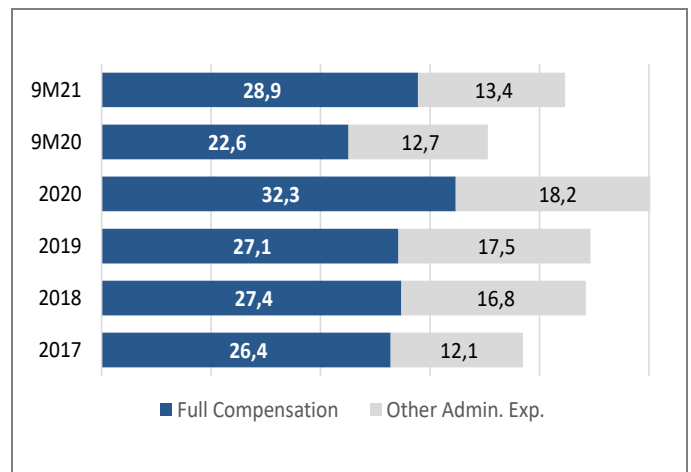
NET PROFIT – PARENT COMPANY (€ mn)



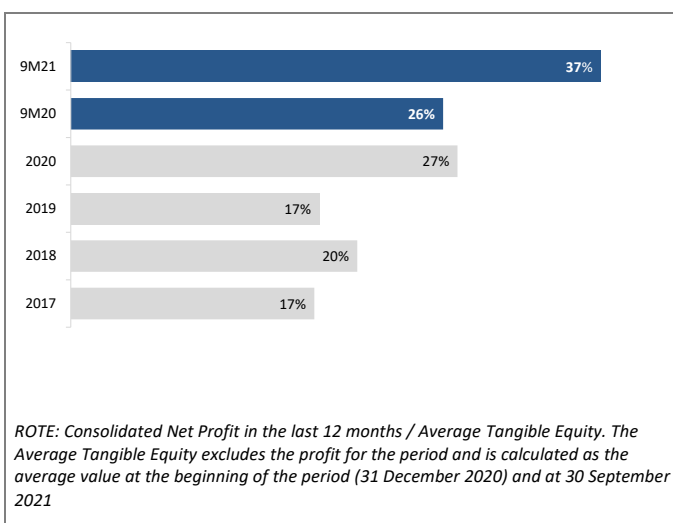
COST/INCOME RATIO (%)



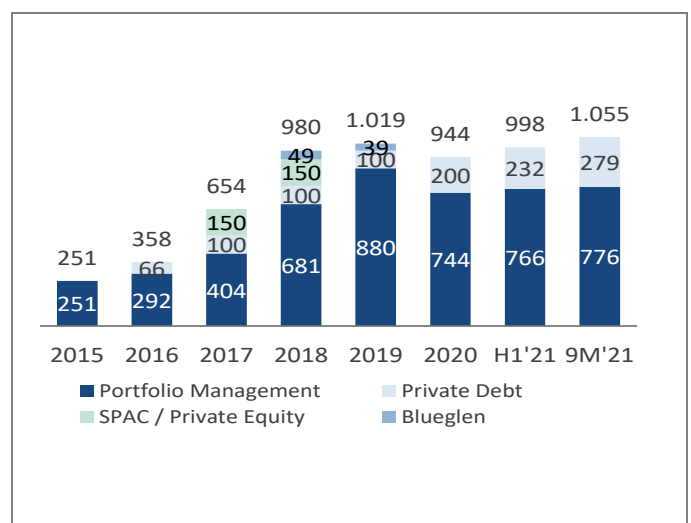
COSTS (€mn)



RETURN ON TANGIBLE EQUITY (%)



ASSETS UNDER MANAGEMENT



Group income statement highlights

(€/000)	30/09/2021	30/09/2020	Delta%
Global Markets:	32.492	24.765	31,2%
Investment Banking	23.847	19.852	20,1%
Alternative Asset Management	5.226	3.076	69,9%
Net revenues	61.565	47.693	29,1%
Cost of labor	(28.902)	(22.557)	28,1%
Other administrative expenses	(13.449)	(12.717)	5,8%
Total costs	(42.352)	(35.274)	20,1%
Comp/revenues	47%	47%	-
Cost/income ratio	69%	74%	(7,0%)
Profit before tax	19.213	12.419	54,7%
Tax	(4.850)	(3.250)	49,2%
Net profit	14.364	9.169	56,7%
Net profit – non-controlling interests	350	391	(10,4%)
Net profit – parent company	14.013	8.778	59,5%

€/000	Q1 2021	Q1 2020	Q2 2021	Q2 2020	Q3 2021	Q3 2020	Delta Q1%	Delta Q2%	Delta Q3%
Global Markets:	12.527	9.108	12.269	9.111	7.696	6.546	38%	35%	18%
Investment Banking	6.127	3.951	11.967	5.003	5.752	10.898	55%	139%	(47%)
Alternative Asset Management	1.606	(143)	1.583	2.113	2.038	1.106	n.s.	(25%)	84%
Net revenues	20.260	12.916	25.819	16.226	15.486	18.550	57%	59%	-17%
Cost of labor	(9.687)	(5.896)	(12.115)	(7.409)	(7.100)	(9.252)	64%	64%	-23%
Other administrative expenses	(4.360)	(4.313)	(4.746)	(4.307)	(4.343)	(4.098)	1%	10%	6%
Total costs	(14.047)	(10.210)	(16.861)	(11.716)	(11.443)	(13.348)	38%	44%	-14%
Comp/revenues	47%	46%	47%	46%	46%	50%	3%	3%	-8%
Cost/income ratio	69%	79%	65%	72%	74%	72%	(12%)	(10%)	3%
Profit before tax	6.213	2.707	8.958	4.511	4.043	5.201	130%	99%	-22%
Tax	(1.860)	(820)	(1.648)	(1.281)	(1.341)	(1.149)	127%	29%	17%
Net profit	4.353	1.884	7.310	3.230	2.701	4.055	131%	126%	(33%)
Net profit – non-controlling interests	(111)	0	350	(7)	111	398	n.s.	n.s.	n.s.
Net profit – parent company	4.464	1.884	6.960	3.237	2.590	3.657	137%	115%	(29%)

Net revenues" = CE110 intermediation margin + CE200 Profit (loss) on equity investments; "Cost of labor" = CE140 a) Personnel expenses - "Directors and statutory auditors"; "Other administrative expenses" - CE120 "Net adjustments and write-backs for credit risk" + CE140 a) Other administrative expenses + "Board of Directors and statutory auditors" + CE160 Net (losses) recoveries on impairment of tangible assets + CE170 net adjustments of property, plant and equipment and intangible assets + CE180 Other operating income and expense; "Tax" = CE250 Income tax in the period; "Net profit" = CE280 Profit (loss) in the period.

Business Highlights ^(a)

Global Markets

- Leading independent broker in Italy with a market share of approximately 8% in third party brokerage of equities, bonds and equity options on the MTA
- Best independent broker in Italy for Sales & Trading (Institutional Investor)
- More than 400 active institutional clients and more than 80 interconnected banks with a network of 5,000 branches
- More than 170 roadshows in Italy and abroad
- More than 300 specialist contracts on active financial instruments

Investment Banking

- Key independent player in Italy, with a successful track record in equity and debt capital markets transactions
- Team of professionals with comprehensive competencies, capable of providing all investment banking services and involved consistently in Italy's most important investment banking transactions
- Among the top 10 M&A advisors by number of transactions and one of the leading corporate brokers in Italy with more than 50 active mandates

Research Team

- 14 analysts with a high degree of seniority in the company
- 153 listed companies covered, of which roughly 117 Italian and 36 European
- More than 90% of the total Italian market capitalization covered
- Team at the top of international rankings for the quality of its research ("Best Italian Research Team" and "Best Country Analysis") and first for research on small- and mid-caps
- "Virtual" and "on site" conferences organized during the year and more than 300 reports published in the first nine months

Alternative Asset Management

- Assets under management of around €1 billion
- Three discretionary portfolios, two flexible funds and an advisory fund
- A €100 million private debt fund entirely invested and a second fund with capital raising underway (€200 million target)
- A private equity fund with capital raising underway focused on leading Italian SMEs.

Finance, Operations and Governance

- More than 35 Back-Office, Finance, IT and Human Resources professionals provide constant support to all the Group's areas of business
- More than 10 professionals in the Control, Legal & Corporate Affairs and Investor Relations divisions

(a) Figures at 30 September 2021, unless specified otherwise

Equita at a glance

The leading independent investment bank in Italy

Equita has been using its expertise and understanding of financial markets to serve professional investors, corporates and institutions for more than 45 years.

The shareholders of the holding **Equita Group, listed on the “STAR” segment of the Italian Stock Exchange**, include managers and employees who hold approximately 55% of the share capital, which ensures a strong alignment with investors’ interests.

With its **Global Markets** activities, today Equita is the leading independent broker in Italy. It provides institutional clients with brokerage services for equities, fixed income, derivatives and ETFs and supports investors’ decisions with valuable analyses and insightful investment ideas for the Italian and European financial markets - thanks also to the continuous support of its award-winning **Research Team** – renowned internationally for its top-quality research.

Equita has an **Investment Banking** platform that is unique to Italy, capable of combining independent advisory services with unparalleled access to capital markets.

The vast range of services provided, which includes advisory services for M&A and other investment banking transactions, are designed to best serve all clients, from large industrial groups to small and medium-sized enterprises, from financial institutions to the public sector.

