

Equita Group

Strong 4Q in a Still Soft Market; Attractive Dividend Yield Confirmed

4Q23 results were better than our estimates, both on the top and bottom line, with revenue accelerating in each divisional unit, allowing the company to achieve growth of +2% yoy in FY23 in a challenging year for the investment banking industry. A softer-than-expected start to the year has led management to be cautious in its outlook, only expecting signs of a market recovery in 2H24. The BoD proposed a FY23 DPS of EUR 0.35/share (a 9.2% yield at the current share price), in line with both 2022 and our estimate and confirmed the Shareholders' remuneration targets of >EUR 50M cumulative dividends distributed over the 2022-24 period.

Better than expected 4Q results

Equita reported a 4Q23 net profit of EUR 6.9M vs. EUR 3.1M in 4Q22, higher than our estimate of EUR 5.3M, with better-than-expected revenues (EUR 28M vs. EUR 25.6M forecast), driven by Investment Banking and AAM. 4Q revenues linked to clients were up by 12% yoy to EUR 23.3M, leading to -7% yoy in FY23A (EUR 76.6M).

Softer start to 2024, market recovery expected in 2H

Persistent macroeconomic uncertainties and a softer-than-expected start to the year (especially in trading volumes and equity capital markets) led management to be cautious in its outlook, envisaging a gradual improvement in the market only from 2H24. Management is confident there will be plenty of growth opportunities in Investment Banking, having been able to expand market share during the market weakness of the past few years.

Estimates update

We top-slice our 2024-25E revenue estimates by -2.7% and -2.2% respectively, while maintaining our forecast that Equita's revenues will cross the EUR 100M threshold in 2025E, with the cost-income ratio improving to < 70%. We fine-tune our 2024-25E dividend forecast to EUR 0.36/sh. and EUR 0.44/sh. respectively, assuming a pay-out of approx. 100%.

BUY rating confirmed; new TP EUR 4.6

We set a new target price of EUR 4.6, up from EUR 4.2, based on our new fine-tuned 2024-25E dividend estimates and the positive impact of a lower cost of equity (10.5% from 11% after incorporating our updated 4.0% risk-free rate) in our DDM valuation. Given an upside potential of approx. 20%, we confirm our BUY rating.

Equita Group – Key data

Y/E Dec (EUR)	2022A	2023A	2024E	2025E	2026E
Adj EPS	0.34	0.34	0.37	0.45	0.49
EPS	0.33	0.34	0.37	0.45	0.49
DPS	0.35	0.35	0.36	0.44	0.49
TBV PS	1.7	1.6	1.6	1.7	1.8
PPS PS	0	0	0	0	1.0
Adj. ROTE (%)	21.8	21.4	22.4	26.8	28.2
Adj P/E (x)	10.5	10.8	10.4	8.4	7.7
P/TBV (x)	2.2	2.3	2.3	2.2	2.1
Div yield (%)	9.7	9.4	9.5	11.6	13.0
P/PPPP (x)	NM	NM	NM	NM	3.8

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 19/03/2024

22 March 2024: 9:15 CET
Date and time of production

BUY

Target Price: EUR 4.6
(from EUR 4.2)

Italy/Brokerage & Investment Banking
Company Results

EXM-STAR

Equita Group - Key Data

Price date (market close)	19/03/2024
Target price (€)	4.6
Target upside (%)	21.69
Market price (€)	3.78
Market cap (EUR M)	194.00
52Wk range (€)	4.06/3.37

EPS – DPS changes

(€)	2024E	2025E	2024	2025
	EPS ▼	EPS ▼	chg%	chg%
Curr.	0.365	0.449	-5.25	-6.06
Prev.	0.385	0.478	-	-
	DPS ▼	DPS ▼	chg%	chg%
Curr.	0.360	0.440	-5.26	-2.22
Prev.	0.380	0.450	-	-

Price Perf. (RIC: EQUI.MI BB: EQUI IM)



Source: FactSet and Intesa Sanpaolo Research estimates

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Solid 4Q/FY23 Results

In 4Q23 Equita reported a net profit of EUR 6.9M (excluding the impact of non-recurring expenses and the long-term incentive plan ("LTIP") for top management, above our EUR 5.3M estimate, thanks to a strong acceleration of revenue growth, both sequentially and on a yoy basis, across all business units. The proposed dividend of EUR 0.35/share (payable in two tranches: EUR 0.20/sh. in May and EUR 0.15/sh. in November), is in line with our estimate and implies an attractive yield of 9.4% at the current share price. The key points of the results were:

Accelerating revenue growth led to better-than-expected profits in 4Q

- 4Q total net revenues at EUR 28M, +9.7% vs. our estimate, thanks to Global Markets (EUR 11.9M vs. EUR 9.0M estimated) and Alternative Asset Management (EUR 3.9M vs. EUR 2.6M), with Investment Banking (EUR 12.3M) lower than our projections;
- Quarterly operating costs of EUR 19.1M, +4.4% vs. our forecast, due to both staff costs and administrative expenses (EUR 13.8M vs. EUR 13.2M estimated and EUR 5.3M vs. EUR 5.1M expected, respectively).

Equita Group - 4Q/FY23 results

EUR M	1Q22A	2Q22A	3Q22A	4Q22A	FY22A	1Q23A	2Q23A	3Q23A	4Q23A	4Q23E	A/E %	qoq %	yoy %	FY23A	yoy %
Global Markets	9.9	9.9	7.1	10.7	37.4	11.2	9.5	8.3	11.9	9.0	31.5	43.2	10.8	40.9	9.2
Inv Banking	6.7	17.7	7.1	9.8	41.3	6.2	11.5	6.2	12.3	13.9	-11.8	96.8	25.7	36.3	-12.2
AAM	1.8	2.2	1.9	1.9	7.9	1.8	2.5	2.1	3.9	2.6	49.7	83.7	100.6	10.4	32.1
Net revenues	18.4	29.9	16.1	22.4	86.6	19.3	23.5	16.6	28.0	25.6	9.7	68.4	25.0	87.5	1.0
Personnel Costs	8.5	14.0	7.5	12.1	42.2	8.9	11.2	8.0	13.8	13.2	5.0	71.7	14.0	41.9	-0.8
Administrative expenses	4.5	4.7	4.5	5.4	19.1	5.0	6.2	5.2	5.3	5.1	2.7	1.9	-3.6	21.5	12.6
Total operating costs	12.9	18.8	12.1	17.6	61.3	13.9	17.3	13.2	19.1	18.3	4.4	44.5	8.6	63.4	3.4
Profit before taxes	5.5	10.9	4.1	4.9	25.3	5.4	6.2	3.4	9.0	7.3	24.2	NM	85.9	24.1	-4.4
Group net profit*	3.8	6.4	2.8	3.1	16.2	3.9	4.3	1.8	6.9	5.3	30.8	NM	121.8	16.9	4.5

*Excluding the impact (net of taxes) of LTIP provision; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Equita Group - 2022-23 operating costs breakdown

EUR M	FY23	FY22	%
Personnel Costs*	41.9	42.2	0.7
FTE (end of period)	195	188	3.7
Comp / Revenues %	47.9	48.9	
Operating costs	21.5	18.7	15.0
o.w. IT	6.3	6.2	1.6
o.w. Trading fees	3.1	2.9	6.9
o.w. Non-recurring (anniversary)	0.8	0	NM
o.w. Other (Marketing, Governance)	11.3	9.6	17.7
Cost/Income* %	72.4	70.6	
Adj Cost/Income (excluding non-recurring items) %	71.5	70.6	

* Excluding the impacts of the Long Term Incentive Plan ("LTIP") for top management; Source: Company data

Equita maintains a solid capital position, with an IFR ratio of approx. 5x above the minimum requirements, which allows the group to both offer an attractive dividend policy and be ready to capture potential M&A opportunities.

Capital position and dividend

The 2023 proposed dividend, in line with FY22, implies a pay-out of 100% of adj. net profit (105% including the impact of the cash-settled incentive plan), thus distributing only a small portion of the significant amount of net profits set aside since the IPO.

We highlight the good quality of Equita's top line, with 4Q23 client-driven revenues (excluding Directional Trading activities and the impacts of the Investment Portfolio linked to AAM activities) up approx. +12% yoy to EUR 23.3M.

Results by business line

As regards business with clients, we highlight revenue reached EUR 76.7M (-7% yoy, though it was +7% normalizing FY22 net revenues to exclude the contribution of a significant mandate closed by EQUITA K Finance in 2Q22) despite the low levels of client activities globally in financial markets.

