

**EQUITA GROUP
AT A GLANCE**

2018



The city of Milan dedicates the 2019 calendar year to Leonardo da Vinci (1452 – 1519) during the 500th anniversary of his death.

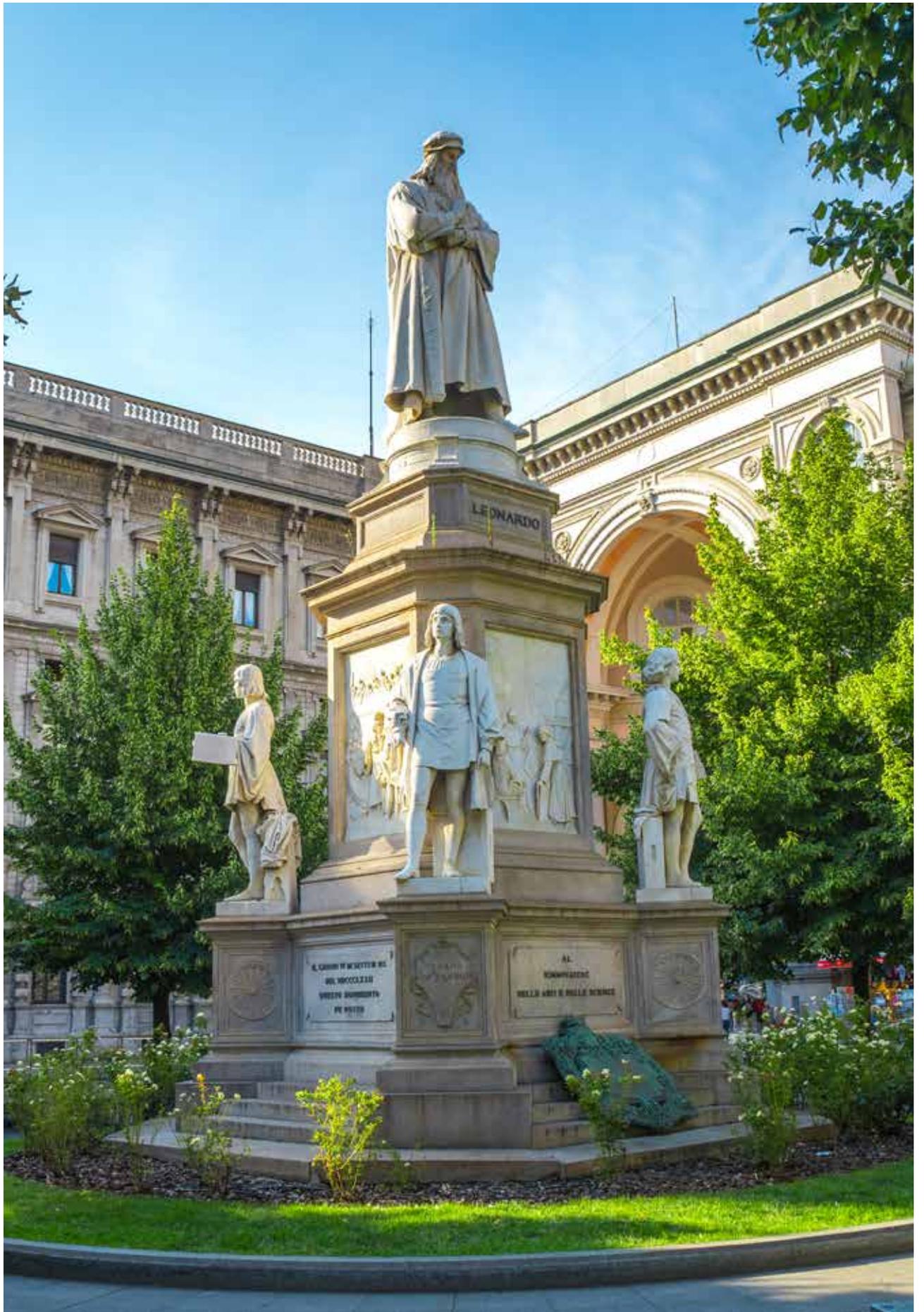
Leonardo da Vinci spent almost 18 years, from 1482 to 1499, at the Court of Ludovico Sforza “The Moor”. Milan was site of his most productive years as artist and universal genius.

Equita in his annual report honours Leonardo with a selection of pictures representing his most significant artworks in Milan.

Cover page

Cucirsi insieme, 2017 - Francesca Santoro

A detail of the artwork awarded ex-aequo during the “Premio Equita per Brera” awards



Picture: the statue of Leonardo da Vinci, Piazza della Scala - Milan.

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

Corporate Governance

Board of Directors

Francesco Perilli
Andrea Vismara
Thierry Porté
Stefano Lustig
Sara Biglieri
Michela Zeme
Massimo Ferrari

Chairman
Chief Executive Officer
Vice Chairman (Independent)
Board Member (Executive)
Board Member (Non-executive)
Board Member (Independent)
Board Member (Independent)

Board of Statutory Auditors

Franco Fondi
Laura Acquadro
Paolo Redaelli
Andrea Polizzi
Filippo Annunziata

Chairman
Effective Statutory Auditor
Effective Statutory Auditor
Alternate Statutory Auditor
Alternate Statutory Auditor

Audit Firm

KPMG S.p.A.

