Annual Report as of 31 December 2022

Courtesy translation

Table of contents

3 Consolidated Financial Statements

4 Annexes to the Consolidated Financial Statements

5 Stand-alone financial statements

Picture: Fontana di Trevi, Rome

1

Introduction to Equita

Equita at a Glance

Letter of the Chairman and the Chief Executive Officer

Picture: Sara Biglieri, Chairman, and Andrea Vismara, Chief Executive Officer

Dear Shareholders,

once again, this year, unexpected events created disruption and tensions at a global level. After the outbreak of the pandemic in 2020 and its persistent effects, in 2022 the uncontrolled variable was the conflict in Eastern Europe following the Russia's horrifying invasion of Ukraine and the ensuing global energy crisis. This was accompanied by the geopolitical tensions between the United States and China, a level of inflation not seen in decades and the raising of interest rates by central banks worldwide in an effort to contain the galloping inflation triggered by both the effects of the conflict and the pandemic.

There were, however, some positive developments: Italy proved to be stronger than other European countries with its GDP rising 3.9% in 2022 . Regulatory changes were also introduced in order to facilitate access to capital markets and, consequently, support the recovery, even though much still needs to be done to close the gap with other countries' financial markets, particularly the Anglo-Saxon ones.

Looking at Equita, after a very positive 2021 – which included performance fees and an above-average performance of the Directional Trading activities – we closed 2022 with Net Revenues of €87 million and Net Profits of more than €16 million. If we compare these results with those of many international competitors, our performance was more resilient thanks to a strong market positioning and despite the particularly challenging environment. Revenues linked to business with clients reached €83 million (+5%), consistent with the Group's growth strategy and testimony to the effectiveness of the management's willingness to continue to diversify the offering and strengthen the team of professionals.

The Global Markets business confirmed the role of Equita as the leading independent broker in Italy, at the top of international rankings and with significant market share in third party brokerage of stocks (8%), bonds (9%) and cash equity options (9%), as well as strong growth in derivatives, certificates and ETFs.

The Research Team continued to play a strategic role for all the Group's divisions by supporting investors' decisions with unbiased insights on markets and in-depth analyses of listed companies, especially on mid-small caps, while also expanding the coverage of international stocks and bonds and including ESG analysis in its research reports. Research which – like Global Markets – was confirmed at the top of Institutional Investor's rankings for the quality of the reports and the expertise of its analysts.

The Investment Banking recorded its best performance since the IPO thanks to the good performance of M&A Advisory activities and mainly driven by the sizeable contribution of Equita K Finance – which more than offset the lack of capital markets' transactions in Italy. This result demonstrates the strong positioning reached by the team in the domestic market and the Equita's proven resilience, even in difficult environments and thanks to an increasingly more diversified offer. The strategy to expand our domestic presence – working on partnerships like the one announced with Adacta Advisory to develop corporate finance activities in the Triveneto region – and strengthen our senior management team with new hirings in some strategic sectors – like Industrial, Consumer and Financial Institutions Group (FIG) – calls for considerable investments which has allowed Equita to lay the foundation to achieve significant growth in the coming years.

The Alternative Asset Management further increased its alternative assets under management thanks to the fund raising of new products like Equita Private Debt Fund II (which closed at €237 million, higher than the €200 million target announced). The team also continued the deployment of capital: Equita Smart Capital – ELTIF, the first alternative private equity PIR managed by Equita and focused on Italian SMEs, completed its first two investments and Equita Private Debt Fund II added five investments to its portfolio bringing the capital invested to around 70% of the fund's total commitments. The private debt team, shortlisted as finalist of the PDI Awards 2022 in the "Lower Mid-Market Lender" category in Europe, announced its intention to launch a third fund with a fund-raising target higher than the two previous ones.

The Group confirmed – once again – its disciplined approach to costs which resulted in a cost/income ratio of 71%, better than the historic average recorded since the IPO in 2017 and despite an increase in the compensation/revenues ratio linked to the expansion of the senior team to support future growth. Looking at capital strength, the Group recorded an IFR ratio which is five times higher than the minimum regulatory requirement.

All of this made it possible to confirm the 2020-2022 business plan targets – which were already exceeded one year in advance in 2021 – and allows us to confirm our goals in terms of shareholder returns, proposing a dividend of €0.35 per share, in line with the one approved for 2021 and which entails the distribution of only a small part of the earnings retained since the IPO. These financial resources provide greater visibility and stability to future dividends, consistent with the new Equita 2024 business plan which we boldly presented in April 2022 and which calls for more than €50 million to be distributed to shareholders over the three-year period 2022-2024. Shareholder remuneration, therefore, continues to be crucial. The launch of a buyback program and the shareholders' approval in April 2022 of an incentive plan for management which includes a minimum target for Total Shareholders Return (TSR) of 40% over 2022-2024 and individual targets related to Equita 2024 business plan also move in this direction.

Our long-term strategy was also guided by a number of non-financial initiatives undertaken during the year. In February 2022 our managers signed new agreements to renew the Group's shareholders' pact and strengthen the concept of partnership which has always distinguished Equita. In May 2022 we opened our share capital to new strategic shareholders like entrepreneurs and families close to Equita, who became part of the Group with a non-controlling interest of 12% and who confirmed the Equita management as the largest shareholder.

We also confirmed our commitment to sustainability. We announced our willingness to reach carbon neutrality by 2024 and we were able to achieve it already in 2022. We also launched two new projects to strengthen the business with clients and our commitment to sustainability: the first relates to the creation of a sustainable finance team through which we can provide the multidisciplinary expertise of all our professionals and the Equita's track record in corporate finance transactions to investors, companies, entrepreneurs and institutional clients, providing new solutions and services dedicated to sustainability; the second relates to the establishment of Fondazione Equita, our no-profit organization which, just eight months after its formation, has supported more than 25 projects and has donated around €460,000 thanks to the contribution of all Group"s subsidiaries, their professionals and everyone who decided to support the foundation.

2023 is quite a difficult year to forecast: economists expect global recession, followed by a return to growth in 2024. However, as we have seen many times, expectations can prove to be inaccurate and Italy's ability to innovate, along with the entrepreneurs' desire to grow further, could hasten the recovery.

The year that lies ahead calls for the commitment of all the Group's professionals to some important goals: continue to remunerate shareholders as we have done since the IPO, strengthen Equita's leadership confirming the Group as the partner of choice for entrepreneurs, listed and private companies, institutional investors and financial institutions, continue to build the strategy announced in the three-year business plan Equita 2024, and further improve the wellbeing of our professionals and the commitment of Fondazione Equita.

Lastly, we point out that 2023 is a very important year for Equita because it is the year in which we will be commemorating the tenth anniversary of the Equita-Bocconi partnership through which we have long been committed to promoting the development of capital markets. 2023 is also the year in which we will be celebrating the tenth anniversary of our commitment to social initiatives and education of young students which has led us to grant a significant number of scholarships and enter into different partnerships with academic and non-academic institutions. And last, but not the least, 2023 marks the 50th anniversary of Equita, a success story begun in 1973 under the name of "Euromobiliare" and which, over the decades, has impacted the Italian economy through its ability to innovate the world of finance. If you look at the Italian panorama, half a century of history is truly a remarkable milestone for an investment bank. It should, therefore, be celebrated properly, with all the people, professionals, partners, clients and institutions who have been close to Equita over the years and who will be part of new successes in the future.

Sara Biglieri, Chairman
Andrea Vismara, Chief Executive Officer

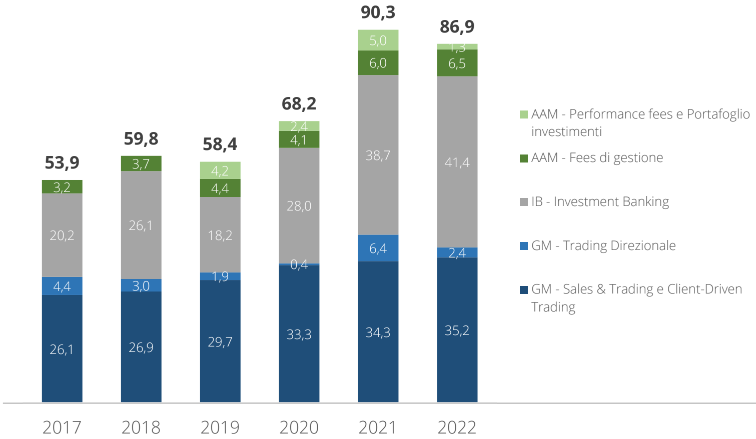
50
YEARS
OF INDEPENDENT
THINKING

Equita since its IPO

Since 2017 the Group has significantly diversified the breakdown of its revenues, growing by an average of 10% each year (CAGR '17-'22), both organically and through M&A. Our cost disciplined approach on costs, confirmed by a Compensation/Revenue ratio between 45% and 50% and a Cost/Income ratio below 70% on average, has allowed the Group to consistently record profitable performances and reward shareholders with compelling returns. A Group with an ever-growing 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.

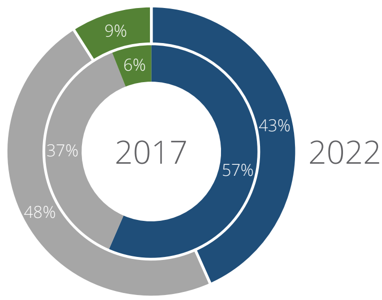
Net Revenues by business area

(€ million)



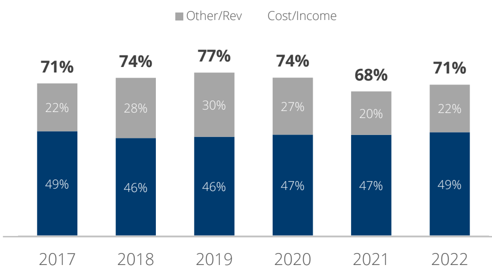
Net Revenues Breakdown

(% on Consolidated Net Revenues)



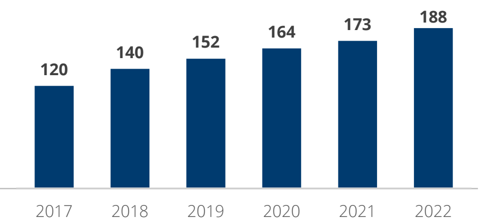
Evolution on costs

(% on Consolidated Net Revenues) [1]



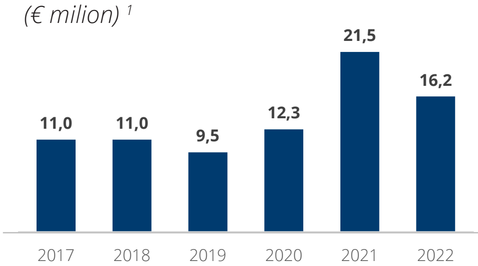
Number of Professionals

(Year-end)



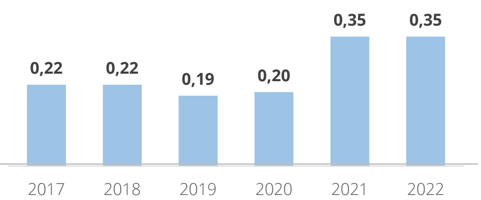
Net Profits

(€ milion) [1]



Dividend per share

(dividend cashed-out the following year)



(1) Excluding any impact arising from the monetization of incentive plans for senior management

2022 at glance

Financial results for the year

	'22 vs '21	CAGR '17-22
Net Revenues to clients **€83.1m**	**+5%**	**+11%**
Net Revenues **€86.9m**	**(4%)**	**+10%**
Compensation/Revenues ratio **48.6%**		
Cost/Income ratio **70.9%**		
Profits before taxes **€25.3**	**(13%)**	**+10%**
Net Profits **€16.2m**	**(25%)**	**+8%**
Dividend per share **€0.35**	**n.v.**	**+12%**
Employees at year-end **188**	**+9%**	**+9%**

Return on Tangible Equity **29%**

IFR ratio **5x**

Key Facts

Feb'22 EQUITA announces the go-live of Equitalab.eu, the website dedicated to applied research and policy impact to foster capital markets and developed in partnership with Bocconi University.

The management team signs a new shareholders' agreement and strengthens the concept of partnership that has always distinguished the Group

Mar'22 EQUITA announces the willingness to propose to the coming Annual General Meeting the approval of two new incentive plans based on financial instruments in response to the new regulation relating to incentives, with the aim of further aligning the interests of shareholders and professionals. One of the two plans is addressed to Group's Top Management and includes total shareholder return targets and individual targets linked to the business plan EQUITA 2024.

Apr'22 The Annual General Meeting approves all the proposals, including the distribution of a dividend of €0.35 per share and the new incentive plans.

EQUITA adheres to Spectrum Markets, the pan-European trading venue for securitized derivatives, to provide institutional clients and banking networks access to certificates traded on this market.

Note: (1) Excluding any impact arising from the monetization of incentive plans for senior management. (2) IFR ratio five times the minimum requirement

May'22 New shareholders enter in the share capital with a minority stake: a group of families, entrepreneurs and institutions acquire 12% of the share capital.

EQUITA and Bocconi celebrate the ninth year of their partnership with their flagship symposium, this year focused on NRRP, financial markets and the recovery of the Italian economy.

EQUITA awards the best strategies on capital markets: Ariston Holding, Defense Tech, Aeroporti di Roma and Italian Wine Brands win the ninth edition of the Premio EQUITA.

EQUITA announces the establishment of Fondazione Equita, a non-profit organization focused on fostering talent, supporting local communities, promoting financial education, and spreading art and culture.

Jun'22 EQUITA announces a new team dedicated to sustainable finance, with the aim of assisting investors, corporates, entrepreneurs and institutional clients with new, tailor-made solutions and services dedicated to sustainability.

Jul'22 EQUITA launches the first tranche of the buyback program for up to a maximum of 300,000 shares.

EQUITA signs a partnership with Adacta Advisory, a consulting company that works close to entrepreneurs and management teams active in the Triveneto area (northeast Italy), to develop corporate finance activities in that region.

EQUITA Smart Capital ELTIF closes its first investment and invests with a minority stake in Clonit, a company active in the development of molecular diagnostics.

Aug'22 EQUITA final closes the fund raising of EQUITA Private Debt Fund II at €237 million and completes two additional investments.

The Shareholders' Agreement signed in February 2022 by 28 managers enters into effect.

Sep'22 EQUITA Smart Capital ELTIF closes a second investment by acquiring 60% stake in Rattiinox, a company active in the processing of stainless steel and the design, manufacture and distribution of valves for pharmaceutical, chemical and food processing plants.

New shareholders adhere to the Group Shareholders' Agreement, enlarging the partnership to other managers.

Oct'22 EQUITA's Investment Banking division strengthens its FIG advisory team with the hire of Alessandro Fustinoni as Managing Director.

Nov'22 EQUITA receives two prizes at the Financecommunity Awards ceremony: Carlo Andrea Volpe, Co-Head of Investment Banking, is named Corporate Finance Advisor of the year and the Global Financing team is awarded as best ECM team of the year.

Dec'22 EQUITA's Investment Banking division grows further by strengthening its Industrial advisory team with the hire of Edoardo Schiavina as Managing Director.

EQUITA and Accademia di Belle Arti di Brera host an exhibition at the Museo della Permanente and award students of the academy with the Premio EQUITA per Brera.

Fondazione EQUITA announces to have supported more than 25 projects and initiatives during its first year of activity.

The Group

Equita is the leading Italian independent investment bank and one of the first alternative asset management platforms in Italy. With its activities, Equita supports – both Italian and foreign – listed, and private firms, financial institutions, private equity funds and institutional investors.

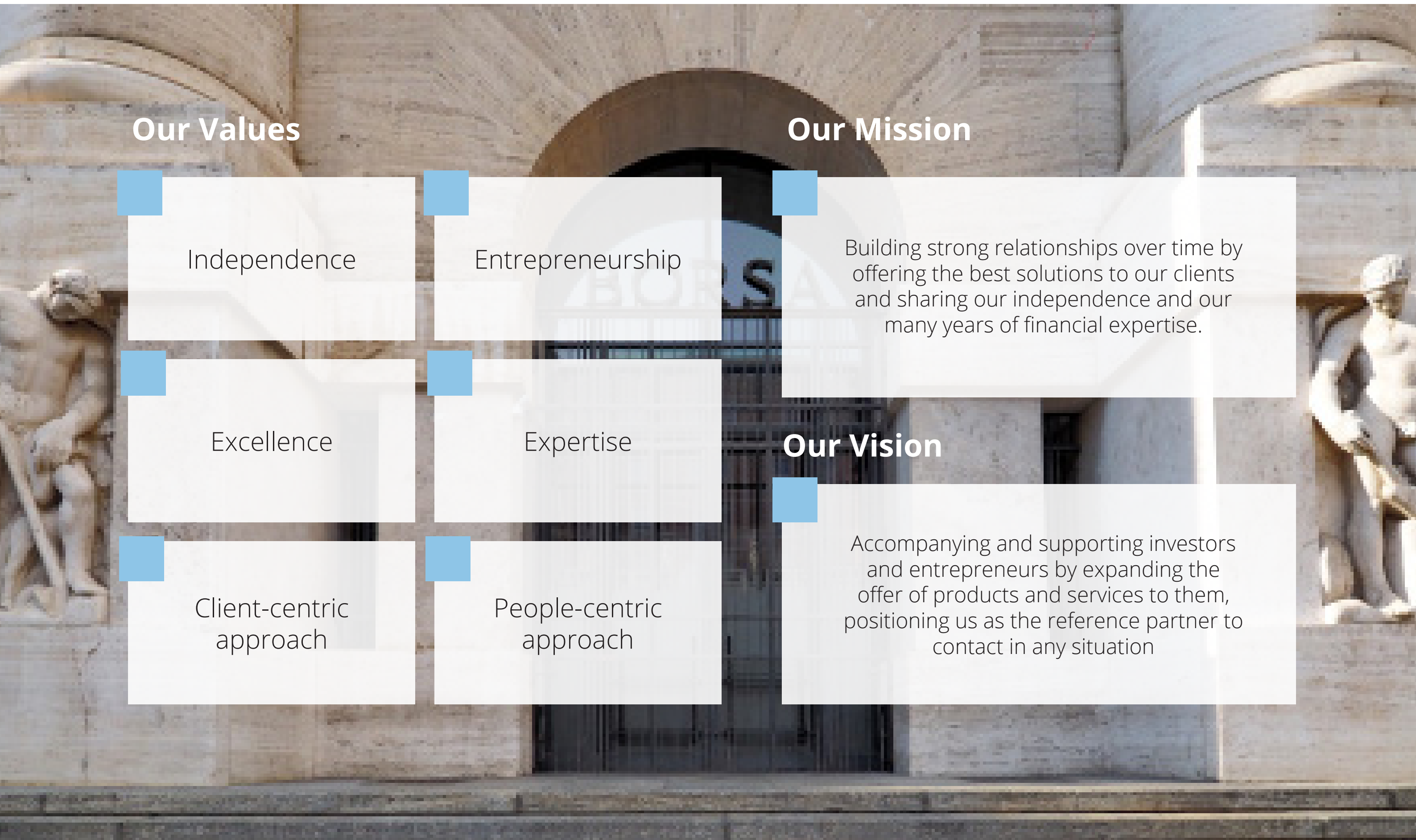
Founded in 1973, Equita offers a wide range of services and products which include financial advisory in mergers and acquisitions operations (M&A), equity issues (ECM) and debit issues (DCM) on capital markets, debt restructuring, brokerage on behalf of clients (Sales & Trading) and owned (?), equity and debt research, corporate broking activities, private debt and equity funds management, solutions for portfolio management.

Equita stands out from its competitors for independence, integrity and expertise, for its client-driven approach, and for its ability to offer the best solutions even in complex transactions.

Equita is also recognized on the market by its ability to access capital markets, for its network of investors, financial sponsors and companies, and for the strong commitment of its management team, which represents the Group's primary shareholder.

The Group is listed on the STAR Segment of Euronext Milan with the token "EQUI:MI".

"We are the partners of investors, financial institutions, larger groups and companies that would like to invest in Italy and implement their growth strategies with corporate finance. We offer independence, flexibility, and expertise and ensure our clients the best solutions."



Our Values

Independence

Entrepreneurship

Excellence

Expertise

Client-centric approach

People-centric approach

Our Mission

Building strong relationships over time by offering the best solutions to our clients and sharing our independence and our many years of financial expertise.

Our Vision

Accompanying and supporting investors and entrepreneurs by expanding the offer of products and services to them, positioning us as the reference partner to contact in any situation

Our priorities

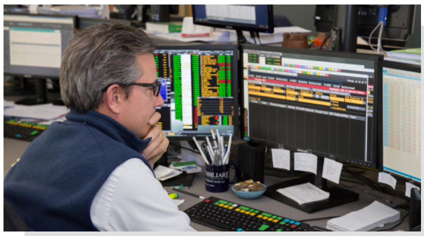
A constant commitment to our stakeholders

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 the best solutions possible

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.

Our history

Long tradition of independent investment banking in Italy

1973

Euromobiliare is incorporated and becomes one of the first Italian private merchant banks, active in capital markets and investment banking

1982

Euromobiliare is listed on the Italian Stock Exchange

Partnership with financial investor

2007

Top management completes a management buyout, supported by the private equity fund J.C. Flowers & Co and Mid Industry Capital, and acquires control of Euromobiliare SIM

2008

Euromobiliare SIM launches its rebranding and becomes Equita SIM

Partnerships with commercial banks

1988

Midland Bank Plc, banking group subsequently incorporated into HSBC, acquires control of Euromobiliare

1991

Following the entry into force of Law No. 1/1991, Euromobiliare constitutes Euromobiliare SIM

1994

Credito Emiliano acquires control of Euromobiliare SIM and, with a reverse merger transaction, it is subsequently listed on the Milan Stock Exchange

The return to the origins with the partnership between managers and the Stock Exchange listing

2015

The Management of Equita SIM and Alessandro Profumo acquire a majority stake of 50.5% in J.C. Flowers & Co.

2017

The Equita Group, the parent company of Equita, was founded and subsequently admitted to AIM Italia on 21 November 2017 (first trading day on 23 November 2017)

2018

Equita SIM completes its first growth transaction by external lines by acquiring from Nexi the business branch of brokerage & primary markets and market making activities.

The parent company Equita Group receives the qualification of STAR issuer and is admitted to listing on the main list of Borsa Italiana on 19 October 2018 (first trading day on 23 October 2018)

50 years of investment banking

2023

50 years of Equita, an important milestone for an investment bank that since its establishment has had the goal of supporting institutional investors, listed and non-listed companies, entrepreneurs and financial institutions, with its independence, expertise and commitment

An investment bank increasingly diversified and growing

2019

Equita Capital SGR, management platform with a focus on alternative assets and supporting institutional investors and financial institutions, is established

2020

The Group completes a new M&A transaction by acquiring 70% of K Finance, Italy's leading independent financial advisory company specialised in M&A Advisory, which is subsequently renamed Equita K Finance

2022

After reaching the objectives of the 2020-2022 strategic plan a year in advance, the management announces a new three-year business plan with financial and sustainability targets to 2024.

The management renews the shareholder's pact with a new shareholders' agreement and confirms itself as the Group's leading shareholder, even after the entry of households, entrepreneurs and financial institutions into the share capital with a minority stake of about 12

The Corporate Structure

The Group has a straight corporate structure which allows the business to be carried out efficiently and avoiding conflicts of interest, thus maximizing results.

The legal entities of the Group

Equita Group S.p.A.

100% Equita SIM S.p.A.
Global Markets / Investment Banking (Global Financing, Advisory) / Ricerca

100% Equita Capital SGR S.p.A.
Alternative Asset Management

70% Equita K Finance S.r.l.
Investment Banking (Advisory)

100% Equita Investimenti S.p.A.

Equita Group

EQUITA Group is the holding company of the Group and it is listed on the Italian Stock Exchange. The Company was admitted on the AIM Italia market in 2017 (today Euronext Growth Milan) and one year later moved to the STAR segment of Borsa Italiana main market (today Euronext Milan).

Equita SIM

EQUITA SIM is the Group's securities brokerage house and historically accounted for a large part of the Group's Net Revenues and operations. As a brokerage house, EQUITA SIM has always stood out for its sales and trading business, its investment banking activities and its research on both equity as well as fixed income instruments.

Equita Capital SGR

EQUITA Capital SGR is the Group's platform launched in 2019 to offer institutional investors and banks looking for highly personalized solutions for their retail clientele, asset management services, with a tilt on alternative and illiquid assets.

Equita K Finance

EQUITA K Finance, with more than 20 years of experience in M&A and one of the founding partners of Clairfield International (global partnership of M&A boutiques with offices in more than 20 countries), joined the Group in 2020 and is now 70% controlled by Equita Group. The company has a solid track-record in M&A and corporate finance transactions involving entrepreneurs, corporates and private equity funds.

Note: Group structure as of the date of approval of this report (March 16, 2023)

Corporate Governance

Board of Directors

Non-Executive Chairman	Biglieri Sara
Chief Executive Officer	Vismara Andrea
Executive Director	Perilli Francesco
Independent Director	Colonna Paolo
Independent Director	Demartini Silvia
Independent Director	Perrelli Marzio
Independent Director	Zeme Michela

Board of Statutory Auditors

Chairman	Fondi Franco
Statutory Auditor	Acquadro Laura
Statutory Auditor	Redaelli Paolo
Alternate Auditor	Conso Andrea
Alternate Auditor	Salvetti Dora

Audit Company

KPMG S.p.A.

Control and Risk Committee

Chairman	Zeme Michela
Committee Member	Biglieri Sara
Committee Member	Demartini Silvia

Remuneration Committee

Chairman	Colonna Paolo
Committee Member	Zeme Michela
Committee Member	Demartini Silvia

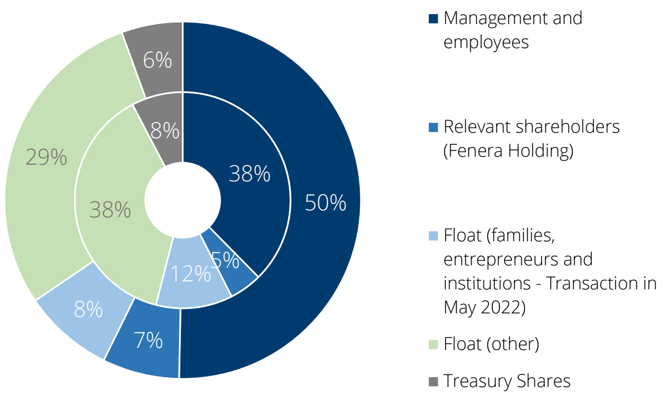
Related-Party Committee

Chairman	Demartini Silvia
Committee Member	Colonna Paolo
Committee Member	Perrelli Marzio

Shareholder Base

A partnership of managers and professionals, listed on the market

The Group is listed on the STAR segment of Euronext Milan – the segment dedicated to mid-size companies committed to complying with strict standards of excellence in terms of transparency, disclosures, liquidity, and corporate governance. The shareholders' structure includes Group's managers and employees who own 38% of the share capital and 51% of the voting rights. The company also holds treasury shares (8% of the share capital, 6% of the voting rights) and relevant shareholders include Fenera Holding (5% of the share capital, 7% of the voting rights). The market float accounts for 50% of the share capital (37% of the voting rights), and also includes few families, entrepreneurs and institutions which in May 2022 acquired a minority stake (12% of the share capital, 8% of the voting rights).



Note: as of 16 March 2023.

Increased voting rights

All EQUITA shareholders 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.

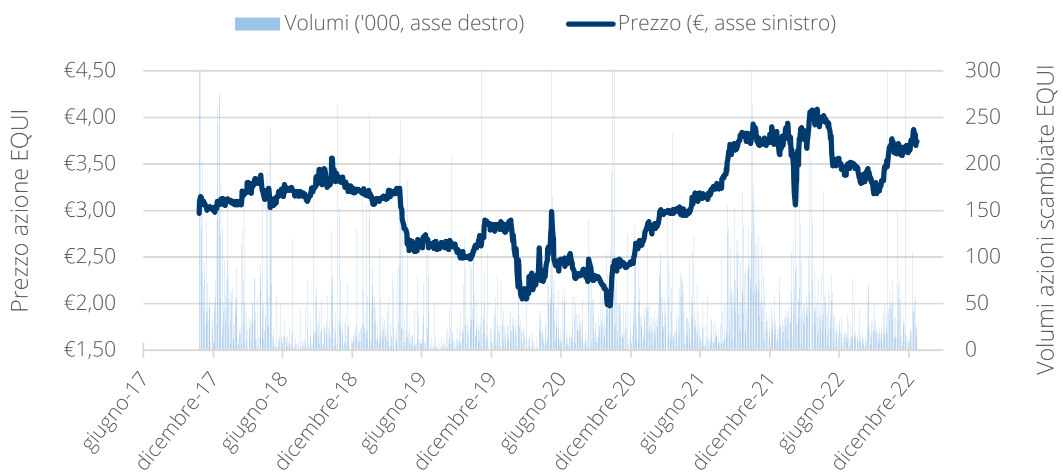
Equita on Euronext Milan, STAR segment

Key statistics

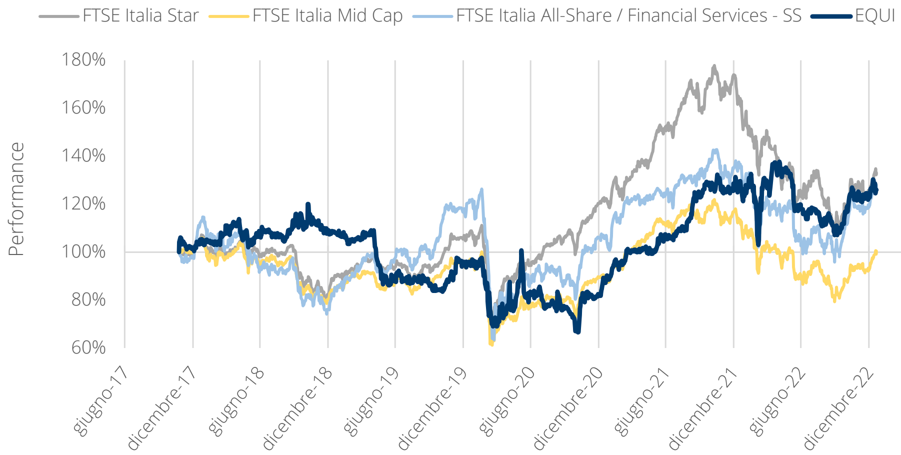
Key information on the title

	2017	2018	2019	2020	2021	2022
Market Cap (€m, year-end)	151	162	143	122	192	185
Price per share (€)						
Last (year-end)	3,02	3,24	2,85	2,43	3,82	3,64
Average (year)	3,06	3,21	2,83	2,42	3,23	3,62
Min (year)	2,97	2,98	2,48	1,98	2,43	3,06
Max (year)	3,15	3,57	3,24	2,99	3,93	4,09
N° of shares (in millions, at year-end)						
Total	50,0	50,0	50,0	50,0	50,2	50,9
of which Outstanding	*45,3*	*45,5*	*45,5*	*45,9*	*46,2*	*47,0*
of which Treasury Shares	*4,7*	*4,5*	*4,5*	*4,1*	*4,1*	*3,9*

Stock performance and volumes (November 23, 2017 - December 31, 2022)



Relative performance
(November 23, 2017 - December 31, 2022)



Returns since IPO	EQU:MI	FTSE Italia STAR	FTSE Italia MidCap	FTSE Italia Financial Services
Since IPO to 31 Dec 2022				
Price return	+26%	+25%	(8%)	+19%
Total Shareholders Return	+67%	+36%	+3%	+40%
Since IPO to 10 Mar 2023				
Price return	+31%	+32%	+3%	+28%
Total Shareholders Return	+71%	+43%	+14%	+49%

Information on dividends

	2017	2018	2019	2020	2021	2022
Dividend per share (€)	0,22	0,22	0,19	0,20	0,35	0,35
Total dividend (€m)	10,0	10,0	8,6	9,2	16,5	17,0
Retained earnings / (distribution of earnings from previous years) (€m)	1,0	2,0	0,9	3,1	5,0	(1,3)
Retained earnings since IPO (cumulated, €m)	1,0	3,0	3,9	7,0	12,0	10,7

For fiscal year 2022: (1) Dividend proposal, subject to Shareholders' Meeting approva

Global Markets (GM)

"We are the largest independent broker in Italy. We share with clients our knowledge and long-standing experience, working alongside them on their everyday operations on the markets. We provide them with access to the main instruments and global financial markets, as well as an unmatched client base"

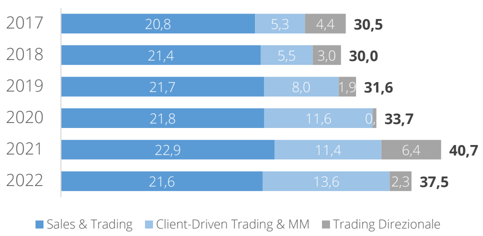
EQUITA benefits from the largest independent sales force in Italy, with highly experienced professionals capable of managing relationships with more than 400 institutional clients and more than 80 interconnected banks with a network of around 5,000 branches.

The team, constantly in touch with the main domestic and international institutional investors, carries out third party brokerage and proprietary trading activities on behalf of clients, and focuses on providing investors with access to the main financial instruments and global markets.

The Team also carries out Directional Trading activities, keeping a risk level consistent with the Group's prudent capital management.

