PRESS RELEASE

Equita achieved record results in 2021, the best year since IPO

2022 targets reached one year in advance

- Net Revenues of €90.4 million (+33% vs 2020) and Net Profits of €21.5 million (+76% vs 2020)
- Double digit growth across all areas thanks to diversification
- Dividend proposal of €0.35 per share (+75% vs 2020) representing a payout ratio of 75% and a dividend yield of 10%

Equita 2024, the new three-year business plan, approved by the Board

Key guidelines

- Growth in net revenues, business diversification, cost discipline, increase in net profits, rewarding remuneration for shareholders and integration of sustainability into the business

Key targets for 2024

- Net revenues > €110 million
- Cost/Income ≤ 70%
- Net Profits ≥ €25 million
- Distribution of dividends ≥ €50 million in the three-year period 2022-2024 (average dividend > €0.30 per share)

Milan, March 17th, 2022

Andrea Vismara, Chief Executive Officer at Equita, commented: "2021 ended with strong results from all standpoints. Net revenues were above €90 million and net profits above €21 million, the strongest result since our IPO. Equita confirmed once again its role as leading independent broker in Italy, and topped investors' surveys with its research on mid and small caps. The team also consolidated its role as top financial advisor in capital markets in Italy, strengthened its position as independent M&A advisor and confirmed its role among multi-asset managers in Italy with new alternative products, demonstrating significant growth potential".

"We reached our 2022 targets one year ahead of schedule. Now it is time to announce *Equita 2024*, our new business plan which defines financial and sustainability-linked targets. Despite uncertainty about the impacts of the war in Ukraine, we are confident that we will achieve our ambitious net revenues and net profit targets in 2024 thanks to a strong diversification strategy and proven ability to innovate. The target to distribute more than €50 million in dividends between 2022 and 2024 is based on expectations of future net profits, retained earnings cumulated since the IPO and the significant reserves of the Group available for distribution".

Sara Biglieri, Chairman at Equita, commented: "The solid governance structure of the Group and the commitment demonstrated on ESG initiatives – confirmed by the new integrated business plan and the establishment of Fondazione Equita – are the right framework to build sustainable, long-term success".

The Board of Directors of Equita Group S.p.A. (the "Company" and, together with its subsidiaries, "Equita" or the "Group") approved the draft financial statements of the Company and the consolidated financial statements of the Group as of 31 December 2021.

Consolidated Net Revenues (divisional breakdown)

(€m)	FY 2021	FY 2020	% Var	Q4 2021	Q4 2020	% Var
Global Markets	**40,7**	**33,7**	**21%**	**8,2**	**9,0**	**(8%)**
o/w Sales & Trading	22,9	21,8	5%	6,0	5,4	12%
o/w Client Driven Trading & Market Making	11,5	11,6	(1%)	2,5	2,8	(7%)
o/w Directional Trading	6,4	0,4	n.m.	(0,3)	0,9	(138%)
Investment Banking	**38,7**	**28,0**	**38%**	**14,8**	**8,1**	**83%**
Alternative Asset Management	**11,0**	**6,5**	**69%**	**5,7**	**3,4**	**69%**
o/w Asset management fees	10,4	5,9	76%	6,1	3,0	102%
o/w Investment Portfolio & Other (1)	0,5	0,6	n.m.	(0,3)	0,4	n.m.
Consolidated Net Revenues	**90,4**	**68,2**	**33%**	**28,8**	**20,5**	**41%**
o/w Client Related (S&T, CD&MM, IB...)	83,5	67,2	24%	29,5	19,2	53%
o/w Non-Client Related (Directional Trading)	6,4	0,4	n.m.	(0,3)	0,9	n.m.
o/w Investment Portfolio & Other (1)	0,5	0,6	n.m.	(0,3)	0,4	n.m.

(1) Includes some minor impacts coming from AAM activities not relatedto the pure asset management business

The **Global Markets** division – which includes Sales & Trading, Client Driven Trading & Market Making and Directional Trading – recorded increasing net revenues, from €33.7 million in 2020 to €40.7 million in 2021 (+21%).

Equita achieved **strong market shares in its brokerage activities on behalf of clients** in 2021: **8% on the Italian Stock Exchange – Euronext Milan and Euronext Growth Milan, 9% on bonds and 8% on equity options**. In the same period, volumes on cash equities were up 14% and volumes on bonds were down 29% (FY'21 vs FY'20) [1].

