Annual Report as of December 31st 2023

This is a courtesy translation. The document has been drafted in pdf format and represents a supplementary version to the official annual report complying with the provisions of the European Commission's Delegated Regulation (EU) 2019/815 (European Single Electronic Format Regulation - ESEF). The document is available on the issuer's website www.equita.eu and on the authorized eMarket STORAGE system www.emarketstorage.it.

50 YEARS OF INDEPENDENT THINKING

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Introduction

Corporate Governance

Board of Directors

			Control and Risk	Remuneration	Related-Party
Sara Biglieri	Chairman	Non-Executive	*Committee Member*		*Commitee Member*
Andrea Vismara	Chief Executive Officer				
Stefania Milanesi	Director	Executive			
Stefano Lustig	Director	Executive			
Silvia Demartini	Director	Independent	*Committee Member*	*Chairman*	*Committee Member*
Michela Zeme	Director	Independent	*Chairman*	*Committee Member*	
Matteo Bruno Lunelli	Director	Independent		*Committee Member*	*Chairman*

Board of Statutory Auditors

Franco Guido Roberto Fondi	Chairman
Andrea Serra	Statutory Auditor
Andrea Conso	Statutory Auditor
Guido Fiori	Alternate Auditor

Audit Company

EY S.p.A.

The Board of Directors and the Board of Statutory Auditors of EQUITA Group S.p.A. were appointed by the Ordinary and Extraordinary Shareholders' Meeting of 20 April 2023 and will remain in office until the date of approval of the 2025 financial statements.

Corporate Information

EQUITA Group S.p.A.

Registered Office	Via Turati 9, 20121 Milan
VAT Code	09204170964
Website	www.equita.eu
E-mail	info@equita.eu
Office	+39 02 6204.1

Stock Exchange	Euronext Milan
Segment	STAR
ISIN	IT0005312027
Ticker	EQUI
Super sector	Financial Services

Letter to Shareholders

Picture: EQUITA celebrates its 50th anniversary in Rome with an event addressed to investors, institutions and entrepreneurs.

Dear Shareholders,

we are really pleased with the financial performance of the Group, a strong finish to a challenging year. Delivering growth in Net Revenues and Net Profits was not obvious at the beginning of 2023, when increase in interest rates, geopolitical instability and inflationary dynamics were hitting the confidence of investors and the willingness of entrepreneurs accessing capital markets.

Thanks to the constant commitment of all our professionals, we were able to record another important year, made it even more unforgettable by the celebration of our 50th anniversary.

2023 was intense, plenty of initiatives and achievements. We ranked among leaders in Italian league tables and set the ground for future growth with new advisory services and an expanded geographical footprint.

The team ranked #6 by deal count in M&A advisory and #1 among independent Italian players, confirming its growing trajectory of the last decade. EQUITA also ranked #1 cash equity franchise by number of IPOs – more than any other investment bank in Europe – and was the only non-banking financial institution among top 10 advisors in debt capital markets in Italy. Our trading floor consolidated its leadership as independent broker in sales and trading of equities, bonds, cash equity options and ETFs, and the research team ranked among top teams for the quality of its reports on Italian equities, including small and mid-caps.

We developed additional areas of expertise and onboarded new professionals and senior advisors.

The acquisition of a 30% minority stake in Sensible Capital – boutique founded by Silvia Rovere, manager with a two-decade experience in private equity and in the management of real estate funds at tier one financial institutions – and its subsequent rebranding to EQUITA Real Estate marked an important step in the expansion of our investment banking offering by extending Group's capabilities to real estate advisory.

We also agreed to define new terms with EQUITA K Finance to extend the partnership, in light of its future consolidation into the Group and the increasing involvement of its senior management at holding company level. In parellel, we launched a structured finance programme called Basket Bond Tech aimed at financing innovation and digital transform of Italian SMEs and mid caps. Investments were made also in terms of geographical footprint, with a new office in Rome, to get closer to institutions, managers and entrepreneurs working in the Capital.

EQUITA Capital SGR continued its fast-paced journey with the successful fundraising of EQUITA Smart Capital – ELTIF, the largest non-captive alternative PIR in Italy focused on private equity, and the launch of a new asset class focused on renewable infrastructures with the marketing of EQUITA Green Impact Fund. The private debt team, in parallel, closed its first investment in the DACH area, and announced the fundraising of a third fund which will invest more outside Italy. This demonstrates our strategic ambition for international expansion and the increasing focus on illiquid, proprietary products.

Moreover, the appointment of Stefano Donnarumma as senior advisor marked a significant addition to our team. His experience and expertise, particularly in the infrastructure and renewable energy sector, are invaluable assets that will undoubtedly accelerate our growth in Alternative Asset Management as well as in Investment Banking.

From a financial perspective, in 2023 we confirmed our disciplined approach on expenses and the financial soundness of the Group's capital structure. The compensation-to-revenues ratio stood at 48% and, adjusting for non-recurring items, the cost-income ratio was 72%. Adjusted Net margin reached 19%, in line with the previous year, and capital ratios had remained at strong levels, well above minimum requirements.

Our unwavering commitment to excellence was also demonstrated by the attention to corporate governance, sustainability and the financial community in general. 2023 was the year in which we renewed the Group's corporate bodies, resulting in the appointment of a new Board of Directors which composition led the Company to be the only financial firm listed on Euronext Milan – at the time of the appointment – with both the majority of directors belonging to the female gender and a woman as Chair.

We kept investing in the promotion of art and culture, local communities, talented students and financial education through Fondazione EQUITA, our no-profit organisation, and we also continued to dedicate significant efforts to boost Italian capital markets, both through our ten-year partnership with Bocconi University and through the promotion of the "Manifesto for the development of capital markets in Italy", an ad-hoc initiative sponsored by EQUITA – jointly with high-profile institutions like Borsa Italiana, Bocconi University and Assonime – recommending a comprehensive industrial policy to develop domestic capital markets.

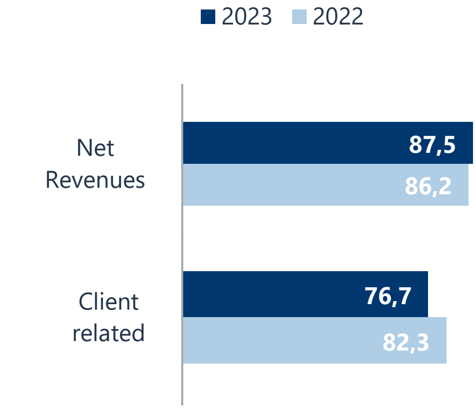
Our increasing positioning in all areas of business is promising for the future. As long-term growth strategy, we will continue to invest in initiatives aimed at accelerating growth and preserving the leading role of EQUITA as independent investment bank in Italy. We will continue to help entrepreneurs, investors, corporates, and institutions with independent advisory and tailor-made solutions. We will also continue to commit to long-term value creation and promotion of excellence, as shareholders' remuneration will remain our top priority for the coming years.

Sara Biglieri, Chair

Andrea Vismara, CEO

50 YEARS OF INDEPENDENT THINKING

2023 in a Nutshell



€87.5m

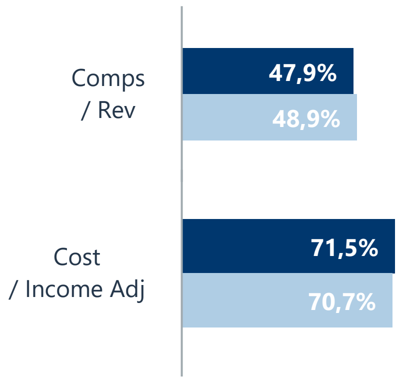
Consolidated Net Revenues

+2% vs '22
+8% CAGR '17-'23

€76.7m

Client-Related Net Revenues

(7%) vs '22
+8% CAGR '17-'23



47.9%

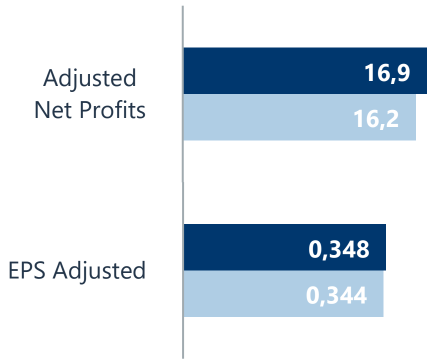
Compensation / Revenues Ratio (1)

(vs 48.9% in 2022(*))

71.5%

***Adjusted* (2) Cost / Income Ratio**

(vs 70.7% in 2022(*))



€16.9m

***Adjusted* (3) Net Profits**

+5% vs '22
+7% CAGR '17-'23

€0.35

***Adjusted* (3) EPS**

+1% vs '22
+6% CAGR '17-'23

26%

Return on Tangible Equity (ROTE)

(vs 29% in 2022)

5x

IFR Ratio

(in line with 2022)

(*) Some items contributing to 2022 revenues were reclassified and resulted in a reduction of the cost base for the same amount (c. €0.6m)
(1) Revenues include approximately €2.8 million of income attributable to shareholders which do not contribute to the remuneration of Group's professionals. Normalizing Compensation/Revenues to take this into account, the ratio stood at 49.5%. (2) Excludes non recurring expenses. (3) Excludes non recurring expenses and the effect of the long-term incentive plan addressed to top management (LTIP).

Key Mandates of the Year

Equity Capital Markets (ECM)

Racing Force	**Primary Accelerated Bookbuilding**	€10m	Joint Bookrunner	January, 2023
Gentili Mosconi	**Initial Public Offering (IPO)**	€23m	Sole Global Coordinator, Joint Bookrunner	February, 2023
Tamburi Investment Partners	**Reverse Acceletated Bookbuilding**	€13m	Sole Bookrunner	March, 2023
Nice Footwear	**Public Tender Offer**	€2m	Leading Agent	March, 2023
Lottomatica	**Initial Public Offering (IPO)**	€690m	Co-Manager	April, 2023
Net Insurance	**Public Tender Offer**	€181m	Financial Advisor, Leading Agent	April, 2023
Ecomembrane	**Initial Public Offering (IPO)**	€15m	Sole Global Coordinator	April, 2023
Defence Tech	**Reverse Accelerated Bookbuilding**	€7m	Sole Bookrunner	April, 2023
Italian Design Brands	**Initial Public Offering (IPO)**	€81m	Joint Global Coordinator, Joint Bookrunner	May, 2023
Digital Value	**Translisting**		Listing Agent	May, 2023
Ferretti Group	**Initial Public Offering (IPO)**	€292m	Joint Bookrunner	June, 2023
Revo Insurance	**Partial Public Tender Offer**	€6m	Financial Advisor, Leading Agent	June, 2023
CY4Gate	**Translisting**		Listing Agent	June, 2023
KME Copper	**Public Tender Offer**	€159m	Financial Advisor, Leading Agent	September, 2023
Banca Popolare di Sondrio	**Reverse Accelerated Bookbuilding**	€236m	Joint Bookrunner	September, 2023
Openjobmetis	**Partial Public Tender Offer**	€7m	Financial Advisor, Leading Agent	September, 2023
Gruppo IPG Holding	**Accelerated Bookbuilding**	€80m	Joint Bookrunner	November, 2023
Sbe-Varvit	**Translisting**	€25m	Joint Global Coordinator, Joint Bookrunner	November, 2023
B.F.	**Rights Issue**	€300m	ECM Advisor	December, 2023
Astaris	**Partial Public Tender Offer**	€2m	Leading Agent	December, 2023

Debt Capital Markets (DCM)

Eni	**Sustainability-Linked Bond issue**	€2bn	Dealer	January, 2023
Amco	**Senior Unsecured Bond Issue**	€500m	Joint Lead Manager	January, 2023
Iccrea Banca	**Social Senior Preferred Bond Issue**	€500m	Co-Manager	January, 2023
Banca Ifis	**Senior Preferred Bond issue**	€110m	Sole Dealer	March, 2023
MAIRE	**Sustainability-Linked Bond issue**	€200m	Placement Agent	October, 2023
Carraro	**Initial Public Offering (IPO)**	€690m	Co-Manager	November, 2023
Cassa Depositi e Prestiti	**Senior Unsecured Retail Bond Issue**	€2bn	Dealer	November, 2023
Alerion Clean Power	**Senior Unsecured Green Bond Issue**	€170m	Placement Agent	December, 2023

Public M&A

DeA Capital	**Tender Offer by Fam. De Agostini**	€128.6m	Fairness Opinion	January, 2023
Postevita	**Tender Offer on Net Insurance shares**	€187.8m	Financial Advisor	April, 2023
Italian Design Brands	**Disposal of a 51% stake of Investindesign to TIP**	€72m	Financial Advisor	May, 2023
MEF	**Sale of a stake of ITA Airways to Lufthansa**	€325m	Financial Advisor	May, 2023
Unieuro	**Acquisition of Covercare**	€60m	Financial Advisor	October, 2023
TIM	**Disposal of NetCo**	€21.7bn	Financial Advisor	November, 2023
Servizi Italia	**Tender Offer By Cometa**	€21.7m	Fairness Opinion	November, 2023
Nexi	**Acquisition of the merchant acquiring business of Banca di Cividale**	€30.8m	Financial Advisor	December, 2023

Mid-Market M&A

Optoplast	**Disposal of a 70% stake to Star Capital SGR**	n.d.	Financial Advisor	January, 2023
E.P. Elevatori Premontati	**Disposal of a 75% stake to Riello Investimenti Partners**	n.d.	Financial Advisor	January, 2023
Caleffi	**Acquisition of a 30% stake in Mirabello Carrara**	n.d.	Financial Advisor	June, 2023
Castik Capital / Customs Support	**Acquisition of Errek**	n.d.	Financial Advisor	March, 2023
Fonderia Boccacci	**Disposal of a majority stake to Consilium private equity**	n.d.	Financial Advisor	April, 2023
Clessidra Private Equity SGR	**Acquisition of Everton**	n.d.	Financial Advisor	April, 2023
Farmagorà	**Capital Increase in Farmagorà**	€20m	Financial Advisor	May, 2023
Bridgepoint / Sotralu Group	**Acquisition of FR accessories**	n.d.	Financial Advisor	July, 2023
DENTRESSANGLE Capital	**Acquisition of Dietopack**	n.d.	Financial Advisor	July, 2023
Rosa Sistemi	**Disposal of Rosa Sistemi to Timken**	n.d.	Financial Advisor	September, 2023
Tecnoplast	**Disposal of a majority stake to Dea Capital**	n.d.	Financial Advisor	September, 2023
Epta	**Acquisitionof HEIFO**	n.d.	Financial Advisor	October, 2023
Progressio SGR	**Sale of Garda Plast to Valgroup**	n.d.	Financial Advisor	October, 2023
Gruppo Fontana	**Acquisition of Intermetal**	n.d.	Financial Advisor	November, 2023
SEC Newgate	**Disposal of a majority stake to Investcorp**	€92m	Financial Advisor	December, 2023
The Social Hub	**Acquisition of a minority stake in Talent Garden**	n.d.	Financial Advisor	December, 2023

The leading independent italian investment bank

As the go-to partner for investors, institutions, listed companies, corporates and entrepreneurs, EQUITA acts as broker, financial advisor and alternative asset management platform by offering a broad range of financial services that include M&A and corporate finance advisory, access to capital markets, insights on financial markets, trading ideas and investment solutions, in Italy and abroad, assisting clients with their financial projects and strategic initiatives.

Founded in 1973 and drawing on half a century of experience, EQUITA is committed to promote the role of finance by creating value for the economy and the entire financial system, thanks to its deep understanding of markets, strategic transactions, and sustainability.

A unique business model, where research is at the core of the strategy and where clients get access to a leading trading floor constantly connected with financial markets globally, a successful track-record in the execution of investment banking transactions – enhanced also by the international partnership with Clairfield who identifies cross-border opportunities for Italian and foreign companies – and a proved expertise in the management of investment funds, especially in illiquid asset classes like private debt, private equity, infrastructures and renewables.

EQUITA stands out for its independence and integrity, the commitment of its professionals to best-serve clients, and the concept of "partnership" that sees its managers and employees as shareholders of an investment bank listed on the Italian Stock Exchange as "STAR" company.

*"We are the go-to partner for investors, financial institutions, corporates and entrepreneurs who want to invest in Italy and execute growth strategies through corporate finance transactions.
We offer independence, flexibility and expertise to ensure best solutions to clients"*

195
Talented Professionals (1)

50+
Years of Tradition

€180m+
Market Capitalization (1)

#1
Independent Broker (2)

#1
ECM Franchise (3)

#2
Research Team (2)

#6
M&A Advisor (4)
(#1 among Italian independent advisors)

Top 10
DCM Advisor (5)
(#1 among non-lenders)

€1bn
Assets under Management (1)
(AuM)

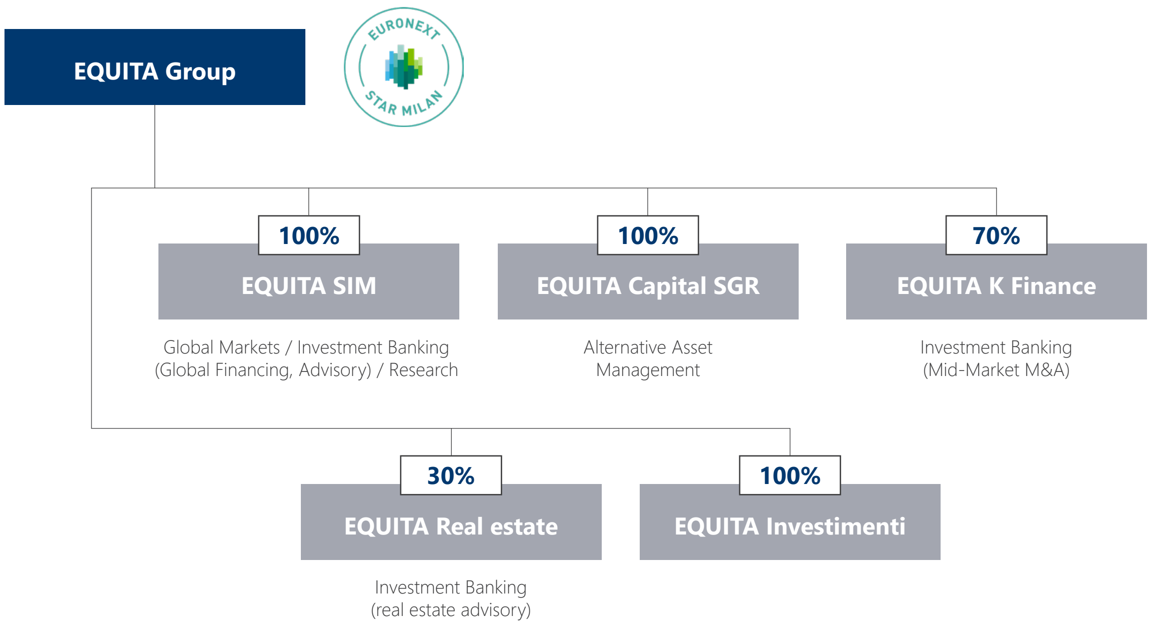
Notes: (1) Data as of 31 December 2023. (2) Source: Institutional Investor 2023. (3) Source: Dealogic. Ranking by number of transactions. (4) Source: EQUITA elaboration on Mergermarket data. Ranking by number of transactions. Pro-forma figures to include EQUITA SIM and EQUITA K Finance mandates. Ranking among independent Italian advisors excludes players directly involved in lending activities. (5) Source: Bloomberg, Bondradar. Ranking by number of High-Yield and Not Rated issues.

Simple Group structure

The Group is managed by EQUITA Group S.p.A., parent company listed on the Italian Stock Exchange and with which the management team reorganized the corporate governance and corporate structure in 2016.

Despite its simplicity, the structure of the Group allows EQUITA to assist efficiently all types of clients, in every situation, also avoiding conflicts of interest. Business is formally carried out by the operating entities EQUITA SIM, EQUITA Capital SGR, EQUITA K Finance, EQUITA Investimenti, EQUITA Real Estate, each of them positioning among leaders in the respective underlying markets.

Group Structure



EQUITA SIM

EQUITA SIM is a securities brokerage house. It historically accounted for a large part of the Group's Net Revenues and operations, and has always stood out for its brokerage, capital markets and research activities.

EQUITA Capital SGR

EQUITA Capital SGR is a multi-strategy platform active in the alternative asset management domain. It was established in 2019 to offer to institutional investors illiquid investment solutions such as private debt, private equity and renewable infrastructure funds. The management company also works alongside tier 1 banking groups and financial institutions to provide highly customized solutions for their retail networks.

EQUITA K Finance

EQUITA K Finance is a mid-market M&A advisory boutique with more than 20 years of expertise. It is one of the founding partners of Clairfield International (global partnership of M&A boutiques with offices in more than 30 countries) and joined the Group in 2020. The company has a strong track-record on M&A and corporate finance transactions, assisting Italian corporates, entrepreneurs and private equity funds.

EQUITA Real Estate

EQUITA Real Estate is an advisory firm active in real estate advisory. The company - formerly known as Sensible Capital - was rebranded in 2023 following the signing of a partnership between EQUITA and a team of professionals led by Silvia Rovere. Ther company stands out for its expertise in real estate advisory services aimed at assisting investment funds, large corporates and entrepreneurial families.

Note: Group Structure as of 31 December 2023.

50 years of independent thinking

EQUITA has a long tradition in independent investment banking and since the early 1970s, under the name of Euromobiliare, has been one of the most respected advisors in Italy, succesfully assisting investors, corporates, entrepreneurs and financial institutions, always involved in the most significant financial transactions completed in Italy in the last 50 years.

After some partnerships with foreign and Italian banking groups – such as Midland Bank and Credito Emiliano – the management team, key shareholder since 2002, at the end of 2007 completed a buyout, jointly with the private equity firms J.C. Flowers & Co. and Mid Industry Capital.

During these years, Euromobiliare changed name to EQUITA, a word that evokes the founding principles and key values that have always characterized the DNA of the bank: brokerage, equity, corporate finance, strong roots in Italy, fairness, ethical standards and transparency.

In 2015, the management started a reorganization process - completed later in 2017 - with the acquisition of the stake owned by J.C. Flowers and establishing the holding company EQUITA Group. The latter was admitted on Euronext Growth Milan in 2017 and subsequently listed on the Italian Stock Exchange in 2018, on the STAR segment.

Long tradition of independent investment banking in Italy

1973

Euromobiliare was established as one of the first italian merchant banks

1982

Euromobiliare was listed on the Italian Stock Exchange

Partnerships with commercial banks

1988

Midland Bank Plc, banking group later merged into HSBC, acquires control of Euromobiliare

1991

Euromobiliare SIM was incorporated, following the entry into force of the Italian Law 1/91

1994

Credito Emiliano acquires control of Euromobiliare SIM and completes a reverse merger and listing process

Partnerships with financial investors

2007

The private equity J.C. Flowers & Co acquires control of Euromobiliare SIM, backed by management

2008

Euromobiliare SIM launches its rebranding and becomes EQUITA SIM

Back to Independence and Listing on the Stock Exchange

2015

Management team acquires the stake owned by J.C. Flowers & Co. and reaches 100% of EQUITA SIM

2017

EQUITA Group was established and admitted to trading on the AIM Italia Growth Market

2018

EQUITA acquires the brokerage & primary markets branch of Nexi. In the same year, EQUITA moves to the regulated market and becomes a STAR company listed on Euronext Milan

Diversified and fast-growing investment bank

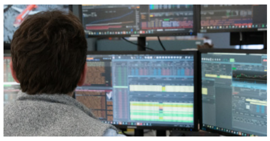
2019

EQUITA Capital SGR, the platform dedicated to the management of alternative illiquid assets, is established

2020

K Finance, independent M&A advisory boutique, was acquired and rebranded to EQUITA K Finance

2022



Management renews the shareholder's pact and confirms itself as the largest shareholder. Families, entrepreneurs and institutions enters the share capital with a minority stake of 12%

2023

EQUITA Real Estate is established with the aim of further diversifying the investment banking offering in the real estate vertical, in partnership with Silvia Rovere

EQUITA turns 50: half a century alongside investors, listed companies, institutions and entrepreneurs

50 YEARS OF INDEPENDENT THINKING

A unique model, built on four complementary and synergistic areas of business

The Group offers M&A and corporate finance advisory, access to capital markets, insights on financial markets, trading ideas and investment solutions, in Italy and abroad, assisting clients and partners with their financial projects and strategic initiatives.

A unique business model, where research is at the core of the strategy and where clients get access to a leading trading floor constantly connected with financial markets globally, a successful track-record in the execution of investment banking transactions and a proved expertise in the management of investment funds, especially in illiquid asset classes.

Four areas of expertise...

Investment Banking

- The reference financial advisor for listed companies, Italian SMEs, leading national and international private equity funds
- Consistently among top M&A Advisors by number of transactions
- The leading capital market advisor (ECM, DCM, Debt Advisory)

50+ professionals

Global Markets

- The largest independent trading floor in Italy, active in equities, bonds, derivatives and certificates
- 400+ active institutional clients, 70+ interconnected banks
- #1 "Trading & Execution" and #2 "Best Italy Sales" (Institutional Investor)

40+ professionals

Research Team

- Equity and Fixed Income market coverage
- 120+ Italian companies covered (96% market capitalization)
- #2 "Italy Research Team"(Institutional Investor)
- 40+ European companies covered

15+ professionals

Alternative Asset Management

- A fast-growing multi-asset platform, mainly focused on alternative, illiquid strategies
- ≈€1 billion assets under management, including private debt, private equity and infrastructure funds
- +25 private capital investments completed since 2019

20+ professionals

... to best-serve clients...

*** Institutional investors**

*** Financial Institutions and Banking Groups**

*** Listed Companies**
(large industrial groups, mid-small caps, public companies)

*** Private companies and Entrepreneurs**

*** Financial Sponsors**

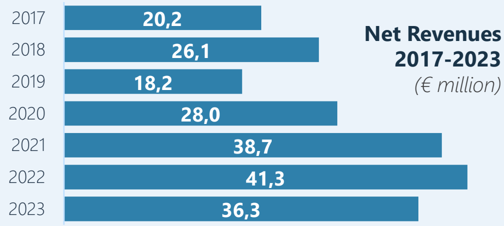
... constantly backed by all Group functions and departments

Operations, staff and internal Group functions

60+ professionals

Investment Banking

"The only truly ***independent one-stop-shop*** *in Italy, capable of meeting all financial needs of clients with a full set of investment banking services*



The Investment Banking team is made up of committed and expert professionals, with a proven track record in the execution of strategic transactions and a multi-disciplinary, deep know-how. It offers a complete range of services o listed companies, corporates, entrepreneurs, financial institutions and investors.

In the recent years, the team has diversified its offering, thanks to senior hirings dedicated to new verticals, and has further consolidated its sectorial expertise to assist clients with tailor made solutions and outstanding out-of-the-box thinking.

Areas of Expertise

M&A Advisory

- Mergers and Acquisitions (buy-side and sell-side, cross-border transactions)
- Spin-offs, asset disposal, advisory in strategic transactions
- Takeover bids
- Corporate valuations and fairness opinions
- Corporate restructuring

Equity Capital Markets (ECM)

- IPOs and Listings
- Accelerated Bookbuildings (ABBs, RABBs...)
- Equity-linked issues
- Rights issues
- Takeover bids and tender offers
- Private placements

Debt Capital Markets (DCM) & Debt Advisory

- High-yield, investment grade, and not rated issues
- Sustainability-linked, social and green bond issues
- Private placements and "Mini-bonds"
- Debt advisory in the renegotiation and of terms and conditions on debt instruments
- Advisory in the management of workout and disposal of bad loans

Corporate Broking

- Advisory to Board of Directors
- Market intelligence and performance analysis
- Investor targeting
- Specialist

Real Estate Advisory

- Definition of strategic plans to manage, increase value or dispose real estate assets
- Advisory to owners and real estate investors in the acquisition and sale of assets, and monitoring of financial and non-financial investment performance
- Financing and structuring of innovative investment opportunities in the real estate sector

70+ Capital Markets mandates
in the three-year period '21-'23
€20+ bn

100+ M&A mandates
in the three-year period '21-'23
€95+ bn

Key People

Marco Clerici
Co-Head Inv. Banking, Head Global Financing

Giuseppe Renato Grasso
Co-CEO EQUITA K Finance

Carlo Andrea Volpe
Co-Head Inv. Banking, Head of Advisory

Filippo Guicciardi
Co-CEO EQUITA K Finance

Simone Riviera
Deputy Head Inv. Banking

Silvia Rovere
CEO EQUITA Real Estate

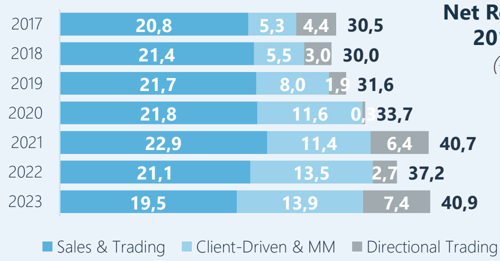
50+ professionals

Note: Data as 31 December 2023

Global Markets

*"The **largest independent trading floor**, offering best-in-class service to all types of clients, from investors to financial institutions and issuing companies"*

Net Revenues 2017-2023
(€ million)



With its third-party brokerage (Sales & Trading) and proprietary trading services (Client-Driven & Market Making) on behalf of clients, the trading floor supports investors offering access to all major instruments and markets.

The division is composed by smart, market-oriented sales and traders. Everyday the team interacts with more than 400 institutional clients all around the globe and more than 70 financial institutions and banking groups representing a network of about 5,000 branches, thus helping them with the execution of their investment strategies.

Areas of Expertise

Sales & Trading (Institutional)

- Equity (Italy)
- Equity (Europe, US, Asia...)
- Fixed income Desk
- Derivatives and ETFs

Sales & Trading (Retail Hub)

- Brokerage of retail flows on behalf of banking groups and regional banks
- Dynamic best execution
- Multi-execution and multi-venue
- Listing of branded securities

Proprietary Desk and Market Making

- Proprietary trading on behalf of clients on equities, bonds, ETFs, derivatives, certificates
- Market maker and role of Specialist in all main trading venues (Euronext, MOT, EUROTLX, HI-MTF, SEDEX..)

#1
independent broker in Italy [(1)]

8-10%
market share in the brokerage of Equities and Bonds in Italy [(2)]

6.500+
contacts globally

Key People

Vincenzo Abbagnano
Co-Head Global Markets

Fabio Arcari
Head of Sales & Trading

Simona Pozzi
Head Retail Hub

Cristiano Rho
Co-Head Global Markets

Sergio Martucci
Head Proprietary Trading

40+ professionals

Note: Data as of 31 December 2023. (1) Institutional Investor Survey, 2023. (2) Market share referred to third-party brokered volume. Source: AMF Italia 2023.

Research Team

*"We support institutional investors' decisions with **unbiased insights** financial markets and **in-depth analysis** of listed companies, especially on **mid-small caps***

EQUITA stands out for its in-depth analysis and quality research both on equity and fixed income, as well as for its expert analysts who have been consistently at the top of Italian rankings and among the leading in Europe and consistently at the top of international rankings for the last twenty years.

In addition to this, full independence, deep understanding of industry trends and fundamental analysis, very broad coverage, both in terms of market capitalization of issuing companies and sectors, in addition to a strong knowledge of sustainability and ESG.

Areas of Expertise

Research Reports

- Equity Research
- Fixed Income Research
- Macro Research
- Sectorial and Thematical reports (PNRR, PIR...)
- ESG and Sustainability analysis

Meetings between listed companies and the financial community

- Roadshow
- Meetings
- Conferences

Periodic reports

- Good Morning
- Equity Report
- Weekly Report
- Monthly Report
- PIR Monitor
- ESG Report
- Weekly Fixed Income
- Monthly Fixed Income

#2

Research Team in Italy (#1 for number of votes) (1)

160+

listed companies covered
(120+ Italian and 40+ foreign)

600+

reports and analysis published every year

Key People

Luigi De Bellis
Co-Head Research Team

Domenico Ghilotti
Co-Head Research Team

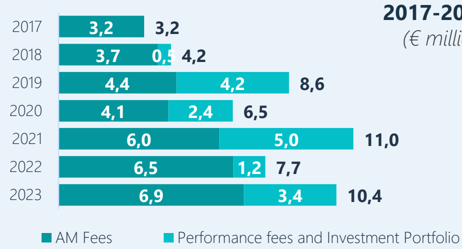
15+ professionals

Note: Data as of 31 December 2023. (1) Institutional Investor Survey, 2023.

Alternative Asset Management

"One of the leading ***multi-asset managers*** *in Italy, assisting investors with* ***alternative investment solutions*** *and supporting entrepreneurs with* ***capital and managerial skills****"*

Net Revenues 2017-2023
(€ million)



EQUITA Capital SGR aims to support institutional investors with innovative investment solutions in the sector of alternative assets and to co-develop along with banks, financial institutions and private banking networks, new niche products to help them meet the needs of their retail clientele, by sharing the long-standing experience of the group's management teams on financial markets, public and private.

The division leverages on the expertise of high-profile professionals with a proven track record in the management of alternative assets and an average tenure among senior managers of more than 30 years experience.

Areas of Expertise

Private Debt

- Financing instruments complementary to bank lending, to support the development and growth of small and medium enterprises
- Management of alternative investment funds (AIF) focused on private debt

Private Equity

- Investments in qualified minority or majority shareholdings, through capital increase alongside management and entrepreneurs of the target
- Management of ELTIF funds focused on private equity

Renewable infrastructures

- Private equity investments in renawable assets in Italy and Europe
- Focus on photovoltaic, wind and biogas assets
- Management of investment funds on renewable energy infrastructures

Liquid Strategies

- Management of discretionary portfolios
- Flexible funds (UCITS)
- Advisory

€1+ bn
Assets under Management (AuM)

25+
private capital transactions since 2019

3 funds qualified as
Art. 8
pursuant to the SFDR

1 fund qualified as
Art. 9
pursuant to SFDR

Key People

Matteo Ghilotti
CEO EQUITA Capital and Managing Partner
Head of Liquid Strategies

Paolo Pendenza
Co-Head AAM and Managing Partner
Head of Private Debt

Rossano Rufini
Managing Partner
Head of Private Equity

Balthazar Cazac
Managing Partner
Head of Renewable Infrastructures

20+ professionals

Note: Data as of 31 December 2023.

Operations, staff and internal Group functions

60+ professionals

Key People

Stefania Milanesi
Executive Board Member,
Group's CFO & COO

The Group benefits from the presence of outstanding professionals in all areas that not involved in front-office activities. Among the teams that support the core business, EQUITA stands our for its Back Office and its IT department that ensure cutting-edge solutions and innovation, as well as timely 360-degree support to all Group's professionals.

Finance, Human Resource, Compliance & AML, Internal Audit, Risk Management, Legal and Corporate Affairs, Tax, Investor Relations, Marketing and Communication, Facility Management departments complete the internal structure of the Group.

Awards

Institutional Investor

In 2023, EQUITA confirmed its positioning at the top of Institutional Investor rankings, prestigious financial newspaper, with its Research, Sales, Trading & Execution, and Corporate Access activities. Overall, EQUITA ranked al second place in the *Overall Broker - Italy (Weighted by commissions)* summary ranking and first by number of votes.

FINANCECOMMUNITY AWARDS

EQUITA was awarded at the Financecommunity Awards 2023 in the categories "Capital Markets - Professional of the Year" with Andrea Ferrari (Head ECM), "Private Debt - Team of the Year" and "Deal of the Year" with the KKR TIM transaction managed by the M&A Advisory team. Moreover, 7 professionals and 7 EQUITA teams were nominated as finalists in various categories.

EQUITA also won the Banking Awards 2023 - Guido Carli Award as best SIM in Italy.


EQUITA
WE KNOW HOW

Our Priorities

Constant commitment to our stakeholders

1

Building long-term relationships

In order to build long-lasting relationships with clients and stakeholders in general we strongly believe it's essential to establish a relationship based on trust and unbiased independent advisory

2

Offering best solutions

Our commitment, multidisciplinary expertise and flexibility allow us to better satisfy all clients' needs, in every situation, and all our partners' needs

3

Strenghtening the concept of partnership among managers

The concept of partnership has always distinguished EQUITA in the market. As a result of the entrepreneurial approach that guides us, we co-invest alongside clients, aligning interests, which allows us to openly evaluate collaborations with other professionals and teams.

4

Investing in the welfare and training of our professionals

People are our greatest asset. We offer corporate welfare programs which provide monetary and non-monetary benefits, along with a pleasant and more productive work environment. We also invest in the development of careers and training of all professionals, from the junior to the senior resources

5

Promoting young people's talent, the managers of tomorrow

Young people are the future of both EQUITA and the community. That is why their education and the development of their talent is a priority for us

6

Supporting the community and the culture in general

We have always been alongside the community with initiatives focused on supporting local areas, social cohesion and integration, as well as promoting culture on different fronts, from art to financial education

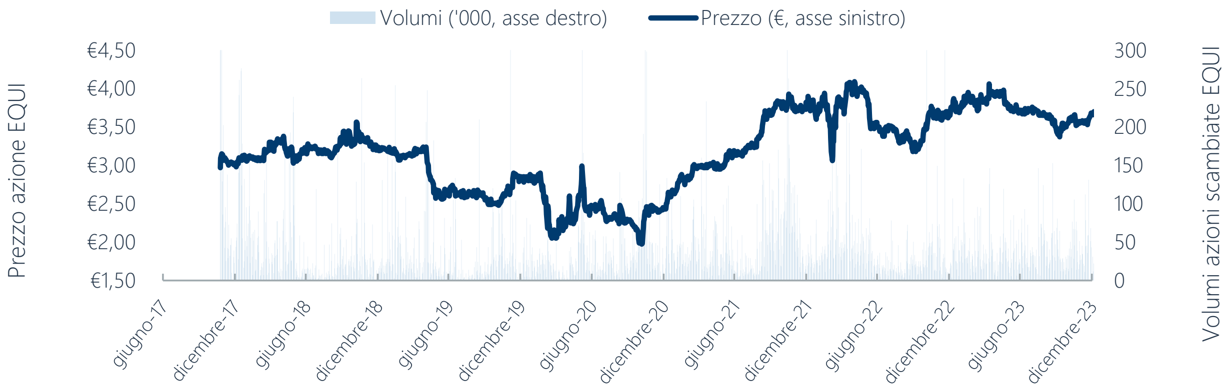
The EQUITA Stock

EQUITA is listed on the STAR segment of the Italian Stock Exchange through its parent company EQUITA Group S.p.A. (EQUI, ISIN code: IT0005312027). After its admission in November 2017 on Euronext Growth Milan (formerly known as AIM Italia), in October 2018 the management completed the translisting to the regulated market by joining the Euronext STAR Milan market cas promised to investors during admission to the market dedicated to dynamic high-growth SMEs.

EQUI
EURONEXT
STAR

EQUITA stock performance and volumes

(23 November 2017 - 31 December 2023)

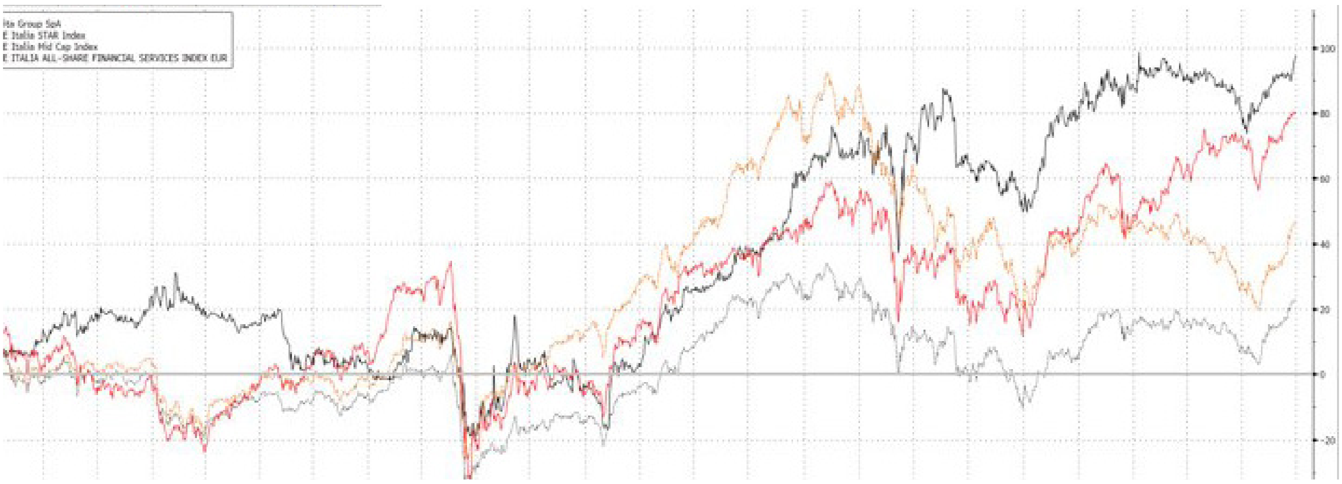


Key Information

	2017	2018	2019	2020	2021	2022	2023
Market Capitalization (€m, year end)	151	162	143	122	192	185	189
Share Price (€)							
Last (year end)	3.02	3.24	2.85	2.43	3.82	3.64	3.68
Average (year)	3.06	3.21	2.83	2.42	3.23	3.62	3.72
Minimum (year)	2.97	2.98	2.48	1.98	2.43	3.06	3.37
Maximum (year)	3.15	3.57	3.24	2.99	3.93	4.09	4.06
Number of Shares (m, year end)							
Total	50.0	50.0	50.0	50.0	50.2	50.9	51.3
of which outstanding	*45.3*	*45.5*	*45.5*	*45.9*	*46.2*	*47.0*	*48.2*
of which treasury shares	*4.7*	*4.5*	*4.5*	*4.1*	*4.1*	*3.9*	*3.1*
Dividends							
Dividend per Share (€)	0.22	0.22	0.19	0.20	0.35	0.35	0.35
Dividend paid out (€m)	10.0	10.0	8.7	9.2	16.4	16.8	17.2
Retained Net Profits (€m)	1.0	2.0	0.8	3.0	5.1	(1.8)	(1.1)
Retained Net Profits since IPO (€m, cumulated)	1.0	3.0	3.8	6.8	12.0	10.2	9.1

Fiscal year 2023: (1) Dividend proposal is subject to Shareholders' Meeting approval. The item "Dividend paid out (€m)" for 2023 fiscal year is intended as the maximum amount to be cashed out, as function of the effective number of outstanding shares at payment date. As a results, "Retained Net Profits" and "Retained Net Profits since IPO" are dependent on the amount of dividends paid out.