Breakdown of Revenues

(€ milion)



Team

Institutional Sales (Sales & Trading)

Retail Hub (Sales & Trading)

Desk Proprietà (Client-Driven Trading, Market Making, Trading Direzionale)

Key Activities

Third-party stock brokerage and proprietary trading

Special situations, investment analysis and ideas, risk arbitrage

Market making & specialist activities

Financial Instruments

Equity, Fixed Income, ETF, derivatives, certificates...

Divisional highlights

- Leading independent broker in Italy with a market share of 8% in the third-party brokerage of equities, bonds, and equity options in Italy
- Full range of financial instruments offered to investors (shares, bonds. ETFs, derivatives, certificates...) along with access to the main global exchanges
- Top independent broker in Italy in "Trading Execution" and "Sales Trading" segments, and second in the overall ranking (Institutional Investor)
- A new Fixed income desk which, in just a few years, has established itself as the partner-of-choice in the placement and brokerage of bond instruments, providing important liquidity services to several financial institutions.
- +500 institutional clients and +70 interconnected banks with a network of more than 5,000 branches
- +900,000 IDEM contracts brokered on proprietary books and listing of +1,400 instruments on behalf of financial institutions.

Key People

Vincenzo Abbagnano
Co-Head Global Markets

Cristiano Rho
Co-Head Global Markets

Fabio Arcari
Head of Sales & Trading

Sergio Martucci
Head Proprietary Trading

Claudio Belotti
Co-Head Retail Hub

Simona Pozzi
Co-Head Retail Hub

40+ professionals

Investment Banking (IB)

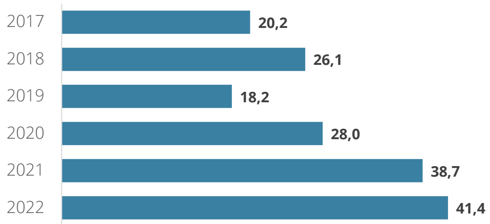
The team is the partner of choice for corporates, financial institutions and financial sponsors when corporate finance transactions are involved like capital raising solutions, business combinations and M&A activities.

Our independent approach, guaranteed by the lack of lending activities or sizeable equity investments in assisted companies, combined with the leadership of the EQUITA's trading floor and the Research team, allow us to successfully assist clients, in all sectors and with any strategic needs.

"The only independent one-stop-shop in Italy, capable of combining a complete range of investment banking services with access to capital markets guaranteed by the largest independent trading floor in Italy. We work alongside listed companies, entrepreneurs, large groups and financial institutions, looking to raise new capital on markets and who need independent, 360-degree strategic advice"

Breakdown of Revenues

(€ milion)



Team

Advisory (Corporate M&A, Mid-market M&A, Financial Institions Group)

Global Financing (Equity Capital Markets, Debt Capital Markets, Debt Advisory, Corporate Broking)

Key Activities

Public and private mergers and acquisitions (buy-side and sell-side advisor), issuing fairness opinions and supporting the Board of Directors of listed companies, advisory in strategic finance and add-on transactions, etc.

IPOs and listings on regulated and growth markets, capital increases, public tender and exchange offers...

Bond issues (recurring and non), ESG issues (green bonds, sustainability-linked bonds...), debt restructuring, debt advisory...

Divisional highlights

» A team with a multidisciplinary expertise, consistently involved in Italy's most important corporate finance transactions and capable of supporting all types of clients, from entrepreneurs to large industrial groups to financial institutions and private equity funds

» #1 Cash Equity Franchise, in terms of both the number of deals and volume in 2021 and always the benchmark in Italian Equity Capital Markets for both investors and corporates

» Top 10 advisor among the non-banking financial players in the issue of high-yield and not-rated corporate bonds

» Top 10 M&A advisor in Italy by volume and deal counts, with a unique mix of Public M&A and Mid-market M&A, as well as sell-side and buy-side mandates

» Clairfield International's exclusive partner for Italy, providing access to Mid-market M&A deals worldwide

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

55+ professionals

Alternative Asset Management (AAM)

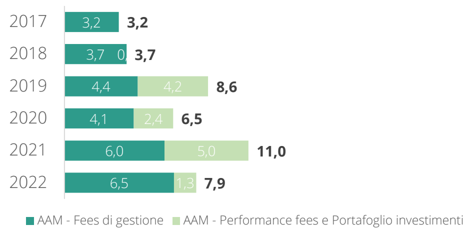
"The only multi-asset platform in Italy which benefits from the contribution and expertise of a solid group like EQUITA. We help investors with their alternative investment solutions and provide entrepreneurs with the capital and managerial expertise needed to support their development strategies."

Through EQUITA Capital SGR, the Group manages different investment funds and discretionary portfolios (portfolio management), private capital funds like AIF funds (private debt) and ELTIF funds (private equity) on its own and on behalf of clients.

Regardless of the asset class, EQUITA's main goal is to co-develop new products with banks, financial institutions and private banking networks, to help them satisfy retail clients' needs with niche products, by leveraging on the Group's many years of expertise in financial markets.

Breakdown Revenues

(€ milion)



Team

Portfolio Management (gestioni in delega, servizi di advisory...)

Private Debt

Private Equity

Main funds managed

Equita Private Debt Fund I

Equita Private Debt Fund II

Equita Smart Capital - ELTIF

Euromobiliare Equity Mid Small Caps

Euromobiliare Equity Selected Dividend

Divisional highlights

- The Italian alternative asset manager which benefits from the significant synergies deriving from the Group's other areas of expertise and benefitting from a top tier investor base, solid credentials in fund raising for new products and strong performance generation
- A management team of 15+ professionals with multidisciplinary skills
- +€1 billion assets, with 8 alternative investment products including discretionary products, advisory, flexible funds, private debt funds and an ELTIF private equity fund
- +15 private capital investments completed in the last 5 years
- Awarded as private debt team of the year in 2021 by Financecommunity and best LBO transaction by AIFI and Deloitte for the second year in a row in 2022

Key People

Matteo Ghilotti
CEO Equita Capital SGR,
Head of Portfolio Management

Paolo Pendenza
Co-Head AAM, Head of Private Debt

Stefano Lustig
Managing Partner Equita Capital SGR

Rossano Rufini
Head of Private Equity

15+ professionals

Research (RT)

"A team internationally renowned for the quality of its research and the abilities of its analysts. We support the decisions of institutional investors with unbiased market insights and in-depth analyses of listed companies, with a unique focus on mid and small caps"

The team, which has been recognized as one of the best teams in Italy for years, stands out on the market for the number of listed companies covered, the quality of its research and the focus on mid and small caps.

The team covers a large number of Italian companies, representing 96%+ of the Italian total market capitalisation. Analysts do also cover securities listed on European and international markets, selected on the basis of what are the views of the analysts and considering which themes are attractive for investors.

The information provided to institutional investors is not limited to research reports linked to major corporate events, but includes other publications such as daily updates published before the market opens (Good Morning Equity Notes), monthly studies summarizing the main trends in the Italian and European stock market (Monthly Report), and sector studies or focused on specific topics of current interest and impact on the markets (Basic Report and Special Report).

Expertise

Equity research of Italian and European companies

Fixed Income research

Generalist and sector conferences

Mid & Small Caps

Sectors of excellence

Industrial e diversified industrial, Consumer, Infrastructure, Financials, Energy, Utilities e Renewables, Fashion e Luxury, Oil & Gas, Healthcare, Technologies, Real estate, TMT & Media

Divisional highlights

» A team of analysts renowned on the market for the quality of its research, in-depth coverage and focus on mid-small caps

» At the top of international rankings, first in Institutional Investor's survey "Best Research Team on Small & Mid-Caps: Italy" and second in the "Best Country Analysis: Italy" category

» +15 expert analysts with a high degree of seniority at EQUITA

» +155 listed companies covered by the team, of which +120 Italian (or 96% of the Italian stock market's total market cap) and +35 European

» +600 reports published every year

Key People

Luigi De Bellis
Co-Head Research Team

Domenico Ghilotti
Co-Head Research Team

15+ Professionals

Operations, Staff and Control Functions

The Group also boasts excellent professionals in all areas, including the ones not entailing front-office. Among the main teams that support the business we find the Back Office with its settlement operations and the IT Department that guarantees cutting-edge solutions and innovation, as well as timely assistance to 360 degrees from a technological standpoint.

The Finance Department, the Human Resources team, the Control Functions (Compliance & AML, Internal Audit, Risk Management) and the Legal and Corporate Affairs Departments, Tax, Investor Relations, Marketing and Communication teams complete the structure.

Key People

Stefania Milanesi
CFO & COO

60+ professionals

Awards

Institutional Investor

in 2022 Equita confirmed its leading position at the top of Institutional Investor rankings for its research, as well as its sales, trading & execution and corporate access activities. EQUITA came in second in the "Overall Broker – Italy" (Weighted by commissions) ranking but first in terms of number of votes received by investors. 76% of the votes casted by investors were excellent (score of 5 out of 5) and 90% were at the higher end of the range (score of 4 or 5 out of a maximum of 5).

FINANCECOMMUNITY AWARDS

During the Financecommunity Awards 2022, EQUITA was awarded as the best ECM team in the ECM - Euronext Growth Milan category for having arranged numerous transactions on the growth market and Carlo Andrea Volpe (EQUITA's Co-Head of Investment Banking) was awarded best professional of the year in the Corporate Finance category. An impressive amount of 17 professionals and 19 teams from Equita were nominated as finalists in the different categories of the Financecommunity Awards.

BANKING AWARDS 2022 MF MILANO FINANZA

EQUITA was named as best SIM in Italy and awarded with the Guido Carli Prize at the MF Banking Awards 2022. The prize recognizes each year the financial institutions and banks which stand out for sustainability, innovation, and best practices in the market.

Market leadership positioning

Global Markets	Institutional Investor Italy | Overall Broker Ranking (2022)	Institutional Investor Italy | Sales & Trading (2022)	Institutional Investor Italy | Trading & Execution (2022)
Research Team	Institutional Investor Italy | Best Research Small & Mid Caps (2022)	Institutional Investor Italy | Best Reseach Team (2022)	
Investment Banking	FINANCECOMMUNITY ECM | Team of the Year (2022)	FINANCECOMMUNITY Corporate Finance | Professional of the year (2022)	FINANCECOMMUNITY Mid-Market M&A | Team of the Year (2020)
Alternative Asset Management	FINANCECOMMUNITY Private Debt | Team of the Year (2021, 2018)	AIFI Private Debt | Best LBO deal (2021, 2020)	

2

Report on Operations

Macroeconomic backdrop

2022 was characterized by geopolitical tensions, the energy crisis, inflation and problems with global supply chains. The rapid spread of COVID-19 in China slowed growth in 2022, but the recent reopening paved the way for a recovery which was quicker than expected. Global inflation is expected to drop from the 8.8% recorded in 2022 to 6.6% in 2023 and 4.3% in 2024. The sudden spike in food prices threatens to exacerbate social and political tensions in many developing countries.

On the financial front, the central banks raised interest rates. The Federal Reserve took the most aggressive stance immediately which caused the US dollar to strengthen against the Euro, bringing the exchange rate below parity.

With regard to Italy, the Meloni government achieved stability thanks to the support of an ample majority. Achieving all the targets linked to the National Recovery and Resilience Plans (NRRP) continues to be crucial. While this may be difficult, it is also doable as many of the targets are linked to performance contracts. The 10Y BTP-Bund spread is at manageable levels. GDP rose by almost 4% in 2022 and is expected to increase by 0.6% in 2023, to then rise further over the next two years thanks to an increase in exports and internal demand. Preliminary data for 2022 point to a significant reduction in the deficit and in the debt-to-GDP ratio. According to the official assessments, under the current legislative scenario, as a result of the budget law approved by Parliament in December the deficit will increase by 1.1 percentage points of GDP in 2023; the debt-to-GDP ratio will continue to decline, albeit at a slower pace. Last November, Italy received the second tranche of the Recovery and Resilience Facility funds, of €21 billion.

The stock markets closed higher at the end of June 2023 (Global Equities Index +6.5%, S&P500 +4.6%, Eurostoxx600 +6.5%, FTSEMIB +11%) driven mainly by the reopening of China, the slowdown in inflation and investors who priced in a less severe recession in the USA and slight growth in Europe in 2023. Since the beginning of the year bonds have also recorded an excellent performance.

Reclassified Income Statement

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

(€/000)	31/12/2022	31/12/2021	Delta %
Global Markets	**37.6**	**40.7**	**(8%)**
Sales & Trading	21.7	22.9	(5%)
Client Driven & Market Making	13.5	11.5	18%
Directional Trading	2.4	6.4	(62%)
Investment Banking	**41.4**	**38.7**	**7%**
Alternative Asset Management	**7.8**	**11.0**	**(28%)**
Net Revenues	**86.9**	**90.4**	**(4%)**
Cost of labour	(42.2)	(42.7)	(1%)
Other operating costs	(19.4)	(18.4)	5%
Total costs	(61.6	(61.2)	1%
Profit before tax	**25.3**	**29.2**	**(13%)**
Non-controlling interests	2.0	0.6	258%
Net Profit	16.2	21.5	(25%)
Monetization of incentive plans	(0.9)		N/A
Net profit – Parent Company (incl. LTIP)	**15.3**	**21.5**	**(29%)**

The Group closed FY 2022 with the Parent's portion at **€15,247,383** and proposes to distribute a total maximum dividend of **€17,000,065 (€0.35/share).**

The Economic Environment

Global Markets

Market backdop

The main macroeconomic factors that affected Global Markets are described below.

In 2022 the Italian financial markets were impacted by increased uncertainty and risk aversion. Stock prices fell as the war in Ukraine broke out; there was a partial recovery through the beginning of June when, in addition to the restrictive monetary policies announced by the FED and the ECB, a further decline in energy production and higher inflation caused prices to fall once more. In the third quarter strong market volatility continued, as did the decline in stock prices. The central banks maintained restrictive monetary policies aimed at slowing inflation until it reaches more acceptable levels.

Inflationary pressures, uncertainty as to how the Ukraine war will play out, weak trade in China and problems with the gas supply, therefore, weighed on market conditions globally. The price of Brent fell due to the widespread economic downturn.

The invasion of Ukraine and the ensuing conflict had an immediate and significant impact on global stock market prices which, however, eased as of mid-March due to a slight improvement in the expectations for corporate earnings.

Overall, the war accelerated the downturn in the world economic cycle and the rise in inflation.

In Italy, economic activity in the first three months of 2022 was slower than in 2021, hindered by sluggish consumption and the negative contribution of net foreign demand. Based on Bank of Italy's estimates, the slightly positive GDP growth recorded in the first three months of the year was stronger in the spring, driven by all the main sectors. The largest contribution came from services (transportation and tourism). Construction continued to benefit from favorable tax measures. In the second quarter, overall industrial production seemed ready to resume growth, but the high-frequency indicators point to a cyclical downturn in industrial activity in June. In the third quarter GDP fell slightly due to the increase in energy costs which weighed mainly on industrial production, with construction also showing signs of weakening.

In the last quarter economic activity weakened, also. There was, in fact, a slowdown in both the services sector and manufacturing. Household spending slowed despite measures to support disposable income in a high-inflation environment.

The dynamic described above caused the financial market conditions to deteriorate which also impacted financing costs for businesses and banks. More specifically, the higher funding costs were already being passed on to households. Banks tightened the credit supply for businesses even further which made it harder for both families and businesses to access credit.

In the first three quarters the quicker shift in US monetary policy caused the Euro to weaken considerably against the US dollar and reached parity mid-July. In the fourth quarter the strengthening of the US dollar against the main currencies slowed. Since mid-October the Euro has recovered about 11% against the dollar and is above parity.

Focus on the financial markets

An analysis of the Italian financial markets shows that in 2022 the performance was impacted by the following factors:

- persistent increase in inflation;
- tightening of financial conditions;
- worsening of geopolitical conditions.

As described above, stock prices were impacted negatively by both the interest rate hikes linked to monetary policy and the expectation of further increases. These same dynamics also caused an increase in government bond yields, particularly short-term.

In the last quarter of 2022, conditions of the financial markets improved overall. Through mid-December the expectation that the pace of rate hikes would slow and investors' greater appetite for risk fueled a drop in long-term government bond yields (below 4%) and the sovereign risk premium, while also giving a boost to stock prices. The inverted trend, however, proved to be temporary as during its December meeting the ECB announced a stance which was more restrictive than expected.

Mid-January the spread between the 10-year Italian and German bonds came to around 185 basis points, well below the highs reached in 2022.

In the second half, lenders benefitted from higher interest rates which boded well for improved profitability. This was reflected in an increase in the sector's stock prices.

For industrial firms, the increase in the cost of funding and the energy crisis had a negative impact on stock prices. From the beginning of the year the most penalized sectors have been Consumer Goods, Healthcare, Telecommunications and Technology, with a decline in the relative indices of more than 25%.

More specifically, **stock prices** fell drastically in February and March due to the tensions between Russia and Ukraine.

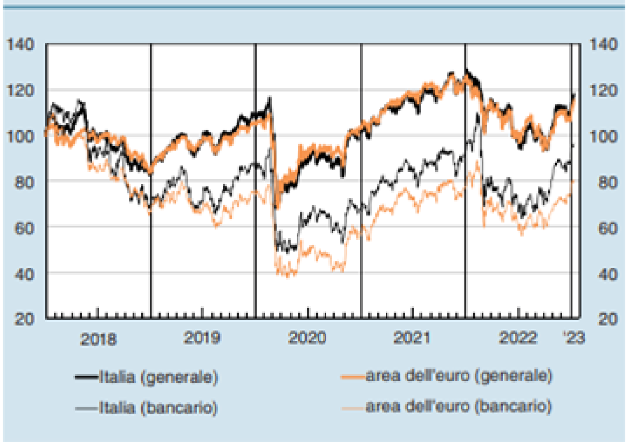
In the second quarter of 2022 stock prices took the biggest plunge with the main index going from 25,163 points at the beginning of April to 21,293 points at the end of June. It was, in fact, at this time that the geopolitical and economic consequences of the Ukraine crisis became clear. Volatility also stabilized gradually between 30% and 15%.

In the third quarter of 2022 volatility remained in a range of between 33% and 25.5%, while the index hovered around 21 thousand points and reached its low of 20,352 points on 29 September.

In the last quarter of the year the index rose considerably, above all when quarterly corporate earnings were announced. Between mid-October and mid-November, the index jumped by 4,000 points (from 20,466 on 12 October to 24,699 on 15 November) with volatility between 20% and 25%. The index closed the year at 23,706 points, down slightly by 13.3% with respect to the 2021 highs. The Italia Star index closed the year down by 28.3% while the PIR-PMI index fell 28% in the year. Volatility ended the year at around 17.3%, lower with respect to year-end 2021 (when it was 18.6%).

Italy's main stock market index was 13% lower than at year-end 2022 and share turnover rose 27% against 2021 to around €1,582 million.

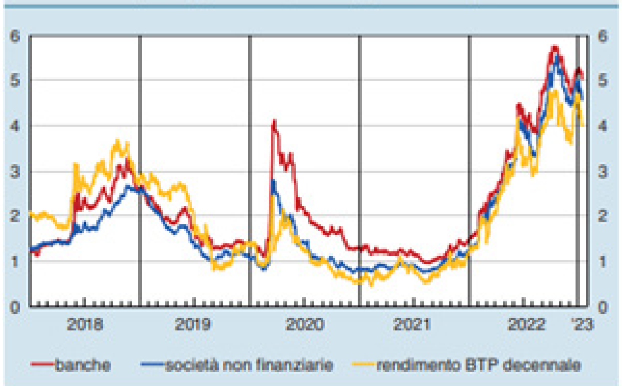
Corsi azionari (1)
(dati giornalieri; indici: 1° gennaio 2018=100)



Fonte: elaborazioni su dati Refinitiv.
(1) Indici generali e bancari: FTSE MIB per l'Italia, Dow Jones Euro STOXX per l'area dell'euro.

In the **primary market** the Euronext Growth Milan (formerly AIM) segment continued to grow. More specifically, 31 IPOs were completed in the year, 37% lower than in the prior year. The number of IPOS on the Euronext Milan (formerly the MTA) market was, again, limited (5 in total).

Rendimenti delle obbligazioni di banche e società non finanziarie italiane (1)
(dati giornalieri; valori percentuali)



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

Lastly, 2022 will also be remembered as the return of **bond yields**. Between January and March yields for bonds issued by banks and non-financial companies rose 100 bps. In April yields were up roughly 155 basis points and rose an additional152 bps in the third quarter

It wasn't until the period mid-October through the first half of December that medium/long-term rates began to fall which translated into a decrease in yields for bonds issued by banks and non-financial companies.

In 2022 the increase in yields caused a slowdown in the issue of new debt which resulted in a mismatch between new issues and repayments.

Market positioning

Based on the usual statistics compiled by Assosim, at year-end 2022 EQUITA and the Sales & Trading team's market share of third-party brokerage on the Euronext market reached 7.9% of the total volumes traded (versus 7.6% in the same period 2021), ranking it 4th among the other brokers and preceded only by banks.

EQUITA's market share of the bonds brokered (including on the DomesticMOT, EuroMOT and ExtraMOT segments) reached 8.61% compared to 8.34% in 2021. It's ranking in this segment, consequently, rose from 4th to 3rd, after two banks.

Economic Performance

All the Group's business lines contributed to the results, although the environment of generalized contraction made it harder to achieve these performances. The diversification of the business did, however, allow Global Markets to maintain high margins.

The net revenues for the Global Markets division, which includes Sales and Trading, Client Driven and Market-Making, and Directional Trading, amounted to €37.6 million in 2022, 8% lower than in 2021.

Sales & Trading

Third party brokerage – Sales & Trading – recorded a decrease in net revenues of 5% against 2021, closing the year at €21.7 million.

Despite the decrease in volumes seen in Italy due to the adverse market conditions, Institutional's performance was largely in line with the prior year thanks to cost discipline and the strategy to diversify the product/market mix.

In 2022 there was an increase in the bonds business, which was confirmed by the total volumes traded on the MOT, as well as the good performance of the ETF market.

Revenues for the Retail Hub were down 11% due to a decrease in the volumes traded. Beginning in the second half of the year, in fact, retail TOL investors gradually reduced their activity due to the macroeconomic uncertainties. The same trend in volumes was seen in the international markets.

Client-Driven & Market Making

The positive trend for Client Driven and Market Making products continued, thanks also to the increased appeal of products like ETFs, derivatives and bonds. Net revenues amounted to €9 million (€8.9 million in 2021).

Client Driven and Market Making recorded substantial growth against the prior year, posting net revenues of €13.5 million (+15%).

More in detail, the widening of the spreads increased the appeal of bond products considerably and fueled an increase in revenues of 79%.

Conversely, revenues for ETFs fell 36%.

In terms of listed instruments for which it acts as Specialist – liquidity provider, EQUITA quoted prices for approximately 660 bonds, 2,050 certificates and 20 equities listed on the MTA, AIM, MOT, SeDeX, EuroTLX, Vorvel and Bloomberg MTF markets.

EQUITA was also designated broker for 7 asset management companies (23 funds) on Borsa Italiana's ATFund market.

Directional Trading

Directional trading was impacted by sluggish financial markets, with a strong decline in all the indices and lower volumes. Investors maintained their wait-and-see attitude and there were, therefore, no marginal buyers.

The environment described led to a sharp decline in the results for EQUITA's directional portfolios. The hedging and special situation strategies, however, made it possible to maintain ground including in this difficult market environment. The comparison with 2021 is not meaningful as the markets were still pricing in the positive impact of the post-pandemic phase, while in 2022 the war in Ukraine, the relative sanctions and the possibility of a recession continued to cause markets to underperform with the exception of the period October-November during which profitability recovered marginally.

Directional Trading recorded net revenues of €2.4 million in 2022 versus €6.4 million in 2021. The decrease is explained by both the lower portfolio margins and the increase in funding costs attributable to the significant increase in the Euribor as of September 2022.

EQUITA's proprietary business includes the **results of the investment portfolio** constituted as of September 2022. Interest accrued at amortized cost amounted to roughly €0.7 million in December 2022.

As a result of the above, the division's net revenues totaled €16 million or 11% lower than in 2021.

Investment Banking

EQUITA is the largest Italian independent investment bank. The team, comprised of highly-qualified professionals, with proven track records and wide-ranging know-how offers a full range of services to businesses, institutional clients and investors.

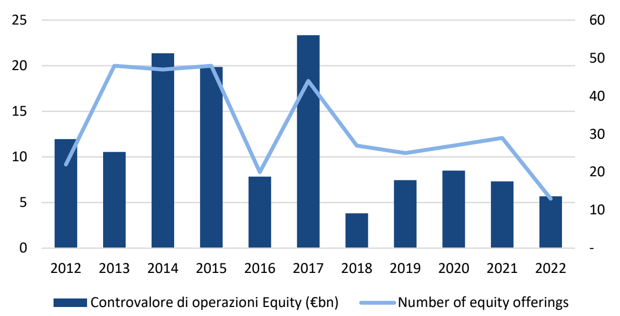
EQUITA's independence, explained by the absence of corporate lending positions and major shareholdings, as well as the leadership position in capital markets and a highly experienced Research Team, allow EQUITA to assist listed and privately held companies, in any sector, with any financial transaction. Over the years EQUITA has constantly increased the range of products offered, thanks also to the recruiting of a number of senior resources dedicated to new products and has improved its market positioning significantly. Today operations comprise four, highly synergic areas: Equity Capital Markets, Debt Capital Markets and Debt Advisory, M&A Advisory, Corporate Broking.

Market backdrop

In a global context which was impacted by the rising costs of energy and raw materials, as well as a complex geopolitical context and significantly higher interest rates, the M&A market demonstrated a certain resilience while the uncertain situation had a greater impact on capital markets which caused several companies to suspend or delay market transactions.

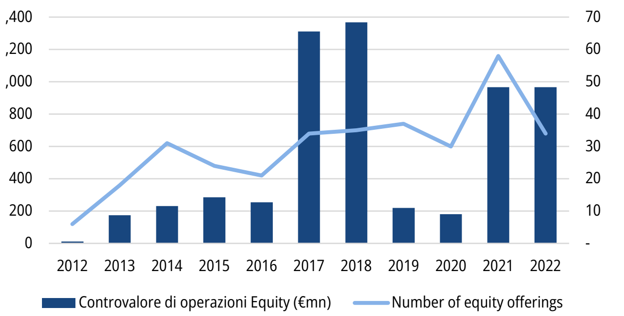
The Euronext Milan (EM) market saw a significant decrease in Equity Capital Market transactions which went from the €7.3 billion recorded in 2021 to €5.7 billion in 2022 due to the lack of IPOs and ABB transactions, while, overall, capital increases were higher. More specifically, the IPOs on the Euronext Milan market went from €1.6 billion in 2021 to €0.6 billion in 2022 and the ABB dropped from €1.9 billion in 2021 to €1.5 billion, while the capital increases rose from the €1.3 billion recorded in 2021 to €3.6 billion in 2022. In 2022 no convertible bond issues or Fully Marketed transactions, which in 2021 amounted to €2.5 billion, were completed on the Euronext Milan.

Amount and number of issues- EM



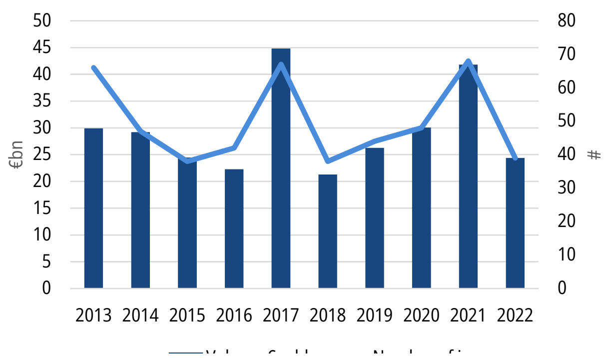
In 2022 the trend was similar on the Euronext Growth Milan (EGM) market. While the volume of the IPOs was largely stable (going from €0.8 billion in 2021 to around €0.9 billion in 2022, of which €0.7 billion relative to one IPO alone), the number fell noticeably from 44 transactions in 2021 to 26 in 2022.

Amount and number of issues- EGM



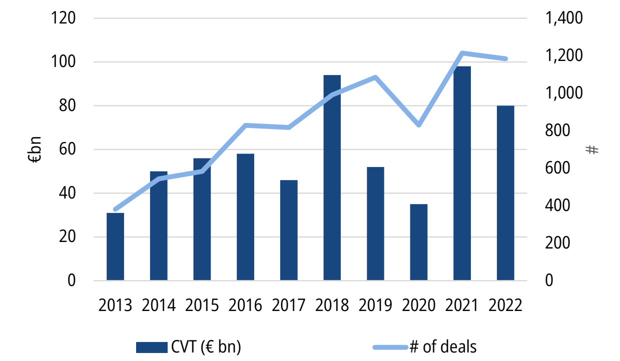
In 2022 the Debt Capital Markets posted a drop in corporate issues in terms of both volume, which went from €41.8 billion in 2021 to €24.4 billion in 2022, and the number of issues which reached 39 in 2022 versus 68 in 2021. The investment grade transactions – the largest segment at 81% of the total issues – were down by 32%.

Volume and number of Corporate Debt - Institutional Market



Despite the uncertainties of the global market and the geopolitical scenario, the Italian M&A market was noticeably resilient. In 2022 1,184 deals closed (vs 1,214 in 2021) for a total of around €80 billion (vs roughly €100 billion in 2021, of which €19.8 billion attributable to the Stellantis deal alone).

Amount and number of deals- Italian M&A Market



Economic Performance

EQUITA's Investment Banking division, including the contribution of the subsidiary EQUITA K Finance, recorded net revenues of €41.4 million in 2022, 7% higher than the €38.7 million recorded in 2021.

Revenues showed progressive quarterly growth, going from €6.7 million in the first quarter, to €17.7 million in the second quarter (including the Saiice transaction), €7.1 million in the third quarter, to then reach €9.9 million in the fourth quarter.

The results achieved by Investment Banking's different lines of business are described below.

Equity Capital Markets

With regard to Equity Capital Market transactions, in 2022 Equita acted as:

- Financial Advisor and Placement Agent for the IVS Group's €185 million capital increase,
- Sole Bookrunner for the Reverse Accelerated Bookbuild of Cattolica Assicurazioni shares for a total of €105 million;
- Sole Global Coordinator and Sole Bookrunner for Cy4Gate's €90 million capital increase;
- Placement Agent for Landi Renzo's €60 million capital increase;
- Placement Agent for Trevi Finanziaria Industriale's €51 million capital increase;Sole Bookrunner dell'Accelerated Bookbuilding avente ad oggetto azioni Interpump per un controvalore di € 20 milioni;

- Sole Bookrunner for the Accelerated Bookbuild of Interpump shares for a total of €20 million;
- Co-Listing Agent in the transition of Revo Insurance to the Euronext Milan market;
- designated broker for the collection of acceptances in the voluntary public tender offer for shares of AS Roma, Banca Agricola Popolare di Ragusa, Banca Carige, BE Shaping the Future, Giorgio Fedon, Intek Group, Nice Footwear, OpenjobMetis, SITI B&T and Sourcense.

Debt Capital Markets and Debt Advisory

As for Debt Capital Markets transactions, in 2022 Equita acted as:

Placement Agent and Sole Bookrunner for Alerion Clean Power's issue of a €100 million senior unsecured Green Bond which was listed on Borsa Italiana's MOT market;

Financial Advisor for Gruppo TEA's €120 million multi-tranche club financing deal;

Dealer for Banca IFIS's issue of €65 million in senior preferred notes;

Financial Advisor for ALA, listed on the Euronext Growth Milan segment, in the acquisition of the Spanish group SCP - Sintersa.

Mergers and Acquisitions

In 2022 EQUITA assisted a number of manufacturing and financial groups with M&A deals, acting as financial advisor for:

- CEIT in the sale of the company to Circet;
- Banca Carige's Board of Directors in the mandatory public tender offer launched by BPER;
- BIP in the acquisition of Monticello Consulting;
- Ariston in the acquisition of Centrotec Climate Systems, issuing a fairness opinion relative to the consideration proposed;
- Crédit Agricole Italia in the public tender offer launched on Friuladria and their subsequent merger;
- Inalca in the sale of the IQ Made's equity stake in Italy Investment Company to Gruppo Cremonini, issuing a fairness opinion relative to the consideration proposed;
- Banca Consulia in the sale of Banca Finint;
- Atlantia's independent directors in the public tender offer launched by Edizione and Blackstone, issuing a fairness opinion relative to the consideration proposed;
- Poste Vita in the voluntary public tender offer for shares of Net Insurance;
- SEA in the sale of SEA Energia to Gruppo A2A;
- Banca Cividale in the public tender offer launched by Cassa di Risparmio di Bolzano;
- Italian Wine Brands in the acquisition of Barbanera e Fossalto, issuing a fairness opinion relative to the consideration proposed;
- Engineering in the acquisition of a controlling interest in BE Shaping the Future and the subsequent mandatory tender offer;
- -Bonifiche Ferraresi – part of the BF Group – in the sale of non-controlling interests to ENI, CVA, Loacker, Fileni and Fondazione di Sardegna;
- TWT in the sale of Unidata.
- In addition to these deals there are also the ones completed by the subsidiary EQUITA K-Finance. The most significant transactions include:
- acting as financial advisor in the sale of the majority stake of Salice S.p.A. to Cobepa SA, a Belgian investment company owned by a group of European family offices;
- acting as financial advisor in the sale of Famar to Holding Moda. The latter purchased a majority stake in Famar Srl, a company based in Ferrara, which designs and produces women's and men's clothing collections for the most prestigious international fashion brands using a 100% Made in Italy supply chain;
- acting as financial advisor of Wateralia in the acquisition of Calpeda;
- acting as financial advisor in the sale of a few businesses of Sirti Energia S.p.A.;
- acting as financial advisor for Vega Carburanti in the sale of stakes in the company Amegas S.p.A.;
- acting as financial advisor for Gemini RX in the sale of 100% to SIMA ITA;
- acting as financial advisor for the sale of 75% of E.P. - Elevatori Premontati to the fund Riello Investimenti Partners SGR.

