THE BOARD OF DIRECTORS OF EQUITA GROUP S.P.A. APPROVES THE FINANCIAL RESULTS FOR THE FIRST NINE MONTHS ENDING 30 SEPTEMBER 2018

- CONSOLIDATED NET REVENUES OF EURO 48.5 MILLION, UP 32% COMPARED TO THE FIRST NINE MONTHS OF 2017
- CONSOLIDATED NET PROFIT OF EURO 9.1 MILLION, UP 33% COMPARED TO THE FIRST NINE MONTHS OF 2017

NEW INITIATIVES TO FURTHER CONSOLIDATE GROWTH: KICK-OFF OF THE PROJECT TO ESTABLISH A MANAGEMENT COMPANY (SGR) AND LAUNCH OF NEW PRODUCTS IN THE ALTERNATIVE ASSET MANAGEMENT

Milan, November 8th, 2018

Today the Board of Directors of Equita Group S.p.A. (the "Company", and together with its subsidiaries, "Equita" or the "Group") has approved the financial results for the first nine months of 2018. The Company achieved a 32% increase in terms of Consolidated Net Revenues and growth of 33% in terms of Consolidated Net Profit.

Andrea Vismara, Chief Executive Officer of Equita, commented: *"The first nine months of 2018 highlighted growth in terms of Revenues and Net Profit, despite a challenging market environment. We invested time and resources to expand our organizational structure and move quickly to the STAR segment as anticipated during the IPO. We also strengthened the team by hiring highly skilled professionals in key areas such as Investment Banking and Sales & Trading, and we successfully integrated the Brokerage & Primary Markets and Market Making business unit we acquired in June 2018".*

Commenting on growth initiatives for the future, Vismara said: *"We are currently assessing new growth opportunities in all business areas. That is the case of the Alternative Asset Management for instance: in the coming years we foresee growth potential thanks to the initiatives we are putting in place, from the management of a new fund on behalf of Euromobiliare and distributed by the Credem Group, to the establishment of a Management Company (SGR) controlled by Equita Group, to the launch of a second private debt fund. Moreover, we are kicking off a project to develop a cross-area focused on Fixed Income, which will be able to provide our clients with all the products and services they need. This will include, for example, research, placements of bonds, brokerage services, and market making and specialist activities on debt instruments."*

CONSOLIDATED NET REVENUES

(€m)	9M'18	9M'17	% Var	Q3'18	Q3'17	% Var
Sales & Trading	15,4	14,9	3%	4,7	3,5	34%
Proprietary Trading	7,5	7,7	(3%)	1,3	2,4	(46%)
Investment Banking	22,4	12,1	86%	5,0	5,1	(2%)
Alternative Asset Management	3,2	2,0	59%	0,8	0,7	14%
Consolidated Net Revenues	**48,5**	**36,7**	**32%**	**11,8**	**11,8**	**0%**

Revenues of ***Sales & Trading***, net of commissions and interest expenses, moved from Euro 14.9 million in the first nine months of 2017 to Euro 15.4 million in the first nine months of 2018, representing an increase of 3% compared to the previous year, supported by the consolidation of the Retail Hub (the business unit acquired in June 2018 from Nexi S.p.A.). The contribution of the Retail Hub has more than offset the negative impacts of the introduction of MiFID II and the decrease of brokered volumes for third parties on equities on the MTA market (market volumes decreased by 19% in the first nine months of 2018 and by 31% in the third quarter 2018)[1].

[1] Source: ASSOSIM.

In the third quarter of 2018, *Sales & Trading* grew compared to previous year (+34%), mainly reflecting the integration of the Retail Hub. Excluding the contribution of the Retail Hub, the *Sales & Trading* result would also have been positive in the third quarter (+2% compared to the third quarter of 2017).

Revenues of ***Proprietary Trading***, net of commissions and interest expenses, decreased from Euro 7.7 million in the first nine months of 2017 to Euro 7.5 million in the first nine months of 2018, highlighting a minor contraction of 3% compared to the previous year. This result, slightly below the previous year, is mainly attributable to the performance of *Directional* trading (impacted in the third quarter of 2018 by market uncertainties) and benefitted from the positive contribution of *Client-Driven* activities and *Market Making* on bonds, the latter acquired in June 2018 with closing of the Nexi transaction. In the third quarter of 2018 the performance of *Proprietary Trading* (-46%) was negatively influenced, as mentioned above, by market uncertainties that strongly affected *Directional* trading, while the *Client-Driven & Market Making* activities were much more resilient.