Relative performance (23 November 2017 - 31 December 2023)

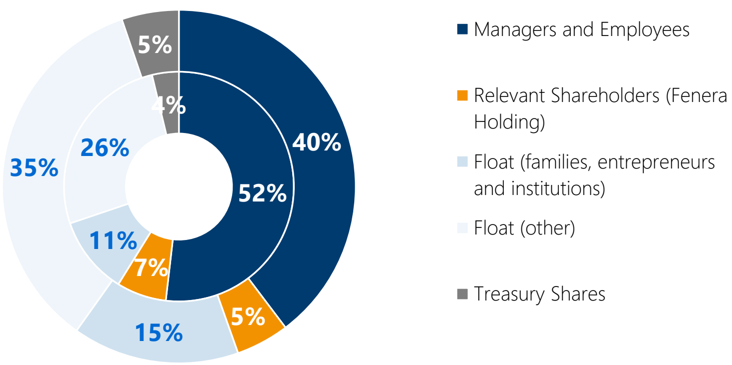


		EQUI:MI	FTSE Italy STAR	FTSE Italy MidCap	FTSE Italy Financial Services
Returns from the date of IPO till 31 December 2023	Price return	26.9%	28.8%	4.5%	38.9%
	Total Shareholders Return	97.8%	46.1%	22.4%	80.1%

Shareholder Structure

A partnership of managers and professionals, listed on the Italian Stock Exchange

The shareholders' structure includes Group's managers and employees who own 40% of the share capital and 52% of the voting rights. The company also holds 5% of treasury shares (4% of the voting rights). Relevant shareholders include Fenera Holding with 5% of the share capital and 7% of the voting rights. The market float accounts for 50% of the share capital and 37% of the voting rights. The market float also include sincludes few families, entrepreneurs and institutions which in May 2022 acquired a 12% stake of the share capital (8% of the voting rights).



Nota: shareholders as of 31 December 2023.

Increased voting rights

Any EQUITA shareholder may request and obtain increased voting rights, once enrolled in a specific shareholders' registry and having held the shares for at least 24 months without interruption.

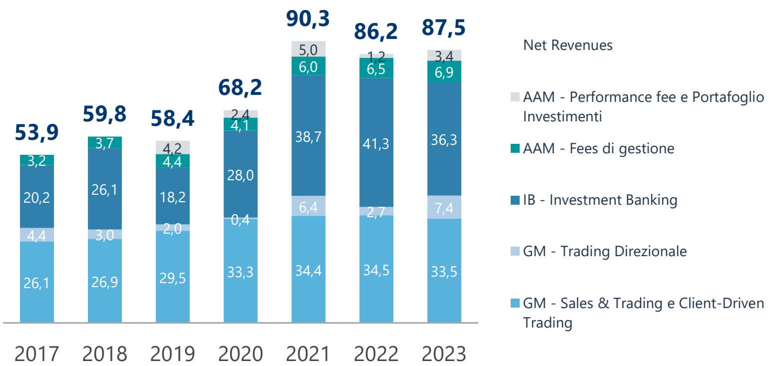
For more information, please refer to the corporate bylaws and the documentation related to increased voting rights available to the public on the website www.equita.eu.

EQUITA since its IPO

Since 2017 the Group has significantly diversified its revenues breakdown, growing by an average of 8% each year (CAGR '17-'23), both organically and through M&A. Our cost disciplined approach on costs, confirmed by a *compensation/revenues ratio* below 50% and a *cost/income ratio* around 70% on average, has allowed the Group to consistently record profitable performance and reward shareholders with compelling returns. A Group with an evergrowing number of professionals and a business model based on growing in low-capital absorption initiatives which allows to pay significant dividends, while also maintaining the highest standards in terms of capital strengths and financial soundness.

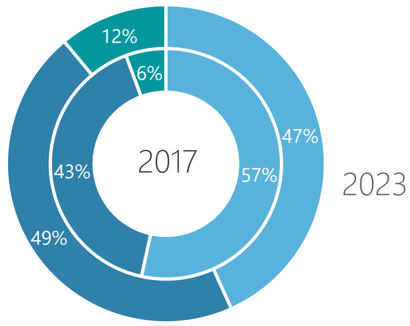
Net Revenues by business area [1]

(€ million)



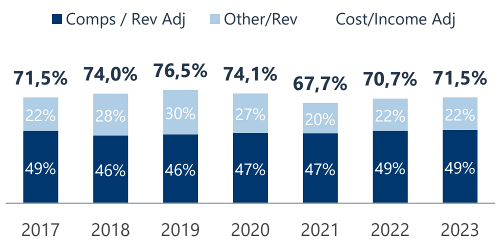
Net Revenues Breakdown

(% of Consolidated Net Revenues)



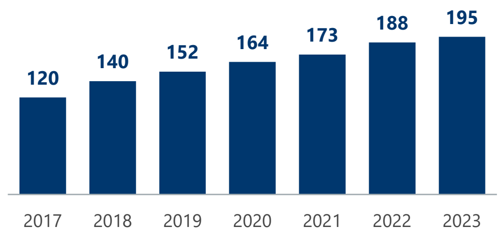
Evolution of expenses [2]

(% on Consolidated Net Revenues) [1]



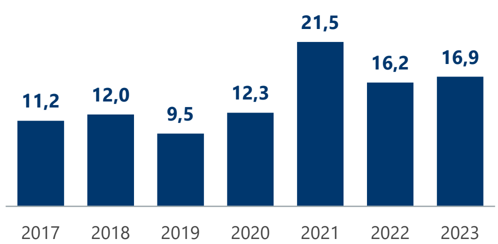
Number of professionals

(Year-end)



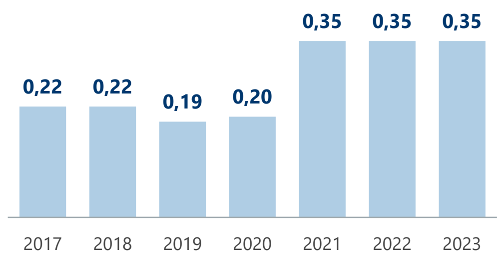
Adjusted Net Profits [3]

(€ million)



Dividend per share

(dividend cashed-out the following year)



(1) Some items contributing to 2022 revenues were reclassified and resulted in a reduction of the cost base for the same amount (c. €0.6m). (2) Excludes non recurring expenses. (3) Excludes non recurring expenses and the effect of the long-term incentive plan addressed to top management.

2

Report on Operations

Income Statement Reclassified

The income statement provided below was reclassified in order to better represent the contribution that each business division made to the Group's performance

(amounts in euro/000)	31/12/2023	31/12/2022	Chg. %
Global Markets	**40,877**	**37,222**	**10%**
of which Sales & Trading	19,531	21,051	-7%
of which Client Driven & Market Making	13,935	13,481	3%
of which Trading Direzionale	7,411	2,689	176%
Investment Banking	**36,280**	**41,292**	**-12%**
Alternative Asset Management	**10,367**	**7,716**	**34%**
Total income	**87,523**	**86,229**	**2%**
Personnel expenses	(41,943)	(42,184)	-1%
Other operating expenses	(21,468)	(18,737)	15%
Operating costs	**(63,411)**	**(60,921)**	**4%**
Profit before tax	**24,112**	**25,308**	**-5%**
Minority interest	(695)	(2,021)	-66%
Net profit	(7,030)	(7,106)	-1%
Stock options and performance shares incentives	(328)	(934)	-65%
Parent company's net profit (incl. LTIP)	**16,059**	**15,247**	**5%**

The Group closes the year 2023 with a net profit pertaining to the Parent Company of **16,059,033** and proposes the distribution of a maximum overall dividend of **€ 17,195,205 (€0.35/per share).**

Macroeconomic scenario

2023 was marked by a gradual return of inflation to more moderate dynamics and closer to central bank targets, despite the emergence of further geopolitical tensions in the Middle East that risked undermining global supply chains again and reported concern about energy risks.

A significant contribution to reducing inflation has been made by central bank stocks, with the FED and the ECB completing one of the fastest rate hike cycles in 2023 (the ECB recorded a cumulative increase of 450 basis points from July 2022). Against this background, consumer price developments will fall from 5.4% in 2023 to 2.7% in 2024, 2.1% in 2025 and 1.9% in 2026 in the Eurosystem's staff projections in December, leading to a drop in key interest rates.

Italy recorded GDP growth of +0.7%, above the European average. The resilience of the Italian economy to geopolitical and energy shocks, combined with the stability of the banking sector, has favored a decline in the BTP-Bund spread in the 160bps area. This trend was confirmed also in January 2024, with the differential at the end of the month of approx. 150bps (10-year BTP yield at 3.7%). According to the latest Government forecasts, the debt/GDP ratio is estimated to decrease slightly, from 140.2% in 2023 to 139.6% in 2026, assuming GDP growth of +1.2% in 2024, +1.4% in 2025 and +1% in 2026. We believe that the implementation of the National Recovery and Resilience Plan (PNRR) is crucial to achieving growth targets. Italy has already cashed over € 100bn out of a total of approx. € 194bn. In the second half of December, the EU Council reached agreement on the reform of the Stability and Growth Pact.

The latest OECD estimates predict a slowdown in global GDP to 2.7% in 2024 from 2.9% in 2023, as a result of restrictive monetary policies and worsening consumer and business confidence, although recent indicators are showing more resilience than expected, especially in the United States. High downside risks from international political tensions remain, particularly in the Middle East.

Market analysis and business trends

During 2023, the Italian stock market was characterized by contrasting phases.

The first months of the stock market have marked sustained developments until the setback generated by the crisis of the American and then Swiss regional banks, when volatility has accelerated the pace. In particular, prior to these events, the banking sector bonds were the ones with the best stock market performance since the beginning of the year, thanks to the effect of interest rate growth. Subsequently, the banking sector paid for the contraction of investor confidence resulting from the events described. In the second quarter of 2023, thanks to the initiatives put in place by central banks and states interested in rescuing the institutions involved in financial instability, investor confidence gradually recovered. The third quarter saw a substantial holding of stock exchange prices, maintaining positive performance compared to the beginning of the year for most of the segments. Conditions in the Italian financial markets have become considerably more relaxed since November, benefiting from improved investor confidence, This is largely driven by expectations of a less restrictive monetary policy stance by the major central banks. The FTSE-MIB index in November peaked in 2023 at 30,427 points closing the year at 30,351.62 bps. The FTSE MIB Implied Volatility Index ("IVMIB30 index") experienced a contraction during 2023, which was erratic. In the first part of the year the IVMIB30 index was impacted by the effects of the crisis of the regional banks, reaching 30.62 bps in March and then falling after a month to 17.55bps. During the summer break the index was almost flat around 15-16 bps. Between October and November, the IVMIB30 index regained vitality, reaching 25.6, closing the year between 14 -16 bps.

From the point of view of corporate finance operations, 2023 did not accelerate compared to the previous year, characterized by a wait-and-see and prudent climate despite the pipelines are important. The M&A market has slowed down, in particular in the large deal segment, which had characterised the last two years, whose values have fallen sharply. Instead, they kept the volumes of mid-market in the consumer and industrial sectors, typical of Made in Italy and the activism of Italian family businesses, which continue in the process of internationalization.

In Italy, 1,219 M&A transactions were closed (-4% compared to 2022) for 28 billion euros (-68% compared to 2022) against 1,271 deals, for 86.4 billion euros, in 2022 (equivalent to several mega-deals such as the delisting of Atlantia S.p.A. for about 12.7 billion euros and the operation Autostrade for Italy for about 8.0 billion euros), which was already down from 100 billion in 2021 (for 1,214 transactions in total).

Despite the progressive growth of interest rates during the year and uncertainty in the financial markets, 2023 saw a very lively stock market in terms of volumes, including IPOs, list changes and delisting.

In a difficult context, the positive signs of the Italian stock market that in 2023 recorded 34 IPOs on the EGM market (in 2022 there were 29), from which a total of over 1.5 billion euros were collected. The IPO market was driven by the Euronext Growth Milan (EGM) segment, with 31 admissions, while the main Euronext Milan market debuted 3 companies (Eurogroup Laminations, Lottomatica and Ferretti's dual listing). There are also the list changes from EGM to EXM of Comer Industries, Cy4gate, Unidata, Digital Value and Technoprobe. 2023 was also characterized by an increase in delisting operations, registering 22 stock price withdrawals, of which 14 through takeover bids, for about 750 million euros overall.

With reference to the sectors mainly involved in M&A transactions, in 2023, we find the Consumer Markets with 380 deals for a turnover of about 13 billion euros, the Energy&Utilities that has 107 acquisitions for an amount invested of 4,5 billion euros and Industrial Markets with 4.3 billion euros for 293 transactions. Moreover, the contribution, in terms of volumes, of the TMT segment that recorded 226 deals, in particular on the technology/IT services segment, is particularly significant.

In the course of 2023, there was a contraction in the size of deals closed by private equity funds. This reduction, in terms of average turnover, is mainly attributable to the significant increase in the cost of financing, as well as a misalignment of expectations between sellers accustomed to high multiples and buyers burdened by the higher cost of debt. Among the most attractive sectors for private equity, it confirms the macro-sector of Consumer Markets, with particular attention to the luxury segment.

Outlook 2024

For 2024 there is an attitude of cautious optimism for the recovery of counter-values in the M&A sector, an expectation supported by several factors: In the first instance, the pipeline in terms of announced but not yet finalized operations, it is quite significant, with a turnover of around €40 billion; On the stock market side, 2024 is expected to be a particularly interesting year thanks to the Pipeline that has been created in the last two years as a result of the violent monetary tightening.

With regard to the latter, the expected decline in interest rates linked to a relaxation of monetary policy makes it possible to look positively at 2024.

Greater ease of access to credit could facilitate the recovery of acquisitions, with particular reference to those buyers, such as Private Equity funds, which make greater use of leverage in their operations.

With regard to interest rate conditions, following the publication of inflation data at the end of November and the December meeting of the Governing Council, The expected reduction of the reference rates implied in the swap contracts on the €STR rate increased. The markets expect a very strong slowdown in reference rates. The first cut of 25 basis points is expected for April; Overall, a decline of around 150 basis points is expected by the end of 2024, with a central bank deposit rate projected at around 2,5 % in December 2024.

With regard to inflation expectations, in the Eurosystem forecast scenario, inflation in Italy would also fall sharply in 2024; both background and volatile components would contribute to this.

Financial performance of the Group

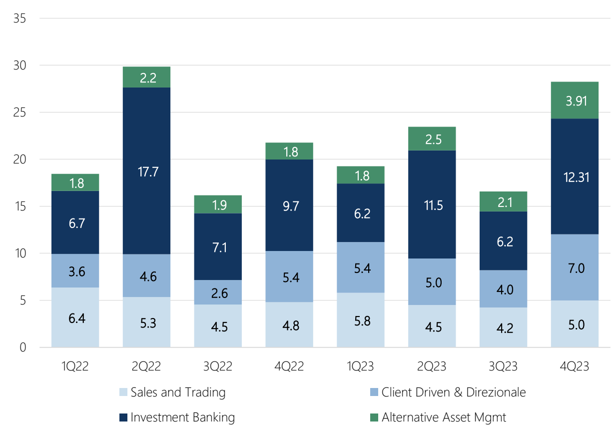
The income statement, in 2023, recorded a consolidated net profit including minorities of approximately €16.8 million, down from 2022 by 3%.

The Parent Company recorded an increase of €16 million in consolidated net profit (+5%) compared to 2022.

Net revenues in 2023 amounted to €87.5 million, compared to €86.2 million recorded in 2022 (2%).

The following table summarises the trend in net revenues per quarter.

NET REVENUES EVOLUTION BY QUARTER



Global Markets

Focus on the financial market sector

2022 was a year of major events that profoundly changed the international macroeconomic and geopolitical context. In 2023, the issues of:

- High cost of money;
- High levels of inflation;
- Prolonged war in Ukraine and political instability in the East.
- Instability in the Middle East due to Israeli-Palestinian tensions.

During 2023, European and US monetary policies continued on the path of increasing the cost of money to counter inflation. The FED, after a rise in May, raised the reference interest rate in July by 25 bps and then left the reference rates unchanged (5.5%) for three consecutive meetings. The Fed then announced that the monetary policy stance will remain restrictive until inflation returns to levels compatible with its objectives.

In 2023, the Governing Council of the ECB raised official interest rates by 50 bps at both its February and March meetings, while at its meetings in May, June, July and September it increased the official interest rates by 25 bps, bringing the total increase since last September to 4.50%. At its meetings in October and December, the ECB also left the key interest rates unchanged, believing that, if maintained at these levels for a sufficiently long period, they could make a substantial contribution to the return of inflation to the 2% target.

The Council also decided to gradually reduce during the second half of 2024, to zero, the reinvestment of maturing bonds purchased under the pandemic emergency public and private bond purchase programme.

In the euro area, consumer inflation is still down, but the underlying inflation is high. In the Eurosystem staff projections, consumer inflation is projected to rise to 5.4% in 2023 and gradually to 2.7% in 2024, 2.1% in 2025 and 1.9% in 2026.

Between March and June, the portfolio of the Asset Purchase Programme (APP) fell by an average of €15 billion per month as a result of the partial reinvestment of the principal repaid on maturing securities. Since last July, reinvestments have been completed under the Asset Purchase Programme (APP). At the end of December, the value of the Eurosystem's portfolio under the APP plan was €3,026 billion. The Council confirmed that full reinvestment of the principal repaid on maturing bonds under the Pandemic Emergency Purchase Programme (PEPP)will continue until at least the end of 2024 and will continue to be conducted flexibly.

Part of the funding disbursed under the third set of targeted longer-term refinancing operations (TLTRO3) expired in June; at the same time the banks made voluntary refunds. At the end of December, the total funds still held by the banking system fell to €392 billion (from 1,098 billion) for the euro area and to €137 billion (from 318 billion) for Italy.

On the other hand, as regards policies to reduce energy dependence and accelerate the green transition, last February the EU Council approved the REPowerEU European Plan. 19 Member States have submitted a request to amend their national recovery and resilience plan, and 10 of them have included a new chapter of measures to access funds from the REPowerEU programme. In the same period, new resources were disbursed for almost €46 billion under the Mechanism for Recovery and Resilience, of which €16.5 billion to Italy. Since the start of the programme, a total of more than €220 billion has been distributed to the various EU Member States.

In the first two months of the year, in the United States, consumer inflation declined, benefiting from the decline in the most volatile components; However, the decline in underlying inflation has been more contained. The contraction in US inflation continued, with the underlying inflation rate at 3.9% at the end of December 2023. This mainly benefited from the fall in energy prices.

In February, price dynamics returned to rise in the United Kingdom and then returned in April/May, reaching 6.2% in August and then closing down in December at 5.1%. In Japan, wage increases helped to sustain consumer prices, but underlying inflation remains contained in international comparison (2.7% in November).

As regards developments on international **financial** markets , conditions have tightened since mid-January, reflecting expectations of a more restrictive stance on monetary policies. Since the end of the first decade of March, risk aversion and volatility have risen sharply following the failures of some regional banks in the United States and the Credit Suisse crisis. The central banks of the major advanced economies have intervened jointly to provide liquidity in dollars, increasing from weekly to daily the frequency of foreign exchange financing lines. Market expectations on the upward path of US benchmark rates have narrowed markedly. The implied volatility of stock prices also temporarily increased sharply, and that of US government bonds grew more sharply. Conditions on the international financial markets normalised in the second quarter. The volatility of US government bond yields remained high, although it declined slightly after the agreement was reached to raise the cap on federal debt. The euro remained broadly stable against the dollar. Conditions tightened again in the third quarter, reflecting investors' review of expectations of a rapid easing of monetary policy. Government bond yields increased in the major advanced economies, to a greater extent in the US; Stock prices are down. Implied volatility remains contained in equity markets, while it remains at high levels in bond markets. Financial conditions eased in the fourth quarter of the year. Long-term government bond yields fell in the major advanced economies. This was initially helped by the announcement by the US Treasury of a relatively low volume of long-term bond issues, and After that, the spread of data indicating a stronger than expected moderation of inflationary pressures in the US. This was accompanied by a downward revision of market expectations on both Federal Reserve and ECB policy rates. Despite the deteriorating global economic outlook, stock price developments in the major advanced countries, as well as volatility implied in options prices in the stock and bond markets, benefited from lower yields.

With reference to the **euro-dollar** ratio, after a period of stability during October, the revision of market expectations on the orientation of the Federal Reserve led to a generalized depreciation of the dollar, also against the euro.

In Italy, after a 2022 period characterised by substantially stagnant GDP, economic activity recovered in the first three months of 2023, benefiting from the decline of energy flows and the normalization of supply conditions along value chains. In particular, growth has been recorded in the construction and manufacturing sector. In the second quarter, GDP growth stopped substantially. The activity was supported by services; the manufacturing production instead is diminished, held back in particular from the weakening of the total industrial cycle. In the third quarter, activity remained weak both in manufacturing and in the tertiary sector. On the demand side, the development of GDP reflected a substantial stagnation in consumption and a decrease in investment, also due to the tightening of financing conditions. In the last quarter of 2023 the Italian GDP remained substantially stationary. GDP growth has been dampened by tightening credit conditions, as well as by still high energy prices; consumption stagnated and investment contracted. The activity has returned to go down in the manufacture, while it has stabilized in the services; increased in construction, which continued to benefit from tax incentives.

Consumer **inflation** , after peaking at the end of last year, began to decline reflecting the marked decline in the energy component, even underlying inflation is showing signs of weakening (4.5% in September in Europe) especially in the component of goods - for which the transmission of energy shock had been added to the pressures associated with the difficulties of supply of non-energy inputs - and also in that of services.

During the first quarter, HICP inflation gradually declined to 8.2% from its autumn peak of 12.6%. In the second quarter the decline continued reaching 6.7% in June. In September, the decline in HICP inflation stopped, rising to 5.7% over the 12 months (from 5.5% in August) closing the year 2023 to 0.5% over the 12 months, the lowest since January 2021.

The trend decline in energy prices has been accentuated, reflecting the comparison with exceptionally high prices at the end of 2022 and the recent fall in fuel prices and electricity and gas bills. The underlying component contracted sharply, at 3%, from the peak reached in February 2023 (5.5%); This has been affected by the slowdown in the prices of services, particularly hotels and restaurants, together with the further deceleration of prices of non-energy industrial goods, especially durable goods. Food inflation declined slightly, but remained high (5,5 %).

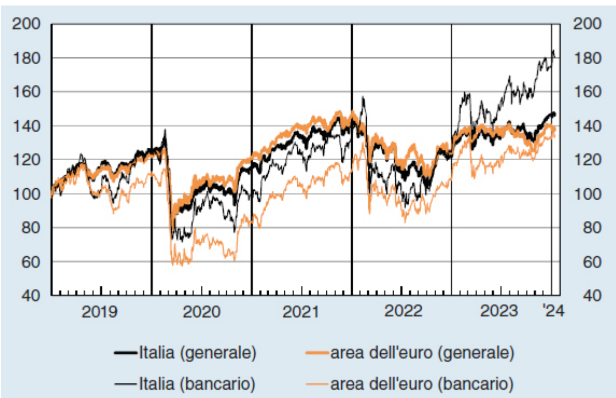
Monetary policy initiatives at **European** level have also led to a further worsening of funding costs in Italy.

Past official rate increases have continued to be passed on to the cost of financing businesses and households to purchase housing. Between February and May, the interest rate on new loans to euro area non-financial corporations rose by around 70 basis points to 4.6%, reaching 5% in September; The one on loans to households for the purchase of housing of 50 basis points, at 3.8%. Between August and November, the interest rate on new loans to non-financial corporations and the interest rate on new loans both rose by a tenth, to 5.2% and 4.0% respectively. The transmission of monetary policy impulses to financing conditions was stronger than expected on the basis of historical regularity, partly due to the high risk perceived by intermediaries.

Since mid-January, **stock prices** have increased progressively.

Stock prices rose significantly in January and to a lesser extent in February, following the publication of higher-than-expected fourth-quarter 2022 earnings data and indicators indicating a less-than-expected slowdown in the economy; Prices in the banking sector were also supported by the expected growth in profitability. Since the end of the first decade of March, the collapse of some US banks and Credit Suisse has been followed by a sharp increase in volatility and strong downward pressure on stock prices, especially in the financial sector, which have affected share price developments. The allaying of fears about the state of the credit sector in the US and Switzerland and, subsequently, the publication of higher-than-expected profits, especially in the financial and technological sectors, boosted stock price growth in the second quarter.

STOCK PRICES (daily trend)



Source: elaboration on Refinitiv data

Indici generali e bancari Datastream.

As of mid-July, share prices in Italy and the euro area decreased overall (by 1.2% and 4.3% respectively) as a result of the weakening economic activity, the outlook for international trade and the persistence of higher-than-expected official interest rates. On the whole, prices in the banking sector increased by 3.7 % in Italy and 3.3% in the euro area, supported by positive expectations of operators, who expect higher profitability linked to the rise in official interest rates. At the beginning of August, following the announcement by the Government of the taxation of a share of the profits of banks, there was a decrease in the prices of Italian credit companies; However, the reduction was temporary, also as a result of the changes to the measure, which reduce its impact.

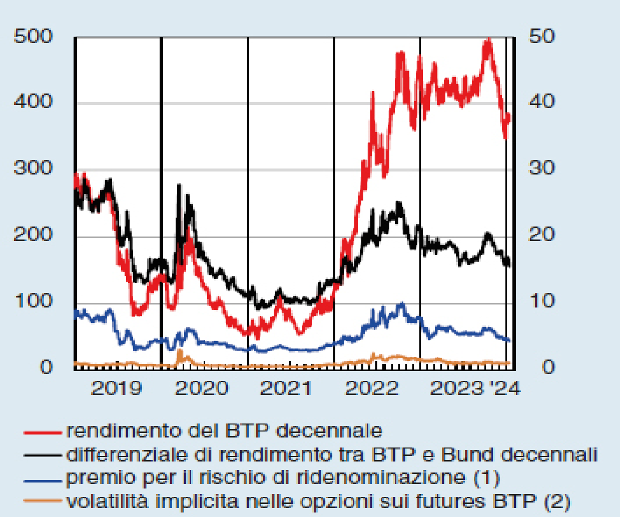
Since the first ten days of October, stock prices in Italy and the euro area have risen sharply, by 10.7% and 7.4% respectively, and volatility has remained subdued. The good performance of the stock market was supported by a higher risk appetite of investors, due to expectations of less restrictive monetary policies in major economies.

The expectations of a reduction in official interest rates in the course of 2024 have weighed mainly on the valuations of Italian credit institutions, whose profitability plays a primary role the interest margin. However, this effect was more than offset by higher-than-expected profits and improved credit rating assessments by Moody’s rating agency on the creditworthiness of several institutions. Overall, prices in the banking sector increased by 13.4 % in Italy (by 8.1% in the area). The positive assessment of the sector by investors is also confirmed by the relationship between the market valuation and the book value of the shares (price-to-book ratio), which rose by 40% in Italy during 2023 (by 20% in the euro area). For about a year, this ratio has been on average higher for Italian banks than for credit institutions in the area.

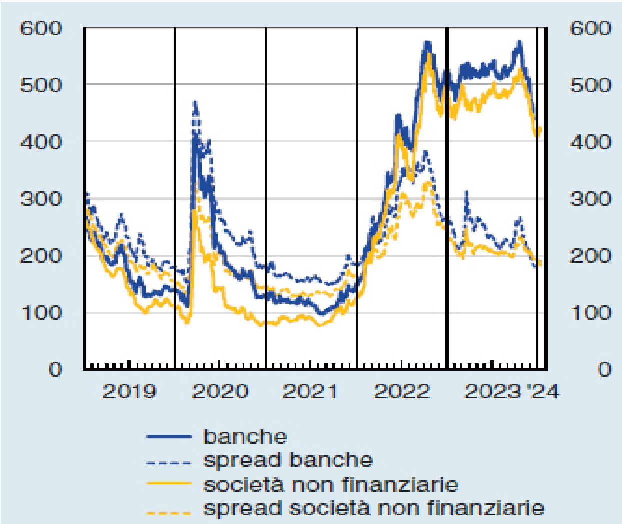
The **yield on government bonds**, on the 10-year maturity, had risen sharply in the first months of the year, reflecting fears that euro area monetary policy rates would be raised to higher levels over a longer period than previously anticipated. Since the end of the first decade of March, The failure of some US banks and the Credit Suisse crisis highlighted the risks to financial stability associated with the rapid and marked rise in key interest rates and led to sharp declines in global yields. Overall, the yield on Italian government bonds rose slightly, by 9 basis points, to 4.4% at the end of July (a modest increase in the second quarter). Market conditions have been influenced by expectations of the monetary policy stance against a background of uncertainty about inflation dynamics, which is still high, and prospects for economic activity, which remain weak. The easing of tensions in the international banking sector has facilitated a decrease in the volatility implied in derivatives contracts on the Italian 10-year government bond, which returned to values slightly above those prevailing before the start of the monetary policy restriction cycle in December 2021. The yield differential with German government bonds narrowed (by about 10 basis points) to 172 points. This was helped by the very positive outcome of the auctioning of Italian bonds in June, which contributed to the mitigation of concerns about the refinancing capacity of the public debt. The premium demanded by investors as remuneration for the risk of government bonds being redenominated in currencies other than the euro also decreased (around 50 points), well below the peak reached in mid-2022; the reduction has been favored by the strengthening of the perception of political stability of the country among market operators. In the third quarter, the yield on Italian government bonds on the 10-year maturity has significantly increased compared to the first decade of July - influenced by the rise in policy rates and the expectations of a slowdown in economic activity - reaching the end of the first week of October to 4,9 %, an increase of over 50 basis points. In the third quarter the differential increased by 31 basis points, reaching 203 basis points at the beginning of October, the highest since last December. On the other hand, the reversal of the trend began in October, when the yield on Italian government bonds on the 10-year maturity started a steady contraction (-120bps) and stood at 3.7% in the first ten months of January.

Finally, **bond yields**, both issued by non-financial corporations and issued by credit institutions, rose in the first half of the year by 43 and 39 bps respectively, although to a lesser extent than in the euro area (47 and 64 bps, respectively). Bond yields of Italian and euro area non-financial corporations have increased further since the first decade of July (+11 and +12 bps, respectively). Similarly, bank bond yields rose by 20 bps in Italy and 9 bps in the euro area. As with government bond yields, bonds issued by non-financial corporations since October 2023 have contracted significantly (-90bps), as bank bond yields have declined even more (115 basis points in Italy and 90 in the area), reaching the lows since summer 2022. This trend is mainly linked to the decline in risk-free rates and, to a lesser extent, to the increased risk appetite of investors.

PERFORMANCE OF TEN-YEAR GOVERNMENT BOND YIELDS AND RISK PREMIUM *(daily data; bps)*



PERFORMANCE OF BONDS ISSUED BY ITALIAN BANKS AND NON-FINANCIAL CORPORATIONS *(daily data; bps)*



Source: Data processing Bloomberg, ICE Bank of America Merrill Lynch, ICE Data Derivatives UK ltd and Refinitiv. (1) Difference between the premium on the ISDA CDS contract 2014 to 5 years on Italian sovereign debt and that on the ISDA CDS 2003 of equal maturity. The ISDA 2014 Regulation, compared to the 2003 Regulation, offers greater protection in the event of re-denomination of underlying debt.

(2) Implied volatility in options at the money with a maturity of one month on the futures contract on the Italian ten-year government bond traded at Eurex. Right stairwell.

(3) The data refer to the average (forward) yields of a basket of euro-denominated bonds of Italian banks and non-financial corporations traded on the secondary market. Even if the basket contains securities with different maturities, selected on the basis of a sufficient degree of liquidity, the Chart shows for comparison the yield of the ten-year BTP, which is particularly representative of the yields offered by Italian government bonds.

In the first part of the year, net bond issues in Italy by both non-financial corporations and banks increased significantly (€6.4 billion and €6.8 billion respectively). In the third quarter, on the other hand, repayments exceeded gross issuance for both sectors; In particular, banks made net redemptions that more than offset the high issuances of the previous quarter. In the third quarter of 2023, both non-financial corporations and Italian banks made net repayments of bonds (for €1.1 billion and €5.2 billion respectively). In particular, banks have sharply reduced their gross issuance to about 10.5 billion, a value very contained in the historical comparison and higher than only the fourth quarter of 2020, mainly as a result of the high issuance in the first half. In the autumn, according to preliminary data from Bloomberg, the gross issuance of banks returned to increase, returning to levels in line with those of previous quarters, while non-financial corporations further decreased their bond issuance.

Market positioning

Based on the usual statistical analysis conducted by AMF Italia (Financial Markets Intermediaries Association, formerly ASSOSIM)in 2023, the subsidiary Equita SIM recorded a market share in terms of brokered turnover on the third-party stock market of 7.4% (4 place) of the total volumes traded on the Italian market. This market share is down from the end of 2022 (7.9%).

Also with regard to the counter-values of the intermediate bonds on behalf of third parties (on the MOT, EUROMOT and extramot markets), the subsidiary Equita SIM recorded a relevant market share, ranking 4th (7.06%), slightly down on December 2022 (8.61%).

Economic Performance

The Group has seen a contribution from all sectors of activity. Global markets has operated in a complex and not easily predictable environment; However, the diversification of business sectors has allowed a high margin to be maintained for 2023.

In 2023, the Net Revenues generated by the Trading activities that constitute the Global Markets amounted to €40.9 million, an increase of 10% compared to the same period of 2022 (€37.2 million).

Within Global Markets, the result of the management desk in particular benefited from an accurate strategy based on prudent and robust initiatives. During the year, Client Driven and Market Making recorded a 3% better performance than in 2022, consolidating its central role for the GM area. In contrast, the performance of third party trading (-7%), penalized by erratic markets and characterized by reduced volumes. Finally, directional trading, in 2023, marked its historical record of the last 5 years with net revenues of € 7.4 million.

Below is the analysis by product - market of Global Markets.

Sales and Trading

Institutional trading was conditioned by the increase in volatility in the first part of the period under review and subsequently by a contraction in stock prices, which favoured a more cautious and wait-and-see attitude of investors. In June, in particular, the capital market recorded a strong positive trend, with the FTSEMIB index that closed up from the beginning of the year by 19.2% with a dividend detachment of 3.2%. The volatility, instead, is of the VIX that that implied of the FTSEMIB, is returned on the minimums of the month of April positioning itself in area 14%-15%. The low volatility is the expression of the low volumes traded on the markets throughout the second quarter. In the second half of 2023, the main index of the Italian Stock Exchange confirmed the progression of the first part of the year. The index closed at 30,352 with an increase of 28% compared to 2022, signalling itself as the most performing among the main world markets. However, the relatively low volatility affected the volumes traded by Equita on behalf of third parties on the domestic market. In foreign markets, Equita was able to partially offset this trend with incremental volumes.

The Tail *Hub* area has maintained its market position by intercepting the good trend in trade mainly thanks to bond assets.

Net sales and trading revenues in December 2023 amounted to €19.6 million, down from the same period in 2022 by around €1.5 million (-7%).

Client Related Business

The products managed by the desks owned but of Client *Driven & Market Making* type, continued their positive trend, thanks also to the increased appeal of products such as bond market making, Client Driven certificates and Derivatives, recording net revenues of € 13.9 million compared to € 13.5 million in the same period of 2022.

Directional Trading

As described above, 2023 saw a slow growth in financial markets, despite a brief earthquake in March, as regional banks in distress (SVB and Credit Suisse) feared a new crisis in the sector. Central banks took the field, as did the US and Swiss governments, to avoid unwanted contagion effects. The timeliness of the interventions has restored confidence.

The performance of the Italian market in the twelve months was overall positive. In the first quarter, the sectors that outperformed were raw materials (+25.9%), telecommunications (+30.9%) and technologies that scored a +41.7%. In the second and third quarters, all sectors remained strong, in particular, with double-digit growth in the consumer goods, services, raw materials and financial sectors. In the last part of the year, all sectors were positive *with the recovery of the* Consumer Services + 42 .1%, Basic Materials + 33.8%, Financials + 32.4% and Technology + 31.8% sectors. Conversely, the volumes traded decreased after the nine-month period, while slightly increased interest in purchasing on the Mid and Small Cap sectors.

In terms of instruments listed as Specialist - liquidity provider, Equita shares over 2,600 instruments. The subsidiary acted as a market maker for corporate bonds, certificates and other instruments listed on the MOT, sedex, EuroTLX, Vorvel and Hi-Cert markets.

Equita has also played the role of a dedicated player on behalf of No 7 SGR in the open fund market.

Net revenues from directional trading activities amounted to €7.4 million at 31 December 2023, compared with €2.7 million recorded in the same period of 2022 (+176%).

The operating result of the property desk also includes gross interest at amortised cost (approximately €2.2 million) accrued on the investment portfolio established in September 2022 and the interest arising from the purchase of credits on the secondary market for "110% bonus" for € 0.2 million.

Investment Banking

Equita is the first independent investment bank by size in Italy. The team, made up of highly qualified professionals with proven experience and multidisciplinary know-how, offers a full range of services to companies, institutional clients and investors. The independent position of Equita, due to the lack of financing to major companies and shareholdings, combined with the leadership in the capital markets and expertise of the Research team, support customers in any sector and in any financial transaction, involving listed companies, private companies and financial institutions. Over the years, Equita has constantly expanded the range of services offered, thanks to the entry of numerous senior resources dedicated to new products, and has significantly improved its market positioning.

The operation is divided into three macro areas, all coordinated and highly synergistic between them:

- Equity Capital Markets, Debt Capital Markets e Debt Advisory;
- M&A Advisory;
- Corporate Broking.

Focus on the Investment Banking sector

In a complex geopolitical context, marked by the continuation of the Russian-Ukrainian conflict and the outbreak of the Israeli-Palestinian war, together with a progressive rise in interest rates, the M&A market has shown signs of weakness in Italy, with particular reference to the counter value of the transactions carried out, due to the limited presence of "big deals". Capital markets, while suffering from the difficult market environment, have shown greater resilience, both on the Equity Capital Markets front and, above all, on the Debt Capital Markets front.

The overall turnover of Equity Capital Markets transactions on the Euronext Milan (EM) market showed a moderate increase, from €5.7 billion in 2022 to €6.3 billion in 2023 (+10%) whereas the number of transactions increased from 13 in 2022 to 21 in 2023. The growth is attributable to the issuance of 5 convertible bonds (for an equivalent value of €2.5 billion), which compares with a 2022 free of such transactions. If we did not consider convertible bonds, the market would see a 35% drop in value.

IPOs on the Euronext Milan market have doubled in turnover, from €0.6 billion in 2022 to €1.2 billion in 2023, compared to the same number of transactions (3 in 2022 and 2023). In addition, in 2023 a Fully Marketed (c.d. re-IPO) transaction was carried out for a turnover of €0.3 billion. In 2023, ABB's operations increased slightly compared to 2022, both in terms of turnover (€1.7 billion in 2023 compared to €1.5 billion in 2022) and number of transactions (7 in 2023 compared to 6 in 2022). However, in 2023 there was a significant contraction in the value of the capital increase transactions, from €3.6 billion in 2022 to €0.6 billion in 2023, while the number of transactions remained substantially stable (from 4 in 2022 to 5 in 2023).

AMOUNT AND NUMBER OF ISSUES - EM

Source: Dealogic

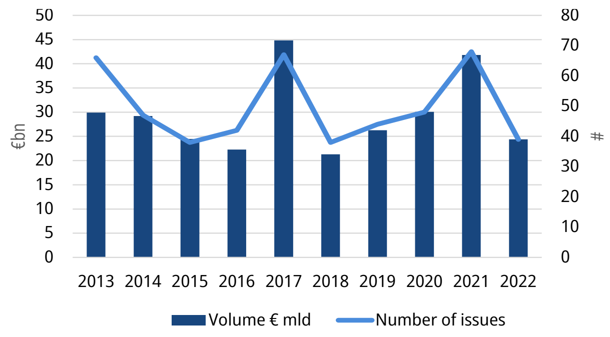
On the Euronext Growth Milan (EGM) market, IPO operations, representing around 94% of Equity Capital Markets operations in 2023, recorded a significant contraction in turnover from €0.9 billion in 2022, of which €0.7 billion related to a single IPO, to €0.2 billion in 2023. Against the reduction in turnover, the number of transactions increased from 26 in 2022 to 32 in 2023. As a result, the average turnover of IPO transactions on the EGM market fell from €34.8 million to €6.5 million (-81.3%). It should be noted that 25 out of 32 IPOs in 2023 recorded a turnover of less than €10 million.

AMOUNT AND NUMBER OF ISSUES - EGM

Source: Dealogic

In 2023, Debt Capital Markets recorded a significant increase in corporate issues, both in terms of turnover, which rose from €24.4 billion in 2022 to €31.1 billion in 2023, both in terms of number of issues, from 39 in 2022 to 54 in 2023. The investment grade segment - the largest in terms of turnover and 70% of issuance - increased by 9%, from €19.9 billion in 2022 to €21.7 billion in 2023. The progressive growth in interest rates has also attracted investors' interest in high yield issues, which, from a turnover of €3.0 billion in 2022 to €8.7 billion in 2023, contributed significantly to market growth in 2023.

