

PRESS RELEASE

**EQUITA reports 1Q'24 financial results:
Net Revenues at €17 million, Net
Profits at €3 million and Return on
Tangible Equity at 21%**

**The company signs of an agreement to
purchase the remaining 30% minority
stake of EQUITA K Finance**

**Ascertainment of newly appointed
Directors' and Statutory Auditors'
independence requirements**

Milan, May 14th, 2024

Andrea Vismara, Chief Executive Officer at EQUITA, commented: *"The results of the first quarter 2024 highlight a recovery in M&A activity, good progress in the Alternative Asset Management business and resilient performance in Global Markets despite soft trading volumes on mid and small caps".*

"For the coming months, we expect a gradual improvement in the overall market, mainly driven by the decline in interest rates. Some initiatives aimed at fostering access to capital markets and

ease the regulatory framework at a domestic and European level are also expected to further contribute to this trend. EQUITA will also benefit from the launch of new illiquid products such as EQUITA Green Impact Fund and EQUITA Private Debt Fund III, with first closings both to occur by the end of June 2024".

Vismara added: *"We are really satisfied with the progress we have made together in recent years and are pleased to further strengthen and grow the partnership with Giuseppe Grasso, Filippo Guicciardi and their team. EQUITA K Finance will remain independent from a corporate standpoint, preserving its identity and its role as a trusted partner for excellent entrepreneurs. The acquisition of this minority stake will create further value for our investors and will allow Giuseppe and Filippo to be more involved in the EQUITA shareholding structure. So, growth in Investment Banking continues. All our recent investments have led us to build a comprehensive offering in M&A advisory, assisting entrepreneurs, listed companies, institutions and private equity funds – both in Italy and abroad – and this has significantly improved our positioning in the league tables".*

The Board of Directors of EQUITA Group S.p.A. (the "**Company**" and, together with its subsidiaries, "**EQUITA**" or the "**Group**") approved the first quarter financial results of the Group as of 31 March 2024.

(next page -->)

Consolidated Net Revenues

(€m)	1Q'24	1Q'23	% Var
Global Markets	10,1	11,2	(10%)
o/w Sales & Trading	5,7	5,8	(3%)
o/w Client Driven Trading & Market Making	3,6	4,1	(14%)
o/w Directional Trading	0,9	1,3	(27%)
Investment Banking	4,3	6,2	(31%)
Alternative Asset Management	2,7	1,8	46%
o/w Asset management fees	1,4	1,6	(8%)
o/w Investment Portfolio & Other ⁽¹⁾	1,2	0,3	n.m.
Consolidated Net Revenues	17,1	19,3	(11%)
o/w Client Related (S&T, CD&MM, IB...)	15,0	17,8	(16%)
o/w Non-Client Related (Directional Trading)	0,9	1,3	(27%)
o/w Investment Portfolio & Other ⁽¹⁾	1,2	0,3	n.m.

(1) Includes minor impacts deriving from AAM activities not related to the fees / asset management business

In 1Q'24, the Group recorded €17.1 million in Consolidated Net Revenues (-11% vs 1Q'23) and €15.0 million in Net Revenues linked to clients¹ (-16% vs 1Q'23). First quarter performance was affected by soft but improving markets, as well as some seasonality.

Persisting uncertainty due to geopolitical risks and expectations about the timing of decrease in interest rates have negatively affected the **willingness of investors and**

issuing companies to act in financial and capital markets in the first months of 2024.

The **Global Markets** division – which includes Sales & Trading, Client-Driven Trading & Market Making and Directional Trading – recorded €10.1 million in Net Revenues in 1Q'24 (€11.2 million in 1Q'23, -10%). Net Revenues linked to clients stood at €9.2 million (€10.0 million in 1Q'23, -7%). In the first quarter of 2024, **EQUITA confirmed its leadership in Italy as independent broker by achieving significant market shares in all relevant segments** (Euronext Milan: 8.1%; Euronext Growth Milan: 8.0%; bond markets: 6.7%; cash equity options: 13.3%).²

Sales & Trading revenues, net of commissions and interest expenses, reached €5.7 million in 1Q'24 (€5.8 million in 1Q'23, -3%). Performance was impacted by **weak levels of trading in Italian mid and small caps, partially offset by higher investors' activity on large caps**, especially banks and blue chips. **Client Driven Trading & Market Making** Net Revenues stood at €3.6 million in 1Q'24 (€4.1 million in 1Q'23, -14%), normalizing the above-average levels of activities on bonds and derivatives recorded in the first part of 2023. **Directional Trading** contributed to Global Markets with €0.9 million Net Revenues (€1.3 million in 1Q'23, -27%). It is noteworthy that the Directional Trading performance included €0.2 million net income deriving from a €39 million fixed income portfolio mainly built between July and September 2022.