FY23 Global Markets net revenue increased by 10% to EUR 40.9M (vs. EUR 37.4M in FY22, with Sales & Trading (FY23 revenue EUR 19.5M vs. EUR 21.1M in FY22) contribution impacted by weak levels of Italian equity trading activity, especially in mid and small caps, was more than offset by Client Driven Trading & Market Making (FY23 EUR 13.9M vs. EUR 13.5 in FY22) and Directional trading revenue (FY23 7.4M vs. EUR 2.7M in FY22), which recorded its best year since the IPO, as well as EUR 0.8M of net income derived from a EUR 39M fixed income portfolio built mainly in 3Q22 to be held to maturity.

FY23 Investment Banking revenues were down 12% yoy to EUR 36.3M (vs. EUR 41.3M in FY22), reflecting the challenging market environment for corporate finance and capital markets transactions, both in Italy and abroad. 4Q23 revenue performance (EUR 12.3M up 26% yoy vs. EUR 9.8M in 4Q22) registered a significant improvement, mainly driven by the contribution from capital markets activities.

FY23 Alternative Asset Management revenues were up by 34% yoy to EUR 10.4M (vs. EUR 7.7M in FY22), with management fees (rising by 6% yoy to EUR 6.9M vs. EUR 6.5M in FY22) from new illiquid products and a strong contribution from the Investment Portfolio (EUR 3.4M in FY23 vs. EUR 1.2M in FY22, including a capital gain from the purchase of an additional fund share in the EQUITA Private Debt Fund "EPD").

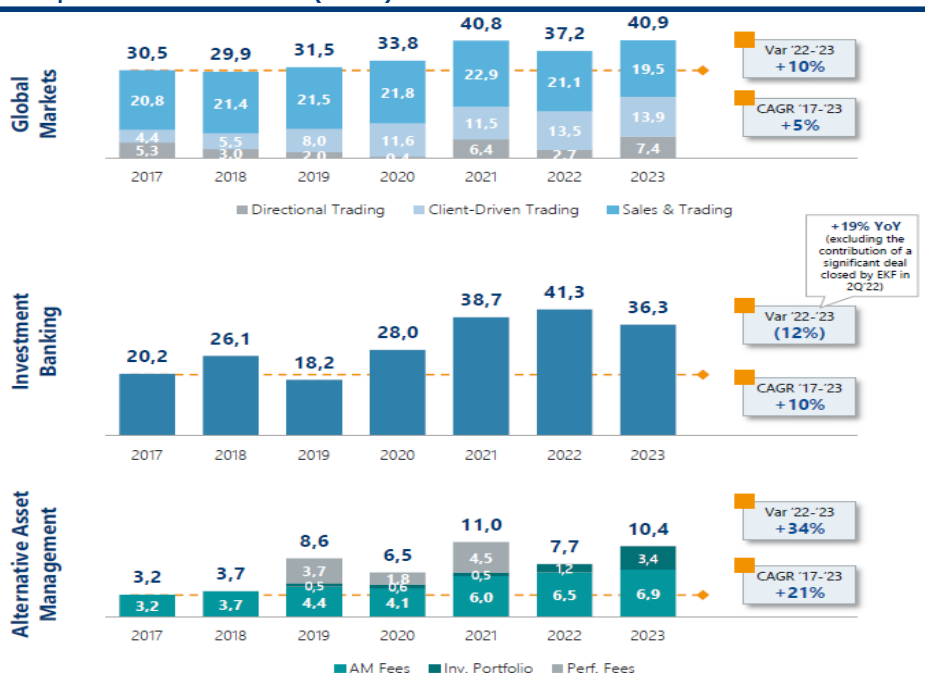
Assets under management stood at approx. EUR 891M at end-2023 (-3% yoy), with an increasing shift in the mix towards higher-margin illiquid assets (which now represent 39% of total AuM).

Global Markets: significant progress in Directional trading

Investment Banking: challenging market conditions and tough comps

AAM: strong contribution from Investment Portfolio with a further shift in the mix towards higher-margin illiquid assets

Equita Group - Revenue breakdown (EUR M)



Source: Company data

Earnings Outlook

In the press release for the 2023 results and the related conference call, management provided an outlook for the current year.