VOLUME AND NUMBER OF CORPORATE DEBT - INSTITUTIONAL MARKET



Source: Dealogic

Market positioning

Equity Capital Markets

With regard to Equity Capital Markets operations, in 2023 Equita became the protagonist of a particularly positive year, consolidating its role as a leading ECM franchise on the domestic market with 20 transactions carried out:

- Co-manager for the listing of Lottomatica on the Euronext Milan market for a turnover of €690 million;
- Equity Capital Markets Advisor for the Capital Increase of BF on the Euronext Milan market for a turnover of €300 million;
- Joint Bookrunner for the listing of Ferretti Group on the Euronext Milan market for a turnover of €292 million;
- Joint Global Coordinator and Joint Bookrunner for the listing of Italian Design Brands on the Euronext Milan market for a turnover of €70 million;
- Joint Global Coordinator, Joint Bookrunner and Euronext Growth Advisor for the listing of Sbe-Varvit on the Euronext Growth Milan market for a turnover of €25 million
- Sole Global Coordinator, Joint Bookrunner and Euronext Growth Advisor for the listing of Gentili Mosconi on the Euronext Growth Milan market for a turnover of €23 million;
- Sole Global Coordinator, Sole Bookrunner and Euronext Growth Advisor for the listing of Ecomembrane on the Euronext Growth Milan market for a turnover of €15 million;
- Joint Bookrunner for RABB with ordinary shares in Banca Popolare di Sondrio for a value of €236 million;
- Joint Bookrunner in the Accelerated Bookbuilding concerning Interpump shares for a turnover of €80 million;
- Sole Bookrunner for the RABB of Tamburi Investment Partners for a turnover of €13 million;
- Joint Bookrunner of the capital increase of Racing Force Group for a turnover of €10 million;
- Sole Bookrunner for Defence Tech's RABB for €7 million;
- Listing Agent for the translisting of CY4Gate and Digital Value from the Euronext Growth Milan market to the Euronext Milan market;
- Intermediary in charge of coordinating the collection of subscriptions for the voluntary buy-in offer for Net Insurance shares for the equivalent of €174 million;
- Intermediary in charge of coordinating the collection of subscriptions for voluntary and totalitarian takeover bids involving financial instruments KME Group for a value of €158 million;
- Intermediary in charge of coordinating the collection of subscriptions for the takeover bid for Nice Footwear shares for a turnover of €14 million;
- Intermediary in charge of coordinating the collection of subscriptions for the partial takeover public offer for REVO Insurance own shares for an equivalent amount of €6.4 million;
- Financial Advisor and Intermediary In charge of coordinating the collection of subscriptions for the partial takeover public offer concerning Openjobmetis own shares for a turnover of €6 million;
- Intermediary In charge of coordinating the collection of subscriptions for the partial takeover public offer for Astaris participatory financial instruments for a turnover of €2 million.

Debt Capital Markets, Debt Advisory e Debt Re-structuring

With regard to the Debt Capital Markets operations, Equita stood out in 2023 as the only non-bank institution that played a leading role in the issuance of corporate bonds and other transactions, including:

- Placer for the issuance of ENI's €2,000 million unsecured senior bond, reserved for retail investors in Italy;
- Placer for the issuance of the €2,000 million CDP unsecured senior bond, reserved for retail investors in Italy;

- Joint Bookrunner and Joint Lead Manager for the issuance of AMCO €500 million unsecured senior bond;
- Joint Lead Manager for the issue of Iccrea Banca's €500 million social senior preferred bond;
- Placement Agent and Joint Bookrunner to issue Maire Tecnimont's €200 million unsecured senior bond;
- Placement Agent for the issuance of the €170 million Alerion Clean Power unsecured senior green bond;
- Placement Agent for the issuance of the €120 million unsecured senior carraro bond.
- In addition, Equita has acted as Debt Advisor to Clessidra Private Equity in the context of the acquisition of Everton and has promoted the Basket Bond Tech initiative, the €100 million programme - together with Cassa Depositi e Prestiti and Mediocredito Centrale - dedicated to companies belonging to the digital sector and to technological innovation projects, which has already seen the closure of the first three issues since August 2023.

Mergers and Acquisitions

In 2023, Equita assisted a number of industrial and financial groups in M&A transactions, including:

- Financial advisor to the Independent Directors of Dea Capital as part of the takeover bid promoted by the De Agostini family;
- Financial advisor to the Independent Directors of Prima Industrie in the context of the takeover bid promoted by Alpha Private Equity and Peninsula;
- Financial advisor to Naturalia Tantum for the acquisitions of Harbor, Zeca and L'Amande;
- Financial advisor of Atlantia in the evaluations on the structure of the group following the takeover bid promoted by Edizione and Blackstone;
- Financial advisor to the Board of Directors of Fondazione CDP for the sale of 49% of Arbolia's share capital to Snam;
- Financial advisor to the Related Parties Committee of ACEA as part of a circular economy project;
- Financial advisor to the shareholders of Investindesign, a holding company controlling Italian Design Brands, in the sale of a 50.7% stake in Investindesign to Tamburi Investment Partners;
- Financial advisor to the Ministry of Economy and Finance for the sale of an ITA stake to Lufthansa;
- Financial consultant of Farmagorà Holding in the context of the entry of Narval and Sogegross in the capital of the same;
- Financial advisor to Sec Newgate in connection with the entry of Investcorp Holdings into its capital;
- Financial advisor to Dentressangle Capital in the acquisition of Dietopack;
- Financial advisor to Unieuro in the acquisition of Covercare;
- Financial advisor to Progressio in the sale of Garda Plast to Valgroup;
- Financial advisor to TIM's Independent Directors as part of the sale of fixed network infrastructure assets to KKR;
- Financial consultant of The Social Hub in the entry in the share capital of Talent Garden;
- Financial advisor to the Independent Directors of Servizi Italia as part of the attempted takeover bid promoted by Cometa S.r.l.;
- Financial advisor to Nexi in the acquisition of the merchant acquiring activities of Sparkasse KölnBonn and Civibank.
- These operations are complemented by those undertaken by the subsidiary Equita K-Finance. Among the most important transactions:
- Financial advisor to the shareholders of Optoplast in the sale of 70% of the share capital to Star Capital SGR;
- Financial consultant of Caleffi in the acquisition of 30% of the share capital of Mirabello Carrara;
- Financial advisor to Customs Support Group/Castik Capital in the acquisition of Errek;
- Financial advisor to the shareholders of Fonderia Boccacci in the sale of a majority stake to Consilium Private Equity;
- Financial advisor to the shareholders of CSO Pharmitalia in the sale of 100% of the share capital of Educom to a multinational company active in providing analysis and consulting services for the pharmaceutical industry;
- Financial advisor to Clessidra Private Equity in the acquisition of Everton;
- Financial advisor to the Sotralu Group, which Bridgepoint participates as the majority shareholder in the acquisition of 100% of the share capital of FR Accessories;
- Financial advisor to Plast.Met in the sale to the Decorluxe Group;
- Epta's financial advisor in the acquisition of HEIFO's refrigeration business;
- Financial advisor to the shareholders of RS Service in the sale of 70% of the share capital to CVA Smart Energy, vehicle controlled by the CVA Group;
- Financial advisor to the De Girolamo family in the sale of 90% of the share capital of Lotras to CFI, a 92.5% subsidiary of the F2i infrastructure fund;
- Financial advisor to Tecnoplast in the sale of a majority stake to dea Capital Alternative Funds;
- Financial advisor to Rosa Sistemi in the sale to The Timken Company;
- Financial advisor to the shareholders of Vip Air Empowerment in the sale to Multi-Wing;
- Financial advisor to the Fontana Group in the acquisition

of the French company Intermetal from the Chausson Matériaux SAS Group;

- Financial advisor to Ricami NBM in the sale of 80% to the SNG Group, controlled by Star Capital;
- Financial advisor to Chiorino Technology in the sale of a 20% minority stake to G.M. Leather.

Corporate Broking and Specialist activities

Corporate Broking continued to represent a strategic area, especially in terms of cross-selling and cross-fertilization of other Investment Banking products and services. During 2023, the number of mandates of Corporate Brokers and Specialists increased slightly.

Economic Performance

The market environment affected the performance of the Investment Banking business line, which recorded net revenues of €36.3 million in the period under review, down 12% compared to net revenues of €41.3 million in the 2022 financial year. It should be recalled that 2022 saw a particularly significant operation; Net of this transaction, the result for the area in 2023 grew by 17%.

Alternative Asset Management

Focus on alternative asset management

Analyzing the market context in which the area operates, according to more recent data from Assogestioni, the Italian asset management industry archives 2023 with a value of assets of € 2,338 billion, after a jump of +€114 billion from the figure at the end of September while from the beginning of the year the net tells negative for €49.6 million.

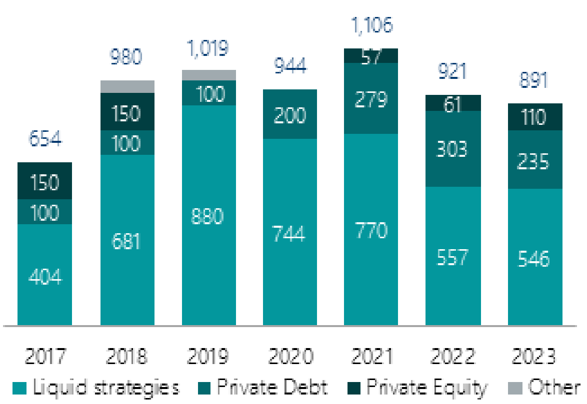
The third quarter confirmed the slowdown in the first quarters of the year. In particular, net deposits amounted to -€15.2 billion, while the assets under management stood at the end of September at €2,224 billion. The fourth quarter confirmed this trend with additional net proceeds of €15.4 million. The outflows concerned in particular open funds (-€8.5 billion) and insurance product management (-€11.7 billion).

In particular, open funds, during the fourth quarter saw an increase of about €60 billion in assets, due to the combined effect of three different flows: net funding, negative for 8,5 billion euros, a market effect of almost 5% that is worth almost 50 billion euros and finally a perimeter effect, for the entry into the statistical reporting of a new management group.

The positive note was provided by the figure on closed-end funds that attracted €2.28 billion in the last three months of the year, especially those securities that invest in instruments of unlisted issuers.

Below is a summary of the performance of the Equita Group's assets under management in the AAM area.

ASSET UNDER MANAGEMENT



Assets under management trend reflects the natural decalage due to repayments of investments in alternative private debt funds.

Please note that as at December 31, 2023, 27% of the aum managed by the Equita Group is *compliant* with the SFDR *regulation ex Art. 8 (products with sustainability characteristics). Excluding funds delegated by third parties the proportion of funds compliant with the* Article 8, managed by the AAM team, rises to about 70%.

Market positioning

Portfolio Management

At the end of 2023, portfolio management assets amounted to €546 million, compared to €557 million at the end of 2022 because the effect of positive market performance (FTSEMIB +19.2%, FTSEMID CAP +13.1%, Eurostoxx600 +12.7%) was offset by the impact of outflows (estimated at €-60 million).

Outflows are exclusively attributable to the target funds (€-80 million), given that the net flow for asset management was positive for approximately €+20 million.

The team manages three benchmark capital lines, two flexible funds with a VAR limit, three dedicated internal funds underlying life insurance policies (a third internal fund is currently inactive downstream of the redemption of the only policy invested in this sector) of a major European group and finally provides advice for a benchmark European equity line.

The average gross performance of the **three GPM**, weighted for AUM, in 2023 was positive in absolute terms (+18.2%) and 225 bps higher than the benchmark.

The **Euromobiliare Equity Mid Small Cap Fund** recorded a positive performance in the same period (+5%), to be considered satisfactory in the light of the trend of the reference asset class (mid small cap) and the average equity exposure of the fund imposed by the VAR limit.

The **Euromobiliare Equity Selected Dividend Fund** recorded a positive net YTD performance (+9%). Only in terms of comparison, the Euro Dividend Aristocrats ETF, which follows an identical strategy but is fully invested, recorded a performance of +18.3% (since the fund's inception the performance is respectively 1.3% and +1.2%).

Life **insurance policies**, 2023 ended with a performance of the Medium profile of +2.4% and that of the High profile of +8.2%. To the date of liquidation of the positions (19 December) downstream of the redemption of the only policy with profile Low, the line has recorded a performance YTD of +3.2%.

Finally, the European **stock line** is subject to advisory and shows a positive net YTD performance of +10.2% in absolute terms and 62 bps higher than the benchmark. Since the beginning of our activity (2 January 2021) the absolute and relative annualized performance is respectively +6.9% and +1.6%.

Private Debt

The year 2023 was marked by increasing geopolitical turbulence and, for most of the period, by continued inflationary pressures resulting in a sudden rise in interest rates until July. Indeed, this has negatively impacted M&A activities, especially large-scale operations, while the reference private debt market of Equita c.d. lower mid-market has continued to be dynamic, especially during the second half of the year, providing a substantial and growing number of investment opportunities for private debt providers; However, due to the market uncertainties mentioned above, fundraising activity has slowed down.

During this period, the management team focused particularly on the analysis of investment opportunities offered by private equity operators, the monitoring of existing investments and the pre-marketing of the third private debt fund.

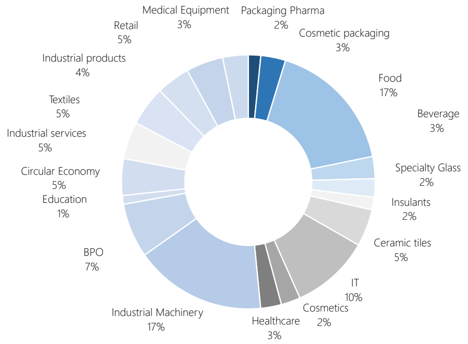
With reference to the EPD Fund II, four new investments were finalised during 2023: (i) a senior investment in the German market for € 15 million in one of the main producers and distributors - through the German retail channels - of bakery products; (ii) an investment of EUR 15 million in a structurally subordinated senior secured bond issued by the holding company of a company active in the production of *pizza*, *pinsa* and other frozen bakery products and (iii) an investment of EUR 21,EUR 0 million, in a structurally subordinated senior secured bond issued by the holding company of an Italian manufacturer of tube bending machines, in addition to EUR 2.5 million in its share capital; (iv) an investment of Euro 9.1 million in a bond issue issued by the holding company of a group leader in Italy in the design, production, installation and maintenance of medical gas distribution systems. During the year, the bond issue of EUR 15 million issued by a leading Italian company in the circular economy was fully repaid.

With regard to EPD, however, the Management Team continued with the monitoring activities and the strategy of enhancing the existing portfolio with a view to exit.

With regard to the third private debt fund (EPDIII), the marketing phase started in December with a first closing scheduled for the first half of 2024.

The following table shows the composition of the investments of the private debt funds currently under management.

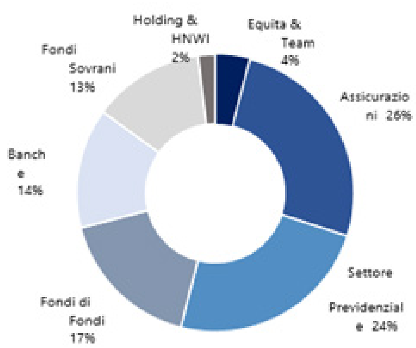
EPD + EPD II



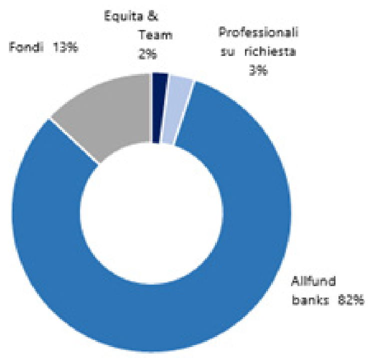
The following table shows the composition of investors in the funds currently under management of private debt at the final closing

The investment was technically made with the contribution of the listed shares already held by the Fund and through two subsequent further capital increases, the last of which took place on 18 October 2023, which led the Fund to hold a stake of Euro 6.1 million in the holding company that owns 100% of Digital360 S.p.A.. As part of Private Equity, activities have also continued to enhance the value of investments currently in the portfolio and to search for new investment opportunities. In particular, the EP team has advanced negotiations with some specific companies that have good profitability and significant growth rates, active in the following sectors: a) contract manufacturing of shoes for the luxury/fashion sector; b) production and marketing of collection and differentiation facilities for the recovery and recycling of municipal waste; C) production and marketing of "regenerated" spare parts for the automotive sector. The Team's concrete objective is to conclude two further private equity transactions within the first half of 2024.

BREAKDOWN OF PD INVESTORS



BREAKDOWN OF PE INVESTORS



Private Equity

During 2023, the private equity team closed the fund's funding and continued the activities and investment of the fund Equita Smart Capital - ELTIF (hereinafter also the "Fund").

The collection phase of the fund ended on 30 June 2023 with a total amount raised of € 98.5 million.

Regarding the investment activity, the team continued to purchase Public Debt Instruments and Public Equity in line with the investment strategy and in line with the Fund's Investment Committee's decision. On 18 July 2023 an agreement was signed for the transformation of the investment in the company Digital360 S.p.A., already in the portfolio of investments of Public Equity, in an investment of Private Equity, DIGITAL 360 is a group that aims to support private companies and public administrations in their path of digitalization, becoming a sort of market place between tech buyers and tech vendors. The transaction, in co-investment with the Company's management team and a vehicle of Tree Hills Capital Partners (international manager of private equity funds) has provided for a capital increase in support of the takeover bid and subsequent delisting of Digital 360 from Borsa Italiana.

Economic Performance

Alternative Asset Management, in the period ending on 31 December 2023, recorded net revenues of approximately €10.4 million (+34% compared to 2022), of which management fees of €6.9 million increased compared to the same period of 2022 (+6%).

Analysing the performance by product, the Portfolio Management reported net revenues of €2.5 million in substantial break-even compared to the previous year, despite the contraction in assets (€546 million in 2023 compared to €557 million at the end of 2022)generated by the net outflows, estimated at €80 million, of the delegated funds closed on entry and not fully offset by market performance. Conversely, the net flow of asset management was positive for about € 20 million.

The **Private Debt Management** saw management fees decrease by 15% (€2.8 million in 2023 compared to €3.4 million in 2022), for two effects:

- EPD II will award EQ fees in the first half of 2022 for approximately €0.9 million.
- One-off fee reduction of €0.34 million in the third quarter of 2022 against the entry of a leading institutional investor that has boosted the audience of investors.

- This trend was offset by the results of fixed assets that generated net revenues of €4 million, a significant increase compared to December 2022, which amounted to €1.4 million.
- Due to the combined effect of the result generated by the management fees and the capital gains of the investments, the result of the area is up 44% compared to 2022.

The **Private Equity Management** reported commissions up 159% (€1.6 million in December 2023 compared to €0.6 million in 2022). On 30 June 2023, the collection of Equita Smart Capital - ELTIF for a total amount of approximately € 98.5 million was completed. The fund then recognized equalization fees of € 0.4 million.

On the investment side, the team continues to work on the development of the pipeline and the use of the resources raised, divided between 3 private equity investments, 2 of which closed in 2022 and one in 2023, six public equity positions and several treasury investments in public debt securities.

In December 2023, Equita closed the Club deal with €12 million in assets under management.

During the period under review, the Green **Infrastructure Management team was set up** to implement the new EGIF fund. The team set up the activities necessary for the marketing of the fund and started the first talks with several potential institutional investors of foremost importance. The first closing of the fund is expected in the first quarter of 2024. Regarding the pipeline, the team identified over 30 projects available for investment transactions.

By the end of 2023, 27% of the funds managed by Equita had been classified under Article 8 SFDR.

Research Team

In 2023, the Research Team published 478 research papers (monothematic and sectoral studies) as well as a series of products on a daily, weekly or monthly basis. The team organized No. 135 events between listed companies and institutional investors. There were also conferences organized by Equita dedicated to the following topics: infrastructure titles, utilities, Engineering & Construction, European titles, Digital & Innovation Conference, Bond Conference and Italian Champions (Paris, London, Frankfurt and Milan). The role of financial research, particularly in the equity segment, is fundamental for the generation of ideas and proposals for investment allocation in favour of institutional, Italian and international investors. Also in 2023, the research team confirmed its position at the top of the main rankings of quality assessment of research compiled by Institutional Investor.

Human Resources and Personnel Costs

In 2023, the number of resources of the Group grew from 188 at year-end to 195, to which are added the resources on stage.

In terms of supporting professional growth, the Group offers a wide range of soft and technical skills development courses aimed at maintaining a high level of skills and broadening the knowledge basket. The Group has always been active with specific initiatives aimed at promoting a pleasant and productive working environment.

With reference to the job from remote the percentage of adhesion in 2023 is in average equal to 7% online with last exercise.

The total cost of staff in 2023 amounted to € 41.9 million, down by 1% compared to the same period of 2022 to which competed for the variable part, significantly, the subsidiary Equita k Finance.

The variable component of the period was down on the same period of 2022 as a result of the contraction in revenues, in particular on the subsidiary Equita k Finance as a result of the aforementioned substantial transaction. It should be noted that this change does not include the monetisation effect of the plan in options with vesting ending in 2023 for approximately €0.3 million net of the tax effect.

The fixed cost of the staff results in increase of 9% for effect of the increment of the number of resources, mainly senior, and of the progresses of career intervened beginning from the second part of 2022.

The comp/revenues ratio at 31 December 2023 therefore closed at 48%, excluding the monetization of the option plan, a slight decrease (1 percentage point) compared to the previous year, contributing differently to the different areas of the Group.

Administrative expenditure

In 2023, the **management** budget increased by €2.7 million (+15%) compared to the same period in 2022 to around €21.5 million. The cost increases mainly relate to the increase in the share of rent and management costs related to the expansion of space and the consistent recovery of marketing activities and post covid events. The inflationary component affected almost all cost items, the most significant effects were recorded on rentals of buildings and certain infoproviding services.

Operating costs include expenditure on social, cultural and environmental development activities, which amounted to around €0 over the 12 months,5 million that are part of the Group's mission to support ESG initiatives also through the Equita Foundation to which it allocates a share of revenues before consolidated taxes.

The **cost/income ratios** stands at 72%, excluding the component related to the monetization of options, increasing compared to the same period of the previous year (1 percentage point).

Taxation and Profit

Income tax for the period amounted to €6.9 million, determined on the basis of the total tax rate of 29%.

Consolidated Net Profit accruing to the Parent Company at 31 December 2023 amounted to approximately €16 million, including the component of the Long term incentive plan, up from the previous year 2022 (+4%).

Comments on balance sheets

Consolidated balance sheet (amounts in euro/000)	**31/12/2023**	**31/12/2022**	**Chg. %**
Cash and cash equivalents	130,481	107,945	21%
Financial assets measured at fair value through profit or loss and investments in associates and companies subject to joint control	78,247	111,906	-30%
Financial assets measured at amortized cost	101,249	99,550	2%
Property and equipment and intangible assets	32,590	31,043	5%
Tax assets	3,237	7,520	-57%
Other assets	34,042	41,566	-18%
Total assets	**379,846**	**399,531**	**-5%**
Financial liabilities measured at amortised cost	193,786	205,731	-6%
Financial liabilities held for trading	20,067	15,541	29%
Financial liabilities designated at fair value	1,332	3,626	-63%
Other liabilities	50,788	64,428	-21%
Employees' termination indemnities	1,942	2,069	-6%
Allowances for risks and charges	3,235	3,834	-16%
Shareholders' equity	108,697	104,301	4%
Total liabilities and shareholders' equity	**379,846**	**399,531**	**-5%**

Liquid assets that can be demobilized at sight vis-à-vis banks amount to €130 million, an increase of 21% compared to 2022. In addition to the period of operation, the increase in the balance reflects the lower margins paid to CC&G for intermediation operations.

The financial assets measured at fair value with an impact on the income statement amounted to Euro 77.4 million, down from 31 December 2022 (-31%).

In particular, the share of assets held for trading decreased by 46% in the period compared to 31 December 2022 for approximately 47 million euros. This change is mainly due to the sale of a bond purchased in December 2022 and sold in January 2023, and the decrease in derivatives positions.

The component of financial assets compulsorily valued at fair value recorded a significant increase (+€9.2 million) due both to increases in value and to new subscriptions:

The Group's investment portfolio consists of:

- Sparta 60-Covisian bond amounted to €1.9 million (purchased in the fourth quarter of 2019 for €11.1 million and 87% divested in 2020). Over the period, the bond generated €0.2 million in PIK interest;
- Shares of the EPD I fund for €13.1 million, up 245% compared to 31 December 2022. This increase is mainly due to the purchase of additional shares during the third quarter. In the period, the NAV of the fund recorded a surplus of € 2.8 million;
- shares of the EPD II fund for € 5.4 million. In the course of the period the investment has recorded an increment of euro 1,25 million generated from a gain for euro 0,55 million and from new drawdown for euro 0,7 million;
- shares of the ELTIF fund for Euro 1.3 million subscribed during the 3rd quarter 2023.

Trading financial liabilities amounted to €20 million, up from 31 December 2022 (29%). This increase is due to higher short positions on debt securities offset by lower short positions on financial derivatives.

Financial assets valued at amortised cost increased by Euro 1.7 million (+1.7%). This increase is attributable to the investment portfolio of fixed income securities for €8.2 million: at 31 December 2023 the portfolio under consideration amounted to €32.4 million and generated interest income of €1.9 million. The mark-to-market valuations at the end of the period reflect overall the valuations at amortised cost, therefore, at the date of this financial statements there are no impairment indicators referring to the Group's investment portfolio.

In addition to the bond portfolio, the increase in this item is due to the significant increase in securities lending to bank counterparties (+ €12.4 million) offset by the significant decrease in margins on derivatives paid to CC&G (- €9.3 million), the decrease in unregulated positions with clients for the execution of orders (- € 5.9 million), the decrease in loans to clients for derivatives operations (- €0.1 million) and fewer credits for consultancy fees (- €3.6 million).

With regard to the claims relating to the margins paid to CC&G (Cassa di Compensazione e Garanzia) for the operation in property derivatives and default funds, these total €5.5 million, down from €14.7 million in December 2022. This decrease is attributable to the change made by CC&G in the method of calculating the margins requested from its customers.

Tangible fixed assets increased by €1.8 million compared to the previous year and the increase mainly represents the value of use of the new local rental contract (€2 million) for the extension of the Parent Company's premises. The increase is partly offset by the depreciation of financial leased assets and other tangible assets.

Other assets incorporate credit purchased from a leading Italian bank linked to the "Superbonus 110%" for nominal €48.8 million. In particular, in January 2022 Equita SIM received the abovementioned sum of credits on its tax drawer which it will be able to use in tax compensation in units of approximately €10 million per year for five years. Equita SIM will reimburse the transferor according to the constant amortisation plan and within 5 years. In accordance with the accounting rules, credit is represented among other assets at cost. At 31 December 2023, the remaining tax claim amounted to €29 million.

The other liabilities item, which amounts to €50.8 million and incorporates the debt towards the bank that sold the "Super Bonus 110% tax credit" for €28.9 million. Net of this debt, the balance of the item is down by approximately €4 million compared to 31 December 2022 due to lower debts to suppliers (- €2 million) and for the renegotiation of certain terms in the agreements between Equita and the minority shareholders of Equita K Finance which led to the elimination of the put & call option for the purchase of the Minority of Equita K Finance e, consequently, to the elimination of the related debt (- €2.8 million). These reductions are partly offset by the increase in debts to the Treasury and to social security institutions.

The provision for risks and charges at 31 December 2023 is down by approximately €0.6 million compared to 31 December 2022 due to the payment of the deferred bonus accrued in previous years.

The share capital of EQUITA Group S.p.A., as at 31 December 2023, amounts to 11,678,163 euros (of which 11,376,345 euros at IPO), for no. 51,127,074 shares without indication of their nominal value. Treasury shares at 31 December 2023 amounted to Euro 3,171,237 in reduction compared to December 2022 due to the transfer of 699,063 shares to employees paid under the current variable remuneration policies and 56,626 shares paid as partial consideration for the purchase of a minority interest in Sensible Capital (later renamed to EQUITA Real Estate).

Nr. of parent company shares: changes for the year

Period	# Stocks	Value €	# Stocks	Treasury shares value
Opening balance			**(3,901,490)**	**(3,926,926)**
Decrease for performance shares incentives	651,905	651,905	(3,249,585)	(3,275,021)
Decrease for performance shares incentives	47,158	47,158	(3,202,427)	(3,227,863)
Decrease for other changes	56,180	56,180	(3,146,247)	(3,171,683)
Closing balance	**755,243**	**755,243**	**(3,146,247)**	**(3,171,237)**

Consolidated Net Profit at 31 December 2023 amounted to **€ 16,753,969**, down from the same period of 2022 (-3% approximately). The share of profit pertaining to the parent company amounted to € **16,059,033, an** increase **compared to 2022 (+5%). At 31 December 2023**, the Return on Tangible Equity ("ROTE") was around 26% in line with the end of 2022 (29%).

With reference to the **consolidated** Total Capital Ratio, it is about 494% well above prudential limits and includes the effect of deductions relating to the estimated amount of the buy-back (for maximum € 2.1 million).

In the following table the Alternative Performance Indicators commented in the previous paragraphs are reported in an aggregate way.

Key Performance Indicators (KPI)

	31/12/2023	31/12/2022
ROE	19%	18%
ROTE	26%	29%
IFR ratio	494%	489%
Comp/revenues	49%	49%
Cost/income ratio	72%	71%
Tax rate	29%	28%
Number of staff	195	188
Earnings per share	0	0
Dividend per share payout	0.35	0.35

Significant events after the end of the financial year

After the end of the financial year, no significant events occurred that led to the adjustment of the results presented in the consolidated financial statements at 31 December 2023.

Foreseeable trend of operations

The outlook for the year 2024 appears to be one of cautious optimism.

The main factors that may influence the economic and financial performance of the Group are linked to the progressive reduction of monetary pressure and to a convergence towards the Objective 2% of inflation. In this context, the Group will continue with business development actions:

- Global Markets will continue with diversification strategies, customer orientation and targeted investments, and will ensure a stable floor of revenues for the Group;
- Investment Banking, thanks to the new products of Real Estate Advisory and the consolidation of the structure provides for an expansion of the offer in a context, that of M&A, after years of stalemate, is expected to grow;
- Alternative Asset Management will continue with the selection of investments and the structuring of new products. In particular, the first half of 2024 will see the first closing of two new funds: Equita Private Debt III and the EGIF fund.

Thanks to these initiatives, Equita will expand the offer of ESG products, which at the end of December was attributable to about 30% of the funds under management classified under Article 8 of the SFDR Directive.

Also in the field of sustainability, the initiatives implemented in the social, environmental and cultural fields, also pursued through the Equita Foundation, will continue in 2024.

The Group's economic, financial and operational performance will also be influenced by market developments and macroeconomic conditions.

The main initiatives of 2023

...of Business

Equita confirms to be the first independent Italian broker

EQUITA is one of the leading brokers in Italy and ranks first among independent operators in all market segments. The data published by AMF Italia in the usual annual report analysing the trading volumes on the main Italian financial markets have highlighted, again this year, the excellent leadership position of the EQUITA operations room. In 2023, the Global Markets team was among the most active, with significant market shares in third party securities brokerage.[1]

With regard to the equity segment, EQUITA brokered more than €28 billion on behalf of customers, or 7% of the counter-values traded on Euronext Milan and 11% on Euronext Growth Milan, ranking 1 independent broker and 4 in the overall ranking on both markets.

On the bond front, on the other hand, the desk dedicated to fixed income brokered more than €20 billion for its customers, or 7% of the counter values on domestic-mot, 4% on euromot and 4% on Euronext Access Milan, positioning itself as 1 independent broker. The (4, 6, and 7, respectively, in the general rankings).

Another important result was achieved in 2023: EQUITA was ranked #1 in the brokerage of stock options in Italy, with a market share of 17%, up strongly from 9% in 2022.

To this success is added the confirmation of EQUITA as 1 Independent broker in the intermediation of ETFs (5 in the general ranking), with a market share of 7%.

Strategic acquisition for the development of real estate advisory activities

EQUITA signed, in August 2023, a preliminary agreement ratifying it in December 2023 to enter the capital of Sensible Capital, independent boutique of real estate advisory, with an initial participation of 30% and a series of future steps that may lead EQUITA to consolidate participation. From the second year following the Closing, EQUITA will be able to acquire an additional 40% stake in Sensible Capital and thus increase to 70% by exercising a call option.

The agreement included the appointment of Silvia Rovere as senior advisor to EQUITA, with the aim of evaluating new business initiatives in the real estate world, for example in the area of Alternative Asset Management.

1 Intermediaries controlled by commercial banks and institutions with operations mainly linked to flows deriving from proprietary retail customers (so-called captive flows) are excluded.

With the participation in Sensible Capital, rebranded "EQUITA Real Estate", the Group adds to the Investment Banking offer a new important area of specialization dedicated to real estate consultancy. EQUITA will thus be able to offer its clients strategic advisory to enhance their real estate assets. The strong complementarity of EQUITA Real Estate's business with EQUITA's activities will also facilitate the realisation of potential cross-selling synergies.

Closing of the fund EQUITA Smart Capital - ELTIF

In July 2023, EQUITA Capital SGR S.p.A. successfully concluded the collection phase of EQUITA Smart Capital - ELTIF, the private equity fund focused on small and medium-sized Italian companies and compliant with the alternative RIP regime.

The Fund raised around €100 million with the support of leading private banking networks, in addition to several professional investors and retail investors with an adequate financial profile. The success of the funding confirms the great interest of the investors, who have rewarded the Fund's clear investment strategy and unique market positioning, as well as the particular tax advantages provided by the alternative RIP legislation.

Among the primary private banking networks involved in the collection, the most important contribution was provided by Unicredit Private Banking (formerly Cordusio SIM), Credem Euromobiliare Private Banking, Banca Sella and Banca Sella Patrimoni & C., which - together with other networks - allowed EQUITA Smart Capital - ELTIF to collect more than any other non-captive alternative PIR on the Italian market.

Since the first closing, reached in November 2021, EQUITA Smart Capital - ELTIF has joined entrepreneurs and management teams of small and medium-sized Italian companies, supporting them in the development of their strategies and growth paths by providing patient capital and managerial skills.

To date, the Fund has successfully completed two private equity investments:

- the first concerns the entry into Clonit with a minority participation of 33.3% - leading company in Italy in the development of molecular tests for infectious, genetic and oncological diseases;
- the second concerns Rattiinox with a majority stake of 60% - active reality in the design, production and distribution of aseptic radial valves mainly intended for pharmaceutical, chemical and food plants.

The pipeline of investment opportunities is broad and diversified, constantly fed and renewed by a network of relationships extended and rooted in the territory, also thanks to the synergies resulting from the EQUITA group. As a result, the management team expects a significant acceleration in the Fund's investment activity in the coming months.

EQUITA Smart Capital - ELTIF has a total duration of 8 years and an investment period of 4 years. To ensure full alignment of interests with investors, EQUITA Capital SGR and the management team have co-invested in the Fund.

EQUITA first investment bank in Europe by number of completed IPOs

EQUITA closes the first half of 2023 as the business bank with the largest number of IPOs completed at European level.

Despite the particularly challenging market environment, EQUITA completed in the first six months of 2023 five listings on the Borsa Italiana - Euronext markets.

EQUITA is positioned as the leading investment bank in terms of number of quotes, more than any other financial institution in Europe. EQUITA has assisted Lottomatica Group, Ferretti Group, Italian Design Brands, Gentili Mosconi and Ecomembrane in their respective listing processes, raising more than €1 billion in equity for their customers.

Through the five completed IPOs, EQUITA has further demonstrated that it can contribute to the success of very heterogeneous transactions in terms of supply (from €600 million to €15 million in funding), capitalisation (from large caps with capitalisation of over €2 billion to small caps below €50 million), sectors (luxury, consumer & fashion, gaming, industrial) and markets (Euronext and Euronext Growth Milan), confirming the Group's ability to support its customers at 360.

In the managed processes, EQUITA has also distinguished itself by developing innovative mechanisms aimed at reducing execution risk (both in terms of engagement with investors, process and timing), at a time of high financial market uncertainty.

In addition to listing, EQUITA also successfully completed several Equity Capital Markets transactions in the first half of the year, including 3 accelerated transactions (both placement and purchase), 2 translisting processes, to which is added 1 capital increase in option, confirming once again its role as a leading ECM franchise on the domestic market.

This goal has been achieved in a difficult context in which Italy has distinguished itself at European level for the number of primary market operations, resulting as the country with more IPOs (8 more than €10 million), for a total of over €1.3 billion placed. However, the structural theme of a historically shrinking market remains if one looks at the main price list, constantly declining trading volumes and a substantial difficulty in finding specialized investors who can actively support the IPO processes. All this should be tackled with an industrial policy capable of encouraging the development and competitiveness of the Italian capital market, creating new types of domestic investors, facilitating market access and supporting the activities of financial intermediaries.

The "EQUITA Green Impact Fund" initiative is born

In June 2023, EQUITA announced the launch of a new asset class for the world of infrastructure and renewable energy.

The growth of "green" investments is a trend supported by the commitment to combat climate change, by greater attention to ESG and sustainability issues, and recent conflicts that have highlighted the need for each country to ensure energy security for citizens and businesses.

Europe will be the first to achieve climate neutrality by 2050 and by 2030 at least about 42% of the energy consumed must come from sustainable sources. Europe, in fact, boasts a technological leadership with 36% of the world patents for renewable technologies and, looking at Italy, the National Recovery and Resilience Plan (PNRR) has among its objectives to promote renewable energy with investments, for more than €5 billion, in agrivoltaics plants and initiatives that favor the use of biomethane and the establishment of energy communities.

EQUITA's objective is therefore to offer institutional investors access to the world of infrastructure and renewable energy, benefiting from current trends.

The new asset class will be managed by a team of industry experts who joined the EQUITA Group in 2023 but have been operating in the market since 2011.

The team initiated the preparatory activities for the launch of the EQUITA Green Impact Fund ("EGIF") and initiated a dialogue with some potential investors, including potential anchor investors.

EGIF's strategy will be to invest in renewables such as photovoltaics, wind and biogas, already consolidated technologies that allow to optimize the risk-performance profile. Italy will be the reference market but the strategy will also see investments in other European countries such as Sweden, Denmark, Spain and Greece.

With the launch of this new asset class - which benefits from good stability and predictability of cash flows, low correlation with traditional asset classes and represents a form of hedging towards inflation - EQUITA aims to further diversify the Alternative Asset Management offering and increase the illiquid asset mix under management, further growing as a multi-platform asset and consolidating the Group's expertise in the world of sustainability and green investments.

The initiative, in fact, is part of the broader sustainable finance project announced in 2022 by EQUITA and aimed at supporting investors, companies, entrepreneurs and client institutions with new solutions and services dedicated to the world of sustainability. The first foreign investment of the EQUITA Private Debt Fund II

EQUITA Private Debt Fund II ("EPD II") closed its subscription to a €15 million bond in a major retail food distribution group in Germany in June 2023. EPD II supported Pemberton, a leading pan-European private debt operator, in funding a pan-European private equity fund through a senior debt line. The company, founded in the 1960s, is the leading bakery retail chain in southwestern Germany, with around 200 outlets. The product portfolio includes bread and rolls, pastry, cakes, snacks (including ready meals). The company is vertically integrated and manages production - with its own factory producing about 2 million bakery products per week - logistics, delivery and sale of its products to the final consumer.

At the end of June EPD II was invested for 77% of total commitments (€183 million out of €237 million raised), with no. 12 investments in the portfolio and an average ticket of more than €15 million.

...Institutional

Manifesto for the Development of Capital Markets

On 4 December 2023 Equita presented the results of the initiative "Manifesto for the Development of Capital Markets". This initiative has been promoted, in addition to Equita, by illustrious representatives of Italian institutions, including Assonime, Borsa Italiana and Bocconi University, as well as more than 40 signatories.

The results of the study were commented by illustrious exponents such as Hon. Federico Freni, Undersecretary at the Ministry of Economy and Finance, and Marcello Bianchi, Sara Biglieri, Stefano Caselli, Claudia Parzani, Fabrizio Testa, Marco Ventoruzzo and Andrea Vismara, promoters of the Manifesto. Each of them contributed with analyses and comments on the state of the capital markets in Italy and on the need to launch system initiatives that could become a driving force for the entire economy of the country.

The Manifesto includes ten concrete proposals concerning domestic institutional investors, financial intermediaries, supervisory activities and taxation, and have the objective of promoting a structured and concrete industrial policy in favour of the capital markets in Italy.

The initiative was dedicated to a website (www. manifestomercaticapitali.it) from which you can download the Manifesto in full version.

On 27 February 2024, the Senate approved the "Ddl Capitali" which includes the proposals of the "Manifesto for the Development of Capital Markets".

The following are the basic principles underlying the Manifesto:

- **For SMEs→** Capitalisation up to 1 billion euro. The definition of SMEs, for the purposes of financial regulation, increases to 1 billion euros compared to the previous threshold of 500 million euros of capitalisation that qualifies a company issuing shares as an SME.
- **Listing→** procedures Easier admission to the stock exchange for SMEs: The possibility granted to Consob to regulate with its own regulations the requirements of certain listed companies and also to suspend for a limited time the decisions on admission of communications.
- **Communications from the controlling shareholders→** Article 10 removes the current obligation to report to CONSOB the transactions carried out by the controlling shareholders of SMEs (subjects that own up to 10% of the capital).
- **Governance→** The outgoing board may submit a list of candidates for the election of the members of the same administrative body, provided that, among other conditions, it contains a number of candidates equal to the number of members to be elected plus a third party.
- **Representation→** Article 13 increases from 3 to 10 the number of votes that can be assigned, by statute, to each action with multiple votes. Except as provided by special laws, the statute may provide for the creation of shares with multiple voting rights even for particular topics.
- **Delegation to the Government to reform Article→** 19 delegates the Government (12 months) to adopt one or more legislative decrees revising the Consolidated Law on financial intermediation (TUF) and the provisions on companies with limited liability contained in the Civil Code also applicable to issuers.

10th edition of the event in partnership with Bocconi University: Award for the best strategy for the use of the capital market

Equita and Bocconi University celebrate the tenth anniversary of their collaboration with the usual annual event aimed at promoting capital markets and stimulating the debate on structural elements, development factors and possible solutions to be adopted, thereby contributing to the improvement of capital markets and regulation.

This year the central theme of the conference was the presentation of the analysis carried out on ten years of research promoted by the collaboration between EQUITA and Bocconi University on the capital markets.

The presentation - moderated by Federico Fubini- focused on the clear gaps that still characterize the Italian financial markets compared to the more developed foreign markets and summarized below:

- poor domestic investor base in Italian company issues;
- excessive dependence on the banking system as a primary source of funding;
- dominance of global intermediaries in the investment banking industry, the latter being a common theme in other European countries.

The debate focused on the opportunity that our country lives today to increase its competitiveness thanks to initiatives such as the Green Paper promoted by the Ministry of Economy and Finance - MEF, the proposal of Listing Act EU and the execution of the National Recovery and Resilience Plan - PNRR, all elements that can allow the definitive affirmation of the Italian capital markets as a driving force of the real economy.

It was also recalled that in the ten years of collaboration with Bocconi University, Equita has promoted research, quarterly *columnsed events* to stimulate debate on the role of markets for the revival of growth. Equita has contributed to the improvement of capital markets and regulation thanks also to food for thought and suggestions. In addition, the collaboration has seen a constant commitment to promote training and gender equality in the financial field.