The team confirmed its **leadership as the independent broker in Italy**, **#1 for trading activities with institutional investors and among the top ten brokers for trading on retail flows deriving from institutional clients such as banking groups**. The ongoing effort of the trading floor and the continuous focus on diversification of the product offering has led Equita to confirm its position **at the top of the surveys published by Institutional Investor** – in which each year thousands of Italian and international investors vote to nominate the best brokers in the financial industry – **for its sales & trading activities (#2 in the "Overall Italy: All-Europe Generalist Sales Team" and #1 among Italian independent brokers)**.

Sales & Trading revenues, net of commissions and interest expenses, reached €22.9 million in 2021 (€21.8 million in 2020, +5%) while **Client Driven Trading & Market Making** [2] net revenues came in at €11.5 million, in line with the previous year (€11.6 million in 2020, -1%). By combining the revenues of the two units, **net revenues linked to clients' activities in the Global Markets division** (Sales & Trading and Client Driven Trading & Market Making) **recorded the strongest performance since IPO and reached €34.3 million** (+3% vs 2020), **proving the success of the diversification strategy implemented by the Group over the years**.

[1] Source: ASSOSIM. Figure on equities refers to the Italian Stock Exchange – Euronext Milan. Figure on bonds refers to DomesticMOT, EuroMOT and ExtraMOT Italian markets

[2] "Client Driven Trading & Market Making" and "Directional Trading" are an internal reporting representation of Proprietary Trading

Directional Trading recorded €6.4 million net revenues in 2021 (€0.4 million in 2020), contributing materially to the growth of the Global Markets division. The result represented **the strongest performance since IPO, significantly above the average results of recent years, thanks to particularly favourable markets**.

In the fourth quarter of 2021, Global Markets' net revenues were €8.2 million (€9.0 million in 2020, -8%). The decline was mainly driven by the comparison with the strong performance of Directional Trading in the fourth quarter of 2020. Considering only net revenues linked to client activities (Sales & Trading and Client-Driven Trading & Market Making), the fourth quarter was up 6% year-on-year, from €8.1 million in 2020 to €8.6 million in 2021.

The **investment banking** division – that consolidated Equita K Finance on a twelve-months basis for the first time - grew net revenues from €28.0 million in 2020 to €38.7 million in 2021 (+38%), thanks to the **strong performance of capital markets and M&A advisory activities**. Underlying markets were particularly favourable, with equity capital markets transactions up 53% (from 57 in 2020 to 87 in 2021) and debt capital markets transactions up 67% (from 16 in 2020 to 27 in 2021, considering only high yield and not rated corporate issues). M&A activities in the Italian market also increased significantly to a new-record year, both in terms of number of deals (from 889 in 2020 to 1.165 in 2021, +31% year on year) and in terms of volumes (from €67 billion in 2020 to €98 billion in 2021, +47% year on year), including large mergers and a significant amount of cross-border deals.[3]

In addition to the transactions disclosed with the first nine months announcement, **Equita completed several high-profile mandates** in the fourth quarter. The team assisted Ariston as Joint Bookrunner with its IPO – the largest of 2021 – and acted as Global Coordinator in the admission of Defence Tech Holding, Racing Force and Estrima on Euronext Growth Milan, as Placement Agent in the issue of several senior unsecured notes offered by WIIT (€150 million), Alerion Clean Power (€200 million) and OVS (€160 million), as Co-Lead Manager in the placement of senior notes offered by FNM (€650 million) and as Financial Advisor and appointed intermediary in Generali's tender offer for Cattolica Assicurazioni shares. The M&A advisory team advised BIP in the sale of a majority stake to CVC, Acea in the acquisition of 65% stake in Deco S.p.A., B.F. in the strategic alliance with ENI and in the capital increase reserved to Intesa Sanpaolo to enter the share capital of B.F., the board of directors and the independent directors of Reno de Medici in the takeover launched by Rimini BidCo and Tiscali in the integration of the retail business of Linkem. Equita K Finance assisted, *inter alia*, Selematic in the sale to Mandarin Capital, RCS in the sale to CY4Gate and Limonta in the sale of a stake of 25% to TIP – Tamburi Investment Partners.

In the fourth quarter of 2021, investment banking net revenues surged 83% (from €8.1 million in 2020 to €14.8 million in 2021) thanks to several capital markets' deals closed successfully, IPOs and bond issues *in primis*. The fourth quarter of 2021 also experienced the positive contribution of all investment banking teams (M&A advisory, corporate broking…) that continue to grow in line with the historical average of last few years.