Corporate Broker e Specialist

In 2022 Corporate Broking continued to be a strategic area, above all for cross-selling and cross-fertilization of other Investment Banking products and services. There was a slight drop in the number of active mandates in the year.

Alternative Asset Management

EQUITA Capital SGR manages proprietary investment funds and discretionary portfolios (Portfolio Management), as well as private debt and AIFs. Regardless of the type of asset managed, the goal is to co-develop new products with banks, financial institutions and private banking retail networks, to help them satisfy retail clients' needs with niche products by leveraging on EQUITA's many years of experience in financial markets.

Focus on Alternative Asset Management

Looking at the asset management market, according to Assogestioni's most recent figures (available at the date of this report), the net inflow toward open-end funds was, overall, negative in the year. While there was an increase of inflows to equity and money market funds in first quarter 2022, as of the end of the second quarter the trend inverted and inflows to equity funds slowed and outflows from flexible, balanced and bond funds continued.

Despite a December in which inflows exceeded the expectations of Italy's main asset managers due to signals pointing to a market recovery, the fourth quarter of 2022 was also disappointing, albeit better than in 2021.

The performance of the open-end funds, above all equity, reflects the performance of the stock market in 2022 which in both Europe and Italy was down by around 13% (STOXX EUROPE 600, -13.1% and FTSEMIB, -13.3%). More in detail, there were double-digit drops in the benchmark indexes for European small/mid-caps: EURO STOXX MID -17.4%, FTSE ITALIA MID CAPS -21% and FTSE ITALIA STAR -28.3%.

With regard to the private capital sector, based on AIFI's estimates, funds totaling €1,704 million were gathered (on the market and captive) in the first half of 2022, 40% lower than in the first half of 2021 during which several, particularly large closings took place. A total of 26 operators closed deals in the reporting period (21 in the same period of the prior year). The funds raised came primarily from: insurance companies (24%), pension funds (17%) and the public sector (12%). In terms of geographies, 82% of the capital came from domestic investors, while in terms of investment targets, 55% of the capital will likely be invested in buyouts and 23% in early stage.

A total of €10.9 billion was invested, showing an increase of 139% compared to the €4.6 billion invested in the first half of 2021. This was the highest amount ever recorded in one half in Italy: this amount reflects a few, particularly large transactions, including one in the infrastructure segment. A total of 338 investments were made, which is 34% higher than in the first half of 2021 (253 investments).

Based on LIUC Business School's most recent Private Equity Monitor (PEM), 2022 was a record year with an impressive 132 new investments made in the fourth quarter alone (117 in the fourth quarter of 2021). In 2022 441 deals were closed, which is even more impressive if we consider that in 2021 (already a record year), 387 deals were recorded. The fourth quarter was the best quarter ever recorded in the last twenty years of the PEM and the sector mapping.

Economic Performance

Alternative Asset Management can be broken down in three business lines: namely Portfolio Management, specialized in the asset allocation of open-end funds; Private Debt, specialized in the management of Italian and international closed-end funds; Private Capital, specialized in the management of alternative investment funds with a focus on private equity strategies.

At year-end 2022 the AUM amounted to slightly less than €1 billion, 16% lower than in 2021.

The performance of Alternative Asset Management reflects this dynamic. More specifically, net revenues for AAM amounted to roughly €7.8 million, a decrease of 28% with respect to the same period of 2021 due mainly to the lack of performance fees on liquid funds which was partially offset by higher recurring fees explained by the increase in assets managed by Private Debt and Private Equity.

Portfolio Management recorded lower net revenues than in 2021, when it benefitted from €4.5 million in performance fees and the strong recovery in asset management. As a result of both the discretionary account outflows (around €100 million) and a declining market, the area closed 2022 with net revenues down by 17% at €2.5 million, excluding performance fees.

Private Debt Management posted higher fees than in 2021 (+21%) thanks to the recognition of equalization fees on the second fund under management. EPDII closed the year with funds under management of €237 million, an increase of 33%, while EPD I closed the year with funds under management of €65.8 million (-34%) as a result of divestments.

Thanks to Equita Smart Capital Eltif, launched in 2021, **Private Equity Management** recorded €684 thousand in management fees in 2022.

In March ELTIF's 4th closing took place for €11.2 million which brought the fund's total commitments to more than €61 million. The first investment, a minority stake of 33.3% in Clonit, was completed in May and in July the second investment, a 60% stake in Rattinox, was closed.

Portfolio Management

The team manages a total of **three benchmarked discretionary accounts, two flexible funds** with VAR limits, **three** internal funds linked to life insurance **policies** of a premiere European group and, lastly, provides **advisory for one benchmarked** European equity fund.

During the year the assets under management fell from € 770 million to €557 million due to the combined effect of outflows (which we estimate reached -€100 mn) and the negative performance.

The outflows are attributable entirely to the discretionary accounts as there was no change in asset management.

In 2022 the average performance of the three lines before tax, weighted for AUM, was down -10.87% in absolute terms and +4.58% against the benchmark.

The flexible fund Euromobiliare Equity Mid Small Cap posted a net performance of -19.28% YTD. After an excellent 2021 (+11.34%) the fund was impacted by the equity sell-off, particularly of the mid-small caps which were hit the hardest. The fund's absolute performance since its launch (1 July 2019) reached +2.72%.

Euromobiliare Equity Selected Dividend posted a net performance YTD of -5.67%. Solely for the sake of comparison, the ETF Euro Dividend Aristocrats, which has the same strategy but is fully invested, reported a performance of -11.9% (from the launch of the fund, the performance comes to -2.64, which is better than the benchmark ETF, -5.67%).

The life insurance policies closed the reporting period with a net performance YTD of -11.3% for the Low Risk line, -13.4% for the Medium Risk line and +2.15% for the High Risk line (the latter was only operational as of June 2022 and, therefore, avoided the dip recorded at the beginning of the year).

Lastly, the European equity advisory fund posted a net performance YTD of -9.20% in absolute terms and +1.30% against the benchmark. From the beginning of EQUITA's advisory activity (2 January 2021), the absolute and relative performances came to +10.88% and +5.62%, respectively.

Private Debt

The 2022 private debt market was characterized by a very dynamic market and a high volume of deal flows, which closed in the year, despite the uncertainties triggered by the Ukrainian conflict and inflation.

During the reporting period, the management team focused on looking at private equity investment opportunities, fundraising for EQUITA Private Debt Fund II ("EDP II"), which closed in June at €237 million (well above target) and monitoring the investment portfolio.

In 2022 EPD II finalized the following investments:

(i) €15 million in a leading company in the distribution and logistics of small metal parts;
(ii) €12 million in a company which was already part of EPD II's portfolio and is a leader in the business process outsourcing sector;
(iii) €16 million in a company which produces coated fabrics for an elite group of clients in the luxury sector;
(iV) €16.5 million in a company which produces gnocchi, fresh pasta and ready meals;
(v) €22.1 million in a company which provides programmatic advertising services to editors and advertisers;
(vi) €13.5 million in a company which manufactures and distributes electric generators.

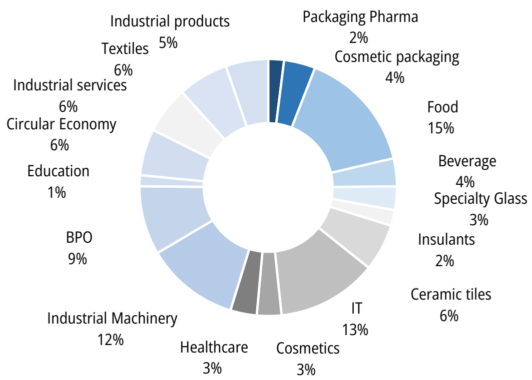
The management team is also currently finalizing i) an investment of €15 million in the German market, consistent with the investment strategy calling for geographic diversification, and (ii) another investment in Italy of €15 million.

With the closing of the deals described above, a total of roughly €183 million will have been invested by EPD II or 77% of the total commitments signed by investors.

With regard to the first private debt fund EPD, in August its equity stake in "Passione Unghie" was sold at an excellent return, consistent with the strategy to enhance the value of the existing portfolio.

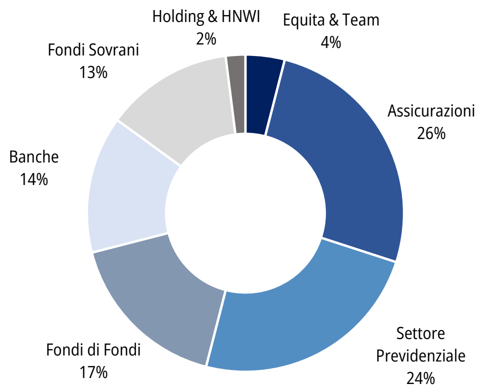
The breakdown of the investments made by the private debt funds at 31 December 2022 is shown below:

Breakdown of the PD investments



The breakdown of the investors in the funds currently managed by private debt at the date of the final closing is shown below.

Breakdown of PD investors



Private Equity

In 2022 the private equity team completed the asset allocation for EQUITA Smart Capital – ELTIF, an Alternative PIR fund, focused on private equity investments in Italian SMEs.

The placement of quotas in the Fund with professional investors is managed directly by the Group's SGR, while placement with all types of investors (professional and retail) will be done indirectly by Allfunds Bank and other selected distributors (specifically, Cordusio SIM, Banca del Piemonte and Ceresio SIM). In the fourth quarter marketing and fundraising activities continued and a placement agreement was finalized with Gruppo Banca Sella, which will become the primary placement agent and will begin marketing the Fund as of February 2023.

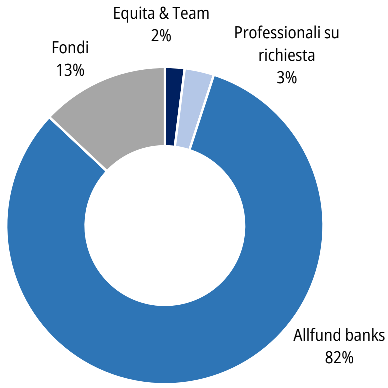
With regard to investments, on 4 July 2022 the Fund closed its **first private equity investment** by taking a stake in Clonit, Italian leader in the development of molecular diagnostics for infectious and genetic diseases. The purpose of the Fund's investment, which was made through the purchase of quotas and a capital increase for a total interest of 33.3%, is to provide Clonit with the resources needed to implement its growth plan, both external and through the organic development of its current business.

On 28 September 2022 the Fund closed **its second investment** in **Rattiinox S.r.l.,** a company active in stainless steel machining and the design, manufacture and distribution of valves for pharmaceutical, chemical and food processing systems.

The purpose of the investment made by Equita Smart Capital – ELTIF, made through the purchase of equity and a capital increase for a total stake of 60%, is to provide the company with the financial and operating resources needed to implement its growth strategy. Rattiinox will, in fact, continue along its path of technological innovation in the aseptic processing sector and use the investment to fully express the value of the Company's technological advantage primarily by strengthening its commercial, manufacturing and organizational structures.

Consistent with the investment strategy and as resolved by the Fund's Investment Committee, the purchase of public debt and equity instruments also continued

Breakdown of PE investors



Investment Portfolio

The Group has identified a few products in which it invests directly and offers to clients, which guarantees a complete alignment of interests.

At December 2022, the investment portfolio comprised:

- the Sparta 60-Covisian bond for €1.7 million (87% of the original investment of €11.1 million, made in fourth quarter 2019, was sold in 2020). The bond accrued PIK interest of €0.13 million in the year;
- quotas in EPDI for €3.8 million (in line with 2021). The fund's NAV generated unrealized gains of €0.75 million in the year;
- quotas in EPD II for €4 million (€1.8 million in 2021). The fund's NAV generated unrealized gains of €0.28 million in the year, after six drawdowns in the year for a total of €1.92 million and equalization;
- shares of the ICF Group, stemming from the SPAC 1 wind down, for €0.6 million (in line with 2021), including unrealized losses of €0.06 million

The investment portfolio contributed €1.3 million to net revenues in the year, higher than in the prior year thanks, above all, to the excellent performance of the first debt fund which was fueled by the sale of the equity stake in Passione Unghie.

In addition to the investments described above, in September 2022, the Group began building a bond portfolio in order to benefit from cash flow matching. The portfolio consolidated at year-end amounted to around €32 million with an average residual duration of approximately 3 years. In 2022 the portfolio accrued coupons of € 0.6 million.

Research Team

Performance and positioning

In 2022 the Research Team published approximately 390 reports (sectorial and on individual stocks) in addition to a series of daily, weekly and monthly publications (morning notes, a daily internal dealing summary, a weekly revision of the estimated earnings per share for the companies covered, two monthly summaries focused on the Italian market and the European equities covered).

The team organized approximately 135 meetings between listed companies and institutional investors in 2022. EQUITA also organized 9 conferences focused on: infrastructure companies, the utilities sector, Engineering & Construction, Fintech, European stocks, Climate Change, Bonds and Italian Champions.

The Group's financial research, particularly in the equity segment, is essential to generating ideas and developing investment allocation proposals for institutional investors, both Italian and international.

In 2022 the Research Team once again confirmed its position at the top of the rankings for research quality compiled by Institutional Investor.

Human Resources

In 2022 the number of employees rose significantly from 173 to 184, in addition to 11 internships (15 in 2021).

With a view to supporting professional growth, the Group offers a vast range of training focused on the development of soft skills and technical knowhow in order to maintain a high degree of expertise and expand the knowledge base. The Group has always been involved in specific initiatives aimed at promoting a pleasant and productive work environment.

With regard to remote working, in 2022 there was a gradual return to working in-person. In December 2021 about 30% of the workforce worked remotely versus 7% in December 2022.

Personnel costs amounted to €42.2 million in 2022, a slight decrease of 1% compared to 2021. The variable component in 2022 was lower (-30%) than in the prior year. This difference does not, however, include the stock option plans which expired and were monetized in 2022 for €0.9 million net of the tax effect.

The fixed component was 29% higher due to the higher number of resources, mainly senior, and career advancement in the year.

The **comp/revenue ratio** was higher than in 2021 and reached 50% at the end of 2022, excluding the monetized stock option plans.

Operating Costs

In 2022 operating costs were slightly higher (+5%) than in the same period of 2021, coming in at €19.4 million. The increase in costs is explained mainly by higher Information Technology costs (+6%) linked largely to the Global Markets business. The increase in costs also reflects the rent for the space leased by the SGR and marketing expenses. Fees for professional consultancies were down 28% in the reporting period.

Operating costs also include the costs incurred for social development, cultural and environmental activities which amounted to around €0.5 million, higher than the €0.15 million recorded in the prior year.

The Group has a strong vocation for supporting the community in which it operates, including through Fondazione EQUITA, to which the Group allocates a percentage of its consolidated pre-tax revenues.

Operating costs also reflect the amortization and depreciation of the investments made to improve client service and the workplace environment.

The **cost/income ratio** was 71%, excluding the monetized stock option plans, higher than in the same period of the prior year (68%).

Taxes

The Group's tax rate reached 28% in 2022, considerably higher than in 2021. In 2021, however, EQUITA benefitted from the substitute tax on the goodwill stemming from the EQUITA K Finance acquisition. In the same year, the subsidiary EQUITA K Finance utilized all of the carried forward tax losses, which lowered its tax burden significantly.

Reclassified Statement of Financial Position

The statement of financial position is summarized below, reclassified based on the underlying asset or liability and the relative business model.

(€/000)	31/12/2022	31/12/2021	Delta %
Cash and cash equivalents	107,945	136,126	-21%
Financial assets and equity investments measured at fair value through P&L	111,760	49,289	127%
Financial assets measured at amortized cost	99,550	91,439	9%
Property, plant and equipment and intangible assets	31,043	32,424	-4%
Tax assets	7,520	4,429	88%
Other assets	41,712	1,916	n.s.
Total assets	**399,531**	**315,623**	**27%**
Payables	205,731	166,487	24%
Financial liabilities held for trading	15,541	9,095	71%
Tax liabilities	3,626	6,035	-36%
Other liabilities	64,428	27,928	132%
Employee severance (“TFR”)	2,069	2,397	-14%
Provisions for risks and charges	3,834	4,373	-12%
Shareholders’ equity	104,301	99,309	5%
Total Liabilities	**399,531**	**315,623**	**27%**

The **liquid assets** that can be liquidated on demand by banks and institutions amounted to €108 million, a decrease of 21% compared to 2021 which reflects, in addition to ordinary operations, the payment of the first tranche of dividends and the investments in the “Hold to Collect” investment portfolio.

Financial assets measured at fair value through profit and loss amounted to approximately €112 million, significantly higher than at 31 December 2021 (+127%).

In the reporting period **assets held for trading** were roughly 143% higher than at 31 December 2021.

Almost all of the increase stems from debt instruments which reflects a particularly favorable market attributable to wider spreads.

The **assets mandatorily measured at fair value** amounted to around €9.6 million at 31 December 2022, 32% higher than at 31 December 2021.

IThe Group’s investment portfolio mandatorily measured at FV comprises:

- the Sparta 60-Covisian bond for €1.7 million (87% of the original investment of €11.1 million, made in fourth quarter 2019, was sold in 2020). The bond accrued PIK interest of €0.13 million in the year;
- quotas in EPDI for €3.8 million (in line with 2021). The fund’s NAV generated unrealized gains of €0.75 million in the year;
- quotas in EPD II for €4 million (€1.8 million in 2021). The fund’s NAV generated unrealized gains of €0.28 million in the year, after six drawdowns in the year for a total of €1.92 million and equalization.

Financial liabilities held for trading amounted to €15.5 million, an increase of 71% with respect to 31 December 2021. This increase is explained for 61% by an increase in short positions

Excluding the investment portfolio, **financial assets measured at amortized cost** fell by around €23.8 million against year-end 2021 due mainly to a decrease in unsettled positions stemming from order execution (-€10.8 million with respect to 2021), lower margin accounts with CCP (-€5 million) and lower management fees (-€7.2 million) which in 2021 included the performance fees which were not owed in 2022.

The margin and default funds deposited with CC&G (Cassa di Compensazione e Garanzia) relative to proprietary trading in derivatives amounted to €14.2 million versus roughly €19 million in December 2021. The decrease is explained largely by the lower market volatility recorded in the last few months of the year.

Securities lending transactions were lower (-€5.1 million) in the reporting period due to the decreased appetite for equity products.

Measured at amortized cost the **bond portfolio** was valued at €34.7 million at 31 December 2022, with a gross yield of around €0.9 million. The year-end mark-to-market was in line with the valuation at amortized cost and, therefore, at the date of this Annual Report the Group's investment portfolio was not subject to any impairment indicators.

Property, plant and equipment was lower than in the prior year (-20%) due mainly to the depreciation of leased assets, namely the headquarters leased by the Holding and the subsidiary EQUITA SIM.

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

None of the assets showed signs of impairment.

Other assets include the tax credit "Superbonus 110%" with a nominal value of around €48.8 million sold by a premiere Italian bank in January 2022 to Equita SIM which may use this credit to offset taxes in increments of €10 million per year for the next five years. EQUITA Sim will repay the seller based on straight-line amortization schedule over 5 years.

In accordance with accounting standards, the credit is included in "Other assets" at cost. In 2022 the Group used the entire yearly quota (around €9.8 million) and in July and December repaid the two tranches (€9.6 million) based on the amortization schedule.

The residual tax credit amounted to €39 million at 31 December 2022.

Payables were around €39.2 million higher than at 31 December 2021, coming in at €205.7 million.

This increase is explained by new credit lines utilized for €47.6 million offset by a decrease in lease payables (-€1 million) and trades to be settled (-€7.3 million).

With regard to credit lines, in December the subsidiary EQUITA SIM used three hot money lines with an average duration of 2 months for a total of €15 million.

Other liabilities include the amount owed the bank that sold the tax credit ("Credito d'imposta Super Bonus 110%") which amounted to €38.5 million at 31 December, net the first two repayments made in 2022.

Net of this item, other liabilities were €1 million lower than in December 2021.

Employee severance ("TFR") amounted to around €2.1 million, slightly lower than at 31 December 2021 due to advances and actuarial adjustments.

Provisions for risks and charges were higher at the end of December 2022 due to an increase in the deferred bonuses recognized in the reporting period.

At 31 December 2021, the share capital of EQUITA Group S.p.A. amounted to €11,587,376 (of which €11,376,345 raised through the IPO), comprising 50,925,028 shares without a stated par value.

Treasury shares amounted to approximately €3,926,926.

A dividend of up to a maximum of €17,000,065, to be paid in two tranches, was approved for 2022.

The consolidated net profit amounted to €17,267,975 in 2022, in line with FY 2021 (-22%). EQUITA Group's portion of the net profit came to €15,247,383, 29% lower than in the comparison period.

At 31 December 2022 the **Return on Tangible Equity** ("ROTE") was roughly 29%, lower with respect to year-end 2021 (43%).

The **consolidated Total Capital Ratio** ("TCR") was 489%, well above prudent levels, but lower with respect to 31 December 2021 (587%) due to the deductions relating to the estimated amount of the buy-back (for €6 million) and the uptick in k-npr (market risk) which reflects the increased exposures at the end of September.

Alternative Performance Indicators

	31/12/2022	31/12/2021
ROE	18%	30%
ROTE	29%	43%
IFR ratio	489%	587%
Comp/revenues	49%	47%
Cost/income ratio	71%	68%
Tax rate	28%	24%
N. Employees	188	173
Earning per share	0.32	0.51
Dividend paid	0.35	0.20

Stock Performance

STAR Milan market since 23 October 2018. The Euronext STAR Milan segment is dedicated to mid-size companies, with a capitalization of between €40 million and €1 billion, that voluntarily choose to comply with strict standards of excellence in terms of transparency, disclosures, liquidity, and corporate governance. The segment was chosen by EQUITA to further its efforts to consolidate its leadership position in Italy and also increase visibility on the international market.

Prior to its transfer to the STAR segment EQUITA was traded on AIM Italia (today Euronext Growth Milan) beginning in November 2017.

EQUITA's stock closed at an official price of €3.64 on 31 December 2022, bringing the Group's market capitalization to approximately €185 million (€171 million excluding treasury shares) with a Total Shareholder Return on the listing price (€2.90) of more than 66% and includes the cumulated dividends for €1.18. In 2022 an average of roughly 40 thousand shares was traded per day.

To date EQUITA is covered by Intesa Sanpaolo which has issued a "Buy" recommendation with a target price of €4.40 (latest research published in November 2022). With a view to improving engagement with investors and the financial community, Kepler Cheuvreux will begin covering the stock in or around March 2023.

Key Initiatives

...Business

EQUITA named Leading Independent Broker in Italy by Institutional Investor

Once again in 2022 EQUITA topped the rankings of Institutional Investor, the prestigious financial magazine, for research, Sales, Trading & Execution and Corporate Access.

For the third year in a row EQUITA's **Research Team** was **first** in the "Italy Research: Small and Mid-Cap Stocks" category, confirming EQUITA's leadership with investors looking to invest in small-mid cap companies. The Team was also ranked second in the "Overall Italy Research" category and first among the independent Italian brokers.

Testimony to the positive view of the research and the work carried out by the analysts during the year, 82% of the votes EQUITA received (88 out of 107) were excellent (with a score of 5 out of 5) while 94% (101 out of 107) were at the higher end of the range (score of 4 and 5 out of a maximum of 5).

In addition to the Research Team's excellent result, the **Sales & Trading Team** was **ranked second** in the "Italy Sales" category and **first** among the independent Italian brokers.

EQUITA's trading floor professionals were also **ranked first** in the **"Italy Trading & Execution"** category thanks to their focus on client service and in **second place** in the **"Italy Corporate Access"** category (first among the independent Italian brokers), thanks to the meetings, sector conferences and videoconferences organized by EQUITA to foster dialogue between institutional investors and listed companies.

Equita came in second in the aggregate ranking **"Overall Broker – Italy (Weighted by commissions)"**, first in terms of the number of votes received. More than 76% of the votes cast by investors (294 out of 389) were excellent (score of 5 out of a maximum of 5) while 90% (352 out of 389) were at the higher end of the range (score of 4 or 5 out of 5).

Partnership between Equita and Adacta, a consulting company that works with entrepreneurs and managers in North-East Italy

On 11 July 2022 EQUITA and Adacta, a consulting company active in tax, legal and advisory, signed an agreement to develop corporate finance, capital markets and financial advisory activities in the Triveneto area, with a view to supporting entrepreneurs and companies in the Veneto, Friuli-Venezia Giulia and Trentino-Alto Adige regions (the Tri-Veneto region) in order to further develop the regtion's potential.

The EQUITA-Adacta partnership will strive to make the most of the opportunities provided by the Tri-Veneto region which is full of outstanding entrepreneurs with solid business plans, expertise and innovative ideas. The partnership will combine the solid track-record of EQUITA in investment banking transactions and its unparalleled access to capital markets, with Adacta's widespread presence and its outstanding consulting skills.

Adacta is active mainly in the Triveneto region and over the years has become the partner of choice for entrepreneurs, managers and corporates with ambitious growth targets who want to consolidate their market leadership.

As a result of the partnership, EQUITA and Adacta will also sponsor joint events, in order to promote their work together and provide the Triveneto entrepreneurs with insights as to the opportunities and the advantages that access to the capital markets can provide, as well as a general overview of M&A and corporate finance activities.

For EQUITA the partnership with Adacta is consistent with the growth strategy of the Investment Banking division which calls for a bigger presence and greater reach in the Triveneto region. This partnership will create a triangular cooperation between Equita – Adacta – Clairfield International which will help to drive the growth of the companies in this region by providing better access to international markets.

IX edition of the Bocconi – Equita Partnership Event: Prize for the best strategies on capital markets

Equita and Bocconi University celebrated the ninth anniversary of their partnership with the traditional annual conference aimed at promoting capital markets and stimulating discussions about the structural elements, development factors and possible solutions with a view to improving the capital markets and its regulation.

This year the convention's focus was on the relationship between the National Recovery and Resilience Plan ("Piano Nazionale di Ripresa e Resilienza" or PNRR), the financial markets and economic recovery: three intertwined elements which need to be addressed with targeted, systemic initiatives capable of supporting Italy's economic recovery.

The convention opened with Stefano Gatti, Antin IP Chair of Infrastructure Finance at Bocconi University, presenting an analysis of the sustainability of the debt of Italian businesses and the possible risks that could materialize if the support measures enacted during the pandemic are eliminated.

Stefano Caselli, Bocconi University's Vice Rector for International Affairs and Algebris Chair in "Long-Term Investment and Absolute Return" and Centro BAFFI CAREFIN, then commented on the policy choices and the tax regulations needed to give a decided boost to the financing of Italian companies by opening up access to capital, as well as the use of the financial markets.

Following these presentations, a scoreboard of listed Italian companies was examined in order to assess the contribution of selected companies to the country system over time.

Subsequently, a round table, moderated by Sara Biglieri, Chair of Equita, with the participation of Guido Maria Brera, Director and Chief Investment Officer of Kairos Partners SGR, Andrea Montanino, Head Economist and Director of Sector Strategies and Impact of CDP – Cassa Depositi e Prestiti, Marina Natale, CEO and General Manager of AMCO, and Alessandra Pasini, CFO and co-CEO Storage Business of SNAM, was held. The discussions focused on the post-pandemic scenario and the role that the capital markets will have: a few interesting ideas for the relaunch of Italy, in fact, emerged during the discussion like the need to intervene, including on a regulatory level, to simplify market access and the obligations for listed companies, especially SMEs.

Fabrizio Testa, Chief Executive Officer of Borsa Italiana, was also present at the event and he reiterated the importance of simplifying access to the capital markets in order to make the sector more competitive and keep Italian companies in Italy.

The event also coincided with the presentation of the sixth Monitor of Capital Markets prepared by EQUITA's Investment Banking team which examines the most important new issues, both traditional and ESG, as well as the most active brokers and investors in 2021 (the document can be found at www.equitalab.eu). The prize for the best use of capital markets was also awarded by EQUITA (in partnership with Bocconi University and Borsa Italiana). The winners of the prize for the best capital market strategies were:

- Ariston Holding, "Fundraising on the equity capital markets - Euronext Milan"
- Defence Tech, "Fundraising on the equity capital markets - Euronext Growth Milan"
- Aeroporti di Roma: "Fundraising on the ESG capital markets"
- Italian Wine Brands "Fundraising on the debt capital markets".

Business Plan 2022 – 2024

On 17 March 2022 the Board of Directors examined and approved the Business Plan 2022- 2024. The business plan includes financial and sustainability-linked targets. The latter have been fully integrated into the Group's business.

The EQUITA 2024 Plan includes medium/long-term financial and sustainability-linked targets, which cover six strategic areas:

Revenue generation

Net revenues of more than €110 million by 2024 (CAGR 2021-2024 of roughly +6.8%), to be reached both organically and/or via acquisitions and equity partnerships which could accelerate achievement of these targets.

Business diversification

A more diversified revenue base by 2024 with Global Markets at between 35% and 40%, Investment Banking between 40% and 45% and Alternative Asset Management between 15% and 20%.

Cost control

Cost/Income ratio consistent with 2021 and, at any rate, less than 70%.

Increase in net profit

Net profit of at least €25 million by 2024, excluding any non-recurring items, with pre-tax profit up 9% after normalization of the tax rate.

Rewarding shareholder payout

€50+ million in dividends to be distributed in the three-year period (vs €43 million in the three-year period 2019-2021), with an average annual dividend of more than €0.30; payout ratio of around 90%, with the option to increase if needed thanks to significant reserves and the earnings retained over the years.

Integration of sustainability in the business

Foster employees' wellbeing.

- Increase satisfaction of the clients and the financial community.
- Promote social and economic development of the local communities.
- Promote initiatives to fight climate change (Climate - Action).
- Promote initiatives to support youth (Young 4 Future).

The EQUITA 2024 Plan is based on management expectations and the assumption that the market environment will be relatively stable over the life of the plan.

With regard to **Global Markets**, EQUITA intends to maintain its role as Italy's leading independent broker of financial instruments, confirming its leadership in the brokerage of financial instruments for institutional investors, while maintaining its strong top-ten ranking in the brokerage of retail flows coming from institutional clients, like banking groups, and improving its ranking in the **brokerage of bonds, derivatives and ETFs**. Over the life of the plan the product offering will be further diversified (research, certificates) to foster cross-selling and synergies from the same client base. At the same time, new trading venues will be added and activities in a few venues that are already covered will be boosted.

EQUITA will also grow its international client base and affirm the bank as the leading broker in Italy for international investors.

The **Research team** will keep its strategic role within the Group, continuing to support all business divisions. New analysts will be hired over the life of the plan in order to increase coverage of Italian mid-small caps and foreign listed companies, as well as issuers of fixed income products in order to support the trading floor, corporate broking clients and primary and secondary issues, particularly on the bond market.

The gradual inclusion of **ESG analyses in research** is also key to the strategy in order to meet the growing market demand. Over the plan, investments will also be made in innovative technology in order to improve time-to-market and client access to research.

Investment Banking will consolidate its position as Italy's leading independent investment bank, continuing its growth path and positioning itself as the only i**ndependent one-stop-shop** in Italy capable of fully supporting large industrial groups, entrepreneurs, financial institutions and financial sponsors. Over the life of the Plan the team will strengthen its role as the main Italian independent M&A advisor (with increasing integration of the EQUITA and EQUITA K Finance teams in order to generate commercial synergies and cross-selling opportunities within the Group).

EQUITA will also consolidate its role as the "go to bank" in equity capital markets and expand the "niche" debt capital market segments in which it is already one of the leaders. In the three-year period 2022-2024 the division **will strengthen its senior team** and will setup new partnerships throughout Italy. The medium-long term strategy also calls for the diversification of EQUITA's

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6) Integration of sustainability in the business

- Foster employees' wellbeing.
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Business diversification

EQUITA 2024 will drive a more diversified and resilient business. The Group's net revenues are expected to surpass €110 million organically and/or via partnerships and acquisitions which could accelerate target delivery. By 2024, Global Markets will account for 35-40% of revenues, Investment Banking 40%-45% and Alternative Asset Management 15%-20%. This will ensure that EQUITA's financial results are more resilient thanks to a more diversified mix of revenues, less correlated to economic cycles and financial markets.

Cost discipline

EQUITA 2024 assumes a **lean cost structure**, consistent with the approach adhered to since the IPO. Over the course of the Plan, the strategy is to maintain rigorous cost control in order to allow for healthy organic growth and continue to benefit from operating leverage which will foster a gradual increase in profitability. The Plan includes significant **investments** in **information technology** and marketing, which will allow the Group to improve its offer and the visibility of the brand.

Management expects that by 2024 the Cost/Income ratio will be in line with 2021 and, at any rate, below 70%.

Taking into account taxes consistent with the past and net of the non-recurring benefits stemming from the consolidation of Equita K Finance, EQUITA has set a target for net profit of €25 million in 2024, excluding any non-recurring items.

Financial strength, capital allocation and shareholder payout

EQUITA 2024 ensures the Company's capital solidity over the life of the plan, well above minimum thresholds. This is supported by the Group's ability to invest in capital light initiatives. Today EQUITA has more than **€30 million in available capital** which can used to finance **M&A** transactions, investments in new products and r**emunerate shareholders.**

EQUITA has a total shareholders return of 57% since the IPO (23 November 2017 – 14 March 2022). Taking this figure into account, the Group's target is to distribute more than €50 million in dividends which equates to a payout ratio of roughly 90%.