The **Investment Banking** division recorded €4.3 million in Net Revenues (€6.2 million in 1Q'23, -31%), with M&A advisory being the greatest contributor to fees. From a market standpoint, in fact, **volumes and values of M&A in Italy increased significantly** (€9.4 billion in 1Q'23 vs €14.6 billion in 1Q'24, +55%), thanks to the return of medium-large deals, after a 2023 with no material transactions in the market. However, Global Financing activities were affected by improving but still weak capital markets, especially on equities. For instance, **Equity capital market transactions in Italy** grew in terms of number of deals and value (from 11 to 15 and from €0.8 billion to €2.1 billion respectively, 1Q'23 vs 1Q'24) but **IPOs were more focused on smaller deals** (no offerings on Euronext Milan and just 5 listings on Euronext Growth Milan, representing only €13 million value in total) **and other equity issues were concentrated in few accelerated bookbuildings** (€1.3 billion value concentrated in two large transactions, out of €2.1 billion in total in 1Q'24). **Debt capital markets** activities, on the other hand, increased in terms of number of deals and volumes (from 15 to 19 and from €10.0 billion to €12.9 billion respectively, 1Q'23 vs 1Q'24) but issues were mainly focused on banks' refinancings instead of corporate bonds.

Since the beginning of 2024, EQUITA completed **several high-profile mandates**. The Investment Banking team assisted, *inter alia*: **Viridis Energia** as *financial advisor* in the sale of an 80% stake of the company to FNM; **GPI** as *financial advisor* in the sale of Argentea to Zucchetti Hospitality; **Galileo** as *financial advisor* with the setup of the partnership with GreenIT to develop photovoltaic projects in Italy; **Iccrea Banca** as *joint lead manager* in the issue of €500 million social bonds; **BPER Banca** as *co-lead manager* in the issue of €500 million

¹ Excluding Directional Trading activities, the impacts of the Investment Portfolio linked to Alternative Asset Management activities and the performance fees from asset management activities.

² Source: AMF Italia. Figures refer to brokered volumes on behalf of third parties.

green bonds; **Banca Ifis** as *joint lead manager* in the issue of €400 million of senior preferred bonds; **Garofalo Health Care** as *sole bookrunner* in the €16 million accelerated bookbuilding on company's shares; **KME Group** as *appointed intermediary* in the tender offer for KME Group warrants; **EyeQ Optometrists** as *financial advisor* in the entry of the company in the EssilorLuxottica Group; **Arcadia SGR** as *financial advisor* in the entry of G.M Leather in the share capital of Chiorino Technology with a minority stake; **Eredi Campidónico** as *financial advisor* in the sale of its EC Rete branch to Retitalia.

The **Alternative Asset Management** division recorded €2.6 million in Net Revenues (€1.8 million in 1Q'23, +46%). Assets under management stood at €889 million as of 31 March 2024 (€891 as of 31 December 2023 and €935 million as of 31 March 2023) and **proprietary, illiquid assets** represented 39% of assets under management. **Asset management fees** (Liquid Strategies, Private Debt and Private Equity) were down 8% year-on-year (€1.4 million in 1Q'24, €1.6 million in 1Q'23) due to lower assets under management in private debt funds following some divestments in EPD II. It is worth noting that after 1Q'24, the private debt team completed additional investments and increased its assets under management. Moreover, the team has ranked #2 in the "Europe Direct Lending Subordinated" and "Italy Direct Lender" rankings with 5 investments (source: Debtwire, 1Q'24 LTM).

The **Investment Portfolio**³, equal to approximately €18 million as of 31 March 2024 (€16 million as of 31 December 2023 and €10 million as of 31 December 2023), contributed to the results of the Alternative Asset Management division with €1.2 million Net Revenues (€0.3 million in 1Q'23). 1Q'24 Net Revenues included a capital gain from the purchase of an additional fund share of EPD closed in December 2023 (€0.4 million).