The **Alternative Asset Management** division recorded €11.0 million net revenues in 2021 (€6.5 million in 2020, +69%) and €1.1 billion of assets under management (€998 million as of 30 June 2021, €944 million as of 31 December 2020). **Revenues linked to asset management fees** (Portfolio Management – excluding performance fees, Private Debt and Private Equity) **were up 44% year on year**, from €4.1 million in 2020 to €5.9 million in 2021. Growth was mainly driven by **additional fees coming from the new, second private debt fund** (Equita Private Debt Fund II which completed its first closing in September 2020 at €100 million and reached €178.5 million of total commitments as of 30 September 2021) **and the new PIR alternative private equity fund launched in June 2021** (Equita Smart Capital – ELTIF that as of 31 December 2021 approached €60 million of fundraising). The Investment Portfolio[4], equal to €9.4 million as of 31 December

[3] Source: Equita on Dealogic (Equity Capital Markets), Bondradar (Debt Capital Markets) and KPMG (M&A) data

[4] 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

2021, contributed to the Alternative Asset Management net revenues with €0.5 million in 2021, almost in line with the 2020 performance (€0.6 million, -5%).

In the fourth quarter of 2021, Alternative Asset Management net revenues were up 69% compared to the previous year, from €3.4 million to €5.7 million. New products (Equita Private Debt Fund II and Equita Smart Capital – ELTIF) contributed positively to year-on-year growth, adding to the increase in performance fees (€1.8 million in 2020, €4.5 million in 2021). **Excluding the impacts of the Investment Portfolio and considering revenues directly linked to asset management fees only** (excluding performance fees), **net revenues were up 31%**, from €1.2 million in 2020 to €1.6 million in 2021.

The **Research Team** continued to **support all business areas of the Group, assisting institutional investors with research reports and insights** on more than 120 Italian and 35 foreign listed companies. The team also added several debt instruments to the coverage (building a significant presence in the fixed income domain) and **topped, once again, Institutional Investor's rankings for the quality of its research and the focus on mid and small caps**.

Consolidated Profit & Loss (Reclassified)

Profit & Loss (reclassified, €m)	FY 2021	FY 2020	% Var	% 2021	% 2020
Consolidated Net Revenues	**90,4**	**68,2**	**33%**	**100%**	**100%**
Personnel costs (1)	(42,7)	(32,3)	32%	(47%)	(47%)
Other operating costs (2)	(18,4)	(18,2)	1%	(20%)	(27%)
of which Information Technology	(5,9)	(5,6)	4%	(6%)	(8%)
of which Trading Fees	(3,3)	(3,2)	2%	(4%)	(5%)
of which Other (marketing, governance...) (2)	(9,3)	(9,4)	(1%)	(10%)	(14%)
Total Costs	**(61,2)**	**(50,6)**	**21%**	**(68%)**	**(74%)**
Consolidated Profit before taxes	**29,2**	**17,6**	**66%**	**32%**	**26%**
Income taxes	(7,1)	(4,7)	51%	(8%)	(7%)
Minorities	(0,6)	(0,6)	(13%)	(1%)	(1%)
Consolidated Net Profit	**21,5**	**12,3**	**76%**	**24%**	**18%**

(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 other operating income/ex

In 2021, Equita recorded 33% growth in net revenues, from €68.2 million in 2020 to €90.4 million in 2021. **Net revenues linked to clients** – excluding Directional Trading and the impact of the Group's Investment Portfolio linked to Alternative Asset Management activities as of 31 December 2021 – **were up 24%**, from €67.2 million in 2020 to €83.5 million in 2021.

Personnel costs increased from €32.3 million in 2020 to €42.7 million in 2021 (+32%) following the growth in Net Revenues. The Compensation/Revenues ratio stood at 47%, in line with 2020, and the number of professionals reached 173 as of 31 December 2021 (164 as of 31 December 2020). **Other operating costs** were in line with 2020 and reached €18.4 million in 2021 (€18.2 million in 2020, +1%). Trading fees increased by 2%, following the performance of Global Markets revenues linked to clients' activities. Information Technology expenses increased too, up 4% year-on-year, mainly due to some upgrades on the Global Markets technological platform. Other costs slightly decreased, from €9.4 million in 2020 to €9.3 million in 2021 (-1%), thanks to the disciplined approach of the management on costs and despite some additional expenses deriving from the enlarged perimeter of the Group (Equita K Finance) and advertising expenses linked to the launch of Equita Smart Capital - ELTIF. The **Cost/Income ratio**[5] **improved from 74% in 2020 to 68% in 2021**, **on the back of solid net revenues and strong operating leverage**.