Sustainability

Sustainability is vital to business growth and the long-term strategy. Management, therefore, decided to include it in the EQUITA 2024 Plan and defined Group-wide targets, as well as specific targets for a few businesses. These include the commitment to look at ESG factors when making investment decisions and using sustainability valuations in research, as well as the goal to reach Carbon Neutrality by calculating the carbon footprint and implement initiatives which reduce and offset the Group's environmental impact. Management has also committed to founding "Fondazione Equita", a non-profit organization, in the first half of 2022. By founding "Fondazione Equita" the Group will be able to institutionalize its social commitment. Inclusion of sustainability in EQUITA 2024 will allow the Group to improve both its competitiveness and profitability in the long-term.

EQUITA new member of Spectrum Markets

EQUITA has been a member of the pan-European trading venue for securitized derivatives Spectrum Markets since 27 April 2022.

As a member of Spectrum Markets, EQUITA will be able to provide its clients with access to new markets and further expand its market making capabilities. The investment bank already has a well-established leading position in Italy with more than 1,400 listed instruments and over 150,000 trades per year. EQUITA will be able to increase the liquidity of the warrants listed on Spectrum Markets and provide issuers who have access to the trading venue with pan-European market making of local products.

...governance

Equita launches the first tranche of the treasury share buy-back program

On 20 July 2022 EQUITA Group S.p.A. announced the launch of the first tranche of the treasury share buy-back program (the "First Tranche of the Buy-back") for up to a maximum of 300,000 shares as resolved by the Parent Company's Board of Directors on 14 July 2022.

For the purposes of executing the First Tranche of the Buy-back Program – which was approved by the Shareholders' Meeting on 28 April 2022 and by the Bank of Italy on 12 July 2022 - the Company appointed Mediobanca – Banca di Credito Finanziario S.p.A. to act as the "Appointed Intermediary". The Appointed Intermediary will make decisions relative to the share purchases in full independence, including in relation to the timing of the transactions and in compliance with the daily price and volume limits, as well as the terms of the program.

The main characteristics of the First Tranche of the Buy-back, aimed at servicing incentive plans or programs based on financial instruments, include:

- Maximum number of shares and total consideration: n. 300,000 ordinary shares (to date equal to approximately 0.6% of the share capital), for a maximum total consideration of €1,800,000;
- Duration: the purchases will take place from 21 July 2022 to 28 October 2023, namely 18 months after the approval of the Shareholders' Meeting (28 April 2022), in accordance with Art. 2357 of the Italian Civil Code;
- Minimum and maximum price: the purchase price may not be 20% lower or higher than the official closing price of EQUITA Group shares recorded by Euronext Milan on the day prior to each transaction.

During the periodo 29 september 2022 – 13 october 2022 Equita Group S.p.A. repurchased a total amount of treasury shares for approximately € 37.000. The weekly breakdown of buybacks is shown below.

BUY BACK EQUITA GROUP

Period	# Share	amount €
29 September 2022 – 30 September 2022	6.861	21.659,09
03 October 2022- 06 October 2022	4.827	15.427,97
Total	**11.688**	**€37.087,06**

Since the start of the program, Equita has purchased no. 11,688 ordinary shares (equal to 0.0230% of the share capital share capital), for a total value of € 37,087.06

Increase in share capital

During 2022, the Parent Company carried out five free capital increases regarding the issuance of Equita Group ordinary shares. These capital increases were carried out to proceed with the allotment of shares to the beneficiaries of the "Equita Group Plan based on financial instruments 2019-2021" (the "Plan") who had been granted both performance shares and stock options. With reference to the stock options, as of the date of preparation of this document, 428,028 option rights have been exercised compared to 850,00 rights granted. The table below summarizes the capital increases that have taken place up to the date of preparation of this report.

Equita Group - Increase in share capital

Period	# shares	Amount	New Share capital	Amount of Share Capital
1° February 2022 - 13 February 2022	273	62	50,497,000	11,489,983 €
1° April 2022 - 13 April 2022	169	39	50,666,296	11,528,505 €
1° June 2022 – 15 June 2022	141	32	50,807,581	11,560,653 €
1° October 2022 – 14 October 2022	33	8	50,840,918	11,568,238 €
1° December 2022 – 9 December 2022	84	19	50,925,028	11,587,376 €
Total	**701**	**159**		

The new incentive plans based on financial instruments

During the Board of Directors' meeting held in March 2022, EQUITA Group defined two new incentive plans based on financial instruments with a view to further aligning interests and complying with new regulations relative to incentive policies.

The **first plan**, "**Equita Incentive Plan 2022- 2024"**, is for all Group employees and staff members and calls for the award – in three annual cycles – of financial instruments issued by the Holding Company (shares, performance shares, stock options, phantom shares and subordinated bonds), in compliance with reguations relating to employee incentive policies.

Financial instruments will be awarded to beneficiaries subject to achieving Group and individual performance targets and will also be subject to deferral and a vesting period.

A maximum of 2,500,000 equity or similar instruments (shares, performance shares, stock options, phantom shares) and 10,000 subordinated bonds (for a maximum amount of €10 million) may be assigned to Group employees under the Incentive Plan 2022- 2024. Share capital dilution will, therefore, reach a maximum of 4.7% over the three annual award cycles.

The **second plan**, namely **"Equita Incentive Plan 2022-2024 for the Top Management"**, is for the Group's top management and calls for the award of a variable number of phantom shares subject to achieving a minimum Total Shareholders Return (TSR) of 40% on EQUITA Group shares (EQUI:MI).

The number of phantom shares awarded to beneficiaries will increase as a function of the value created for shareholders, calculated based on the TSR, with a view to aligning long-term interests and rewarding beneficiaries for outstanding performance.

In addition to value creation for shareholders, the number of phantom shares awarded to each beneficiary will be subject to individual targets linked to the three-year business plan EQUITA 2024 presented on 17 March 2022, and related to revenue generation, cost control and growing net profit through 2024.

A maximum of 2,000,000 phantom shares may be awarded in 2025 which implies a TSR of at least 60% and that the beneficiaries successfully achieved the individual targets linked to the EQUITA 2024 Business Plan.

… Sustainability

Fondazione EQUITA – a year of activity

In its first year of life Fondazione EQUITA supported more than 25 initiatives and projects, thanks to the contributions made by Group companies, its employees and everyone who decided to support Fondazione EQUITA's projects.

The disbursements made in 2023 totaled €463,000, with donations made directly by Fondazione EQUITA, as well as a few Group companies, and were broken down evenly across different categories:

- Local Community and Region (44%),
- Art and Culture (25%),
- Economic and Financial Culture (18%),
- Youth and Talent (13%).

With regard to projects, the Group worked to support associations active in the Ukraine. More in detail, through its support of the "Fondazione Progetto Arca", EQUITA financed the shipment of basic necessities to Ukrainian refugees in Siret (Romania) and the setting up of a first aid station.

In order to support youth, victims of the war in Ukraine, the Fondazione supported the Ukraine Ballet Academy which hosted a number of ballerinas, their mothers and two teachers of the National School of Kiev. Through this initiative students were also offered classroom and Italian language instruction.

The Fondazione contributed to the "Fondo per gli Studenti ucraini" through which Cattolica University provides college students from the regions affected by the Ukraine conflict with economic, psychological and educational support.

The environmental initiatives include the partnership with FAI, a trust which protects local cultural legacies, entered into by becoming a Corporate Golden Donor, and the sponsorship, together with CSI and the city of Milan, of a skating path in Milan's Piazza Selinunte area. This initiative aimed to promote inclusiveness and social equality in an underserved area of the city.

With a view, again, to safeguarding the community at large and the environment, the Fondazione supported the national reforestation projects carried out by Rete Clima – a non-profit – as part of the "Campagna Nazionale Foresta Italia®".

The Fondazione also supported projects focused on healthcare and science, including:

- "Fondazione AIRC", which contributes to research on pediatric cancer;
- "Comitato Maria Letizia Verga", which studies and carries out research on childhood leukemia;

- "Visita Sospesa®", which, through '"Associazione Progetto Panda Onlus", donates medical, psychological and rehabilitative services to children and mothers suffering from economic and social hardship.

In addition to these disbursements, there are a number of initiatives which EQUITA Group has been involved in for some time including the partnership with Bocconi University entered into to establish EQUITA Research Lab in Capital Markets (a think tank focused on applied research, policy impact and raising awareness relative to current financial topics) and with the Accademia di Belle Arti di Brera through which EQUITA promotes the talent of the academy's students with initiatives like the EQUITA for Brera Award and the publication of Brera|z (a magazine which aims to promote culture at Palazzo Brera, as well as throughout Milan and Lombardy) in partnership with Editoriale Domus.

In 2023 Fondazione EQUITA will continue to work as a non-profit focusing on supporting young people and nurturing their talent, promoting economic and financial education, as well as art and culture, while also assisting communities and local areas.

Climate-related and environmental risks

In April 2022, Bank of Italy issued its "Supervisory Expectations on Climate and Environmental Risks" ("the Expectations"), which contains non-binding guidelines for regulated financial intermediaries about how to incorporate climate-related and environmental risks (physical and transitional) in their governance and control systems, business model, company strategy, organizational system and operating processes, as well as risk management and market disclosure systems.

Toward this end, the Bank of Italy conducted a survey of non-banking intermediaries through a self-assessment questionnaire in order to understand the extent to which climate-related and environmental risks are integrated in the above.

EQUITA SIM was selected to participate in this survey and, therefore, the SIM completed the questionnaire which was submitted on 16 May 2022.

The questionnaire comprised 12 supervisory expectations which were associated with five operational paradigms.

Based on the questionnaire the SIM's exposure to climate-related and environmental risks is limited.

Projects

The projects undertaken in 2022 involved three areas primarily.

1. Preparation for new developments which will impact 2023, more specifically:

a. Migration of Borsa Italiana to the Euronext platform: analysis of the changes and implementations needed to ensure a seamless transition to the new platform which will involve both internal applications and the solutions supplied by external providers;

b. New Content Management System – Factset Partners: the decision was made to use the leading market solution to create the content distributed by the Research Team.

2. Technological consolidation:

a. Data quality: steps taken to standardize corporate data.
b. Cybersecurity: initiatives aiming to strengthen the safeguards and protections against "malicious" events. More in detail, steps were taken to:
- Identify any areas of weakness in the cybersecurity systems and proceed with remediation as needed;
- raise awareness and train resources through a phishing campaign and an e-learning session focused on cybersecurity

3. Innovation:

a. AI projects: over the past few years the possible use of AI applications has been assessed. In 2022 highly innovative pilot projects were developed relative to the potential uses of AI technology proposed by various business lines. EQUITA was supported by specialized technological experts in each of these projects and adopted an agile approach with a view to creating value already in the initial stages of product development.
b. Internal education: in house training sessions were organized in order to increase employees' understanding of innovative, high profile capital market topics like Blockchain, Crypto assets, and Fintech.

Research and development

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

Initiatives implemented by Gruppo EQUITA in response to the global Covid-19 crisis..

In 2022 Covid-19 infection rates fell gradually which made it possible to ease restrictions and, ultimately, eliminate them.

EQUITA adjusted its health controls accordingly and the adoption of the latter is now voluntary.

At the same time, individual agreements were reached with employees interested in continuing to work remotely, even in a post-crisis environment.

The Russia – Ukraine conflict

The beginning of 2022 was marked by a dramatic event: on 24 February 2022, the Russian armed forces launched fierce attacks, first, of the Donbass region and, subsequently, throughout almost all of Ukraine.

The conflict was intense from the beginning and after a year is still underway without a clear idea as to when peace might be restored and the conflict brought to a close.

The impact of the conflict was shocking, in terms of both the lives lost and the global geopolitical balance. The European Union imposed a number of sanctions on Russia including targeted restrictive measures (individual sanctions), economic sanctions and diplomatic measures. The conflict weighed on the European, as well as the Global, economy; world trade was affected by a lack of goods and grain from Ukraine, as well as a generalized increase in the price of energy and commodities. All these factors led to a significant rise in inflation across all economies.

EQUITA was not impacted significantly by the situation described as it has no direct exposure to the Russian assets affected by the conflict and any indirect exposure, stemming from clients' securities denominated in Rubles, is immaterial. EQUITA has no direct exposure to raw materials and a limited exposure to the Ruble.

With regard to the sanctions, EQUITA implemented all the controls indicated by the regulators and, more specifically, implemented "the restrictions on the sale/purchase of certain securities issued by or associated with sanctioned companies". At year-end 2022, the overall net amount of the third-party securities transactions blocked by EQUITA was not significant.

As a result of the conflict, EQUITA increased its IT security controls in order to address cybersecurity risks. EQUITA adopted the best security practices relating to both technical and organizational/procedural measures. Lastly, EQUITA does not have any business relationships and/or partnerships with entities located in the countries involved in the conflict.

Share capital and treasury shares (Art. 2428 of the Italian Civil Code)

At 31 December 2022 the share capital comprised 50,925,028 ordinary shares, of which 3,901,490 are held by EQUITA Group S.p.A..

The number and par value of both the treasury shares and the shares or quotas in parent companies held by the company, including through fiduciary companies or intermediaries, with the relative amount of capital.

Pursuant to paragraph 3.3 of Art. 2428 of the Italian Civil Code, EQUITA Group possesses 3,901,490 treasury shares, with a par value of €3,926,926, or 7.66% of the share capital.

EQUITA Group subsidiaries do not own any shares of the Parent Company.

Number and par value of both the treasury shares and the shares or quotas in parent companies purchased or sold by the company during the year, including through fiduciary companies or intermediaries, with the relative amount of capital, consideration paid and the reasons for the purchases and the disposals.

Pursuant to paragraph 3.4 of Art. 2428 of the Italian Civil Code, EQUITA Group possesses 3,901,490 treasury shares, with a par value of €3,926,926, or 7.66% of all the shares comprising share capital.

For a detailed analysis of movements in treasury shares, refer to the specific section of the Report on Operations

Information provided relating to the Company's use of financial instruments and if relevant to the statement of financial position and the economic result for the year:

The most important risks, pursuant to Art. 2428, paragraph 3.6) bis of the Italian Civil Code, relate to the market in which the Group operates.

The business risks are assessed each year by the members of the Board of Directors as part of the ICAAP/ILAAP process and are also examined periodically as part of the Group's standard risk review.

Other Information

Report on Corporate Governance and Ownership Structure

Pursuant to Art. 123-bis, paragraph 3 of Legislative Decree n. 58 of 24 February 1998, the Report on Corporate Governance and Ownership Structure is available in the "Corporate Governance" section of EQUITA's website (www.equita.eu).

Remuneration Policy

Pursuant to Art. 123-ter of Legislative Decree n. 58 of 24 February 1998, as amended in implementation of EU Directive 2017/828 and Art. 84- quater, paragraph 1, of the Listing Rules, the "Report on the Renumeration Policy and the Compensation Paid ", is available on EQUITA's website (www.equita.eu) in the "Corporate Governance" section.

ESEF - European Single Electronic Format

In compliance with EC Directive 2004/109 and EU Delegated Regulation 2019/815 (ESEF), this Consolidated Annual Report 2022is also prepared in XHTML format and the definitive version will be made available on the Group's website.

Regulatory Simplification Process - CONSOB Resolution n. 18079 of 20 January 2012

EQUITA Group confirms its intention to exercise the "opt-out" clause provided in Articles 70 (8) and 71 (1-bis) of CONSOB's Regulation for Issuers which grants the option to waive the mandatory publication of informational documents relating to mergers, spin-offs, capital increases through in-kind transfers, acquisitions and disposals

Related Party Transactions

Pursuant to Article 2428 (3.2) of the Italian Civil Code, we hereby declare that the related party transactions carried out in the first nine months of 2022 were all performed under intercompany agreements for services and the transfer of personnel in place with:

- Equita Group S.p.A.;
- Equita SIM S.p.A.;
- Equita Partecipazioni S.r.l. (liquidata a dicembre 2022);
- Equita Capital SGR S.p.A;
- Equita Investimenti S.p.A.;
- Equita K Finance S.r.l.;

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

Subsequent events

No significant events occurred after the close of the year that would have entailed adjustments to the figures reported in the consolidated financial statements at 31 December 2022.

On 27 February 2023 an inspection was begun of the subsidiary EQUITY SIM as part of the routine activities carried out by the Bank of Italy.

Outlook

The scenario for 2023 suggests that the year will be characterized by signs of recovery.

At the start of the year there was, in fact, an active flow of investors. At the end of January, the FTSEMIB was up +12.2%, at the top end of the range for European markets. Market volatility fell to around 16% with the VIX at 20%. The difference is explained mainly by the extreme volatility of the American Tech sector. All the sectors were positive with the exception of Health Care (-3.9%), driven by Financial (+16.7%) and Technology (+27.1%).

The BTP-BUND spread narrowed from the 209 bps recorded at year-end 2022 to 187 bps in January 2023, with yields of the two ten-years at 4.16% and 2.29% for BTPs and the BUND, respectively.

The USD/EUR exchange rate rose from 1.068 to 1.083 at the end of January.

Expectations for inflation were revised downward thanks, above all, to the drop in gas prices (futures lost roughly 37%) and the stability of oil prices.

Even though the market performed well, the stock exchange's volumes fell by 20% in January 2023, alone. EQUITA was also impacted by this decline, but managed to maintain its market share for **third party brokerage** largely in line 2022. Volumes were down for institutional in Italy and on the European market (France – Germany). Volumes for the Retail Hub bucked this trend mainly on the Italian markets.

With regard to i**nvestment banking,** the first half of 2023 is expected to be a preparatory phase for corporate finance transactions which will then be completed in the second half of the year.

The market is, in fact, expected to improve thanks to: the easing of inflationary pressures, stable energy costs, a more contained cost of funding and the reopening of the Chinese market.

The first companies to benefit from this scenario will be the ones capable of combining organic growth and M&A, with an efficient capital structure and a profit & loss structure that is sustainable over time.

As for business initiatives specific to EQUITA, work will continue on product diversification and service, in order to further increase market share and provide clients with "one-stop shop" service.

EQUITA will also continue to pay great attention to sustainability issues, including with respect to ESG factors. In 2023 EQUITA SIM renewed its commitment to both the non-profit organizations, historically dedicated to social initiatives, and to Fondazione EQUITA

Allocation of the profit for the year

At the close of FY 2022 EQUITA Group's portion of the consolidated net profit came to €15,247,383.

The Board of Directors proposes that shareholders approve payment of a dividend of €0.35 per outstanding share for a total maximum amount of €17,000,065 to be paid in two tranches, in May 2023 and November 2023, as follows;

- first tranche – €0.20 per share, for up to a maximum of €9,714,323.00, to be taken from the earnings for the year, payable as from 24 May 2023 (the payment date), going ex-dividend as from 22 May 2023 (ex-dividend date) as per the date of record 23 May 2023 (the record date);
- second tranche – €0.15 per share for up to a maximum of €7,285,742.25 (to be taken from yearly earnings for €334,725.35 and capital reserves for €6,951,016.90) payable as from 22 November 2023 (the payment date), going ex-dividend as from 20 November 2023 (the ex-dividend date) as per the date of record 21 November 2023 (the record date).

Certification of the consolidated financial statements pursuant to article 154-bis of consob regulation no. 11971 of may 14, 1999, as amended

We, the undersigned, Andrea Vismara, CEO and Managing Director of Equita Group S.p.A., and Stefania Milanesi, Financial Reporting Manager for Equita Group S.p.A., hereby certify, including in accordance with Art. 154-bis (3) and (4) of Legislative Decree 58/98, the adequacy in relation to the characteristics of the business, and the company's due compliance with the administrative and accounting procedures for the preparation of the consolidated financial statements for the year closed on 31 december 2022.

The assessment as to the adequacy of the administrative and accounting procedures used to prepare the 2022 consolidated annual report was based on the evaluation of the internal control system and the processes relative, including indirectly, to the accounting entries and preparation of the financial statements.

The undersigned also confirm that the consolidated annual report:

a. was prepared in accordance with the applicable International Accounting Standards recognized by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;

b. corresponds to the ledgers and accounting entries;

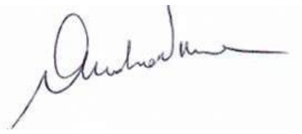
c. provides fair and truthful disclosure of the financial status and performance of the issuer and the companies included in the scope of consolidation.

The Report on Operations contains a reliable analysis of the operating performance and results, as well as the financial position of the Group and the companies included in its scope of consolidation, along with a description of the main risks and uncertainties to which they are exposed. The Report on Operations also includes related-party transaction disclosures, pursuant to art. 154-b of Legislative Decree 58/98.

Milan, 16 March 2023

Equita Group S.p.A.

Chief Executive Officer
and General Manager
Andrea Vismara



Financial reporting manager
dei documenti contabili societari
Stefania Milanesi

3

Consolidated Financial Statements 2022

Reporting Schemes and Explanatory notes

Accounting Stamentent

Consolidated Statement of Financial Position

Assets (€)

		31/12/2022	**31/12/2021**
10	Cash and cash equivalents	107,944,782	136,126,012
20	Financial assets measured at fair value through profit or loss	111,713,663	49,243,191
	a) financial assets held for trading	102,138,408	41,993,017
	b) financial assets designated at fair value	-	-
	c) other financial assets mandatorily measured at fair value	9,575,255	7,250,174
30	Financial assets at fair value through other comprehensive income	-	-
40	Financial assets measured at amortized cost	99,550,332	91,438,682
	a) due from banks	46,394,967	40,684,941
	b) due from financial institutions	30,652,845	38,406,064
	c) loans to customers	22,502,521	12,347,677
50	Hedging derivatives	146,474	-
60	Changes in fair value of portfolio hedged items (+/-)	-	-
70	Investments in associates and companies subject to joint control	46,267	46,267
80	Property and equipment	4,140,864	5,203,160
90	Intangible assets	26,901,934	27,221,201
	of which:	-	-
	- goodwill	24,153,008	24,153,008
100	Tax assets	7,520,436	4,428,711
	a) current	4,961,894	1,552,518
	b) deferred	2,558,542	2,876,193
110	*Non-current assets and disposal groups classified as held for sale*	-	-
120	Other assets	41,566,005	1,916,272
	Total assets	**399,530,757**	**315,623,495**

Accounting Stamentent

Consolidated Statement of Financial Position

Liabilities and shareholders' equity (€)

		31/12/2022	31/12/2021
10	Financial liabilities measured at amortised cost	205,731,240	166,487,398
	a) debts	205,731,240	166,487,398
	b) debt securities in issue	-	-
20	Financial liabilities held for trading	15,540,760	9,091,005
30	Financial liabilities designated at fair value	-	-
40	Hedging derivatives	-	3,545
50	Value adjustment of hedged financial liabilities (+/-)	-	-
60	Tax liabilities	3,626,449	6,034,615
	a) current	2,932,930	5,278,395
	b) deferred	693,519	756,221
70	Liabilities associated with assets classified as held for sale	-	-
80	Other liabilities	64,428,329	27,928,052
90	Employees' termination indemnities	2,069,142	2,397,194
100	Allowances for risks and charges	3,833,991	4,372,648
	a) committments and guarantees given	-	-
	b) post-employment benefits	-	-
	c) other allowances for risks and charges	3,833,991	4,372,648
110	Share capital	11,587,376	11,427,911
120	Treasury shares (-)	(3,926,926)	(4,059,802)
130	Redeemable shares	-	-
140	Share premium reserve	20,446,452	18,737,040
150	Reserves	58,819,101	51,175,550
160	Valuation reserves	106,868	(42,752)
170	Net income (loss) (+/-)	17,267,975	22,071,091
180	Minority shareholders' equity (+/-)	-	-
	Total liabilities and shareholders' equity	**399,530,757**	**315,623,495**

Accounting Statement

Consolidated Income Statement

Consolidated income statement

		31/12/2022	31/12/2021
10	Net trading income	7,195,400	12,660,780
20	Net gains (losses) on hedge accounting	-	-
30	Gains (Losses) on disposal and repurchase of:	-	-
	a) financial assets at amortised cost	-	-
	b) financial assets at fair value through other comprehensive income	-	-
	c) other financial assets	-	-
40	Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	1,102,819	140,617
	a) financial assets/liabilities designated at fair value	-	-
	b) other financial assets mandatorily at fair value	1,102,819	140,617
50	Commission income	76,016,230	79,140,390
60	Commission expense	(6,508,850)	(6,655,527)
70	Interest and similar income	3,251,913	950,972
80	Interest and similar expense	(3,658,210)	(2,743,231)
90	Dividends and similar revenues	9,491,077	6,804,222
110	**Intermediation margin**	**86,890,378**	**90,298,223**
120	Net losses/recoveries for credit risks associated with:	6,256	199
	a) financial assets measured at amortised cost	6,256	199
	b) financial assets at fair value through other comprehensive income	-	-
130	**Net profit (loss) from financial activities**	**86,896,634**	**90,298,422**
140	Administrative expenses:	(61,038,306)	(59,176,733)
	a) personnel expenses	(43,608,255)	(43,784,306)
	b) other administrative expenses	(17,430,052)	(15,392,427)
150	Net provisions for risks and charges	-	(100,221)
160	Net (losses) recoveries on impairment of property, plant and equipment	(1,307,930)	(1,286,263)
170	Net (losses) recoveries on impairment of intangible assets	(359,214)	(372,827)
180	Other operating income and expense	(137,239)	(104,985)
190	**Operating costs**	**(62,842,689)**	**(61,041,030)**
200	Profit (loss) on equity investments	(44,389)	(41,001)
210	Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	-	-
220	Goodwill impairment	-	-
230	Gains (Losses) on disposals on investments	-	-
240	**Profit (loss) on ordinary operations before tax**	**24,009,556**	**29,216,391**
250	Income tax on ordinary operations	(6,741,581)	(7,145,300)
260	**Net Profit (loss) on ordinary operations after tax**	**17,267,975**	**22,071,091**
270	Profit (loss) of business groups in demission net taxes	-	-
280	**Net income (loss) (+/-)**	**17,267,975**	**22,071,091**
290	Minority profit (loss) of the year	2,020,592	559,498
300	**Parent Company's profit (loss) of the year**	**15,247,383**	**21,511,592**

Accounting Statement

Consolidated Statement of Comprehensive Income

		31/12/2022	31/12/2021
10	**Net income (loss) (+/-)**	17,267,975	22,071,091
	Other comprehensive income net of tax that will not be reclassified to profit or loss	-	-
20	Equity instruments designated at fair value through other comprehensive income	-	-
30	Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)	-	-
40	Hedge accounting of equity instruments designated at fair value through other comprehensive	-	-
50	Property, plant and equipment	-	-
60	Intangible assets	-	-
70	Defined benefit plans	149,620	(12,437)
80	Non-current assets and disposal groups classified as held for sale	-	-
90	Portion of the valuation reserves – equity accounted investees	-	-
	Other comprehensive income net of tax that may be reclassified to profit or loss	-	-
100	Foreign investments hedging	-	-
110	Foreign exchange differences	-	-
120	Cash flow hedging	-	-
130	Hedging instruments (non-designated items)	-	-
140	Financial assets (other than equities) measured at fair value through other comprehensive income	-	-
150	Non-current assets and disposal groups classified as held for sale	-	-
160	Part of valuation reserves from investments valued at equity method	-	-
170	**Total other comprehensive income, net of tax**	149,620	(12,437)
180	**Total comprehensive income (Items 10 + 170)**	17,417,595	22,058,654
190	Total comprehensive income of third-party	2,020,592	559,498
200	**Total comprehensive income attributable to the parent company**	**15,397,003**	**21,499,155**

Accounting Statement

Statement of Changes in Equity

Statement of Changes in Consolidated Shareholders' Equity - FY 2021

	Amount as at 31.12.2021	Changes in opening balances	Amounts as at 01.01.2022	Allocation of previous year's profit		Change in reserves	Changes during the year						Comprehensive income 31.12.2022	Amounts as at 31.12.2022
							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	11,376,345	-	11,376,345	-	-	-	51,566	-	-	-	-	-	-	11,427,911
Share premium reserve	18,198,319	-	18,198,319	-	-	-	538,721	-	-	-	-	-	-	18,737,040
Reserves:	47,217,517	-	*47,217,517*	-	-	-	-	-	-	-	-	-	-	*51,175,550*
a) retained earnings	22,189,702	-	22,189,702	3,663,473	-	-	(590,287)	-	-	-	1,018,457	(133,610)	-	26,147,735
b) other	25,027,815	-	25,027,815	-	-	-	-	-	-	-	-	-	-	25,027,815
Treasury shares	(4,059,802)	-	(4,059,802)	-	-	-	-	-	-	-	-	-	-	(4,059,802)
Valuation reserves	(30,315)	-	(30,315)	-	-	-	-	-	-	-	-	-	(12,437)	(42,752)
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) of the Group	12,896,353	-	12,896,353	(3,663,473)	(9,232,879)	-	-	-	-	-	-	(0)	22,071,091	22,071,091
Total shareholders' equity of the group	85,598,416	**-**	**85,598,416**	**-**	**(9,232,879)**	**-**	**-**	**-**	**-**	**-**	**1,018,457**	**(133,610)**	**22,058,654**	**99,309,038**
Minority shareholders' equity	85,248	-	85,248	-	-	-	-	-	-	-	-	(85,248)	x	-
Total shareholders' equity	**85,683,663**	**-**	**85,683,663**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**99,309,038**

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		Change in reserves	Changes during the year						Comprehensive income 31.12.2022	Amounts as at 31.12.2022
							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)

A	**Attività operativa**	**31/12/2022**	**31/12/2021**
1	**Liquidity generated by operations:**	**27,500,360**	**33,115,244**
	commissions revenues (+)	76,022,601	79,140,589
	commissions expenses (-)	(6,508,850)	(6,655,527)
	Interest and similar income (+)	3,251,913	950,972
	Interest and similar expense (-)	(3,658,210)	(2,743,231)
	dividends and similar income (+)	9,491,077	6,804,222
	personnel expenses (-)	(42,528,767)	(42,728,523)
	other expenses (-)	(17,569,161)	(15,497,412)
	other income (+)	9,457,195	12,605,794
	taxes and duties (-)	(457,438)	1,238,360
	Liquidity generated/absorbed by financial assets (+/-)	-	
2	**Liquidity generated/absorbed by financial assets**	**(119,468,048)**	**(2,682,481)**
	financial assets held for trading	(61,302,710)	(6,527,795)
	financial assets designated at fair value	-	
	other financial assets mandatorily measured at fair value	(2,325,081)	1,329,300
	financial assets measured at fair value through other comprehensive income	-	
	financial assets measured at amortised cost	(12,730,176)	4,424,097
	other assets	(43,110,081)	(1,908,083)
3	**Liquidity generated/absorbed by financial liabilities**	**71,923,690**	**7,032,158**
	financial liabilities measured at amortised cost	39,243,841	9,453,819
	financial liabilities held for trading	6,449,755	(5,126,082)
	hedging derivatives	(150,019)	3,545
	financial liabilities designated at fair value	-	-
	other liabilities	26,380,113	2,700,876
	Liquidity generated/absorbed by operating activities	**(20,043,998)**	**37,464,920**
B	**Investing Activities**		
1	Liquidity generated by (+):	-	-
	Sales of investments in associates and companies subject to joint control	-	-
	collected dividends on equity investments	-	-
	sales of property, plant and equipment	-	-
	sales of intangible assets	-	-
	sales of business units	**-**	**-**

Accounting Statement

2	Liquidity absorbed by:	(285,581)	(336,507)
	purchases of equity investments	-	-
	purchases of property, plant and equipment	(245,634)	(266,049)
	purchases of intangible assets	(39,947)	(70,458)
	purchases of business units	**-**	**-**
	Liquidity generated/absorbed by investing activities	**(285,581)**	**(336,507)**
C	**Funding activities**		
	issue/purchase of treasury shares	2,001,753	590,287
	issue/purchase of equity instruments	1,938,675	201,700
	dividend distribution and other	**(16,366,215)**	**(9,232,880)**
	Net liquidity generated/absorbed by funding activities	**(12,425,787)**	**(8,440,893)**
	NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	**(32,755,365)**	**28,687,520**

Reconciliation

Reconciliation

	31/12/2022	31/12/2021
Cash and cash balances at the beginning of the year	**155,429,393**	**126,741,872**
Net liquidity generated/absorbed in the year	(32,755,365)	28,687,520
Cash and cash balances: foreign exchange effect	-	
Cash and cash balances at the end of the year	**122,674,027**	**155,429,393**

“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 standards and policies

A.1 General introduction

Section 1 - Statement of conformity with International Financial Reporting Standards

Pursuant to Legislative Decree no. 38 of 28 February 2005, this Consolidated Annual Report was prepared in accordance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Standards Interpretation Committee and adopted by the European Commission as established by Regulation (EU) no. 1606/2002 of 19 July 2002.

The Consolidated Annual Report at 31 December 2022 of Equita Group S.p.A. (hereinafter also referred to as the "Company" or the "Group") was prepared in accordance with the Bank of Italy's Provision of 29 October 2021, "The IFRS financial statements of intermediaries other than bank intermediaries" (which fully replace the provisions issued on 30 November 2018). Given the nature of the core business of Equita Group S.p.A. and the fact that it is the holding company of a group of SIMs, the financial statements were prepared based on the instructions for the preparation of IFRS financial statements of intermediaries other than bank 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 accurate disclosure.

These instructions establish binding rules for the presentation of consolidated financial statements, the relative accounting methods to be used, as well as the content to be included in the explanatory notes. The IAS/IFRS international accounting standards adopted and in effect at 31 December 2022 used to prepare the consolidated financial statements are described in this Consolidated Annual Report.