The **Research Team continued to support all areas of the Group, assisting institutional investors with research reports and insights** on more than 150 Italian (ca. 96% of the Italian total market capitalization) and foreign listed companies, as well as on debt instruments, strengthening its presence in the fixed income domain.

Consolidated Profit & Loss (Reclassified)

Profit & Loss (reclassified, €m)	1Q'24	1Q'23	% Var	% 1Q'24	% 1Q'23
Global Markets	10,1	11,2	(10%)	59%	58%
Investment Banking	4,3	6,2	(31%)	25%	32%
Alternative Asset Management	2,7	1,8	46%	16%	10%
Consolidated Net Revenues	17,1	19,3	(11%)	100%	100%
Personnel costs ^{(1) (3)}	(8,0)	(8,9)	(9%)	(47%)	(46%)
Other operating costs ⁽²⁾	(4,9)	(5,0)	(1%)	(29%)	(26%)
of which Information Technology	(1,6)	(1,6)	(2%)	(9%)	(8%)
of which Trading Fees	(0,9)	(0,9)	3%	(5%)	(5%)
of which Non-Recurring	-	-	n.m.	-	-
of which Other (marketing, governance,...) ⁽²⁾	(2,4)	(2,5)	(2%)	(14%)	(13%)
Total Costs ⁽³⁾	(13,0)	(13,9)	(6%)	(76%)	(72%)
Consolidated Profit before taxes ⁽³⁾	4,2	5,4	(24%)	24%	28%
Income taxes ⁽³⁾	(1,2)	(1,5)	(23%)	(7%)	(8%)
Minorities	0,1	(0,0)	n.m.	1%	(0%)
Long-term Incentive Plan (LTIP)	-	(0,1)		-	(0%)
Consolidated Net Profit (incl. LTIP)	3,1	3,8	(19%)	18%	20%

(1) Excludes compensation of Board of Directors and Statutory Auditors

(2) Includes compensation of Board of Directors and Statutory Auditors, net recoveries on impairment of tangible/intangibles assets and operating income/expenses

(3) Excludes the provisions for the cash-settlement of the incentive plan Equita Group 2020-2022 addressed to Top Management ("LTIP")

(4) Post-taxes cash impact related to the incentive plan

³ The Investment Portfolio includes the investments made by the Group in the Alternative Asset Management products that have been already launched, such as private debt funds for instance, with the purpose of further aligning EQUITA's and investors' interests.

Personnel Costs^{4,5} decreased from €8.9 million in 1Q'23 to €8.0 million in 1Q'24 (-9%). The number of professionals reached 193 as of 31 March 2024 (195 as of 31 December 2023 and 194 as of 31 March 2023). **The Compensation/Revenue ratio was 47.0%** (46.0% in 1Q'23). **Other Operating Costs** were almost in line with the previous year (€5.0 million in 1Q'23, €4.9 million in 1Q'24, -1%). The increase in Trading fees⁶ (+3%, 1Q'23 vs 1Q'24) was more than compensated by lower Information Technology expenses (-2%, 1Q'23 vs 1Q'24) and the decrease in Other costs (-1%, 1Q'23 vs 1Q'24), despite the intense marketing activities involving roadshows and conferences with clients. **Cost/Income ratio⁷ was 75.7%** (71.7% in 1Q'23).

Consolidated Profit Before Taxes was €4.2million (€5.4 million in 1Q'23, -24%) and **Consolidated Net Profit was €3.1 million** (€3.8 million in 1Q'23, -19%), with a net margin of 18% (20% in 1Q'23).

Consolidated Shareholders' Equity

Consolidated Shareholders' Equity was €112 million as of 31 March 2024 and the Average Return on Tangible Equity (ROTE) was 21%. **The capital strength of the Group was confirmed above minimum requirements, with an IFR ratio of 3.6x** (3.8x in 1Q'23)⁸, pursuant to EU 2033/19 Regulation (IFR).

Outlook

As of today, the Global Markets division sees growing results in Sales & Trading year-on-year. In contrast, Client-Driven Trading & Market Making business is experiencing normalized levels of activity from clients, thus suffering the comparison with 2023 which benefitted from above-average trading volumes on derivatives and fixed income instruments. The Investment Banking division is experiencing growing volumes in M&A as expected and Debt Capital Markets activities are seeing early signs of recovery in corporate issues; on the other side, Equity Capital Markets activities are still soft, impacted by the market conditions and the overall framework. The Alternative Asset Management division is performing positively, mainly due to the positive contribution year-on-year of the Investment Portfolio.