Through **Equita Capital SGR**, Equita is also able to put its asset management expertise and deep understanding of financial markets, especially relative to small- and mid-caps, at the service of institutional investors and banking groups. The focus on alternative assets like private debt and the asset management strategies based on Equita’s distinctive areas of expertise make Equita Capital SGR the best partner for both investors looking for interesting returns and banking groups that would like to co-develop new products for their retail networks.

Our Vision, Our Mission, Our Values

Equita strives to be the **leading independent player in financial services**, supporting **investors** that are looking for investment opportunities in Italy and **corporates** that want to sustain their growth plans by accessing the capital markets or through investment banking transactions.

Equita is committed to:

- **Offering brokerage services** focused entirely on the needs of institutional clients, executing their investment strategies and providing valuable independent research in order to help them make informed decisions.
- **Assisting and advising** large corporates, small and medium-sized enterprises and financial institutions with their decisions, as well as easing access to capital markets to raise funds to support their growth and achieve their strategic goals.
- **Responsibly managing** liquid and illiquid assets for institutional investors and banking groups, defining and co-developing investment products for banks to satisfy their retail clients' needs and distributing third party products.
- **Preserving the independence and reliability** that have always distinguished Equita in its relationships with clients.
- **Promoting value creation** that is sustainable for both Equita and its clients.

Independence

Client-centric

Excellence

Sustainability

Entrepreneurship

Group Overview

Independence – a distinctive quality

Equita is an independent group, shaped and managed by its partners and professionals. Our people are committed, entrepreneurial and open to a world of constant change. Independence is one of the many qualities that makes Equita different and unique to the market.

A clear and diversified business model

Equita's business model is unique and difficult to replicate. It combines a high degree of independence with unparalleled understanding and access to Italian capital markets, both equity and fixed income, which differentiates Equita from large financial advisory groups and global investment banks.

Operations are carried out mostly by the subsidiaries Equita SIM, Equita K Finance and Equita Capital SGR. Global Markets, Investment Banking and Alternative Asset Management are supported constantly by an internationally acclaimed Research Team, well-known for the excellence and quality of its research.

Global Markets

Equita is the leading independent broker in Italy. It provides institutional clients with brokerage services for equities, fixed income, derivatives and ETFs.

Equita supports investors' decisions with analyses and insightful investment ideas for the Italian and European financial markets.

Investment Banking

Equita provides high-profile advisory services in investment banking transactions, M&A, equity and bond issues, and placements to all types of clients, from large industrial groups to small and medium-size enterprises, from financial institutions to the public sector.

Equita is the independent leader in ECM and DCM transactions, as well as Mid-Market M&A.

Alternative Asset Management

Equita, through Equita Capital SGR, uses its deep understanding of the financial markets, especially relative to small- and mid-caps, to help institutional investors and banking groups in the management of liquid and illiquid assets. The focus is on investment strategies based on the Group's expertise and alternative assets like private debt.

Research Team

All the business divisions are supported by Equita's Research Team, which for years has been one of the best in Italy and recognized by important domestic and international institutional investors for its excellence.

Leadership in small-mid caps

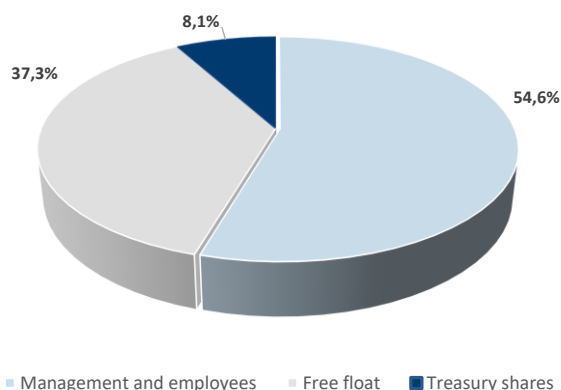
Equita is the partner of choice for many best-in-class Italian small- and mid-cap companies. Equita's goal is to provide its clients with a wide range of services, while guaranteeing access to high-quality debt and equity instruments, as well as solutions tailored to meet their needs.

Socially responsible

People are Equita's greatest asset. It is only thanks to their dedication, determination and hard work that Equita is able to best serve clients. Equita invests in training young professionals, both in-house and externally, through specific programs. Since 2013 Equita has partnered with Bocconi University to improve the understanding of Italian capital markets, analyze new market developments and trends. Equita promotes the work of emerging artists through the EquitArte initiative and in 2018 formed a partnership with the Brera Fine Arts Academy to promote the work of talented young artists, education and research at one of Milan's most important cultural institutions.

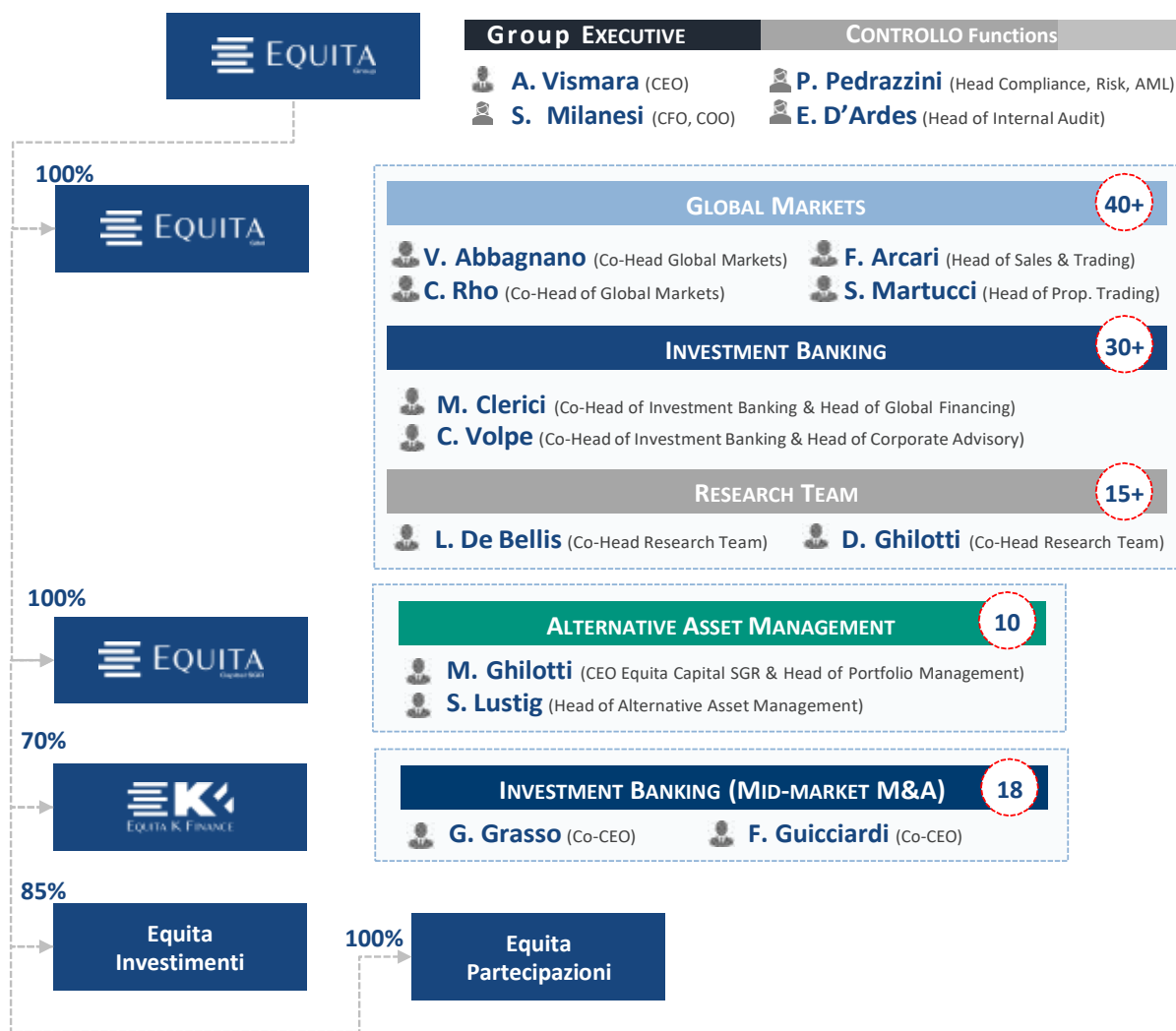
Equita Group's Capital Structure

Shareholder structure



Shareholders at 4 October 2021	Number of shares
Management and employees	27.427.952
Free float	18.736.446
Treasury shares	4.059.802
Total	50.224.200

Equita Group's structure at 30 September 2021



Equita's stock^(a)

Market capitalization at 30 September 2021 (€ millions) ^(b)	185,8
Market capitalization at 31 December 2020 (€ millions) ^(b)	122,0
Average price per share (€)	3,053
Minimum price (€)	2,430
Maximum price (€)	3,720
Average daily volume (number of shares)	40.000
Dividend per share paid in 2021 (€)	€0,20 <i>(Tranche I €0,10 May Tranche II €0,10 November)</i>
Dividend Yield (on average price 2021 and including the total dividend approved, %)	6,6%
Total Return since the IPO (23 November 2017) (including the dividend to be paid in November 2021)	56,2%

ISIN Code	IT0005312027
Other ID codes (platforms)	EQUI:IM / EQUI:MI Mercato
Market	Euronext Milan (formerly MTA) - Borsa Italiana
Segment	STAR
Indices:	
	FTSE All-Share Capped FTSE Italia All-Share FTSE Italia STAR FTSE Italia Small Cap FTSE Italia Finanza FTSE Italia Servizi Finanziari

^(a) From 31 December 2019 – 30 September 2021

^(a) On the total number of outstanding shares

The page features a decorative background consisting of overlapping geometric shapes in various shades of blue, ranging from light sky blue to dark navy blue. These shapes are arranged in a complex, abstract pattern that frames the central text.