The new international accounting standards or the amendments to accounting standards already in effect, together with the relative adoption regulations issued by the European Commission, which became effective in 2021 are listed below.

New documentation issued by the iasb and endorsed by the eu effective beginning as of 1 January 2022

Document	Issue date	Effective date	Approval Date	UE regulation
Improvements to IFRSs (2018–2020 cycle) [Amendments to IFRS 1, IFRS 9, IFRS 161 e to IAS 41]	May 2020	January 1st, 2022	June 28, 2021	(UE) 2021/1080 July 2, 2021
Property, plant and equipment – Income before intended use (Amendments to IAS 16)	May 2020	January 1st, 202	June 28, 20211	(UE) 2021/1080 July 2, 2021
Onerous contracts - Necessary costs to the fulfillment of a contract (Amendments to IAS 37)	May 2020	January 1st, 202	June 28, 2021	(UE) 2021/1080 July 2, 2021
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	January 1st, 202	June 28, 2021	(UE) 2021/1080 July 2, 2021

IAS/IFRS and the relative IFRICnterpretations applicable to reporting periods beginning on or after 1 january 2022 endorsed by the eu as of 30 november 2022.

Title	Issue date	Effective date	Approval date	UE regulation
IFRS 17 - Insurance contracts (including changes published in June 2020)	May 2017 June 2020	January 1st, 2023	November 19, 2021	(UE) 2021/2036 November 23,2021
Definition of accounting estimates (Amendments to IAS 8)	February 2021	January 1st, 2023	March 2, 2022	(UE) 2022/357 March 3, 2022
Disclosure on Accounting Standards (Amendments to IAS 1*)	February 2021	January 1st, 2023	March 2, 2022	(UE) 2022/357 March 3, 2022
Deferred taxes relating to assets and liabilities arising from a single transaction (Amendments to IAS 12)	May 2021	January 1st, 2023	August 11, 2022	(UE) 2022/1392 August 12, 2022
First application of IFRS 17 and IFRS 9 — Comparative information (Amendments to IFRS 17)	December 2021	January 1st, 2023	September 8, 2022	(UE) 2022/1491 September 9, 2022

IAS/IFRS and the relative IFRIC interpretations applicable to reporting periods beginning on or after 1 january 2022, but not yet endorsed by the eu at 30 November 2022

It should be noted that these documents will be applicable only after successful EU approval.

Title	Issue date from IASB	Effective date	Approval date
Standards			
IFRS 14 Regulatory deferral accounts	January 2014	January 1st, 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)	Settembre 2014	Deferred until completion of IASB project on equity method	Approval process suspended pending the conclusion of the IASB project on the equity method
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	January 1st, 2024	TBD
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	January 1st, 2024	TBD

Section 2 - Preparation criteria

In accordance with Article 5, paragraph 2 of Legislative Decree no. 38/2005 this Annual Report was prepared using euros as the functional currency. The financial statements comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the explanatory notes. They are also accompanied by the directors' report on the Group's operations, economic results and financial position.

The consolidated annual report was prepared with clarity and provides a true and fair view of the Group's financial position, the economic results for the year, its cash flows and is based on the application of the following general principles of preparation contained in the IASB Framework, as well as in IAS 1:

Going concern – Assets, liabilities and "off balance sheet" transactions are measured on a going concern basis because the Company is expected to continue to operate in the future, based on all the available information and, based on IAS 1 "Presentation of Financial Statements", taking into account a future period of at least, but not limited to, 12 months from the last day of the reporting period. When preparing the consolidated annual report management assessed the Group's ability to continue as a going concern, including in light of the pandemic and the geopolitical instability generated by the Russia-Ukraine conflict begun at the end of February 2022, and concluded that this assumption is reasonable as there are no reasonable doubts to the contrary.

Accrual based accounting – Income and expense are recognized when they occur, regardless of when the corresponding balances are settled, and in accordance with the matching principle, as well as the applicable IFRS.

Consistency of presentation - The presentation and classification of items are kept constant over time to ensure comparability of information, unless changes are required by an IFRS or an interpretation or if it increases the relevance and accuracy of the figures recognized. If a presentation or classification policy is changed, the new one is applied retrospectively if possible; in this case the nature and the reason for the change, as well as the items concerned, are stated. The formats prescribed by the Bank of Italy for the financial statements of SIMs have been used in the presentation and classification of the different items.

Materiality and aggregation – All significant aggregations of items with a similar nature or function are reported separately. Items having a different nature or function are presented separately.

Offsetting – Assets and liabilities, costs and revenues are not offset with each other unless required or permitted by an IFRS or interpretation or by the formats prescribed by the Bank of Italy for the financial statements of SIMs.

Comparative information – Comparative information for the previous year is reported for all the figures contained in the financial statements unless otherwise prescribed or permitted by an IFRS or interpretation. This also relates to information of a descriptive nature or comments provided when useful to an understanding of the figures.

Consistency in the application of accounting standards – The methods used to recognize items are maintained over time in order to ensure the comparability of the financial statements unless changes are required by an IFRS or an interpretation or if it increases the relevance and accuracy of the figures. If a standard does change, the new standard is applied retrospectively if possible; in this case the nature and the reason for the change, as well as the items concerned, are stated.

Risks and uncertainties stemming from the use of estimates and assumptions - In the preparation of the consolidated annual report accounting estimates and assumptions are used that are based on complex and/or objective judgements, on past experience and on assumptions that are considered reasonable and realistic on the basis of the information known at the time the estimates were made. The use of these estimates affects the carrying amount of assets and liabilities and disclosures about contingent assets and liabilities at the date of the consolidated annual report, as well as the amounts of revenues and costs recognized in the reporting period. Actual results may differ from the estimates owing to the uncertainty that characterizes the assumptions and the conditions on which the estimates are based.

The main instances in which management may be required to make subjective assessments includes:

- the use of valuation models for measuring the fair value of financial instruments not listed on active markets;
- the quantification of provisions for personnel and provisions for risks and charges;
- estimates and assumptions regarding the recoverability of deferred tax assets;
- the quantification of impairment losses on loans and receivables and, in general, on other financial assets.

Section 3 - Subsequent events

No significant corporate events or atypical/unusual transactions which should have been taken into account when preparing this Consolidated Annual Report occurred in the first few months of 2023.

The publication of these consolidated financial statements was authorized, in accordance with IAS 10, by the Board of Directors on 16 March 2023.

Section 4 - Other aspects

As mentioned above, new international accounting standards and amendments to accounting standards already effective were taken into consideration in the preparation of these consolidated financial statements.

With regard specifically to paragraph 125 of IAS 1 reference should be made to the section “Business risks”.

The consolidated and separate financial statements of Equita Group are subject to financial audit by the external auditors KPMG S.p.A., pursuant to Legislative Decree n. 39 of 27 January and as resolved during the shareholders’ meeting held on 27 October 2012, for the years 2018 through 2026.

We inform you that, with the approval of the financial statements as at 31 December 2022 by the Shareholders' Meeting of Equita SIM, the statutory audit assignment previously assigned to KPMG S.p.A. will expire in accordance with the law.

As a result of the significant relevance of Equita SIM with respect to the consolidated financial statements of Equita Group, in December 2022 the Parent Company, Equita Capital SGR and KPMG S.p.A. have expressed their mutual intention to reach a consensual resolution of the audit mandate.

At the end of 2022, Equita started the process of choosing the new statutory auditor for the certification of the financial statements for the nine-year period 2023-2031.

This resolution will take effect from the approval of the same by the Shareholders' Meeting of the companies involved and from the simultaneous appointment of the statutory audit in compliance with the applicable legislation.

"Covid Disclosure”

Risks, uncertainties and impact of the COVID-19 pandemic

During 2022, the impact of the spread of covid-19 recorded a contraction in Italy, leaving room for a progressive return to normality and circulation, especially starting from March.

In any case, the Group has given continuity to the initiatives aimed at protecting the health of employees, suppliers and customers, at ensuring business continuity and risk management, and at countering the effects of the pandemic at a social and economic level.

The use of "work from home" operations saw a decrease compared to the same period of 2021, in line with the reduction in the severity of the spread of the epidemic.

From a business point of view, there were no elements related to the COVID-19 that had a significant impact on the macroeconomic context.

With reference to the sustainability of the corporate plans, in March 2022 the Group outlined the 2022-2024 Strategic Plan taking into consideration all the information available at the draft date. As a result of these activities, no indicators emerged such as to call into question both the business continuity and the Group's business plans, even under conditions of stress.

With regard to the estimates used in the Group’s financial statements, no changes were made to the accounting models as a result of COVID-19. Application of the accounting models relative to leasing (IFRS 16), actuarial gains/losses on provisions for termination benefits (IAS 19), vesting conditions for share-based compensation (IFRS 2) and measurement of expected credit losses (IFRS 9) did not have any impact, either.

Contractual amendments stemming from COVID-19

Nothing to report

Section 5 – Scope and methods of consolidation

Scope and methods of consolidation

1. Equity investments in subsidiaries

Subsidiary	Headquarters	Stake	Holding Company	Owned %	% of available voting rights
1. Equita SIM	Milano	1	Equita Group	100%	100%
2. Equita Capital SGR	Milano	1	Equita Group	100%	100%
3. Equita K Finance	Reggio Emilia	1	Equita Group	70%	100%
4. Equita Investimenti	Milano	1	Equita Group	100%	100%

Legend: 1- majority of voting rights at ordinary meetings of the shareholders

In December 2022, the company Equita Partecipazioni S.r.l. it was liquidated. Therefore, as at 31 December 2022, the balances resulting from the liquidation became available to the Parent Company as the latter is the sole shareholder.

2. Assessment and main assumptions used to determine the scope of consolidation

In accordance with IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, the Group has consolidated its subsidiaries using the line-by-line method.

The scope of consolidation was determined based on IFRS 10 Consolidated Financial Statements which states that "control" exists if the following three factors are present at the same time:

- power over the investee, i.e., the investor has existing rights that give it the ability to direct the relevant activities (the activities
- that significantly affect the investee's returns);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

In accordance with paragraph B86 of IFRS 10, line-by-line consolidation consists in the following:

- the combination of like assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary;
- the offsetting (elimination) of the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (as described below, IFRS 3 Business Combinations explains how to account for any related goodwill);
- the elimination of intragroup assets and liabilities, equity, income, expenses and cash flows from transactions between the two entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets are eliminated in full).
- As Equita K Finance was acquired on 14 July 2020, the economic figures included in last year's consolidated financial statements, therefore, refer to a period of less than twelve months.
-

3. Equity investments in subsidiaries with significant non-controlling interests..

The following equity investments, held through Equita K Finance, are not consolidated as they are not significant:

- al 13% KF ECONOMICS - MARKET INTELLIGENCE S.r.l.;
- al 23,2% CLAIRFIELD INTERNATIONAL S.A.

A.2 Main items of the consolidated financial statements

The accounting standards adopted to prepare the financial statements for the year ended 31 December 2022 are described below.

More specifically, information is provided on the criteria used in the recognition, classification, measurement and derecognition of assets and liabilities and the recognition of income and expense.

Cash and cash equivalents

These include legal tender, including foreign currencies as well as credits payable on sight (demand deposit accounts and cash) by banks.

Financial assets measured at fair value through profit or loss

a) Financial assets held for trading

Recognition

Financial assets held for trading are initially recognized at their fair value on the settlement date of the debt or equity security which typically corresponds to the consideration paid, excluding transaction costs and income that are directly attributable to the financial assets and are recognized in the income statement. Trading derivatives are recognized by trade date.

Classification

A financial asset is classified as held for trading if it:

- has been acquired to sell in a short period of time;
- is part of portfolio of financial instruments managed jointly and for which there is a short-term profit taking strategy;
- is a derivative not designated as a hedge including embedded derivatives with a positive fair value other than those measured at fair value through profit and loss.

Measurement

Financial assets held for trading continue to be measured at fair value after initial recognition and any changes are recognized in profit and loss.

Derivatives settled through delivery of an over-the-counter security for which the fair value cannot be measured reliably are measured at cost.

Recognition of income and expense

Gains and losses on the trading, disposal or repayment of the trading portfolio and the gains and losses (realized and unrealized) arising from the changes in fair value of the trading portfolio are classified under item 10 “Net trading income”, including “fair value option” derivatives. If the fair value becomes negative, this instrument is recognized in line 20 “Financial liabilities held for trading”.

Derecognition

Financial assets classified in the trading portfolio are derecognized once all the risk and rewards connected to the asset (typically the settlement date) are transferred. If part of the risks and rewards are not transferred, the financial asset continues to recognized in the financial statements until title to the asset has effectively passed. Securities received and delivered as part of repurchase agreements do not affect the proprietary portfolio.

c) Other financial assets mandatorily measured at fair value

Recognition

"Other financial assets mandatorily measured at fair value" are recognized in the same way as the "Financial assets held for trading" as described above.

Classification

A financial asset, not recognized as held for trading, is classified under other financial assets mandatorily measured at fair value when it doesn't meet the conditions, in terms of business model or type of cash flows, to be measured at amortized cost or at fair value through other comprehensive income.

This item includes:

- debt securities, securities and loans held as part of a hold to collect business model or a hold to collect and sell business model which are not financial assets held for trading;
- debt securities, securities and loans whose cash flows do not represent only the payment of principal and interest;
- units of UCITs;
- equity securities for which the Group didn't exercise the option to recognize the financial assets at fair value through other comprehensive income.

Recognition of income and expense

The recognition of these transactions is similar to "Financial assets held for trading", with the exception of gains and losses, realized and unrealized, which are classified in line 40. "Net result of other financial assets and liabilities measured at fair value through profit and loss b) other financial assets".

Derecognition

"Other financial assets mandatorily measured at fair value" are derecognized in the same way as the "Financial assets held for trading" as described above.

Financial assets measured at amortized cost

Recognition

Financial assets measured at amortized cost are initially recognized at fair value, at the trade date for debt securities and at the disbursement date for loans, which normally corresponds to the consideration for the transaction including transaction costs or income that are directly attributable to the instrument.

Classification

A financial asset is classified as a financial asset measured at amortized cost if:

- the asset is held as part of a hold to collect business model;
- the contractual terms provide for cash flows at specific dates represented solely by the repayment of the principal and the interest on the principal amount outstanding.

More specifically, this item comprises:

- different forms of loans to banks, financial entities and clients which meet the requirements above and cannot be liquidated on sight or in 24 hours;
- debt securities that meet the requirements above.

This category also comprises trade receivables connected with the lending of assets and financial services rendered (for example, amounts owed for the placement of financial products) as defined in the Consolidated Banking Law (Testo Unico Bancario or T.U.B.) and the Consolidated Finance Law (Testo Unico della Finanza or T.U.F.) and includes the variation margin held with clearing houses relative to the trading of derivative.

Recognition of income and expense

After initial recognition at fair value, the financial assets are measured at amortized cost based on the effective interest method adjusted for any impairment losses/reversals of impairment losses. These impairment losses/reversals of impairment losses are recognized in profit or loss under line item 120. "Net losses (reversals) of impairment on credit risk of: a) financial assets measured at amortized cost"

Reinstatements of the carrying amount arising from the passage of time are recognized in the interest margin.

When the financial asset in question is derecognized, any gains or losses are recognized in consolidated profit or loss under item 100. "Gains (losses) from the sale or repurchase of: a) financial assets at amortized cost".

The interest accruing is recognized in the income statement as interest income based on the effective interest applicable over the term of the contract, namely by applying the effective interest rate to the gross book value of the financial asset, except in the case of:

a) purchased or originated credit impaired financial assets. In this case the adjusted effective interest rate is applied to the amortized cost of the financial asset as from initial recognition;

b) purchased or originated financial assets credit impaired which are not credit impaired but became impaired at a later date. In this case the adjusted effective interest rate is applied to the amortized cost of the financial asset in subsequent years.

Derecognition

Loans and receivables are derecognized when the contractual rights related to the cash flows expire or when the loans and receivables are sold and all the risks and rewards connected with these assets are transferred.

Hedging instruments

Recognition

In application of paragraph 6.1.1 of IFRS 9, the Group applies the rules established by IAS 39 in relation to hedging transactions even after the introduction of IFRS 9.

Hedging transactions mean the designation of a financial instrument capable of neutralizing, in whole or in part, the profit or loss deriving from a change in the fair value or in the cash flows of the hedged instrument. The hedging intent must be formally defined, non-retroactive and consistent with the risk hedging strategy. The accounting of derivatives as hedging instruments is permitted by IAS 39 only in particular conditions, i.e. when the hedging relationship is:

- clearly defined and documented;
- measurable;
- currently effective. Derivative financial instruments designated as hedges are initially recognized at their fair value.

Hedging transactions are aimed at neutralizing potential losses attributable to certain types of risk.

The possible types of coverage are:

- fair value hedging: with the aim of hedging the exposure to changes in the fair value of a balance sheet item;
- cash flow hedges (also "cash flow hedges"): with the aim of hedging the exposure to changes in future cash flows attributable to specific 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, solely for hedging the exchange rate risk. Hedging derivative instruments are classified in the balance sheet, respectively under item 50 "Hedging derivatives" of the assets, or 40 "Hedging derivatives" of the liabilities, depending on whether at the reference date of the financial statements or interim accounting situations they present a fair positive or negative value.

Valuation

Hedging derivative financial instruments are recorded and measured at their fair value. When a financial instrument is classified as a hedge, it formally documents the relationship between the hedging instrument and the hedged item, verifying, both at the start of the hedging relationship and throughout its duration, that the hedge of the derivative is effective in offsetting changes in the hedged item's fair value or cash flows. A hedge is considered effective if, both at inception 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 hedging derivative. Therefore, the effectiveness is assessed by comparing the aforementioned changes, taking into account the intent pursued by the company at the time the hedge was put in place. It becomes effective (within the limits established by the range of 80-125%) when the expected and actual changes in the fair value or cash flows of the hedging financial instrument almost completely neutralize the changes in the hedged item.

The methods of accounting for profits and losses deriving from changes in fair value are different, in relation the type of coverage:

- fair value hedge: the change in the fair value of the hedged item attributable solely to the hedged risk is recorded in the income statement, like the change in the fair value of the derivative hedging instrument; any difference, which represents the partial ineffectiveness of the hedge, consequently determines the net economic effect;
- cash flow hedge: changes in the fair value of the derivative are recognized in equity, for the effective portion of the hedge, and are recognized in the income statement only when, with reference to the hedged item, there is the change in the cash flows to be offset, or for the part of the hedge that is ineffective;
- hedging of a net investment in a foreign entity: follows the methods of accounting for cash flow hedging operations.

Derecognition

The accounting of hedging transactions is interrupted in the following cases: a) the hedging effected through the derivative ceases or is no longer highly effective; b) the hedged item has been sold or refunded; c) the hedging transaction was revoked 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 hedged (over hedging) is reclassified under trading instruments. If the interruption of the hedging relationship is due to the sale or extinction of the hedging instrument, the hedged item ceases to be such and is once again valued according to the criteria of the portfolio to which it belongs. Hedging financial assets and liabilities are derecognised when the contractual right to receive the cash flows relating to the financial instruments, assets/ hedged liability and/or derivative object of the hedging transaction, or when the financial asset/liability is sold by substantially transferring all the risks/benefits associated with it.

Property, plant and equipment

Recognition

Property, plant and equipment is initially recognized at cost which, in addition to the purchase price, includes any ancillary costs directly attributable to the purchase and the functioning of the asset.

Upon initial recognition the leased right-of-use assets are valued at cost plus the present value of the payments payable over the term of the lease (the lease liabilities), including any payments made at that date or prior to the commencement date of the lease and the initial costs incurred directly by the lessee. The payments due under the lease are determined based on the lease terms and discounted at the incremental borrowing rate which is the rate that the lessee would pay on a loan with a similar duration and conditions.

Classification

Property, plant and equipment comprises technical equipment, furniture and fittings and equipment of any other kind. Property, plant and equipment represents tangible assets that are used in production, to supply goods and render services or for administrative purposes and which are expected to be used during more than one period.

The IFRS 16 leased right of use assets are recognized under property, plant and equipment.

Measurement

Property, plant and equipment is measured at cost less depreciation and impairment losses.

At the end of each reporting period, if there is any indication of asset impairment the asset's carrying amount Is compared with the recoverable amount, which is the higher of its fair value less costs to sell and its value in use, understood as the present value of the future cash flows expected to be derived from the asset. Any changes are recognized in the income statement.

If the reasons giving rise to the impairment loss no longer exist, the impairment loss is reversed for an amount that may not exceed the asset's value that would have been determined net of depreciation calculated without taking into account any prior impairment loss.

Recognition of income and expense

Extraordinary maintenance which increases future economic benefits are recognized as an increase in the asset's carrying value, while ordinary maintenance expenses are recognized in the income statement. Depreciation is calculated using criteria based on the passage of time, and together with any impairment losses or reversals of impairment losses, is recognized in "Net losses (reversals) on impairment of property, plant and equipment".

Derecognition

Property, plant and equipment is derecognized upon disposal or at the end of its useful life and no future economic benefits are expected from its disposal.

Intangible assets

Recognition and classification

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance. The characteristics required
to satisfy the definition of an intangible asset are:

- that it is identifiable;
- that it is controlled by the entity in question;
- that it is expected to generate future economic benefits.

In the absence of these characteristics, expenses incurred to acquire or generate the asset are fully recognized as a cost in the income statement in the year in which they are incurred.

An intangible asset is recognized as such if it is identifiable and arises from contractual or other legal rights. It is measured at cost, adjusted for any ancillary costs only if it is probable that the asset's future economic benefits will materialize and the cost of the asset can be measured reliably.

Measurement and derecognition

At the end of each reporting period, if there is any indication of asset impairment, the asset's recoverable value is estimated.

The amount of any impairment loss, recognized in the income statement, is equal to the difference between the asset's carrying amount value and its recoverable amount.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected. Intangible assets include goodwill.

Goodwill is recognized for business combinations when the fair value of the non-controlling interest, along with the assets acquired, exceeds the consideration transferred and the fair value of the assets acquired is represented solely by the equity investment's ability to generate revenue in the future (goodwill).

When this difference is negative (badwill) or if goodwill is overvalued and not justified by the ability to generate revenue streams in the future, the difference is recognized directly in the income statement.

Each year (or any time there is evidence of impairment) goodwill is tested for impairment and the cash generating unit to which the goodwill should be allocated is identified.

In Equita Group the cash generating units include:

- the subsidiary Equita SIM, net the flows generated by Retail Hub;
- the CGU "Retail Hub", the Brokerage & Primary Market and Market Making business acquired from Nexi S.p.A.;
- the CGU "K Finance", the company formed following the acquisition of K Holding, merged with K Finannce, an M&A firm specialized in advisory for small and medium-sized enterprises.

The amount of any impairment loss is equal to the difference between the carrying amount and the recoverable amount of goodwill, if lower. The recoverable amount is the greater of the CGU's fair value, net of any sales costs, or the relative value in use.

Any adjustments are recognized in the income statement.

Recognition of income and expense

Intangible assets are amortized on a straight-line basis over their useful lives. Intangible assets with indefinite useful lives are not amortized and an impairment test is carried out on a regular basis to ensure that no impairment losses need be recognized with respect to an asset's carrying amount. Leasehold improvement costs incurred by the Company are amortized over a period not exceeding the term of the lease agreement.

Tax assets and liabilities

The Group recognizes the effects of current and deferred taxation in compliance with domestic tax legislation and on an accruals basis, consistent with the methods used to recognize the income and costs underlying the taxes in the consolidated financial statements and based on current applicable tax rates.

Income taxes are always recognized in profit or loss except for those relating to items recognized directly in equity.

The accrual for income taxes is calculated on the basis of a prudent estimate of the current tax charge and deferred tax income and expense. More specifically, deferred tax assets and liabilities are determined on the basis of the temporary differences – without time limits – between the carrying amount of an asset or liability calculated in accordance with statutory regulations and the corresponding tax bases.

In the statement of financial position current tax receivables and payables are recognized under "Current tax assets" or "Current tax liabilities", respectively, in the case in which the offsetting between receivables and payables leads to a net receivable or a net payable.

Deferred tax assets are recognized in the consolidated financial statements to the extent that it is probable that they will be recovered and based on the Company's ability to generate taxable income on a continuous basis.

Deferred tax liabilities are always recognized in the consolidated financial statements with the sole exceptions of increases in the untaxed reserves for suspended tax assets, as it is reasonable to assume that no transactions which could lead to the taxation of these reserves will be carried out given the amount of the available reserves already taxed.

Deferred tax assets and liabilities are recognized gross and are not offset. The former are included in "Tax assets" and the latter in "Tax liabilities".

Deferred tax assets and liabilities are systematically assessed to take account of any changes that may have occurred in both legislation or in tax rates, as well in the Group companies' tax structures.

The provisions for taxes are adjusted as necessary to account for any costs that may arise from tax audits or disputes underway with the tax authorities.

Other assets and liabilities

These comprise assets not recognized in the assets and liabilities found in other lines of the statement of financial position, including the receivables for activities carried out and services rendered other than financial services and activities as defined in T.U.B. and T.U.F., tax items other than those recognized in "Tax assets" as well as the accrued assets other than those capitalized to financial assets, including those stemming from customer contracts as per paragraphs 116 et seq of IFRS 15.

These also include leasehold improvements and expenses other than those recognized under "Property, plant and equipment" as well as any remaining inventory as defined in IAS 2, excluding remaining inventory of fixed assets.

The other liabilities also include the amounts payable to partners for step acquisitions.

Employee severance (for companies with more than 50 employees)

Employee severance (Il trattamento di fine rapporto or TFR) includes the amounts payable to all employees upon termination of their employment contract. On the basis of Law no. 269 of 27 December 2006 (the 2007 Finance Law), in accordance with the decision taken by the employee, companies with at least 50 employees must use a portion of the TFR which accrues on or after 1 January 2007 to make a mandatory monthly payment to the supplementary pension funds listed in Legislative Decree no. 252/05 or to a specially established fund for severance to be paid to private sector employees pursuant to Article 2120 of the Italian Civil Code (hereinafter the Treasury Fund) set up at the national social security agency INPS. As a result of this:

- The TFR accruing as of 1 January 2007 for employees opting for the Treasury Fund and for employees opting for the supplementary pension fund as of the date of this decision (in compliance with the law), is structured like a defined contribution plan for which an actuarial estimate is not needed; the same configuration is also true for the TFR of all employees hired after 31 December 2006, regardless of the choice made relative to allocation of the TFR;
- The TFR accrued at the dates stated in the previous paragraph, however, is considered part of a defined benefit plan even if the service has already been fully provided. As a result of this it became necessary to recalculate the actuarial value as of 31 December 2006 in order to:
  - Align the assumptions used for salary increases with those provided for in Art. 2120 of the Italian Civil Code;
  - Elimination of the pro-rata method applied to the service rendered as the service rendered has been provided in full.

The differences stemming from this restatement were treated, as of 2007, in accordance with the curtailment rules referred to in paragraphs 109-115 of IAS 19, they are recognized directly in the income statement.

Provisions for risks and charges

In accordance with IAS 37 this item refers to liabilities of uncertain timing or amount recognized in the consolidated financial statements under the following conditions: a) the Company has a present obligation as a result of a past event; b) there will likely be an outflow of financial resources; c) a reliable estimate of the amount of the obligation can be made.

Where the effect of the time value of money is material, the amount of the provisions is based on the actuarial value of the cost of fulfilling the obligation.

Provisions are no longer recognized once utilized or if there is no longer any reason to have them.

Accruals to provisions and any reversals of accruals are recognized in "Net provisions for risks and charges".

This item also includes provisions for credit risk relating to loan commitments and guarantees to be issued which fall within the scope of the IFRS 9 impairment rule, as described in the section on impairment, recognized in the consolidated income statement in line item 150. "Net provisions for risks and charges a) credit risk for loan commitments and guarantees".

Financial liabilities measured at amortized cost

Recognition, classification and measurement

Financial liabilities measured at amortized cost comprise financial instruments (other than financial liabilities held for trading or measured at fair value) representing different funding instruments.

Financial liabilities measured at amortized cost are initially recognized at fair value on the settlement date, which normally corresponds to the consideration for the transaction net of the transaction costs that are directly attributable to the instrument.

The interest accrued is recognized in the income statement, in interest margin, based on the effective interest rate over the duration of the liability.

Outstanding securities are recognized netted of repurchased amounts. The difference between the book value of the liability and the amount paid is recognized in the income statement in Line 30 "Gains (Losses) on disposal and repurchase of c) financial liabilities". Any subsequent repurchase or sale is considered a new issue which does not impact the income statement.

Financial liabilities measured at amortized cost also include lease liabilities initially recognized at the present value of the lease payments paid at that date. The lease payments due are discounted using the Group's marginal interest rate calculated based on the cost of funding for liabilities with a duration and conditions similar as those implied in the lease.

Recognition of income and expense

After initial recognition, the financial liabilities are measured at amortized cost based on the effective interest method.

Derecognition

Financial liabilities are derecognized when they are expired or extinguished. Derecognition occurs when the previously issued securities are repurchased. The difference between the book value of the liability and the amount paid is recognized in the income statement.

Any subsequent repurchase or sale is considered a new issue which does not impact the income statement Any future placement of the repurchased securities is considered a new issue with the recognition of the new placement price.

Financial liabilities held for trading

Financial liabilities held for trading comprise:
- derivative contracts not recognized as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller;
- financial liabilities issued in order to repurchase them in the short time;
- financial liabilities that are part of a single portfolio of financial instruments and held for the purposes of trading.

These financial liabilities, including derivatives, are initially recognized at fair value, as well over the life of the transaction.

The gains and losses, realized and unrealized, arising from trading and changes in fair value of the trading portfolio are classified under item 10 "Net trading income", including "fair value option" derivatives.

The financial liabilities held for trading are derecognized when the contractual rights to the cash flows expire or when the risks and benefits stemming from the financial liability are transferred.

Transactions in foreign currency

Foreign currency transactions are recorded initially in the functional currency based on the exchange rate at the date of the transaction.

At the close of each reporting period, the items in foreign currency are measured as follows:
(i) foreign currency monetary items are translated into the functional currency using the closing rate;
(ii) non-monetary items that are measured in terms of historical cost in a foreign currency continue to be translated using the exchange rate that prevailed at the date of the transaction;
(iii) nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates that prevailed at the date when the fair value was measured.

Exchange differences arising from the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in previous financial statements are recognized in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognized directly in equity any exchange component of that gain or loss is recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss any exchange component of that gain or loss is recognized in profit or loss.

Share-based payments

These are share-based payments made to employees or similar parties as compensation for work performed. The applicable international accounting standard is IFRS 2 – Share-based payments; more specifically, work performed for the Company is compensated for using shares (shares "to the value of", namely a certain amount will be translated into a variable number of shares based on the fair value at the grant date) which, for accounting purposes, is referred to as an "equity-settled share-based payment". The cost of the equity-settled share-based payment is calculated based on the fair value at the grant date using the appropriate valuation method. This cost, along with the matching increase in equity, is recognized under personnel expense over the vesting period until the performance goals are reached and/or the service is provided. The cumulative costs recognized for these transactions at the end of each year are calculated based on the best estimate of the number of shares that will vest by the end of the vesting period. The cost or income recognized in the income statement for the year is equal to the difference between the cumulative cost recognized at the beginning and at the end of the year. Based on IFRS 2 the costs are recognized under personnel expense with a corresponding entry in equity and expensed over the vesting period.

Whenever the compensation is settled in cash, even the amount is calculated based on financial instruments, the Group recognizes a payable for an amount equal to the fair value of the performance measured on the assignment date and at the end of each reporting period, through and including the settlement date, with any changes recognized in personnel expense.

Treasury shares

Treasury shares are deducted from equity. Any gains or losses on the sale of treasury shares are also recognized in equity.

Recognition of revenues and costs

Fees for services and other income recognized in accordance with IFRS15 can be recognized:

- at a specific moment, when the entity satisfies the performance obligation by transferring a promised good or service to a customer ("point in time"), or
- over time, as the performance obligation is satisfied by transferring the promised good or service to a customer ("over time").

The entity must recognize revenue when (or as) the performance obligation is satisfied by transferring a promised good or service (or asset) to a customer. The asset is transferred when (or as) the customer obtains control. With regard specifically to the main revenues recognized by the Company in line with the IFRS 15:

- commissions for trading and the placement of financial instruments are recognized when the service is rendered, namely at a certain "point in time";
- advisory fees (when there is no uncertainty as to the work provided and the relative compensation) and portfolio management fees are recognized over time, over the life of the contract;
- • revenues stemming from contracts with two or more performance obligations, with different ways of transferring the goods or services to the customer, are recognized in the income statement as either "over time" or at a "point in time". If separating the obligations is particularly burdensome and the amount is not material, the revenue will be allocated entirely to the main performance obligation;
- when required, any amounts to be paid to the customers are recognized as a reduction in the revenues for goods provided or services rendered;
- potential variable revenues are estimated and recognized only to the extent that it is it is highly probable, based on all the information available to the Company, that a significant reversal in the amount of cumulative revenue recognized will not occur;
- any revenue which includes a significant financing component is adjusted for the time value of money so that the transaction price reflects the price that would have been paid at a point in time (or over time) for the transfer of the goods or services promised. an entity is not required to adjust the transaction price for the effects of a significant financing component if, at contract inception, it expects the period between customer payment and the transfer of goods or services will be one year or less (practical expedient provided for in paragraph 63 of IFRS 15).