For the coming months, management sees gradual improvement in markets, mainly driven by the expected decline in interest rates. This is expected to positively affect M&A volumes, capital market transactions and brokerage activities. EQUITA will also benefit from the contribution of new illiquid products (EQUITA Green Impact Fund, EQUITA Private Debt Fund III) following their respective first closings (expected to occur by 30 June 2024) and will consolidate the minority of EQUITA K Finance, with positive impacts on Consolidated Net Profits.

Purchase of the EQUITA K Finance minority stake

The Company signed an agreement with partners Giuseppe Renato Grasso and Filippo Guicciardi, co-founders and co-CEOs of EQUITA K Finance, to purchase the remaining minority stake of the advisory boutique specialized in mid-market M&A with entrepreneurs and private equity funds. For more details about the transaction, please read the dedicated press release that is made available to the public on Company's website.

⁴ Excludes compensation of Board of Directors and Statutory Auditors. Those items are included in Other operating costs.

⁵ Excludes the provisions for the cash-settlement of the long-term incentive plan ("LTIP").

⁶ Item directly linked to the Net Revenues of the Global Markets.

⁷ Ratio between Total Costs and Consolidated Net Revenues.

⁸ Starting from 2024, the calculation of the IFR ratio has changed. The 1Q'23 IFR ratio has been recalculated by using the new methodology.

Ascertainment of newly appointed Directors' and Statutory Auditors' requirements

Today the Board of Directors has ascertained, on the basis of the information available to the board and the declarations submitted by Matteo Bruno Lunelli (Director), Andrea Serra (Standing Auditor) and Sabrina Galmarini (Alternate Auditor) – appointed by the Shareholders' Meeting on 18 April 2024 – the requirements set forth by Art. 13 of the Consolidated Law on Finance No. 58/98 ("TUF").

More in detail, the Board of Directors has ascertained the independence requirements of the Director Matteo Bruno Lunelli, pursuant to Art. 148, paragraph 3, of the TUF (as required by Art. 147-quarter, paragraph 1, of the TUF), and verified that any of the situations included in the Recommendation No. 7 of the Corporate Governance Code (as well as situations set forth by the Board of Directors in its internal set of rules⁹) apply.

During the today's meeting, the Board of Directors was also notified that the Board of Statutory Auditors ascertained the independence of Standing Auditor Andrea Serra and Alternate Auditor Sabrina Galmarini, pursuant to Art. 148, paragraph 3, of the TUF.

Moreover, the Board of Directors has ascertained, based on the declarations submitted by the Director Matteo Bruno Lunelli and the Standing Auditor Andrea Serra, also the absence of conflicts with interlocking provisions.

* * *

According to paragraph 2 of Article 154-bis of the Consolidated Finance Law, the Executive appointed to draft corporate accounts, Stefania Milanesi, stated that the accounting information herein included tallies with the company's documentary evidence, ledgers and accounts.

Additional financial information is not audited.

* * *



EQUITA Group

Investor Relations – Andrea Graziotto
ir@EQUITA.eu

Close to Media

Adriana Liguori
adriana.liguori@closetomedia.it

Finelk

Cornelia Schnepf
EQUITA@finelk.eu

EQUITA is the leading independent Italian investment bank. As the go-to partner for investors, institutions, listed companies, corporates and entrepreneurs, EQUITA acts as broker, financial advisor and alternative asset management platform by offering a broad range of financial services that include M&A and corporate finance advisory, access to capital markets, insights on financial markets, trading ideas and investment solutions, assisting clients with their financial projects and strategic initiatives in Italy and abroad. Drawing on half a century of experience, EQUITA is committed to promoting the role of finance by creating value for the economy and the entire financial system, thanks to its deep understanding of markets, strategic transactions, and sustainability. EQUITA has a unique business model, with research at the core of the strategy and clients access to a leading trading floor constantly connected with financial markets globally, a successful track-record in the execution of investment banking transactions – enhanced also by the international partnership with Clairfield who identifies cross-border opportunities for Italian and foreign companies – and proven expertise in the management of investment funds, especially in illiquid asset classes like private debt, private equity, infrastructures and renewables. EQUITA stands out for its independence and integrity, the commitment of its professionals to best-serve clients, and the concept of "partnership" that sees its managers and employees as shareholders of an investment bank listed on the Italian Stock Exchange as "STAR" company. Visit www.equita.eu to learn more... because WE KNOW HOW.