Financial Reporting Manager

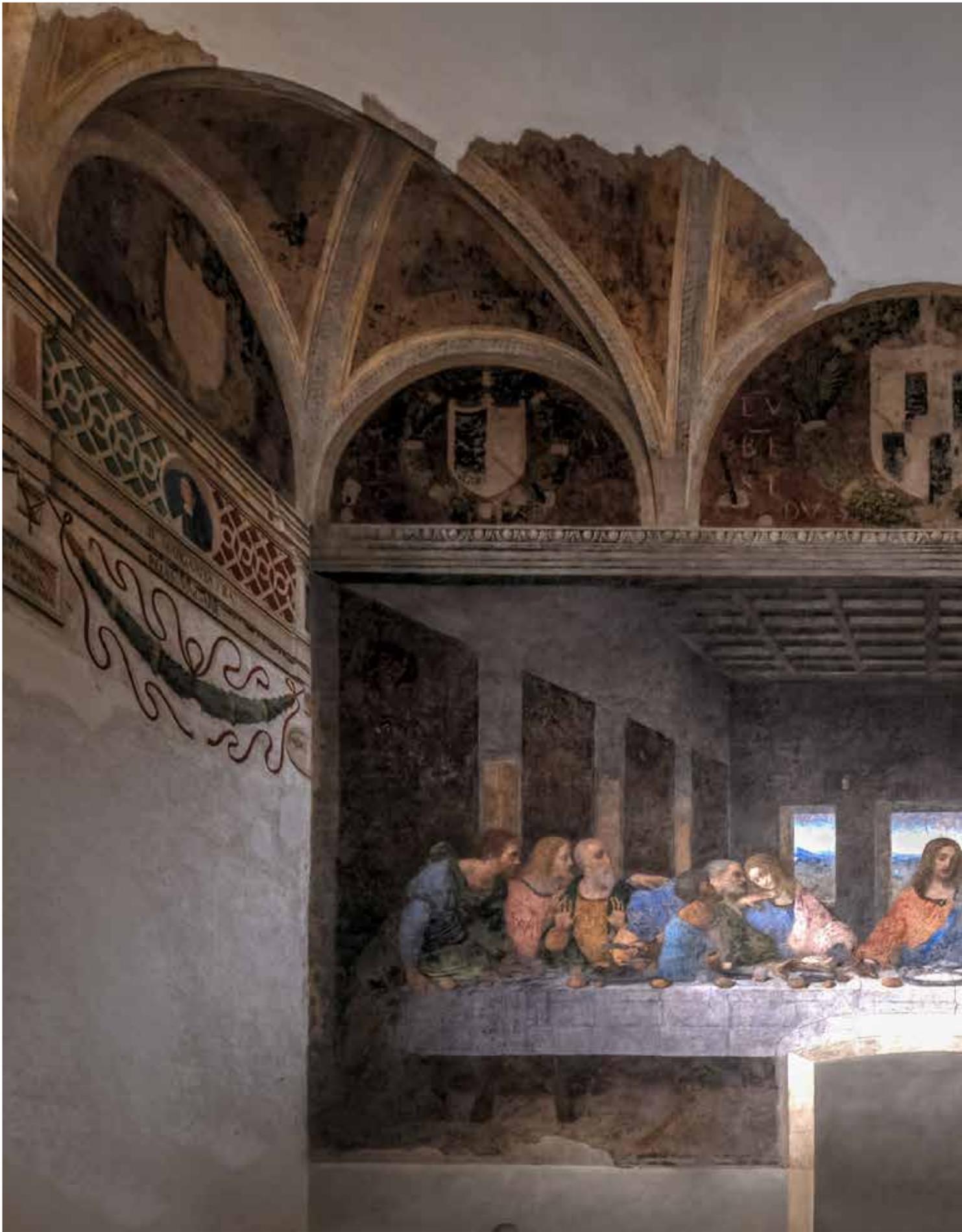
Stefania Milanese

Corporate Information

Registered Office:	Via Turati 9 - 20121 Milan
Tax ID and VAT Code:	09204170964
Identification No.:	20070.9
Share Capital, fully paid-up:	€11,376,344.50
Milan Corporate Registry No.:	2075478
Listing Market:	MTA Borsa Italiana S.p.A. - STAR segment
Ticker Symbol:	BIT: EQUI

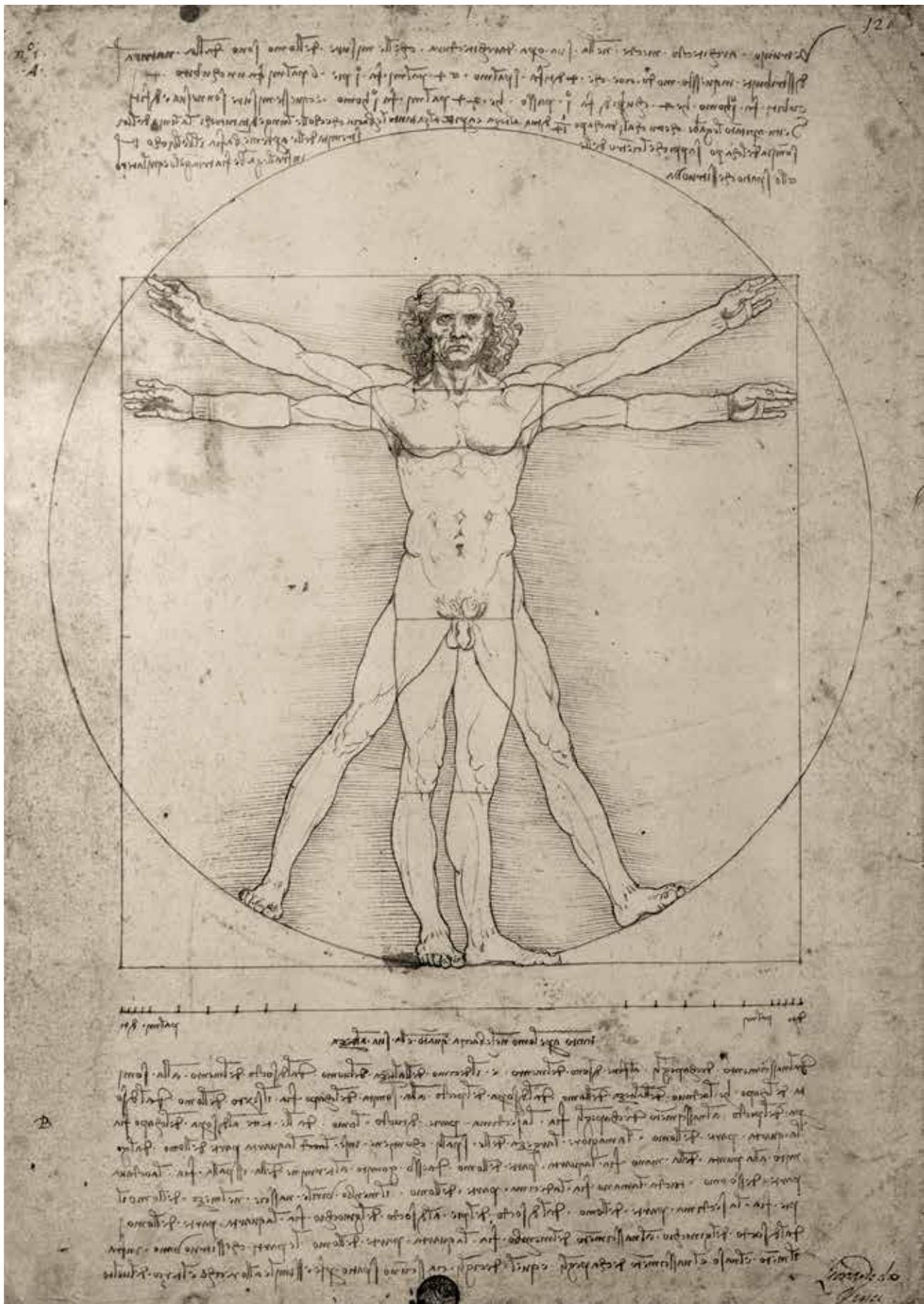
Equita Group S.p.A.