The main revenue and cost items are recognized in the income statement as follows:

- interest is recognized proportionately based on the contractual interest rate or the effective interest rate if the amortized cost method is used. Interest income (or interest expense) also includes the positive (or negative) spreads or margins accrued until the reporting date (i.e., relative to derivatives recognized in the statement of financial position as held for trading);
- dividends are recognized in the income statement during the year in which the payment is approved.
- fees for services are recognized based on the contractual agreements and the services rendered in accordance with IFRS 15 (as detailed below);
- gains and losses on the sale of financial instruments are recognized in the income statement when the sale is completed, based on the difference between the consideration paid or received and the fair value of the instruments;
- gains and losses on the trading of financial instruments are recognized in the income statement when the trade is completed, based on the difference between any consideration paid or received and book value;

- gains and losses on the sale of non-financial assets are recognized when the sale is completed, namely when the obligation to the customer has been fulfilled;
- costs are recognized in the income statement on an accrual basis;
- any costs incurred in order to obtain a contract with a customer, which would not have been otherwise incurred by the Company, are recognized as assets and will be amortized on a systematic basis that is consistent with the recognition of revenue stemming from the transfer to the customer of the goods or services to which the asset relates.

Other information

Leasehold improvements

The costs incurred for the restructuring of properties not owned by the company are capitalized over the term of the lease agreement, while the lessee has control of the assets and can obtain future economic benefits from them.

These capitalized costs are classified as “Other assets” as per the Bank of Italy’s instructions and are amortized over a period not exceeding the lease term.

Related parties

On the basis of IAS 24, related parties are:

a) parties that, directly or indirectly, are subject to the control of the Company, its subsidiaries and parents;
b) associates, joint ventures and entities controlled by them;
c) key management personnel, namely those persons granted authority and responsibility, directly or indirectly, for planning, managing and controlling the activities of the parent company, including directors and members of the Board of Statutory Auditors;
d) entities subject to the control, joint control or significant influence of by any of the persons referred to in c);
e) close family members of any person referred to in c), namely family members who may be expected to influence, or be influenced by, that person in their dealings with the Company (these may include that person’s spouse or domestic partner, children, children of that person’s spouse or domestic partner and dependents of that person’s spouse or domestic partner) as well as the entities subject to the control, joint control or significant influence of any of those persons;
f) beneficiary employees of the parent company’s post-employment benefit plans

A.3 Disclosures relative to reclassifications of financial assets from one category to another

Pursuant to paragraph 12A of IFRS 7, no reclassifications of financial assets from one category to another were made during the reporting period.

A.4 Fair value disclosure

The disclosures referred to in paragraphs 91 and 92 of IFRS 13 are provided below.

Qualitative disclosures

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

The fair value of listed financial instruments is determined based on market quotations. In absence of an active market, estimates and valuation models are used which take into account the risk factors associated with the instruments that are based on observable market information: valuation models of quoted instruments with similar characteristics, discounted cash flows, option-pricing models and prices in comparable models. Equity securities and the relative derivatives for which it's not possible to determine fair value in a reliable manner in accordance with the above guidelines are measured at cost.

A.4.2 - Valuation and sensitivity

The estimates and valuation methods used in the absence of an active market become more relevant as the amount of assets and liabilities increases. When estimates involve only a marginal amount of assets and liabilities, they are measured at cost.

A.4.3 - Fair value hierarchy

In accordance with paragraph 95 of IFRS 13 the inputs used to measure fair value are classified in three levels. The level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

The level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability..

A.4.4 - Other information

As there are no financial assets or liabilities measured at fair value with the characteristics described in paragraphs 51, 93(i) and 96 of IFRS 13, namely assets/liabilities for which there is a difference between the fair value at initial recognition (transaction price) and the amount determined at that date using level 2 or 3 valuation techniques to determine the fair value, no disclosures of a quantitative nature are provided.

Quantitative disclosures

A.4.5 Fair value hierarchy

A.4.5.1 Assets/liabilities measured at fair value

	12/31/2022			12/31/2021		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	34,984,204	66,410,567	10,318,893	31,952,450	7,345,309	9,945,433
a) financial assets held for trading	34,984,204	66,410,567	743,637	31,952,451	7,345,309	2,695,257
c) other financial assets mandatorily measured at fair value	-	-	9,575,256	-	-	7,250,175
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedging derivatives	-	-	146,474	-	-	-
4. Property and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**34,984,204**	**66,410,567**	**10,465,367**	**31,952,450**	**7,345,309**	**9,945,433**
1. Financial liabilities held for trading	13,067,189	2,473,571	-	8,217,119	873,886	-
2. Financial liabilities designed at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	-	-	-	-	3,545
Total	**13,067,189**	**2,473,571**	**-**	**8,217,118**	**873,886**	**3,545**

No assets and liabilities were transferred from Level 1 to Level 2 as per paragraph 39.c of IFRS 13 during the reporting period

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	9,945,432	2,695,257	-	7,250,175	-	-	-	-
2. Increases	-	-	-	-	-	-	-	-
2.1. Purchases	-	-	-	-	-	-	-	-
2.2. Profits attributed to:	-	-	-	-	-	-	-	-
2.2.1. Income Statement - including capital gains	-	-	-	-	-	-	-	-
2.2.2. Net Equity	-	X	X	X	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increasing variations	-	-	-	-	-	-	-	-
3. Decreases	-	-	-	-	-	-	-	-
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Reimbursements	2,404,926	-	-	2,404,926	-	-	-	-
3.3. Losses attributed to:	(2,031,465)	(1,951,621)	-	(79,845)	-	-	-	-
3.3.1. Income Statement - including capital losses	(2,031,465)	(1,951,621)	-	(79,845)	-	-	-	-
3.3.2. Net Equity	-	X	X	X	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreasing variations	-	-	-	-	-	-	-	-
4. Final Inventories	**10,318,893**	**743,637**	**-**	**9,575,256**	**-**	**-**	**-**	**-**

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	3,545	-	-	3,545
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	-	-	-	-
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	(3,545)	-	-	(3,545)
4. Final Inventories	**-**	**-**	**-**	**-**

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

	31/12/2022				31/12/2021
	VB	L1	L2	L3	VB
1. Financial assets measured at amortised cost	99,550,332	-	-	99,550,332	91,438,682
2. Property, plant and equipment held for investment	-	-	-	-	-
3. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-
Total	**99,550,332**	**-**	**-**	**99,550,332**	**91,438,682**
1. Financial liabilities measured at amortised cost	205,731,240	-	-	205,731,240	166,487,398
2. Liabilities associated with assets classified as held for sale	-	-	-	-	-
Total	**205,731,240**	**-**	**-**	**205,731,240**	**166,487,398**

A.5 "day one profit/loss" Disclosure

Day one profit/loss, governed by paragraph 28 of IFRS 7 and paragraph AG 76 of IAS 39, arises from the difference on initial recognition between a financial transaction's price and its fair value. This difference generally occurs when the financial instrument is not listed on an active market and is recognized in profit or loss over the useful life of the instrument. The Group does not have operations that are liable to generate significant components of income that have the nature of day one profit/loss.

Operating segments (IFRS 8)

The Equita Group operates in one segment[1]. In fact, the nature of the different products and services offered, the structure of the management and operational processes, as well as the type of clients, do not entail different risks or benefits, but rather show similarities. Even if they operate independently under the direction and the control of Equita Group S.p.A., all the subsidiaries are recognized as part of a single CGU dedicated to brokerage and advisory which generate cash flows and income that is not subject to segment reporting. Consequently, the accounting information is not provided separately based on operating segments, but is included in the consolidated financial statements prepared in accordance with the IAS/IFRS accounting standards. Similarly, information about revenues from clients and non-current assets broken down by geographical area is not provided, nor is information about the client concentration, as it is deemed immaterial by management.

1 IFRS 8 defines an operating segment as a component of an entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; c)for which separate financial information is available.

Part B - Information on the statement of financial position

ASSETS

Section 1 - Cash and cash equivalents – Line item 10

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

As at 31 December 2022, deposits and current accounts included 84.9 million euro pledged against the 145 million euro loan granted by Intesa Sanpaolo S.p.A. and recorded under item "10 - Payables" to which reference is made for further details.

1.1 Composition of "Cash and Cash equivalents"

	31/12/2022	31/12/2021
a) Cash	313	445
b) Cash equivalents	107,944,469	136,125,567
	-	-
Total	**107,944,782**	**136,126,012**

Section 2 - Financial assets measured at fair value through profit and loss - Line item 20

2.1 Financial assets held for trading: breakdown by type

	31/12/2022			31/12/2021		
	L1	L2	L3	L1	L2	L3
A Cash assets	-	-	-	-	-	-
1 Debt securities	1,155,029	66,410,567	527,675	148,821	7,345,309	2,462,615
– structured securities	1,155,029	1,043,123	-	148,821	154,526	-
– other debt securities	-	65,367,444	527,675	-	7,190,783	2,462,615
2 Equity instruments	27,524,046	-	48,381	28,463,588	-	69,500
3 Units in investment funds	253,163	-	157,637	541,532	-	155,241
4 Loans	-	-	-	-	-	-
Total A	**28,932,238**	**66,410,567**	**733,693**	**29,153,941**	**7,345,309**	**2,687,356**
B Derivative instruments	-	-	-	-	-	-
1 Financial derivatives	6,051,967	-	9,944	2,798,510	-	7,901
1.1 Trading	6,051,967	-	9,944	2,798,510	-	7,901
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	**6,051,967**	**-**	**9,944**	**2,798,510**	**-**	**7,901**
Total A + B	**34,984,204**	**66,410,567**	**743,637**	**31,952,451**	**7,345,309**	**2,695,257**

2.2 Derivative financial instruments

Underlying assets / Tipe of derivatives instrumentes	31/12/2022				12/31/2021			
		Over the counter				Over the counter		
		Without Central Counterparties				Without Central Counterparties		
	Central Counterparties	Netting agreements	Without Netting agreements	Organised markets	Central Counterparties	Netting agreements	Without Netting agreements	Organised markets
1. Debt securities and interest rates	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
2 .Equity securities and market indices	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	61,031,325	-	-	-	49,452,044
- Fair value	-	-	-	6,061,911	-	-	-	2,806,411
3. Currencies and gold	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
4.Loans	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
5. Commodities	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-
- Notional amount	-	-	-	-	-	-	-	-
- Fair value	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**6,061,911**	**-**	**-**	**-**	**2,806,411**

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

Items/amounts	31/12/2022	31/12/2021
A - CASH ASSETS	-	-
Debt securities	68,093,271	10,503,354
a) Governments and other Public Sector Entities	33,824	214,583
b) Banks	51,071,661	6,297,986
c) Other financial companies	3,209,568	521,389
of which: insurance companies	106,023	105,596
d) Non-financial companies	13,778,218	3,469,397
Equity instruments	27,572,427	27,986,478
- Banks	3,627,242	7,650,714
- Other financial companies	4,112,057	1,641,888
of which: insurance companies	25,530	-
- Others	19,833,128	18,693,877
Units in investment funds	410,800	696,773
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	96,076,498	39,186,606
B - DERIVATIVES INSTRUMENTS	6,061,911	2,806,411
a) Governments and other Public Sector Entities	6,061,911	2,806,411
b) Others	-	-
Total B	6,061,911	2,806,411
Total (A+B)	**102,138,408**	**41,993,017**

2.6 Composition of “Other financial assets mandatorily at fair value”

	31/12/2022			31/12/2021		
	L1	L2	L3	L1	L2	L3
1. Debt securities	-	-	**1,729,724**	-	-	1,599,950
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	**1,729,724**	-	-	1,599,950
2. Equity instruments	-	-	-	-	-	-
3. Units in investment funds	-	-	7,845,532	-	-	5,650,224
4. Loans	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total	-	-	**9,575,256**	-	-	**7,250,174**

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

	31/12/2022	31/12/2021
1. Equity instruments	0	-
of which: banks	-	-
of which: other financial companies	0	-
of which: non financial companies	-	-
2. Debt securities	1,729,724	1,599,950
a) Governments and other Public Sector Entities	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which: insurance companies	-	-
d) Non financial companies	1,729,724	1,599,950
3. Units in investment funds	7,845,532	5,650,224
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	**9,575,256**	**7,250,175**

Section 4 - Section 4 - Financial assets measured at amortized cost – Line item 40

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

Composition	Total 31/12/2022						Total 31/12/2021					
	Book Value			Fair value			Book Value			Fair value		
	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	**24,446,083**	**47,952**	**-**	**-**	**-**	**24,494,035**	**40,671,210**	**13,731**	**-**	**-**	**-**	**40,684,941**
1.1 Term Deposits	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Cash accounts	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Receivables for services	7,687,930	47,952	-	-	-	7,735,882	18,727,478	13,731	-	-	-	18,741,209
- of which order execution	6,863,234	13,072	-	-	-	6,876,306	17,585,957	8,851	-	-	-	17,594,808
- of which management	509,765	-	-	-	-	509,765	1,016,374	-	-	-	-	1,016,374
- of which consultancy	217,464	34,880	-	-	-	252,344	93,974	4,880	-	-	-	98,854
- of which other services	97,467	-	-	-	-	97,467	31,172	-	-	-	-	31,172
1.4 Repos	16,758,153	-	-	-	-	16,758,153	21,943,732	-	-	-	-	21,943,732
- of which government bonds	-	-	-	-	-	-	-	-	-	-	-	-
- of which other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- of which equity securities	16,758,153	-	-	-	-	16,758,153	21,943,732	-	-	-	-	21,943,732
1.3 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	**21,900,931**	**-**	**-**	**-**	**-**	**21,900,931**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	21,900,931	-	-	-	-	21,900,931	-	-	-	-	-	-
Total	**46,347,015**	**47,952**	**-**	**-**	**-**	**46,394,967**	**40,671,210**	**13,731**	**-**	**-**	**-**	**40,684,941**

Due from banks mainly refer to existing receivables for order execution activities.

Repurchase agreement transactions refer to securities lending transactions mainly involving shares of companies listed on the Italian market. The item "Debt securities" consists of bonds included in the HTC portfolio and valued at amortized cost.

As at 31 December 2022, the total write-backs applied to loans to banks amounted to €13.5 thousand (as at 31 December 2021, the item included a write-back of €8.9 thousand).

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

	Total 31/12/2022						Total 31/12/2021					
	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	**27,929,386**	**16,331**	**-**	**-**	**-**	**27,945,717**	**38,330,461**	**75,604**	**-**	**-**	**-**	**38,406,064**
1.1 Receivables for services	24,829,386	16,331	-	-	-	24,845,717	38,330,461	75,604	-	-	-	38,406,064
- of which margin deposits	14,729,246	-	-	-	-	14,729,246	19,303,382	-	-	-	-	19,303,382
- of which order execution	8,309,854	9,050	-	-	-	8,318,905	9,418,719	21,902	-	-	-	9,440,621
- of which management	432,099	-	-	-	-	432,099	6,540,253	-	-	-	-	6,540,253
- of which consultancy	424,938	7,281	-	-	-	432,218	3,021,649	53,701	-	-	-	3,075,350
- of which other services	933,250	-	-	-	-	933,250	46,459	-	-	-	-	46,459
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-
- of which government bonds	-	-	-	-	-	-	-	-	-	-	-	-
- of which other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- of which equity securities	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Other loans	3,100,000	-	-	-	-	3,100,000	-	-	-	-	-	-
2. Debt securities	2,707,127	-	-	-	-	2,707,127	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	2,707,127	-	-	-	-	2,707,127	-	-	-	-	-	-
Total	**30,636,514**	**16,331**	**-**	**-**	**-**	**30,652,845**	**38,330,461**	**75,604**	**-**	**-**	**-**	**38,406,064**

Receivables from financial institutions mainly refer to liquidity relating to derivative transactions and outstanding receivables for order execution activities. The item "Debt securities" consists of bonds included in the HTC portfolio and valued at amortized cost.

As at 31 December 2022, the total write-backs applied to receivables from financial institutions amounted to €11.7 thousand (as at 31 December 2021, the item included a write-back of €12 thousand).

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

	Total 31/12/2022						Total 31/12/2021					
	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	**12,188,926**	**203,412**	**-**	**-**	**-**	**12,392,338**	**8,532,415**	**570,837**	**-**	**-**	**-**	**9,103,252**
1.1 Receivables for services	11,472,304	203,412	-	-	-	11,675,715	6,830,341	570,837	-	-	-	7,401,178
- of which order execution	2,934,143	1,838	-	-	-	2,935,981	1,934,856	3,263	-	-	-	1,938,118
- of which management	-	-	-	-	-	-	626,774	-	-	-	-	626,774
- of which consultancy	8,373,588	201,574	-	-	-	8,575,162	4,080,743	567,574	-	-	-	4,648,317
- of which other services	164,573	-	-	-	-	164,573	187,969	-	-	-	-	187,969
1.2 Repos	-	-	-	-	-	-	-	-	-	-	-	-
- of which government bonds	-	-	-	-	-	-	-	-	-	-	-	-
- of which other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
- of which equity securities	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Other loans	716,622	-	-	-	-	716,622	1,702,074	-	-	-	-	1,702,074
2. Debt securities	**10,110,183**	**-**	**-**	**-**	**-**	**10,110,183**	**3,244,425**	**-**	**-**	**-**	**-**	**3,244,425**
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	10,110,183	-	-	-	-	10,110,183	3,244,425	-	-	-	-	3,244,425
Total	**22,299,108**	**203,412**	**-**	**-**	**-**	**22,502,520**	**11,776,840**	**570,837**	**-**	**-**	**-**	**12,347,677**

Receivables from customers mainly refer to existing receivables for consultancy and order execution activities. The item "Debt securities" consists of bonds included in the HTC portfolio and valued at amortized cost.

As at 31 December 2022, the total value adjustments applied to loans to customers amounted to approximately €91.2 thousand (as at 31 December 2021, the item included a value adjustment of €8 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	Stage 1	Stage 2	Stage 3	Total	Total
- Debt securities	34,718,242	-	-	-	34,718,242	-	-	-	-	-
- Loans	64,133,329	-	490,488	380,721	65,004,538	57,797	1,625	113,026	172,447	(81,549)
Total as at 31/12/2022	98,851,570	-	490,488	380,721	99,722,780	57,797	1,625	113,026	172,447	(81,549)
Total as at 31/12/2021	**89,028,400**	**-**	**1,893,784**	**660,752**	**91,582,936**	**-**	**143,673**	**581**	**144,254**	**-**
of which: purchased or originated creditimpaired financial assets	-	-	-	-	-	-	-	-	-	-

Section 5 - Hedging Derivatives: - Line Item 50

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

Notional/ Fair value Livels	31/12/2022				31/12/2021			
	Fair value			VN	Fair value			VN
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	146,474	-	-	-	-	-
3. Foreign investments	-	-	-	-	-	-	-	-
Total A	-	-	146,474	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	-	-	-	-	-	-
Total B	-	-	-	-	-	-	-	-
Total	**-**	**-**	**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	-	-	-	-	-	-	-	2,420,083	-	-
2. Portfolio	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,420,083**	**-**	**-**
1. Transactions expected	-	-	-	-	-	-	-	-	-	-
financial liabilities	-	-	-	-	-	-	-	-	-	-

Section 7 – Equity investments – Line item 70

7.1 Equity investments: information on shareholdings

Company	Registered Office / Headquarters	Investors	% held	% of available voting	Book Value	Fair value
A. Entities under full control						
KF Economics Srl	Milano	Equita K Finance S.r.l.	13%	13%	18.107	
C. Entities subject to significant influence						
Clairfield International S.a.r.l.	Ginevra	Equita K Finance S.r.l.	22%	22%	28.160	

7.2 Changes in equity investments in the year

	Total Amount
A. Opening balance	46.267
B. Increases	
B.1 Purchase	
B.2 Reversals	
B.3 Revaluation	
C. Decreases	
C.1 Sales	
C.2 Impairment	
C.3 Write-downs	
C.4 Other changes	
D. Closing balance	46.267

It should be noted that the aforementioned equity investments are consolidated using the equity method (and not fully).

With reference to both equity investments, no indicators of impairment (permanent losses in value) have emerged such as to believe that the carrying value is not recoverable.

7.5 Immaterial equity investments: accounting information

Investor	Investee	% held	Registered Office / Headquarters
Equita K Finance S.r.l.	KF Economics Srl	13%	Milan
Equita K Finance S.r.l.	Clairfield International S.a.r.l.	22%	Milan

7.6 Significant judgments and assumptions to establish the existence of significant joint control or influence

Entities in which the Group holds, directly or indirectly, at least 20% of the share capital, or - albeit with a lower percentage of voting rights - has the power to participate in determining the policies are considered companies subject to significant influence (associates). financial and management aspects of the investee by virtue of particular legal ties such as participation in syndicate agreements.

7.10 Other information

Nothing to report.

Section 8 - Property, plant and equipment – Line item 80

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

Assets/values	31/12/2022	31/12/2021
1. Owned assets	432,536	461,411
a) Land	-	-
b) Buildings	-	-
c) Office furniture and fitting	176,751	239,845
d) Electronic systems	221,851	192,187
e) Others	33,933	29,379
Right of use acquired through leasing	3,708,328	4,741,748
a) Land	-	-
b) Buildings	3,559,214	4,446,154
c) Office furniture and fitting	-	-
d) Electronic systems	-	-
e) Others	149,115	295,594
Total	**4,140,864**	**5,203,160**

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	**-**	**7,247,776**	**782,191**	**1,906,751**	**903,589**	**10,840,309**
A.1 Total net reduction in value	-	(2,801,623)	(542,346)	(1,714,564)	(578,616)	(5,637,148)
A.2 Net opening balance	-	4,446,154	239,845	192,187	324,974	5,203,160
B. Increases	-	-	-	-	-	-
B.1 Purchases	-	-	-	113,270	31,353	**144,623**
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	-	76,422	-	-	37,095	113,516
C. Reductions	-	-	-	-	-	**-**
C.1 Disposals	-	-	(1,200)	(180,379)	-	**(158,759)**
C.2 Depreciation	-	(963,362)	(61,893)	96,774	(210,374)	**(1,138,855)**
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	**-**	**3,559,214**	**176,751**	**221,852**	**183,048**	**4,140,865**
D.1 Total net reduction in value	-	(3,764,984)	(605,440)	(1,798,169)	(788,990)	(6,957,583)
D.2 Gross closing balance	-	7,324,198	782,191	2,020,021	972,038	11,098,447
E. Carried at cost	**-**	**7,324,198**	**782,191**	**2,020,021**	**972,038**	**11,098,447**

8.7 Commitment for the purchase of tangible assets (IAS 16/74 c)

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

Section 9 - Intangible assets – Line item 90

9.1 Composition of “Intangible assets”

	31/12/2022		31/12/2021	
	Measured at cost	Measured at fair value or	Measured at cost	Measured at fair value or
Goodwill	900,000	23,253,008	900,000	23,253,008
Other intangible assets	603,583	2,145,343	922,850	2,145,343
2.1 internally generated	-	2,145,343	-	2,145,343
2.2 other	603,583	-	922,850	-
Total	**1,503,583**	**25,398,351**	**1,822,850**	**25,398,351**

Starting from the 2016 Consolidated Financial Statements, as a result of the corporate reorganization and following the application of the provisions of IFRS 3 (Purchase Price Allocation), the Group has recognized goodwill of approximately Euro 11 million and values relating to trademarks of Euro 2.4 million and contracts for Euro 0.3 million relating to the investee Equita SIM S.p.A.. At 31 December 2022, in the Group's Consolidated Financial Statements, the value of goodwill deriving from the aforementioned transaction is equal to Euro 11 million, while the value of trademarks and contracts is equal to 2.1 million, in fact the contracts were fully amortized in previous years.

On 31 May 2018 Equita SIM S.p.A. completed the purchase from Nexi S.p.A. of the business branch relating to the exercise of Brokerage & Primary Market and Market Making activities (subsequently renamed "Retail Hub"). The consideration paid for the sale of the business unit, equal to Euro 900 thousand, not subject to adjustment, following the Purchase Price Allocation activity envisaged by IFRS 3, was entirely attributed to the item goodwill.

On 14 July 2020, the Parent Company Equita Group completed the acquisition of K Holding S.r.l., sole shareholder of Equita K Finance S.r.l., a company specialized in M&A consultancy for small and medium-sized enterprises. K Holding S.r.l. had acquired, again in July 2020, 30% of K Finance S.r.l. by minority shareholders. With effective date 14 July 2020, K Finance incorporated K Holding and this transaction resulted in a positive merger reserve of approximately Euro 3 million and a capital gain of Euro 6 million. The latter was subjected to the price allocation procedure (PPA process). No latent capital gains to which the purchase price could be attributed emerged from this process and therefore Euro 6 million was allocated entirely to goodwill.

Equita Group S.p.A. it then proceeded with the acquisition of 70% of Equita K Finance Srl, tying the acquisition of the remaining 30% by exchanging a call option and a put option with the selling party, exercisable on the basis of certain conditions over the 10 years following the closing.

In particular, Equita Group acquired the 70% stake at the price of 7 million euro (including the earn out) consisting of 6 million euro paid in cash and 1,000,000 euro paid through the assignment of no. 413,223 Equita shares.

Subsequently, Equita Group valued the 30% minority interest on the acquisition date based on the call/put option, for an amount of Euro 2.7 million (acquisition in several stages).

Therefore, the acquisition of Equita K Finance led to the recognition at consolidated level of a total goodwill of 12.2 million euros (of which 6 million euros deriving from the individual financial statements of the subsidiary and 6.2 million euros deriving from the consolidation) . For further details on the transaction, please refer to the 2020 consolidated financial statements.

The other intangible assets recorded in the consolidated financial statements consist of capitalized expenses for software.

Brand Name

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

In this regard, it should be noted that the term brand 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 which defines that set of intangible assets that complement each other (among which, in addition to the name and logo, the skills, the trust placed by the consumer, the quality of services, etc.) which contribute to defining the "brand equity".

For the initial valuation of the brand, the value was determined using the implicit multiples method.

Since this is an intangible asset that does not present independent income flows, being a legally protected right 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 trademark it was considered as part of the activities aimed at verifying the stability of the value of the goodwill of the CGU. The results of the impairment test, as better explained below, did not lead to the need to write down the intangible trademark.

The impairment test of intangible values

Under IAS 36 intangible assets with finite useful lives, intangible assets with indefinite useful lives and goodwill must be tested for impairment each year. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use

The international accounting standards define a CGU as “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 the previous annual report, in 2019 Equita Group completed the corporate reorganization project resulting in the formation of Equita Capital Sgr, to which a group of Alternative Asset Management operations was spun-off by Equita SIM. This reorganization resulted in what is defined in the accounting standard as a “change in the composition of one or more cash generating units” [IAS 36.87]. It, therefore, became necessary to reallocate the goodwill of the units affected.

The reallocation must be made based on the relative value of the cash generating units.

More in detail, first the value-in-use of the Equita SIM was determined, net of the expected future cash flows of Retail Hub and Equita Capital SGR S.p.A..

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

The value-in-use of the two “new” CGUs corresponded with the value-in-use of the original CGU.

The ratio of the value-in-use of the two “new” CGUs to the value-in-use of the original CGU determined the relative weight based on which goodwill was to be reallocated to the CGUs defined as a result of the Group’s reorganization. The operational aspects and the results of the impairment test are detailed below.

As a result of this reallocation process, 83% of goodwill was allocated to the CGU Equita SIM and 17% to the CGU Equita Capital SGR.

In 2022 a five-year period (2023-2027) was used to test impairment of the value of goodwill and the intangible assets stemming from the corporate reorganization carried out in 2016 and 2019, as well as the goodwill recognized following the Retail Hub acquisition.

Given the volatility of the financial markets, the recoverable amount was determined based on value in use calculated using the Discounted Cash Flow model. The cost of capital was calculated using the “Capital Asset Pricing Model” (CAPM). Based on this model, the cost of capital is calculated as the sum of a risk-free rate plus a risk premium depending on the risk specific to the asset.

The discount rate typically includes the asset's cost of funding, namely the cost of equity and the cost of debt (the weighted average cost of capital or WACC). In this instance, however, only the cost of equity was used (Ke), consistent with the methods used to determine the flows generated by financial assets and liabilities.

The different components used to determine the discount rate include:

- a risk-free rate calculated based on the average annual return (2022) on Italian 10-year government bonds (BTPs) which also incorporates the country risk premium for Italy;
- an equity risk premium, namely the difference between stock market returns and the returns on risk-free investments, based on the US market equity risk premium for the period 1960-2022;
- a Beta coefficient, which measures the risk specific to a single company or sector, calculated based on the analysis of international peers active in the Brokerage & Investment Banking sector (weekly data over two years);
- an Alfa coefficient, which measures the risk premium specific to Equita SIM and Equita Capital SGR, of 3.47% determined based on the size of the company, as well as the inherent volatility of the subsidiaries' income;
- these assumptions, based on which a discount rate of 16,27% was used as a baseline scenario. The terminal value was calculated based on a growth rate, extrapolated beyond the explicit forecast period in line with the forecast long-term rate of inflation, of %;
- a growth rate of 2%, which was assumed for the years 2025-2027, while the terminal value was calculated based on a growth rate, extrapolated beyond the explicit forecast period in line with the forecast long-term rate of inflation, of 2%.

In 2022 a five-year period (2023-2027) was used to test impairment of the CGU Equita K Finance.

The cost of capital was calculated using the "Capital Asset Pricing Model" (CAPM). Based on this model, the cost of capital is calculated as the sum of a risk-free rate plus a risk premium depending on the risk specific to the asset.

Contrary to the method used for Equita SIM and Equita Capital SGR, for Equita K Finance an asset-based approach was used by looking first at the company's operating capital less its net financial position. The discount rate was then calculated based on the Weighted Average Cost of Capital or WACC.

More in detail, the different components used to determine the discount rate include:

- an equity ratio of 52.33%, consistent with the reference sector ratio;
- a cost of debt of 6.57%, based on the cost of debt of comparable companies active in the financial sector;
- a risk-free rate, equity risk premium, Beta and Alfa coefficients equal to those used for the subsidiaries Equita SIM and Equita Capital SGR described above.

Based on these assumptions a discount rate of 10.72% was used as a baseline scenario in the impairment tests. The terminal value was calculated based on a growth rate, extrapolated beyond the explicit forecast period in line with the forecast long-term rate of inflation, of 2%.

The result of the impairment testing showed that at 31 December 2022 the value in use of the CGUs Equita SIM, Equita

Capital SGR and Retail Hub CGU was higher than their respective book values. No impairment losses were, therefore, recognized relative to intangible assets with indefinite useful lives.

Sensitivity analysis

As the value in use was calculated using estimates and assumptions which may contain elements of uncertainty, in accordance with IAS/IFRS sensitivity analyses were performed that were designed to establish the sensitivity of the results obtained to changes in the main assumptions used when performing the testing.

More specifically, the effect on value in use of an increase in the discount rate of 50 bps and a decrease in the growth rate used to determine the terminal value of 50 bps rate was verified.

A decrease of 10% was used in the sensitivity analysis of cash flows. Even in the worst-case scenario the value in use of the different CGUs was still above book value.

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%)

The rate at which the CGUs value in use is impaired is well above market rates

9.2 Intangible assets: annual changes

A. Opening balance	**27,221,201**
B. Increases	**53,206**
B.1 Purchases	53,206
B.2 Write-backs	-
B.3 Increases in fair value	-
a) In equity	-
b) Through profit or loss	-
B.4 Other changes	0
C. Reductions	**(372,473)**
C.1 Disposals	-
C.2 Amortisation	(372,473)
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	**26,901,934**

Section 10 - Tax assets and liabilities – line items 100 (Assets) and 60 (Liabilities)

10.1 Composition of "Tax assets"

		31/12/2022	31/12/2021
A	**Current**	**4,961,894**	**1,552,518**
	1. Payments on account	7,966,033	207,407
	2. Tax provision	(3,616,927)	693,625
	3. Tax credits and withholding taxes	612,787	651,486
B	**Deferred**	**2,558,542**	**2,876,193**
	Total	**7,520,435**	**4,428,710**

"Tax provisions" and "Payments on account" refer to IRAP regional production tax and IRES corporate tax for the reporting period.

"Tax credits and withholding" refer to the IRAP credit recognized following the conversion of the excess ACE incentives for the prior year; an IRES credit following adoption of the national tax consolidation scheme between Equita Group and Equita SIM, as well as the tax advance recognized following detaxation of trade names and goodwill.

"Deferred tax assets" refer to tax calculated on temporary differences stemming from the deferral of tax deductions for expenses.

The Group has no Law no. 214/2011 deferred tax assets.

10.2 Composition of "Tax liabilities"

		31/12/2022	31/12/2021
A	**Current**	2,932,930	5,278,395
	1. Tax provision	2,691,500	4,473,124
	2. Tax credits and withholding taxes	-	-
	3. Payments on account	(576,778)	-
	4. Other Taxes	818,208	805,271
B	**Deferred**	693,519	756,221
	Total	**3,626,449**	**6,034,615**

"Tax provisions" relates to current IRAP, while "Other taxes" comprise the tax on financial transactions paid to the tax authorities relative to proprietary trading.

Deferred tax liabilities refer to the actuarial component of the employee severance indemnities and taxes on the values of trade names and contracts, partially amortized, arising as part of the 2016 purchase price allocation.