Revenues from ***Investment Banking***, growing from Euro 12.1 million in the first nine months of 2017 to Euro 22.4 million in the first nine months of 2018, pointed out an increase of 86% compared to the previous year, thanks to the positive performance in all underlying areas. In the first nine months of 2018 the *Equity Capital Markets* and the *Debt Capital Markets* teams successfully completed several placements with senior roles, as Global Coordinator or Bookrunner, in both equities and debt. The *M&A and Advisory* team consolidated its position among the top M&A advisors in Italy in terms of number of transactions[2].
The *Equity Capital Markets* team on 6 November 2018, acting as Joint Global Coordinator, Joint Bookrunner and Sponsor, successfully completed the initial public offering of Garofalo Health Care, among the main players in the Italian private healthcare industry, aimed at listing the company on the MTA market. This transaction, which does not contribute to the first nine months 2018 results, highlights the ability of Equita to successfully complete equity placements, also during volatile markets.
In the third quarter of 2018 *Investment Banking* recorded revenues in line with the previous year (-2%), moving from Euro 5.1 million in the third quarter of 2017 to Euro 5.0 million.

Revenues of ***Alternative Asset Management*** rose from Euro 2.0 million in the first nine months of 2017 to Euro 3.2 million in the first nine months of 2018, increasing 59% compared to the previous year, thanks to the positive contribution of all the three underlying business areas (*Portfolio Management*, *Private Debt* and *Private Equity*).
With reference to the *Private Debt*, in the first nine months of 2018 the Equita Private Debt Fund closed two investments (of which one in the third quarter of 2018 related to the issue of a Euro 10 million subordinated bond to support private equity firms L Catterton and Ambienta in the acquisition of Pibiplast). As of today, the fund is invested at 68% of total commitment, thanks to other two investments closed in October: the seventh investment involved the issue of a senior bond of Euro 15 million to finance the acquisition of a group leader in the ceramic tiles market from a private equity firm, meanwhile the eighth investment involved the issue of a subordinated bond of Euro 8.9 million to finance the acquisition of Neronobile from EOS Investment Management. Those two investments do not contribute to the first nine months 2018 results.
As of 30 September the *Alternative Asset Management* had Euro 507 million in assets under management (excluding the Euro 74 million of assets under management related to the EPS Equita PEP SPAC 2 and the investment in ICF following the business combination of EPS Equita PEP SPAC).
Revenues for the third quarter of 2018 for *Alternative Asset Management* were positive (+14%), thanks to the contribution of all the underlying business areas, recording an increase in revenues from Euro 0.7 million in the third quarter of 2017 to Euro 0.8 million in the third quarter 2018.

As of 30 September 2018, the ***Research Team*** confirmed its position as best broker in terms of quality of research on Italian equities in the ranking published by Institutional Investor, and continued to support all the business lines of Equita, covering 163 companies, of which 120 in Italy and 43 in Europe.

[2] Source: Mergermarket.

CONSOLIDATED PROFIT FROM ORDINARY ACTIVITIES

Consolidated Profit & Loss (reclassified, €m)	9M'18	% N.R.	9M'17	% N.R.	% Var
Sales & Trading	15,4	32%	14,9	41%	3%
Proprietary Trading	7,5	15%	7,7	21%	(3%)
Investment Banking	22,4	46%	12,1	33%	86%
Alternative Asset Management	3,2	7%	2,0	5%	59%
Consolidated Net Revenues	**48,5**	**100%**	**36,7**	**100%**	**32%**
Personnel costs (1)	(22,8)	(47%)	(18,3)	(50%)	25%
Other operating expenses (2)	(12,9)	(27%)	(8,2)	(22%)	58%
Consolidated Profit from ordinary activities	**12,8**	**26%**	**10,3**	**28%**	**25%**
Income taxes	(3,7)	(8%)	(3,4)	(9%)	8%
Consolidated Net Profit	**9,1**	**19%**	**6,9**	**19%**	**33%**

(1) Such item excludes compensation of Board of Directors and Statutory Auditors

(2) Such item includes compensation of Board of Directors and Statutory Auditors, net recoveries on impairment of tangible and intangibles assets and other operating income and expenses

Consolidated Profit from ordinary activities increased from Euro 10.3 million in the first nine months of 2017 to Euro 12.8 million in the first nine months of 2018 (+25%), benefitting from the growth of Consolidated Net Revenues, despite the higher incidence of operating costs on Net Revenues.