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Corporate Website:	www.equita.eu



Picture: "L'ultima Cena" – Refectory, Santa Maria delle Grazie - Milan (Leonardo da Vinci, 1495)





Picture: "L'Uomo Vitruviano" (Leonardo da Vinci, 1490).
Famous representation of the ideal proportion of the human body

Letter of the Chairman and the CEO

Dear Shareholders,

2018 was a year of confirmations and change for Equita. Despite the challenging market backdrop, we enjoyed significant growth in terms of both revenues and number of professionals. We successfully executed an acquisition in the Global Markets division and completed the transition to the STAR segment of the Italian Stock Exchange. We also invested in a number of initiatives, laying the foundations for the Equita's future growth.



Our Global Markets division managed to curtail the impacts of a market marred by falling trading volumes, which were partly due to the introduction of MiFID II. Thanks to our efforts to diversify the services we offer our clients, Equita was able to gain market share in the brokerage of equities, bonds and derivatives. In May 2018, we completed the acquisition and subsequent integration of Nexi's brokerage and market making activities, with which we further expanded our range of services.

Our Investment Banking division once again was confirmed as a significant growth driver, further consolidating its position and acting as reference for companies and financial institutions, partly thanks to the arrival of new professionals in the first half of the year, helping to strengthen the division, adding new expertise and paving the way for further growth in the coming years. Our various teams played key roles in 12 capital market transactions - 8 equity capital market and 4 debt capital market transactions - raising over 1.6 billion euros for clients. They also took part in a number of M&A deals, positioning the firm as one of the top advisors in Italy by number of deals.

Our Alternative Asset Management team helped to increase revenues thanks to various initiatives, reaching a total of 1 billion euros of assets under management during the year. Our portfolio management team signed a long-term agreement with Blueglen Investment Partners for the distribution of funds with a European credit focus in Italy and Europe and significantly increased AuM thanks to the agreement with Credem Group to manage the flexible fund "Euromobiliare Equity Mid Small Caps". Our private debt team intensified the investments of the Equita Private Debt fund with 5 transactions completed during the year, the percentage invested by the fund thereby hitting the 80% mark (now above 90% thanks to an additional investment closed in March 2019). Our SPAC completed its first business combination in May 2018 and is currently looking for opportunities for a second transaction.

Our Research team continued to cover a large number of both Italian and European companies and welcomed new analysts onboard; indeed, we believe it is essential to offer wide coverage of the Italian market, especially mid and small cap issuers, in combination with European stock coverage.

We invested heavily during the year, to both complete and optimise our Group structure as well as fund new initiatives. These initiatives began to generate revenues only later in the year and will act as a growth driver in the medium term. One example is our project in Fixed Income with which we continued to expand in the debt market, creating an integrated structure within the Group, adding new professionals dedicated to relations with institutional investors and research on bonds.

We also invested to strengthen the Equita brand through a number of partnerships with primary institutions. We continued our partnership with Bocconi University – for the sixth year in a row – to encourage debate on structural factors and potential solutions for the growth of the Italian capital markets. We also formed a partnership with the Brera Fine Arts Academy to support young talented students and promote education and research in the art field.

2018 was also the year we made our transition to the STAR segment of the Italian Stock Exchange: less than one year after our début on the AIM Italia, we listed on the regulated market, thus also increasing our international visibility. We believe this will help us to further expand our business.

We are committed to environmental, social and governance (ESG) issues and have incorporated these aspects into our new remuneration policy. We paid closer attention to social matters, including the welfare of our employees, adopting a new and innovative corporate welfare plan. We aim to continue to make a positive impact: we believe in the social purpose of our Group, promoting capital markets, supporting companies and investors, and creating value for all stakeholders - clients, employees, and shareholders alike.

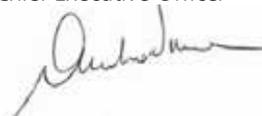
We are proud to be one of the few European investment banks to have grown despite the challenging market backdrop, thus allowing us to look to the future with confidence. We have set a number of targets for this year and have already started working towards some of them: one example is our asset management company (SGR), via which we plan to optimise our Alternative Asset Management activities and widen the scope of our services in the segment of alternative funds, including the launch of a second private debt fund. We also formed a partnership with Altis - Università Cattolica to bridge the gap in terms of sustainability disclosure and SMEs, helping investors make informed decisions on investment opportunities based on environmental, social and governance (ESG) factors.