The initiatives undertaken and the excellent results obtained provide new life for future actions to be taken for the many issues still to be addressed to further improve the Italian and European capital markets and make them increasingly competitive. Among the most urgent initiatives were:

- further simplification of the rules, new incentives for research and promotion of new domestic investors:
- setting up a small committee of experts to launch an industrial policy which will encourage the development of capital markets.

Following the debate on the issues described the scoreboard on Italian listed companies was presented in order to assess "the best strategy for using the capital market". The award, which benefits from the patronage of Bocconi University and Borsa Italiana - Euronext, has now reached its tenth anniversary and as every year wants to reward the originality and effectiveness of the best strategies implemented on the capital market as a lever for the development of the company.

The award-winning operations were selected from more than 80 successfully completed in 2022 and confirm the importance of capital markets to enable companies to raise new resources and thus finance their growth without having to depend totally on the system traditional banking.

For the "Fundraising **on the stock market**" category, Industrie De Nora ranked first, with the listing on Euronext Milan. The IPO was the largest of 2022 on the regulated market and the proceeds will be used to finance the organic growth strategy defined in the strategic plan, new productive investments and working capital. Among the winners also Technoprobe and CY4GATE, second and third respectively.

For the "ESG **debt market fundraising"** category, Alerion Clean Power ranked first with the issuance of a €100 million green bond. The proceeds from the issue will finance new investments in green projects, including new wind or solar power plants. Snam and A2A, second and third respectively, were among the winners.

For the "Fundraising **on the traditional debt market"** category, Lottomatica ranked first with the issue of a €350 million bond. The proceeds from the issue will be used to finance new investments and acquisitions and to optimize the capital structure. In second place, awarded ex-aequo, AMCO - Asset Management Company and Autostrade per l'Italia.

The jury, called to choose the winners, was chaired and coordinated by Francesco Perilli (Socio, EQUITA) and composed of: Paolo Basilico (Sole Administrator, Samhita Investments), Stefano Caselli (Dean of the SDA Bocconi School of Management, Bocconi University), Marco Clerici (co-head of Investment Banking, Equita), Paolo Colonna (President, Value Creation), Claudio Costamagna (President, CC & Associates), Rodolfo De Benedetti (President, CIR), Stefano Gatti (Antin IP Associate Professor of Infrastructure Finance, Bocconi University), Paolo Marchesini (Group Chief Financial Officer, Campari Group), Umberto Nicodano (Partner, Bonelli Erede Law Firm), Claudia Parzani (President, Borsa Italiana), Fabrizio Testa (Borsa Italiana Managing Director), Fabrizio Viola (Partner and Chairman, Cap Advisory) and Andrea Vismara (CEO, EQUITA).

...of Governance

Increases in Share Capital

The following table summarises the capital increases from January 2023 until the date of writing of this document.

As we know, these capital increases are functional to the exercise of the stock options assigned as part of the incentive plans.

The following diagram summarises the capital increases that took place during the period considered.

Changes in Equita Group's share capital

Period	# Stocks	Value €	Capital	Share capital value
22nd March 2023 - 31st March 2023	67,229	15,297	50.992.257	11.602.673 €
1st April - 11th April 2023	53,537	12,182	51.045.794	11.614.855 €
1st June - 14th June 2023	81,280	18,494	51.127.074	11.633.350 €
3rd October - 12th October 2023	141,364	32,166	51.268.438	11.665.516 €
1st December - 14th December 2023	55,582	12,647	51,324,020	11.678.163 €
Total	**398,992**	**90,787**		

... of Sustainability

The philanthropic activities of the Equita Foundation

The Group, also through the Equita Foundation has supported in 2023 more than 40 initiatives and projects.

Total disbursements for the year 2023 amounted to €460,134, slightly up on the previous year. The supported initiatives were divided into the following areas:

- 44% of the territory and the Community;
- Art and Culture for 24%;
- Economic and Financial Culture for 2%;
- Youth and Talent for 27%.

The main projects supported by our Foundation include:

- The project "Selinunte on Ice", within which Fondazione Equita, in collaboration with the Centro Sportivo Italiano and with the patronage of the Municipality of Milan, has contributed to the installation of an ice rink, sponsorship of the sports village and summer campuses in Piazzale Selinunte in Milan,
- The aim of this project is to respond to the social and well-being needs of a complex district of Milan.
- The Suspended Visit project, with which the Foundation has supported through the Association Project Panda Onlus, the initiative of the doctor-solidarity, created by the center Doctor for families "Welcomed", which was inspired by the noble tradition of "coffee suspended" Neapolitan: drink a coffee and, together, offer another to those who can not afford it.
- The beneficiaries of the project are individuals or families belonging to the most vulnerable sections of the population to whom free visits will be made. 70% of the subjects involved are children and adolescents and the remaining 30%, 60% are women.
- Welcomed in 2023 has opened a new space equipped to host a center dedicated to the health of families and their children, and the Equita Foundation has contributed to its realization.
- the association Aisphem: a non-profit organization founded in April 2012 with the mission of stimulating and supporting scientific research aimed at the discovery of effective therapies and treatments to treat the symptoms of people suffering from Phelan-McDermid Syndrome;
- Association Cometa: among the various objectives it pursues is to prevent the difficulties of growth and combat early school leaving by offering a stimulating and creative context, where everyone feels valued, acquires self-confidence and learns a trade;
- the ITAMA Foundation - Italian for mothers. With the project "ITAMA" The Foundation proposes the teaching of the Italian language and culture to reach foreign women who risk becoming marginalized within their family nucleus, while caring for their youngest children.
- Project "Community for all children for one": The communities "Tuttiperuno" and "Girotondo" are a permanent and continuous service open 24 hours a day, 365 days a year. Minors are welcomed and assisted by specialized educators able to approach and communicate with boys, girls, boys and girls victims of traumatic experiences and to understand their complex and painful mental and behavioral scenario.
- The non-profit organization Ahbap: is a philanthropic donation center to which the Equita Foundation has donated the fundraising carried out in order to support with food, basic necessities and medical supplies, families surviving the earthquake in Turkey and Syria.

The complete list of initiatives is described in the Sustainability Brochure published on the Equita website.

Project initiatives

During the year 2023, the Equita Group implemented a series of strategic projects aimed at strengthening our competitive position and ensuring business continuity. The main achievements in the key areas are as follows:

Business Related Projects:

- Migration of Borsa Italiana on the Euronext platform: migration of the Equity, Fixed Income and Certificates markets completed. In the course of the last trimester of the year also the analyses in sight of the last phase of the migration that will have like object the derivatives.
- New Content Management System - Factset Partners: the Research Team has finalized the adoption of the new application for the production of research reports quickly and with an innovative layout. Particular attention was given, in addition to the configuration of the application, to the integration of Factset Partners with all the systems already in use (i.e. CRM, Databese conflicts of interest, etc.).
- Settlement USA T+1: studies have started to transpose the change in the rules of operation with American customers, which will come into force in May 2024.
- Finalized the adhesion to the circuit S.W.I.F.T., protocol of dispatch confirmations of the market orders, like additional service to supply to the customer.
- Set-up of the two new debt funds that Equita Capital SGR will market during 2024: EGIF and EPD III.

Activities of Technological Consolidation:

- Disaster Recovery in the cloud: start your studies and architectural analysis. The project plans to complete the implementation and go - live in the first half of 2024.
- Renewal of internal applications. A project has been launched to decommission obsolete applications in favour of a modern technology, developed and supported by Microsoft, which will extend the life cycle of strategic applications for Equita and increase its digital resilience.
- Cyber security: ongoing effort to strengthen safeguards and safeguards against "malicious" events. In particular, actions have been implemented to:
- identify any weaknesses in the security of the systems and therefore remediation actions;
- raise awareness and train resources through a phishing campaign and an e-learning session in the field of Cyber security. Innovation and Large Language Models (LLM). Supported by established technology partners, use cases have been identified to apply the new GenerativeAI algorithms. The objective of *the project is to find ways to reduce time consuming operating processes.*

Other information

Research and development activities

Please note that during the year no research and development activities have been carried out pursuant to art. 2428 paragraph 3, point 1) of the Civil Code.

Disclosure on capital and treasury shares (Art 2428 c.c.)

At 31 December 2023 the share capital consisted of No. 51,324,020 ordinary shares of which Equita Group S.p.A.

Number and nominal value of both own shares and shares in parent companies owned by the company, including through a trust company or through an intermediary person, with an indication of the corresponding share capital

Pursuant to the third paragraph, paragraph 3) of art. 2428 of the Civil Code, it should be noted that Equita Group owns No. 3,146,247, for a turnover of € 3,171,237 treasury shares equal to 6.13% of the share capital

Equita Group subsidiaries do not hold any shares in the Parent Company.

Number and nominal value of both own shares and shares or units of parent companies acquired or sold by the company during the year, including through a trust company or through an intermediary, with an indication of the corresponding part of the capital, the consideration and the reasons for the purchases and disposals.

Pursuant to the third paragraph, paragraph 4) of art. 2428 of the Civil Code, it should be noted that Equita Group owns No. 3,146,247 shares, for a total equivalent value of € 3,171,237, equal to 6.13% of all shares representing the share capital. For a detailed analysis about the movement of treasury shares in the portfolio, please refer to the specific section of the Management Report.

Disclosure in relation to the use by the company of financial instruments and where relevant for the assessment of the financial position and the financial result of the year

Pursuant to the third paragraph 6) bis of art. 2428 of the Civil Code, it should be noted that the most important risks concern the market context in which the Group operates.

Business risks are assessed by members of the Board of Directors on an annual basis as part of the ICAAP/ILAAP process. In addition, they are periodically reviewed as part of the normal monitoring activity at Group level.

Report on corporate governance and ownership structures

Pursuant to art. 123-bis, paragraph 3 of Legislative Decree no. 58 of 24 February 1998, the Report on corporate governance and ownership structures is available in the "Corporate Governance" section of the Equita website (www. equita.eu)

Report on remuneration policy

Pursuant to art. 123-ter of Legislative Decree 24 February 1998 n.58 and as amended in implementation of Directive (EU) 2017/828 and art. 84- quater, paragraph 1, of the Issuers Regulation, the "Report on the remuneration policy and the remuneration paid "is available on the website in the "Corporate Governance" section of Equita (www.equita.eu).

Legislative simplification process - Consob n. 18079 of 20 January 2012

Equita Group confirms its willingness to adhere to the opt-out regime set out in art. 70, paragraph 8, and 71, paragraph 1-bis, of the Issuers Regulation, thus availing itself of the right to derogate from the obligations of publication of the information documents prescribed during significant mergers, division, capital increase through the contribution of assets in kind, acquisitions and disposals.

ESEF - European Single Electronic Format

In compliance with the provisions of Directive 2004/109/EC and the EU Delegated Regulation 2019/815 (ESEF), this Consolidated Annual Financial Report 2023 is also prepared in XHTML format and is made available in its final version on the Group's website.

Relations with related parties

Pursuant to art. 2428 paragraph 2, point 2) of the Civil Code, we hereby declare that the recurring relationships between related parties maintained in the course of 2023 are attributable to participatory relationships, contracts for the provision of intra-group services, and staff secondment between:

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

In addition to these are the managers with strategic responsibility and the members of the board of auditors.

Secondary Location

EQUITA Group does not have a secondary location.

Allocation of profit for the year

The financial year 2023 ended with a consolidated net result pertaining to the parent company of € **16,059,033.**

The Board of Directors proposes to the Shareholders' Meeting to distribute a single dividend of **€ 0.35** per share in circulation, for a maximum total amount of € 17,195,205 to be paid in two instalments in May 2024 and November 2024;

First tranche - €0.20 per share, for a maximum total amount of €9,821,546 deriving from the profit for the year 2023 - payment date 22 May 2024 (payment date), ex-dividend date 20 May 2024 (ex-dividend date) and payment entitlement date 21 May 2024 (record date);

Second tranche - €0.15 per share for a maximum total amount of €7,373,659 deriving from the profit for the year 2023 - payment date 20 November 2024 (payment date), ex-dividend date 18 November 2024 (ex-dividend date) and payment entitlement date 19 November 2024 (record date).

Certification of consolidated financial statements pursuant to art. 81-Ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned, Dr Andrea Vismara, in his capacity as Chief Executive Officer and General Manager of Equita Group S.p.A., and Dr Stefania Milanesi, Head of Company Financial Reporting of Equita Group S.p.A., attest, also taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree 24 February 1998, n. 58:

The adequacy in relation to the characteristics of the company, and the effective application of the administrative and accounting procedures for the establishment of the consolidated financial statements, during the period ended on 31 December 2023. In this regard, it should be noted that the assessment of the adequacy of the administrative and accounting procedures for the establishment of the consolidated financial statements as at 31 December 2023 was based on the assessment of the system of internal control and verification of the relevant processes, including indirectly, the formation of accounting and budgetary data.

It also states that the consolidated financial statements:

- be drawn up in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- corresponds to the data recorded in the company's books and account ledgers;
- is adequate for the purpose of providing a truthful and accurate representation of the capital, earnings and financial situation of the issuer;

and the group of companies included within its area of consolidation The Annual Report include a reliable analysis of the performance and results of the operations, as well as the situation of the issuer and all the companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed. The management report also contains information on relevant transactions with related parties pursuant to Art. 154 TER of d.lgs. 58/98.

Milan, 14 March 2024

Equita Group S.p.A.

Chief Executive Officer
and General Manager
Andrea Vismara

Head of Financial reporting

Stefania Milanesi

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Consolidated Financial Statements 2023

Reporting Schemes and Explanatory notes

Accounting Stamentent

Consolidated Statement of Financial Position

Assets (€)

		31/12/2023	31/12/2022
10	Cash and cash equivalents	130,481,458	107,944,782
20	Financial assets measured at fair value through profit or loss	77,384,279	111,713,663
	a) financial assets held for trading	55,043,256	102,138,408
	c) other financial assets mandatorily measured at fair value	22,341,024	9,575,255
40	Financial assets measured at amortized cost	101,248,810	99,550,332
	a) due from banks	66,423,042	46,394,967
	b) due from financial institutions	15,122,256	30,652,845
	c) loans to customers	19,703,512	22,502,521
50	Hedging derivatives	106,079	146,474
70	Investments in associates and companies subject to joint control	756,358	46,267
80	Property and equipment	5,982,648	4,140,864
90	Intangible assets	26,606,916	26,901,934
	of which:		
	- goodwill	24,153,008	24,153,008
100	Tax assets	3,237,194	7,520,436
	a) current	1,199,047	4,961,894
	b) deferred	2,038,147	2,558,542
120	Other assets	34,042,397	41,566,005
	Total assets	**379,846,139**	**399,530,757**

Accounting Stamentent

Consolidated Statement of Financial Position

Liabilities and shareholders' equity (€)

		31/12/2023	31/12/2022
10	Financial liabilities measured at amortised cost	193,785,598	205,731,240
	a) debts	193,785,598	205,731,240
20	Financial liabilities held for trading	20,067,070	15,540,760
60	Tax liabilities	1,331,729	3,626,449
	a) current	623,424	2,932,930
	b) deferred	708,305	693,519
80	Other liabilities	50,788,482	64,428,329
90	Employees' termination indemnities	1,941,659	2,069,142
100	Allowances for risks and charges	3,234,663	3,833,991
	c) other allowances for risks and charges	3,234,663	3,833,991
110	Share capital	11,678,163	11,587,376
120	Treasury shares (-)	(3,171,237)	(3,926,926)
140	Share premium reserve	23,373,173	20,446,452
150	Reserves	56,798,926	58,819,101
160	Valuation reserves	56,243	106,868
170	Net income (loss) (+/-)	16,753,969	17,267,975
180	Minority shareholders' equity (+/-)	3,207,700	-
	Total liabilities and shareholders' equity	**379,846,139**	**399,530,757**

Accounting Statement

Consolidated Income Statement

Consolidated income statement

		31/12/2023	31/12/2022
10	Net trading income	11,193,279	7,195,400
40	Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	3,557,965	1,102,819
	b) other financial assets mandatorily at fair value	3,557,965	1,102,819
50	Commission income	70,465,031	76,016,230
60	Commission expense	(7,541,373)	(6,508,850)
70	Interest and similar income	10,212,231	3,251,913
80	Interest and similar expense	6,983,126	1,053,399
90	Dividends and similar revenues	(10,217,284)	(3,658,210)
110	**Intermediation margin**	**9,855,677**	**9,491,077**
120	Net losses/recoveries for credit risks associated with:	87,525,527	86,890,378
	a) financial assets measured at amortised cost	(147,431)	6,256
	b) financial assets at fair value through other comprehensive income	(147,431)	6,256
130	**Net profit (loss) from financial activities**	**87,378,096**	**86,896,634**
140	Administrative expenses:	(61,547,246)	(61,038,306)
	a) personnel expenses	(42,768,632)	(43,608,255)
	b) other administrative expenses	(18,778,614)	(17,430,052)
160	Net (losses) recoveries on impairment of property, plant and equipment	(1,701,111)	(1,307,930)
170	Net (losses) recoveries on impairment of intangible assets	(281,758)	(359,214)
180	Other operating income and expense	(199,509)	(137,239)
190	**Operating costs**	**(63,729,624)**	**(62,842,689)**
200	Profit (loss) on equity investments	-	(44,389)
240	**Profit (loss) on ordinary operations before tax**	**23,648,472**	**24,009,556**
250	Income tax on ordinary operations	(6,894,503)	(6,741,581)
260	**Net Profit (loss) on ordinary operations after tax**	**16,753,969**	**17,267,975**
280	**Net income (loss) (+/-)**	**16,753,969**	**17,267,975**
290	Minority profit (loss) of the year	694,937	2,020,592
300	**Parent Company's profit (loss) of the year**	**16,059,033**	**15,247,383**
	Basic EPS	**0.34**	**0.33**
	Diluted EPS	**0.33**	**0.32**

Accounting Statement

Consolidated Statement of Comprehensive Income

		31/12/2023	31/12/2022
10	**Net income (loss) (+/-)**	16,753,969	17,267,975
	Other comprehensive income net of tax that will not be reclassified to profit or loss	**(10,230)**	**(162,456)**
70	Defined benefit plans	(10,230)	(162,456)
	Other comprehensive income net of tax that may be reclassified to profit or loss	**(40,395)**	**150,019**
120	Cash flow hedging	(40,395)	150,019
170	**Total other comprehensive income, net of tax**	(50,625)	(12,437)
180	**Total comprehensive income (Items 10 + 170)**	16,703,344	17,255,538
190	Total comprehensive income of third-party	694,937	2,020,592
200	**Total comprehensive income attributable to the parent company**	**16,008,408**	**15,234,946**

Accounting Statement

Statement of Changes in Equity

Statement of Changes in Consolidated Shareholders' Equity - FY 2023

	Amount as at 31.12.2022	Changes in opening balances	Amounts as at 01.01.2023	Allocation of previous year's profit		Changes during the year				Comprehensive income 31.12.2023	Total shareholders' equity of the group 31/12/2023	Minority shareholders' equity 31/12/2023	Total shareholders' equity 31/12/2023
						Operations on shareholders' equity							
				Reserves	Dividends and other allocations	Issue of new shares	Changes in equity instruments	Changes in IFRS 2 reserve	Other				
Share capital	11,587,376	-	11,587,376	-	-	90,787	-	-	-	-	11,678,163	33,000	11,711,163
Share premium reserve	20,446,452	-	20,446,452	-	-	949,761	1,976,961	-	-	-	23,373,173	72,000	23,445,173
Reserves:	58,819,101	-	58,819,101	17,267,975	(17,000,065)	-	-	(548,234)	(1,739,851)	-	56,798,926	3,070,876	59,869,803
a) retained earnings	33,869,549	-	33,869,549	17,267,975	(10,049,048)	-	-	(548,234)	(1,790,480)	-	38,749,763	296,669	39,046,431
b) other	24,949,552	-	24,949,552	-	(6,951,017)	-	-	-	50,629	-	18,049,164	2,774,207	20,823,371
Treasury shares	(3,926,926)	-	(3,926,926)	-	-	-	755,689	-	-	-	(3,171,237)	-	(3,171,237)
Valuation reserves	106,868	-	106,868	-	-	-	-	-	-	(50,625)	56,243	31,824	88,067
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) of the Group	17,267,975	-	17,267,975	(17,267,975)	-	-	-	-	-	16,059,033	16,059,033	694,937	16,753,969
Total shareholders' equity of the group	104,300,846	-	104,300,846	-	(17,000,065)	1,040,547	2,732,650	(548,234)	(1,739,851)	16,008,408	104,794,301	x	104,794,301
Minority shareholders' equity	-	-	-	-	-	-	-	-	3,207,700	694,937	x	3,902,637	3,902,637
Total shareholders' equity	**104,300,846**	**-**	**104,300,846**	**-**	**(17,000,065)**	**1,040,547**	**2,732,650**	**(548,234)**	**1,467,849**	**16,703,344**	**x**	**x**	**108,696,938**

Accounting Statement

Statement of Changes in Equity

Statement of Changes in Consolidated Shareholders' Equity - FY 2022

	Amount as at 31.12.2021	Changes in opening balances	Amounts as at 01.01.2022	Allocation of previous year's profit		Changes during the year							Comprehensive income 31.12.2022	Amounts as at 31.12.2022
						Change in reserves	Operations on shareholders' equity							
				Reserves	Dividends and other allocations		Issue of new shares	Purchase of treasury shares	Extraordinary dividends	Changes in equity instruments	Changes in IFRS 2 reserve	Other		
Share capital	11,427,911	-	11,427,911	-	-	-	97,394	-	-	-	62,072	-	-	11,587,376
Share premium reserve	18,737,040	-	18,737,040	-	-	-	1,083,966	-	-	-	625,446	-	-	20,446,452
Reserves:	51,175,550	-	51,175,550	5,704,876	-	-	-	-	-	-	1,938,675	-	-	58,819,101
a) retained earnings	26,147,735	-	26,147,735	5,704,876	-	-	-	-	-	-	2,016,938	-	-	33,869,549
b) other	25,027,815	-	25,027,815	-	-	-	-	-	-	-	(78,263)	-	-	24,949,552
Treasury shares	(4,059,802)	-	(4,059,802)	-	-	-	-	(37,124)	-	-	170,000	-	-	(3,926,926)
Valuation reserves	(42,752)	-	(42,752)	-	-	-	-	-	-	-	-	-	149,620	106,868
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) of the Group	22,071,091	-	22,071,091	(5,704,876)	(16,366,215)	-	-	-	-	-	-	-	17,267,975	17,267,975
Total shareholders' equity of the group	99,309,038	-	99,309,038	-	(16,366,215)	-	1,181,359	(37,124)	-	-	2,108,675	-	17,417,595	104,300,846
Minority shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	x	-
Total shareholders' equity	**99,309,038**	**-**	**99,309,038**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**104,300,846**

Accounting Statement

Statement of cash flows (direct method)

Statement of cash flows (direct method)

		31/12/2023	31/12/2022
A	**Operative Activities**		
1	**Liquidity generated by operations:**	**24,545,760**	**27,500,360**
	commissions revenues (+)	70,317,600	76,022,601
	commissions expenses (-)	(7,541,373)	(6,508,850)
	Interest and similar income (+)	10,212,231	3,251,913
	Interest and similar expense (-)	(10,217,284)	(3,658,210)
	dividends and similar income (+)	9,855,677	9,491,077
	personnel expenses (-)	(41,440,983)	(42,528,767)
	other expenses (-)	(18,964,863)	(17,569,161)
	other income (+)	13,080,190	9,457,195
	taxes and duties (-)	(755,436)	(457,438)
2	**Liquidity generated/absorbed by financial assets**	**36,851,045**	**(119,468,048)**
	financial assets held for trading	49,366,208	(61,302,710)
	financial assets designated at fair value	(12,765,769)	(2,325,081)
	financial assets measured at amortised cost	(10,974,349)	(12,730,176)
	other assets	11,224,956	(43,110,081)
3	**Liquidity generated/absorbed by financial liabilities**	**(31,557,657)**	**71,923,690**
	financial liabilities measured at amortised cost	(11,945,642)	39,243,841
	financial liabilities held for trading	4,526,310	6,449,755
	hedging derivatives	40,395	(150,019)
	other liabilities	(24,178,720)	26,380,113
	Liquidity generated/absorbed by operating activities	**29,839,148**	**(20,043,998)**
B	**Investing Activities**		
1	**Liquidity generated by (+):**		
2	**Liquidity absorbed by:**	**(4,142,895)**	**(285,581)**
	purchases of equity investments	(600,000)	-
	purchases of property, plant and equipment	(3,542,895)	(245,634)
	purchases of intangible assets	-	(39,947)
	purchases of business units	-	-
	Liquidity generated/absorbed by investing activities	**(4,142,895)**	**(285,581)**
C	**Funding activities**		
	issue/purchase of treasury shares	3,773,197	2,001,753
	issue/purchase of equity instruments	(2,416,282)	1,938,675
	dividend distribution and other	(17,000,065)	(16,366,215)
	minority sale / purchase	3,207,700	-
	Net liquidity generated/absorbed by funding activities	**(12,435,449)**	**(12,425,787)**
	NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	**13,260,804**	**(32,755,366)**

Accounting Statement

Reconciliation

Reconciliation

	31/12/2023	31/12/2022
Cash and cash balances at the beginning of the year	**122,674,027**	**155,429,393**
Net liquidity generated/absorbed in the year	13,260,804	(32,755,366)
Cash and cash balances at the end of the year	**135,934,831**	**122,674,027**

"Cash and cash balances at the beginning of the reporting period" reflects the balance of "Cash and cash equivalents", "deposits and current accounts" recognized in "Financial assets measured at amortized cost" net of bank debt.

Part A - Accounting policies

A.1 General Part

Section 1 - Declaration of compliance with international accounting standards

This Consolidated Financial Statements, pursuant to Legislative Decree no. 38 of 28 February 2005, is drawn up in accordance with IAS/IFRS accounting standards issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and approved by the European Commission, as established by the Community Regulation no. 1606 of 19 July 2002.

The Consolidated Financial Statements at 31 December 2023 of Equita Group S.p.A. (hereinafter also the "Company" or "Group") were prepared on the basis of the Bank of Italy Decision of 17 November 2022 "The Financial Statements of IFRS intermediaries other than banking intermediaries". In view of the prevailing characteristic activity and the fact that Equita Group S.p.A. is the Parent Company of a SIM Group, the same Equita Group has decided to use the financial statements drawn up on the basis of the Instructions for the preparation of the financial statements of the IFRS Intermediaries other than the Banking Intermediaries issued by the Bank of Italy, pursuant to art. 9 of Legislative Decree. 38/05 and Art. 43 of Legislative Decree. 136/15, in order to provide better and more representative information.

These Instructions set out in a binding manner the Consolidated Financial Statements and their compilation, as well as the contents of the Notes. In preparing the Consolidated Financial Statements, the IAS/IFRS principles approved and in force at 31 December 2023 have been applied, the list of which is listed in this Consolidated Financial Statements.

The following table shows the new international accounting standards or the changes in accounting standards already in force, together with the related Regulations of approval by the European Commission, which entered into force in 2023.

New documents issued by the IASB and approved by the Council to be adopted compulsorily from the financial statements starting on 1 January 2023

Document title	Date of issue	Date of entry into force	Date of homologation	EU Regulation and date of publication
IFRS 17 - Insurance Contracts (including amendments published in June 2020)	May 2017- June 2020	1 January 2023	19 November 2021	(UE) 2022/2036 23 novembre 2021
First Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)	December-21	1 January 2023	8 September 2022	(EU) 2022/14919 September 2022
Establishing Accounting Estimates (Amendments to IAS 8)	February-21	1 January 2023	2 March 2022	(EU) 2022/3573 March 2022
Disclosure of accounting policies (amendments to IAS 1)	February-21	1 January 2023	2 March 2022	(EU) 2022/3573 March 2022
Deferred taxes on assets and liabilities arising from a single transaction (amendments to IAS 12)	May-21	1 January 2023	11 August 2022	(EU) 2022/139212 August 2022
International Tax Reform - Pillar 2 Standard Rules (amendments to IAS 12)	May-23	1 January 2023	8 November 2023	(UE) 2023/2468 9 November 2023

It should be noted that the application of these new principles does not have a significant impact on the consolidated financial statements.

IAS/IFRS and related IFRIC interpretations applicable to financial statements for periods beginning after 1 January 2023 EU-approved documents at 30 November 2023.

Document title	Date of issue	Date of entry into force	Date of approval	EU Regulation and date of publication
Lease Liabilities in a Sale and Leaseback Transaction (Amendments to IFRS 16)	September-22	1 year January 2024	20 novembre 2023	"(EU) 2023/2579

IAS/IFRS and related IFRIC interpretations applicable to financial statements for periods beginning after 1 January 2023 - Documents NOT yet approved by the EU at 30 November 2023

Document title	Date of issue by the IASB	Date of entry into force of the IASB document	Date of envisaged type-approval by the EU
Standards			
IFRS 14 Regulatory deferral accounts	January 2014	1 year. January 2016	Approval process suspended pending the new accounting standard on "rate-regulated activities".
Amendments			
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until completion of the IASB equity method project	Approval process suspended pending the conclusion of the IASB equity method project
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 year January 2024	TBD
Supplier Finance Arrangements (amendment to IAS 7 and IFRS 9)	May-23	1 year January 2024	TBD
Lack of Exchangeability (amentdment to IAS 21)	August-23	1 year January 2025	TBD

Please note that these documents will only be applicable after approval by the EU.

Section 2 - General drafting principles

In accordance with art. 5, paragraph 2, of Legislative Decree no. 38/2005, the present Financial Statements have been drawn up using the Euro as currency of account. It consists of the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Overall Profitability, the Statement of Changes in Consolidated Equity, the Consolidated Financial Statement and the Notes. It is also accompanied by a Directors' Report on the performance of operations, the economic results achieved and the financial position of the Group.

The Consolidated Financial Statements have been drafted with clarity and represent in a truthful and correct manner the balance sheet, the profit or loss for the period and the cash flows of the Group and is based on the application of the following general drafting principles contained in the Framework as well as in IAS 1:

Business continuity - Assets, liabilities and "off-balance sheet" transactions are evaluated according to the Company’s operating criteria, as the Company is destined to continue prospectively to operate on the basis of all available information, taking as reference, in accordance with the provisions of IAS 1 "Presentation of Financial Statements", a future period of at least, but not limited to, 12 months from the closing date of this Consolidated Financial Statements. In the preparation of the Consolidated Financial Statements, the Company Management assessed the applicability of the assumption of business continuity. The Management Board concluded that the assumption of business continuity is satisfied as there were no elements of weakness or significant impacts related to the identified risk factors.

Economic competence - Costs and revenues are recognised, regardless of the time of their monetary settlement, in relation to the period of economic maturation and according to the correlation criterion, as well as according to the applicable IFRSs.

Constancy of presentation- Presentation and classification of items are kept constant over time to ensure comparability of information, unless their variation is required by an International Accounting Policy or an Interpretation or makes more appropriate, in terms of significance and reliability, the representation of values. If a submission or classification criterion is changed, the new one applies - where possible - retroactively; in this case, the nature and reason for the change and the items concerned shall also be indicated. In the presentation and classification of the items, the schemes prepared by the Bank of Italy for the balance sheets of the SIM Groups are adopted.

Aggregation and relevance- All significant groupings of items with similar nature or function are reported separately. Elements of a different nature or function, where relevant, shall be presented separately.

No netting- Assets and liabilities, costs and revenues are not offset against each other, unless this is required or permitted by an International Accounting Policy or an Interpretation or by the schemes prepared by the Bank of Italy for the financial statements of the SIM Groups.

Comparative information- The comparative information of the previous period shall be reported for all the data contained in the financial statements, unless an International Accounting Policy or an Interpretation prescribes or allows otherwise. It also includes descriptive information or comments, when useful for understanding the data.

Consistent application of accounting policies The methods of recording items shall be kept constant over time in order to ensure the comparability of financial statements unless their variation is required by an International Accounting Policy or an Interpretation or makes it more appropriate, in terms of significance and reliability, the representation of values. If a principle is changed, the new principle applies - where possible - retroactively; in this case, the nature and reason for the change as well as the items affected by any change shall also be indicated.

Risks and uncertainties related to the use of estimates and assumptions

The Consolidated Financial Statements use accounting estimates and assumptions based on complex and/or objective judgements, past experience and assumptions considered reasonable and realistic based on the information known at the time of the estimate. The use of these accounting estimates affects the book value of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements, as well as the amount of revenues and expenses over the reporting period. Actual results may differ from estimates because of the uncertainty surrounding the assumptions and conditions on which the estimates are based.

- The main cases for which the use of subjective assessments by management is most required are:
- the use of valuation models to measure the fair value of unlisted financial instruments in active markets;
- the quantification of staff funds and funds for liabilities and charges;
- the quantification of impairment losses of credit claims and other financial assets in general;
- the measurement of the adequacy of the value of investments and other non-financial assets (goodwill, tangible assets, including the use values of assets acquired under the lease, and other intangible assets).

The above list of evaluation processes is provided for the sole purpose of allowing the reader a better understanding of the main areas of uncertainty, but is in no way intended to suggest that alternative assumptions, at present, may be more appropriate. For the most relevant items subject to estimate, the specific sections of the Notes to the Financial Statements provide information on the main assumptions and assumptions used in the estimate, as well as an analysis of sensitivity to alternative assumptions.

Information on the impact of the Russia-Ukraine conflict

The Group’s portfolio shows no direct credit exposures to the Russian Federation, Ukraine and Belarus.

The exposures at 31 December 2023 concern ruble currency credits for brokerage operations with institutional clients not belonging to the Russian Federation, Ukraine and Belarus. The equivalent value of the exposures mentioned at 31 December 2023 is 11,772 euro.

Section 3 - Events after the Consolidated Financial Statements reference date

In the first months of 2024, no major corporate events or abnormal transactions occurred, unusual or in any case such to be taken into account in the preparation of this Consolidated Financial Statements.

Please note that this Consolidated Financial Statements has been authorised for publication in accordance with IAS 10 by the Board of Directors on 14 March 2024.

Section 4 - Other aspects

In the preparation of this Consolidated Financial Statements, we have taken note of the new international accounting standards and the changes in accounting standards already in force, as indicated above.

With particular reference to Paragraph 125 of IAS 1, see the previous section.

The consolidated financial statements and the financial statements of the Parent Company are audited by the Independent Auditors EY S.p.A., pursuant to D. Lgs. 27 January 2010 n. 39 and in execution of the resolution of the shareholders' meeting of 20 April 2023, for the financial years 2023 to 2031.

ESEF Reulation

Directive 2013/50/EU, which amended Directive 2004/109/EC (Transparency Directive), established that all annual financial reports of issuers whose securities are admitted to trading on a regulated market, shall be in a single electronic communication format. The European Commission has transposed these rules in the Delegated Regulation 2019/815 of 17 December 2018 (Regulation 112 ESEF- European Single Electronic Format). The Regulation provides that issuers who prepare consolidated financial statements in accordance with IFRS must prepare and publish their annual financial report in the format XHTML (extensible hypertext Markup Language), using the language "Inline Extensible Business Reporting Language (iXBRL)" for the marking of consolidated financial statements (Balance Sheet, Income Statement, Statement of Total Profitability, Statement of Changes in Equity, Financial Statements) and the information contained in the notes to the financial statements. Equita Group implemented this for the first time in the Consolidated Financial Statements at 31 December 2022.

Broadcasters can still publish the Report in other formats (i.e. PDF). Please note that some information contained in the Notes to the Financial Statements when extracted from the XHTML format in an XBRL instance, due to certain technical limitations, may not be reproduced in the same way, compared to the corresponding information displayed in the consolidated financial statements in XHTML and PDF format.

Section 5 - Area and methods of consolidation

Area and method of consolidation

The scope of consolidation is defined according to IFRS 10 "Consolidated Financial Statements" which provides for the presence of "control" if there is the simultaneous presence of the following three elements:

- the power deriving from exercisable existing rights to direct the relevant activities, that is, the activities carried out by the investee that are capable of influencing its returns, at the time when decisions are to be made on those returns;
- exposure to variability of returns from the asset of the investee that may vary in increase or decrease;
- the exercise of power to influence yields.

Companies subject to significant influence, defined as the power to participate in the relevant activities of the company, but not control over them, are related. Significant influence is presumed if a company holds at least 20% of the voting rights (including "potential" voting rights) in the investee or in which - albeit with a lower share of voting rights - it has the power to participate in the determination of financial and management policies by virtue of particular legal links, such as participation in syndication agreements.

Some interests above 20% are excluded from the scope of consolidation, and classified according to IFRS 9, as a small amount and the Group, has no access to management policies and can exercise governance rights limited to the protection of its own capital interests, so there is no significant influence.

1. Holdings in exclusive subsidiaries

Company name	Headquarters	Participation report			Availability of votes % (b)
		Type of report (a)	Participating undertaking	Share %	
1. Equita SIM	Milan	1	Equita Group	100%	100%
2. Equita Capital SGR	Milan	1	Equita Group	100%	100%
3. Equita K Finance	Milan	1	Equita Group	70%	70%
4. Equita Investment	Milan	1	Equita Group	100%	100%

(a) Type of report:

1 = majority of voting rights in the ordinary meeting

2 = dominant influence in the ordinary meeting

3 = agreements with other partners

4 = other forms of control

5 = unitary direction ex art. 39, comma 1, of the "legislative decree 136/2015"

6 = unitary direction ex art. 39, comma 2, of the "legislative decree 136/2015"

(b) Availability of votes in the ordinary meeting, distinguishing between actual and potential

2. Assessment and significant assumptions to determine the scope of consolidation

Generally, there is a presumption that the majority of voting rights involve scrutiny. In support of this presumption, and where the Group holds less than the majority of the voting rights (or similar rights), the Group shall consider all facts and circumstances relevant to determining whether it controls the investee, including:

- Contractual arrangements with other voting rights holders;
- Rights deriving from contractual agreements;
- Potential voting rights and voting rights of the Group.

The Group shall reconsider whether or not it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. The consolidation of a subsidiary begins when the Group gains control and ceases when the Group loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or sold during the period are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company

As required by the joint rules of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities"The Group consolidated its subsidiaries using the "line by *line* " method of integral consolidation.

- Pursuant to Paragraph B86 of IFRS 10, the "full" consolidation procedure provided for:
- The combination of similar items of assets, liabilities, equity, revenues, expenses and cash flows of the parent with those of the subsidiary;
- The clearing (elision) of the carrying amount of the parent’s holding in the subsidiary and the corresponding part of equity, after the attribution of the vestments of third parties, of each subsidiary owned by the parent;
- The full elimination of intra-group assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between the two group entities (profits and losses from intra-group transactions included in the carrying amount of assets are eliminated completely).
- The profit (loss) for the period and each of the other components of the comprehensive income are attributed to the parent’s shareholders and to the non-controlling interests, even if this implies that the non-controlling interests have a negative balance. Where necessary, appropriate adjustments are made to the financial statements of the subsidiaries to ensure compliance with the group’s accounting policies. All intra-group assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between group entities shall be completely eliminated during consolidation.

- Changes in shares in a subsidiary that do not result in loss of control are accounted for in equity.
- If the Group loses control of a subsidiary, it shall eliminate the related assets (including goodwill), liabilities, minority interests and other equity, while any gain or loss is recognised in profit or loss. Any retained interest shall be recognised at fair value

The equity method is used for the consolidation of associates and for companies under joint control.

The considerations for determining substantial influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's interests in associates and joint ventures are measured using the equity method.

The equity method requires that any difference in the investee's equity (including gains or losses) from the time of purchase is included in the carrying amount of the investment (originally written at cost); this value is lowered if the shareholding distributes dividends. In the consolidated profit and loss account, the pro-portion of the profit or loss of the investment, as well as any lasting reduction or revaluation are recognised. Any changes in other comprehensive income relating to these investees are presented as part of the Group's comprehensive income. Moreover, in the event that an associate or a joint venture detects a change with direct allocation to equity, the Group recognises its share, where applicable, in the statement of changes in equity. Unrealised gains and losses arising from transactions between the Group and affiliated companies or joint ventures shall be eliminated in proportion to the share of participation in associates or joint ventures.

The financial statements of the associated companies and the joint venture are prepared at the same date as the balance sheet of the Group. Following the application of the equity method, the Group assesses whether it is necessary to recognise a loss in the value of its investment in associates or joint ventures. The Group assesses at each balance sheet date whether there is objective evidence that the shareholdings in associates or joint ventures have suffered a loss of value. In this case, the Group calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and the value of its financial statements, recognising this difference in the statement of profit/(loss) for the period in the item "Share of the results of associates and joint ventures".

Upon the loss of significant influence over an associate or joint control over a joint venture, the Group measures and recognises the remaining equity interest at fair value. The difference between the carrying amount of the investment at the date of loss of significant influence or joint control and the fair value of the remaining interest and the consideration received is recognised in profit or loss

A.2 Part relating to the main items in the Consolidated Financial Statements

The following are the accounting principles adopted for the purposes of preparing the Consolidated Financial Statements at 31 December 2023, without significant changes compared to those used for the preparation of the Consolidated Financial Statements at 31 December 2022, presented for comparative purposes. In detail, the criteria for registration, classification, valuation, cancellation and recognition of income are reported.

Cash and cash reserves

Legal tender currencies, including foreign banknotes and coins, as well as "demand" claims (current accounts and overnight deposits) on banks, are recognised in this item.

Financial assets measured at fair value with impact in profit or loss

a) Financial assets held for trading

Registration criteria

The financial assets held for trading are initially recorded, at the settlement date for debt and equity securities, at their fair value, which normally corresponds to the consideration paid, with the exclusion of transaction costs and revenues that are immediately accounted for in profit or loss even if directly attributable to those financial assets. Trading derivatives are recognised by trade date.

Classification criteria

A financial asset is classified as held for trading if:

- is acquired primarily for short-term sale;
- it is part of a portfolio of financial instruments that is jointly managed and for which there is a strategy for achieving short-term profits;
- is a derivative contract that is not designated as part of an accounting hedge including derivatives with positive fairvalue that are embedded in financial liabilities other than those measured at fair value and recorded as income.

Assessment criteria

After initial recognition, those financial assets are measured at fair value and the effects of applying this measurement criterion are recognised in consolidated profit and loss.