Consolidated Net Profit was up 76% year-on-year, from €12.3 million in 2020 to €21.5 million in 2021. The **post-tax margin came in at 24%**, **benefitting from an effective tax rate of 24%, significantly lower than the historical average** and lower than the 27% recorded in 2020 due to some non-recurring tax benefits deriving from the consolidation of Equita K Finance.

Consolidated Shareholders' Equity

Consolidated Shareholders' Equity was €99.3 million as of 31 December 2021. The Average Return on Tangible Equity (ROTE) was 44%.

It is worth mentioning that from 26 June 2021 the CRDIV Directive (which used to discipline capital requirements, including the Total Capital Ratio) is no longer applicable. At the end of July 2021, Bank of Italy confirmed the introduction of the new EU 2033/19 Regulation (IFR). **As of 31 December 2021**, **the Group** – classified as a "Class 2" intermediary – **confirms**, on the basis of the guidelines provided by supervisory bodies, **its capital strength with an IFR ratio above 580%**, significantly higher than the minimum thresholds.

Separate financial statements of Equita Group S.p.A.

The Board of Directors of the Company approved the separate financial statements of Equita Group S.p.A.. For the fiscal year 2021, the Company reported Net Income of €10.6 million, Operating costs of €5.0 million and Net Profits of €7.5 million.

2022 outlook and information on potential impacts of Russia – Ukraine war

Expectations for Italy and its macroeconomic framework point to favourable monetary policies in 2022, even following the geopolitical crisis in Ukraine that could impact the global economy. In Italy, significant financial resources will be invested in the real economy, with dedicated initiatives (including the Next Generation EU and the PNRR plan) aiming to support economic recovery. However, the dynamics of inflation, the persistence of the pandemic and the consequences of Russia's invasion to Ukraine (with impacts on global economy still unknown) can create uncertainty regarding the speed of the economic recovery post-Covid.

The first months of 2022 saw high levels of activity for the brokerage business on behalf of institutional clients following the increase in volatility. War in Ukraine led investors to de-risk and follow a more defensive approach. On the other side, corrections in financial markets hit directional trading portfolio and uncertainty negatively impacted capital markets at a global level, with IPOs and bond issues postponed as well as M&A deals. Marketing activities for Alternative Asset Management products continued, with the Equita Private Debt Fund II on track to close its fundraising by the first half of the year and the Equita Smart Capital – ELTIF, the private equity and PIR alternative fund, to close by year end.

[5] Ratio between Total Costs and Consolidated Net Revenues

In line with previous years and as a key element of the new business plan, Equita will continue to focus on diversifying its product offering in all business areas, continuing its growth trend, and further integrating sustainability into the business model.

With specific reference to the Russia – Ukraine war, Equita declares that its total exposure to the conflict is marginal (less than €200,000) and the Group has no business relationships and/or partnerships with entities and subjects located in the countries involved in the conflict.

Dividend proposal

The Board of Directors of the Company resolved to submit to the forthcoming Shareholders' Meeting the approval of the financial statements for the fiscal year 2021 and the **distribution of a dividend per share of €0.35** (€16.5 million in total). The proposal is **75% higher than the dividend per share paid out in 2021** in two tranches (May and November) and represents a pay-out ratio of 75% of Consolidated Net Profits 2021, with a dividend yield of 10% at current prices. The dividend will be paid out as follows:

- First tranche – equal to €0.20 per share (coupon no. 6) as distribution of net profits and reserves – paid on 25 May 2022 (payment date) with coupon tender date on 23 May 2022 (ex-dividend date) and record date on 24 May 2022 (record date).
- Second tranche – equal to approximately €0.15 per share (coupon no. 7) as distribution of reserves – paid on 23 November 2022 (payment date) with coupon tender date on 21 November 2022 (ex-dividend date) and record date on 22 November 2022 (record date).

The dividend will be a combination of net profits and reserves and the latter are not subject to taxation if the recipient is an individual. Thus, **the distribution of €0.35 per share proposed is equal to a distribution of above €0.40 per share made entirely of net profits when the earner is an individual**.