Equita observed that in the early months of the year, business activity has been a touch softer than expected, especially in Investment Banking, where the pipeline of capital markets is still failing to show any tangible signs of accelerating momentum. Global Markets is still seeing softer trading volumes in small-mid caps, continuing the market trend registered last year (YTD February 2024 -11% yoy on Euronext Growth Milan, according to AMF Italia), whereas in AAM management expects first fundraising closings for the Equita Green Impact Fund and EQUITA Private Debt Fund III to materialize by the end of 1H24, offsetting the gradual decline in AuM in closed-end lower-margin UCITS funds.

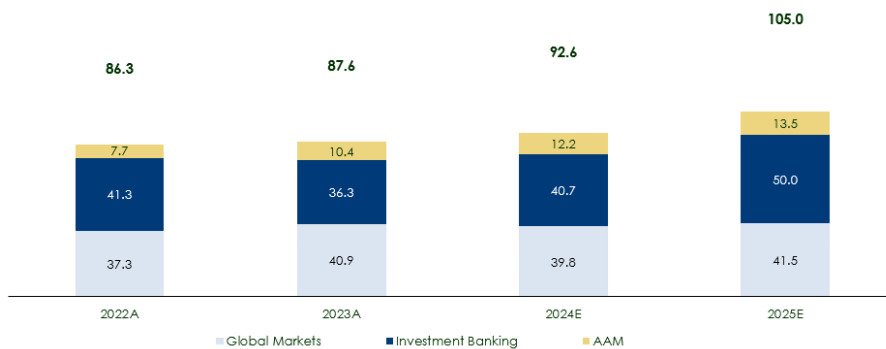
Overall, management foresees a gradual improvement in the market starting in 2H24, with M&A volumes in Italy and globally expected to return to normal levels.

Management sees operating costs in 2024 further optimized, after a year characterised by some exceptional non-recurring expenses (50th anniversary). Management does not see any need to increase headcount.

Following the release of the 4Q/FY23 results, we fine-tune our 2024-25E P&L estimates, top-slicing our 2024-25E revenue estimates by -2.7% and -2.2% respectively, with 2025E net revenues (EUR 105M) and net profit (EUR 21.8M) still below the business plan targets (>EUR 110M and >EUR 25M by 2024), while our cost/income ratio assumption of 69.8% is in line with the target of a below-70% level.

In more detail, our FY24E revenue mix projections incorporate a 42.9% contribution from Global Markets, 43.9% from Investment Banking and 13.2% from AAM vs. Business Plan targets of 35-40%, 40-45% and 15-20%, respectively.

Equita Group – Net revenue breakdown (EUR M)



A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

We fine-tuned our 2024-25E dividend estimates to EUR 0.36/sh. and EUR 0.44/sh. respectively (vs. EUR 0.38/sh. and EUR 44/sh. previously), assuming a pay-out of approx. 100%. Our projections imply 2022A-24E cumulative dividends of approx. EUR 51M, in line with the business plan target of more than EUR 50M.

A soft start of the year, recovery expected in 2H

2024-25E estimates fine tuned

2024-25E dividend estimates fine-tuned, still in line with BP target of a cumulative return in excess of EUR 50M

Valuation

We set a new target price of EUR 4.6, vs. the previous EUR 4.2, as our new 2024-25E dividend estimates are more than offset by the positive impact of a lower cost of equity (10.5% from 11%, after incorporating our updated 4% risk-free rate vs. the previous 4.5%). Our three-stage dividend discount model (DDM) is based on our explicit 2024E-26E estimates, followed by a 7-year transitional period with a gradual increase in adj. net profit and tangible net equity, consistent with our terminal pay-out ratio assumption of around 100%.

New TP EUR 4.6/share

Equita Group – DDM valuation

%	Weighting
Short-term (2023A-26E) adj. EPS CAGR	10.6
RoE at end of short-term period (2025E)	30.6
Medium-term (2026E-32E) pay-out	97.5
Medium-term (2025E-32E) EPS CAGR	0.8
RoE at end of medium-term period (2032E)	31.1
Short-term fair value (EUR)	1.06
Medium-term fair value (EUR)	1.56
Terminal value (EUR)	1.63
Total DDM fair value (EUR)	4.2
2023 proposed dividend (EUR)	0.35
Target price (EUR)	4.6

E: estimates; Source: Intesa Sanpaolo Research

Given the approx. 20% upside potential implied by our target price, we **confirm our BUY rating**.