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

		31/12/2022	31/12/2021
1	**Opening balance**	**2,812,960**	**957,040**
2	**Increases**	**391,265**	**2,190,132**
	2.1 Deferred tax assets arisen during the year	391,265	2,190,132
	a) Relating to previous years	-	-
	b) Due to changes in accounting criteria	-	-
	c) Write-backs	-	-
	d) Others	391,265	2,190,132
	2.2 New taxes or increseas in tax rates	-	-
	2.3 Other incresases	-	-
3	**Decreases**	**(693,305)**	**(330,778)**
	3.1 Deferred tax assets derecognised during the year:	(693,305)	(306,520)
	a) Account transfer	(693,305)	(306,520)
	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	-	(24,258)
	a) Conversion into tax credit under Italian Law 214/2011	-	-
	b) Others	-	(24,258)
4	**Closing balance**	**2,510,920**	**2,812,960**

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

		31/12/2022	31/12/2021
1	**Opening balance**	**44,355**	**29,570**
2	**Increases**	**14,785**	**14,785**
	2.1 Deferred tax arisen during the year	14,785	14,785
	a) Relating to previous years	-	-
	b) Due to changes in accounting criteria	-	-
	d) Others	14,785	14,785
	2.2 New taxes or increseas in tax rates	-	-
	2.3 Other incresases	-	-
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**	**59,140**	**44,355**

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

		31/12/2022	31/12/2021
1	**Opening balance**	**63,233**	**64,889**
2	**Increases**	**-**	**6,034**
	2.1 Deferred tax liabilities arisen during the year	-	6,034
	a) Relating to previous years	-	-
	b) Due to change in accounting criteria	-	-
	c) Others	-	6,034
	2.2 New taxes or increases in tax rates	-	-
	2.3 Other increases	-	-
3	**Decreases**	**(15,611)**	**(7,690)**
	3.1 Deferred tax liabilities derecognised during the year	(15,611)	(7,690)
	a) Account transfer	(15,611)	(7,690)
	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**	**47,622**	**63,233**

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

		31/12/2022	31/12/2021
1	**Opening balance**	**711,866**	**730,833**
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)**	**(18,967)**
	3.1 Deferred tax assets derecognised during the year	(77,488)	(18,967)
	a) Relating to previous years	-	-
	b) Due to change in accounting criteria	-	-
	c) Others	(77,488)	(18,967)
	3.2 Reduction in tax rates	-	-
	3.3 Other decreases	-	-
4	**Closing balance**	**634,378**	**711,866**

Section 12 - Other assets – line item 120

12.1 Composition of “Other assets”

		31/12/2022	31/12/2021
1	Tax credit for “Ecobonus”	38,575,188	-
2	Other assets	2,990,816	1,916,272
	- fees paid in advance	1,657,024	1,090,992
	- guarantee deposits	92,515	92,515
	- revaluations of off-balance sheet items	63,080	3,120
	- advances to suppliers	202,679	184,091
	- Leasehold improvements	143,453	260,939
	- receivables from parent company for IFRS and intercompany services;	28,800	-
	- receivables from Social security fund	146	-
	- receivables for taxes	803,119	284,614

Other assets comprises:

- the tax credit purchased relating to the "Superbonus 110%";
- prepayments for amounts paid during the current year relating, wholly or in part, to costs to be incurred in subsequent periods;
- leasehold improvements carried out mainly in 2016.

LIABILITIES

Section 1 – Financial liabilities measured at amortized cost – line item 10

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

	31/12/2022			31/12/2021		
	from banks	form financial istitutions	from customers	from banks	form financial istitutions	from customers
1. Loans	**187,957,355**	**791,117**	**-**	**140,659,540**	**-**	**443,935**
1.1 Repos	-	-	-	-	-	-
of which on government bonds	-	-	-	-	-	-
of which on other debt securities	-	-	-	-	-	-
of which on equity securities	-	-	-	-	-	-
1.2 Loans	187,957,355	791,117	-	140,659,540	-	443,935
2. Lease liabilities	**-**	**3,534,922**	**179,309**	**-**	**4,475,692**	**286,279**
3. Other debts	**1,605,880**	**11,654,212**	**8,445**	**12,352,198**	**6,838,735**	**1,431,020**
Total	**189,563,235**	**15,980,250**	**187,754**	**153,011,738**	**11,314,427**	**2,161,234**
Fair value - level 1	-	-	-	-	-	-
Fair value - level 2	-	-	-	-	-	-
Fair value - level 3	189,563,235	15,980,250	187,754	153,011,738	11,314,427	2,161,234
Total Fair Value	**189,563,235**	**15,980,250**	**187,754**	**153,011,738**	**11,314,427**	**2,161,234**

At 31 December 2022 "Financing" comprised:

- the €130 million loan granted by Intesa Sanpaolo to the subsidiary Equita SIM as well as a €15 million currency facility; - the utilized portion of the currency facility granted by Intesa Sanpaolo of around €1.2 million;

- hot money for €34 million;
- the long-term facility granted of €5.2 million;
- the short-term facility granted of €15 million;
- the €2.4 million unsecured mortgage loan used to purchase the minority stake in K Finance S.r.l..

At 31 December 2022 "Other payables" included amounts owed for the trading of financial instruments on behalf of costumer.

"Lease payables" are the payables stemming from IFRS 16 application. For more information on the mandatory disclosure under the accounting standard refer to Section 7 Other details in the Explanatory Notes.

No amounts are due to financial promoters and there are no subordinated liabilities.

Section 2 – Liabilities held for trading – line item 20

2.1 Composition of "Financial liabilities held for trading"

	31/12/2022					31/12/2021				
	L1	L2	L3	FV*	VN	L1	L2	L3	FV*	VN
A Cash liabilities	-	-	-	-	-	-	-	-	-	-
Debts	9,665,391	-	-	9,665,391	1,627,124	5,726,736	-	-	5,726,736	416,209
Debt securities	-	2,473,571	-	-	2,577,754	-	873,886	-	-	877,000
- Bonds	-	2,473,571	-	-	2,577,754	-	873,886	-	-	877,000
- Structured	-	-	-	-	-	-	-	-	-	-
- Others	-	2,473,571	-	-	2,577,754	-	873,886	-	-	877,000
- Other securities	-	-	-	-	-	-	-	-	-	-
- Structured	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-
Total A	**9,665,391**	**2,473,571**	**-**	**9,665,391**	**4,204,878**	**5,726,736**	**873,886**	**-**	**5,726,736**	**1,293,209**
B Derivatives instruments	-	-	-	-	-	-	-	-	-	-
Financial derivatives	3,401,798	-	-	-	-	2,490,383	-	-	-	-
- Trading derivatives	3,401,798	-	-	-	-	2,490,383	-	-	-	-
- Linked to fair value option	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-	-
- Trading derivatives	-	-	-	-	-	-	-	-	-	-
- Linked to fair value option	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-
Total B	**3,401,798**	**-**	**-**	**-**	**-**	**2,490,383**	**-**	**-**	**-**	**-**
Total (A+B)	**13,067,189**	**2,473,571**	**-**	**-**	**-**	**8,217,119**	**873,886**	**-**	**-**	**-**

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*

The item includes short positions on equities. There are no subordinated liabilities.

2.4 "Financial liabilities held for trading": Derivatives instruments

Underlying assets / Types of derivatives instruments	31/12/2022 Over the counter				31/12/2021 Over the counter			
	With Central Contropa rts	Without Central Controparts		Organised markets	With Central Controparts	Without Central Controparts		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	-	-	-	59,837,647	-	-	-	62,329,080
- Fair value	-	-	-	3,401,798	-	-	-	2,490,383
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 4 – Hedging derivatives – Line item 40

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

Nozional Value / Fair value Level	12/31/2022				12/31/2021			
	Fair value			VN	Fair value			VN
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	-	-	-	-	(3,545)	-
3. Foreign investments	-	-	-	-	-	-	-	-
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Credit Derivatives	-	-	-	-	-	-	-	-
1. Fair value	-	-	-	-	-	-	-	-
2. Financial flows	-	-	-	-	-	-	-	-
Total B	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Section 6 – Tax liabilities – Line item 60

Refer to Section 10 – Assets

Section 8 – Other liabilities – Line item 80

8.1 Composition of "Other liabilities"

	31/12/2022	31/12/2021
Other liabilities:	-	-
- debts to suppliers and other payables	59,646,301	22,381,252
– due to state agencies for social security and accident insurance contributions	412,452	573,542
– due to tax authorities for IRPEF personal income tax	1,213,777	750,572
– invoices issued relating to future periods	348,993	882,349
– due to the tax authorities for various taxes	(32,252)	565,336
- tax consolidation payables		
- other liabilities	2,839,059	2,775,000
Totale	**64,428,329**	**27,928,052**

"Trade and other payables" refer primarily to amounts due to employees and the related social charges relating to variable compensation which will be paid in the subsequent year. The item also includes accruals for invoices to be received or invoices already received but not yet paid at the end of the reporting period.

"Social security and accident insurance payables" refer to amounts payable for social security and accident insurance (INPS and INAIL) on fixed and variable compensation paid/to be paid employees.

"Various tax payables" includes VAT for services rendered.

"Other payables" includes the amount payable to minorities (around €2.8 million) defined based on the full goodwill method and determined during the PPA process. For more information about the transaction refer to the 2020 Annual Report and the section on intangible assets in the explanatory notes.

Section 9 - Employee severance – Line item 90

9.1 "Employees' termination indemnities": annual changes

		31/12/2022	31/12/2021
A.	Opening balance	2,397,194	2,269,816
B.	Increases	-	-
	B1. Provisions for the year	85,941	149,772
	B2. Other increases	13,967	97,291
C	**Reductions**	**-**	**-**
	C1. Severance payments	(56,376)	(28,870)
	C2. Other decreases	(371,585)	(90,814)
D	**Closing Balance**	**2,069,142**	**2,397,194**

The main changes during the year refer to the provisions made during the year, partially offset by the actuarial effect.

The other decreases and increases relate, respectively, to the interest cost and actuarial gains arising from the valuation of the TFR in accordance with IAS 19.

9.2 Other informations

Actuarial assumptions	31/12/2022	31/12/2021
Annual discount rate	4%	0%
Annual inflation rate	2%	2%
Annual grow TFR rate	3%	3%
Rate of advances	3%	3%
Turnover rate	4%	4%

The annual discount rate used to determine the present value of the obligation was calculated in accordance with paragraph 83 of IAS 19 and based on the 7-10 year Iboxx Corporate AA index recorded at the valuation date.

In accordance with Article 2120 of the Italian Civil code, the annual TFR revaluation rate was calculated using 75% of the inflation rate plus 1.5 percentage points..

Sensitivity Analysis

The sensitivity analysis was performed on the net defined benefit obligation (DBO) as per the chart above. The net defined benefit obligation stemming from changes in the actuarial assumptions is shown below.

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

Turnover rate +1%	2,185,766
Turnover rate -1%	2,210,048
Inflation rate +0,25%	2,227,452
Inflation rate -0,25%	2,167,026
Discount rate +0,25%	2,152,757
Discount rate -0,25%	2,242,638

The average duration of the TFR's defined benefit obligation is 9 years.

9.4 Estimated future disbursements

Years	Expected disbursements
1	152,330
2	296,090
3	135,218
4	132,943
5	130,653

Section 10 - Provisions for risks and charges - line item 100

10.1 Composition of "Allowances for risks and charges"

Voci/Valori	31/12/2022	31/12/2021
1. Provisions on commitments and guarantees given	-	-
2. Corporate retirement funds	-	-
3. Other allowances:	**-**	**-**
3.1 Legal and fiscal disputes	12,508	24,000
3.2 Personnel allowances	3,821,483	4,271,877
3.3 Others	-	76,771
Total	**3,833,991**	**4,372,648**

"Personnel allowances" comprise provisions for non-recurring forms of remuneration for services already rendered during the year but for which payment will be affected in the future.

The change is due to the payment of bonuses accrued in prior year net of the new provisions.

10.2 Allowances for risks and charges" and "Other Allowances": annual changes

	Provision funds	Other provisions	Total
A Opening balance	**-**	**4,372,648**	**4,372,648**
B Increases	**-**	**1,256,126**	**1,256,126**
B.1 Changes due to the passing time	-	1,256,126	1,256,126
B.2 Increases due to discount rate changes	-	-	-
B.3 Increases due to discount rate changes	-	-	-
B.4 Other increseas	-	-	-
C Decreases	**-**	**(1,794,784)**	**(1,794,784)**
C.1 Use during the year	-	(1,794,784)	(1,794,784)
C.2 Differences due to discount-rate changes	-	-	-
C.3 Other changes	-	-	-
D Closing balance	**-**	**3,833,991**	**3,833,991**

Section 11 – Shareholders' equity – line items 110, 120, 130, 140, 150 and 160

11.1 Composition of "Share capital"

	Amount
1. Share Capital	-
1.1 Ordinary shares	11,587,376
1.2 Others	-

Share capital comprises 50,925,028 ordinary shares without a stated par value.

For more information refer to the Report on Operations.

11.2 Composition of "Treasury shares"

	Amount
1. Share Capital	-
1.1 Ordinary shares	(3,926,926)
1.2 Others	-

11.4 Composition of “Share premium reserve”

	Amount
1. Share premium reserve	-
1.1 Ordinary shares	20,446,452
1.2 Others	-

The share premium reserve was established as a result of the AIM market IPO transaction for €18,198,319, subsequent increase due to t incentive plans have been realized:

- For € 538,721in 2021;
- For € 1,709,412 in 2022.

11.5 Reserves: “Other information”

The Group’s reserves amount to €58.8million and comprise:

- The legal reserve, established in accordance with the law, must reach one fifth of the share capital through allocations of at least 5% of the profit for the year about €5.4 million.

The other profit reserves in addition to the legal reserve include:

- the consolidated profits carried forward from the previous year net of the profits distributed in 2022 by the Parent Company, for €5.3 million.
- the consolidation reserve generated following the elimination of the book value of the investments as a counterpart to the corresponding portion of shareholders' equity of the subsidiaries;
- the IFRS 2 reserve established starting from 2019 and amounting to approximately Euro 4.1 million.

Capital reserves mainly include:

- the reserves deriving from the merger of Manco S.p.A. (for 26,172 thousand euros relating to the capital increase to service the exchange) net of the merger surplus (-560 thousand euros);
- the negative reserve for IPO costs suspended in equity (-€874 thousand) and negative reserve for FTA of Equita SIM S.p.A. (-€161 thousand).
- The reserve deriving from the payment in shares to the selling shareholders of K Finance for Euro 0.6 million.

Section 12 – Minorities

12.1 Breakdown of line item 180 “Minorities’ portion of shareholders’ equity”

Nothing to report.

Other information

Financial assets and financial liabilities subject to on balance sheet netting or to master netting or similar agreements.

As per Bank of Italy’s updated provisions for the preparation of IFRS financial statements for brokers, specific tables have been included in the explanatory notes which show the financial assets and liabilities that are subject to IAS 32 § 42 netting agreements, independent of the circumstances giving rise to the offset.

The repurchase transactions carried out by the subsidiary Equita SIM S.p.A. were identified by Equita Group as the sole transactions that could potentially give rise to netting. These transactions, however, did not result in an any on balance sheet netting of assets and liabilities.

Securities lending

Equita SIM carries out securities lending with institutional clients. The contract entails the loan of a certain quantity of specific securities. The borrower must return the securities at a certain time and pay for the use of the securities for that period of time. All the transactions are collateralized, mainly using cash collateral which is updated daily based on the value of the securities lent. The cash collateral is recognized in the financial statements as bank and client receivables/payables in the amount actually deposited and received. When securities are used as collateral, the value of the securities lent is represented off-balance sheet. The fees for securities lending are included in commission income or expense. For further details refer to Section C of the explanatory notes. The SIM also uses securities lending services offered by a few banks to cover its long positions.

Assets used to guarantee liabilities and commitments

No assets were used by the Group to guarantee its liabilities and commitments, with the exception of the securities and liquidity used as a guarantee for the correspondent bank.

Information about joint control

The Group did not carry out any activities subject to joint control.

Part C - Information on the income statement

Section 1 - Net trading income – line 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	146,505	5,670,400	(523,790)	(748,612)	4,544,503
1.2 Equity securities and units in UCIs	458,245	11,633,569	(584,945)	(9,534,389)	1,972,479
1.3 Other assets	-	-	-	-	-
2. Financial liabilities	-	-	-	-	-
2.1 Debt securities	7,471	410,703	(21,237)	(18,793)	378,145
2.2 Payables	105,601	777,425	(88,909)	(2,618,575)	(1,824,458)
2.3 Other liabilities	-	-	-	(438,305)	(438,305)
3. Financial assets and liabilities: exchange differences	-	247,849	-	-	247,849
Financial derivatives	-	-	-	-	-
- on debt securities and interest rates	-	309,160	(52,720)	(10,540)	245,900
- on equity securities and units in UCIs	1,237,518	18,155,058	(1,841,057)	(15,482,232)	2,069,286
- on currencies	-	-	-	-	-
- others	-	-	-	-	-
Credit derivatives	-	-	-	-	-
of which: natural hedges related with FVO (IFRS 7, par. 9 lett.d)	-	-	-	-	-
Total	**1,955,340**	**37,204,164**	**(3,112,658)**	**(28,851,445)**	**7,195,400**

Section 4 – Net income related to other financial assets or liabilities measured at fair value through profit and loss – Line 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	1,112,130	5,523	-	(14,834)	1,102,819
1.3 Loans	-	-	-	-	-
2. Financial assets: exchange differences	-	-	-	-	-
Total	**1,112,130**	**5,523**	**-**	**(14,834)**	**1,102,819**

Section 5 - Commissions – Line items 50 and 60

5.1 Composition of “Commission income”

Details	31/12/2022	31/12/2021
1. Proprietary trading	-	-
2. Execution of orders on behalf of customers	15,989,890	17,401,964
3. Placement and distribution	-	-
- of securities	3,409,500	14,397,510
- of third party services:	-	-
. portfolio management	-	-
. collective management	-	-
. insurance products	-	-
. Others	-	-
4. Portfolio management	-	-
- proprietary	-	-
- delegated by third parties	7,133,198	11,093,429
5. Receipt and transmission of orders	6,031,527	6,480,144
6. Investment advice	50,000	-
7. Financial structuring advice	38,250,693	24,712,512
8. Management of multilateral trading facilities	-	-
9. Custody and administration	-	-
10. Currency trading	-	-
11. Other services	5,151,421	5,054,831
Total	**76,016,230**	**79,140,390**

5.2 Composition of “Commission expense”

Details	31/12/2022	31/12/2021
1. Proprietary trading	450,240	586,400
2. Execution of orders on behalf of customers	1,828,541	2,142,802
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	4,230,068	3,926,325
Total	**6,508,850**	**6,655,527**

Section 6 - Interest – line items 70 and 80

6.1 Composition of "Interest and similar income"

	Debt securities	Loans	Other transactions	31/12/2022	31/12/2021
1. Financial assets at fair value through profit orloss	-	-	-	-	-
1.1 Financial assets held for trading	1,749,228	-	-	1,749,228	627,564
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily at fair value	129,774	-	-	129,774	133,723
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-
3. Financial assets at amortised cost	-	-	-	-	-
3.1 Due from banks	-	-	199,710	199,710	4,767
3.2 Due from financial institutions	-	-	3,331	3,331	-
3.3 Due from customers	850,358	-	-	850,358	180,991
4. Other assets	-	-	-	-	-
5. Hedging derivatives	**-**	**-**	319,511	319,511	**3,927**
6. Financial liabilities	-	-	-	-	-
Total	**2,729,360**	**-**	**522,552**	**3,251,913**	**950,972**
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	31/12/2022	31/12/2021
1 Financial liabilities at amortised cost	-	-	-	-	-	-
1.1 Due to banks	-	1,643,680	-	-	1,643,680	1,295,794
1.2 Due to financial institutions	-	99,636	-	-	99,636	121,146
1.3 Due to customers	-	-	-	546	546	-
1.4 Debt securities in issue	-	-	-	-	-	-
2 Financial liabilities held for trading	**-**	**-**	-	-	**-**	**-**
3 Financial liabilities designated at fair value	**-**	**-**	-	-	**-**	**-**
4 Other liabilities	**-**	**-**	-	252,154	**252,154**	**267,013**
5 Hedging derivatives	**-**	**-**	-	-	**-**	**-**
6 Financial assets	744,078	-	918,116	-	1,662,194	1,059,277
Total	**744,078**	**1,743,316**	**918,116**	**252,700**	**3,658,210**	**2,743,231**
- of which interest on leases liabilities	-	*99,636*	**-**	**546**	**-**	-

Section 7 - Dividends and similar income – Line item 90

7.1 Composition of “Dividends and similar income”

		31/12/2022		31/12/2021	
		Dividends	Income from units in UCIs	Dividends	Income from units in UCIs
A	Financial assets held for trading	9,491,077	-	6,797,586	-
B	Other financial assets mandatorily at fair value	-	-	6,636	-
C	Financial assets at fair value through other comprehensive income	-	-	-	-
D	Equity investments	-	-	-	-
	Total	**9,491,077**	**-**	**6,804,222**	**-**

This item includes only dividends on securities, which were paid on securities held in the portfolio for trading purposes, and comprise mainly stocks.

Section 8 – Net (losses)/reversals on impairment of credit risk - Line item 120

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

Voci / Rettifiche	Write-downs			Write-backs		Total 31/12/2022	Total 31/12/2021
	Stage 1 and 2	Stage 3		Stage 1 and 2	Stage 3		
		Write-off	Other				
1. Debt securities	-	-	-	-	-	-	-
2. Lonas	21,479	45,000	67,445	(140,180)	-	(6,256)	(199)
Total	**21,479**	**45,000**	**67,445**	**(140,180)**	**-**	**(6,256)**	**(199)**

Section 9 - Administrative expenses – line item140

9.1 Composition of "Personnel expenses"

	31/12/2022	31/12/2021
1. Employees	-	-
a) wages and salaries	26,471,867	30,898,029
b) social charges	5,014,343	7,517,504
c) employee termination indemnities	-	-
d) social charges	25,878	32,009
e) accrual to the employee termination indemnities	1,079,488	1,055,783
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	4,087,800	1,628,132
2. Other personnel in service	2,077,609	1,175,743
3. Directors and statutory auditors	4,851,004	1,477,106
4. Retired personnel	-	-
5. Expense reimbursements for employees seconded to other companies	-	-
6. Expense reimbursements for employees seconded within the Company	266	(0)
Total	**43,608,255**	**43,784,306**

9.2 Average number of employees by category

	31/12/2022	31/12/2021
Executives	35	25
Middle management	89	86
Other personnel	46	45
Total	**170**	**156**

9.3 Composition of “Other administrative expenses”

	31/12/2022	31/12/2021
1. Other administrative expenses:		
a) Expenses for technology and systems	6,921,040	6,716,984
b) Expenses for info providers and communication technology	2,836,080	2,446,115
c) Rent and management of premises	1,138,423	825,282
d) Professional consultancy	2,314,830	1,921,209
e) Auditors’ fees and Consob	348,115	323,550
f) Commercial expenses	1,500,125	1,203,478
n) Outsourcing support	434,077	254,713
2. Other expenses:	-	-
g) Printing, stationery and periodical	53,497	36,651
h) Training courses and insurance	280,982	307,798
i) General and support services	66,583	54,775
l) Miscellaneous expenses	1,476,884	1,251,469
m) Rating expenses	59,416	50,402
Total	**17,430,052**	**15,392,427**

Section 10 - Net provisions for risks and charges – line item 150

10.1 Breakdown of “Net provisions for risks and charges”

The provisions for future charges are explained primarily by amounts payable to personnel for which the timing or amount are uncertain.

Section 11 – Net (losses)/reversals on impairment of property, plant and equipment– Line 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	143,227	-	-	143,227
- held for investment	1,164,703	-	-	1,164,703
2. Finance lease	-	-	-	-
- used in the business	-	-	-	-
- held for investment	-	-	-	-
Total	**1,307,930**	**-**	**-**	**1,307,930**

Section 12 – Net (losses)/reversals on impairment of intangible assets – line 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	359,214	-	-	359,214
1.2 Finance leases	-	-	-	-
Total	**359,214**	**-**	**-**	**359,214**

Section 13 - Other operating income and expense – Line item 180

“Other operating expense – miscellaneous expense” includes the depreciation charged on leasehold improvements.

13.1 Composition of “Other operating income and expense”

	31/12/2022	31/12/2021
1. Other operating income	-	-
a) prior year income	39,417	61,118
b) miscellaneous income	88,809	1,440,116
Total income	**128,225**	**1,501,234**
2. Other operating expense	-	-
a) prior year expense	21,562	35,905
b) miscellaneous expense	243,902	1,570,314
Total expense	**265,464**	**1,606,219**
Net result	**(137,239)**	**(104,985)**

Section 14 – Profit (loss) on equity investments – Line item 200

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

	31/12/2022	31/12/2021
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	-	41,001
Total	**44,389**	**41,001**

Section 18 - Income tax for the year on ordinary operations – line item 250

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

	31/12/2022	31/12/2021
1. Current taxes	6,286,024	8,383,660
2. Changes in prior years’ current taxes	(80,813)	(344,211)
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	521,585	(908,934)
5. Change in deferred tax liabilities	14,785	14,785
Taxes relating to the year	**6,741,581**	**7,145,300**

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

	€ / 000	Tax rate %
Gross profit for the year	24,010	0%
Consolidation effects	13,684	0%
Gross profit for the year	37,693	0%
Theoretical tax charge	11,333	30%
Tax effect of costs non-deductible either wholly or in part	806	2%
Tax effect of income not taxed either wholly or in part	(5,134)	-14%
Tax effect of ACE benefits	(89)	-0%
Tax effect of other changes	(93)	-0%
Tax effect of previous years taxation	(81)	-0%
Effective tax charge	6,742	18%

Section 20 – Minorities' portion of profit/ (loss) for the year

20.1 CBreakdown of "Minorities' portion of profit/ (loss) for the year"

The minorities' portion of profit for the year comprises the portion of the profit for the year attributable to Equita K Finance S.r.l. for € 2,020,592.

Part D - Other Information

Section 1 – Business lines - Proprietary trading

A. Proprietary trading

	Transactions with group counterparties	Transactions with other counterparties
A. Purchases during the year	-	-
A.1 Debt securities	-	4,599,948,738
of which government bonds	-	1,079,148,987
A.2 Equity securities	1,980,334	2,744,147,631
A.3 Units of UCIs	-	1,503,310,570
A.4 Derivative instruments	-	2,753,644,097
A.5 Other financial instruments	-	-
B. Sales during the year	-	-
B.1 Debt securities	-	4,502,869,914
of which government bonds	-	1,079,962,765
B.2 Equity securities	1,980,338	2,784,494,276
B.3 Units of UCIs	-	1,505,129,085
B.4 Derivative instruments	-	2,860,293,270
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	40,069,115	15,450,644,490
A.2 Equity securities	184,646,181	20,856,869,024
A.3 Units of UCIs	772,878	2,142,493,357
A.4 Derivative instruments	-	892,620,388
- financial derivatives	-	892,620,388
- credit derivatives	-	-
B. Sales during the year		
B.1 Debt securities	36,153,497	9,664,167,002
of which government bonds	21,523,537	6,087,878,470
B.2 Equity securities	218,019,411	14,414,864,829
B.3 Units of UCIs	23,661,104	1,877,148,767
B.4 Derivative instruments	-	1,259,310,302
- financial derivatives	-	1,259,310,302
- credit derivatives	-	-

Order execution on behalf of customers

C.1 Total amount of portfolio management

	esercizio 2022		esercizio 2021	
	Proprietary management	Delegated management	Proprietary management	Delegated management
Debt securities	251,115,329	86,670,087	132,520,900	118,223,964
of which government bonds	-	75,949,670	-	86,675,534
Equity securities	33,499,340	385,621,031	9,223,769	527,598,216
Units of UCIs	880,598	7,652,129	406,331	37,194,462
Derivative instruments	-	-	-	-
- financial derivatives	47,025	7,372,199	18,774	6,536,256
- credit derivatives	-	-	-	-
Other assets	6,982,648	41,629,596	51,146,126	62,667,109
Liabilities	751,792	618,276	1,802,012	7,173,509
Total managed portfolios	291,773,148	528,326,767	191,513,887	745,046,498

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	47,553,612	87,390,094	
A.2 Sales during the year	1,349,567	13,597,959	
B. Delegated management			
B.1 Purchases during the year	347,548,073		
B.2 Sales during the year	438,360,526		

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

	FY 2022	FY 2021
Increase in AUM during the year	110,799,613	96,192,637
Redemptions during the year	34,773,628	38,608,643
Number of mandates	66	54

Placement

D.1 Placement with and without guarantee

	FY 2022	FY 2021
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	-	-
2.2 Other securities	-	-
- relating to transactions managed by group companies	-	-
- relating to other transactions	266,740,195	1,321,319,448
Total securities placed without guarantee (B)	**266,740,195**	**1,321,319,448**
Total securities placed (A+B)	**266,740,195**	**1,321,319,448**

D.2 Placement and distribution: products and services placed at group branches (amount)

	FY 2022		FY 2021	
	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	-	157,311,700	-	839,248,000
- structured securities	-	-	-	-
- other securities	-	157,311,700	-	839,248,000
2. Equity securities	-	109,428,495	-	482,071,448
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	-	-	-	-

Order receipt and transmission

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	-	277,864,232
A.2 Equity securities	-	5,698,664,015
A.3 Units of UCIs	-	331,184,412
A.4 Derivative instruments	-	101,889,494
- financial derivatives	-	101,889,494
- credit derivatives	-	-
A.5 Other	-	-
B. Sales orders brokered during the year	-	-
b.1 Debt securities	-	166,059,324
b.2 Equity securities	-	5,249,167,523
b.3 Units of UCIs	-	332,343,008
b.4 Derivative instruments	-	76,415,927
- financial derivatives	-	76,415,927
- credit derivatives	-	-
b.5 Other	-	-

F. Corporate brokerage

Approximately 60 corporate broker mandates were in place at 31 December 2022. There are no mandates for investment advisory as defined in article 1, paragraph 5f) of the Consolidated Finance Law (TUF).

H. Custody and administration of financial instruments

	FY 2022	FY 2021
Third party securities on deposit	-	-
Third party securities deposited with third parties	5,124	2,581,272
Owned securities deposited with third parties	130,033,689	66,219,512

Section 2 - Information on risks and risk management policies

Equita Group has a system of internal controls which, on the basis of the directives issued by the Board of Directors, ensures a managed-risk environment in which the growth of the Company and the generation of value are sustainable. The system of controls includes regulations, procedures and organizational structures which, in compliance with the Group's strategies, aim to achieve effective control of internal processes in order to mitigate the possible negative effects arising from unexpected events.

The Board of Directors, the Statutory Board of Auditors, the Control and Risks Committee and the Control Functions form the internal control system. The Control functions actively work together on the implementation and management of the procedures used to assess and manage business risks.

The Risk Management Function guarantees second level controls of business risks, with reference to both to first pillar risks which relate to the core business, represented mainly by proprietary trading and trading on behalf of third parties and by operating risk, and second pillar risks which include funding, strategic and reputational risk. The Risk Manager reports directly to the Board of Directors which ensures his/her autonomy. Every year the Group's overall risk profile is estimated in the ICAAP/ILAAP analysis, namely the self-assessment process addressing capital adequacy, the governance systems and management of liquidity risk.

The Group also draws up a Recovery Plan in accordance with the recommendations of the supervisory authorities. The Recovery Plan defines the strategy and the measures intended to restore the long-term economic sustainability in case of a serious deterioration of the Group's financial situation. When preparing the Recovery Plan, Risk Management identifies stress scenarios which expose the Group's main vulnerabilities and their potential impact on its risk profile. The findings show the Group has significant resilience.

The overall risk management system is based on the definition of the general principles and limits established to ensure that the Group complies with the minimum levels of solvency, liquidity and profitability even in conditions of extreme stress.

More in detail, the Group's risk management strives to maintain:

- adequate capital ratios, even in conditions of extreme stress, monitoring the Total Capital Ratio and the Leverage Ratio;
- adequate liquidity, sufficient to face periods of tension, even prolonged, by monitoring internal indicators;
- stable earnings, by monitoring ROE (Return on Equity) and the Cost Income Ratio.

Management of specific risks is done by defining specific limits and risk management measures to implement in order to limit the impact that future, severe scenarios might have on the Group. The Group promotes a culture shaped by responsible behavior and sustainability of the development initiatives by providing personnel with training aimed at deepening the understanding of risk management.

As mentioned above, the holding company Equita Group S.p.A. is the holding of a group of SIMs, of which the subsidiary Equita SIM is the main operating company. For this reason, the information provided in this section relates mainly to Equita SIM S.p.A..

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Impact of the Covid-19 pandemic

Equita Group did not make any changes to the operating models, objectives and strategies nor did it alter the risk assessment and control systems as a result of the Coronavirus pandemic. The Group monitored the risks assumed constantly.

The benchmark reform did not have a significant impact on Equita Group.

2.1 Market risks

2.1.1 Interest rate risk

Qualitative disclosures

General overview

Interest rate risk

The proprietary operations carried out by Equita SIM mostly regard trading in equity securities, bonds and equity derivatives (equity options and equity index futures). The company's exposure to interest rate risk stems mainly from the bonds held for trading. The current risk management system divides the trading portfolio into two categories: "Equity & Equity Like Instruments" and "Non-Equity Instruments", which are subject to different limits that are monitored by Risk Management. VaR - Value at Risk – with historical simulation, based on a confidence interval of 99% with a one-day horizon, is used to monitor the risk of the "Non-Equity" segment. In addition to VaR limits, early warning triggers are in place for the whole portfolio and the category's sub-portfolios (Specialist/Liquidity Provider and Market Making/ Directional). More in detail, for the sub-portfolio Market Making/Directional early warnings have been set on exposure, subdivided by duration and rating, as well as sector limits. For the portfolio Specialist/ Liquidity Provider limits are set at 80% of the maximum exposure allowed in the contracts signed with the counterparties. With regard to the single name exposure for "Non-Equity" issuers, early and final warnings have been defined for the VaR and early warnings triggered by exposure have been defined, which are different based on the company's rating.