The decision to set a 75**% pay-out ratio on 2021 Net Profits will allow the Company to retain additional resources to guarantee a rewarding remuneration policy for shareholders**. The decision to split the dividend into two tranches aims to give more stability to the performance of Equita share and offers investors staggered cash flows instead of concentrated payments at one single point of the year.

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2022-2024 Business Plan

The Board of Directors examined and approved the three-year business plan for the fiscal years 2022, 2023 and 2024. The business plan, called "Three-year business plan Equita 2024" (or "*Equita 2024*"), includes financial and sustainability-linked targets, the latter fully integrated into the business of the Group.

Targets to 2024

Equita 2024 includes medium to long term financial as well as non-financial targets which are directly linked to the Group's sustainability ambitions. The targets cover six strategic areas:

- **Revenues generation**
  - Net Revenues above €110 million by 2024 (c. +6.8% CAGR 2021-2024), to be reached organically and/or via acquisitions and partnerships at shareholding level that could accelerate the achievement of target.

- **Business diversification**
  - A more diversified revenues mix in 2024, with Global Markets accounting for 35%-40%, Investment Banking 40%-45% and Alternative Asset Management 15%-20% of total net revenues

- **Discipline on costs**
  - Cost/Income ratio in line with 2021 and in any case below than 70%

- **Increase in Net Profits**
  - Net Profits above €25 million by 2024 (excluding non-recurring items), with an average growth in pre-tax profits of 9% per year after the normalisation of the tax rate

- **Rewarding shareholders' remuneration**
  - €50+ million in dividends to be distributed in the three-year period 2022-2024 (vs €43 million distributed in the three-year period 2019-2021), with an average yearly dividend above €0.30 per share
  - Payout ratio of approximately 90%, with the option to increase it if needed, thanks to significant reserves and earnings retained over the years

- **Integration of sustainability into the business**
  - Foster employees' wellbeing
  - Improve customer and financial community satisfaction
  - Promote social and economic development of local communities
  - Promote initiatives to act against climate change (Climate Action)
  - Promote initiatives to support young people and their development (Young 4 Future)

Equita 2024 is based on management expectations and assumes a relatively stable framework over the three-year plan.

Strategic goals

Over the next three years the Group will strengthen its role as the leading Italian independent investment bank in Italy and will focus on development of the Alternative Asset Management business to consolidate of its position as a multi-asset manager specialised in alternative assets. Management will pursue a disciplined approach on costs to promote strong profitability and rewarding shareholders' remuneration. Sustainability will be further integrated into the business model. Equita will also focus on inorganic growth, following a proactive approach to execute value-accretive M&A and strategic initiatives to engage partners and entrepreneurial families close to Equita into the shareholding structure of the Company to add more value and accelerate growth.

Global Markets

Global Markets will **confirm its role as the leading independent broker in Italy** in the sales and trading of financial instruments. Over the course of the plan, the team will consolidate its leadership in the brokerage of equities on behalf of institutional clients and will maintain its strong top-ten ranking in brokerage of retail flows coming from institutional clients such as banking groups. The team also expects to improve its position in the brokerage of fixed income instruments, derivatives and ETFs. **Product offering will be further diversified** (research, certificates) **to foster cross-selling and synergies from the same client base**. At the same time, new trading venues will be added and activities in some of the currently covered venues will be boosted. Equita will also grow its international client base and affirm the bank as leading broker in Italy for international investors.

Research

Research will **keep its strategic role within the Group, continuing to support all business areas with insights and deep analyses on markets and industries**. The priority is to **expand coverage of Italian mid-small caps, foreign listed companies**, and **fixed income issuers** to support the trading floor, corporate broking clients and primary and secondary offerings, especially in the debt domain, with the **hire of new analysts and experts. Research reports will be gradually integrated with ESG analyses** to match increasing demand from investors. Over the plan, the team will also **invest in innovative technology platforms to improve time-to-market and client access to research**.

Investment Banking

Investment Banking will **consolidate its position as the leading independent investment bank**, continuing its growth path a as **the only one-stop-shop in Italy** which assists large industrial groups, entrepreneurs, financial institutions and financial sponsors. The team will **grow its role of Italian independent M&A advisor**, further enhancing the current position among top advisors and integrating Equita and Equita K Finance teams to generate commercial synergies and cross-selling opportunities. Equita will also consolidate its role as the **"go to bank" in equity capital markets** and will **expand selected segments in debt capital markets where the team is among leaders**. Over the course of the plan, the division will **scale up its senior team** and will setup new partnerships across Italy, **diversifying Equita's areas of specialisation** and **enhancing verticals** where Equita already has an established position.