An exception is a derivative contract to be settled by the delivery of a non-listed equity instrument whose fair value cannot be measured reliably and which, like the underlying, is measured at cost.

Criteria for the recognition of income components

Realised gains and losses from trading, disposal or redemption and unrealised gains and losses arising from changes in the fair value of instruments in the trading book are recorded in the consolidated profit and loss account under item 10. "Net result of trading activity".

If the fair value of an instrument becomes negative, which may be the case for derivative contracts, that instrument is accounted for under item 20. "Trading financial liabilities" of liabilities.

Cancellation policy

The elimination of a financial asset classified in the trading book takes place at the time of the transfer of all risks and benefits associated with the asset itself (usually at the settlement date). In the event that part of the risks and benefits relating to the financial asset transferred is retained, the financial asset remains on the Financial Statements, even if the ownership of the assets has actually been transferred.

The securities received as part of a transaction that contractually provides for the subsequent sale and the securities delivered as part of a transaction that contractually provides for the repurchase, do not move the portfolio of property.

c) Other financial assets obligatorily measured at fair value

Registration criteria

The entry criteria for "Other financial assets obligatorily measured at fair value" are similar to those described for the "financial asset held for trading" referred to.

Classification criteria

A financial asset, which is not a financial asset held for trading, is classified as a financial asset obligatorily measured at fair value if it does not meet the conditions, in terms of business model or cash flow characteristics, for measurement at amortised cost or fair value with impact on overall profitability.

This heading includes, in particular:

- debt instruments, securities and loans held within a business model whose objective is not the possession of assets aimed at collecting contractual cash flows (Held to collect)neither the holding of assets for the purpose of collecting contractual cash flows nor the sale of financial assets (Held to collect & sell) which are not a financial asset held for trading;

- debt instruments, securities and loans whose cash flows do not represent only the payment of capital and interest;
- shares of O.I.C.R.;
- capital instruments for which the Group does not exercise the option granted by the principle of measuring those instruments at fair value with an impact on overall profitability.

Criteria for measuring and recognising income

The accounting treatment of such transactions is similar to that of "Financial assets held for trading" (to which reference is made), except for the recording of realised and measured profits and losses, which are recognised under item 40. "Net result of other financial assets and liabilities measured at fair value with impact on profit or loss b) other financial assets".

Cancellation policy

The cancellation criteria for "Other financial assets obligatorily measured at fair value" are similar to those described for the "financial asset held for trading" referred to.

Financial assets valued at amortised cost

Registration criteria

Financial assets at amortised cost are initially entered on the settlement date for debt securities and on the disbursement date for loans, at their fair value, which normally corresponds to the consideration for the transaction including the transaction costs and revenues directly attributable to the instrument itself.

Classification criteria

A financial asset is classified as a financial asset valued at amortised cost where:

- the objective of its business model is the possession of assets aimed at collecting contractual cash flows ("Held to collect");
- the contractual terms of the financial asset provide, at certain dates, cash flows represented solely by principal and interest payments on the amount of principal to be repaid.

More specifically, this item covers:

- loans with banks that cannot be liquidated on demand or within 24 hours, financial institutions and customers in the different technical forms that meet the requirements referred to in the previous paragraph;
- debt securities meeting the requirements of the previous paragraph.

Also included in this category are operating credits (or commercial credits) related to the provision of financial assets and services as defined by the T.U.B. and the T.U.F. (for example, commercial credits related to the placement of financial products) and variation margins at clearing institutions for transactions in derivative contracts are also included.

Criteria for measuring and recognising income

After initial recognition at fair value, financial assets are measured at amortised cost using the actual interest criterion adjusted where appropriate to take account of reductions/revaluations resulting from the measurement process, as explained in the specific section "Impairment". These reductions/revaluations are recorded in the profit and loss account under item 120. "Net value adjustments/revaluations for credit risk of: a) financial assets measured at amortised cost".

The value restorations associated with the passage of time are recorded in the interest margin. When the financial asset in question is eliminated, gains and losses are recorded in the consolidated profit and loss account under item 30. "Profit (loss) from disposal or repurchase of: a) financial assets valued at amortised cost".

Accrued interest is recognised in the interest margin in the income statement on the basis of the pro-rata temporis effective interest rate criterion over the contractual period, ie by applying the effective interest rate to the gross carrying amount of the financial asset except for:

a. purchased or originated non-performing financial assets. For those financial assets, an entity shall apply the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition;
b. financial assets that are not purchased or originated impaired financial assets but have become impaired financial assets in a second step. For those financial assets, an entity shall apply the effective interest rate to the amortised cost of the financial asset in subsequent periods.

Cancellation policy

The receivables are written off from the Consolidated Financial Statements if the contractual rights on the cash flows from the receivables expire or when the receivables are transferred transferring substantially all the risks and benefits related to them.

Hedging

Registration criteria

Pursuant to paragraph 6.1.1 of IFRS 9, the Group applies, in respect of hedging transactions, the rules set out in IAS 39 even after the introduction of IFRS 9.

Hedging refers to the designation of a financial instrument that is capable of neutralising, in whole or in part, the gain or loss arising from a change in fair value or the cash flows of the covered instrument. The hedging intent must be formally defined, not retroactive and consistent with the risk hedging strategy. Hedge derivative accounting is permitted by IAS 39 only under certain conditions, namely when the hedging relationship is:

clearly defined and documented;

- measurable;
- currently effective. Financial derivative instruments designated as hedges are initially posted at their fair value.
- Hedging transactions are aimed at neutralising potential losses attributable to certain types of risk.
- The possible types of coverage are:
- "fair value" hedge: with the objective of covering the exposure to the change in the fair value of a balance sheet item;
- cash flow hedge (also "cash flow hedge"): with the objective of covering the exposure to changes in future cash flows attributable to particular balance sheet items;
- hedge of a net investment in a foreign entity.

The instruments that can be used for hedging are derivative contracts (including purchased options) and non-derivative financial instruments, for hedging exchange risk only. Hedging derivatives are classified in the balance sheet under item 50 "Hedging derivatives" of the asset, or 40 "Hedging derivatives" of the liability, depending on whether they have a positive or negative fair value at the balance sheet date.

Assessment criteria

Hedging derivatives are recorded and measured at their fair value. When a financial instrument is classified as a hedging instrument, it formally documents the relationship between the hedging instrument and the hedged item, verifying, both at the beginning of the hedging relationship and throughout its duration, the hedge of the derivative is effective in offsetting changes in the fair value or cash flows of the hedged item. A hedge is considered effective if, both at the beginning and during its life, changes in the fair value or cash flows of the hedged item are offset by changes in the fair value of the hedge derivative. Therefore, effectiveness is assessed by comparing these variations, taking into account the intent pursued by the undertaking at the time the hedge was put in place. It is effective (within the limits set by the range 80-125%) when the expected and actual changes in the fair value or cash flows of the hedging financial instrument neutralise almost entirely the changes in the hedged item.

The methods of accounting for gains and losses arising from changes in fair value differ according to the type of coverage:

- fair value hedge (hedge fair value) hedge: the change in the fair value of the hedged item attributable to the hedged risk alone is recorded in profit or loss, as is the change in the fair value of the hedging derivative; any difference, which represents the partial ineffectiveness of the hedge, determines the net economic effect accordingly;
- cash flow hedge (cash flow hedge): changes in the fair value of the derivative are recognised in equity, for the effective part of the hedge, and are recognised in profit or loss only when, with reference to the hedged item, the change in the cash flows to be offset occurs, or for the part of the hedge that is ineffective;
- hedge of a net investment in a foreign entity: It shall follow the way in which cash flow hedges are accounted for.

Cancellation policy

Hedge accounting is discontinued in the following cases: a) the hedge through the derivative ceases or is no longer highly effective; b) the hedged item has been sold or redeemed; c) the hedging operation has been terminated in advance; d) the derivative expires, is sold, extinguished or exercised. If the effectiveness of the hedge is not confirmed, the portion of the derivative contract that is no longer hedging (over hedging) is reclassified among the trading instruments. If the termination of the hedging relationship is due to the disposal or termination of the hedging instrument, the hedged item ceases to be hedged and returns to be valued according to the criteria of the portfolio. Hedging financial assets and liabilities are cancelled when the contractual law ceases to exist (e.g., termination of the contract, early termination in accordance with the contractual clauses - c.d."unwinding") to receive cash flows relating to the financial instruments, hedged assets/liabilities and/or derivatives covered by the hedging transaction, or when the financial asset/liability is disposed of by transferring substantially all the risks/benefits associated with it.

Material activities

Registration criteria

Tangible fixed assets are initially entered at the cost that includes, in addition to the purchase price, any ancillary charges directly attributable to the purchase and commissioning of the asset.

The tangible rights of use assets acquired under the lease, at the time of initial entry, are valued on the basis of the cash flows associated with the leases, corresponding to the present value of the lease payments not paid at that date ("lease liability"), including payments made on or before the effective date and initial direct costs incurred by the lessee. The payments due under the lease are determined in the light of the lease provisions and discounted using the group financing rate determined for the class of leased assets, on the basis of the cost of the funding for liabilities of duration and guarantees similar to those implied in the lease agreements.

Classification criteria

Material activities include technical installations, furniture and furnishings and equipment of any kind. These are tangible assets held for use in the production or supply of goods and services or for administrative purposes and are believed to be used for more than one period. The physical assets include the rights of use acquired under the lease and relating to the use of physical assets as defined in IFRS 16.

Assessment criteria

Tangible fixed assets are valued at cost less depreciation and loss of value.

At each closing of Consolidated Financial Statements, if there is any indication that an asset may have suffered a loss in value, the asset’s carrying value is compared to its recovery value, equal to the lower of fair value, net of any selling costs and the relative value of use of the asset, understood as the present value of future flows originating from the asset. Any adjustments shall be recognised in profit or loss.

If the reasons that led to the recognition of the loss are no longer present, the result is a return of value that cannot exceed the value that the asset would have had net of depreciation, calculated in the absence of previous impairment losses.

Criteria for the recognition of income components

The costs of extraordinary maintenance that entail an increase in future economic benefits are attributed to an increase in the value of assets, while the costs of ordinary maintenance are recognised in the income statement.

Depreciation is calculated on the basis of time-lag criteria and, together with any durables losses in value or any revaluation, is entered under "Net impairment adjustments/revaluations".

Cancellation policy

A fixed asset is eliminated from the balance sheet at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from disposal.

Intangible assets

Registration and classification criteria

IAS 38 defines intangible assets as those non-monetary, identifiable, non-physical assets. The characteristics necessary to meet the definition of intangible assets are:

- Identifiability;
- Control of the resource in object;
- Existence of future economic benefits.

In the absence of any of the above, the expense of acquiring or generating the asset internally is recognised as an expense in the period in which it was incurred.

Intangible assets are recorded as such if they are identifiable and originate in legal or contractual rights. They are recognised at cost, adjusted for ancillary charges only if the future economic benefits attributable to the asset are likely to materialise and the cost of the asset can be measured reliably.

Criteria for evaluation and cancellation

At each closing of Consolidated Financial Statements, in the presence of evidence of impairment losses, the asset's recovery value is estimated. The amount of the loss, recognised in profit or loss, is equal to the difference between the carrying amount of the asset and recoverable amount.

An intangible asset shall be removed from the balance sheet at the time of disposal and where no future economic benefits are expected. Intangible assets include goodwill.

Goodwill may be booked in combination transactions, when the positive difference between the consideration transferred and the possible recognition of the minority interest at fair value and the fair value of the assets acquired is representative of the future income of the investment (Goodwill).

If this difference is negative (badwill) or if the Goodwill is not justified in the investee's future income, the difference is recorded directly in the profit and loss account.

On an annual basis (or whenever there is evidence of impairment) a goodwill adequacy test is performed. For this purpose, the cash-generating unit to be allocated goodwill shall be identified.

Within the Equita Group, cash flow generating units correspond to:

- the subsidiary Equita SIM, net of the flows generated by the Retail Hub branch;
- the subsidiary Equita Capital SGR;
- the CGU "Retail Hub", originating from the acquisition by Nexi S.p.A. of the business unit related to the activities of Brokerage & Primary Market and Market Making;
- CGU "K Finance", created following the acquisition of K Holding, merged by incorporation into K Finance, a company operating in management consulting (M&A advisory) to small and medium-sized enterprises.

The amount of any impairment shall be determined on the basis of the difference between the carrying amount of goodwill and its recovery value, whichever is lower. This recovery value is equal to the greater of the fair value of the cash-generating unit, net of any selling costs, and its value in use. The resulting value adjustments are recognised in profit or loss.

Criteria for the recognition of income components

The cost of intangible assets is depreciated on a straight-line basis on the basis of the useful life. If the latter is indefinite, the depreciation is not carried out but the periodic verification of the adequacy of the book value of the fixed assets. The costs incurred by the Company in connection with improvements to rental properties shall be amortised for a period not exceeding the duration of the contract.

Tax assets and liabilities

The Group recognises the effects relating to current and deferred taxes in compliance with national tax law on the basis of the criterion of economic competence, in line with the methods of recognising in Consolidated Financial Statements the costs and revenues generated by them, applying the applicable tax rates.

Income taxes are always recognised in profit or loss, except for those relating to items that are directly debited or credited to equity.

The provision for income tax is determined on the basis of a prudent forecast of the current, anticipated and deferred tax burden. In particular, deferred and deferred taxes are determined on the basis of temporary differences - without time limits - between the value attributed to an asset or liability according to the civil law criteria and the corresponding values for tax purposes.

Current tax receivables and payables are shown in the balance sheet in the "Current tax assets" or in the "Current tax liabilities" respectively where the netting between receivables and payables shows a net credit or net debt.

Assets for prepaid taxes are recorded in the Consolidated Financial Statements to the extent that they are likely to be recovered, assessed on the basis of the Company's ability to continuously generate positive taxable income.

Deferred tax liabilities are recorded in the Consolidated Financial Statements, with the only exceptions being the higher assets under suspension of tax represented by the reserves under suspension of tax, as the size of the available reserves already taxed reasonably suggests that no operations involving taxation will be carried out on its own initiative.

Prepaid and deferred taxes are booked at balance sheet level at open balances and without compensation, including the first in the item "Tax assets" and the second in the item "Tax liabilities".

Prepaid and deferred tax assets and liabilities are systematically assessed to take account of any changes in the rules or rates and of any different subjective situations of the Group company.

The amount of the tax funds is adjusted to meet the costs that could arise from notified investigations or from disputes with the tax authorities.

Option for national tax consolidation

The Parent Company and the subsidiaries of the Equita SIM SpA Group and Equita Capital S.G.R. have adopted the c.d. "national tax consolidation", regulated by articles. 117-129 of the TUIR, introduced in the fiscal legislation from the D.Lgs. n. 344/2003. It consists of an optional scheme whereby the total net income or tax loss of each company participating in the tax consolidation - together with the withholding taxes, deductions and tax credits - are transferred to the parent company, under which a single taxable income or a single tax loss can be carried forward and, consequently, a single debt/tax credit is determined. Under this option, the subsidiaries Equita SIM and Equita Capital Sgr, which have adhered to the "national tax consolidation", determine the tax burden of their own and the corresponding taxable income is transferred to the Parent Company.

Other assets and liabilities

This item includes assets that are not included in the other assets and liabilities of the balance sheet. This includes, inter alia, credits related to the provision of activities and services, other than financial activities and services as defined by the T.U.B. and the T.U.F., tax items other than those recognised under "Tax activities" as well as accruals other than those that are to be capitalised on the relevant financial assets, including those arising from contracts with clients under IFRS 15, paragraphs 116 and following.

Other assets also include purchased tax credits. These receivables, recognised at first fair value and subsequently measured at amortised cost, are not a tax asset nor a financial asset and are classified under the residual item of the other assets. The corresponding debt-to-bank liability is represented among other liabilities and valued at amortised cost.

This item also includes improvements and incremental expenses incurred on third party assets other than those attributable to "Tangible assets" and any inventories of assets as defined in IAS 2, excluding those classified as inventories of tangible assets.

In addition, other liabilities include the component relating to the debt to shareholders for multi-stage acquisition transactions.

Severance pay (for companies with more than 50 employees)

Severance pay (TFR) reflects the existing liability to all employees relating to the indemnity to be paid when the employment relationship is terminated. According to Law No. 269 of 27 December 2006 (Finance Act 2007), companies with at least 50 employees pay monthly and obligatorily, in accordance with the choice made by the employee, the Severance Pay (TFR) accrued after 1 January 2007, to the Supplementary Pension Funds referred to in D.Lgs. 252/05 or to a special Fund for the payment to employees of the private sector of severance payments pursuant to art. 2120 of the Civil Code (hereinafter referred to as the Treasury Fund) established at INPS. In light of this, the following situations arise:

- the TFR accruing from 1 January 2007, for employees who have opted for the Treasury Fund, and from the date after the choice (in accordance with the relevant legal provisions) for those who have opted for supplementary pension, is a defined contribution plan, which does not require actuarial calculation; the same approach also applies to the TFR of all employees recruited after 31 December 2006, regardless of the choice made as to the destination of the TFR;
- the TFR accrued on the dates indicated in the previous paragraph, however, remains as a defined performance plan, even if the performance has already fully accrued. As a result, an actuarial recalculation of the value of the severance pay was necessary on 31 December 2006, in order to take into account the following:
- alignment of the hypothesis of salary increase with those provided for by art. 2120 c.c.;
- elimination of the pro-rata method of the service provided, since the services to be assessed can be considered as fully accrued.

The differences resulting from this restatement were treated, in the year 2007, in accordance with the rules applicable to the c.d. curtailment, set out in paragraphs 109-115 of IAS 19, which provide for their direct allocation to profit or loss.

Provisions for liabilities and charges

Liabilities of uncertain amount or maturity recognised in Consolidated Financial Statements under IAS 37 are recognised in this item when the following conditions are met: a) there is a current obligation at the Consolidated Financial Statements reference date, arising from a past event; a financial outflow is likely to occur; c) a reliable estimate of the amount of the obligation can be made.

In the event that the effect of the present value of the money becomes material, the amount of the provision is the present value of the charges that are expected to be incurred to settle the obligation.

The Fund shall be cancelled if it is used or if the conditions for its maintenance are not met.

Provisions and any revaluations against funds for liabilities and charges are allocated under "Net provisions for liabilities and charges".

In addition, this item includes funds for credit risk recognised against commitments to provide funds and guarantees issued that fall within the scope of application of the impairment rules pursuant to IFRS 9, as explained in the specific section "Impairment". The effects of the measurement are recorded in the consolidated income statement under item 150. "Net provision for liabilities and charges a) for credit risk relating to commitments and guarantees issued".

Financial liabilities measured at amortised cost

Registration, classification and evaluation criteria

Financial liabilities measured at amortised cost include financial instruments (other than trading liabilities and those measured at fair value) that are representative of different forms of funding from third parties.

Financial liabilities are initially recognised at the settlement date at fair value, which normally corresponds to the consideration received, net of transaction costs directly attributable to the financial liability; accrued interest is recognised in the interest margin in the income statement on the basis of the pro-rata temporis effective interest rate criterion over the life of the credit.

Securities in circulation are recorded net of the amounts bought back; the difference between the carrying amount of the liability and the amount paid to purchase it is recorded in the consolidated income statement under item 30. "Gains (losses) from disposal or repurchase of: c) financial liabilities". The subsequent relocation/sale by the issuer is considered as a new issue that does not generate any economic effect.

Financial liabilities measured at amortised cost include the recognised lease liabilities initially equal to the present value of the lease payments not paid at that date. The payments due for the lease are discounted using the Group's marginal financing rate, determined on the basis of the cost of the funding for liabilities of similar duration and guarantees to those implied in the lease agreements.

Criteria for measuring and recognising income

After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Cancellation policy

Financial liabilities are written off from the balance sheet when they are due or extinguished. Cancellation also occurs when previously issued bonds are repurchased. The difference between the carrying amount of the liability and the amount paid to purchase it is recorded in the Income Statement.

The placing on the market of own securities after their repurchase is considered as a new issue with entry at the new issue price.

Financial trading liabilities

Financial liabilities held for trading purposes include:
- derivative contracts that are not designated as hedging instruments;
- obligations to deliver financial assets borrowed from a short seller (ie short sales of financial assets not already held);
- financial liabilities issued with the intent to repurchase them in the short term;
- financial liabilities that are part of a portfolio of financial instruments considered together and for which there is evidence of its management in a trading perspective.

Financial liabilities belonging to that category, including derivative contracts, are measured at fair value initially and during the life of the transaction.

Realised gains and losses from trading, disposal or redemption and unrealised gains and losses arising from changes in the fair value of instruments in the trading book are recorded in the consolidated profit and loss account under item 10. "Net result from trading", including financial derivatives related to the "fair value option".

Financial Liabilities held for trading are cleared from the financial statements when the contractual rights to the related cash flows expire or when the financial liability is disposed of with a substantial transfer of all risks and benefits arising from ownership of the same.

Foreign exchange transactions

Foreign currency transactions are recorded, at initial recognition, in currency currency by applying to the foreign currency amount the exchange rate in force at the date of the transaction.

At each closing of the Consolidated Financial Statements, foreign currency items are valued as follows: (i) monetary items are converted at the exchange rate on the closing date; (ii) non-monetary items valued at historical cost are converted at the exchange rate existing at the date of the transaction; (iii) non-monetary items valued at fair value are converted using the exchange rates existing at the closing date.

Exchange differences resulting from the settlement of monetary items or the conversion of monetary items at rates other than the initial conversion rates, or the conversion of the previous consolidated financial statements, are recognised in profit or loss for the period in which they arise.

When a gain or loss relating to a non-monetary item is recognised as equity, the exchange difference relating to that item is also recognised as equity. On the other hand, when a profit or loss is recognised in profit or loss, the associated exchange difference is also recognised in profit or loss.

Payments based on shares

These are payments to employees or other similar persons in return for work, settled in shares representing capital. The reference international accounting policy is IFRS 2 - Share based Payments; in particular, it is foreseen that the Company's obligation in respect of the receipt of the service will be settled in shares and stock options (shares "to the value of", that is a certain amount is translated into a variable number of shares, on the basis of fair value at the date of assignment), the accounting case that recurs is that of "equity-settled share based payment". The cost of equity-settled transactions shall be determined by fair value at the date the assignment is made using an appropriate valuation method. This cost, together with the corresponding increase in equity, is recognised as personnel costs and as an increase in the value of investments (if owned by a subsidiary) over the vesting period ("vesting period") where the conditions relating to the achievement of objectives and/or the provision of the service are fulfilled. The cumulative costs recognised against such transactions at the end of each reporting period until the vesting date shall be commensurate with the maturity of the vesting period and the best estimate of the number of ownership instruments that will actually accrue. The cost or revenue in the statement of profit/ (loss) for the period represents the change in the cumulative cost recognised at the beginning and end of the period. The general accounting rule in IFRS 2 for this case provides for the cost to be accounted for as staff expenses in return for a provision of equity; the cost is accounted for pro rata over the vesting period ("vesting period") of the counterparty's right to receive payment in shares, allocating the cost linearly over the period.

It should be clarified that, where the service is settled in cash, even if the measurement is based on financial instruments, the Group recognises a debt equal to the fair value of the performance measured at the allocation date and at each balance sheet date, up to and including the settlement date, with changes in labour costs.

Finally, with reference to quantitative information, please refer to the section "Payment Agreements Based On Own Equity Instruments" set out in this Notes.

Own shares

Own shares held are deducted from equity. Any gains/losses realised on disposal are also recognised as equity.

Recognition of Revenues and Costs

Revenue from service fees and other income accounted for in accordance with IFRS15 may be recognised:

- at a specific time, when the entity fulfils its obligation to do by transferring the promised good or service to the customer ("point in time"), or
- over time, as the entity fulfils its obligation to do so by transferring the promised good or service ("over time") to the customer.
- An entity shall recognise revenue when (or as) it fulfils the performance obligation by transferring the promised good or service (ie the asset) to the customer. The asset is transferred when (or as) the customer takes control of it.

In particular, with reference to the main revenues recognised by the Company in application of the IFRS 15 accounting standard, it is specified that:

- trading and placement fees for financial instruments shall be accounted for "point in time" at the time the service is provided;
- the advisory fees (if there is no uncertainty about the progress of the work and the related consideration), management of delegated portfolios are accounted for "over time" during the duration of the contract;
- the revenues deriving from the contracts that preview two or more performance obligations with different model of transfer of the goods or services to the customer are recorded to profit and loss account with different modalities ("over time" or "point in time"). Where the subdivision is particularly expensive and in the presence of non-material revenues, the revenue is attributed entirely to the main Obligation performance;
- where applicable, the consideration payable to customers shall be accounted for by a reduction in revenue from the supply of the goods or services and in line with the recognition of the goods or services;
- any variable revenue is estimated and recognised if and only to the extent that it is highly probable that when the uncertainty associated with the consideration is subsequently resolved, no significant downward adjustment to the amount of accumulated revenue will occur detected, taking into account all information reasonably available to the Group;
- any revenue that includes a significant financing component shall be adjusted to take into account the effects of the time value of the money, in order to reflect the price that the customer would have paid if the payment had taken place at the time (or gradually) the transfer of the promised goods or services. This model is applied except when the expected time interval between the transfer of the promised good or service and its payment is less than one year (practical expedient provided for in paragraph 63 of IFRS 15).

The main revenues and expenses are recognised in profit or loss as follows:

- the interest shall be recognised pro rata temporis on the basis of the contractual interest rate or the effective interest rate in the case of application of the amortised cost. Interest income (or interest expense) also includes spreads or margins, positive (or negative), accrued up to the balance sheet date (e.g. financial derivative contracts classified in the balance sheet as trading instruments);
- dividends are recognised in profit or loss during the period in which their distribution is decided;
- service fees shall be booked, on the basis of the existence of contractual arrangements, in relation to the provision of the services from which they originated, in accordance with the requirements of IFRS 15 (as detailed above);
- the gains and losses arising from the sale of financial instruments, determined by the difference between the consideration paid or received in the transaction and the fair value of the instrument, are recognised on account;
- the gains and losses arising from trading in financial instruments are recognised in profit or loss at the time the sale is made, on the basis of the difference between the consideration paid or received and the value of the instruments themselves;
- the gains and losses arising from the sale of non-financial assets are recognised at the time of completion of the sale or when the performance obligation towards the customer is fulfilled;
- costs are recognised in profit or loss in accordance with the accrual principle;
- any costs incurred in obtaining contracts with customers, which the Company would not have incurred if it had not obtained the contract, are recognised as assets and amortised to profit or loss systematically and consistently with the recognition of revenue relating to the transfer to customers of the goods or services to which the asset relates

Other information

Expenditure on improvements to third party assets

The restructuring costs of non-proprietary buildings are capitalised in view of the fact that for the duration of the lease the user company has control of the assets and can benefit from them in the future. The above-mentioned capitalised costs, classified among the Other assets as required by the Instructions of the Bank of Italy, are amortised for a period not exceeding the duration of the lease.

Related parties

Related parties defined on the basis of IAS 24 are:

- subjects that, directly or indirectly, are subject to the control of the Company and its subsidiaries and controlling companies;
- associates, joint ventures and entities controlled by them;
- managers with strategic responsibilities, that is to say, those who are assigned powers and responsibilities, directly or indirectly, for the planning, management and control of the Parent Company's activities, including directors and members of the board of statutory auditors;
- jointly controlled entities and associates of one of the entities referred to in paragraph c);
- close family members of the persons referred to in letter c), that is, those who are expected to influence, or be influenced, in their relations with the Company (this category may include the partner, the children, the children of the partner, the dependent persons of the person and the partner) as well as the controlled entities, jointly controlled and the associates of one of those subjects;
- pension funds for employees of the Parent Company or any other related entity.

A.3 Disclosure of transfers between portfolios of financial assets

In accordance with IFRS 7, par. 12A, notes that there were no transfers between portfolios of financial assets during the year.

A.4 Fair value policy

The information in paragraphs 91 and 92 of IFRS 13 is provided below.

Information of a qualitative nature

A.4.1 - Fair value levels 2 and 3: valuation techniques and inputs used

Market quotations are used to determine the fair value of listed financial instruments. In the absence of an active market, estimation methods and valuation models shall be used that consider all risk factors related to the instruments and are based on market-detectable data such as: valuation methods of quoted instruments with similar characteristics, discounted cash flow calculations, options pricing models, values detected in recent comparable transactions. Equity securities and related derivatives, for which fair value cannot be measured reliably according to the above guidelines, are kept at cost.

A.4.2 - Evaluation processes and sensitivity

Estimation methods and valuation models, used in the absence of an active market, are relevant in the presence of large assets or liabilities. Where assets or liabilities are estimated to be marginal, their values are retained at cost.

A.4.3 - Fair value hierarchy

In accordance with par. 95 of IFRS 13 the inputs to the measurement techniques used to determine the fair value of financial assets and financial liabilities are classified into three levels. Level 1 inputs are quoted (unadjusted) prices in active markets for assets and liabilities identical to us accessible at the valuation date. Level 2 inputs are inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability.

A.4.4 - Further information

There are no financial assets and liabilities measured at fair value that can be traced back to those described in the ParrÂ s. 51, 93 letter (i) and 96 of IFRS 13, which are assets/liabilities showing differences between fair value at initial recognition (transaction price) and the amount determined at that date using fair value measurement techniques at level 2 or level 3, no quantitative information is provided.

Information of a quantitative nature

A.4.5 Fair value hierarchy

A.4.5.1 Assets/liabilities measured at fair value

	12/31/2023			12/31/2022		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	39,213,848	12,164,744	25,333,680	34,984,204	66,410,567	10,318,893
a) financial assets held for trading	39,213,848	12,164,744	3,664,663	34,984,204	66,410,567	743,637
c) other financial assets mandatorily measured at fair value	-	-	22,341,024	-	-	9,575,256
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedging derivatives	-	-	106,079	-	-	146,474
4. Property and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**39,213,848**	**12,164,744**	**25,457,866**	**34,984,204**	**66,410,567**	**10,465,367**
1. Financial liabilities held for trading	18,769,554	564,514	733,002	13,067,189	2,473,571	-
2. Financial liabilities designed at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	-	-	-	-	-
Total	**18,769,554**	**564,514**	**733,002**	**13,067,189**	**2,473,571**	**-**

No transfers of assets and liabilities occurred during the period between Level 1 and Level 2 under IFRS 13, Paragraph 93, c).

Liabilities measured at fair value on a recurring basis (level 3) have not been transferred from and to other fair value levels.

A.4.5.2 Annual Changes in Assets Valued at Fair Value on a Recurring Basis (Level 3)

		Attività valutate al fair value con impatto a conto economico						
	TOTAL	**a) financial assets held for trading**	**b) financial assets designated at fair value**	**c) other financial assets mandatorily measured at fair value**	**Financial assets at fair value through other comprehensive income**	**Hedging derivatives**	**Property and equipment**	**Intangible assets**
1. Initial Inventories	10,318,893	743,637	-	9,575,256	-	-	-	-
2. Increases	-	-	-	-	-	-	-	-
2.1. Purchases	7,773,242	-	-	7,773,242	-	-	-	-
2.2. Profits attributed to:	6,478,991	2,921,026	-	3,557,965	-	-	-	-
2.2.1. Income Statement - including capital gains	6,478,991	2,921,026	-	3,557,965	-	-	-	-
2.2.2. Net Equity	-	X	X	X	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increasing variations	1,434,561	-	-	1,434,561	-	-	-	-
3. Decreases	-	-	-	-	-	-	-	-
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Reimbursements	-	-	-	-	-	-	-	-
3.3. Losses attributed to:	-	-	-	-	-	-	-	-
3.3.1. Income Statement - including capital losses	-	-	-	-	-	-	-	-
3.3.2. Net Equity	-	X	X	X	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreasing variations	0	-	-	0	-	-	-	-
4. Final Inventories	**26,005,687**	**3,664,663**	**-**	**22,341,024**	-	-	-	-

A.4.5.3 Annual variations of liabilities valued at fair value on a recurring basis (Level 3)

	TOTAL	Financial liabilities held for trading	Financial liabilities designed at fair value	Hedging derivatives
1. Initial Inventories	15,540,760	15,540,760	-	-
2. Increases	-	-	-	-
2.1. Issues	-	-	-	-
2.2. Losses attributed to:	-	-	-	-
2.2.1. Income Statement - including losses	-	-	-	-
2.2.2. Equity	-	X	-	-
2.3. Transfers from other levels	-	-	-	-
2.4. Other increases	4,526,310	4,526,310	-	-
3. Decreases	-	-	-	-
3.1. Refunds	-	-	-	-
3.2. Repurchases	-	-	-	-
3.3. Profits attributed to:	-	-	-	-
3.3.1. Income Statement - including gains	-	-	-	-
3.3.2. Equity	-	X	-	-
3.4. Transfers to other levels 3.5. Other decreases	-	-	-	-
3.5. Other decreases	-	-	-	-
4. Final Inventories	**20,067,070**	**20,067,070**	**-**	**-**

The item includes purchases made during the year of financial instruments aimed at the management coverage of the portfolio of ownership.

A.4.5.4 Assets and liabilities not valued at fair value or valued at fair value on a non-recurring basis: breakdown by fair value levels

	31/12/2023				31/12/2022
	VB	L1	L2	L3	VB
1. Financial assets measured at amortised cost	101,248,810	-	-	101,248,810	99,550,332
2. Property, plant and equipment held for investment	-	-	-	-	-
3. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-
Total	**101,248,810**	**-**	**-**	**101,248,810**	**99,550,332**
1. Financial liabilities measured at amortised cost	193,785,598	-	-	193,785,598	205,731,240
2. Liabilities associated with assets classified as held for sale	-	-	-	-	-
Total	**193,785,598**	**-**	**-**	**193,785,598**	**205,731,240**

A.5 Information on the c.d. "day one profit/loss"

Day one profit/loss, regulated by IFRS 7 par. 28 and IAS 39 AG. 76, derives from the difference at first recognition between the transaction price of the financial instrument and fair value. This difference can be found, in principle, for those financial instruments that do not have an active market, and is allocated to the Income Statement according to the useful life of the financial instrument itself.

The Group does not operate in such a way as to generate significant income components that can be classified as day one profit/loss.

Operating Segment Disclosure (IFRS 8)

Equita Group activity refers to a single operating sector. In fact, the nature of the different products and services offered, the structure of the management and operational processes and the type of customer do not present aspects of differentiation that determine different risks or benefits but, On the contrary, they have many aspects similar and interrelated. Therefore, the subsidiaries, while operating in full autonomy under the direction and coordination of Equita Group S.p.A., are identified under a single operating sector dedicated to the activity of intermediation and advisory, able to generate revenue and cash flows, with an exposure of business results and performance that do not require separate reporting ("segment reporting"). Consequently, the accounting information was not presented separately for each operating segment, in line with the internal reporting system used by management and based on the accounting data of those companies used for the preparation of consolidated financial statements drawn up in accordance with IAS/IFRS. Similarly, no information is provided on revenues from customers and non-current activities separated by geographical area, nor information on the degree of dependence on them, as they are considered of little informational relevance by management.[1]

1 IFRS 8 defines an operating segment as a component of an entity: a) that engages in entrepreneurial activities that generate revenue and expense (including revenues and expenses relating to transactions with other components of the same entity); b) whose operating results are periodically reviewed at the entity's most other operational decision-making level for the purposes of taking decisions on resources to be allocated to the sector and assessing performance; c) for which separate balance sheet information is available.

Part B - Balance sheet information

ACTIVE

Section 1 - Cash and cash - Item 10

In addition to deposits to banks, payable on sight or within 24 hours, the item includes cash available in the cash registers of subsidiaries Equita SIM S.p.A. and Equita K Finance.

At 31 December 2023 deposits and current accounts included a share of approximately 77 million euros pledged against the 145 million euro loan granted by Intesa Sanpaolo S.p.A. and entered in the "10 - Payables" item, to which please see for more details.

1.1 Composition of “Cash and Cash equivalents”

	31/12/2023	31/12/2022
a) Cash	315	313
b) Cash equivalents	130,481,143	107,944,469
	-	-
Total	**130,481,458**	**107,944,782**

Section 2 - Financial assets measured at fair value with an impact on the income statement - Item 20

2.1 Financial assets held for trading: breakdown by type

	31/12/2023			31/12/2022		
	L1	L2	L3	L1	L2	L3
A Cash assets	-	-	-	-	-	-
1 Debt securities	10,313,293	10,646,274	3,602,175	1,155,029	66,410,567	527,675
– structured securities	2,038,993	38,110	1,174,801	1,155,029	1,043,123	-
– other debt securities	8,274,299	10,608,164	2,427,374	-	65,367,444	527,675
2 Equity instruments	26,179,437	1,515,087	48,320	27,524,046	-	48,381
3 Units in investment funds	303,048	-	4,224	253,163	-	157,637
4 Loans	-	-	-	-	-	-
Total A	**36,795,778**	**12,161,361**	**3,654,719**	**28,932,238**	**66,410,567**	**733,693**
B Derivative instruments	-	-	-	-	-	-
1 Financial derivatives	2,418,070	3,383	9,944	6,051,967	-	9,944
1.1 Trading	2,418,070	3,383	9,944	6,051,967	-	9,944
1.2 Linked to fair value option	-	-	-	-	-	-
1.3 Other	-	-	-	-	-	-
1 Credit derivatives	-	-	-	-	-	-
2.1 Trading	-	-	-	-	-	-
2.2 Linked to fair value option	-	-	-	-	-	-
2.3 Other	-	-	-	-	-	-
Total B	**2,418,070**	**3,383**	**9,944**	**6,051,967**	**-**	**9,944**
Total A + B	**39,213,848**	**12,164,744**	**3,664,663**	**34,984,204**	**66,410,567**	**743,637**

2.2 Derivative financial instruments

Underlying assets / Tipe of derivatives instrumentes	31/12/2023				12/31/2022			
	Central Counterparties	Over the counter		Organised markets	Central Counterparties	Over the counter		Organised markets
		Without Central Counterparties				Without Central Counterparties		
		Netting agreements	Without Netting agreements			Netting agreements	Without Netting agreements	
1. Debt securities and interest rates	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
2 .Equity securities and market indices	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	76,077,856	-	-	-	61,031,325
- Fair value	-	-	-	2,431,398	-	-	-	6,061,911
3. Currencies and gold	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
4.Loans	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
5. Commodities	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**2,431,398**	**-**	**-**	**-**	**6,061,911**

2.3 Financial assets held for trading: breakdown by borrowers/issuers/counterparties

Items/amounts	**31/12/2023**	**31/12/2022**
A - CASH ASSETS	-	-
Debt securities	24,561,742	68,093,271
a) Governments and other Public Sector Entities	660,154	33,824
b) Banks	10,850,404	51,071,661
c) Other financial companies	4,515,202	3,209,568
of which: insurance companies	1,061	106,023
d) Non-financial companies	8,535,982	13,778,218
Equity instruments	27,742,844	27,572,427
- Banks	5,872,735	3,627,242
- Other financial companies	1,343,493	4,112,057
of which: insurance companies	50,156	25,530
- Others	20,526,615	19,833,128
Units in investment funds	307,273	410,800
Loans	-	-
a) Governments and other Public Sector Entities	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which: insurance companies	-	-
d) Non-financial companies	-	-
e) Households	-	-
Total A	52,611,858	96,076,498
B - DERIVATIVES INSTRUMENTS	2,431,398	6,061,911
a) Governments and other Public Sector Entities	2,411,472	6,061,911
b) Others	19,925	-
Total B	2,431,398	102,138,408
Total (A+B)	**55,043,256**	**102,138,408**

2.6 Composition of "Other financial assets mandatorily at fair value"

	31/12/2023			**31/12/2022**		
	L1	**L2**	**L3**	**L1**	**L2**	**L3**
1. Debt securities	-	-	**1,927,686**	-	-	1,729,723
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	**1,927,686**	-	-	1,729,723
2. Equity instruments	-	-	672,007	-	-	-
3. Units in investment funds	-	-	19,741,331	-	-	7,845,532
4. Loans	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	**-**	**-**	**22,341,024**	**-**	**-**	**9,575,255**

2.7 Other Financial assets mandatorily at fair value:breakdown by borrowers/issuers

	31/12/2023	31/12/2022
1. Equity instruments	672,007	0
of which: banks	-	-
of which: other financial companies	672,007	0
of which: non financial companies	-	-
2. Debt securities	1,927,686	1,729,724
a) Governments and other Public Sector Entities	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which: insurance companies	-	-
d) Non financial companies	1,927,686	1,729,724
3. Units in investment funds	19,741,331	7,845,532
4. Loans	-	-
a) Governments and other Public Sector Entities	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which: insurance companies	-	-
d) Non financial companies	-	-
e) Households	-	-
Total	**22,341,024**	**9,575,256**

Section 4 - Financial assets valued at amortised cost - Item 40

4.1 Composition of item line 40 "Financial assets misured at amortised cost": Due from banks

	Total 31/12/2023					Total 31/12/2022						
	Book Value			Fair value			Book Value			Fair value		
Composition	Stage 1 and stage 2	Stage 3	Purchased or originated	L1	L2	L3	Stage 1 and stage 2	Stage 3	Purchased or originated	L1	L2	L3
1. Loans	**37,185,167**	**32,628**	**-**	**-**	**-**	**37,217,796**	**24,446,083**	**47,952**	**-**	**-**	**-**	**24,494,035**
1.1 Term Deposits	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Cash accounts	96,864	-	-	-	-	96,864	-	-	-	-	-	-
1.3 Receivables for services	7,975,327	32,628	-	-	-	8,007,955	7,687,930	47,952	-	-	-	7,735,882
- of which order execution	7,120,980	14,328	-	-	-	7,135,309	6,863,234	13,072	-	-	-	6,876,306
- of which management	612,729	-	-	-	-	612,729	509,765	-	-	-	-	509,765
- of which consultancy	201,990	18,300	-	-	-	220,290	217,464	34,880	-	-	-	252,344
- of which other services	39,627	-	-	-	-	39,627	97,467	-	-	-	-	97,467
1.4 Repos	29,112,977	-	-	-	-	29,112,977	16,758,153	-	-	-	-	16,758,153
- of which government bonds	-	-	-	-	-	-	-	-	-	-	-	-
- of which other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- of which equity securities	29,112,977	-	-	-	-	29,112,977	16,758,153	-	-	-	-	16,758,153
1.3 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**29,205,246**	**-**	**-**	**-**	**-**	**29,205,246**	**21,900,931**	**-**	**-**	**-**	**-**	**21,900,931**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	29,205,246	-	-	-	-	29,205,246	21,900,931	-	-	-	-	21,900,931
Total	**66,390,414**	**32,628**	**-**	**-**	**-**	**66,423,042**	**46,347,015**	**47,952**	**-**	**-**	**-**	**46,394,967**

Claims on banks mainly relate to outstanding claims for order execution activities.