Interim Report on Operations

The income statement for the period ending on 30 September 2021 shows a consolidated net profit of roughly €14.4 million, considerably higher than the consolidated net profit of €9.2 million recorded in the same period of 2020.

Macroeconomic Backdrop

The recovery in world trade continues, even though persistent supply-side bottlenecks cloud the short-term growth prospects.

The most recent data published by the International Monetary Fund (IMF) in October point to a positive scenario in a large part of the world, although with regional differences. The recovery will be driven by the Asian economies with an expected annualized growth rate in 2021 GDP of 9.5% for India and 8% for China, despite the significant headwinds from the financial and real estate sectors. The United States follows with a GDP that is expected to rise considerably (6%), but a point lower than the July estimates based on which growth of the American economy was expected to exceed 7% by the end of the year. Growth is expected to be slower in Europe, reaching 5% - decidedly better than the IMF's July estimate of 4.6% - as the economy benefits from lower infection rates. The countries with the most improved positioning include Italy where GDP is expected to grow 5.8% this year, consistent with the estimates of both the Italian government and the OECD and considerably better than the July estimate of 4.9%.

In the medium-term the economic recovery is expected to continue, supported also by the Recovery Fund in the EU and the launch of the infrastructure plan in the USA.

Market analysis and business trends

In the first nine months of 2021 the stock market was characterized by sustained volumes and a constant increase in volatility which peaked in May, to then close lower in September.

The first nine months of 2021 are compared with 2020, a year impacted by the complexities stemming from the pandemic.

The volumes traded on the MTA were 3.16% lower in 9M 2021 than in the same period of 2020, but recovered in the third quarter of 2021.

The main stock market index went from 22,233 points at year-end 2020 to 25,684 at the end of September 2021, showing an increase of +15.5%. The index reached 19,015 points in September 2020.

There was a slight recovery in volatility, especially in September: 9M 2021 closed at 17.4% versus 14.7% at year-end 2020 (in 2020 volatility peaked at 90.6% at the end of March due to the spread of the pandemic) and 12.1% at the end of June 2021.

In terms of corporate finance transactions, the third quarter confirmed the good results seen in the first two quarters of the year. After a 2020 penalized by the pandemic effect, entrepreneurs showed a renewed interest in external growth. In the first nine months of the year 817 deals closed in Italy (+30% vs the same period of 2020) for a total of around €71 billion or +144% more than in the same period of the prior year (€29 billion in 9M 2020).

Cross-border M&A (foreign companies in Italy and Italian companies abroad) was particularly positive with 348 deals closed for a total of €55 billion.

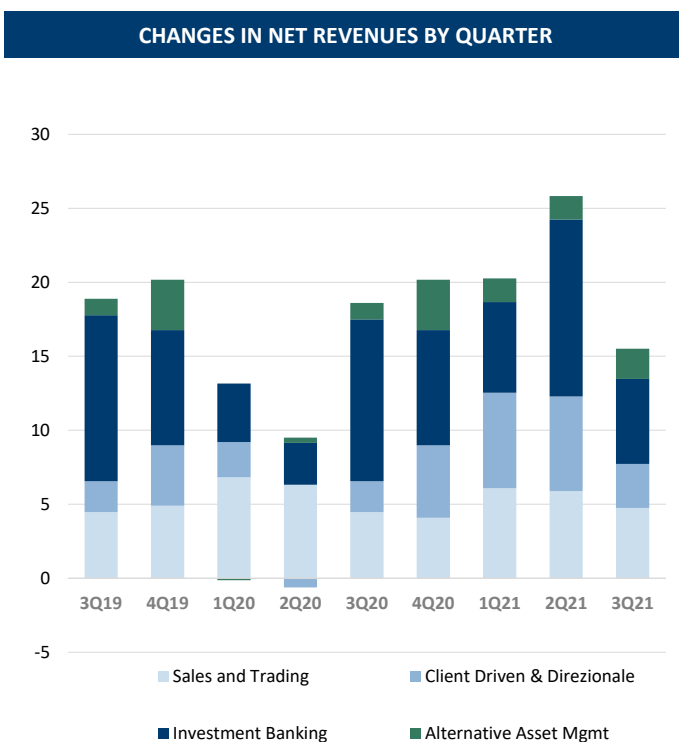
Growth in the primary market was focused mainly on the AIM/MAC segment. More specifically, in the first nine months of the year 25 IPOs were completed (excluding transactions across segments), only 2 of which on the MTA.

Group financial performance

The income statement for the period ending on 30 September 2021 shows a consolidated net profit of €14.4 million compared to €9.2 million in 2020.

Net revenues totaled €61.5 million in the reporting period compared to €47.6 million in 9M 2020.

The changes in the Group's revenue by quarter are shown in the following chart.



Global Markets

The net revenues from Trading, part of Global Markets, amounted to €32.5 million in the first nine months of 2021, 31% higher than in the same period 2020. This performance was driven mainly by proprietary trading which, boosted by market confidence, posted a decided recovery with respect to the prior year. This trend also affected the retail hub which benefitted from the flows generated by trading online. Client driven & market making were largely stable. Conversely, institutional trading was down due to a decrease in the trading of high margin products.

Market environment

The main economic factors impacting this division's business in the first nine months of 2021 are described below.

As the vaccine rollouts continued, world output increased; the projections point to further improvement, albeit varied across the different regions. Monetary policies remain expansionary in all the main countries.

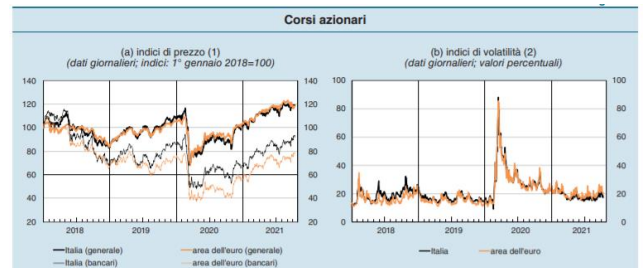
Given that the gradual improvement recorded is still characterized by significant uncertainties tied to the pandemic and how the economy will react to the reopening of businesses, the ECB directive council reiterated that the extremely accommodative financial conditions will be maintained. The Council also decided to maintain the robust pace of the monthly purchases made under the Pandemic Emergency Purchase Programme, PEPP.

Consumption began to grow again in 9M 2021, but the propensity to save remains high for precautionary reasons. Inflation rose more in the third quarter, closing September 2021 at 2.9%, due to higher energy costs.

The ECB's accommodative monetary policy continues to help ease financial market conditions and bank credit. Government bond yields are still low with the sovereign risk premium below pre-pandemic levels.

From the beginning of the year through March 2021 stock prices in Italy were in line with the Euro zone (7% and 8%, respectively). As of mid-April stock prices in Italy performed similarly to the Euro zone (3% and 4%, respectively), thanks to an improved outlook for corporate earnings due to the expectations that there will be a decided recovery in economic activity. In the second half of July Italy outperformed the Euro zone (7.4% and 3.6%). The positive impact of higher-than-expected corporate earnings was partially offset by the possible increase in interest rates and higher energy costs.

The banking sector index was higher in both Italy and the Euro zone (13.4% and 9.6%, respectively), due mainly to second quarter profitability which was higher than expected, the lifting of the limits on dividend payments recommended by the supervisory authorities and expectations that interest margins will increase. Italy also benefitted from the prospects for sector consolidation. Stock price volatility was largely unchanged.



Fonte: elaborazioni su dati Refinitiv.
(1) Indici generali e bancari: FTSE MIB per l'Italia, Dow Jones Euro STOXX per l'area dell'euro. - (2) Indici: VSTOXX per l'area dell'euro, volatilità implicita nelle opzioni sull'indice FTSE MIB per l'Italia.

Secondary market yields for bonds issued by banks and non-financial companies have both increased by around 7 basis points since the beginning of the year. As of mid-April the yields have been largely stable, posting a change of -4bps and 2bps, respectively. In the third quarter of the year yields for the banking sector were stable, while there was a moderate increase in yields for the non-financial sector.



Fonte: elaborazioni su dati ICE BofAML e Bloomberg.
(1) I dati si riferiscono ai rendimenti (a scadenza) medi di un paniere di titoli obbligazionari denominati in euro di banche e società non finanziarie italiane scambiati sul mercato secondario. Anche se il paniere contiene titoli di diversa scadenza, selezionati sulla base di un grado sufficiente di liquidità, la figura riporta per confronto il rendimento del BTP decennale, particolarmente rappresentativo dei rendimenti offerti dai titoli di Stato italiani.

Sales and Trading

In the context described above, third party brokerage – *Sales & Trading* – recorded a slight increase in net revenues of 3% against the same period 2020.