The market has started 2019 with lower volumes in terms of brokerage and investment banking transactions compared to last year: the slowdown in global growth, Brexit and the political and economic situation in Italy are some of the risk factors that may impact market trends during the year. Against this backdrop, Equita continues to be a unique player on the Italian scenario: we have strengthened our position with initiatives aimed at underpinning growth over the coming years and this will enable us to benefit even in a market scenario such as the current one, which is both challenging and undergoing consolidation.

Francesco Perilli
Chairman



Andrea Vismara
Chief Executive Officer

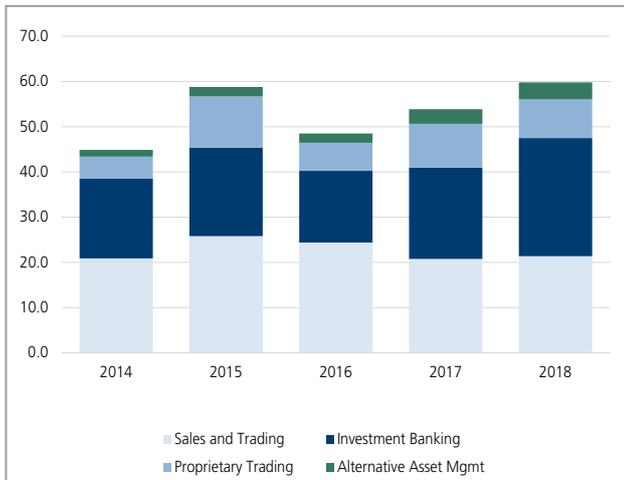




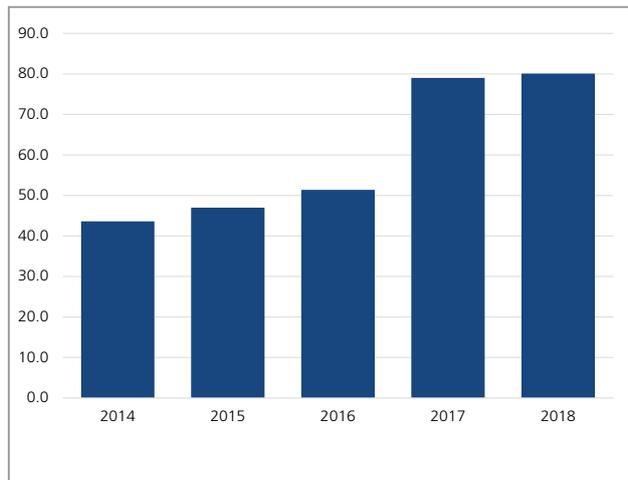
Picture: "Porte Vinciane" lock gates (1496-1498) on the Conca dell'Incoronata.