During 2022, the bond component of the trading book was mainly composed of debt securities of Italian and corporate financial issuers for which the management coverage of the interest rate risk takes place through futures on government bonds. Investments in the "Hold to Collect" portfolio mainly concerned non-subordinated debt securities of Italian financial issuers.

The Group is not authorized by the Banca d'Italia to use internal models to calculate capital adequacy for interest rate risk.

Quantitative disclosure

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	2,879	8,290,582	39,914,721	3,448,833	9,602,804	4,454,882	1,445,118	-
1.2 Other assets	-	-	-	-	-	-	-	253,163
2. Liabilities								
2.1 Payables								
2.2 Debt securities	-	-	-	-	1,183,526	1,045,075	204,940	-
- Other								
3. Derivatives								
3.1 With underlying								
- Options	-	-	-	-	-	-	-	-
Long positions	-	19,985,607	4,549,099	628,127	-	-	-	9,113,945
Short positions	-	9,603,185	5,070,054	4,172,621	599,145	-	-	14,831,774
- Other	-	-	-	-	-	-	-	-
Long positions	-	2,527,795	-	-	-	-	-	-
Short positions	-	4,432,278	-	-	-	-	-	-
3.2 Without underlying	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
Long positions	-	132,363	-	-	-	-	-	-
Short positions	19,876	112,488	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
Long positions	-	3,081,905	-	-	-	-	-	-
Short positions	3,081,905	-	-	-	-	-	-	-

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	-	-	-	4,111,169	32,336,797	-	-	-
1.2 Other assets	121,628,094	19,812,515	-	7,962,210	-	-	-	-
2. Liabilities	-	-	-	-	-	-	-	-
2.1 Payables	-	-	-	-	-	-	-	-
2.2 Debt securities	-	-	-	-	-	-	-	-
2.3 Other liabilities	131,189,936	41,464,779	5,247,337	10,020,035	3,517,384	132,116	-	-
3. Derivatives	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	2,420,083	-	-	-
3.2 Short positions	-	2,420,083	-	-	-	-	-	-

1. Models and other methodologies for measuring and managing interest rate risk

The management of the interest rate risk deriving from the financial instruments held in the trading portfolio is governed by the internal "Policy Risk Management" procedure approved by the Board of Directors. This document establishes the procedures to be followed and the limits to be respected for the assumption of all market risks in the context of investment activity in the trading book. More specifically, the current risk monitoring management framework divides the trading book into two segments: "Equity & Equity Like Instruments" and "Non Equity Instruments", subject to different limits monitored daily by the Risk Management Function.

To monitor the overall risk of the "Non Equity" segment, the VaR - Value at Risk - is used with historical simulation, constructed on the basis of a confidence interval equal to 99% of the distribution and a time horizon of 1 day. In addition to the VaR limits, for the "Non Equity" segment, early warnings are envisaged for the value of the total portfolio and the sub-portfolios identified by macro-activity (Specialist/Liquidity Provider and Market Making/Directional). In particular, for the Market Making/Directional sub-portfolio, early warnings are defined for the countervalue 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 amount that can be held defined in the various contracts signed with the counterparties. Lastly, with reference to the single name concentration by "Non Equity" issuer, early warnings are defined for VaR and countervalue, the latter diversified on the basis of the issuer's rating. The average amount of the "Non Equity" segment in 2022 was approximately EUR 26 million, mainly concentrated on a duration of less than one year and with an average VaR of approximately EUR 112 thousand. With reference to the monitored limits, two alarm levels have been defined, early warning and final warning. Exceeding the early warnings over time and exceeding the final warnings generate a report to the Risk Operating Committee. While the protracted overcoming of the final warning generates the convening of the same Committee. The verification and compliance with the limits described is carried out daily by the Risk Management function and the exceedances are reported at the first useful meeting of the Board of Directors. The "Frontarena" position keeping software and the Bloomberg platform are used to monitor the indicators, supplemented by internal processing.

The monitoring of the interest rate risk deriving from the financial assets held in the investment portfolio valued at amortized cost is carried out using the parallel rate change scenarios and considering the combined effect of the economic value and interest margin models.

2.1.2 Price risk

Qualitative disclosures

1. General overview

Price risk

In the context of market risks, we define price risk as the risk of incurring losses caused by unfavorable changes in market parameters (volatility, price) with reference to the proprietary portfolio.

The subsidiary EQUITA SIM is the most significant entity in terms of contribution to price risk, consequently the description of the controls/procedures in place concerns the subsidiary. The Company may hold positions (short and long) on listed financial instruments and on non-complex derivative instruments (so-called plain vanilla) in the trading book. The activity on the trading venues constitutes the main portion of the operations of the SIM, which, during 2022, entered into a number of OTC derivative contracts on equity options.

Quantitative disclosure

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	27,572,427	-	-	-	-	-
2. 2. UCITs	410,800	-	-	-	-	7,845,531
2.1 Italian	157,637	-	-	-	-	4,062,369
-harmonized open-end	-	-	-	-	-	-
- non-harmonized open-end	-	-	-	-	-	-
- closed end	157,637	-	-	-	-	4,062,369
- reserved	-	-	-	-	-	-
- speculative	-	-	-	-	-	-
2.2 other EU countries	253,163	-	-	-	-	3,783,162
-harmonized	253,163	-	-	-	-	-
- non-harmonized open-end	-	-	-	-	-	-
- non-harmonized closed end	-	-	-	-	-	3,783,162
2.3 non-EU countries	-	-	-	-	-	-
- open-end	-	-	-	-	-	-
- closed-end	-	-	-	-	-	-
Total	**27,983,227**	**-**	**-**	**-**	**-**	**7,845,531**

2. Models and other methods for analyzing price risk

Price risk is defined as the risk of incurring losses caused by adverse changes in market parameters (volatility, price) with reference to the proprietary portfolio.

The subsidiary EQUITA SIM is the most significant entity in terms of contribution to price risk, consequently the description of the safeguards/procedures in place concerns the subsidiary. The Equita SIM may hold in the trading book positions (short and long) on listed financial instruments as well as in unlisted plain vanilla derivatives.

The activity on the trading offices constitutes the main share of the operations of the SIM, which, during 2022, stipulated some OTC derivative contracts on equity options.

2.1.3 Foreign exchange risk

Quantitative Disclosurea

1. General overview

The subsidiary Equita SIM does not operate on the foreign exchange market (Forex). Exposure to foreign exchange risk stems mainly from the trading of securities denominated in foreign currency. The transactions performed by the Company are not immediately settled by purchasing the reference currency, as the financing agreement with the depositary bank allows Equita to keep the currency position open; in this way the exchange risk is quantified at the close of the transaction and limited to the profit/loss arising from the transaction.

Another source of exchange rate risk stems from the exchange rate differences in invoices and the amount actually paid to suppliers or received by clients. Based on internal risk management procedures the exposure is limited by converting the currency when certain thresholds are reached (in terms of trading commissions, as well as profit/loss from trading) Currency positions are also monitored daily using a software tool that provides detailed information with a view to supporting risk management decisions.

Quantitative disclosures

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	2,140,764	-	-	-	-	-
1.2 Equity securities	1,326,761	469,300	342,451	-	-	-
1.3 Other financial assets	-	-	-	-	-	-
2. Other assets	567,244	328,999	34,833	-	1,143	86,154
3. Liabilities	-	-	-	-	-	-
3.1 Payables	(727,773)	(440,267)	(21,681)	-	-	-
3.2 Debt securities	(62,926)	-	-	-	-	-
3.3 Subordinated liabilities	-	-	-	-	-	-
3.4 Other financial liabilities	(50,886)	(36,437)	-	-	-	-
4. Other liabilities	(171,670)	(3,385)	(8,303)	-	-	(2,126)
5. Derivatives	-	-	-	-	-	-
- Options	-	-	-	-	-	-
Long positions	-	-	-	-	-	-
Short positions	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Long positions	-	-	-	-	-	-
Short positions	-	-	-	-	-	-
Total assets	**4,034,770**	**798,300**	**377,284**	**-**	**1,143**	**86,154**
Total liabilities	**(1,013,255)**	**(480,089)**	**(29,984)**	**-**	**-**	**(2,126)**
Difference (+/-)	**5,048,024**	**1,278,389**	**407,268**	**-**	**1,143**	**88,280**

Operating risks

1. General overview

The Group adopted procedures which define the duties and responsibilities of each company division and which apply to the activities of the different operating units with a view to the management of operating risks.

Each year the Group also assesses total exposure to operating risks and provides the relevant Bodies and Corporate divisions with decisional responsibilities the elements needed to make informed decisions in this regard. The methodology used calls for the identification of operating units and the event types to be assessed. Questionnaires are, subsequently, prepared and submitted to the heads of the single operating units which are used to identify the impact and frequency of each "Event Type" based on the risk management measures in place. The results obtained are summarized in a "Heat Map" which shows the level of risk identified for each Event Type. The Group also gathers the information relating to the operating losses ("loss data collection") and stores it on a database in order to monitor the risks that actually materialized.

Quantitative disclosure

With reference to the K-factors attributable to the operational risk deriving from the investment services offered, it should be noted that as at 31 December 2022, the Group allocated capital of around 6 thousand euros for the K-factors relating to the Risk-To-Client against the 'AUM (Assets Under Management), approximately 110 thousand euros against the CMH (Client Money Held), approximately 5 thousand euros against the ASA (Assets Safeguarded and Administrated) and approximately 220 thousand euros against the COH (Client Orders Handled). As regards the K-factors relating to the Risk-To-Firm, as at 31 December 2022, the Group has allocated capital of approximately 60 thousand euros against the DTF (Daily Trading Flow).

2.3 Credit risks

Qualitative information

1. Other aspects

Credit risk

Credit risk expresses the risk of loss due to default by debtors relating to risk assets other than those pertaining to the supervisory trading portfolio.

This risk category is a residual component in Equita's risk system, as can also be inferred from the new IFD/IFR prudential framework. From the foregoing, Equita's credit risk is therefore mainly limited to positions in financial instruments not allocated to the trading book, to receivables for services provided by Group companies for which the risk of default by customers can lead to a loss paid by the Group and the commitments to disburse funds.

With reference to financial instruments not allocated to the trading book, the Risk Management function has implemented a risk monitoring framework which provides for the distinction between private debt and private equity instruments (unlisted) and public instruments (listed).

With reference to receivables for services provided by Group companies for which the risk of default by customers may lead to a loss for the Group, the Risk Management Function regularly reports to the Risk Operating Committee on receivables overdue by more than 90 days and not collected.

A further source of credit risk is represented by the commitments that the subsidiary Equita SIM assumes towards those issuers with which it enters into subscription agreements for any unsubscribed capital increases. This operation is governed by the Investment Banking procedures of the SIM which provide for the intervention of the Operations Committee (COP), the Chief Executive Officer and the Risk Manager.

2.4 Funding risk

Qualitative Disclosure

General aspects, funding risk management procedures and assessment.

The Group's funding risk stems from the following situations:

- mismatch risk: the risk that cash inflows do not match cash outflows (this is mainly referred to brokering and proprietary trading);
- contingency risk: the risk that unforeseen circumstances impact financial planning (this stems mainly from failed settlement of client transactions);
- market risk: the risk that the Group is not able to sell assets in order to prevent significant losses due to the market conditions (this relates mainly to proprietary trading);
- operational risk: the risk that the Group cannot make/receive payments due to a shut-down of the IT systems resulting in defaults which do not depend on the Group's real financial situation;

- funding risk: the risk that lenders cancel the Group’s outstanding loans, refuse to grant ones or worsen the conditions;
- margin call risk: the risk that the Group cannot meet the clearing house’s margin calls (rarely with other counterparties) for proprietary trading or brokerage.

Liquidity management is mainly in a short-term perspective, considering that the use-repayment needs arise and are exhausted in the space of mainly a few days and above all require immediate decisions and prompt availability of resources.

The Group finances its business, in addition to its own funds, using a plurality of credit lines negotiated with various 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 both in terms of number and amount. This mix of supply sources is believed to ensure diversification and avoid excess concentration. The exception is Intesa Sanpaolo which - representing the settlement bank - inevitably leads to a high concentration.

Considering the need to have resources available at any time in order not to give up market opportunities or to meet regulatory requirements, Equita deems it appropriate not to tie up the liquidity available in its accounts and not to commit it to transitory investments (which could take time disinvestments not compatible with operational needs), which guarantees extreme flexibility in the management and mitigation of liquidity risk components.

The Group's liquidity is mainly functional to operations on the financial markets, both for proprietary trading and for intermediation on behalf of third parties. Unlike the flows related to fixed general expenses, the time horizon associated with the use of liquidity, for brokerage activities, is limited to two/three days and depends on the settlement methods and the trading market.

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 general expenses incurred in the previous year and the guarantees given to customers.

In addition to compliance with regulatory provisions, the Group has defined a framework of internal indicators for daily monitoring of exposure to liquidity risk which are based on overall cash availability and the availability of external funding sources. Since some credit lines must be collateralized with the pledging of financial instruments to be used, the absence of pledgeable instruments makes the residual portion of the credit line unusable. To incorporate this operational peculiarity, a "Net Available Liquidity" indicator was introduced, determined by the sum of the liquidity held in current accounts, the credit still available on non-pledged credit lines, regardless of their actual activation, and the minimum between pledgeable securities and collateralized liquidity on pledged lines.

In order to monitor the indicators described and bring out any critical issues or the need to activate the financing lines, a software was developed whose results are summarized in a report and are sent daily to the control functions and management. The trend for the year presented a risk profile in line with the previous ones.

With reference to the market risk component, it should be noted that most of the Group's liquidity is invested in securities listed on regulated markets from which it is reliable to expect rapid liquidation even under conditions of stress. The Risk Management Function periodically monitors the liquidity of the securities in the trading book, reporting to the Risk Operating Committee on the results of the analyzes conducted. Lastly, with reference to funding risk, the Group has defined minimum levels of diversification of the financing counterparties both in terms of number and amount.

Quantitative Disclosure

Residual duration of the financial assets and liabilities

Residual duration of the financial assets and liabilities

Type	"On demand"	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	-	-	-	-	-	43	-	1,294,387	-	2,022	-
A.2 Other debt securities	2,879	207	3,527	3,058,665	3,126,804	39,953,477	4,571,281	33,863,314	12,191,389	6,473,240	-
A.3 Loans	3,099,943	-	-	-	-	-	600,000	-	116,679	-	-
A.4 Other assets	135,208,988	17,212,515	2,602,869	45,638	14,143,090	-	-	-	3,783,162	4,062,369	27,730,064
	-	-	-	-	-	-	-	-	-	-	-
Cash Liabilities	-	-	-	-	-	-	-	-	-	-	-
B.1 Due to:	-	-	-	-	-	-	-	-	-	-	-
- Banks	132,143,598	-	-	14,018,984	10,733,234	-	25,000,000	5,247,337	2,420,083	-	-
- Financial institutions	12,074,662	-	-	-	-	-	-	3,402,806	370,667	132,116	-
- Customers	-	-	-	-	53,141	-	20,035	11,309	103,270	-	-
B.2 Debt securities	-	270	-	10,569	1,010	1,330	6,577	338,804	844,722	1,270,289	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	9,665,391
	-	-	-	-	-	-	-	-	-	-	-
Off balance sheet transactions	-	-	-	-	-	-	-	-	-	-	-
C.1 Financial derivatives with equity swap	-	-	-	-	-	-	-	-	-	-	-
Long positions	-	-	-	3,183,203	16,802,404	4,549,099	628,127	-	-	-	2,109,285
Short position	-	-	-	5,253,458	4,349,727	5,070,054	4,172,621	599,136	8	-	7,827,113
	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without equity swap	-	-	-	-	-	-	-	-	-	-	-
Long positions	5,175	-	6,831	-	-	-	-	-	-	-	-
Short position	3,087,457	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
C.3 Loans to be received	-	-	-	-	-	-	-	-	-	-	-
Long positions	-	-	-	-	-	-	-	-	-	-	-
Short position	-	-	-	-	-	-	-	-	-	-	-

Section 3 - Equity disclosures

3.1 The company's equity

3.1.1 Qualitative disclosures

Equity consists mainly of fully subscribed and paid-up share capital, capital reserves and the share premium reserve.

In addition to retained earnings, revenue reserves comprise the legal reserve, the statutory reserve and part of the merger surplus.

3.1.2 Quantitative disclosure

3.1.2.1 Enterprise assets: composition

	31.12.2022	31.12.2021
Share capital	11,587,376	11,427,911
Share premium reserve	20,446,452	18,737,040
Other Reserves	58,819,101	51,175,550
- Income reserves	-	-
a) legal reserve	1,950,622	1,577,896
b) statutory reserve	-	-
c) treasury shares	-	-
d) other	31,918,928	23,449,919
- other	24,949,552	25,027,815
- other (FTA)	-	-
Treasury shares	(3,926,926)	(4,059,802)
Valuation reserves	-	-
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Foreign investment hedges	-	-
- Cash flow hedges	146,474	-
- Foreign exchange differences	-	-
- Non-current assets held for sale	-	-
- Special revaluation laws	-	-
- Actuarial gains/losses on defined benefit pension plans	(39,606)	(42,752)
- Portion of the valuation reserves – equity accounted investees	-	-
Equity instruments	-	-
Profit (loss) for the year	17,267,975	22,071,091
Minority interests in equity	-	-
Total	**104,300,846**	**99,309,038**

3.2 I Own funds and regulatory ratios

As a result of EU Regulation 2019/2033, which took effect on 26 June 2021, the SIMs and Groups of SIMs are subject to a new prudential framework and new ways to calculate capital requirements which are no longer tied to RWA and TCR, as was the case under Regulation 575/2013 which will continue to be applied to banks and a few SIMs of a certain size.

Based on the new Regulation, rules are provided based on the classification of the investment firms which are broken down into groups on the basis of equity/revenues and the MiFID services provided.

Equita Group is a Class 2 firm. The companies belonging to this category must calculate regulatory capital based on the greater of:

1) permanent minimum capital requirement;

2) fixed overhead requirement;

3) the relative k-factors.

The consolidated Own Funds of Equita Group are exclusively represented by CET1 capital. The main reference quantities of the new regulatory indicators as at 31/12/2022 follow.

It should be noted that the item "own instruments of cet1" includes the residual commitment to purchase treasury shares approved in 2022.

3.2.1 Own funds

3.2.1.1 Qualitative disclosure

1. Tier 1 primary capital (Common Equity Tier 1 – CET 1)

Tier 1 primary capital consists of CET1 instruments for €11,587,376 and the related share premium reserves for €20,446,452. The other calculable reserves amount to Euro 54,661,529. The main deductions are represented not only by treasury shares which include the repurchase commitment (9,856,798 euros), by goodwill (23,459,489 euros) and by other intangible assets (2,748,926 euros).

2. Additional Tier 1 capital (AT1)

Not applicable

Tier 2 (T2)

Not applicable

3.2.1.2 Quantitative disclosures

3.2.2 Capital adequacy

3.2.2.1 Qualitative disclosure

The Group monitors the adequacy of own funds through methodologies and tools illustrated in the ICAAP - ILAAP (Internal Capital Adequacy an Liquidity Assessment Process) Report.

3.2.2.2 Quantitative disclosures

The Own Funds consolidated by Equita Group comprise CET1 capital exclusively. The main amounts relative to the new capital requirements, along with the regulatory coefficients, at 31/12/2022 are shown below.

3.2.2.2 Quantitative information

Common Equity Tier 1	31.12.2022
Equity	50,293,074
Class 1 Capital (CET1)	50,293,074
Primary Class 1 Capital	50,293,074
Fully Paid-up Capital Instruments	11,587,376
Share Premium	20,446,452
Undistributed Profits	27,800,961
Other Accumulated Comprehensive Income Components	(39,606)
Other Reserves	26,900,174
CET1 Adjustments due to Prudential Filters (-)	(127,255)
TOTAL DEDUCTIONS FROM CLASS 1 PRIMARY CAPITAL (CET1)	(36,275,028)
(-) CET1 Own Instruments	(9,856,798)
(-) Goodwill	(23,459,489)
(-) Other Intangible Assets	(2,748,926)
(-) Other Deductions	(163,548)
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

	31.12.2022
Own Funds Requirement [Max among 1, 2, and 3]	10,279,998
1. Permanent Minimum Capital Requirement	1,000,000
2. Requirement Relating to General Fixed Costs	9,639,927
3. Requirement Relating to Total K-factors	10,279,998
of which Customer Risk	333,259
of which Market Risk	9,363,056
of which Firm Risk	583,683

Capital ratios

	31.12.2022
Common Equity Tier 1 (CET1) Capital Ratio	489%
Tier 1 Capital Ratio - minimum value 75%	489%
Own Funds Ratio - minimum value 100%	489%
Minimum values required according to ex art. 9 reg 2019/2033:	
CET1 ratio 56% Tier 1 Capital ratio 75% Own Funds ratio 100%"	

Section 4 - Detailed statement of consolidated comprehensive income

	items	31/12/2022	31/12/2021
10	**Net income (loss) (+/-)**	17,267,975	22,071,091
	Other comprehensive income net of tax that will not be reclassified to profit or loss		
70	Equity instruments designated at fair value through other comprehensive income	196,869	(10,017)
80	Non-current assets and disposal groups classified as held for sale		
90	Portion of the valuation reserves – equity accounted investees		
100	Foreign investments hedging	(47,249)	2,404
	Other comprehensive income net of tax that may be reclassified to profit or loss		
190	Total comprehensive income of third-party	149,620	(7,613)
200	**Total comprehensive income attributable to the parent company**	**17,417,595**	**22,063,478**
190	**Comprehensive income attributable to minority interests**	**2,020,592**	**559,498**
220	**Consolidated comprehensive income attributable to the parent company**	**15,397,003**	**21,503,979**

Section 5 - Related parties transactions

Information is provided below on the fees paid to executives with strategic responsibilities and on transactions entered into 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 some amendments to the Procedure for Transactions with Related Parties (the “Related Party Procedure” or the “Procedure”), most recently approved by the Board of Directors on 17 July 2019, also in order to make the latter compliant with the new Regulation containing provisions on transactions with related parties adopted by Consob with resolution no. 21624 of 10 December 2020 (“Consob Regulation for Related Parties” or “Regulation for Related Parties”), in force since 1 July 2021[2].

The New Procedure, which entered into force on 1 July 2021, is published on the website: www.equita.eu in the Corporate Governance section, Corporate Documents area.

5.1 Remuneration of key management personnel

Key management personnel are those individuals in the Group who, directly or indirectly, have authority and responsibility for planning, directing and controlling the company’s activities, including members of the Board of Directors and statutory auditors.

5.2 Loans and guarantees provided to Directors or members of the Board of Statutory Auditors

The outstanding credit balances as at 31 December 2022 in the consolidated accounts with related parties - other than fully consolidated intragroup ones and subject to elimination - amount to an overall immaterial amount compared to the Group's equity size. Likewise, the incidence of income and charges with related parties on the consolidated operating result is not significant.

There are no credits and guarantees issued in favour of directors and statutory auditors.

5.3 Related parties transactions disclosure

Transactions carried out with related parties, as defined by IAS 24 and disciplined by the Consob Regulation on Related Parties, concern relationships mainly of a commercial and financial nature.

As regards the transactions carried out between 1 January 2022 and 31 December 2022, it should be noted that, with the exception of the transaction referred to in letter e), described below, were transactions exempt from the scope of application of the Procedure. In particular:

- decisions relating to the assignment of annual bonuses (including the cash component and the financial instrument component) to some members of the Board of Directors of the Company and of the subsidiaries Equita SIM S.p.A. were considered transactions with related parties. (“Equita SIM”) and Equita Capital SGR S.p.A. (“Equita Capital SGR”), as well as to executives with strategic responsibilities of Equita Group, Equita SIM and Equita Capital SGR, in compliance with the provisions of the Consob Regulation on transactions with related parties and the Related Parties Procedure. However, these transactions were found to be exempt from the scope of application of the Procedure due to the provisions of art. 3.1(d)(i) and of the art. 3.1(d)(ii) of the same Procedure.

2 *On this point, we provide a summary description of the changes to the previous Procedure - already explained in the financial statements as of December 31, 2021 - recalling that they concerned the following aspects:*

(i) elimination of the qualification relating to Equita Group as a "newly listed company," as the Company no longer falls under this definition (see Article 1.5);
ii) referral - with reference to the notions of "Related Party Transactions," "Related Party" and "Close Family Member" - to the definitions contained in IAS 24 (see Art. 2.1);
iii) introduction of the definition of "Directors Involved in the Transaction," i.e., the directors of the Company who, with respect to a specific transaction, have an interest, on their own behalf or on behalf of third parties, in conflict with that of the Company and who, for this reason must abstain from voting in the Board of Directors on the transaction (see Articles 2.1 and 5.1.7);
iv) introduction of a new hypothesis of exemption from the application of the Procedure, i.e., transactions resolved by Equita Group and addressed to all shareholders on equal terms (see Art. 3.1(b))
v) introduction, in the event of applicability to Highly Significant Transactions of the exemption "Ordinary Transactions that are concluded at Conditions Equivalent to Market or Standard Conditions," of the obligation for Equita Group to communicate ex post to CONSOB and the Related Parties Committee certain information on the transaction to enable the Committee to verify in a timely manner that the aforementioned exemption has been correctly applied (see art. 3.1(e));
vi) introduction of the obligation for Equita Group to send to the Related Parties Committee - within 30 days of the end of the financial year in which Major Transactions that have benefited from one of the cases of exclusions provided for by the Procedure have been concluded - a report containing a description of the said Transactions and the reasons for which the exclusion was applied (see art. 3.4); vii) introduction of the principle that the attributions regarding Significant Transactions and Less Significant Transactions concerning remuneration are entrusted to the Equita Group's Remuneration Committee, which performs them on the basis of the Procedure (this is to avoid a double examination of the same by both the Related Parties Committee and the Remuneration Committee) (see art. 6.6).

- In fact, these remunerations were paid in compliance with the Remuneration Policy adopted by the Group - following its approval by the Shareholders' Meeting of Equita Group (and its subsidiaries) - and, as required by law, in the drafting of this Policy of Remuneration a Remuneration Committee was involved. Furthermore, the remuneration report was submitted to the Company's Shareholders' Meeting. In addition to the above, it should be noted that the decisions relating to the assignment of financial instruments to Directors and executives with strategic responsibilities also fall within the scope of the exemption referred to in the aforementioned article 3.1.(d)(i) as they are executive operations relating to the application of incentive plans already approved by the Equita Group Shareholders' Meeting;

- the partial and temporary secondment of a resource hired at Equita SIM and seconded to Equita Capital SGR and the consequent modification of the intra-group service contract already existing between Equita SIM and Equita Capital SGR (which included, among the activities covered by the services, including part of the functions performed by the aforementioned resource) have been considered as transactions with related parties exempt from the scope of application of the Procedure, pursuant to art. 3.1 (f) of this Procedure as they are "transactions with or between Subsidiaries and Associated Companies of the Company (if any), in which there are no Significant Interests of other related parties of the Company".

- the decision relating to the assignment of an additional fee pursuant to art. 2389 of the civil code to the Chief Executive Officer of the subsidiary Equita Capital SGR (following the renewal of the Board of Directors). However, this transaction was found to be exempt from the scope of application of the Procedure pursuant to and by effect of art. 3.1. lit. d)(ii) of the Procedure itself. This remuneration has in fact been determined and is paid in compliance with the Remuneration Policy adopted by the Group - following its approval by the Shareholders' Meeting of Equita Group (and its subsidiaries) - and, as required by law, in the - a Remuneration Committee was involved in the implementation of this Remuneration Policy;

- the increase in the original investment that Equita Group - following a preliminary assessment by the Related Parties Committee on 29 July 2020 and approval by the Board of Directors on 30 July 2020 - was considered as a transaction with related parties time carried out in units of the Equita Private Debt Fund II (the "Fund" or "EPD II"), set up and managed by the subsidiary Equita Capital SGR (100% controlled by Equita Group and subject to the direction and coordination of the latter) . The operation to increase this investment was not attributable to any of the exemption hypotheses pursuant to the Procedure and was found to be a transaction of minor significance pursuant to the Procedure. In consideration of the fact that this transaction was not exempt from the scope of the Procedure, in accordance with the Procedure itself, the Related Parties Committee of the Company was convened which issued its prior reasoned opinion in favor of carrying out the transaction. In particular, the aforementioned Committee noted the existence of the Company's interest in carrying out the investment as well as the convenience and fairness of the related conditions. The Board of Directors of Equita Group has approved the aforementioned transaction;

- the intercompany loan between Equita SIM (financing party) and Equita Capital SGR (financed party) approved by the Boards of Directors of Equita SIM, Equita Capital SGR and Equita Group was considered a related party transaction. This transaction, although relating to subsidiaries (and therefore not directly relating to Equita Group), was considered between related parties as previously examined/assessed by Equita Group itself in the context of management and coordination activities (although not falling under transactions having "significant" strategic, economic, equity and/or financial importance for the Group).

- This transaction was also found to be of "minor significance" pursuant to the Consob Procedure and Regulation on related parties as none of the relevance indices described in the Consob Regulation and applicable to the case in question was higher than the limit threshold of 5% indicated by the legislation.

- The aforesaid loan transaction was also found to be exempt from the application of the Procedure itself, pursuant to art. 3.1 lit. f of the Procedure as 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".

Section 6 - Disclosures on structured entities

Nothing to report.

Section 7 - Other disclosures

Disclosures relative to leasing

This section provides the information required by IFRS 16 which is not present in the other parts of the Annual Report.

Qualitative disclosures

Equita essentially has real estate leasing and car leasing contracts in place. As of December 31, 2022, Equita manages n.24 car leases and n.3 property leases..

The leases generally have a duration of more than 12 months and typically have renewal and termination options exercisable by the lessor and by the lessee according to the law or specific lease provisions. Usually, these contracts do not include a purchase option at the end of the lease or restoration costs.

Based on the characteristics of Italian leases and the provisions of Law 392/1978, when a lease is signed for a term of six years, it includes a tacit renewal clause for an additional six years and the total term of the lease is, therefore, twelve years, unless otherwise provided for.

There were no sales or subleases in 2022.

As already indicated in the accounting policies, the Group exercised the exemptions allowed under IFRS 16 for short-term (i.e., term less than or equal to 12 months) and low value leases (i.e., value less than or equal to €5 thousand).

Quantitative disclosures

As mentioned above, the Group basically has two types of leases:

1. leases for office space;

2. leases for cars used by employees.

When IFRS 16 was applied for the first time (1 January 2019) these first leases had a residual term of between five and nine years and the right of use was valued at €7.2 million at a discount rate of around 2%.

At the time of first application (1 January 2019) the second type of leases had a residual term of between 2 and 4 years. The right of use was valued at roughly €0.3 million at a discount rate of around 1.5%.

At 31 December 2022 the right of use for the property leases was roughly €3.6 million, while the right of use for the car leases came to approximately €0.2 million.

This part provides the information required by IFRS 16 which is not present in the other parts of the financial statements.

The disclosures relative to right of use acquired through leases are provided in Part B – ASSETS of the Explanatory Notes (Table 8.1 –Business assets: breakdown of assets measured at cost) and the lease payables are detailed in Part B – LIABILITIES (Table 1.1 – Breakdown of Financial liabilities measured at amortized cost: Payables – due to banks, due to clients and due to financial institutions). Please refer to these sections for more information.

(Euro)	For the year close on December 31, 2022		
	Total property lease	Total car lease	Total
Right of use assets	3,559,214	149,115	**3,708,328**
Lease liabilities	3,553,672	96,194	**3,649,866**

Part C of the Explanatory Notes contains information on interest payable on leasing and other debts charges connected with the rights of use acquired through leasing.

(In Euro)	For the year close on December 31, 2022		
	Total property lease	Total car lease	Total
Amortization of the right of use assets	965,968	207,638	1,173,607
Financial charges	87,186	4,997	92,183
Lease/rental payments	(1,068,149)	(221,038)	(1,289,187)

Please refer to the specific sections for further details.

It should be noted that in 2022 the Parent Company started the procedures aimed at signing a new property lease contract to expand the work spaces.

The lease agreement provides for a 5-month free loan period for the period February - July 2023 and subsequently the start of the 6-year lease agreement.

The total value of the fees amounted to 3.1 million euros, of which the interest portion amounts to 0.4 million euros.

No further relevant information is reported in addition to that already provided in this section.

Fees paid for financial audits and services other than audits

As required by article 149 – duodecies of the Issuers' Regulation adopted by Consob in Resolution no. 11971/1999 the fees paid during the year for services provided to Equita Group by the external auditors and other entities belonging to the external auditors' network are provided below:

Type of services	Equita Group	Subsidiaries
Financial audit	53.500	124.475
of which funds under management	0	63.775
Certification services	10.000	37.300
TOTAL	**63.500**	**161.775**

Fees net of ISTAT adjustment (7.8%), VAT Consob supervisory contributions and expenses

Public disclosures

Equita Group uses its corporate website www.equita.eu to make the public disclosures called for in part six of EU Regulation No. 2019/2033 of the European Parliament and the Council of 27 November 2019 relating to prudential requirements for credit institutions and investment firms.

On behalf of the Board of Directors
The Chief Executive Officer
Andrea Vismara

Milan, March 16 2023