Institutional posted a slight decrease (around -4%) compared to the same period of 2020 but showed recovery against the prior quarter thanks also to increased activity on foreign markets and in derivatives. The retail hub reported higher net revenues (roughly +12%) due also to increased trading online volumes. In the reporting period there was an increase in activity involving stock dividend and stock option products which was consistent with the total volumes traded on the IDEM and EUREX markets. [Source: Assosim].

Based on the usual statistics compiled by Assosim, in 9M 2021 EQUITA's sales & trading team's market share of third party brokerage on the MTA market reached 7.6% of the total volumes traded (versus 8.1% in the same period 2020). EQUITA's market share of the bonds brokered reached 7.8% compared to 5.9% in the same period 2020.

Client Driven and Directional Trading

At 30 September 2020 the volumes traded on the MTA market by Equita's proprietary trading desk were in line with the same period 2020.

In the first nine months of 2021 revenues for the proprietary books (client driven & market making and directional trading) were significantly higher than in the same period 2020 which was compromised by the instability caused by the COVID19 pandemic. The division's net revenues amounted to roughly €15.6 million at 30 September 2021, compared to €8.4 million in 2020.

This result was driven by the directional books which leveraged primarily on the interest in banking sector equity instruments. In the reporting period the banking sector was up +31.2% (FTSE Italia All Share Banks) while the general index rose +15.5%. This strategy fueled net revenues of more than €6.7 million, versus a loss of around €0.4 million in 2020.

In 2021 client driven posted net revenues of approximately €8.9 million, in line with the €8.8 million posted in 2020.

In terms of listed instruments for which it acts as Specialist – liquidity provider, Equita quotes prices for more than 1,850 financial instruments. Equita acted as market maker for corporate bonds, certificates and other financial instruments listed on the MOT, SeDeX and EuroTLX markets.

Equita was also designated broker for 8 asset management companies in the open-end fund market.

Investment Banking

The Group offers a complete range of Investment Banking products and services including Mergers & Acquisitions advisory and relating to Equity Capital Markets, Debt Capital Markets, Debt Advisory & Restructuring, as well as Corporate Broking, targeting primarily listed mid- and large-caps, as well as private Italian companies and companies working with financial institutions. The main competitors are Italian and international investment banks, M&A advisory boutiques, the investment banking divisions of Italian and international banking groups, as well as the corporate finance departments of advisory and accounting firms.

In the first nine months of 2021, the economic recovery fueled by Covid-19 vaccination rollouts had a positive impact on financial markets resulting in an increase in the volume of investment banking transactions completed in Italy. More in detail, in the first nine months of 2021 817 M&A deals were closed in Italy (versus 628 in the first nine months of 2020) for a total of roughly €71 billion, showing strong growth compared to the €29 billion recorded in the first nine months of 2020 (+144%). The growth is explained mainly by the large deals that closed in the third quarter, including the acquisition of GranVision by EssilorLuxottica and the merger of Nexi and Nets in the payments sector. [Source: KPMG]

Italian Equity Capital Market transactions increased in number, rising from 23 transactions in the first nine months of 2020 to 41 in the same period 2021. Volumes rose 47.4%, going from €4.0 billion in the first nine months of 2020 to €5.9 billion in the same period 2021. This increase is attributable mainly to capital increases and the issue of convertible bonds, while Accelerated Bookbuilding was down. [Source: Dealogic data compiled by Equita Group]

The Debt Capital Market transactions completed on the Italian market in the first nine months of 2021, particularly corporate issues of High Yield and Non-Rated bonds, increased markedly against the same period of 2020, rising from the 6 transactions, amounting to €2.3 billion, completed in the first nine months of 2020 to 18 in the first nine months of 2021 for a total of €8.9 billion (Source: Bondradar data compiled by Equita Group).

The upbeat market environment had a positive impact on Investment Banking which recorded net revenues of €23.8 million in the first nine months of 2021, 20% higher than the net revenues recorded in the same period 2020. This result also reflects the contribution of €2.7 million that Equita K

Finance, included in the scope of consolidation since July, made to net revenues in 9M 2021.

Equity Capital Markets

In the first nine months of 2021, EQUITA acted as Joint Bookrunner in the Accelerated Bookbuilding of Prysmian shares for a total of €293 million, Joint Bookrunner and Sponsor for the placement of €225 million in Antares Vision shares to re-IPO the firm on the STAR segment of the MTA market, Joint Bookrunner and Nomad for the REVO IPO on the AIM Italia market for €220 million, Sole Bookrunner for the Reverse Accelerated Bookbuilding of Banca Popolare di Sondrio shares for €75 million, Joint Bookrunner of the Accelerated Bookbuilding of Garofalo Health Care shares for €43 million, Sole Bookrunner of the Reverse Accelerated Bookbuilding of Gruppo Unipol shares for €34 million, Sole Bookrunner of the Reverse Accelerated Bookbuilding of Banca Farma Factoring shares for €11 million. EQUITA has had a key role in other Equity Capital Markets transactions acting as Equity Capital Markets Advisor for the public takeover bid on ASTM shares for €1,900 million, designated broker for the collection of acceptances in the public offer on shares of Credito Valtellinese for €855 million, Equity Capital Markets Advisor for the public takeover bid on shares of Guala Closures for €300 million and designated broker for the collection of acceptances in the public offer on SIT warrants for €2 million.

In the third quarter of the year EQUITA acted as Joint Global Coordinator, Joint Bookrunner and Nomad for the ALA IPO on the AIM Italia market for €25 million, Sole Bookrunner for the Reverse Accelerated Bookbuilding of Gruppo Unipol shares for €34 million and Placement Agent for Autogrill's capital increase for €600 million.

Lastly, EQUITA was designated broker for the collection of acceptances in the public offer on ordinary shares of Crédit Agricole FriulAdria and the public exchange offer on Intek Group's savings shares.

Capital Markets, Debt Advisory and Debt Restructuring

Looking at Debt Capital Markets transactions, in the first nine months of 2021 EQUITA acted as Placement Agent and Sole Bookrunner for Newlat Food's issue of €200 million in 6-year senior unsecured notes which were listed on Borsa Italiana's MOT market and Placement Agent and Sole Bookrunner for Italian Wine Brands' issue of €130 million in 6-year senior unsecured notes which were listed on Borsa Italiana's MOT market. EQUITA also acted as the Co-Manager for the issue by Webuild of €200 million in senior unsecured notes which were in addition to the €550 million issued by the company in December 2020.

In the third quarter of 2021 EQUITA acted as Placement Agent and Sole Bookrunner for WIIT's issue of €150 million in 5-year senior unsecured notes which were listed on Borsa Italiana's MOT market. The notes began to trade in early October.

Mergers and Acquisitions

The main deals in which EQUITA's M&A team assisted as financial advisor during the reporting period included:

- Credit Agricole Italia's tender offer on all Credito Valtellinese shares for €855 million;
- Ferrovie Nord Milano's acquisition of 82.4% of Milano Serravalle – Milano Tangenziali for a consideration of €519 million;
- the sale by Sintonia of the 88.1% held by Atlantia in ASPI to the consortium led by CDP based on an equity value € 9.3 billion;
- FLY's public takeover bid on Carraro shares for € 54 million;
- the sale by Alperia, Dolomiti Energia and Finest of 57.9% of PVB Power Bulgaria's capital based on an enterprise value of €48 million;
- the valuation by CDP Equity of CDP Equity's listing on Euronext,
- the Redini family's sale of Cedral Tassoni to the Lunelli Group;
- Astaldi's Committee for Related Party Transactions partial proportional demerger of Astaldi in favor of Webuild;
- MagMa Holding's sale of a majority stake in MagMa to the multinational Ravago Group;
- Finanziaria Trentina's sale of a minority stake to the Dolomiti Energia Group;
- Linea Group Holding's shareholders' merger of Linea Group Holding in A2A;
- the reorganization by Carige and Banca Cesare Ponti of their

private banking activities.

EQUITA also acted as Business Integration Partners' financial advisor in the acquisition of the British company Chaucer, Assicurazioni Generali's financial advisor in the public tender offer for shares of Cattolica Assicurazione, FLY's public tender offer for Carraro shares and Acea's financial advisor in the acquisition of Deco.

The deals in which the subsidiary Equita K-Finance were involved should also be included. The most compelling transactions include:

- Advisory in Lucart S.p.A.'s acquisition of ESP Ltd;
- Advisory, sell – side, in IGI Private Equity's acquisition of OME Metallurgica Erbesse, Stampinox and Hexagonal;
- Advisor for Camicissima's acquisition of Nara Camicie;
- Advisory, sell – side, in the fund Aksia's acquisition of a stake in VOMM.

Corporate Broking and Specialist

Corporate Broking continues to be a strategic area for both the cross-selling and cross-fertilization of other Investment Banking products and services. In the first nine months of 2021, the number of Corporate Broker and Specialist mandates was largely unchanged.

Alternative Asset Management

Looking at the market environment in which this division operates, according to Assogestioni's most recent studies the net inflow toward open-end funds, attributable entirely to foreign funds, was positive in the first nine months of 2021 (€17.1 billion), even though there was a slight slowdown in the third quarter of the year. Investors bought equity funds (net inflow of €8.4 billion), balanced funds (€7.7 billion), and bond funds (€3.0 billion). There was a net outflow from money market, hedge and flexible funds (-€0.9, -€0.1 and -€0.9 billion, respectively). Net inflows toward open-end funds increased in July and August (€6.6 and €7.9 billion versus €4.1 billion in June). As for private debt, based on AIFI's research related to the first half of 2021, the market saw an increase in net inflows which were almost triple the amount recorded in the same period of 2020. Investments reported the same trend (+74%) reaching the highest level seen since the launch of the market, testifying to the significant growth seen including compared to pre-pandemic levels.