2018 Highlights

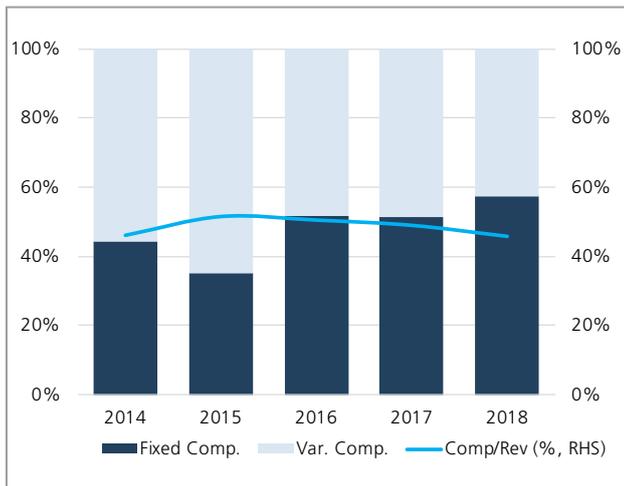
NET REVENUES (€ mn)*



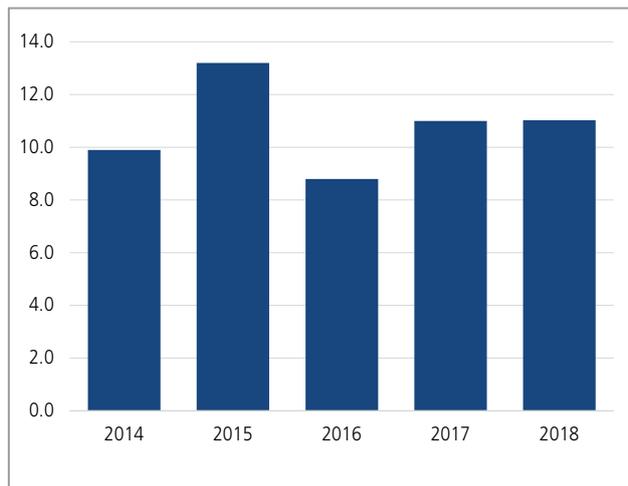
NET SHAREHOLDERS' EQUITY (€ mn)*



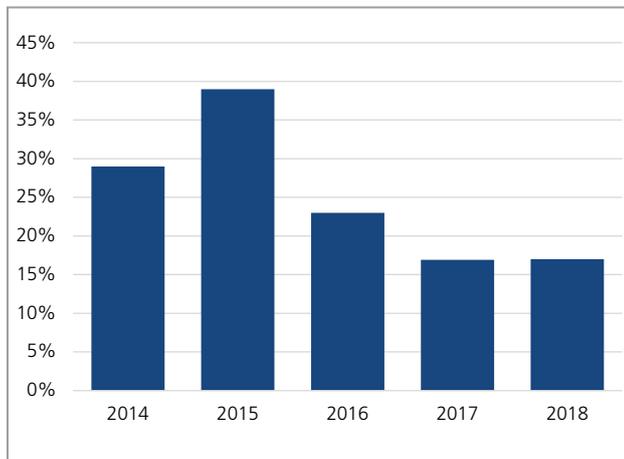
BREAKDOWN OF PERSONNEL COSTS*



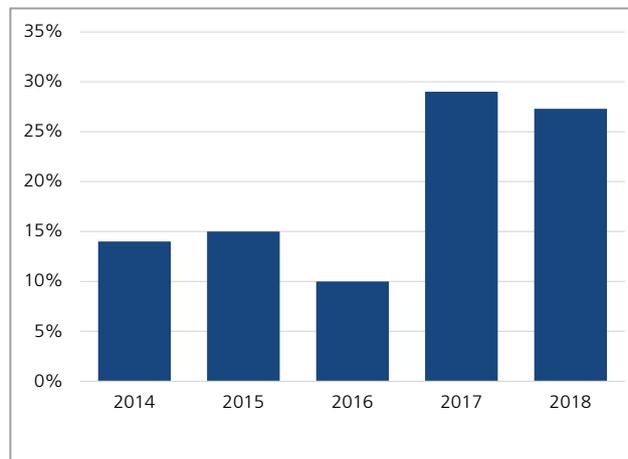
NET PROFIT (€ mn)*



RETURN ON TANGIBLE EQUITY - ROTE (%)*



TOTAL CAPITAL RATIO - TCR (%)*



ROTE 2017 calculated including the IPO proceeds in the tangible equity (€22.1 mn raised in November 2017)

Total Capital Ratio 2016 includes minorities

* 2014 and 2015 figures referred to Equita SIM



€ 1.6 bn

capital raised for our clients
(Equity and Debt Capital Markets)



€ 10.7 mn

co-investments
in new business initiatives



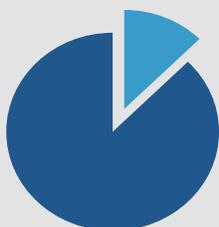
€ 1.0 bn

assets under
management^(a)



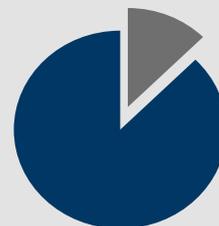
9

private equity and private debt
investments



6.6%

market share of brokered volumes
for third-parties on equities*



4.2%

market share of brokered volumes
for third-parties on bonds*



140

number of professionals

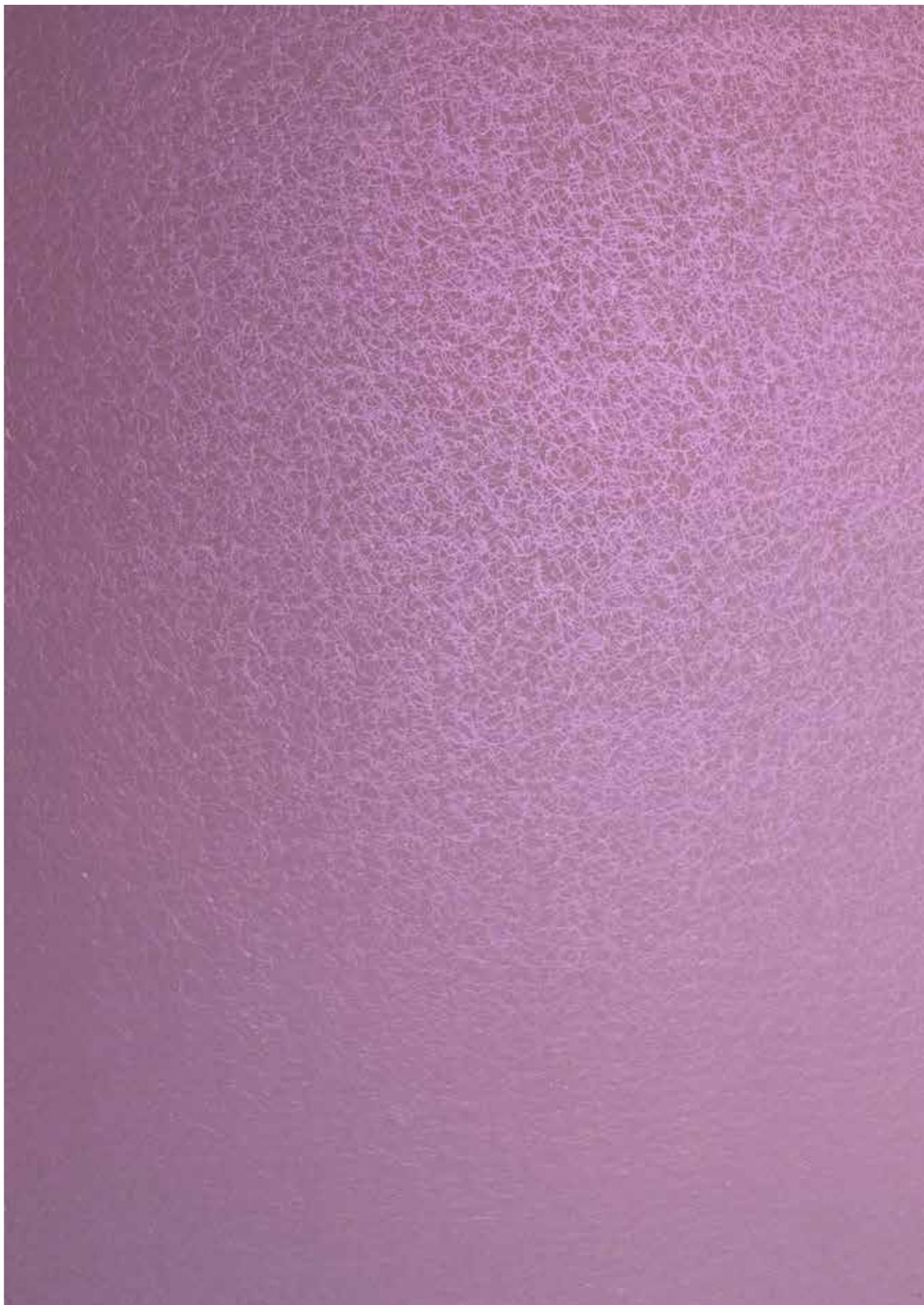


0.22

dividend per share

^(a) including € 150 mn of the Special Purpose Acquisition Vehicle (SPAC)