Repurchase agreements relate to securities lending transactions involving mainly shares in companies listed on the Italian market.

The item "Debt securities" consists of bonds included in the HTC portfolio and valued at amortised cost.

At 31 December 2023, the total value adjustments applied to loans to banks amounted to €0.1 thousand (at 31 December 2022, the item accepted an adjustment of 13.5 thousand euros).

4.2 Composition of item line 40 "Financial assets misured at amortised cost": Due from financial institutions

	Total 31/12/2023					Total 31/12/2022					
	Book Value			Fair value			Book Value			Fair value		
Composition	**Stage 1 and stage 2**	**Stage 3**	**Purchased or originated**	**L1**	**L2**	**L3**	**Stage 1 and stage 2**	**Stage 3**	**Purchased or originated**	**L1**	**L2**	**L3**
1. Loans	**11,898,814**	**12,716**	**-**	**-**	**-**	**11,911,530**	**27,929,386**	**16,331**	**-**	**-**	**-**	**27,945,717**
1.1 Receivables for services	11,698,814	12,716	-	-	-	11,711,530	24,829,386	16,331	-	-	-	24,845,717
- of which margin deposits	5,453,374	-	-	-	-	5,453,374	14,729,246	-	-	-	-	14,729,246
- of which order execution	4,306,264	2,775	-	-	-	4,309,039	8,309,854	9,050	-	-	-	8,318,905
- of which management	636,866	-	-	-	-	636,866	432,099	-	-	-	-	432,099
- of which consultancy	662,723	9,941	-	-	-	672,665	424,938	7,281	-	-	-	432,218
- of which other services	639,588	-	-	-	-	639,588	933,250	-	-	-	-	933,250
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-
- of which government bonds	-	-	-	-	-	-	-	-	-	-	-	-
- of which other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- of which equity securities	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Other loans	200,000	-	-	-	-	200,000	3,100,000	-	-	-	-	3,100,000
2. Debt securities	3,210,726	-	-	-	-	3,210,726	2,707,127	-	-	-	-	2,707,127
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	3,210,726	-	-	-	-	3,210,726	2,707,127	-	-	-	-	2,707,127
Total	**15,109,540**	**12,716**	**-**	**-**	**-**	**15,122,256**	**30,636,514**	**16,331**	**-**	**-**	**-**	**30,652,845**

Claims on financial institutions mainly relate to margins deposited with the CC&G for derivatives operations and outstanding receivables for order execution activities with financial counterparties. With particular reference to margins, the amount deposited decreased by more than 50% as a result of the introduction of the new calculation model introduced by Cassa di Compensazione.

The item "Debt securities" consists of bonds included in the HTC portfolio and valued at amortised cost.

At 31 December 2023, the total value adjustments applied to claims on financial institutions amounted to €21.2 thousand (at 31 December 2022, the item accepted an adjustment of 11.7 thousand euros).

4.3 Composition of item line 40 “Financial assets misured at amortised cost”: Loans from customers

	Total 31/12/2023						Total 31/12/2022					
	Book Value			Fair value			Book Value			Fair value		
Composition	**Stage 1 and stage 2**	**Stage 3**	**Purchased or originated**	**L1**	**L2**	**L3**	**Stage 1 and stage 2**	**Stage 3**	**Purchased or originated**	**L1**	**L2**	**L3**
1. Loans	**7,915,524**	**1,272,831**	**-**	**-**	**-**	**9,188,356**	**12,188,926**	**203,412**	**-**	**-**	**-**	**12,392,338**
1.1 Receivables for services	4,398,932	1,272,831	-	-	-	5,671,763	11,472,304	203,412	-	-	-	11,675,715
- of which order execution	758,938	9,000	-	-	-	767,938	2,934,143	1,838	-	-	-	2,935,981
- of which management	-	-	-	-	-	-	-	-	-	-	-	-
- of which consultancy	3,528,410	1,263,831	-	-	-	4,792,241	8,373,588	201,574	-	-	-	8,575,162
- of which other services	111,585	-	-	-	-	111,585	164,573	-	-	-	-	164,573
1.2 Repos	-	-	-	-	-	-	-	-	-	-	-	-
- of which government bonds	-	-	-	-	-	-	-	-	-	-	-	-
- of which other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- of which equity securities	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Other loans	3,516,592	-	-	-	-	3,516,592	716,622	-	-	-	-	716,622
2. Debt securities	**10,515,156**	**-**	**-**	**-**	**-**	**10,515,156**	**10,110,183**	**-**	**-**	**-**	**-**	**10,110,183**
2.1 Structured securities	2,678,934	-	-	-	-	2,678,934	-	-	-	-	-	-
2.2 Other debt securities	7,836,221	-	-	-	-	7,836,221	10,110,183	-	-	-	-	10,110,183
Total	**18,430,680**	**1,272,831**	**-**	**-**	**-**	**19,703,512**	**22,299,108**	**203,412**	**-**	**-**	**-**	**22,502,520**

Claims on customers mainly relate to outstanding claims for consultancy and order execution activities.

The item "Debt securities" consists of bonds included in the HTC portfolio and valued at amortised cost.

At 31 December 2023, the total value adjustments applied to loans to customers amounted to approximately € 212.7 thousand euro (at 31 December 2022, the item accepted an adjustment of € 91.2 thousand).

4.4 Financial assets at amortised cost: gross value and total accumulated impairments

	Gross Value					Total accumulated impairments				Partial accumulated Write-off
	Stage 1	of which: instruments with low credit risk exemption	Stage 2	Stage 3	Total	Primo stadio	Stage 2	Stage 3	Total	Total
- Debt securities	42,931,128	-	-	-	42,931,128	-	-	-	-	-
- Loans	56,598,341	-	459,856	1,493,677	58,551,873	55,691	2,999	175,501	234,192	7,500
Total as at 31/12/2022	99,529,469	-	459,856	1,493,677	101,483,001	55,691	2,999	175,501	234,192	7,500
Total as at 31/12/2021	**98,851,570**	**-**	**490,488**	**380,721**	**99,722,780**	**57,797**	**1,625**	**113,026**	**172,447**	**(81,549)**
of which: purchased or originated creditimpaired financial assets										

Section 5 - Hedging derivatives - Item 50

5.1 Hedging Derivatives: Composition by Type of Coverage and Hierarchical Levels

Notional/ Fair value Livels	31/12/2023				31/12/2022			
	Fair value			VN	Fair value			VN
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	106,079	-	-	-	146,474	-
3. Foreign investments	-	-	-	-	-	-	-	-
Total A	-	-	106,079	-	-	-	146,474	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	-	-	-	-	-	-
Total B	-	-	-	-	-	-	-	-
Total	**-**	**-**	**106,079**	**-**	**-**	**-**	**146,474**	**-**

5.2 Composition of "Hedging Derivatives": covered portfolios and types of hedging

Structure / hedging type	Fair value							Financial flows		
	Specific						Generic			
	debt securities and interest rates	equity securities and equity indices	currencies and gold	credit	commodities	others		Specific	Generic	Foreign investements
1. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
2. Financial assets measured at amortised cost	-	-	-	-	-	-	-	-	-	-
3. Portfolio	-	-	-	-	-	-	-	-	-	-
4. Other operations	-	-	-	-	-	-	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	-	-	-	-	-	-	1,870,143	-	-
2. Portfolio	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,870,143**	**-**	**-**
1. Transactions expected financial liabilities	-	-	-	-	-	-	-	-	-	-

Section 7 - Holdings - Item 70

7.1 Equity investments: information on shareholders' equity

Company name	Main office	Owner	Holding %	Voting rights %	Book value	Carrying value
A. Solely controlled company						
C. Companies subject to significant influence						
Clairfield International S.a.r.l. (a)	Ginevra	Equita K Finance S.r.l.	22%	22%	28,160	-
Equita Real Estate S.r.l. (a)	Milano	Equita Group S.p.A.	30%	30%	600,000	-

It should be noted that these holdings are consolidated by the equity method.

7.2 Equity investments: annual changes

	Total amount
Opening balance	46,267
B. Increases	600,000
B.1 Purchases	600,000
B.2 Write-backs	-
B.3 Revaluation	-
C. Decrease	-
C.1 Sells	-
C.2 Write-off	-
C.2 Impairment	-
C.3 Other changes	(18,107)
D. Closing balance	628,160

The accounting data presented refer to the last available balance sheet (31 December 2022 for Clairfield International). It should be noted that for Equita Real Estate, no updated balance sheet is available after the split on 21 December 2023 and therefore only the book values attributable to the entity's assets as at 21 December 2023 are shown.

Table "7.2 "Annual changes in shareholdings - C: decreases: others" shows the decreasing value relating to the reclassification of an investment, as a result of the disappearance of the "significant influence" participatory relationship. This equity investment is now represented in item 20 c) of the assets.

7.5 Non significant investment: accounting information

Owner	Investment	Holding %	Main office	Book value	Total assets	Total liabilities	Total revenue	Profit (Loss) from continuing operations net of taxes	Profit (Loss) from discontinued operations net of taxes	Net income (loss) (1)	Total other comprehensive income, net of tax (2)	Total comprehensive income (1+2)
Equita K Finance S.r.l.	Clairfield International S.a.r.l. (a)	22%	Milano	28,160	492	101	213	(42)	-	27	-	27
Equita Group S.p.A.	Equita Real Estate S.r.l.	30%	Milano	600,000	n.d.	260	n.d.	n.d.	-	n.d.	n.d.	n.d.

7.6 Significant assessments and assumptions to determine whether there is significant joint control or influence

Entities in which the Group holds, directly or indirectly, at least 20% of the capital, are considered to be subject to significant (related) influence, or - even with a smaller share of voting rights - has the power to participate in the determination of the financial and management policies of the investee by virtue of particular legal links such as participation in trade union agreements.

7.10 Other information

Companies subject to significant influence are not compatible with the closing times of the Group's consolidated financial statements; In this regard, the application of the equity method refers to the last available accounting report.

Impairment test

At the date of this financial statements, there are no impairment indicators for both shareholdings and therefore they have not been subjected to the impairment test in order to verify whether there is objective evidence to suggest that they are not entirely recoverable the carrying amount of those assets.

Section 8 - Tangible assets - Item 80

8.1 Property, plant and equipment used in the business: breakdown of assets carried at cost

Assets/values	31/12/2023	31/12/2022
1. Owned assets	593,149	432,536
a) Land	-	-
b) Buildings	-	-
c) Office furniture and fitting	391,369	209,102
d) Electronic systems	201,467	221,851
e) Others	314	1,583
Right of use acquired through leasing	5,389,498	3,708,328
a) Land	-	-
b) Buildings	4,966,292	3,559,214
c) Office furniture and fitting	-	-
d) Electronic systems	-	-
e) Others	423,207	149,115
Total	**5,982,648**	**4,140,864**

8.5 Property, plant and equipment used in the business: annual changes

	Lands	Buildings	Office furniture and fitting	Electronic systems	Others	Total
A .Gross opening balance	**-**	**7,324,198**	**813,454**	**1,839,641**	**939,575**	**10,916,868**
A.1 Total net reduction in value	-	(3,764,984)	(604,352)	(1,617,790)	(788,877)	(6,776,004)
A.2 Net opening balance	-	3,559,214	209,102	221,851	150,698	4,140,864
B. Increases	-	-	-	-	-	-
B.1 Purchases	-	2,414,394	248,091	57,549	58,435	**2,778,469**
B.2 Capitalised expenditure on improvements	-	-	-	-	-	**-**
B.3 Write-backs	-	-	-	-	-	**-**
B.4 Increases in fair value:	-	-	-	-	-	**-**
a) In equity	-	-	-	-	-	**-**
b) Through profit or loss	-	-	-	-	-	**-**
B.5 Positive exchange differences	-	-	-	-	-	**-**
B.6 Transfer from properties held for investment	-	-	-	-	-	**-**
B.7 Other changes	-	393,771	-	-	(217,596)	176,176
C. Reductions	-	-	-	-	-	**-**
C.1 Disposals	-	-	-	(1,043)	-	**(1,043)**
C.2 Depreciation	-	(1,401,088)	(65,823)	(76,890)	431,983	**(1,111,818)**
C.3 Impairment losses:	-	-	-	-	-	**-**
a) In equity	-	-	-	-	-	**-**
b) Through profit or loss	-	-	-	-	-	**-**
C.4 Reduction of fair value:	-	-	-	-	-	**-**
a) In equity	-	-	-	-	-	**-**
b) Through profit or loss	-	-	-	-	-	**-**
C.5 Negative exchange differences	-	-	-	-	-	**-**
C.6 Transfer to	-	-	-	-	-	**-**
a) Property, plant and equipment held for investment	-	-	-	-	-	**-**
b) Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	**-**
C.7 Other changes	-	-	-	-	-	**-**
D. Net final balance	**-**	**4,966,292**	**391,369**	**201,467**	**423,521**	**5,982,649**
D.1 Total net reduction in value	-	(5,166,072)	(670,176)	(1,695,723)	(356,893)	(7,888,865)
D.2 Gross closing balance	-	10,132,364	1,061,545	1,897,190	780,414	13,871,512
E. Carried at cost	**-**	**10,132,364**	**1,061,545**	**1,897,190**	**780,414**	**13,871,512**

The increases recorded during the year mainly relate to the signing of two new rental contracts for the extension of office space and the purchase of furniture and furniture. In the category "other" - Leased rights of use include cars used by employees.

8.7 Commitment to purchase tangible assets (IAS 16/74 c)

Please note that, pursuant to par. 74 c) of IAS 16, the Group has not entered into commitments/orders for the purchase of tangible assets.

Section 9 - Intangible assets - Item 90

9.1 Composition of “Intangible assets”

	31/12/2023		31/12/2022	
	Measured at cost	Measured at fair value or	Measured at cost	Measured at fair value or
Goodwill	24,153,008	-	24,153,009	-
Other intangible assets	2,453,909	-	2,748,925	-
2.1 internally generated	-	-	-	-
2.2 other	2,453,909	-	2,748,925	-
Total	**26,606,917**	**-**	**26,901,934**	**-**

The Intangible Assets item incorporates the values of the goodwill entered in the financial statements following the consolidation process of the shareholdings controlled by the Equita Group Parent Company. The following paragraphs describe the events that led to the emergence of intangible assets.

Starting from the 2016 Consolidated Financial Statements, as a result of the company reorganisation and following the application of the provisions of IFRS 3 (Purchase Price Allocation), the Group recorded goodwill of approximately EUR 11 million and brand values of EUR 2,EUR 4 million and EUR 0.3 million contracts from the investee Equita SIM S.p.A. (corresponding to a TOU). Following the break-up of the Alternative Asset Management business in its subsidiary Equita Capital SGR in 2019, the intangibles identified in the PPA were also reallocated in proportion to the Alternative Asset Management (AAM) GCU.

At 31 December 2023, in the Consolidated Financial Statements of the Group the goodwill value reported to the two General Terms and Conditions amounted to 11 million euros, of which 9.1 million euros for CGU Equita SIM and 1.9 million euros for CGU AAM, while the brand value amounted to 2.1 million euros. The value of the contracts (originally €0.3 million) was fully amortised in previous years.

On May 31, 2018, Equita SIM S.p.A. completed the purchase from Nexi S.p.A. of the business unit relating to the activities of Brokerage & Primary Market and Market Making (later renamed "Retail Hub"). The consideration paid for the sale of the business unit, amounting to €0.9 million, not subject to adjustment, following the Purchase Price Allocation activity provided for in IFRS 3, was entirely allocated to goodwill and allocated to the CGU Retail HUB.

On 14 July 2020, the Holding Company Equita Group completed the acquisition of K Holding S.r.l., the sole shareholder of Equita K Finance S.r.l., a company specializing in M&A consulting for small and medium-sized enterprises.

K Holding S.r.l. had acquired full control of K Finance S.r.l. in conjunction with the proposed acquisition of Equita Group by K Holding. At the same time, K Finance Srl incorporated K Holding, through an inverse merger that resulted in a capital reserve of approximately € 3 million and a surplus value of € 6 million and the company was renamed to Equita K Finance Srl. the abovementioned surplus value of €6 million was subject to the price allocation procedure (PPA process) and consequently allocated entirely to goodwill in the subsidiary’s individual financial statements.

Once this process of simplifying the corporate structure had been completed, Equita Group S.p.A. acquired 70% Equita K Finance Srl, binding the acquisition of the remaining 30% by exchanging a call option and a put with the seller, exercisable under certain conditions over the 10 years following closing.

On 21 December 2023, Equita Group and the minority shareholders of Equita K Finance renegotiated some of the terms of the 2020 agreements, including the put and call option structure of 30% of the subsidiary’s shareholding and the failure of both parties to commit to the share.

The consideration for the acquisition of 70% of the stake was € 7,000,000, of which € 6,000,000 paid in cash and € 1,000,000 paid through the allocation of n. 413,223 Equita shares.

The process of Purchase Price Allocation, through the full Goodwill method, referring to the acquisition of Equita Group, revealed, during the consolidation, a surplus value of additional € 12.2 million, allocated entirely to goodwill.

Other intangible assets recorded in the consolidated financial statements consist of expenses capitalised for software with a useful life of 5 years and the capitalisation of the brand.

The Brand - Brand Name

As a result of the Purchase Price Allocation, starting from the 2016 Consolidated Financial Statements, in addition to goodwill, other intangible assets were registered, the Equita brand for 2.1 million euros and investment banking contracts for 0.3 million euros. The brand is one of the intangible marketing-related assets identified by IFRS 3 as a potential intangible asset that can be recognised in Purchase Price Allocation.

In this regard, the term trademark is not used in accounting standards in a restrictive sense as a synonym for trademark (the logo and the name), but as a general marketing term that defines that set of intangible assets complementary to each other (including, in addition to the name and logo, the skills, the trust placed by the consumer, the quality of services, etc.) that contribute to define the "brand equity".

For the initial enhancement of the brand, the value was determined through the method of implicit multiples.

Since this is an intangible asset that does not have autonomous income streams, being a right legally protected through registration of the same and not having a competitive, legal or economic term that limits its useful life, for the purposes of the impairment test for the Consolidated Financial Statements, the brand was considered as part of the activities aimed at verifying the goodwill value of the CGU. The results of the impairment test, as further explained below, did not lead to the need to devalue the intangible brand.

The impairment test of intangible values

According to IAS 36, both intangible assets with indefinite useful lives and goodwill must be subject to an annual impairment test to verify the recoverability of value. Recoverable amount is represented by the greater of the value in use and the fair value, net of the costs of sale.

I principi contabili internazionali definiscono la CGU come “the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. [IAS 36.6]”.

As reported in previous annual reports, the Equita Group had completed the corporate reorganisation project in 2019 with the establishment of Equita Capital SGR, to which a complex of corporate assets residing in Equita SIM and belonging to the Area of Alternative Asset Management has been transferred. This reorganisation resulted in what the Accounting Policy defines as a "change in the composition of one or more cash-generating units" [IAS 36.87] and therefore it became necessary to reallocate the intangibles to the units concerned.

The reallocation shall be based on the "relative value" of the cash-flow generating units.

Specifically, the value in use of CGU Equita SIM was first determined, net of the prospective cash flows of the Retail Hub business and the prospective cash flows of the Equita Capital SGR S.p.A.’s plan.

Subsequently, the value of use of the CGU Equita Capital SGR S.p.A.was determined.

The total value in use of the two "new" CGU corresponds to the value in use of the original CGU.

Consequently, the relationship between the value of use of the two "new" TOU and the value of use of the original TOU defined the relative weights, through which the value of Goodwill and trademark was allocated to the TOU resulting from the reorganization of the Group. In the following paragraphs, the operational aspects and the results of impairment tests are described

This reallocation process has seen 83% of intangibles attributed to the CGU Equita SIM and 17% to the CGU Equita Capital SGR.

In the following paragraphs, the operational aspects and the results of impairment tests are described.

For the 2023 impairment test, both with regard to the verification of the value of goodwill and intangible assets that emerged as a result of the 2016 and 2019 corporate reorganisation and for the verification of the value of goodwill registered with the acquisition of the Retail Hub branch, with reference to the analytical forecasting period, a time frame of 5 years has been considered, namely the five-year period 2024-2028. In view of the volatility of the financial markets and the values that can be retracted, reference was made to the value of use, determined through the Discounted Cash

Flows method, for the purposes of determining recoverable amount. The cost of capital was determined using the "Capital Asset Pricing Model" (CAPM). Based on this model, the cost of capital is determined as the sum of the return on risk-free investments and a risk premium, which in turn depends on the specific risk of the asset.

Normally the discount rate must include the cost of the various sources of financing of the asset to be valued, namely the cost of equity and the cost of debt (so-called WACC, the weighted average cost of capital). However, it has been estimated from the "equity side" perspective, that is, by considering only the cost of equity (Ke), in line with the methods of determining the flows that are inclusive of the flows deriving from financial assets and liabilities.

With regard to the impairment test of the goodwill attributed to the CGU Equita SIM, the CGU Equita Capital SGR and the CGU Retail HUB, the various components contributing to the determination of the discount rate are described in detail:

with regard to the **risk free** rate included in the discount rate, it was considered appropriate to use the average annual yield (2023) of Italian government bonds (BTP) at 10 years, thus also incorporating the premium country risk for Italy;

- for equity risk **premium**, that is, the corporate risk premium represented by the difference between the return on the equity market and the return on a risk-free investment, the premium equity risk taken on the US market in the period 1960-2023 was used;
- the **Beta** coefficient, which measures the specific riskiness of the individual company or operating sector, has been determined using a sample of international companies operating in the Brokerage & Investment Banking sector (based on weekly two-year observations);
- the **alpha** ratio, which expresses the specific risk premium of Equita SIM and Equita Capital SGR, was assumed to be 3.47% in view of the size, as well as the volatility implied in the income of the entities;
- The **discount** rate **determined according** to previous assumptions and used for impairment testing purposes is 13.97%, in the baseline scenario. For the calculation of the Terminal Value is considered a rate of increase attended beyond the period of explicit planning, online with the inflation rate attended in the along period, pairs to 1.7%.
- The **growth rate for** the years 2025-2027 was assumed to be 1.7%, and for the calculation of Terminal Value was considered an expected growth rate beyond the explicit planning period, in line with the rate with the inflation rate expected in the long term, equal to 1.7%.

With reference to the 2023 impairment test on the Equita K Finance CGU, with reference to the analytical forecasting period, a five-year period of 2024-2028 has been considered.

The cost of capital was determined using the "Capital Asset Pricing Model" (CAPM). Based on this model, the cost of capital is determined as the sum of the return on risk-free investments and a risk premium, which in turn depends on the specific risk of the asset.

Unlike the approach used for Equita SIM and Equita Capital SGR, for Equita K Finance the "asset-side" method was used, first assessing the operating capital of the company and deducting the net financial position from it. The discount rate of the flows was then calculated as a weighted average cost of capital (both own and third parties), namely the WACC (Weighted Average Cost of Capital).

Going into the details of the different components that contribute to the determination of the discount rate, it should be noted that:

- the ratio of equity capital to total sources of finance was fixed at 59.25%, in line with the ratio that characterizes the reference sector;
- the cost of debt was considered to be 6.05%, taking as proxy the cost of debt for a panel of companies operating in the financial sector;
- As regards the risk free rate, the premium equity risk, the Beta coefficient and Alfa, the same parameters were used as the subsidiaries Equita SIM and Equita Capital SGR, described above.
- The discount rate determined according to the parameters described and used for impairment test purposes is therefore 10.02%, in the base scenario.

For the calculation of the Terminal Value is considered a rate of increase attended beyond the period of explicit planning, online with the rate with the inflation rate attended in the along period, pairs to 1.7%.

The outcome of the impairment test activities showed that, as at 31 December 2023, the use values of all GMUs (Equita SIM, Equita Capital SGR and Equita K Finance) were higher than their respective book values. There was therefore no need to write down intangible assets for an indefinite useful life.

Sensitivity analysis

Since value in use is determined through the use of estimates and assumptions that may present elements of uncertainty, they have been carried out in accordance with the requirements of IAS/IFRS, sensitivity analyses to verify the sensitivity of the obtained results to the variation of the main parameters and assumptions used for the conduct of the test.

In particular, it is verified the impact on the value of use of a variation of 50 bps in increase for the rate of discount and in decrease for the rate of increase of the Terminal Value.

In the context of cash flow sensitivity, a negative change of 10% was considered.

Change in Use Value

CGU	Growth rate "g" -50 bps	Discount rate -50 bps	Terminal Value -20%
EQUITA SIM	(-17.5%)	(18,7%)	(7,0%)
EQUITA CAPITAL SGR	(4,2%)	(3,8%)	(6,4%)
EQUITA K FINANCE	(3,05%)	(4,48%)	(4,79%)
RETAIL HUB	(1,6%)	(3,9%)	(7,2%)

It should also be noted that the zero rate of the value of the CGU is well above market rates.

9.2 Intangible assets: annual changes

A. Opening balance	**26,901,934**
B. Increases	**-**
B.1 Purchases	-
B.2 Write-backs	-
B.3 Increases in fair value	-
a) In equity	-
b) Through profit or loss	-
B.4 Other changes	-
C. Reductions	**(295,017)**
C.1 Disposals	-
C.2 Amortisation	(295,017)
C.3 Write-downs	-
a) In equity	-
b) Through profit or loss	-
C.4 Reduction in fair value	-
a) In equity	-
b) Through profit or loss	-
C.5 Other changes	-
D. Closing balance	**26,606,916**

Section 10 - Tax assets and tax liabilities - Asset item 100 and Liability item 60

10.1 Composition of "Tax assets"

		31/12/2023	31/12/2022
A	**Current**	**1,199,046**	**4,961,893**
	1. Payments on account	3,236,677	7,966,033
	2. Tax provision	(5,015,113)	(3,616,927)
	3. Tax credits and withholding taxes	2,977,482	612,787
B	**Deferred**	**2,038,147**	**2,558,542**
	Total	**3,237,193**	**7,520,435**

The subheadings "tax fund" and "paid advances" refer to IRES and IRAP for the year.

The subheading "Tax credits and deductions" refers to the IRAP credit entered following the transformation of the ACE surplus of the previous year; the credit for IRES resulting from the adoption of the National Tax Consolidation between Equita Group, Equita SIM and Equita Capital SGR and the advance of current taxes entered following the release of the values of brands and goodwill.

The "Anticipated tax activities" are instead referred to the taxes calculated on the "timing differences" manifested following the postponement of the deductibility of negative components of income compared to the exercise of competence.

10.2 Composition of "Tax liabilities"

		31/12/2023	31/12/2022
A	**Current**	623,424	2,932,930
	1. Tax provision	1,116,000	2,691,500
	2. Tax credits and withholding taxes	-	-
	3. Payments on account	(955,638)	(576,778)
	4. Other Taxes	463,062	818,208
B	**Deferred**	708,305	693,519
	Total	**1,331,728**	**3,626,449**

It should be noted that the group has no anticipated tax activities related to Law 214/2011.

The item "Tax fund" relates to current IRAP and the "other taxes" include the tax on financial transactions paid to the Treasury on the trading of financial instruments on own account.

10.3 Deferred tax assets: annual changes (balancing P&L)

		31/12/2023	31/12/2022
1	**Opening balance**	**2,510,920**	**2,816,394**
2	**Increases**	**402,249**	**391,265**
	2.1 Deferred tax assets arisen during the year	402,249	391,265
	a) Relating to previous years	-	-
	b) Due to changes in accounting criteria	-	-
	c) Write-backs	-	-
	d) Others	402,249	391,265
	2.2 New taxes or increseas in tax rates	-	-
	2.3 Other increasees	-	-
3	**Decreases**	**(918,383)**	**(693,305)**
	3.1 Deferred tax assets derecognised during the year:	(918,383)	(693,305)
	a) Account transfer	(918,383)	(693,305)
	b) Write-downs of non-recoverable items	-	-
	c) Due to changes in accounting criteria	-	-
	d) Others	-	-
	3.2 Reduction in tax rates	-	-
	3.3 Other decreases	-	-
	a) Conversion into tax credit under Italian Law 214/2011	-	-
	b) Others	-	-
4	**Closing balance**	**1,994,786**	**2,510,920**

10.4 Deferred tax Liabilities: annual changes (balancing P&L)

		31/12/2023	31/12/2022
1	**Opening balance**	**59,140**	**44,355**
2	**Increases**	**14,786**	**14,785**
	2.1 Deferred tax arisen during the year	14,786	14,785
	a) Relating to previous years	-	-
	b) Due to changes in accounting criteria	-	-
	d) Others	14,786	14,785
	2.2 New taxes or increseas in tax rates	-	-
	2.3 Other increasees	-	-
3	**Decreases**	**-**	**-**
	3.1 Deferred tax derecognised during the year:	-	-
	a) Account transfer	-	-
	c) Due to changes in accounting criteria	-	-
	d) Others	-	-
	3.2 Reduction in tax rates	-	-
	3.3 Other decreases	-	-
4	**Closing balance**	**73,926**	**59,140**

10.5 Deferred tax asset: annual changes (balancing P&L)

		31/12/2023	31/12/2022
1	**Opening balance**	**47,622**	**63,233**
2	**Increases**	**-**	**-**
	2.1 Deferred tax liabilities arisen during the year	-	-
	a) Relating to previous years	-	-
	b) Due to change in accounting criteria	-	-
	c) Others	-	-
	2.2 New taxes or increases in tax rates	-	-
	2.3 Other increases	-	-
3	**Decreases**	**(4,260)**	**(15,611)**
	3.1 Deferred tax liabilities derecognised during the year	(4,260)	(15,611)
	a) Account transfer	(4,260)	(15,611)
	b) Write-downs of non-recoverable items	-	-
	c) Due to change in accounting criteria	-	-
	d) Others	-	-
	3.2 Reduction in tax rates	-	-
	3.3 Other decreases	-	-
4	**Closing balance**	**43,362**	**47,622**

10.6 Deferred tax liabilities: annual changes (balancing Net Equity)

		31/12/2023	31/12/2022
1	**Opening balance**	**634,378**	**711,866**
2	**Increases**	**-**	**-**
	2.1 Deferred tax assets arisen during the year	-	-
	a) Relating to previous years	-	-
	b) Due to change in accounting criteria	-	-
	c) Others	-	-
	2.2 New taxes or increase in tax rates	-	-
	2.3 Other increases	-	-
3	**Decreases**	**-**	**(77,488)**
	3.1 Deferred tax assets derecognised during the year	-	(77,488)
	a) Relating to previous years	-	-
	b) Due to change in accounting criteria	-	-
	c) Others	-	(77,488)
	3.2 Reduction in tax rates	-	-
	3.3 Other decreases	-	-
4	**Closing balance**	**634,378**	**634,378**

The amount relating to deferred tax liabilities refers to the actuarial component of the severance package and to taxes on the values of trademarks and contracts, partially amortised, that emerged following the 2016 PPA.

Section 12 - Other activities - Item 120

12.1 Composition of "Other assets"

		31/12/2023	31/12/2022
1	Tax credit for "Ecobonus"	29,005,344	38,575,188
2	Other assets	5,037,053	2,990,816
	- fees paid in advance	2,111,591	1,657,024
	- guarantee deposits	88,015	92,515
	- revaluations of off-balance sheet items	24,551	63,080
	- advances to suppliers	867,617	202,679
	- Leasehold improvements	447,093	143,453
	- receivables from parent company for IFRS and intercompany services;	-	28,800
	- receivables from Social security fund	959,832	146
	- receivables for taxes	538,354	803,119

"Other activities" includes:

- the tax credit purchased related to the "Superbonus 110%";
- "prepayments" include prepaid prepayments calculated on costs incurred financially during the current financial year but which are wholly or partly covered by subsequent periods; In particular, the item includes the costs of subscriptions to trading platforms whose economic competence is partly the responsibility of the 2024 financial year and the collection of certain multi-year consulting services.
- improvements and incremental expenses on third-party assets made mainly during the year due to the expansion of the office area;
- the claim against INPS due to repayment for the payment of higher contributions in previous years.
- the claim to the tax authorities for the VAT credit of December.

PASSIVE

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 Composition of "Financial liabilities at amortised cost: Debts"

	31/12/2023			31/12/2022		
	from banks	form financial istitutions	from customers	from banks	form financial istitutions	from customers
1. Loans	**178,544,612**	**293,905**	**-**	**187,957,355**	**791,117**	**-**
1.1 Repos	-	-	-	-	-	-
of which on government bonds	-	-	-	-	-	-
of which on other debt securities	-	-	-	-	-	-
of which on equity securities	-	-	-	-	-	-
1.2 Loans	178,544,612	293,905	-	187,957,355	791,117	-
2. Lease liabilities	**-**	**5,431,307**	**412,998**	**-**	**3,534,922**	**179,309**
3. Other debts	**2,919,737**	**6,127,683**	**55,356**	**1,605,880**	**11,654,212**	**8,445**
Total	**181,464,349**	**11,852,895**	**468,355**	**189,563,235**	**15,980,250**	**187,754**
Fair value - level 1	-	-	-	-	-	-
Fair value - level 2	-	-	-	-	-	-
Fair value - level 3	181,464,349	11,852,895	468,355	189,563,235	15,980,250	187,754
Total Fair Value	**181,464,349**	**11,852,895**	**468,355**	**189,563,235**	**15,980,250**	**187,754**

At 31 December 2023, the subheading "Financing" includes:

- the passive financing paid by Intesa Sanpaolo to its subsidiary Equita SIM for EUR 130 million plus a ceiling of EUR 15 million in a currency other than the Euro; this last component is used at the end of the year for approximately Euro 0.7 million;
- hot money lines used for EUR 30 million;
- outstanding long-term debt financing of EUR 3.2 million;
- short-term debt financing - €8.1 million outstanding;
- the unsecured loan of EUR 1.9 million, in the hands of the subsidiary Equita K Finance S.r.l..
- bank exposures used for EUR 4.45 million

At 31 December 2023, the subheading "other liabilities" includes the balance relating to the operations related to the trading of financial instruments with customers.

The value of the debts related to the application of IFRS 16 is included among the "lease debts". For more details about the disclosure required by this principle, see Section 7 - Other details of the Notes.

Please note that there are neither current debts to financial promoters nor subordinated debts.

Section 2 - Trading financial liabilities - Item 20

2.1 Composition of "Financial liabilities held for trading"

	31/12/2023					31/12/2022				
	L1	L2	L3	FV*	VN	L1	L2	L3	FV*	VN
A Cash liabilities	-	-	-	-	-	-	-	-	-	-
Debts	15,797,827	69,962	240,244	16,108,033	1,710,470	9,665,391	-	-	9,665,391	1,627,124
Debt securities	659,272	494,552	492,757	-	1,602,529	-	2,473,571	-	-	2,577,754
- Bonds	659,272	494,552	492,757	-	1,602,529	-	2,473,571	-	-	2,577,754
- Structured	184,487	-	-	-	171,000	-	-	-	-	-
- Others	474,785	494,552	492,757	-	1,431,529	-	2,473,571	-	-	2,577,754
- Other securities	-	-	-	-	-	-	-	-	-	-
- Structured	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-
Total A	**16,457,099**	**564,514**	**733,002**	**16,108,033**	**3,141,999**	**9,665,391**	**2,473,571**	**-**	**9,665,391**	**4,204,878**
B Derivatives instruments	-	-	-	-	-	-	-	-	-	-
Financial derivatives	2,312,455	-	-	-	-	3,401,798	-	-	-	-
- Trading derivatives	2,312,455	-	-	-	-	3,401,798	-	-	-	-
- Linked to fair value option	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-	-
- Trading derivatives	-	-	-	-	-	-	-	-	-	-
- Linked to fair value option	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-
Total B	**2,312,455**	**-**	**-**	**-**	**-**	**3,401,798**	**-**	**-**	**-**	**-**
Total (A+B)	**18,769,554**	**564,514**	**733,002**	**-**	**-**	**13,067,189**	**2,473,571**	**-**	**-**	**-**

L1 = Level 1; L2 = Level 2; L3 = Level 3; VN = Notional / Nominal Value; FV= Fair value calculated excluding the value changes due to the change of credit worthiness of the issuer compared to the issue date*

Overdraft positions on shares are shown under debts. There are no subordinate liabilities.

2.4 "Financial liabilities held for trading": Derivatives instruments

Underlying assets / Types of derivatives instruments	31/12/2023 Over the counter				31/12/2022 Over the counter			
	With Central Contropart	Without Central Contropart		Organised markets	With Central Contropart	Without Central Contropart		Organised markets
		Netting agreements	Without netting agreements			Netting agreements	Without netting agreements	
1.Debt securities and interest rates	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
2.Equity securities and equity like securities	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	73,440,950	-	-	-	59,837,647
- Fair value	-	-	-	2,312,455	-	-	-	3,401,798
3.Gold and foreign currencies	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
4.Loans	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
5.Commodities	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
6.Others	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-

Section 6 - Tax liabilities - Item 60

See Section 10 of assets.

Section 8 - Other liabilities - Item 80

The subheading "liabilities to suppliers and other liabilities" consists mainly of the debt to Illimity Bank S.p.A. for the purchase of the tax credit relating to the "Superbonus 110%" (amounting to € 28.8 million) and debts to employees and related social security charges, relating to the variable component to be disbursed during the following financial year (€ 10 million). The item also includes debts to suppliers for invoices to be received and invoices already received but not yet paid at the close of the balance sheet.

The "debts to public bodies for INPS and INAIL" refer to those existing with respect to the Social Security Institutions (INPS and INAIL) on fixed and variable salaries paid/payable to employees.

The item "miscellaneous tax liabilities" includes VAT on sales for services rendered.

8.1 Composition of "Other liabilities"

	31/12/2023	31/12/2022
Other liabilities:	-	-
- debts to suppliers and other payables	47,984,467	59,646,301
– due to state agencies for social security and accident insurance contributions	514,662	412,452
– due to tax authorities for IRPEF personal income tax	1,091,500	1,213,777
– invoices issued relating to future periods	646,612	348,993
– due to the tax authorities for various taxes	343,142	(32,252)
- tax consolidation payables		
- other liabilities	208,098	2,839,059
Total	**50,788,482**	**64,428,329**

Section 9 - Severance pay - Item 90

9.1 "Employees' termination indemnities": annual changes

		31/12/2023	31/12/2022
A.	Opening balance	2,069,142	2,397,194
B.	Increases	-	-
	B1. Provisions for the year	69,953	85,941
	B2. Other increases	167,457	13,967
C	**Reductions**	**-**	**-**
	C1. Severance payments	(364,893)	(56,376)
	C2. Other decreases	-	(371,585)
D	**Closing Balance**	**1,941,659**	**2,069,142**

The main changes in the provision for severance payments made during the year relate to provisions for the year partly offset by actuarial effects. The other increasing and decreasing changes relate respectively to the interest cost and the Actuarial gains resulting from the TFR valuation under IAS 19.

9.2 Other informations

Actuarial assumptions	31/12/2023	31/12/2022
Annual discount rate	3%	4%
Annual inflation rate	2%	2%
Annual grow TFR rate	3%	3%
Rate of advances	3%	3%
Turnover rate	4%	4%

The calculation of the Severance Payment was carried out with the help of an independent actuary, who used the following actuarial assumptions in the valuations:

The annual discount rate used for the determination of the present value of the obligation has been determined, consistent with par. 83 of IAS 19, with reference to the Iboxx Corporate AA index with a duration of 7-10 years recorded at the valuation date.

The annual rate of increase of severance pay, as provided for by art. 2120 of the Civil Code, is equal to 75% of inflation plus 1.5 percentage points.

Sensitivity analysis

The sensitivity analysis was made on the net defined benefit liabilities in the table above. The figures below indicate what would be the amount of net defined benefit liabilities if there were changes in actuarial assumptions.

9.3 Sensitivity analysis of the main valuation parameters for the DBO at 31/12/2022

Turnover rate +1%	1,926,584
Turnover rate -1%	1,912,846
Inflation rate +0,25%	1,945,880
Inflation rate -0,25%	1,894,900
Discount rate +0,25%	1,883,062
Discount rate -0,25%	1,958,428

Compared to the previous year there were no changes in the assumptions used in the sensitivity analysis.

The average duration of the defined benefit obligation is approximately 8 years for severance pay.

9.4 Estimated future disbursements

Years	Expected disbursements
1	171,720
2	142,713
3	140,975
4	139,093
5	139,022

Section 10 - Provisions for liabilities and charges - Item 100

10.1 Composition of “Allowances for risks and charges”

	31/12/2023	31/12/2022
1. Provisions on commitments and guarantees given	-	-
2. Corporate retirement funds	-	-
3. Other allowances:	**-**	**-**
3.1 Legal and fiscal disputes	12,508	12,508
3.2 Personnel allowances	3,222,155	3,821,483
3.3 Others	-	-
Total	**3,234,663**	**3,833,991**

The item "staff charges" includes provisions relating to non-recurring forms of remuneration relating to services already performed during the current financial year but which will have a future financial manifestation.

The Group has no disputes with staff.

10.2 Allowances for risks and charges” and “Other Allowances”: annual changes

	Provision funds	Other provisions	Total
A Opening balance	**-**	**3,833,991**	**3,833,991**
B Increases	**-**	**1,551,451**	**1,551,451**
B.1 Changes due to the passing time	-	1,551,451	1,551,451
B.2 Increases due to discount rate changes	-	-	-
B.3 Increases due to discount rate changes	-	-	-
B.4 Other increseas	-	-	-
C Decreases	**-**	**(2,150,779)**	**(2,150,779)**
C.1 Use during the year	-	(2,150,779)	(2,150,779)
C.2 Differences due to discount-rate changes	-	-	-
C.3 Other changes	-	-	-
D Closing balance	**-**	**3,234,663**	**3,234,663**

The change is due to the payment of the bonus booked in previous years, net of new provisions. For more details about the variable remuneration of staff, please refer to the section "Payment Agreements Based on Own Equity Instruments" in the Notes to the Financial Statements.