BUY rating confirmed

Valuation and Key Risks

Valuation basis

We value Equita through a three-stage dividend discount model (DDM), based on our explicit 2023A-26E estimates, followed by a 7-year transitional period with a gradual increase in adj. net profit and tangible net equity, consistent with our terminal pay-out ratio assumption of around 100%. Our valuation model incorporates a 10.5% cost of equity (4.0% RFR, 6.5% ERP). We also add the proposed 2023 dividend (EUR 0.35/sh.)

Key Risks

Company-specific risks:

- Extremely focused on a single geography (Italy)
- Its end-markets are volatile in nature
- Limited stock liquidity

Sector generic risks:

- Regulatory risks
- Technology risks
- Geopolitical risk

Company Snapshot

Company Description

Equita is an Italian financial boutique active in the investment banking market. Listed on the Euronext STAR segment and founded 50 years ago, Equita, which currently has 195 employees, operates 3 divisions: Global Markets, Investment Banking and Alternative Asset Management, all supported by a high-quality Research team.

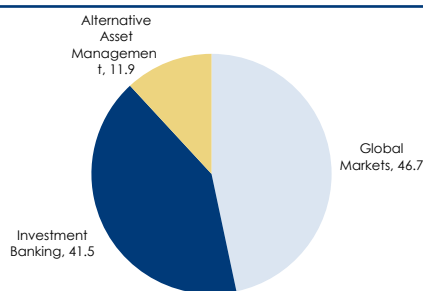
Key data

Mkt price (€)	3.78	Free float (%)	34.0
No. of shares	51.32	Major shr	Mgmt Pact
52Wk range (€)	4.06/3.37	(%)	33.0
Reuters	EQUI.MI	Bloomberg	EQUI IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	4.1	-1M	-3.3
-3M	7.1	-3M	-4.6
-12M	-1.0	-12M	-25.0

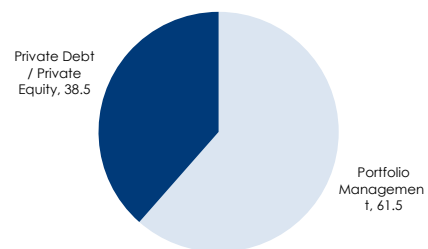
Estimates vs. consensus

EUR M (Y/E Dec)	2023A	2024E	2024C	2025E	2025C	2026E	2026C
Total income	87.55	92.59	NM	105.0	NM	110.6	NM
Operating costs	63.42	66.46	NM	73.23	NM	78.26	NM
Gross op. inc.	24.14	26.14	NM	31.75	NM	32.38	NM
LLP	0.00	0.00	NM	0.00	NM	0.00	NM
Net income	16.54	17.76	NM	21.85	NM	24.02	NM
Adj. EPS (€)	0.34	0.37	NM	0.45	NM	0.49	NM

Revenue breakdown by division (%)



AAM AuM breakdown (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 19/03/2024)