* Source: ASSOSIM; figures on equities referred to MTA Italian market; figures on bonds referred to DomesticMOT, EuroMOT and ExtraMOT



Picture: No title, 2018 - Elena Diana Lupu

Artwork awarded ex-aequo during the "Premio Equita per Brera" awards

Highlights 2018 - Business Lines and Operations

Sales & Trading

- Leading independent player on the Italian market with market share of 6.6% in the brokerage of third parties volumes on equities and 4.2% on bonds
- More than 400 institutional clients
- More than 80 interconnected banks with a network of 5,000 branches (Retail Hub)
- #2 best broker in Italy in "Trading Execution" and "Equity Sales"
- More than 200 roadshows in Italy and 200 abroad in the last 3 years

% Net Revenues
2018

36%

Proprietary Trading

- Ongoing diversification of risky activities (41%) with client-based services (59%), thanks to the consolidation of the market making activities
- Full range of services (risk arbitrage, special situations, specialist, etc), including the market making activities on derivatives and bonds
- More than 300 specialist contracts

14%

Investment Banking

- €1.6 billion raised on capital markets for our clients (€1.2 billion with IPOs, capital raise, ABB and RABB; €0.5 billion of bond issues)
- Global coordinator and Bookrunner in 11 transactions
- Leading independent player on the Italian capital markets
- Among the Top M&A Advisors in Italy for number of transactions in the last 5 years

44%

Alternative Asset Management

- More than €1 billion of assets under management, of which: c. €300 million of discretionary accounts on equities, c. €400 million managed via a flexible fund with a focus on small-mid caps, €100 million from the closed-end Equita Private Debt Fund, and €150 million from the SPAC; Equita also placed the €50 million credit fund "Blueglen Equita Total Return"
- €56 million invested by the Equita Private Debt fund over the year in 5 different transactions, for a total invested amount of €83 million since the closing of the fund in 2017
- First business combination of the Equita SPAC with the acquisition of 100% of Industrie Chimiche Forestali for €69 million and still €73 million to be invested in a new target

6%

Research Team

- 15 analysts with a high degree of seniority (more than 15 years of experience)
- 163 companies under coverage, of which 120 Italian and 43 foreign
- 96% of the total Italian market cap covered by the team
- 8 thematic conferences organized during the year
- Awarded as #1 "Best Italian Research Team" and #2 "Best Country Analysis" in international rankings

Governance e Operations

- More than 10 professionals in the control functions, legal and corporate affairs department and investor relations
- More than 30 professionals in the back-office, IT and human resources departments, supporting all the business lines of the group

The history of Equita

LONG TRADITION

1973

Euromobiliare is incorporated and becomes one of the first private merchant banks in Italy

1981

Euromobiliare is listed on the **Italian Stock Exchange**

PARTNERSHIP WITH COMMERCIAL BANKS

1988

Midland Bank Plc acquires control of Euromobiliare

1991

Euromobiliare SIM is incorporated, following the entry into force of the Italian Law 1/1991

1994

Credito Emiliano acquires control of Euromobiliare and completes a **reverse merger** and its listing

PARTNERSHIP WITH A FINANCIAL INVESTOR

2007

The private equity fund **J.C. Flowers & Co.**, with the support of Mid Industry Capital and the management team of Euromobiliare, **acquires control of Euromobiliare SIM**

2008

Euromobiliare SIM becomes **EQUITA SIM**

ESTABLISHMENT OF EQUITA GROUP

2015

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

2017

Reorganisation of the control and corporate governance structure begins with the incorporation of **Equita Group**, a holding company that holds 100% of Equita SIM, and the acquisition of the majority of Alessandro Profumo's stake

Equita Group is admitted to trading on AIM Italia on **21 November 2017** and starts trading on **23 November 2017**

M&A AND LISTING ON THE ITALIAN STOCK EXCHANGE – STAR SEGMENT

2018

The subsidiary Equita SIM completes the **acquisition of the business unit** of **Brokerage & Primary Markets and Market Making** activities of Nexi

Equita Group starts the process of listing on the Italian Equities Market (MTA) and asks the status of STAR listed company. Equita Group admitted to listing on **19 October 2018**, with first trading day on **23 October 2018**. As of 31 December 2018 the management owns 54.3% of the share capital, 36.6% is free float and the balance is represented by treasury shares

Key events of 2018



FEBRUARY

6 Equita voted best "Team Based Leader: Western Countries" by Institutional Investor, confirmed as no. **1 broker for its research on the Italian market** and no. 2 on the Extel ranking in the categories of "Best Country Analysis", "Best Broker in Italy – Trading Execution" and "Best Broker in Italy – Equity Sales"

14 Equita continued for the fifth year in a row its **partnership with the Bocconi University** to encourage debate on structural factors and potential solutions for the growth of capital markets in Italy. During the event BAFFI CAREFIN - centre for applied research – presented its study "Why do Italian companies go public? An empirical analysis of the period 2006-2016" and Equita awarded the best strategies on capital markets and presented its third monitor on Italian capital markets

MARCH

21 Equita signed a **binding agreement** with Nexi to acquire the Brokerage and Primary Markets business unit and Market Making activities