Personnel costs increased from Euro 18.3 million in the first nine months of 2017 to Euro 22.8 million in the first nine months of 2018 (+25%) due to new resources hired during 2018 (including 13 professionals coming from the acquisition of the *Retail Hub*) and higher provisions related to the variable compensation connected to increasing revenues and results.

The increase in other operating expenses, up from Euro 8.2 million in the first nine months of 2017 to 12.9 million in the nine months of 2018 (+58%), was partially attributable to non-recurring costs, approximately Euro 1.6 million, which occurred in the first nine months of 2018 and related to advisory services for the listing on the MTA (STAR segment), advisory fees for the IT integration of *Retail Hub* with the IT systems of Equita, and fees for regulatory advisory services, following the introduction of MiFID II. In addition to such expenses, the consolidation of IT and listing fees of the Retail Hub (which accounted for approximately Euro 1 million more compared to the first nine months of 2017) contributed to increasing other operating expenses given the fact that these fees are directly linked to operations of such business area.

CONSOLIDATED NET PROFIT

Consolidated Net Profit increased from Euro 6.9 million in the first nine months of 2017 to Euro 9.1 million in the first nine months of 2018 (+33%), thanks to the increase in Consolidated Profit from ordinary activities and the lower income taxes; the variation of the latter was mainly attributable to the removal of the corporate income tax surcharge on the subsidiary Equita SIM S.p.A and some benefits coming from the fiscal incentive “Aiuto alla Crescita Economica” (or “ACE”).

CONSOLIDATED SHAREHOLDERS’ EQUITY

The Consolidated Shareholders’ Equity, amounting to Euro 77.9 million as of 30 September 2018, declined by 1.4% compared to 31 December 2017 (Euro 79.0 million). This item includes the effect of the dividend payment of Euro 0.22 per share paid out in May 2018, equal to approximately Euro 10 million in total.

The Total Capital Ratio as of 30 September 2018 was 24.4% compared to 25.9% as of 30 June 2018 and 29.8% as of 31 December 2017. The difference with respect to year-end is mainly attributable to the more sizeable investments in financial companies.

FURTHER INITIATIVES

Today the Board of Directors of the Company approved to start the preparatory activities aimed at establishing a Management Company (SGR) in 2019. The Management Company will enable Equita to extend its services and activities to the asset management industry, with a specific focus on managing portfolios on behalf of large banking clients and launching new funds in alternative asset classes, continuing the growth strategy of recent past.

Moreover, in October 2018 the *portfolio management* area started a partnership with Euromobiliare Asset Management SGR to manage the new fund "Euromobiliare Equity Mid Small". The fund will have a "flexible" strategy, with a risk-return profile of 5 (five). Subscription period will end on 30 November 2018.

The *private debt* area instead, having invested 68% of the resources of the Equita Private Debt Fund, is currently assessing the preparatory activities to launch a new fundraising in 2019 for the second private debt fund.

* * *

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 contained tallies with the company's documentary evidence, ledgers and accounts.

* * *

EQUITA

Equita Group	Close to Media	Finelk
Investor Relations – Andrea Graziotto	Adriana Liguori	Teresa Wincrantz
ir@equita.eu	adriana.liguori@closetomedia.it	equita@finelk.eu

*Equita is an **independent investment bank**, reference partner for Italian companies and institutional investors, with 45 years of experience. The business model is clear and focused: **Sales & Trading** on equities, bonds and derivatives for domestic and international institutional customers is combined with a high profile **Investment Banking** platform dedicated to advisory to companies and financial institutions. **Proprietary Trading**, with market making activities and advice on valuation of financial instruments, and **Alternative Asset Management**, providing traditional portfolio management on concentrated positions along with innovative private debt and private equity portfolio management, such as the special acquisition vehicle (SPAC), complete the range of specialized and synergic services offered. Moreover, all business lines are continuously supported by a **Research** team recognized for its excellence. **Independent advice** and **deep knowledge of capital markets** grant Equita credibility among domestic and international institutional investors, ensuring a unique positioning in the Italian market, with a focus on mid & small caps.*