This context shaped the business of the Group's Alternative Asset Management division which recorded net revenues of roughly €5.2 million in the first nine months of 2021. Recurring revenues amounted to around €4.3 million, roughly 70% higher than in the same period 2020.

The AUM came to more than €1 billion at 30 September 2021, 22% higher than in the same period of 2020.

Portfolio Management

The first nine months of 2021 were decidedly positive for stock markets globally and for European small-mid caps, in particular (FTSE Italia Mid Cap index +26.6%, DJ European Mid Small index +15.2%), even if there was some profit taking in September linked to concerns about the real estate crisis in China and the direction of the US monetary policy.

The assets under management grew from €744 million at the beginning of the year to €776 million at 30 September 2021. The structural redemptions of the flexible funds were offset by the asset management's positive inflows, the positive performance effect and the assets (€25 million) of a new European equity advisory fund.

The team manages a total of three benchmarked discretionary accounts and two flexible funds with VAR limits. Since the beginning of January, it also provides advisory for a benchmarked European equity fund and, lastly, since mid-

September three internal funds linked to life insurance policies of a premiere European group.

The average performance of the three lines before tax, weighted for AUM, was up +22.6% in absolute terms at the end of September and +5.20% against the benchmark.

The flexible fund Euromobiliare Equity Mid Small Cap posted a net performance of +8.33% since the beginning of the year.

After an excellent 2020 (+6.25%), the fund was much less dynamic than the European mid-small caps due to the VAR limits which do not allow for an equity exposure of more than 55% and calls for the portfolio to also have big-caps which typically have a lower VAR, as well as some stock picks made during the reporting period which did not pay off.

At the end of September Euromobiliare Equity Selected Dividend posted a net performance YTD of +3.28% which takes into account the maximum dividend payment permitted as per the prospectus of 3%. Solely for the sake of comparison, the ETF Euro Dividend Aristocrats, which has the same strategy but is fully invested, reported a performance of +10.37% (from the inception the performance comes to +0.36% and +2.75%, respectively).

Lastly, the European equity advisory fund closed the first nine months of the year with a net performance of +17.4% in absolute terms and +6.3% against the benchmark.

Private Debt

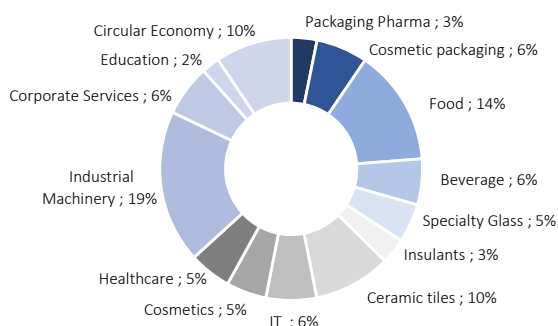
During 9M 2021, the team focused mainly on investment and fundraising for Equita Private Debt Fund II (“EPD II”) and monitoring the investment portfolio while also pursuing the strategy to enhance the existing portfolio including through follow-on investments.

More in detail, on 11 August 2021 the team finalized a new investment of around €15 million in a company, leader in the circular economy and focused on recycling and reusing paper and plastic. During the nine month period a few portfolio companies continued along their growth paths, including through acquisitions, and in a few instances were supported directly by the private debt funds managed by EQUITA.

On 21 September 2021 EQUITA also successfully concluded EPD II’s fourth closing with a leading Italian pension fund, bringing the total commitments to €178.5 million and moving closer to the target of €200 million by the end of first quarter 2022.

The breakdown of the private debt fund’s investment portfolio by sector is shown below:

BREAKDOWN OF THE INVESTMENT PORTFOLIO



Private Equity

In the first nine months of 2021, the private equity team continued to work on the launch of the fund Equita Smart Capital – ELTIF (the “Fund”) focused on private equity investments in Italian SMEs.

On 4 June 2021, Equita Capital SGR received the greenlight for the commercial launch of the fund from CONSOB and, therefore, opened the first subscription period.

The placement of quotas in the Fund with professional investors will be managed directly by the SGR, while placement with all types of investors (professional and retail) will be done indirectly by Allfunds Bank and other selected distributors. More specifically, at the date of this report distribution agreements were in place with Cordusio SIM, Banca del Piemonte and Ceresio SIM.

The first closing took place on 14 October 2021 and the fund is expected to become operational at the beginning of November.

At the same time, the investment team worked on building a pipeline of eligible fund investments.

Research team

In the first nine months of the year, the Research Team began coverage of 8 new companies (6 in Italy and 2 in Europe). At the end of the reporting period, the Research Team covered 153 companies, of which 117 in Italy and 36 in Europe.

In the first nine months of the year the Research Team published around 323 reports (sectorial and on individual stocks) in addition to a series of daily, weekly and monthly publications (morning notes, a daily internal dealing summary, a weekly revision of the estimated earnings per share for the companies covered, and two monthly summaries, one of the Italian market and one of the European equities covered).

The team organized 94 meetings between listed companies and institutional investors in the reporting period. Despite the restrictions caused by the health crisis, EQUITA worked to guarantee that communications between investors and listed companies remained up-to-date and uninterrupted by substituting in-person meetings with conference calls and video conferences. During the first nine months of the year, EQUITA also organized 5 virtual conferences dedicated to bond issuers, as well as infrastructure and manufacturing stocks.

The Research Team confirmed its position at the top of Institutional Investor's rankings in the main categories for research quality.

Group performance

Reclassified income statement

The consolidated net profit amounted to €14.4 million in the first nine months of 2021, compared to €9.2 million in the same period 2020. The result for the reporting period includes the contribution of €0.4 million made by minorities. 9M 2021 benefitted from the positive performance of the capital markets energized by the vaccine rollouts and the global initiatives of the central banks, as well as the positioning and visibility achieved by EQUITA Group since its listing in 2017.

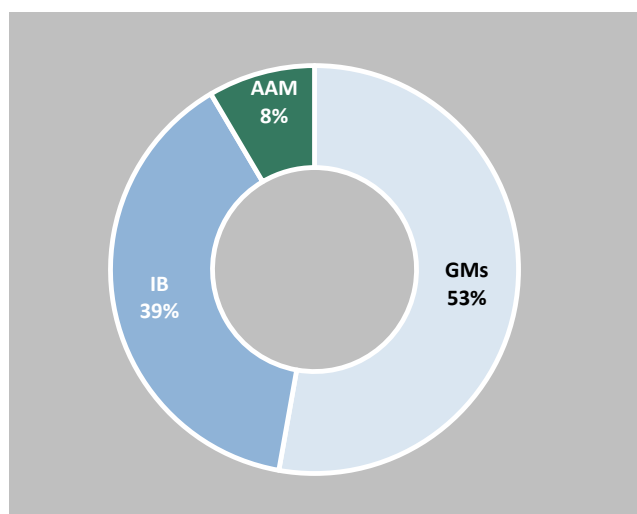
Global Markets and the proprietary books, in particular, benefitted from this positive environment, as did Investment Banking which found favorable windows of opportunity to complete the significant pipeline built in prior months.

Conversely, the lack of volatility, which in 9M 2021 was around 15%, limited the opportunities for third party brokerage.

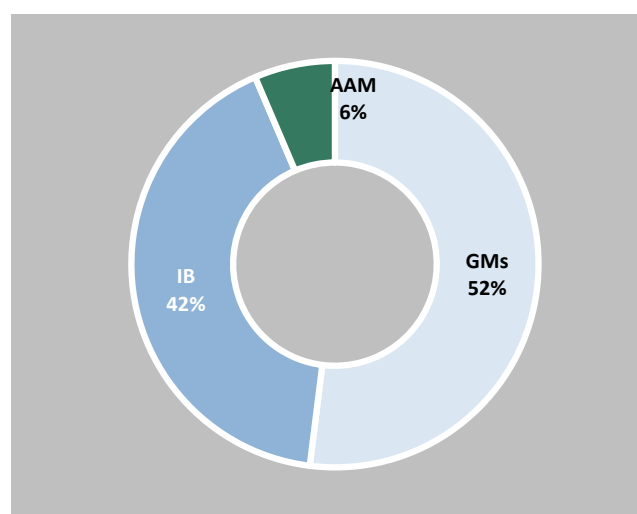
The breakdown of consolidated net revenues by business division in the first nine months of 2021 and 2020 is shown in the following charts.

CONTRIBUTION TO NET REVENUES BY BUSINESS DIVISION

30 September 2021



30 September 2020



For a more detailed analysis of EQUITA's performance, a restated income statement is shown below in order to better represent the contribution made by each business line to EQUITA's net revenues.

(€/000)	30/09/2021	30/09/2020	Delta%
Global Markets:	32.492	24.765	31,2%
Sales & Trading	16.853	16.398	2,8%
Client Driven & Directional Trading	15.639	8.357	87,1%
Investment Banking	23.847	19.852	20,1%
Alternative Asset Management	5.226	3.076	69,9%
Net revenues	61.565	47.693	29,1%
Personnel expenses	(28.902)	(22.557)	28,1%
Other administrative expenses	(13.449)	(12.717)	5,8%
Total cost	(42.352)	(35.274)	20,1%
Comp/revenues	47%	47%	-
Cost/income ratio	69%	74%	(7,0%)
Profit before tax	19.213	12.419	54,7%
Tax	(4.850)	(3.250)	49,2%
Net profit for the period	14.364	9.169	56,7%
Minorities' portion of net profit	350	391	(10,4) %
EQUITA Group's portion of net profit	14.013	8.778	59,5%

"Other expenses" includes compensation paid to the directors and statutory auditors and other income statement items relating to adjustments of property, plant and equipment and intangible assets.