Alternative Asset Management

Over the course of the plan Equita will also **strengthen its position as one of the main multi-asset managers active in the management of alternative assets in Italy**. The team aims to increase assets under management, product offerings and geographic diversification in terms of both investors and investments. The plan assumes the **launch of a new asset class in 2024** and the optimisation of commercial efforts in all areas of expertise to increase revenue growth. **Equita will remain focussed on collaboration with banking groups to co-develop products for their clients' networks, while engaging institutional investors on new alternative assets**. Wealth management or traditional asset management opportunities are not part of the strategy. The plan does not include inorganic growth opportunities, but the Group is actively looking for **complementary and synergic partners** in line with the Equita's current illiquid assets' portfolio.

Business diversification

Equita 2024 will drive the Group to a **more diversified and resilient business**. Net Revenues are expected to **surpass €110 million organically and/or via partnerships and acquisitions** that could accelerate the achievement of targets. By 2024, Global Markets will count for 35-40% of revenues, Investment Banking 40%-45% and Alternative Asset Management 15%-20%. This will offer **more resiliency in Equita's financial results**, thanks to a **more diversified mix of revenues, less correlated to the economic cycle and financial markets**.

Cost discipline

Equita 2024 assumes a **very simple and lean cost structure**, in line with the approach held since IPO. The main cost items will be personnel costs and operating costs, the latter including IT investments, trading fees, as well as governance and marketing expenses. Over the three-year plan, the management will pursue a **disciplined approach on costs**, to allow sound growth in organic terms and to continue to benefit from a **significant operating leverage** that distinguishes the business. Between 2022 and 2024, Equita will invest in its information technology platform and marketing activities to improve the product offering of the Group and brand awareness of Equita. By 2024, management expects a **Cost/Income ratio in line with 2021 and in any case below 70%.** Assuming taxation in line with historical average and excluding non-recurring benefits of the consolidation of Equita K Finance, Equita targets to reach **Net Profits of above €25 million in 2024**, excluding non-recurring items.

Financial strength, capital allocation and shareholders' remuneration

Equita 2024 confirms the **capital solidity of the Company** in all three years of the plan, well above minimum thresholds. This is even more true considering the **ability of the Group to invest in capital light initiatives**. Equita has today **more than €30 million of capital to finance M&A transactions, investments in new products and initiatives to remunerate shareholders** following new capital requirements introduced in 2021 by the regulator. Over the course of the three-year plan, management will allocate capital to: i) inorganic growth opportunities, investing a mix of equity and debt resources to transform acquisitions in value-accretive transactions as proven by the strong track record of Equita (branch of Nexi, Equita K Finance); ii) co-invest in Alternative Asset Management initiatives to align interests with investors; and iii) financing rewarding shareholders' remuneration by distributing dividend and launching buyback programmes to guarantee stable returns if needed.

Shareholders' remuneration will continue to be a priority. As of March 14, 2022, Equita share recorded a total shareholders return of 57% since its IPO (23 November 2017), higher than the total shareholders return recorded by the main relevant indices (FTSE Italia STAR +50%, FTSE Italia Financial Services +24%, FTSE Italia MidCap +6%, FTSE Italia Financials -3%). In the three-year plan the Group expects to **distribute more than €50 million of dividends with a payout ratio of approximately 90%** or higher if needed. **This policy is underpinned by the capital strength of the Group, the expected net profits of the three-year period 2022-2024, the Equita's retained earnings (more than €12 million since IPO) and other reserves available for distribution (more than €16 millions)** (with retained earnings and reserved available for distribution amounting to approximately €0,55 per share in total).

Sustainability

Integration of sustainability into *Equita 2024* will allow the Group to improve its competitiveness and its profitability in the long term. Equita defined **generic** (applicable to the whole Group) **as well as specific targets** (intra divisional and or business related) like the **inclusion of ESG assessments within the investment process**, the **integration of research reports with sections dedicated to sustainability**, and the Group's **carbon neutrality** target starting from the assessment of the carbon footprint of the Group and the implementation of ad-hoc initiative to reduce and compensate Equita's impacts on environment. The management have also committed to establish "**Fondazione Equita - Ente del terzo settore**" by the first semester 2022.