Section 11 - Assets Items 110, 120, 130, 140, 150 and 160

11.1 Composition of "Share capital"

	Amount
1. Share Capital	-
1.1 Ordinary shares	11,678,163
1.2 Others	-

The capital, at 31 December 2023, is divided into no. 51,324,020 ordinary shares without nominal value.

As at 31 December 2023, treasury shares amounted to No. 3,146,247.

The increase in share capital in the year is linked to the capital increase operations carried out in accordance with the incentive plans. More details can be found in the Management Report.

11.2 Composition of "Treasury shares"

	Amount
1. Share Capital	-
1.1 Ordinary shares	(3,171,237)
1.2 Others	-

11.4 Composition of "Share premium reserve"

	Amount
1. Share premium reserve	-
1.1 Ordinary shares	23,373,173
1.2 Others	-

The issue surcharge emerged as part of the IPO transaction on the AIM market for €18,198,319, At this figure, during the years 2021 - 2023, the value of the reserve increased as a result of the capital increases linked to the incentive plans, reaching a value of Euro 23,373,173 at the end of 2023.

11.5 Reservations: other information"

Group reserves amount to € **56,661,837** and include:

The legal reserve, established in accordance with the law, must reach a fifth in the capital through destinations of at least 5% of profit for the year, at 31 December 2023 the reserve in question amounted to approximately €2.3 million.

Other profit reserves in addition to the legal reserve include:

- consolidated profits brought forward from the previous year net of profits distributed in 2023 by the Parent Company.
- the consolidation reserve generated as a result of the elimination of the book value of the equity investments against the corresponding share of the subsidiaries' equity;
- the IFRS 2 reserve constituted from 2019 and totalling approximately Euro 3.4 million.
- Reserves also include mainly:
- the reserves arising from the acquisition of Manco S.p.A. (for Euro 26,172 thousand relating to the increase in capital at the service of the exchange) net of the surplus from the merger (-Euro 560 thousand);
- the negative reserve for IPO costs suspended at Equity (-Euro 874 thousand) and negative reserve for FTA of Equita SIM S.p.A. (-Euro 161 thousand);
- the own shares disposal reserve of EUR 0.7 million.

Section 12 - Assets belonging to third parties

12.1 Minority shareholders' equity

Company	31/12/2023	31/12/2022
Equita K Finance S.r.l	3,902,637	2,020,592
Total	**3,902,637**	**2,020,592**

Other information

Financial assets and liabilities that are subject to on-balance sheet netting, framework netting or similar arrangements

As regulated by the update of the Bank of Italy's Provisions for the preparation of IFRS financial statements of SIM, the preparation of specific note tables to represent those financial assets and liabilities subject to netting arrangements pursuant to IAS 32 § 42 is envisaged, regardless of whether they have also given rise to accounting compensation.

The Equita Group has identified as potential netting agreements the only asset related to the Securities Loan. This operation, carried out by the subsidiary Equita SIM S.p.A. did not involve any compensation of assets and liabilities.

Securities lending operations

Note the presence of the ancillary securities lending banking service offered by Equita SIM S.p.A. to its institutional customers. The contract entails the transfer of ownership of a certain quantity of securities of a given kind with the obligation for the borrower to repay, for a fee as remuneration for the availability of the same.

All transactions are collateralised, mainly in the form of cash collateral that is adjusted daily on the basis of the value of the securities lent. These cash collateral are shown in the balance sheet as receivables and payables to banks and customers in respect of the amounts actually paid and received. Loans in which the guarantee consists of securities appear "below the line" for the equivalent value of the securities lent. From an economic point of view, the remuneration of loans is represented by the commissions on assets and liabilities, for which reference is made to Section C of the notes to the financial statements.

It should also be noted that the SIM itself uses the securities lending service offered by some banks to cover its long positions.

Securities lending: breakdown by type of operation

	balance sheet value	fair value
Cash-backed securities borrowed: loans to:		
a) banks	29.112.977	27.975.022
b) financial corporations	-	-
c) customers	-	495.000
Securities lent with cash collateral: debt to:		
a) banks	-	-
b) financial corporations	-	-
c) customers	-	-

Securities lending: breakdown by type of security

	balance sheet value	fair value
Cash-backed securities borrowed: loans to:		
a) government bonds	-	-
b) bank securities	9.133.026	8.767.325
c) other securities	19.979.951	19.702.697
Securities lent with cash collateral: debt to:		
a) government bonds	-	-
b) bank securities	-	-
c) other securities	-	-

Assets used to guarantee liabilities and commitments

The Group does not present assets pledged as collateral for its liabilities and liabilities, with the exception of the amounts identified in securities and liquidity relating to the "guarantee ratio" with the corresponding bank.

Disclosure of joint activities

The Group does not have joint operations.

Part C - Income statement information

Section 1 - Net result from trading - Item 10

1.1 Composition of "Net trading income"

Line items/Counter-entry to income and expense	Gains	Trading profits	Losses	Trading losses	Net profit (loss)
1. Financial assets	-	-	-	-	-
1.1 Debt securities	813,107	7,309,188	(116,991)	(475,852)	7,529,452
1.2 Equity securities and units in UCIs	1,313,092	13,006,494	(253,015)	(7,957,048)	6,109,522
1.3 Other assets	-	-	-	(383,324)	(383,324)
2. Financial liabilities	-	-	-	-	-
2.1 Debt securities	9,803	307,657	(10,959)	-	306,501
2.2 Payables	167,144	3,732,081	(284,075)	(2,989,883)	625,267
2.3 Other liabilities	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	64,151	-	-	-	64,151
Financial derivatives	-	-	-	-	-
- on debt securities and interest rates	120	1,030	-	(191,020)	(189,870)
- on equity securities and units in UCIs	1,453,221	13,174,916	(1,484,542)	(16,012,014)	(2,868,420)
- on currencies	-	-	-	-	-
- others	-	-	-	-	-
Credit derivatives	-	-	-	-	-
of which: natural hedges related with FVO (IFRS 7, par. 9 lett.d)	-	-	-	-	-
Total	**3,820,638**	**37,531,366**	**(2,149,583)**	**(28,009,141)**	**11,193,279**

Section 4 - Net result of other financial assets and liabilities measured at fair value with impact on profit or loss - Item 40

4.2 Composition of "Net change in other financial assets/liabilities at fair value through profit or loss": other financial assets mandatorily at fair value

Items/Counter-entry to income and expense	Capital gains (A)	Realised profits (B)	Capital losses (C)	Realised losses (D)	Net Profit (loss) [A+B-C-D]
1. Financial assets					
1.1 Debt securities	-	-	-	-	-
1.2 Equity securities and units in UCIs	3,543,033	14,932	-	(0)	3,557,965
1.3 Loans	-	-	-	-	-
2. Financial assets: exchange differences	-	-	-	-	-
Total	**3,543,033**	**14,932**	**-**	**(0)**	**3,557,965**

Section 5 - Committees - Items 50 and 60

5.1 Composition of “Commission income”

Details	31/12/2023	31/12/2022
1. Proprietary trading	-	-
2. Execution of orders on behalf of customers	15,580,525	15,989,890
3. Placement and distribution	-	-
- of securities	12,247,563	3,409,500
- of third party services:	-	-
. portfolio management	-	-
. collective management	-	-
. insurance products	-	-
. Others	-	-
4. Portfolio management	-	-
- proprietary	6,116,601	4,701,571
- delegated by third parties	2,361,897	2,431,627
5. Receipt and transmission of orders	5,235,406	6,031,527
6. Investment advice	231,000	50,000
7. Financial structuring advice	24,390,644	38,250,693
8. Management of multilateral trading facilities	-	-
9. Custody and administration	-	-
10. Currency trading	-	-
11. Other services	4,301,394	5,151,421
Total	**70,465,031**	**76,016,230**

Under the heading "4. Portfolio management: - own" includes the management fees granted to the subsidiary Equita Capital Sgr for the collective management of investment funds set up by the same.

5.2 Composition of “Commission expense”

Dettaglio	31/12/2023	31/12/2022
1. Proprietary trading	508,974	450,240
2. Execution of orders on behalf of customers	1,820,633	1,828,541
3. Placement and distribution	-	-
- of securities	-	-
- of third party services:	-	-
. portfolio management	-	-
. Other	-	-
4. Portfolio management	-	-
- proprietary	-	-
- delegated by third parties	-	-
5. Order collection	-	-
6. Custody and administration	-	-
7. Investment advice and management	-	-
8. Other services	5,211,765	4,230,068
Total	**7,541,373**	**6,508,850**

Section 6 - Interest - Items 70 and 80

6.1 Composition of "Interest and similar income"

	Debt securities	Loans	Other transactions	31/12/2023	31/12/2022
1. Financial assets at fair value through profit orloss	-	-	-	-	-
1.1 Financial assets held for trading	2,822,820	-	-	2,822,820	1,749,228
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily at fair value	197,963	-	-	197,963	129,774
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-
3. Financial assets at amortised cost	-	-	-	-	-
3.1 Due from banks	1,255,293	-	3,467,623	4,722,916	199,710
3.2 Due from financial institutions	77,830	241,293	998,715	1,317,839	3,331
3.3 Due from customers	942,371	-	-	942,371	850,358
4. Other assets	-	-	-	-	-
5. Hedging derivatives	**-**	**-**	208,322	208,322	**319,511**
6. Financial liabilities	-	-	-	-	-
Total	**5,296,277**	**241,293**	**4,674,661**	**10,212,231**	**3,251,913**
Of which: interest income on impaired financial assets; Of which: interest income on financial leases					
Of which: interest income on financial leases					

6.4 Composition of "Interest expense and similar charges"

	Debt securities	Other debts	Securities	Other	31/12/2023	31/12/2022
1 Financial liabilities at amortised cost	-	-	-	-	-	-
1.1 Due to banks	-	6,985,771	-	-	6,985,771	1,643,680
1.2 Due to financial institutions	-	144,900	-	-	144,900	99,636
1.3 Due to customers	-	-	-	-	-	546
1.4 Debt securities in issue	-	-	-	-	-	-
2 Financial liabilities held for trading	**-**	**-**	-	-	**-**	**-**
3 Financial liabilities designated at fair value	**-**	**-**	-	-	**-**	**-**
4 Other liabilities	**-**	**-**	-	488,338	**488,338**	**252,154**
5 Hedging derivatives	**-**	**-**	-	-	**-**	**-**
6 Financial assets	757,193	-	1,841,082	-	2,598,274	1,662,194
Total	**757,193**	**7,130,671**	**1,841,082**	**488,338**	**10,217,284**	**3,658,210**
- of which interest on leases liabilities	-	***144,900***	**-**	**-**	**-**	-

Section 7 - Dividends and similar income - Item 90

7.1 Composition of "Dividends and similar income"

		31/12/2023		31/12/2022	
		Dividends	Income from units in UCIs	Dividends	Income from units in UCIs
A	Financial assets held for trading	9,855,677	-	9,491,077	-
B	Other financial assets mandatorily at fair value	-	-	-	-
C	Financial assets at fair value through other comprehensive income	-	-	-	-
D	Equity investments	-	-	-	-
	Total	**9,855,677**	**-**	**9,491,077**	**-**

This item comprises only dividends - obtained on securities currently held in the portfolio for the purposes of their trading - and mainly consisting of shares.

Section 8 - Net value adjustments/recoveries for credit risk - Item 120

8.1 Composition of "Net adjustments/reversals for credit risk related to financial assets valued at amortized cost

	Write-downs			Write-backs		Total	Total
Items / Write offs	Stage 1 and 2	Stage 3		Stage 1 and 2	Stage 3	31/12/2023	31/12/2022
		Write-off	Other				
1. Debt securities	-	-	-	-	-	-	-
2. Loans	6,769	33,187	107,475	-	-	147,431	(6,256)
Total	**6,769**	**33,187**	**107,475**	**-**	**-**	**147,431**	**(6,256)**

Section 9 - Administrative expenditure - Item 140

9.1 Composition of "Personnel expenses"

	31/12/2023	31/12/2022
1. Employees	-	-
a) wages and salaries	29,653,839	26,471,867
b) social charges	5,349,769	5,014,343
c) employee termination indemnities	-	-
d) social charges	58,089	25,878
e) accrual to the employee termination indemnities	1,327,649	1,079,488
f) accrual to the retirement fund and other obligations	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	-	-
- defined contribution	-	-
- defined benefit	-	-
h) other expenses	3,422,488	4,088,066
2. Other personnel in service	1,363,323	2,077,609
3. Directors and statutory auditors	1,593,475	4,851,004
4. Retired personnel	-	-
5. Expense reimbursements for employees seconded to other companies	-	-
6. Expense reimbursements for employees seconded within the Company	-	-
Total	**42,768,632**	**43,608,255**

9.2 Average number of employees by category

	31/12/2023	31/12/2022
Executives	43	35
Middle management	93	89
Other personnel	59	46
Total	**195**	**170**

9.3 Composition of “Other administrative expenses”

	31/12/2023	31/12/2022
1. Other administrative expenses:		
a) Expenses for technology and systems	6,468,691	6,921,040
b) Expenses for info providers and communication technology	2,911,837	2,836,080
c) Rent and management of premises	1,391,836	1,138,423
d) Professional consultancy	2,471,613	2,314,830
e) Auditors’ fees and Consob	396,616	348,115
f) Commercial expenses	2,836,717	1,500,125
n) Outsourcing support	372,186	434,077
2. Other expenses:	-	-
g) Printing, stationery and periodical	143,376	53,497
h) Training courses and insurance	291,571	280,982
i) General and support services	76,959	66,583
l) Miscellaneous expenses	1,252,625	1,476,884
m) Rating expenses	164,587	59,416
Total	**18,778,614**	**17,430,052**

Section 10 - Net provisions for liabilities and charges - Item 150

10.1 Composition of "Net provisions for liabilities and charges"

The provision for future liabilities to the Fund is mainly attributable to liabilities to staff for which there is no certainty of maturity or of the amount to be paid.

Section 11 - Net value adjustments/recoveries on tangible assets - Item 160

11.1 Composition of “Net (losses) recoveries on impairment of tangible assets”

	Depreciation (a)	Adjustments for impairment (b)	Reversals (c)	Net result (a+b-c)
1. Owned assets	-	-	-	-
- used in the business	145,334	-	-	145,334
- held for investment	1,555,777	-	-	1,555,777
2. Finance lease	-	-	-	-
- used in the business	-	-	-	-
- held for investment	-	-	-	-
Total	**1,701,111**	**-**	**-**	**1,701,111**

Section 12 - Net value adjustments/recoveries on intangible assets - Item 170

12.1 Composition of "Net (losses) recoveries on impairment of intangible assets"

	Depreciation	Adjustments for impairment	Reversals	Net result
1. Other intangible assets	-	-	-	-
1.1 Owned assets	-	-	-	-
- internally generated	-	-	-	-
- others	281,758	-	-	281,758
1.2 Finance leases	-	-	-	-
Total	**281,758**	**-**	**-**	**281,758**

Section 13 - Other operating income and expense - Item 180

It should be noted that in 2023, the Group recorded a passive contingency relating to IRAP of the previous years for € 0.2 million.

13.1 Composition of "Other operating income and expense"

	31/12/2023	31/12/2022
1. Other operating income	-	-
a) prior year income	92,513	39,417
b) miscellaneous income	182,385	88,809
Total income	**274,898**	**128,225**
2. Other operating expense	-	-
a) prior year expense	287,110	21,562
b) miscellaneous expense	187,296	243,902
Total expense	**474,407**	**265,464**
Net result	**(199,509)**	**(137,239)**

The subheading "other operating charges - miscellaneous charges" includes depreciation resulting from incremental expenditure on third party assets.

Section 14 - Gains (Losses) on investments - Item 200

14.1 Composition of "Profit (Loss) of equity investments"

	31/12/2023	31/12/2022
1. Income	-	-
1.1 Revaluations	-	-
1.2 Gains on disposal	-	-
1.3 Writebacks	-	-
1.4 Other gains	-	-
2. Expenses	-	-
2.1 Writedowns	-	44,389
2.2 Losses on disposal	-	-
2.3 Impairment losses	-	-
2.4 Other expenses	-	-
Total	**-**	**44,389**

Section 18 - Income tax for the current financial year - Item 250

18.1 Composition of “Income tax for the year on ordinary operations”

	31/12/2023	31/12/2022
1. Current taxes	6,139,067	6,286,024
2. Changes in prior years’ current taxes	3,430	(80,813)
3. Reduction of current taxes for the year	-	-
3.bis Reduction of current taxes for the year for tax credits pursuant to Law no. 214/2011	-	-
4. Change in deferred tax assets	737,221	521,585
5. Change in deferred tax liabilities	14,785	14,785
Taxes relating to the year	**6,894,503**	**6,741,581**

18.2 Composition of “Income tax for the year on ordinary operations”

	€ / 000	Tax rate %
Gross profit for the year	23,648	0%
Consolidation effects	22,622	0%
Gross profit for the year	46,271	0%
Theoretical tax charge	14,237	31%
Tax effect of costs non-deductible either wholly or in part	1,249	3%
Tax effect of income not taxed either wholly or in part	(8,008)	-17%
Tax effect of ACE benefits	(156)	-0%
Tax effect of other changes	(426)	-1%
Tax effect of previous years taxation	-	0%
Effective tax charge	6,894	15%

Section 20 - Third Party Operating Profit (Loss)

20.1 Composition of the operating "Profit (Loss) pertaining to third parties"

The profit pertaining to third parties is the profit attributed to the minority shareholders of Equita K Finance S.r.l. and amounts to € 694,937.

20 Minorities

Company	31/12/2023	31/12/2022
Equita K Finance S.r.l	694,937	2,020,592
Total	**694,937**	**2,020,592**

Earnings per share

Average number of diluted ordinary shares

	31/12/2023	31/12/2022
Consolidated net profit pertaining to the Parent Company	16.059.033	15.247.383
Average number of shares in circulation	47.284.353	46.594.630
Number of potentially diluted shares	932.803	472.388
Average number of potentially diluted shares	48.217.156	47.067.018
Basic EPS	0,34	0,33
Diluted EPS	0,33	0,32

Part D - Additional information

Section 1 - Specific references on the activities carried out

A. Proprietary trading

	Transactions with group counterparties	Transactions with other counterparties
A. Purchases during the year	-	-
A.1 Debt securities	-	5,501,484,446
of which government bonds	-	475,379,112
A.2 Equity securities	28,811	3,471,904,895
A.3 Units of UCIs	-	995,295,818
A.4 Derivative instruments	-	2,329,695,220
A.5 Other financial instruments	-	-
B. Sales during the year	-	-
B.1 Debt securities	-	5,509,557,758
of which government bonds	-	475,654,683
B.2 Equity securities	28,710	3,502,031,542
B.3 Units of UCIs	-	989,084,895
B.4 Derivative instruments	-	2,364,841,400
B.5 Other financial instruments	-	-

B.1 Order execution on behalf of customers

	Transactions with group counterparties	Transactions with other counterparties
A. Purchases during the year	-	-
A.1 Debt securities	81,705,719	23,620,252,602
A.2 Equity securities	46,338,867	14,528,193,839
A.3 Units of UCIs	3,327,747	1,672,966,981
A.4 Derivative instruments	-	2,837,873,588
- financial derivatives	-	2,837,873,588
- credit derivatives	-	-
B. Sales during the year	-	-
B.1 Debt securities	25,662,301	13,301,081,852
of which government bonds	23,069,695	9,194,880,311
B.2 Equity securities	84,373,667	15,748,820,067
B.3 Units of UCIs	717,361	1,588,147,990
B.4 Derivative instruments	-	2,212,284,525
- financial derivatives	-	2,212,284,525
- credit derivatives	-	-

Portfolio management activities

C.1 Total amount of portfolio management

	FY 2023		FY 2022	
	Proprietary management	**Delegated management**	**Proprietary management**	**Delegated management**
Debt securities	325,361,173	110,583,240	251,115,329	86,670,087
of which government bonds	40,631,151	103,670,660	-	75,949,670
Equity securities	49,221,090	361,411,375	33,499,340	385,621,031
Units of UCIs	4,015,455	10,983,867	880,598	7,652,129
Derivative instruments	-	-	-	-
- financial derivatives	-	1,059,093	47,025	7,372,199
- credit derivatives	-	-	-	-
Other assets	9,217,591	26,400,689	6,982,648	41,629,596
Liabilities	696,724	457,631	751,792	618,276
Total managed portfolios	387,118,586	509,980,633	291,773,148	528,326,767

C.2 Proprietary and delegated management: operations during the year

		Amount	
	Transactions with group counterparties	**Transactions with other counterparties**	**Transactions with SIMs**
A. Proprietary management	-	-	-
A.1 Purchases during the year	65,128,715	46,742,857	-
A.2 Sales during the year	12,276,238	27,171,894	-
B. Delegated management	-	-	-
B.1 Purchases during the year	124,603,795	188,596,347	-
B.2 Sales during the year	206,714,841	174,523,251	-

C.3 Own managements: net inflows and number of contracts

	FY 2023	**FY 2022**
Increase in AUM during the year	104,314,491	96,192,637
Redemptions during the year	36,315,393	38,608,643
Number of mandates (investors)	83	54

Placement activities

D.1 Placement with and without guarantee

	FY 2023	FY 2022
1. Securities placed with guarantee:	-	-
1.1 Structured securities:	-	-
- relating to transactions managed by group companies	-	-
- relating to other transactions	-	-
1.2 Other securities	-	-
- relating to transactions managed by group companies	-	-
- relating to other transactions	-	-
Total securities placed with guarantee (A)	**-**	**-**
2. Securities placed without guarantee:	-	-
2.1 Securities placed without guarantee:	-	-
- relating to transactions managed by group companies	-	-
- relating to other transactions	362,383,000	-
2.2 Other securities	-	-
- relating to transactions managed by group companies	-	-
- relating to other transactions	2,825,392,777	266,740,195
Total securities placed without guarantee (B)	**3,187,775,777**	**266,740,195**
Total securities placed (A+B)	**3,187,775,777**	**266,740,195**

D.2 Placement and distribution: products and services placed at group branches (amount)

	FY 2023		FY 2022	
	Products and services of group companies	Products and services of others	Products and services of group companies	Products and services of others
1. Debt securities	-	3,061,016,390	-	157,311,700
- structured securities	-	362,383,000	-	-
- other securities	-	2,698,633,390	-	157,311,700
2. Equity securities	-	126,759,387	-	109,428,495
3. Units of UCIs	-	-	-	-
4. Other financial instruments	-	-	-	-
5. Insurance products	-	-	-	-
6. Loans	-	-	-	-
- of which: leases	-	-	-	-
- of which: factoring	-	-	-	-
- of which: consumer credit	-	-	-	-
- of which: others	-	-	-	-
7. Portfolio management	-	-	-	-
8. Other	-	-	-	-

Activities of receiving and transmitting orders

E.1 Order receipt and transmission

	countervalue	
	Transactions with group counterparties	Transactions with other counterparties
A. Purchase orders brokered during the year	-	-
A.1 Debt securities	-	988,636,206
A.2 Equity securities	37,362,799	5,048,584,026
A.3 Units of UCIs	460,977	290,503,387
A.4 Derivative instruments	-	148,132,064
- financial derivatives	-	148,132,064
- credit derivatives	-	-
A.5 Other	-	-
B. Sales orders brokered during the year	-	-
b.1 Debt securities	-	465,259,275
b.2 Equity securities	82,276,193	5,057,225,291
b.3 Units of UCIs	100,114	300,659,818
b.4 Derivative instruments	-	145,530,638
- financial derivatives	-	145,530,638
- credit derivatives	-	-
b.5 Other	-	-

F. Investment advice and financial structure

The consultancy contracts outstanding at 31 December 2023 for the activity of corporate brokers are no. 25. There are no consultancy reports on investments as defined by TUF, art. 1, paragraph 5, let. f).

H. Custody and administration of financial instruments

	FY 2023	FY 2022
Third party securities on deposit	-	-
Third party securities deposited with third parties	239,355,830	5,124
Owned securities deposited with third parties	127,034,388	130,033,689

Section 2 - Information on risks and their hedging policies

The Equita Group has a system of internal controls that, based on the directives issued by the Board of Directors, guarantees sustainable value generation in a controlled risk environment. The system of controls includes the regulations, the procedures and the organizational structures that, in the respect of the business strategies, aim to an effective control of the internal processes in order to mitigate the possible negative effects deriving from unexpected events.

Internal controls include the Board of Directors, the Board of Statutory Auditors, the Control and Risk Committee (CCR), the Risk Operational Committee (COR) and the Risks and Control Functions. The Control Functions actively collaborate in the implementation and management of procedures to understand and mitigate business risks.

The Risk Management Function guarantees the second level of supervision of business risks, with reference to the First Pillar risks represented by market risk, customer risk and risk for the company, both to Second Pillar risks including liquidity, operational, strategic and business, credit and interest rate. The autonomy of the Risk Manager is guaranteed by the reporting line directed to the Board of Directors. The assessment of the Group's overall risk profile is carried out annually with ICARAP, which represents the process of self-assessment of capital adequacy and the system of governance and liquidity risk management. The Group also draws up a recovery plan according to the indications of the supervisory bodies. The Recovery Plan sets out how and how action can be taken to restore long-term economic sustainability in the event of a serious deterioration in its financial situation. In the process of drafting the Recovery Plan, the Risk Management Function identifies the stress scenarios that can highlight the main vulnerabilities of the Group and measure their potential impact on the risk profile.

The overall risk management consists of a structure of limits to ensure that the Group, even under severe stress, complies with minimum levels of solvency, liquidity and profitability.

In particular, the Group intends to maintain adequate levels of:

- patrimonialization, also in conditions of severe stress, monitoring the Total Capital Ratio;
- liquidity, capable of coping with periods of tension, including prolonged periods, by monitoring the regulatory indicator and established internal indicators;
- stability of profits by monitoring the Return On Equity (ROE) and the Cost Income Ratio.

Risk management is carried out with the definition of ad hoc limits and mitigation actions to be implemented in order to limit the impact on the Group of particularly severe future scenarios. The Group promotes a culture of widespread responsibility and sustainability of development initiatives, with staff training aimed at acquiring in-depth knowledge of the risk management framework.

2.1 Market risks

2.1.1 Interest rate risk

Information of a qualitative nature

General

Rate risk

In the context of market risks, we define interest rate risk as the risk of incurring losses caused by adverse changes in interest rates.

The company's exposure to this risk arises mainly from the bond component of the assets held for trading and the financial assets held in the investment portfolio valued at amortised cost. During 2023, the bond component of the trading portfolio was mainly composed of debt securities issued by Italian and corporate financial issuers for which the management coverage of interest rate risk takes place through futures on government securities. The impact of interest rate changes on this portfolio is included in the regulatory requirement for market risk.

The investments in the "Hold to Collect" portfolio mainly related to non-subordinated debt securities of Italian financial issuers.

In order to finance its operations, the Group, in addition to its own funds, relies on bank loans with a revaluation of the rate mainly by the end of the year.

1. Trading portfolio: by remaining term (repricing date) of financial assets and liabilities

Type	On Demand	up to 3 months	From 3 to 6 months	From 6 months to a year	From 1 to 5 year	From 5 to 10 years	Over 10 years	Indefinite term
1. Assets	-	-	-	-	-	-	-	-
1.1 Debt securities	-	5,392,995	551,014	1,807,714	9,279,581	3,190,783	3,892,832	-
1.2 Other assets	-	-	-	-	-	-	-	307,273
2. Liabilities	-	-	-	-	-	-	-	-
2.1 Payables	-	-	-	-	-	-	-	-
2.2 Debt securities	-	-	-	-	534,745	296,731	777,487	-
- Other	-	-	-	-	-	-	-	-
3. Derivatives	-	-	-	-	-	-	-	-
3.1 With underlying	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
Long positions	-	20,111,130	3,575,201	309,848	-	-	-	11,312,945
Short positions	-	17,915,760	3,366,034	2,017,934	1,375	190,837	-	11,817,183
- Other	-	-	-	-	-	-	-	-
Long positions	-	4,148,449	-	-	-	-	-	-
Short positions	-	3,258,648	-	-	-	-	-	-
3.2 Without underlying	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
Long positions	3,636,486	-	-	-	-	-	-	-
Short positions	-	3,636,486	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
Long positions	157,738	2,352,747	-	-	-	-	-	-
Short positions	2,352,747	157,738	-	-	-	-	-	-

2. Non-current portfolio: by remaining term (repricing date) of financial assets and liabilities

Type	On Demand	up to 3 months	From 3 to 6 months	From 6 months to a year	From 1 to 5 year	From 5 to 10 years	Over 10 years	Indefinite term
1. Assets	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	1,999,718	5,376,619	25,166,927	-	-	-
1.2 Other assets	136,647,975	29,464,171	-	13,180,546	-	-	-	-
2. Liabilities	-	-	-	-	-	-	-	-
2.1 Payables	-	-	-	-	-	-	-	-
2.2 Debt securities	-	-	-	-	-	-	-	-
2.3 Other liabilities	130,741,075	30,000,000	-	-	1,894,438	115,172	-	-
3. Derivatives	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-

Information of a quantitative nature

1. Models and other methodologies for measuring and managing interest rate risk

The management of the interest rate risk arising from the financial instruments held in the trading book is governed by the internal "Policy Risk Management" procedure approved by the Board of Directors of Equita Group. That document shall set out the procedures to be followed and the limits to be respected for the assumption of all market risks in the investment activity in the trading book. In more detail, the current risk monitoring management framework divides the trading portfolio into two divisions: "Equity & Equity Like Instruments" and "Non Equity Instruments"subject to different limits monitored daily by the Risk Management Function.

The var - Value at Risk - with historical simulation, is used to monitor the overall risk of the "Non Equity" segment, built on a 99% confidence interval of distribution and a 1 day time horizon. In addition to the var limits, for the "Non Equity" segment, early warning is provided for the value of the total portfolio and of the sub-portfolios identified for macro assets (Specialist/ Liquidity Provider and Market Making/Directional). In particular, for the sub-portfolio Market Making/Directional they are defined as early warning for the value divided by duration and rating clusters, as well as guidelines by sector. For the Specialist/Liquidity Provider portfolio, on the other hand, there are guidelines equal to 80% of the maximum withholding value defined in the various contracts signed with counterparties. With reference to the single name concentration for issuer "Equity" are, finally, defined as early warning for the var and for turnover, the latter diversified according to the rating of the issuer. The average equity of the "Non Equity" segment in 2023 amounted to about 26 million Euro mainly concentrated on a duration of less than one year and with an average var of about 160 thousand Euro. With reference to the monitored limits, two alarm levels have been defined, early warning and final warning. The protracted overcoming of the early warnings and the passing of the final warnings generate a report to the COR. While the protracted passing of the final warning generates the convocation of the same Committee. The Risk Management function verifies and respects the limits described above on a daily basis and overruns are reported at the first useful meeting of the Board of Directors. The minutes of the COR meeting are sent to the Control and Risk Committee for information. For monitoring the indicators, the position keeping software "Frontarena" and the Bloomberg platform are used, integrated by internal processing.

The monitoring of the interest rate risk arising from the financial assets held in the investment portfolio valued at amortised cost is carried out annually in ICARAP using the scenarios of change in rates and considering the combined effect economic value and interest margin models.

Please note that the Group is not authorised by the Bank of Italy to use internal models for the purpose of calculating capital requirements on interest rate risk.

2.1.2 Price risk

Information of a qualitative nature

1. General aspects

Price risk

In the context of market risks, we define price risk as the risk of incurring losses caused by unfavourable changes in market parameters (volatility, price) with respect to the ownership portfolio.

The subsidiary EQUITA SIM is the most relevant entity in terms of contribution to price risk, so the description of the existing principals/procedures concerns the subsidiary. The Company may hold positions in the trading book (short and long) on listed financial instruments and on non-complex derivative instruments (c.d. plain vanilla). The activity on trading venues is the predominant share of the operations of the SIM, which, during 2023, entered into some OTC derivative contracts on equity options that are closed at the end of the year.

Equity securities and UCITs

	Trading Portfolio			Other		
	Book Value			Book Value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. 1. Equity securities	26,179,437	1,515,087	48,320	-	-	-
2. 2. UCITs	303,048	-	4,224	-	-	13,063,954
2.1 Italian	-	-	-	-	-	-
-harmonized open-end	-	-	-	-	-	-
- non-harmonized open-end	-	-	-	-	-	-
- closed end	-	-	-	-	-	-
- reserved	-	-	-	-	-	-
- speculative	-	-	-	-	-	-
2.2 other EU countries	303,048	-	4,224	-	-	13,063,954
-harmonized	303,048	-	4,224	-	-	-
- non-harmonized open-end	-	-	-	-	-	-
- non-harmonized closed end	-	-	-	-	-	13,063,954
2.3 non-EU countries	-	-	-	-	-	-
- open-end	-	-	-	-	-	-
- closed-end	-	-	-	-	-	-
Total	**26,482,485**	**1,515,087**	**52,544**	**-**	**-**	**13,063,954**

Information of a quantitative nature

2. Models and other methodologies for price risk analysis

The management of the price risk arising from the financial instruments held in the trading book is regulated by the internal procedure "Risk Management Policy" approved by the Board of Directors. That document shall set out the procedures to be followed and the limits to be respected for the assumption of all market risks in the investment activity in the trading book. In more detail, the current risk monitoring management framework divides the trading portfolio into two divisions: "Equity & Equity Like Instruments" and "Non Equity Instruments"subject to different limits monitored daily by the Risk Management Function.

To monitor the overall riskiness of the "Equity & Equity Like Instruments" sector, the var - Value at Risk - with historical simulation is used, built on the basis of a confidence interval equal to 99% of the distribution and a time horizon of 1 day that allows an immediate comparison with realised gains/losses.

For the "Equity & Equity Like" segment, early warnings are foreseen on the main "Greek" and on the single name concentration for underlying. In the case of OTC options on listed shares the relevant market risk is considered within the framework described.

The average size of the "Equity & Equity Like Instruments" segment, in terms of Delta1%, in 2023 amounted to about 92 thousand euros with an average var of about 441 thousand euros. With reference to the monitored limits, two alarm levels have been defined, early warning and final warning. The protracted overcoming of the early warnings and the passing of the final warnings generate a report to the COR, while the protracted overcoming of the final warning generates the convocation of the same Committee. The Risk Management function verifies and respects the limits described above on a daily basis and overruns are reported at the first useful meeting of the Board of Directors. The minutes of the COR meeting are sent to the Control and Risk Committee for information. For monitoring the indicators, the position keeping software "Frontarena" and the Bloomberg platform are used, integrated by internal processing.

2.1.3 Foreign exchange risk

Information of a qualitative nature

1. General aspects

In the context of market risks, we define foreign exchange risk as the risk of incurring losses caused by unfavourable exchange rate changes.

The subsidiary Equita SIM does not usually operate on the foreign exchange market (Forex). The main source of foreign exchange risk is the trading of foreign currency assets for own account. The transactions carried out are not immediately settled by purchasing the reference currency, as the financing agreement with the custodian bank allows Equita to remain uncovered of currency, in this way the foreign exchange risk is transferred to the depositary until the transaction is concluded. As a result, foreign exchange risk is only applicable to realised profit/loss and not to the full value.

An additional source of risk is represented by the difference between the original exchange rate and what actually collected/paid with reference to invoices and liabilities. Internal operating practices limit the risk exposure by providing for the currency exchange to reach certain thresholds (both brokerage fees and trading gains/losses). In addition, software was introduced that detects daily the positions in uniform detailed in the main components, in order to support the decision-making process of coverage.

Information of a quantitative nature

Models and other methodologies for foreign exchange risk measurement and management

1. Breakdown of financial assets and liabilities by currency

Type / Currency	Currencies					
	USD	Swss Franc	British pound	Brazilian real	Russian ruble	Other Currencies
1. Financial assets	-	-	-	-	-	-
1.1 Debt securities	3,369,030	-	1,160,995	-	-	-
1.2 Equity securities	573,759	515,821	-	-	-	-
1.3 Other financial assets	19,925	-	-	-	-	-
2. Other assets	2,394,573	432,086	35,233	-	52,303	307,614
3. Liabilities	-	-	-	-	-	-
3.1 Payables	(611,857)	-	(613,646)	-	(40,531)	(188,726)
3.2 Debt securities	(26,691)	-	-	-	-	-
3.3 Subordinated liabilities	-	-	-	-	-	-
3.4 Other financial liabilities	(734,784)	-	-	-	-	-
4. Other liabilities	(90,751)	(19,743)	(101,900)	-	-	(9,907)
5. Derivatives	-	-	-	-	-	-
- Options	-	-	-	-	-	-
Long positions	-	-	-	-	-	-
Short positions	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Long positions	-	-	-	-	-	-
Short positions	-	-	-	-	-	-
Total assets	**6,357,287**	**947,906**	**1,196,228**	**-**	**52,303**	**307,614**
Total liabilities	**(1,464,082)**	**(19,743)**	**(715,546)**	**-**	**(40,531)**	**(198,633)**
Difference (+/-)	**4,893,205**	**928,163**	**480,682**	**-**	**11,772**	**108,981**

The standardised market risk methodology requires that the calculation of capital requirements takes into account an additional risk component arising from foreign exchange risk. The var model described in the previous paragraphs for the trading book considers the main currencies as risk factors.

Please note that the Group is not authorised by the Bank of Italy to use internal models for the purposes of calculating capital requirements on foreign exchange risk.

2.1.4 Operations in financial derivatives

The Company operates in derivatives with the purpose of directional investment, with the aim of hedging (hedging) transactions, as a market maker on Stock Options, Stock Futures and on the FtseMib index or for third party brokerage.

The Company may hold positions (short and long) in the trading book on financial instruments and on non-complex derivative instruments (c.d. plain vanilla). It is also possible to operate OTC options on listed shares. The activity on trading venues constitutes the main share of the SIM’s operations, which, during 2023, entered into some OTC derivative contracts.

The position risks associated with derivatives should be considered together with the underlying derivatives. The risks associated with the pure non-linear part of the instruments (e.g. range) are subject to management limits monitored daily.

Regarding the IDEM market, the Company has negotiated contracts for third parties for:

- 0.5% of FTMIB futures (9 place),
- 17% of stock options (1 place)
- 2,19 % of the options on the index (6 place).

During 2023 Equita entered into a very limited number of OTC option contracts. The operation of OTC options on listed shares creates counterparty risk in contracts where EQUITA SIM acquires the option and where the purchased contract has a positive market value. For the mitigation of this risk the SIM stipulates with each counterparty the ISDA Master Agreement, the ISDA Schedule and the Credit Support Annex (CSA), defining the methods of exchange of guarantees to cover any losses. Counterparty default risk is measured under the K-Factor K-TCD.

There has been no change in the measurement of risk compared to the methodologies used in the previous year.

2.2 Operational risks

1. General aspects

In addition to the consideration of operational risk within the first pillar requirements (K-Factors) identified for each investment service offered.

The Group has procedures that define the tasks and responsibilities of each corporate function and regulate the activities for the different business units. This constitutes a safeguard in terms of mitigation of operational risks.

The Group also undertakes to carry out an annual assessment of operational risks with the aim of measuring the total exposure and to provide the Corporate Bodies and Departments with decision-making responsibility with the elements of judgment necessary for the government of the same. The methodology, based on self-diagnosis (self-assessment), provides for the identification of the operating units and the types of loss events (hereinafter "Event Type") to be evaluated. Starting from the identified typologies are prepared questionnaires to be submitted to the heads of the single operating Units in order to identify the contribution of the single "Event Type" with respect to each Unit in terms of impact and frequency of occurrence considering the countermeasures in place. The results obtained are summarized in a summary table ("Heat Map") that highlights, for each category of Event Type, the level of risk attributed. Finally, the Group collects information on operating losses ("loss data collection") and stores it in a database in order to monitor the risk situations that have occurred.

Information of a quantitative nature

With reference to the K-factors attributable to the operational risk deriving from the investment services offered, as at 31 December 2023, the Group allocated capital to the K-factors relating to the Risk-To-Client amounting to approximately 6 thousand euros against the AUM (Assets Under Management), about 118 thousand euros against the CMH (Client Money Held), about 5 thousand euros against the ASA (Assets Safeguarded and Administrated) and about 279 thousand euros against the COH (Client Orders Handled). With regard to the K-factors relating to the Risk-To-Firm, at 31 December 2023, the Group allocated capital of approximately 73 thousand euros against the DTF (Daily Trading Flow).

2.3 Credit risk

Information of a qualitative nature

1. General aspects

Credit risk

Credit risk expresses the risk of loss of obligors from defaulting on risk activities other than those relating to the supervisory trading book.

This risk category is a residual component in Equita’s risk system, as can also be inferred from the new prudential IFD/IFR framework. From the above, Equita’s credit risk is therefore mainly limited to positions in financial instruments not allocated in the trading book, loans for services provided by Group companies for which the risk of default by customers may result in a loss for the Group, commitments to disburse funds.

With reference to financial instruments not allocated in the trading book, the Risk Management function has implemented a risk monitoring framework that provides for the distinction between private (unquoted) and public (quoted) instruments, the latter divided according to the purpose of the detention.

With regard to receivables for services provided by Group companies for which the risk of default by customers may result in a loss for the Group, The Risk Management Function regularly reports to the Risk Operations Committee claims that have been overdue for more than 90 days and have not been cashed.

An additional source of credit risk is represented by the commitments that the subsidiary Equita SIM assumes towards those issuers with which it enters into agreements to subscribe to any capital increases of Accelerated Book Building ("ABB") and Reverse Accelerated Book Building ("RABB") not subscribed. In the case of a capital increase, the Operating Committee (COP) of Investment Banking, the Chief Executive Officer and the Risk Manager will intervene. This operation is governed by the procedures of Investment Banking of the SIM that require the intervention of the Operating Committee (COP), the Chief Executive Officer and the Risk Manager.

Information of a quantitative nature

Great exhibitions

With the entry into force of the European Regulation 2033/2019 (IFR) the concentration risk related to large exposures of an investment firm to certain counterparties shall apply to the long net positions of the trading book at exposures subject to K-TCD. At 31 December 2023, the Group had no exposures above the regulatory thresholds and, consequently, capital requirements. In addition to the verification according to the supervisory criteria, the Risk Manager ensures the daily verification of the concentration on the main issuer names on which the ownership portfolio is exposed.

2.4 Liquidity risk

Information of a qualitative nature

General aspects, management processes and methods of measuring liquidity risk.