The result recorded by **Global Markets** in the first nine months of 2021 reflects the recovery of the stock markets. The primary index was 15.5% higher than at the beginning of the year and the Italia Star index rose 33.3%.

The directional books recorded revenues of more than €6.7 million compared to a loss of €0.4 million in same period of 2020. Client driven & Market Making generated revenues of around €9 million, in line with the same period 2020, but showing recovery in the third quarter of 2021.

The largely stable volatility had a slightly negative impact on third party brokerage which closed 9M 2021 up 3%, thanks also to the higher contribution made by the Retail Hub which changed its product mix, resulting in higher volumes and revenues.

Overall revenues for Global Markets were up 31% against the same period of 2020.

Investment Banking reported net revenues of €23.8 million, 20% higher than the amount posted in the same period 2020. Equity and Capital Markets and M&A made a larger contribution to the division's results thanks to a significant increase in revenues.

Alternative Asset Management recorded net revenues of

€5.2 million, 70% higher than in the same period of 2020. This increase is attributable to the product diversification carried out in past years which bore fruit in the latter part of 2020. More in detail, the highest increase in net revenues was recorded by private debt, which finalized EPD II's third and fourth closings, and continued to work on the fund's investments.

Operating costs amounted to €42.4 million at 30 September 2021 versus €35.3 million in the same period 2020.

Personnel expenses came to roughly €29 million, more than 28% higher than at 30 September 2020 due mainly to an increase in the variable component linked to revenues and the higher fixed component explained by Equita K Finance personnel (+13 resources). The total headcount went from 161 at 30 September 2020 to 170 at 30 September 2021, in addition to 14 interns.

The **comp/revenue** ratio was around 47% at 30 September 2021, in line with the same period 2020.

Other administrative expenses were 6% higher than in the prior period, coming in at €13.4 million. This increase is attributable to the renewed investments in marketing, charitable initiatives and the expanded perimeter (which amounted to €0.5 million).

The **cost/income ratio** came to 69%, lower than in the same period of the prior year (74%).

Income tax for the period amounted to €4.8 million, calculated at an average tax rate of 25%, compared to 26% in 9M 2020, and lower than in December 2020. The decrease is attributable to the release of goodwill and the use of carried forward tax losses relative to Equita K Finance.

Alternative Performance Indicators		
	30/09/2021	30/09/2020
Comp/revenues	47%	47%
Cost/income ratio	69%	74%
Tax rate	(25%)	(26%)
N. employees	170	161
Earnings per share (outstanding)	0,32	0,20
DPS- prior year	0,20	0,19

(€/000)	30/09/2021	31/12/2020	Delta %
Financial assets measured at fair value through P&L	64.206	43.850	46%
Financial assets measured at amortized cost	226.802	203.342	12%
Equity investments	67	67	0%
Property, plant and equipment and intangible assets	32.812	33.747	-3%
Tax assets	3.065	3.106	-1%
Other assets	2.975	1.644	81%
Total assets	329.927	285.755	15%
Payables	187.364	157.034	19%
Financial liabilities held for trading	15.365	14.217	8%
Tax liabilities	4.369	2.178	101%
Other liabilities	27.526	21.700	27%
Employee severance ("TFR")	2.237	2.270	-1%
Provisions for risks and charges	1.983	2.673	-26%
Shareholders' equity	91.065	85.684	6%
Total liabilities	329.927	285.755	15%

Financial assets measured at fair value through profit and loss came to roughly €64 million, considerably higher than at 31 December 2020 (+46%). In the first nine months of the year **assets held for trading** saw an increase of about €18.2 million in long equity derivatives positions.

The proprietary portfolio includes bond holdings, which were up €1.8 million against the prior year due, in part, to the market making and specialist portfolios acquired with the Retail Hub business.

The **assets mandatorily measured at fair value** amounted to around €8.1 million at 30 September 2021, in line with 31 December 2020.

These assets comprise the investment in the Sparta 60 bond made in fourth quarter 2019 for €11.1 million, 87% of which was sold in 2020, the quotas in Equita Private Debt I (€4.5 million) and Equita Private Debt II (€2.1 million), as well as shares of the ICF Group.

Financial liabilities held for trading amounted to €15.3 million, an increase of roughly €1.1 million against 31 December 2020 explained by an increase in derivatives.

Financial assets measured at amortized cost rose by roughly €23.5 million due mainly to an increase in the amounts owed by financial institutions for €24.6 million and client receivables for €4 million, offset by a drop in liquidity of around €5.1 million.

The item includes a total of €19.6 million in receivables due from CC&G (Cassa di Compensazione e Garanzia) for margins and default funds. This item rose noticeably due to an increase in both the group's operations and market activity which affects CCP guarantees (€9.4 million at 31 December 2020) classified as deposits held with financial institutions.

Property, plant and equipment and intangible assets were largely in line with the prior year (-3%).

Intangible assets include capitalized software costs and the €0.9 million in goodwill paid when the Retail Hub business was acquired from Nexi S.p.A. in May 2018, as well as the consolidated goodwill and trade name recognized for the subsidiary Equita SIM of €13.1 million and for Equita K Finance of around €12 million.

None of the assts showed signs of impairment.

Other assets were higher (by roughly €1.3 million) compared to the beginning of the year due mainly to deferred income resulting from annual fees paid in advance for trading services.

Payables were roughly €30.3 million higher than at 31 December 2020, coming in at €187.3 million. The change is explained mainly by a temporary increase in balances outstanding with two counterparties which were subsequently settled.

This item includes the lease payables recognized in accordance with IFRS 16 which were roughly €0.7 million lower.

Other liabilities were €5.8 million higher due mainly to the provisions made in the reporting period for variable compensation payable to employees and tax payables offset by the payment of the €0.7 million earn out to the shareholders/sellers of Equita k Finance in the first half of 2021.

Employee severance (“TFR”) was in line with 31 December 2020.

Provisions for risks and charges reflects the decrease attributable to the deferred bonuses paid in the reporting period.

At 30 September 2021, the **share capital** of EQUITA Group S.p.A. amounted to €11,427,911 (of which €11,376,345 raised through the IPO and €51,566 from the free capital increase completed in February 2021), consisting of 50,224,200 shares without a stated par value.

Treasury shares amounted to approximately €4,059,802. The 2020 dividend totaled €9,232,879.60. The first tranche (50%) was paid in May 2021, while the balance will be paid in November 2021.

The consolidated **net profit** amounted to €14.4 million in the first nine months of 2021, higher than the €9.2 million recorded in the same period 2020.

Equita Group’s portion of net profit came to €14 million at 30 September 2021, showing an increase of 60% compared to the same period 2020.

At 30 September 2021 the **Return on Tangible Equity** (“ROTE”) was roughly 37% higher with respect to both year-end 2020 (27%) and the same period 2020 (26%).

With regard to capital requirements, namely the **consolidated Total Capital Ratio**, as explained in the 2021 Half-Year Report, effective 26 June 2021 investment firms are no longer subject to the CRDIV Directive governing capital requirements.

As part of its monitoring procedures, the Group verified compliance with these capital requirements in the first nine months of 2021.

At the end of July, however, the Bank of Italy confirmed that Regulation 680/2014 was no longer in effect and that the new EU Regulation 2033/2019 (“IFR”) would take effect as of 26 June. Based on this new regulation, the Group will submit the consolidated and separate capital requirements calculated at 30 September 2021 based on the new Directive by 11 November 2021. At 30 September the prudential IFR requirements were, once again, well above the minimum prudential requirements.

For more information refer to the IFR/IFD Directive section in the Report on Operations.

Stock performance

EQUITA Group shares have been traded on the Euronext STAR Milan (formerly the Borsa Italiana’s STAR segment) market since 23 October 2018. The Euronext STAR Milan segment is dedicated to mid-size companies, with a capitalization between €40 million and €1 billion, that voluntarily choose to comply with strict standards of excellence in terms of transparency, disclosures, liquidity, and corporate governance. The segment was chosen by EQUITA to further its efforts to consolidate its position in Italy and growth on the international market.

EQUITA’s stock closed at an official price of €3.70 on 30 September 2021, bringing the Group’s market capitalization to approximately €186 million (€170 million excluding treasury shares) with a Total Shareholder Return on the listing price of +56%. In the first nine months of 2021 an average of roughly 40 thousand shares was traded per day, higher compared to the roughly 28 thousand shares traded per day in the same period of the previous year.

Significant events after the close of the reporting period

No significant corporate events which should have been taken into account when preparing this financial report at 30 September 2021 occurred after the close of the reporting period.

Outlook

It appears that the future will be characterized by pressure on margins and general uncertainty as to the effects and duration of the Coronavirus epidemic.

The Group will continue working on the strategic plan launched at the beginning of 2021 focused on the targets for organic growth, as well as product diversification.

More in detail, with regard specifically to product diversification, the Group has worked intensely on the marketing and management of its first ELTIF fund.

All of the Group's initiatives are geared to meet the needs of its expert clientele which, above all in the current economic phase, is looking not only for good returns, but also for high quality investment products which Equita's team of experts can provide.