MAY

14 Closing of the first **business combination** between EPS Equita PEP SPAC and Industrie Chimiche Forestali, a leading Italian producer of fabrics used to make toecaps and counters and adhesives for the footwear, automotive, packaging and upholstery sectors

31 **Closing of the acquisition of Nexi's Brokerage and Primary Markets business unit** (renamed Retail Hub) and Market Making activities

JUNE

18 **Partnership agreement signed with Brera Fine Arts Academy** to create value through an initiative that rewards young talented students and promotes education and research in one of the most important cultural and artistic locations of Milan

JULY

6 Launch of a **long-term partnership with Blueglen Investment Partners**, a multi-strategy alternative asset manager that invests in European credit. "G10 Blueglen Equita Total Return UCITS Fund" is the first product promoted together

OCTOBER

23 **First trading day on the Italian Stock Exchange.** Just one year after its debut on the AIM Italia, Equita Group is listed on the **STAR segment** of Borsa Italiana

NOVEMBER

21 Launch of the **"Fixed Income" project** to increase cross-selling opportunities between Equita's business lines and consolidate its position in the debt market, also thanks to the recruitment of new professionals dedicated to fixed income initiatives

30 **Partnership with Credem Group** was strengthened following the end of the subscription period for "Euromobiliare Equity Mid Small Cap", a fund launched by Euromobiliare Asset Management SGR and managed by Equita SIM, which raised almost € 400 million



Picture: No title, 2017 - Shiro Teramoto

Artwork awarded ex-aequo during the "Premio Equita per Brera" awards



Picture: Gli ultimi giorni di Eliogabalo, 2018 - Jemberu Perrucchini

Artwork awarded ex-aequo during the "Premio Equita per Brera" awards

Group Overview

Independence

Equita is an independent group, built and managed by its partners and professionals. We are committed, entrepreneurial and open to an ever-changing world.

Clear and diversified business model

The Equita business model is unique and difficult to replicate. It combines independent advisory services with a deep knowledge of and access to capital markets. Our business model is clear, focused and centred around different business lines:

Global Markets

- **Sales and Trading**, offering brokerage services on equities, bonds, derivatives and ETFs on behalf of Italian and international institutional clients, complemented by the Retail Hub which engages in equity and bond brokerage for retail clients of banking groups.
- **Proprietary Trading**, offering client-driven solutions (e.g. proprietary trading for clients, specialist activities, etc.) and market making, as well as directional trading based on proprietary trading strategies to exploit market trends.
- **Investment Banking**, offering a top standing platform with high-profile advisory services dedicated to extraordinary finance transactions, M&A, placements on equity and debt capital markets, addressed to both industrial companies and financial institutions.
- **Alternative Asset Management**, offering management of third-party equity portfolios and alternative funds, as well as innovative products such as private debt and SPACs.

All business lines are constantly supported by the Research Team of Equita which is highly regarded by prominent Italian and international institutional investors and has long been considered one of the best teams in Italy.

Sound financial performance

Equita strives to achieve a solid financial performance leveraging on its diversified business model, disciplined and flexible cost structure, and capital-light activities. This allows us to generate a steady flow of returns for shareholders.

Leadership in small-mid caps

Equita is the partner of choice for many best-in-class Italian small and mid cap companies. We aim to provide our clients with a wide range of services whilst guaranteeing access to high-quality debt and equity instruments.

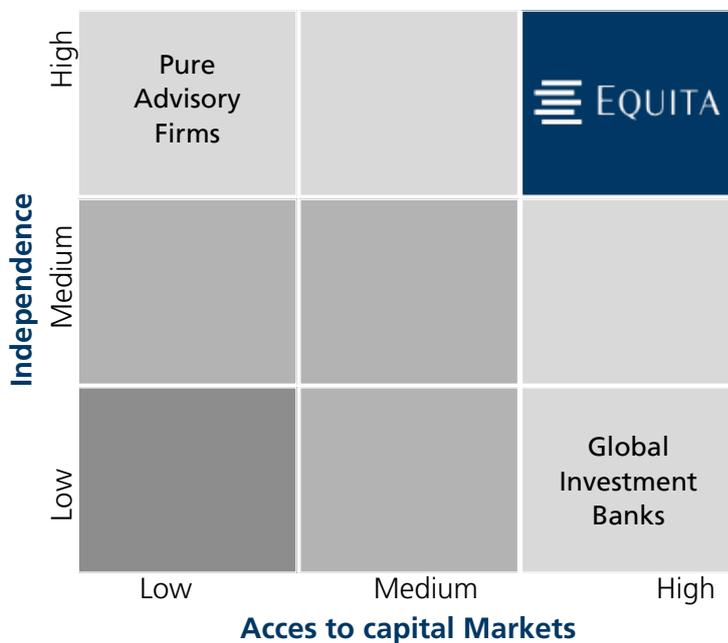
Socially responsible

People are our greatest asset. It is with their dedication and determination that Equita is able to best serve clients. Equita invests in training young professionals, both in-house and externally, by selecting specific programmes: in 2013, Equita established a partnership with Bocconi University to advance and promote knowledge of capital markets and analyse new developments and market trends. What's more, we promote artwork of emerging artists through our EQUITArte initiative and in 2018 we formed a partnership with Brera Fine Arts Academy to endorse the work of talented young artists and promote education and research in arts' culture. We value our community with a "give-back" approach and in the past two years we donated approximately € 270,000 to over 10 charitable organisations.