Equita Group – Key Data

Rating BUY	Target price (€/sh) Ord 4.6		Mkt price (€/sh) Ord 3.78		Sector Brokerage & Investment	
Values per share (EUR)	2021A	2022A	2023A	2024E	2025E	2026E
No. of outstanding shares (M)	46.16	46.77	48.64	48.64	48.64	48.64
Adj. EPS	0.47	0.345	0.344	0.365	0.45	0.49
TBV PS	1.6	1.7	1.6	1.6	1.7	1.8
PPP PS	0	0	0	0	0	1.0
Dividend ord	0.35	0.35	0.35	0.36	0.44	0.49
Income statement (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Total income	90	86	88	93	105	111
Total operating expenses	61	61	63	66	73	78
Gross operating income	29	25	24	26	32	32
Provisions for loan losses	0	0	0	0	0	0
Pre-tax income	29	25	24	26	32	33
Net income	22	15	17	18	22	24
Shareholders' earnings	0.00	0.00	0.00	0.00	0.00	0.00
Adj. shareholders' earnings	22	16	17	18	22	24
Composition of total income (%)	2021A	2022A	2023A	2024E	2025E	2026E
Global Markets	45.1	43.2	46.7	42.9	39.5	39.0
Alternative asset management	12.1	9.0	11.9	13.2	12.9	13.5
Investment banking	42.8	47.8	41.5	43.9	47.6	47.5
Balance sheet (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Total assets	315.6	399.5	379.1	386.9	401.4	414.7
Customer loans	91.4	99.6	101.2	115.3	126.3	136.2
Total customer deposits	166.5	205.7	193.8	203.5	213.6	224.3
Shareholders' equity	99.4	104.5	105.3	106.1	110.4	113.0
Tangible equity	72.2	77.6	78.7	79.5	83.8	86.4
Risk weighted assets	193.1	242.2	216.2	226.5	249.2	262.9
Stock market ratios (X)	2021A	2022A	2023A	2024E	2025E	2026E
Adj. P/E	6.9	10.5	10.8	10.4	8.4	7.7
P/TBV	2.07	2.18	2.30	2.31	2.19	2.13
P/PPP	NA	NA	NA	NA	NA	3.8
Dividend yield (% ord)	10.8	9.7	9.4	9.5	11.6	13.0
Profitability & financial ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
ROE	23	15	16	17	20	21
Adj. ROTE	33	22	21	22	27	28
RoRWA	12	7	7	8	9	9
Leverage	25	21	22	22	22	22
Cost income ratio	68	70	72	72	70	71
Tax rate	24	28	29	29	28	29
Dividend payout	76	101	103	100	100	101
Other (%)	2021A	2022A	2023A	2024E	2025E	2026E
CET1 ratio	26	24	29	27	25	24
CET1 ratio fully loaded	26	24	29	27	25	24
Growth (%)	2021A	2022A	2023A	2024E	2025E	2026E
Total income	32.6	-4.5	1.4	5.8	13.4	5.4
Gross operating income	66.0	-12.9	-5.3	8.3	21.5	2.0
Net income	74.9	-28.5	7.4	7.4	23.0	9.9
Adj. net income	74.9	-24.1	2.4	6.1	23.0	9.9
BS growth (%)	2021A	2022A	2023A	2024E	2025E	2026E
Customers' loans	6.2	8.9	1.7	13.8	9.6	7.8
Customers' deposits	6.0	23.6	-5.8	5.0	5.0	5.0
Shareholders' funds	16.0	5.1	0.8	0.7	4.1	2.4
Structure (no. of)	2021A	2022A	2023A	2024E	2025E	2026E
Employees	170	188	195	195	200	201

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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Coverage policy and frequency of research reports

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Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation of around EUR 1Bn.

Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

Equity rating key: (long-term horizon: 12M)

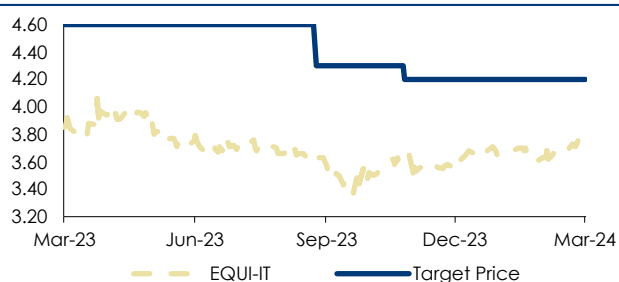
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, whose key is reported below:

Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
HOLD	If the target price is in a range 10% below or 10% above the market price.
SELL	If the target price is 10% lower than the market price.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
Note	Intesa Sanpaolo assigns ratings to stocks on a 12M horizon based on a number of fundamental drivers including, among others, updates to earnings and/or valuation models; short-term price movements alone do not imply a reassessment of the rating by the analyst.

Historical recommendations and target price trends (long-term horizon: 12M)

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Intesa Sanpaolo changed its long-term 12M horizon rating key on 3 April 2023; please refer to the ISP Equity Rating Reconciliation Table for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity-credit-research>.

Equita Group:**Target price and market price trend (-1Y)****Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
14-Nov-23	BUY	4.2	3.6
13-Sep-23	BUY	4.3	3.7

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at January 2024)**

Number of companies considered: 146	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	72	28	0
of which Intesa Sanpaolo's Clients (%)**	69	49	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

Company-specific disclosures

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

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indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the Financial Conduct Authority Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A.

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

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- One or more of the companies of the Intesa Sanpaolo Banking Group have granted significant financing to Equita Group and its parent and group companies
- One or more of the companies of the Intesa Sanpaolo Banking Group are one of the main financial lenders to Equita Group and its parent and group companies
- Intesa Sanpaolo acts as Specialist relative to securities issued by Equita Group

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