⁹ For more details, please read the latest Report on Corporate Governance made available on www.equita.eu.

Consolidate Income Statement – EQUITA Group

Profit & Loss	31-Mar-24	31-Mar-23
10 Net trading income	3.263.965	4.278.082
40 Commission income	1.331.660	186.340
50 Commission income	13.216.323	15.357.933
60 Commission expense	(1.860.490)	(1.635.058)
70 Interest and similar income	2.928.697	2.020.254
80 Interest and similar expense	(2.937.597)	(1.913.021)
90 Dividends and similar income	1.116.573	1.006.068
110 Net Income	17.059.129	19.300.598
120 Net losses/recoveries on impairment	3.542	(47.956)
a) financial assets at amortized cost	3.542	(47.956)
130 Net Result of financial activities	17.062.671	19.252.642
140 Administrative expenses	(12.421.669)	(13.473.053)
a) personnel expenses ⁽¹⁾	(8.177.194)	(9.261.151)
b) other administrative expenses	(4.244.476)	(4.211.902)
160 Net (losses) recoveries on impairment of tangible assets	(446.097)	(360.012)
170 Net (losses) recoveries on impairment of intangible assets	(43.610)	(69.518)
180 Other operating income and expense	1.458	(44.691)
190 Operating costs	(12.909.918)	(13.947.274)
240 Profit (loss) on ordinary operations before tax	4.152.753	5.305.368
250 Income tax on ordinary operations	(1.183.000)	(1.499.347)
260 Net Profit (loss) on ordinary operations after tax	2.969.753	3.806.021
280 Net Profit (loss) of the period	2.969.753	3.806.021
290 Net Profit (loss) of the period - Third parties interests	(92.128)	42.944
300 Net profit (loss) of the period - Group	3.061.881	3.763.077

(1) The item "Personnel expenses" includes compensation of the Board of Directors and Statutory Board; in the reclassified profit & loss such expenses have been included in "Other operating expenses". This item also include the impacts of the long-term incentive plan Equita Group 2020-2022.

Consolidated Balance Sheet – EQUITA Group

Assets	31-Mar-24	31-Dec-23
10 Cash and cash equivalents	87.470.461	130.481.458
20 Financial assets at fair value with impact on P&L	101.951.518	77.384.280
a) financial assets held for trading	78.128.028	55.043.256
b) financial assets at fair value	-	-
c) other financial assets mandatory at fair value	23.823.490	22.341.024
40 Financial assets at amortized cost	122.732.571	101.248.810
a) banks	81.038.368	66.423.042
b) financial companies	23.619.552	15.122.256
c) clients	18.074.651	19.703.512
50 Hedging derivatives	78.569	106.079
70 Equity investments	628.160	628.160
80 Tangible assets	5.733.675	5.982.648
90 Intangible assets	26.596.820	26.606.916
<i>of which: Goodwill</i>	<i>24.153.008</i>	<i>24.153.008</i>
100 Tax assets	3.576.625	3.237.194
a) current	1.538.478	1.199.047
b) deferred	2.038.147	2.038.147
120 Other assets	32.527.319	34.042.397
Total assets	381.295.717	379.717.941
Liabilities and shareholders' equity	31-Mar-24	31-Dec-23
10 Financial liabilities at amortized cost	183.570.766	193.785.598
a) debt	183.570.766	193.785.598
20 Financial trading liabilities	30.126.634	20.067.070
40 Hedging derivatives	-	-
60 Tax liabilities	2.636.662	1.331.729
a) current	1.928.357	623.424
b) deferred	708.305	708.305
80 Other liabilities	49.090.999	50.788.482
90 Employees' termination indemnities	1.884.017	1.941.659
100 Allowance for risks and charges	2.260.989	3.234.663
c) other allowances	2.260.989	3.234.663
Total Liabilities	269.570.068	271.149.201
110 Share capital	11.678.163	11.678.163
120 Treasury shares (-)	(2.706.610)	(3.171.237)
140 Share premium reserve	24.574.679	23.373.173
150 Reserves	71.793.119	56.670.729
160 Revaluation reserve	36.986	56.243
170 Profit (loss) of the period	2.969.753	16.753.969
180 Third parties' equity	3.379.559	3.207.700
Shareholders' Equity	111.725.649	108.568.740
Total liabilities and shareholders' equity	381.295.717	379.717.941