Business Model

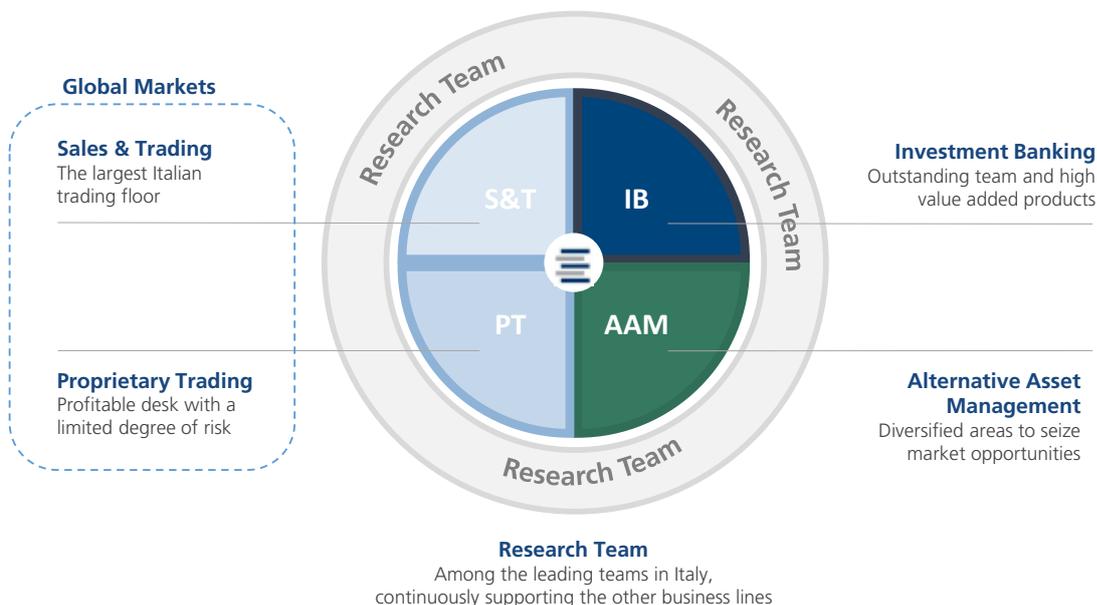
Positioning

Our business model combines a high-degree of independence with a wide knowledge of and access to the Italian capital markets, both equity and debt, differentiating from large advisory groups or international investment banks.



Business activities

The Group operates primarily via its subsidiary Equita SIM, fully owned by Equita Group. The activities are broadly divided into business lines (Sales & Trading and Proprietary Trading – which represent the Global Markets area – Investment Banking and Alternative Asset Management) and are continuously supported by an outstanding Research Team.



Our Vision, Our Mission, Our Values

Vision

Equita aims at keeping its role of independent partner for institutional investors looking for investment opportunities in Italy and for corporates interested in supporting their growth strategies accessing capital markets and executing extraordinary transactions.

Mission

We are committed to deliver long-term returns to all our key stakeholders by:

- Strengthening our position as leading independent Italian investment bank
- Leveraging on our relations with clients and knowledge of capital markets
- Pursuing sustainable growth and achieving further diversification with the contribution of all business areas, supported by our best-in-class Research Team
- Running well-balanced risk-return activities
- Providing return on investment in line with the best practice
- Being “the place to be” for talented professionals

Values

Independence

- Undivided loyalty toward our clients’ best interests
- As a truly independent investment bank, our decisions are not affected by lending positions, corporate equity stakes, or controlling shareholders

Client Focus

- Provide the highest possible level of service by being flexible and innovative
- Increase the number of services offered to our existing clients while enlarging the client base



Manage a Sustainable Business Model

- Manage and position the company for the long-term
- Balance operational risk with financial risk to create value for our stakeholders
- Be cost and risk conscious



Nurture a Strong Entrepreneurial Culture

- Maintain a significant employee ownership
- Be open and curious
- Sponsor and support well-thought out initiatives



Integrity

- Maintain the highest ethical standards
- Reinforce moral strength
- Promote fair behaviours at every level of the organization



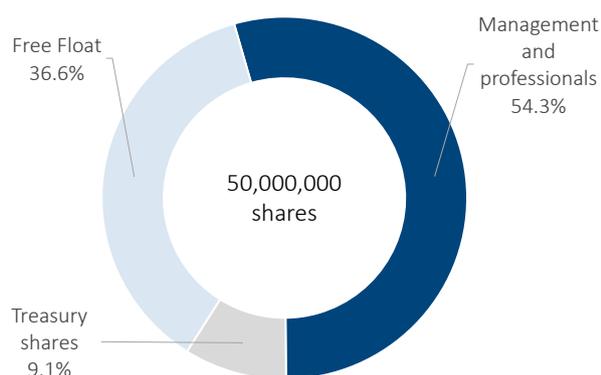
Value our People

- Develop and retain highly-performing managers and employees
- Provide a wide range of training and internal opportunities
- Focus on the quality of working environment
- Hire and promote based on merits



Shareholders' structure and information for investors

Share capital structure of Equita Group



Shareholders*	Number of shares
Management and professionals	27,152,364
Free Float	18,299,611
Treasury shares	4,548,025
Total	50,000,000

* at December 31, 2018

Equita on the Stock Exchange in 2018

ISIN Code: IT0005312027
 Other ID codes: EQUI:IM / EQUI:MI
 Market: MTA - Borsa Italiana
 Segment: STAR



Indices: FTSE All-Share Capped | FTSE Italia All-Share | FTSE Italia STAR | FTSE Italia Small Cap | FTSE Italia Finanza | FTSE Italia Servizi Finanziari

Market capitalisation as of 31 December 2017 (million/euro) ^(a)	136.8
Market capitalisation as of 31 December 2018 (million/euro)	147.3
Average price per share (euro)	3.210
Minimum price (euro)	2.982
Maximum price (euro)	3.565



14.4%
 Total Shareholders
 Return 2018

Average daily volumes (number of shares)	41,270
Dividend per share (euro)	0.22
Average Dividend Yield 2018 (%)	6.9%
Total Return 2018 (%)	14.4%



6.9%
 Dividend Yield
 average 2018

^(a) On outstanding shares, net of treasury shares

Equita Group stock performance



Equita Group performance vs FTSE Italia STAR (Equita Group as at 28 December 2017 = 100%)



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