Consolidated Profit & Loss – Equita Group

	Profit & Loss	30/09/2018	30/09/2017
10	Net trading income	6.227.669	6.378.238
50	Commission income	42.728.435	31.782.539
60	Commission expense	(2.760.159)	(2.313.311)
70	Interest and similar income	447.967	135.290
80	Interest and similar expense	(1.066.349)	(1.346.488)
90	Dividends and similar income	2.491.221	2.042.543
	Net Income (1)	48.068.784	36.678.811
120	Net losses/recoveries on impairment	(83.146)	30.504
	a) financial assets at amortized cost	*(83.146)*	*30.504*
140	Administrative expenses	(35.235.708)	(26.347.414)
	a) personnel expenses (2)	*(23.564.326)*	*(18.818.827)*
	b) other administrative expenses	*(11.671.382)*	*(7.528.587)*
160	Net (losses) recoveries on impairment of tangible assets	(118.693)	(111.603)
170	Net (losses) recoveries on impairment of intangible assets	(91.133)	(2.010)
180	Other operating income and expense	(104.896)	2.068
	Operating income	12.435.208	10.250.355
190	Profit (loss) on equity investments (1)	344.848	-
	Profit (loss) on ordinary operations before tax	12.780.056	10.250.355
250	Income tax on ordinary operations	(3.653.105)	(3.396.516)
	Net Profit (loss) on ordinary operations after tax	9.126.951	6.853.839
220	Net Profit (loss) on group activities disposal after tax	9.126.951	6.853.839
	Net profit (loss) of the period	9.126.951	6.853.839

(1) The sum of "Net Income" and "Profit (loss) on equity investments" is reported as "Net Revenues"
(2) 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"

Consolidated Balance Sheet – Equita Group

Asset	30/09/2018	31/12/2017
10 Cash and cash equivalents	67	816
20 Financial assets at fair value with impact on P&L	75.060.738	49.476.500
a) financial assets held for trading	*67.685.674*	*47.322.106*
b) financial assets at fair value	*-*	*-*
c) other financial assets mandatory at fair value	*7.375.063*	*2.154.394*
30 Financial assets at fair value	-	-
40 Financial assets at amortized cost	213.066.966	174.020.259
a) banks	*181.320.209*	*148.756.081*
b) financial companies	*30.123.267*	*22.364.013*
c) clients	*1.623.490*	*2.900.164*
70 Equity investments	1.694.848	1.330.919
80 Tangible assets	600.516	602.655
90 Intangible assets	14.987.448	13.654.486
100 Tax assets	4.094.820	6.315.295
a) current	*788.069*	*4.275.338*
b) deferred	*3.306.751*	*2.039.957*
120 Other assets	1.978.753	878.749
Total assets	311.484.155	246.279.679

Consolidated Balance Sheet – Equita Group

Liabilities and shareholders' equity	30/09/2018	31/12/2017
10 Financial liabilities at amortized cost	180.895.230	129.136.377
a) debt	*180.895.230*	*129.136.377*
20 Financial trading liabilities	24.691.499	14.625.536
60 Tax liabilities	3.398.443	1.243.014
a) current	*2.674.000*	*503.407*
b) deferred	*724.443*	*739.607*
80 Other liabilities	17.656.437	13.979.502
90 Employees' termination indemnities	2.506.249	1.970.684
100 Allowance for risks and charges	4.404.262	6.344.994
b) other allowances	*4.404.262*	*6.344.994*
110 Share capital	11.376.345	11.376.345
120 Treasury shares (-)	(4.748.025)	(4.748.025)
140 Share premium reserve	18.198.319	18.198.319
150 Reserves	43.980.756	43.137.103
160 Revaluation reserve	(2.309)	-
170 Profit (loss) of the period	9.126.951	11.015.831
Total liabilities and shareholders' equity	311.484.155	246.279.679