The Group will continue to pursue its strategy based on organic growth including through process efficiencies and the quality of its services.

In addition to the financial-economic targets outlined above, the Group will continue to focus on long-term sustainable growth, including with respect to ESG factors, in order to create value for stakeholders, while maintaining a low-risk profile. The steps taken will be shaped by the Strategic Plan 2020-2022, described in greater detail below

In the fourth quarter of 2021 the Group's economic, financial and operating performance may also be affected by market trends and the global market conditions

Key Initiatives in 2021

... *Business*

Equita Private Debt II – fourth closing

At the end of September, Equita Private Debt Fund II, completed a new fundraising phase with the entry of four new investors who invested €47 million which brought the funds raised to a total of €178.5 million, close to the €200 million target announced by the team when the fundraising began (hard cap at €250 million).

The new investors include leading Italian pension funds such as ENPAM and Inarcassa, which are in addition to EPD II's other institutional investors like Fondo Italiano d'Investimento, the European Investment Fund, a leading Italian life insurance company, and another major Italian pension fund.

The Group's private debt team was a winner at the 2021 edition of **AIFI's and Deloitte's Private Debt Awards**. The awards aims to increase awareness as to the crucial role that private debt has in the development and growth of companies in Italy. Equita was ranked first in the "Closed Transactions - Leveraged Buyout/Extraordinary Transactions" category.

This award, which is added to the similar one received in 2020, confirms the team's ability to identify and sponsor outstanding companies, actively supporting them with the instruments needed to fuel growth.

The winners were selected (18 transactions were submitted by 11 private debt funds and 2 distressed debt funds) by a jury of high-profile professionals from the institutional, entrepreneurial and academic world chaired by Innocenzo Cipolletta.

Leading Independent Broker in Italy

Once again in 2021 Equita topped the rankings of Institutional Investor, the prestigious financial magazine, for research, sales and corporate access.

EQUITA's Research Team, led by Luigi de Bellis and Domenico Ghilotti, was first in the "Italy Research: Small and Mid-Cap Stocks" category, confirming the Team as a point of reference for Italian and international investors with respect to small-mid cap companies. The Team was also ranked second in the "Overall Italy Research" category and first among the independent Italian brokers. 93% of the votes Equita received (94 out of 101) were at the higher end of the range (with a score of 4 or 5 out a maximum of 5) while 75% (76 out of 101) were excellent (score of 5 out of 5).

Equita's Sales & Trading Team, led by Fabio Arcari – Head of Sales& Trading – and Vincenzo Abbagnano and Cristiano

Rho – Co-Heads of Global Markets – was ranked second in the “Overall Italy: All-Europe Generalist Sales Team” category and first among the independent Italian brokers.

The success of the Sales Team was accompanied by the ranking of corporate access which came in second in the “Overall Italy: Corporate & Expert Meetings” category and first among the independent Italian brokers, thanks to the sector conferences and videoconferences organized by Equita to foster dialogue between institutional investors and listed companies.

Equita came in second in the aggregate ranking “Overall Broker – Italy (Weighted by commissions)”, first in terms of the number of votes received. In this instance, also, more than 90% of the votes cast by investors (288 out of 318) were at the higher end of the range (score of 4 or 5 out of a maximum of 5) while 74% (234 out of 318) were excellent (score of 5 out of 5).

This outstanding result, achieved thanks to the ongoing collaboration of the research team and the trading floor – areas that over the years have invested significantly in resources, as well as in client services, and today can count on more than 50 professionals - confirms the strategic role that research has for Equita; research, in fact, continues to be key for all the Group’s business divisions and a distinguishing factor on the Italian market with respect to other investment banks. It also contributes to increasing the visibility of the investment opportunities that Italy provides at this historic moment in time.

VIII edition of the Bocconi – Equita Partnership Event

Equita and Bocconi University celebrated the eighth anniversary of their partnership with the traditional annual conference aimed at promoting capital markets and stimulating discussions about the structural elements, development factors and solutions. Over the years the partnership has promoted a number of initiatives and policy recommendations that have contributed to improving the capital markets and the relative regulations.

The new position paper, published by Bocconi University’s BAFFI Carefin Center for Applied Research in collaboration with Equita, was presented by Stefano Caselli, Vice-Rector for International Affairs and Algebris Chair in Long-term Investment and Absolute Return, and Stefano Gatti, Antin IP Associate Professor of Infrastructure Finance, during the webinar “*Shareholders’ ownership characteristics of Italian listed companies: do they really matter for performance?*”.

One of the research’s objectives was to analyze whether or not the ownership structure of Italian listed companies affects the company’s performance and, more specifically, if and which

performance indicators are associated with the characteristics of the shareholders holding more than 2% of the voting rights.

In the study seven classes of shareholders were identified (Association/Foundation, Family Office, Financial Institution, Government, Manufacturing Group, Physical Person and Trust). Five indicators were used to gauge the performance: two relative to the market (price and the stock’s volatility) and three relative to growth (Return on Equity - ROE, Return on Net Assets - RONA and the yearly employee turnover).

In the first part of the study, it emerged that the role of the entrepreneur is crucial: the percentage of the votes held by the “Physical person” class of shareholders had a positive impact on the price, ROE, RONA and the yearly employee turnover.

The second part of the study, which focused on understanding if a key “fulcrum shareholder” – where applicable – influences performance, confirmed once again that shareholders categorized as physical persons have a positive impact on price, ROE, RONA and employee turnover.

From the data collected it emerged that the ownership structure of Italian companies is characterized by a high degree of ownership concentration and the presence of controlling shareholders – or, at any rate, a pervasive presence of shareholders with substantial voting rights – and in both parts of the study it emerged that the presence of a controlling shareholder had a positive impact on the price and lessened volatility which indicates lower risk.

The study shows that ownership concentration is not necessarily negative for performance. The presence of an entrepreneur or family ownership has a positive impact on the company’s results, consistent with prior studies which found that over time a stable ownership structure is key to reducing overhead and to guaranteeing that the management has the support needed to achieve long-term goals.

For more information about the content of the study, please refer to EQUITA Group’s website.

During the event Equita also presented its fifth Monitor on Capital Markets in Italy which examines the most important issues, as well as the most active brokers and investors, and, as of this year, contains a section dedicated entirely to analyzing ESG issues and performance on the market.

Lastly, the prize for the best strategies on capital markets awarded by Equita – and sponsored by Bocconi University and *Borsa Italiana* – in recognition of the most original and effective

transactions that succeeded in leveraging on the capital markets used to relaunch and develop the business.

...Governance

IFR/IFD Directive

As of 26 June 2021 firms authorized and regulated by the MIFID directive are subject to the new prudential framework. More in detail, the EU Regulation n. 2033/2019 of 27.11.2019 (the Investment Firm Regulation or «IFR») was introduced along with the EU Directive 2019/2034 (the Investment Firm Directive or «IFD») which, for investment firms, substituted the CRR II / CRD IV reporting regulations which will be applied solely to banking groups and substitute the current CRR / CRD III regime.

The most innovative changes of the new framework relate to:

- the classification of investment firms (referred to in Art. 12 IFR) which are broken down into groups based on the business model and size;
- the prudential requirements, which vary based on the above classification, and will refer to (Art. 52 of IFR):
 - o level and breakdown of own funds
 - o capital requirements and the applicable K Factors: Risk to Client; Risk to Market; Risk to firm;
- concentration risk;
- liquidity requirements (only Class 2 firms).

Based on the analysis carried out, EQUITA Group qualifies as a Class 2 firm which includes investment firms that provide one or more of the services referred to in MIFID 2, are authorized to hold clients' cash and financial instruments and exceed at least one of the thresholds for AUM - Assets Under Management, COH - Client Orders Handled, annual gross revenue, on- and off-balance sheet items, proprietary trading and/or underwriting.

The new requirements for own funds of Class 2 investment funds are determined as follows:

- a) $\frac{\text{Capitale primario di Classe 1}}{D} \geq 56\%$
- b) $\frac{\text{Capitale primario di Classe 1} + \text{Capitale Aggiuntivo di Classe 1}}{D} \geq 75\%$
- c) $\frac{\text{Capitale primario di Classe 1} + \text{Capitale Aggiuntivo di Classe 1} + \text{Capitale di Classe 2}}{D} \geq 100\%$

Where the denominator represents the greater of:

- **fixed overhead requirement** (own funds equal to at least ¼ of the previous year's fixed overhead – Art. 13 IFR)
- **permanent minimum requirement** (refers to Directive 2034/2019 which calls for €0.75 million versus €1 million - Art. 14 IFR)
- sum of the **K factors** (Art. 15 et seq. IFR)

While waiting for the new regulatory technical standards ("RTS") to be adopted by the European Commission, EQUITA Group has met with *Assosim* and *Banca d'Italia*, performed benchmark analyses relating to technology and applicable reporting and has begun to prepare for the new reporting process.

The implementation of the new reporting process is currently underway.

As mentioned above, in the bulletin of 30 July – n 1139561/21 the Bank of Italy confirmed that Regulation 680/2014 was no longer in place and that the new EU Regulation 2033/2019 ("IFR") would take effect as of 26 June. Pursuant to the bulletin, in September 2021 the Group submitted an evaluation of the new Directive's impact as at 30 June 2021.