- Considering the Group's activities, liquidity risk can be associated with the following situations:
- mismatch risk: that is the risk that the flows of entry and exit are not connected for currency or amount (such situation regards in particular the activity of intermediation and proprietary trading);
- contingency risk: that is, the risk that unforeseen situations may lead to the disregard of the financial planning carried out (this situation may be mainly due to the lack of settlement of transactions by customers);
- market risk: the risk that, if necessary, the Group may not liquidate its assets due to market conditions, unless it incurs significant losses (this situation concerns proprietary trading);
- operational risk: that is, the risk that electronic systems will stop effectively preventing incoming/outgoing financial movements and creating a default not dependent on the Company's real financial situation;
- funding risk: that is, the risk that the credit companies with which the Group is financed will remove the custody or worsen the conditions of access to it in order to make its use no longer convenient;
- margin call risk: the risk that the Group will not be able to cope with the request for margins by the clearing house (or more rarely by counterparties) for its own-account and brokerage operations.

All liquidity management is mainly in the short term, considering that the use-repayment needs arise and are exhausted within a few days and above all require immediate decisions and prompt availability of resources.

Liquidity management is mainly in the short term, considering that the needs of use-repayment are born and run out in a few days and above all require immediate decisions and prompt availability of resources.

The Group finances its activities, in addition to its own resources, using a plurality of credit lines negotiated with different banks in order to diversify the funding risk component and according to operational needs. Minimum levels of diversification of the financing counterparties have been defined in terms of both number and amount. It is considered that this mix of supply sources ensures diversification and avoids over-concentration. The exception is Intesa Sanpaolo, which - representing the settlement bank - inevitably involves high concentration.

Considering the need to have resources at all times in order not to give up market opportunities or to meet settlement requirements, Equita considers it appropriate not to constrain the liquidity available on its accounts and not to commit it to transitional investments (which may require decommissioning times not compatible with operational needs)which provides extreme flexibility in managing and mitigating liquidity risk components.

The liquidity of the Group is mainly functional to operations on the financial markets, both for proprietary trading and for the activity of brokering for third parties. Unlike the flows related to fixed overheads, the time horizon related to the use of liquidity, for the intermediation activity, is limited to two/three days and depends on the settlement modalities and the trading market. In order to ensure an orderly control of financial flows, the management of these flows is centralised with the Financial Department, which is responsible for maintaining relations with the Banks and daily monitoring of availability and needs for the Group as a whole.

Starting from June 2021, the Group saw, with the entry into force of the new prudential regime, the definition of the new liquidity requirement. In particular, the new regulatory framework requires investment firms to hold a volume of liquid assets based on the fixed overheads incurred in the previous year and guarantees provided to customers.

In addition to compliance with regulatory requirements, The Group has defined a framework of internal indicators for the daily monitoring of liquidity risk exposure that are based on the overall cash availability and availability of external funding sources. Since some credit lines to be used must be collateralised with the pledge of financial instruments, the absence of collateral makes the remaining portion of the credit line unusable. In order to reflect this operational peculiarity, a "Net Available Liquidity" indicator has been introduced, determined by the sum of the liquidity held in current accounts, of the credit still available on non-pledged lines, irrespective of the actual activation of the collateral, and the minimum between the pledgeable securities and the collateralised liquidity on collateral facilities.

In order to monitor the indicators described and to highlight any criticality or need to activate the funding lines, a software has been developed whose findings are summarized in a report and are transmitted daily to the control functions and the management. The year’s performance presented a risk profile in line with previous years.

With regard to the market risk component, it is noted that most of the Group’s liquidity is invested in securities listed on regulated markets from which it is reliable to expect a rapid demobilisation even in stressed conditions. The Risk Management Function regularly monitors the liquidatability of securities in the trading book, reporting to the Risk Management Committee on the results of the analysis carried out. Finally, with regard to risk funding, the Group has defined minimum levels of diversification of the financing counterparties both in terms of number and amount.

Information of a quantitative nature

Residual duration of the financial assets and liabilities

Tyoe	"On de-mand"	From 1 day to 7 days	From 7 to 15 days	From 15 to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years	Indefinite term
Cash assets	-	-	-	-	-	-	-	-	-	-	-
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	2,228	17,939	719,782	4,959,715	2,609,729	7,265,492	22,929,718	11,516,790	7,083,615	-
A.3 Loans	200,000	-	96,864	-	-	-	-	3,516,592	78,127	-	-
A.4 Other assets	144,059,851	29,010,887	1,937,996	102,090	4,944,238	-	-	13,063,954	-	-	27,742,844
	-	-	-	-	-	-	-	-	-	-	-
Cash Liabilities	-	-	-	-	-	-	-	-	-	-	-
B.1 Due to:	-	-	-	-	-	-	-	-	-	-	-
- Banks	132,992,765	10,000,000	-	16,778	20,901,269	-	-	-	-	-	-
- Financial institutions	6,068,777	-	-	-	58,905	-	-	1,629,701	-	115,172	-
- Customers	4,396	-	-	-	50,961	-	-	25,683	239,053	-	-
B.2 Debt securities	-	-	5,574	8,898	7,417	10,500	5,231	212,910	321,835	1,074,218	-
B.3 Other liabilities	197,610	-	-	-	-	-	-	-	-	-	15,910,423
	-	-	-	-	-	-	-	-	-	-	-
Off balance sheet transactions	-	-	-	-	-	-	-	-	-	-	-
C.1 Financial derivatives with equity swap	-	-	-	-	-	-	-	-	-	-	-
Long positions	-	-	-	8,499,379	11,611,751	3,575,201	309,848	-	-	-	11,312,945
Short position	-	-	-	11,001,847	6,913,912	3,366,034	2,017,934	1,375	-	190,837	11,817,183
	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without equity swap	-	-	-	-	-	-	-	-	-	-	-
Long positions	219,785	-	-	-	-	-	-	-	-	-	-
Short position	2,359,712	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
C.3 Loans to be received	-	-	-	-	-	-	-	-	-	-	-
Long positions	-	-	-	-	-	-	-	-	-	-	-
Short position	-	-	-	-	-	-	-	-	-	-	-

Section 3 - Information on consolidated assets

3.1 The company's assets

3.1.1 Qualitative information

It consists predominantly of the share capital - fully subscribed and paid up - and the capital reserves and the share premium reserve.

Profit reserves consist not only of retained earnings, but also of legal reserves, statutory reserves, retained earnings and part of the merger surplus.

3.1.2.1 Enterprise assets: composition

	31.12.2023	31.12.2022
Share capital	26,793,000	26,793,000
Share premium reserve	1,532,685	1,532,685
Other Reserves	26,331,142	29,537,839
- Income reserves	-	-
a) legal reserve	5,358,600	5,358,600
b) statutory reserve	-	-
c) treasury shares	-	-
d) other	20,972,542	24,179,239
- other	-	-
- other (FTA)	-	-
Treasury shares	-	-
Valuation reserves	-	-
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Foreign investment hedges	-	-
- Cash flow hedges	-	-
- Foreign exchange differences	-	-
- Non-current assets held for sale	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses on defined benefit pension plans	14,898	30,516
- Portion of the valuation reserves – equity accounted investees	-	-
Equity instruments	-	-
Profit (loss) for the year	19,324,575	13,327,591
Minority interests in equity	-	-
Total	**73,996,300**	**71,221,631**

3.1.2 Information of a quantitative nature

3.2 Own funds and supervisory ratios

Equita Group belongs to Class 2 according to the rules of sim and Sim groups as set out in EU Regulation 2019/2033. For companies belonging to this class, it is required to verify the capacity of regulatory assets compared to the greater of:

1) minimum capital;

2) requirement relating to fixed overheads;

3) requirement related to k-factors.

Equita Group's consolidated own funds are exclusively represented by CET1 capital. Following are the main reference quantities of the new regulatory indicators at 31/12/2023.

Please note that the item "Cet1 own instruments" includes the remaining commitment to purchase own shares resolved during 2023

3.2.1 Own funds

3.2.1.1 Qualitative information

1. Common Equity Tier 1 (Common Equity Tier 1 - CET 1)

Common Equity Tier 1 capital consists of CET1 instruments for EUR 11678,163 and the related share premium reserves for EUR 23373,173. The other computable reserves amount to EUR 53,211,181. The main deductions are represented not only by own shares that include the buy-back commitment (Euro 5,271,237), goodwill (Euro 23,444,703), other intangible assets (Euro 2,453,909) and investments in financial companies (Euro 1,300,167).

2. Additional Tier 1 capital (Additional Tier 1 - AT1)

This is not the case.

Tier 2 (Tier 2 - T2)

Case not present

3.2.1.2 Information of a quantitative nature

3.2.2 Capital adequacy

3.2.2.1 Qualitative information

The Group monitors the adequacy of own funds through methodologies and tools illustrated in the ICAAP - ILAAP (Internal Capital Adequacy and Liquidity Assessment Process) Report.

3.2.2.1 Qualitative information

Equita Group's consolidated own funds are exclusively represented by CET1 capital. The main reference quantities of the new capital indicators at 31/12/2023 follow.

3.2.2.2 Quantitative information

Common Equity Tier 1	**31.12.2023**
Equity	46,882,206
Class 1 Capital (CET1)	46,882,206
Primary Class 1 Capital	46,882,206
Fully Paid-up Capital Instruments	26,793,000
Share Premium	1,532,685
Undistributed Profits	14,747,953
Other Accumulated Comprehensive Income Components	-
Other Reserves	5,134,923
CET1 Adjustments due to Prudential Filters (-)	(88,174)
TOTAL DEDUCTIONS FROM CLASS 1 PRIMARY CAPITAL (CET1)	(1,238,180)
(-) CET1 Own Instruments	-
(-) Goodwill	(826,073)
(-) Other Intangible Assets	(257,877)
(-) Other Deductions	(154,230)
ADDITIONAL CLASS 1 CAPITAL (AT1)	-
(-) TOTAL DEDUCTIONS FROM ADDITIONAL CLASS 1 CAPITAL (AT1)	-
CLASS 2 CAPITAL (T2)	-
(-) TOTAL DEDUCTIONS FROM CLASS 2 CAPITAL (AT2)	-

Capital requirement

	31.12.2023
Own Funds Requirement [Max among 1, 2, and 3]	8,711,959
1. Permanent Minimum Capital Requirement	750,000
2. Requirement Relating to General Fixed Costs	7,248,042
3. Requirement Relating to Total K-factors	8,711,959
of which Customer Risk	401,668
of which Market Risk	7,763,730
of which Firm Risk	546,560

Capital ratios

	31.12.2023
Common Equity Tier 1 (CET1) Capital Ratio	499%
Tier 1 Capital Ratio - minimum value 75%	499%
Own Funds Ratio - minimum value 100%	499%
Minimum values required according to ex art. 9 reg 2019/2033:	0%
CET1 ratio 56%	0%
Tier 1 Capital ratio 75%	0%
Own Funds ratio 100%”	0%

Section 4 - Analytical overview of overall profitability

		31/12/2023	31/12/2022
10	**Net income (loss) (+/-)**	16,753,969	17,267,975
	Other comprehensive income net of tax that will not be reclassified to profit or loss		
70	Defined benefit plans	(13,461)	(213,758)
80	Non-current assets and disposal groups classified as held for sale	-	-
90	Portion of the valuation reserves – equity accounted investees	-	-
100	Income taxes relating to other income components without rigor in the income statement	3,231	51,302
	Other comprehensive income net of tax that may be reclassified to profit or loss	-	-
120	Cash flow hedging	(53,151)	197,394
180	Income taxes relating to other income components with reversal to the income statement	12,756	(47,374)
190	**Total other comprehensive income, net of tax**	**(50,625)**	**(12,437)**
200	**Total comprehensive income (Items 10 + 170)**	**16,703,344**	**17,255,538**
190	**Total comprehensive income of third-party**	**694,937**	**2,020,592**
220	**Total comprehensive income attributable to the parent company**	**16,008,408**	**15,234,946**

Section 5 - Related party transactions

Below is information on remuneration paid to managers with strategic responsibilities and information on transactions with related parties pursuant to IAS 24.

Procedural aspects

On 13 May 2021, the Board of Directors of Equita Group S.p.A. ("Equita Group" or the "Company") approved amendments to the Procedure for Transactions with Related Parties (the "Related Parties Procedure" or the "Procedure"), last approved by the Board of Directors on 17 July 2019, also in order to make the latter compliant with the new Regulation laying down provisions on transactions with related parties adopted by Consob with resolution no.[2] 21624 of 10 December 2020 ("Consob Related Party Regulation" or "Related Party Regulation"), effective from 1 July 2021.

The New Procedure, which entered into force on 1 July 2021, is published on the website: www.equita.eu in the section Investor Relations, subsection Corporate Governance, Corporate Documents area.

5.1 Information on remuneration of managers with strategic responsibilities

Managers with strategic responsibilities are the subjects within the Group that have the power and responsibility, directly or indirectly, for the planning, management and control of the Companies' activities. Included in this category are the members (executive or not) of the Board of Directors and the members of the Board of Statutory Auditors.

With reference to the quantitative information on remuneration for Managers with Strategic Responsibilities, please refer to the Group Remuneration Report, published in the appropriate section of the website www.equita.eu.

2 On this point, a brief description of the changes to the previous Procedure - already presented in the financial statements as at 31 December 2021 - is given, recalling that they concerned the following aspects:*i) elimination of the qualification relating to Equita Group as "newly listed company", as the Company no longer falls within this definition (cf. art. 1.5);*
ii) referral - with reference to the concepts of "Related Party Transactions", "Related Party" and "Close Family Business" - to the definitions contained in IAS 24 (cf. art. 2.1);
iii) introduction of the definition of "Directors Involved in the Transaction", that is, the directors of the Company who, with respect to a specific transaction, have an interest, on their own or on behalf of third parties, in conflict with that of the Company and that, for this reason they must abstain from voting in the Board of Directors on the transaction (cf. art. 2.1 and 5.1.7);
iv) introduction of a new exemption from the application of the Procedure, namely the transactions decided by Equita Group and addressed to all shareholders on equal terms (cf. Art. 3.1(b))
v) introduction, in case of applicability to Transactions of Greater Importance of the exemption "Ordinary Transactions that are concluded on Terms Equivalent to Market or Standard", of the obligation for Equita Group to communicate ex post to CONSOB and the Related Parties Committee some information on the transaction in order to allow the Committee to verify promptly that the aforementioned exemption has been correctly applied (cf. art. 3.1(e));
vi) introduction of the obligation for Equita Group to send to the Related Parties Committee - within 30 days from the end of the financial year in which major transactions have been concluded that have benefited from one of the exclusions provided by the Procedure - a report describing the Transactions themselves and the reasons for which the exclusion was applied (cf. art. 3.4);
vii) introduction of the principle that the Equita Group's Remuneration Committee is entrusted with the tasks relating to Transactions of Greater Importance and Transactions of Lesser Importance relating to remuneration, which it carries out on the basis of the Procedure (in order to avoid a double examination of the same by both the Related Parties Committee and the Remuneration Committee) (cf. art. 6.6).

5.2 Loans and guarantees granted to directors and statutory auditors

The outstanding creditor balances at 31 December 2023 in the consolidated accounts vis-à-vis related parties - other than the fully consolidated intra-group consolidated ones subject to elision - are of a total amount not relevant to the Group's capital dimension. Similarly, the impact of income and expenses with related parties on the consolidated operating surplus is not relevant.

There are no credits and guarantees granted to directors and statutory auditors.

5.3 Information on related party transactions

Transactions with Related Parties, as defined by IAS 24 and governed by the Consob Related Parties Regulations, are mainly commercial and financial.

As regards the transactions carried out from 1 January 2023 to 31 December 2023, it is clear that these transactions were exempted from the scope of the Procedure. In particular:

a. Related party transactions include decisions on the allocation of annual bonuses (including the cash component and the securities component) certain members of the Board of Directors of the Company and its subsidiaries Equita SIM S.p.A. ("Equita SIM") and Equita Capital SGR S.p.A. ("Equita Capital SGR"), as well as executives with strategic responsibilities of Equita Group, Equita SIM and Equita Capital SGR, in accordance with the provisions of the Consob Regulations on transactions with related parties and the Related Parties Procedure. However, these transactions were exempted from the scope of the Procedure because of the provisions of art. 3.1(d)(i) and art. 3.1(d)(ii) of the Procedure, as the aforementioned remuneration was paid in accordance with the Group's Remuneration Policy - following its approval by the Equita Group Shareholders' Meeting (and its subsidiaries) - and, as required by the legislation, a Remuneration Committee was involved in the drafting of this Remuneration Policy. In addition to the above, it should be noted that decisions relating to the allocation of financial instruments to Directors and managers with strategic responsibilities also fall within the exemption scope of Article 3.1(d)(i) as executive transactions relating to the application of incentive plans already approved by the Equita Group Shareholders' Meeting;
b. the decision on the allocation of an additional fee pursuant to art. 2389 c.c. to the Chairman and CEO of Equita Group and its subsidiary Equita SIM (following the renewal of the Board of Directors). However, this transaction was exempted from the scope of the Procedure pursuant to and for the purposes of art. 3.1. lett. d)(ii) of the same procedure. This compensation has in fact been determined and is paid in accordance with the Group's Remuneration Policy - following its approval by the Equita Group Shareholders' Meeting (and its subsidiaries) - and, as required by law, a Remuneration Committee was involved in the drafting of this Remuneration Policy;
c. the change in intra-group funding between Equita SIM (the financing party) and Equita Capital SGR (the financing party) as a related party transaction resolved by the Boards of Directors of Equita SIM, Equita Capital SGR and Equita Group in November 2022 and amended in meetings in March 2023. This transaction, although related to subsidiaries (and therefore not directly related to Equita Group), was considered between related parties as previously examined/assessed by Equita Group itself as part of its management and coordination activities (although not one of the "significant" transactions of strategic, economic, patrimonial and/or financial importance for the Group). This financing operation was also found to be "less significant" pursuant to the Procedure and the Consob Regulations on related parties, as none of the indices of relevance described in the Consob Regulations and applicable to the case in question was higher than the 5% threshold indicated by the legislation. The aforementioned transaction was also exempt from the application of the same procedure, pursuant to art. 3.1 lett. f of the Procedure since it is a "Transaction between subsidiaries in which there are no significant interests - as defined by the Procedure itself - of other related parties of the Parent Company". As a result of the change in the terms decided by the Board of Directors of Equita SIM and SGR in March 2023, the transaction has not changed to such an extent as to have a significant impact on the relevance of this financing, which continues to qualify, for the purposes of related party law as a minor transaction exempted as a transaction between subsidiaries in which there are no significant interests of other related parties of the Parent Company;
d. The allocation of stock options/cash to two Equita Group executives under the 2020-2022 incentive plan was considered as a transaction between related parties . At the board meeting on 11 May 2023, Equita Group resolved to allocate a total of 1,300,000 Group-wide stock options to the beneficiaries belonging to the Group, of which 80,000 are to be attributed to the beneficiaries of the Company, and, inter alia, to (a) give two Group executives, depending on their seniority and the large number of stock options allocated to them in the 2019-2021 incentive plan, the possibility to transform options into cash, taking into account the "normal value of the action" and the strike price and the criteria for

the calculation of the prize money referred to in the rules of the plan. However, these allocations were exempted from the scope of the Procedure because the implementation of compensation plans based on financial instruments falls within the case of exemption pursuant to art. 3.1., lit. d) (i), of the Procedure itself. These remunerations were in fact paid in accordance with the aforementioned incentive plan approved by the Shareholders' Meeting ;

e. The acquisition by Equita Group of the participatory investment in ordinary shares in Equita Investimenti S.p.A. held by Equita SIM , a subsidiary of Equita SIM, was considered as a transaction between related parties (approved by the Company's Board of Directors on 13 July 2023 and executed on 20 September 2023) for a total of 98,260.28 euros. This operation is however exempted from the scope of the Procedure pursuant to and for the purposes of art. 3.1, lett. b) of the same procedure, since it is a small amount, not entailing costs for the Company exceeding 200,000 euros, established by the Procedure ;
f. The intra-group financing between Equita SIM (the financing party) and Equita Group (the financed party) approved by the Boards of Directors of Quita SIM and Equita Group in September 2023 was considered as a transaction between related parties . This operation is however exempted from the scope of the Procedure pursuant to the Procedure itself and the Consob Regulations on related parties as none of the relevant indices described in the Consob Regulations and applicable to the case in The result was higher than the threshold of 5% indicated by the legislation. The aforementioned transaction has also been exempted from the application of the same procedure, as it is "ordinary operation concluded at conditions equivalent to market or standard", as defined by the PC Procedure itself in the relevant art. 3.1, lit. e);
g. The secondment of the Head of the Internal Audit Function from Equita Group to Equita Capital SGR for the Internal Audit functions and subsequent termination of the intra-group contract for the provision of services concluded between Equita Group and Equita Capital SGR. However , this operation was exempted from the scope of the Procedure because it falls within the case of exemption pursuant to art. 3.1(f) of the Procedure , which does not apply in the presence of "transactions with or between Companies Controlled or Companies Linked to the Company(where they exist), if there are no Significant Interests of other related parties of the Company in the aforementioned companies".In the posting in question, none of the related parties of the Equita Group would indeed have a significant economic interest in the SGR and/or the Group that is relevant to, or likely to encourage, the conclusion of, the said intra-group posting. In addition, it is an exempt transaction as it is a small transaction and does not entail costs for the SGR above the threshold of EUR 200,000 set by the related party procedure.

Section 6 - Information on structured entities

There is no information to be reported.

Section 7 - Further information

Leasing

This part provides the information required by IFRS 16 that is not present in other parts of the financial statements.

Qualitative information

Equita has essentially real estate leasing and car leasing contracts in place. As of 31 December 2023, there are 21 leases, while there are 5 real estate leases.

Contracts, as a rule, last longer than 12 months and typically have renewal and termination options exercisable by the lessor and lessee according to the law or specific contractual provisions. These contracts usually do not include the purchase option at the end of the lease or the restoration costs.

On the basis of the characteristics of the Italian lease agreements and the provisions of Law 392/1978, in the case of the signing of a new lease with a contractual duration of six years and the option to tacitly renew the contract of six years in six years, the total duration of the lease is set at twelve years. This general indication is exceeded if there are new elements or specific situations within the contract.

No sales or leaseback transactions were carried out in 2023.

As already indicated in the accounting policies, the Group makes use of the exemptions allowed by IFRS 16 for short-term leases (i.e. shorter or equal to 12 months) or for low-value asset leases (i.e. less than or equal to €5 thousand).

It was also decided to use as the discount rate the value of the EurIRS installment for the duration of the contract, plus a spread fixed as part of the Group's treasury management.

Quantitative information

As mentioned above, the Group has identified two broad categories of contracts falling within the concept of Leasing, namely:

Leases of office buildings;

Contracts for the lease of cars supplied to employees for their own use.

Existing leases other than those relating to real estate and cars are not significant and therefore excluded from the scope of IFRS 16.

In Part B - Assets of the Notes to the Financial Statements, respectively, information is presented on the rights of use acquired under the lease (Table 8.1 - Functional physical assets: composition of assets valued at cost) and in Part B - Liabilities are set out the leasing debts (Table 1.1 - Financial liabilities measured at amortised cost: commodity composition of debts to banks and Table 1.2 - Financial liabilities valued at amortised cost: commodity composition of liabilities to customers and financial institutions). See these sections for more details.

(In EUR/000)	For the year ended 31 December 2023		
	Properties	Cars	Total
Activities by right of use	4.966	423	5.989
Leasing liability	5.431	413	5.844

Part C of the Notes to the Financial Statements contains information on interest payable on leasing debts and other charges related to the rights of use acquired under the lease.

(In EUR/000)	For the year ended 31 December 2023		
	Properties	Cars	Total
Depreciation of assets by right of use	1.385	171	1.556
Financial charges	139	6	145
Invoiced rentals and rentals	1.039	187	1.226

See specific sections for more details.

It should be noted that in the course of 2023 the Parent Company started the procedures to sign a new lease of real estate to expand working spaces.

The lease agreement provides for a period of 5 months of free loan for the period February - July 2023 and then the start of the lease for a period of 6 years.

The total value of the fees amounted to 2.5 million euros, of which the interest rate amounts to 0.5 million euros.

Payment agreements based on own instruments

The Remuneration Policy provides for the adoption of incentive plans based on financial instruments as part of the Variable Share (hereinafter the "Plans" and, each as far as competence is concerned, the "Plan").

The Plans provide for the possibility to assign financial instruments such as, inter alia, shares of the Company, performance shares, stock options, phantom shares and bonds.

As of December 31, 2023, the Group has the following multi-annual payment agreements based on its capital instruments:

- "EQUITA Group Plan 2022-2024 based on financial instruments" (approved by the Shareholders' Meeting on 28 April 2022);
- "EQUITA Group Plan 2022-2025 for senior management based on Phantom Shares" (approved by the Shareholders' Meeting on 28 April 2022).

Specific terms and conditions apply to each Plan approved by the Company's Shareholders' Meeting. The details of the Plans are published on the website by the Company, pursuant to articles 114-bis of the TUF and 84-bis of the Issuers Regulation.

More generally, as part of the remuneration policy, the Group has included financial instruments among the modalities for the settlement of the annual variable remuneration (i.e. "annual plans").

The following sections describe both the Multiannual Incentive Plans and the annual incentive plans.

Information of a qualitative nature

Share-based payment plans linked to the variable remuneration component linked to performance targets

Time limits for accrual of entitlements

The Remuneration Policy provides for the adoption of incentive plans based on financial instruments, which may be stock grants (allocation of shares), stock options (allocation of options for subscription of shares), phantom shares and bonds. Financial instruments are allocated on an annual basis within the normal incentive cycle and subject to the achievement of certain individual and Group performance targets.

Financial instruments have a deferral period of at least three years and may also be made pro rata, in addition to a retention period of at least one year. Only in the case of deferral of at least five years the retention period may be at least six months.

Deferral of variable remuneration

In accordance with the Remuneration Policy, for all employees and unless a minimum level of Variable Quota is reached as defined in the following paragraphs, the Variable Quota is paid:

- in a first tranche equal to the maximum 60% of the Variable Remuneration itself within 6 months of the end of the assessment period or "accrual period" (coinciding with the calendar year or reporting period), and
- deferred for the remaining part (at least 40%, second tranche or "Deferred Portion") for at least 36 months after payment of the first tranche, except as provided for later.

The Deferred remuneration may be paid in cash or with financial instruments (as defined in the incentive plans based on financial instruments approved by the Shareholders' Meeting)taking into account the employee's possible participation in the Company's share capital.

For key figures (such as Executive Directors, General Manager, Managers with Strategic Responsibilities, as well as those reporting directly to the bodies with the function of strategic supervision, management and control)if the Variable Share exceeds the amount of €440,000 ("particularly high variable remuneration amount"), the Deferred Part, equal to at least 60% of the Variable Share, will be paid after 36 months from the payment date of the first tranche and 50% of the Deferred Party will be composed of financial instruments. The determination of the length of the deferral period and the percentage of financial instruments that make up the deferred part was made taking into account the principle of proportionality.[3]

The Deferred Party may be paid on a pro-rata basis, provided that the frequency of payments is at least annual, and this principle is applicable to all deferrals.

The methodology applied for determining the number of shares to be taken by the recipients shall consider:

- to the numerator, the proportion of variable remuneration subject to payment in shares accrued in relation to the achievement of the objectives set for the year in question; and
- in the denominator, the normal value of the Equita Group share calculated on the day before the meeting of the Board of Directors in which the remuneration plan for the year just concluded is approved.

The regulation in shares is carried out after the verification by the Board of Directors of the economic results concerning the exercise of competence and is therefore conditional, in addition to the achievement of the objectives set, also at the Group access gates:[4]

- balance sheet - the IFR ratio is used, which must be at least 200%;
- liquidity situation - the Net Available Liquidity (LCN) is used and must be at least equal to the crisis threshold set out in the recovery plan;
- income situation - the ROE is used which must be at least greater than zero (post bonus payment).

The verification of compliance with the Thresholds is carried out on the values at 31 December of the year under assessment.

The Group's Remuneration Policy for the reference year is submitted annually to the Shareholders' Meeting that approves the financial statements. If it becomes necessary to proceed with the purchase of own shares for the realization of the plan, this is submitted to the Shareholders' Meeting and requires prior authorization by the Bank of Italy. At the date of this Report, the Company has in place a Buy Back plan at the service of the incentive plan for a total of 500,000 shares.

Fair value determination and accounting treatment

The arrangements for the recognition of variable remuneration, discussed in the previous paragraph and excluding Phantom shares, *for which reference is made to the following paragraph, are equity settled (equity* settled) share-based payment transactions within the scope of IFRS 2 "Share Based Payments".

The accounting treatment envisaged for these transactions consists in the recognition, under the budget item (personnel expenditure), of the estimated cost of the services received, determined on the basis of the fair value of the rights allocated (stock option/stock grant)in return for an increase in equity through allocation to a specific reserve.

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3 For the Most Relevant Personnel of the Alternative Asset Management that invests in the shares of the funds managed, the second tranche will correspond to 10% and will be paid no earlier than one year after the payment of the first tranche.

If the Variable Fee does not exceed €50,000 and does not represent more than a quarter of the total annual remuneration, the Most Relevant Staff may not be subject to the more detailed rules regarding the deferral obligations of the Variable Fee, percentage of the Variable Share in financial instruments and retention period. For these purposes, the calculation of the annual Variable Share and the annual total remuneration is made on the basis of the indications contained in paragraph 88 et seq. of the EBA Guidelines.

4 With regard to the subsidiary EQUITA Capital SGR only, the thresholds are defined taking into account the value of the following quantities:

financial position - the ratio of SGR's supervisory assets to the highest value between the minimum capital required for authorisation and the total capital requirement shall be greater than the established early and final warnings;

liquidity situation - Net Available Liquidity (LCN) is used and must be at least equal to the final warning;

Income situation - the adjusted pre-tax ROE is used which must be at least greater than zero (post bonus payment).

Since share-based payment arrangements in relation to the plans in question do not provide for an exercise price, they can be treated as free allocations (stock grants) and treated in accordance with the rules for such transactions.

The total burden relating to such agreements is then determined on the basis of the number of shares that are estimated to be allocated, multiplied by the fair value of the share at the allocation date.

The fair value of the Equita Group share at the share allocation date is measured by the market price of the share recorded on the date of the Board of Directors' Annual Approval of the Remuneration Policy for the year just ended, adjusted for any actuarial effects.

The recognition in the equity reserve of the value of the plans thus determined shall be made pro rata temporis on the basis of the vesting period, or the period between the allocation and the final maturity of the right to receive the shares, taking also into account the rate of staff turnover.

Since the plans are articulated on different tranches with differentiated periods of vesting, each of them is evaluated separately.

In particular, given that the number of rights allocated is determined on the basis of the performance targets achieved in the year to which the plan refers (2023)the total cost of the service shall be attributed to the individual periods concerned between the start of the performance period and the end of the vesting period.

The IFRS 2 charge relating to any beneficiaries belonging to Group companies other than the parent company is directly recognised by those Companies. In return for a capital injection buffer implicitly representing a capital injection buffer by the parent company, which presents in its separate financial statements an equivalent increase in the value of the subsidiary's holding.

Information on share-based payment plans related to the Remuneration Policies

As of 31 December 2023, there are **3 payment** cycles based on shares linked to the Remuneration Policies for the financial years 2021, 2022 and 2023.

As part of the current variable remuneration, the Group has allocated the payment of the same through the allocation and allocation of shares in the Equita Group.

There are also n.**3 standardised entry** plans , which provide for the allocation of instruments during recruitment but with a multi-year lock-up period.

The plan of payments in shares, linked to the Remuneration Policies for the year 2021, called the Plan 2021-2024, approved by the Shareholders' Meeting of 28 April 2022 has the following characteristics:

- performance share allocation in 2022 with a three-year lock-up period (2021-2023): the reference price of the Equita Group share for the purpose of determining the number of shares to be allocated has been determined to the extent of 3,20 euro, for a total number of instruments of 286,000;
- allocation of stock options in 2022 with a four-year lock-up period (2021-2024): the plan provided for the allocation of option rights for No. 350,000, a unit fair value of €0,22, strike price 3.77 and option maturity of five years from the end of the vesting period. The total fair value of the options at 31 December 2023 is €78,072.

The Share Payment Plan, linked to the Remuneration Policies 2022, called the Multiannual Plan 2022-2025, approved by the Shareholders' Meeting of 20 April 2023 has the following characteristics:

- The reference price of the Equita Group share for the purpose of determining the number of shares to be allocated has been determined on the basis of the deferral of the allocation of the shares. In particular:
  - Shares to be allocated in March 2024, a unit fair value of €3.651 for a number of rights to be allocated of 187,433;
  - Shares to be allocated in March 2025, a unit fair value of €3.397 for a number of rights allocated equal to 90,730;
  - Shares to be allocated in March 2026, a unit fair value of €3,154 for a number of rights allocated equal to 90,730;

In relation to the 2022-2025 Plan, a total fair value of €1.1 million was determined for a total of 368,893 assigned rights.

In addition, with reference to the annual variable component of the 2022 remuneration regulated in shares as of March 2023, No. 415,904 shares of Equita Group have been allocated, for a unit fair value of Euro 3.8.

The payment plan in shares, linked to the 2023 Remuneration Policies, called the 2023-2026 Plan, subject to approval by the Shareholders' Meeting of 18 April 2024 has the following characteristics:

The reference price of the Equita Group share, for the purpose of determining the number of shares to be allocated, was determined on the basis of the deferral of the attribution of the shares. In particular:

- Shares to be allocated in March 2024, a unit fair value of €3,514 for a number of rights to be allocated of 213,661;
- Shares to be allocated in March 2025, a unit fair value of €3,235 for a number of allocations of 111,612;
- Shares to be allocated in March 2026, a unit fair value of €2.978 for a number of allocations of 111,612.
- In relation to the 2023-2026 Plan, a total fair value of €1.4 million is estimated for a total of 436,885 straight awards.

In addition, with reference to the annual variable component of the 2023 remuneration that will be settled in shares in March 2024, Equita Group's No. 192,005 shares are estimated, for a unit fair value of Euro 3.67 and a total value of Euro 0.7 million.

Other plans

With regard to the 2022 funding plans agreed through the allocation of financial instruments, a total of 170,000 Equita Group shares for a fair value of €0.4 million (Unit fair value of €3.758 for shares allocated at the beginning of 2022 and €3.325 for shares allocated at the end of 2022).

Plans with completed attributions

The following table summarises the dynamics of the option rights as at 31 December 2023 and the deferred incentive plans for Equita Group shares.

Exercise	Allocation year	Award year	End of year	Number of rights granted	Strike price €	FV per unit €	FV aggregate €	N. Rights Exercised	N. Rights to be exercised
2019	2019	2020	2025	850.000	2,76	0,20	154.976	608.112	241.888
2020	2020	2021	2026	544.200	2,55	0,28	155.091	328.908	215.292
					Total reserve IFRS 2		**310.067**		

LTI Plans - Long Term Incentive for the most relevant staff

Equita Group has defined a deferred incentive plan (cdt "Long Term Incentive Plan" (LTI)) for the most relevant staff of the Equita Group, approved by its Shareholders' Meeting and based on financial instruments such as phantom shares of Equita Group shares.

The plan aims to pursue the objective of increasing the value of Equita Group's shares, further strengthening the link between the beneficiaries' remuneration and the Group's performance, in a context of consistency with the results expected under the Group's 2022 - 2024 Strategic Plan. This incentive instrument was introduced as of financial year 2022.

The main features of the LTI Plan 2022-2025 are described below.

The Plan provides for the free allocation to each Beneficiary a certain number of phantom shares, which will be definitively allocated in 2025 (or, possibly in 2026), according to the terms and conditions set out in the Regulation.

The final number of phantom shares to be allocated in 2025 (or 2026) will be determined subject to:

(i) the achievement in 2024 and 2025 of certain performance targets, respectively, individual and corporate, and

(ii) if the other conditions of the Plan are met.

With reference to the performance targets, it represents that the corporate performance target valid for all beneficiaries is the Total *Shareholders Return (TSR)* in the three-year period 28 March 2022 - 1 April 2025..[5]

The "basic" corporate performance targets are represented by the achievement, in the three-year period 28 March 2022 - 1 April 2025, of a TSR equal to or greater than 40%. When these "basic" corporate performance targets are met, a maximum of 800,000 phantom shares will be allocated in 2025.

In the case instead of exceeding the aforementioned "basic" performance objectives and, in particular:

(i) in the case of reaching in the three-year period 28 March 2022 - 1 April 2025 of a TSR equal to 50% or between 50% and 60% (excluded), the allocation in 2025 of a maximum of 1,200,000 phantom shares is expected; and

(ii) in the case of reaching in the three-year period 28 March 2022 - 1 April 2025 of a TSR equal to or greater than 60%, is expected to allocate in 2025 a maximum of 2,000,000 phantom shares.

If TSR's abovementioned corporate performance target is not achieved, the Board of Directors may, at its discretion, in the interest of the Company: (i) decide to extend the observation period until 31 December 2025, and (ii) However, consider the "basic" performance targets achieved if, by 31 December 2025, for at least 5 consecutive working days the TSR of the previous three years (on a rolling basis) is at least equal to 40%.

If a beneficiary does not reach its individual targets, the final number of phantom shares attributable to it in 2025 (or 2026) will be reduced by 50%.

The maximum number of phantom shares assignable/attributable under the Plan is 2,000,000.

Further details can be found in the "Equita Group Plan 2022-2025 based on Phantom Shares" approved by the Company's Board of Directors on 25 March 2022 and by the Shareholders' Meeting on 28 April 2022.

Fair value determination and accounting treatment

The arrangements for recognising variable remuneration based on phantom shares and described in the previous paragraph are cash settled (IFRS 2) regulated financial instruments payment transactions "Payments based on *financial instruments".*

The accounting treatment envisaged for these transactions consists in the recognition, under the budget item (staff costs), of the estimated cost of the services received, determined on the basis of the fair value of the rights allocated (Phantom shares)in return for the staff debt, on a pro rata temporis basis based on the vesting period of the vesting conditions, or the period between the assignment and the final maturity of the right to receive the consideration in cash. The maturing period of the plan extends from the previous year (2022) to May 2025.

The evaluation of phantom shares was carried out reflecting the financial market conditions valid at the valuation date; the statistical methodology adopted for the fair value estimate, in the TSR component, follows the risk neutral approach. The total fair value of the Plan that is influenced by the number of rights that will accrue according to the rules of the performance conditions as well as the fair value of each right.

In addition, with regard to the various individual performance targets, a probability of achieving them has been identified.

On a periodic basis, the Plan is revalued according to the changed market conditions.

5 *TSR = (Final Reference Price + Dividends of the period under observation provided they do not exceed the aggregate total profit realised in the period under observation, adjusted for the cost of the Plan itself)/ (Initial Reference Price)*

Information of a quantitative nature

Below are the dynamics in 2023 relating to the incentive plans in place on 31 December 2023.

The incentive plan included in the 2023 budget, approved by the Remuneration Committee on 22 February 2024 provided for the following allocations:

Performance shares for a total of €0.7 million, equivalent to n. 190,449 rights that will be allocated in March 2024;

Performance shares for a total of €1.4 million equivalent to n. 436,885 rights that will be allocated according to the following maturities 31 March 2025, 31 March 2026, 31 March 2027. In the IFRS2 reserve at 31 December 2023, the group recorded, pro rata temporis, an equivalent to the plan of €0.5 million.

With reference to the incentive plans for the years before 2022, the company took over the following values pro rata temporis during 2023:

Performance shares for the 2022 - 2025 cycle for a total of €1.1 million equivalent to n. 368,893 rights that will be allocated according to the following maturities 31 March 2024, 31 March 2025 and 31 March 2026. The IFRS2 reserve at 31 December 2023 amounts to €0.8 million.

Phantom shares for the 2022-2025 cycle for a total of €,0,6 million to be valid on a maximum of n. 800,000 rights. The estimated debt at 31 December 2023 is €0.3 million.

Finally, with regard to incentive plans in the form of options, a total of 937,020 options were exercised. At 31 December 2023, the IFRS2 reserve at 31 December 2023 amounted to €0.2 million.

Finally, the amount of the IFRS 2 reserves relating to the shares given to employees in the framework of income tax incentive amounts to €0.8 million at 31 December 2023, of which for 3 resources the vesting period is still ongoing and the related provision is approximately € 0.2 million.

The following is the amount of outstanding rights at the end of the financial year 2023:

Name of the plan	Type	n. Instru-ments	IFRS 2 re-servation (€/Mln)	Date of award	Total FV (€/Mln)	FV per unit €	Strike price €	N rights to be exercised
Annual incentive - 2023	Performance shares	190.449	€0,7	March 2024	€0,7	x	x	x
Multi-annual incentive - 2023 - 2027	Performance shares	436.885	€0,52	31 March 2025, 31 March 2026, 31 March 2027	€1,4	x	x	x
Multi-annual incentive cycle 2022 - 2025	Performance shares	368.893	€0,81	31 March 2024, 31 March 2025, 31 March 2026	€1,1	x	x	x
Multi-annual incentive cycle 2022 - 2025	Phantom shares	800.000	€0,3	31 May 2025	€0,6	x	x	x
Multi-year incentive Cycle 2019 - 2020	Options	850.000	€0,15	March 2020	€0,15	0,20	2,76	241.888
Multi-annual incentive Cycle 2020 - 2021	Options	544.200	€0,16	March 2021	€0,16	0,28	2,55	215.292
Input incentives	Stock grant	445.000	€0,8	x	€1,03	x	x	x
Reserve IFRS2			€3,4					

Disclosure of audit fees and non-audit services

As established by art. 149 - duodecies of the Issuers Regulation adopted by Consob by Resolution No. 11971/1999 shows the prospectus containing the fees for the year, for the services provided to the Equita Group by the auditing firm and the other entities belonging to the audit firm's network for the different services provided:

Type of services	Equita Group	Subsidiaries
Statutory audit	33.000	23.400
Attestation services	15.000	66.000
TOTAL	**48.000**	**89.400**

Fees excluding expenses reimbursements for the year, VAT and Consob Supervision fees

It should be noted that the attestation services include auditing the Group's Tax Returns. The EY S.p.A. Company will carry out these activities, related to the fiscal year 2023, during 2024.

Public disclosure

Equita Group uses its website www.equita.eu to make public the information provided in Part Six of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms.

p. the Board of Directors
the CEO
Andrea Vismara

Milan, 14 March 2024