2021 Wellness Plan

Equita promotes the development of the skills and well-being of its employees; this is the goal of the wellness plan. The objective is to further incentivize and engage both senior and junior resources, by providing an interesting combination of benefits, monetary and non, along with a pleasant, and, consequently, more productive work environment. Particular attention is paid to the well-being of our employees and their families.

In 2021 the Group decided to confirm the initiatives offered in the past to all employees which can be broken down in the following areas summarized below: assistance, caring and education

The most important changes include:

Assistance

- based on the needs expressed by employees, the Group has allocated more than €1 million each year for the past two years to providing EQUITA's professionals services and non-monetary benefits (including additional medical assistance, training and the refund of educational expenses, as well as recreational/leisure time activities and sports);
- free, complete medical check-ups for each employee, aimed at encouraging preventive healthcare;
- matching contributions made by the company if the employee has adhered to supplementary pension plans;
- organization of training sessions – including 1-to-1 - with pensions advisers to help staff, both junior and senior, to find the best pension solutions in light of their long-term objectives and as part of financial education programs;
- insurance coverage and refunds of medical expenses incurred by employees and their close family members, off-the-job and on-the-job accident policies, benefits for employees in the event of disabilities, as well as life insurance.

Caring

The Group has always worked actively to enhance the wellbeing of all employees in order to promote a pleasant, and, consequently, more productive work environment. As it did throughout 2020, in 2021 Equita will continue to provide its professionals with all the support needed to deal with the health crisis and prevent the spread of Covid-19. From the beginning of the pandemic, the Group, in fact, moved quickly to guarantee remote operations and make swab testing and serological tests available to employees and family members.

Education

The initiatives dedicated to Education, namely to training and the development of new skills, are continuous and diversified based on the needs of each resource. During the last three years, Equita has provided more than 1,000 hours of training for the development of soft skills and career paths.

The education provided includes:

- generic training provided by both Equita's senior management, as well as external professionals and consultants, which allow all Group employees to learn more about different topics of general interest, from legal and accounting issues, to fintech and the financial markets, as well as sector studies and sustainability;
- specialized training courses for single business divisions, in order to develop useful vertical skills and provide even better service to clients;
- training courses focused on the development of soft skills.

In addition, internal job rotation is also offered to all the Group's professionals, with a view to making job skills as circular as possible.

In 2020, EQUITA appointed the Advisory Board which supports and assists EQUITA Group with its strategic decisions. The Advisory Board, comprised of leading independent experts like Paolo Basilico, Stefano Mainetti, Roberta Neri, Thierry Porté, Paul Schapira and Fabrizio Viola, will have an advisory role working with the Board of Directors and EQUITA management on assessing new growth and business diversification opportunities.

The expertise matured over the years and background of each independent expert will provide a valid, strategic contribution and help accelerate delivery of the targets set in EQUITA Group's 2020-2022 strategic plan.

... Sustainability

Doing business with a view to sustainability, with a constant focus on excellence, is one of the main values guiding EQUITA Group in its pursuit to meet its own growth targets.

The Group promotes sustainable development which strives to understand the real needs of our stakeholders, from employees to clients, from the local and financial communities to the environment and the new generations, in order to match their expectations with our business targets.

Consistent with this commitment, several years ago the Group made the choice to make sustainability an integral part of its organizational model and business decisions.

The Group has, in fact, adopted a CSR strategy which was shaped by EQUITA's values and is reflected in the Strategic CSR Plan 2020-22. The strategy is based on five main goals:

Promote employees' wellbeing

Increase satisfaction of clients and the financial community

Promote local social and economic development

Reduce environmental impact

Improve health and safety.

For more information, please refer to the dedicated section on the website www.equita.eu

Other Information

Research and Development

Pursuant to Art. 2428 paragraph 3.1 of the Italian Civil Code, no research and development activities were carried out during the reporting period.

Regulatory Simplification Process pursuant to Consob Regulation n. 18079 of 20 January 2012

EQUITA Group confirms its intention to exercise the opt-out option provided in Articles 70, paragraph 8, and 71, paragraph 1-*bis*, of the Listing Rules which exempts companies from issuing the public disclosure documents called for in the event of significant mergers, demergers, increases in share capital through contributions in kind, acquisitions, and disposals

Related Party Transactions

Pursuant to Article 2428 (3.2) of the Italian Civil Code, we hereby declare that the related party transactions carried out in the first nine months of 2021 were all performed under intercompany agreements for services and the transfer of personnel in place with:

- Equita Group S.p.A.;
- Equita SIM S.p.A.;
- Equita Partecipazioni S.r.l.;
- Equita Capital SGR S.p.A.;
- Equita Investimenti S.p.A.;
- Equita K Finance S.r.l.;

as well as managers with strategic responsibilities and members of the Board of Statutory Auditors. For further details, please see the specific section in the notes to the financial statements.

Branches

EQUITA Group does not have any branches.

Certification of the Manager in Charge of Financial Reporting

We, the undersigned, Andrea Vismara, CEO of Equita Group S.p.A., and Stefania Milanesi, Manager in charge of financial reporting for Equita Group S.p.A.,

CERTIFY

in accordance with the second paragraph of Art. 154-bis of Legislative Decree 58/98, that the information provided in this Consolidated Nine-Month Financial Report 2021 corresponds to the documentation, ledgers and accounting entries of the EQUITA Group.

Milano, 11 November 2021

Equita Group S.p.A.

Chief Executive Officer

Andrea Vismara



Manager in charge of financial reporting

Stefania Milanesi





Consolidated Financial Statements as at 30 September 2020



Financial Statements

Consolidated statement of financial position

(in Euros)

Assets	30/09/2021	31/12/2020
10 Cash and cash equivalents	535	464
20 Financial assets measured at fair value through profit and loss	64.205.296	43.849.094
a) financial assets held for trading	56.040.506	35.269.620
c) other financial assets mandatorily measured at fair value	8.164.789	8.579.474
40 Financial assets measured at amortized cost	226.802.042	203.341.806
a) due from banks	168.454.453	173.573.118
b) due from financial institutions	44.208.177	19.563.356
c) loans to customers	14.139.411	10.205.331
70 Equity investments	67.267	67.267
80 Property, plant and equipment	5.518.399	6.223.374
90 Intangible assets	27.293.527	27.523.570
of which:		
- goodwill	24.152.987	24.152.987
100 Tax assets	3.065.017	3.105.994
a) current	2.255.980	2.092.866
b) deferred	809.036	1.013.128
120 Other assets	2.975.043	1.643.880
Total Assets	329.927.125	285.755.448

Consolidated statement of financial position

(in Euros)

Liabilities and shareholders' equity		30/09/2021	31/12/2020
10	Financial liabilities measured at amortized cost	187.363.897	157.033.579
	<i>a) Payables</i>	187.363.897	157.033.579
20	Financial liabilities held for trading	15.364.928	14.217.087
40	Hedges	23.677	
60	Tax liabilities	4.368.816	2.178.034
	<i>a) current</i>	3.599.832	1.417.632
	<i>b) deferred</i>	768.984	760.403
80	Other liabilities	27.520.231	21.700.338
90	Employee severance	2.237.374	2.269.815
100	Provisions for risks and charges	1.982.585	2.672.933
	<i>c) other provisions for risks and charges</i>	1.982.585	2.672.933
110	Share capital	11.427.911	11.376.345
120	Treasury shares (-)	(4.059.802)	(4.059.802)
140	Share premium reserve	18.737.040	18.198.319
150	Reserves	50.578.661	47.217.515
160	Valuation reserves	(57.753)	(30.315)
170	Net income (loss)	14.363.511	12.896.353
180	Minorities portion of shareholders' equity	76.049	85.248
	Total liabilities and shareholders' equity	329.927.125	285.755.448

Consolidated income statement

(in Euros)

Income statement		30/09/2021	30/09/2020
10	Net trading income	12.964.097	6.570.100
40	Gains (losses) on assets and liabilities measured at fair value	554.477	(220.575)
	b) other financial assets mandatorily measured at fair value	554.477	(220.575)
50	Commission income	49.911.154	43.935.662
60	Commission expense	(5.076.981)	(5.018.874)
70	Interest and similar income	677.555	1.406.824
80	Interest and similar expense	(1.937.161)	(1.511.205)
90	Dividends and similar income	4.385.194	2.520.905
110	Intermediation margin	61.478.335	47.682.837
120	Net losses/recoveries for credit risks on:	(6.050)	(98.524)
	a) financial assets measured at amortized cost;	(6.050)	(98.524)
130	Net profit (loss) from financial activities	61.472.285	47.584.313
140	Administrative expenses:	(40.885.556)	(33.636.105)
	a) personnel expenses	(30.017.241)	(23.566.480)
	b) other administrative expenses	(10.868.316)	(10.069.626)
160	Net (losses) recoveries on impairment of property, plant and equipment	(955.795)	(972.079)
170	Net (losses) recoveries on impairment of intangible assets	(276.881)	(272.401)
180	Other operating income and expense	(140.728)	(284.786)
190	Operating costs	(42.258.961)	(35.165.372)
240	Profit (loss) on current operations before tax	19.213.324	12.418.941
250	Income tax on current operations	(4.849.813)	(3.249.612)
260	Net Profit (loss) on ordinary operations after tax	14.363.511	9.169.329
280	Profit (loss) for the reporting period	14.363.511	9.169.329
290	Minorities' portion of profit (loss)	352.577	391.479
300	Parent company's portion of profit (loss)	14.010.933	8.777.850



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