Corporate governance

On 22 February 2022, the Board of Directors assessed its compliance with the requirements applicable to its composition as a board and the independence requirements on the Directors Paolo Colonna, Silvia Demartini, Michela Zeme and Marzio Perrelli pursuant to article 148 of the Consolidated Law on Finance (TUF) and article 2, recommendation 7, of the New Corporate Governance Code, as well as the requirements set forth by the Board of Directors.[6] Following the review, the Company confirms that the majority of the Board of Directors' members are independent (four out of seven Directors).

The Board of Directors of the Company also notifies that on 8 February 2022 the Board of Statutory Auditors ensured that the requirements for its offices continued to be met and ascertained the independence of each of its members, including according to the criteria of the Italian Corporate Governance Code for Listed Companies. It also completed the self-evaluation process of the operation of the body itself.

Other resolutions of the Board of Directors

The Board of Directors of the Company vested the Chairman and the Chief Executive Officer to severally convene the Shareholders' Meeting on 28 April 2022.

The Board of Directors has also resolved to submit to the next Shareholders' Meeting a 1,000,000 shares buyback programme (2.0% of the share capital) for a period of 18 months starting from the date of the authorisation of the Shareholders' Meeting. The Directors' report on this item on the agenda will be made available to the public with the terms pursuant to applicable law.

6 For further details, please read the Corporate Governance Report that will be made available to the public within the terms set forth by applicable law

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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.

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Equita, **the leading Italian independent investment bank**, has been offering its expertise and insight on financial markets to professional investors, corporates and institutions for more than 45 years. The holding Equita Group, **listed on the "STAR" segment of the Italian Stock Exchange**, counts its managers and professionals among shareholders (with approximately 54% of the share capital) and this ensures a strong alignment of interests with investors. With its global markets activities, today Equita is **the leading independent broker in Italy** that offers to its institutional clients brokerage services on equities, fixed income, derivatives and ETFs. Moreover, thanks to the continuous engagement of the **award winning research team** – acknowledged for its top quality research – the trading floor supports investors' decisions with valuable analyses and investment ideas on Italian and European financial markets. Equita also leverages on a **unique investment banking platform** that combines independent strategic advice with unparalleled access to capital markets. The wide offering proposed includes advisory services in M&A, other extraordinary financial transactions, along with equity and fixed income capital raising solutions. Our aim is to best serve all clients, from large industrial groups to small and medium enterprises, from financial institutions to the public sector. Lastly, **Equita Capital SGR** offers to institutional investors and banking groups its asset management competences and its deep understanding of financial markets, especially in mid and small caps. The **strong focus on alternative assets** like private debt and the **asset management strategies based on distinctive areas of expertise of the Group** make Equita Capital SGR the best partner for both investors looking for interesting returns and banking groups that would like to co-develop new products for their retail networks.

Consolidate Income Statement – Equita Group

Profit & Loss	31-Dec-21	31-Dec-20
10 Net trading income	12.660.780	9.600.524
40 Commission income	140.617	(218.555)
50 Commission income	79.140.390	61.648.411
60 Commission expense	(6.655.527)	(6.209.546)
70 Interest and similar income	950.972	1.761.160
80 Interest and similar expense	(2.743.231)	(1.855.260)
90 Dividends and similar income	6.804.222	3.230.301
110 Net Income	**90.298.223**	**67.957.036**
120 Net losses/recoveries on impairment	199	100.234
a) financial assets at amortized cost	199	100.234
130 Net Result of financial activities	**90.298.422**	**68.057.270**
140 Administrative expenses	(59.176.733)	(48.409.590)
a) personnel expenses [(1)]	(43.784.306)	(34.301.572)
b) other administrative expenses	(15.392.427)	(14.108.018)
150 Net provisions for risks and charges	(100.221)	(46.280)
160 Net (losses) recoveries on impairment of tangible assets	(1.286.263)	(1.291.230)
170 Net (losses) recoveries on impairment of intangible assets	(372.827)	(370.545)
180 Other operating income and expense	(104.985)	(309.710)
190 Operating costs	**(61.041.030)**	**(50.427.355)**
200 Profit (loss) on equity investments [(1)]	(41.001)	-
240 Profit (loss) on ordinary operations before tax	**29.216.391**	**17.629.915**
250 Income tax on ordinary operations	(7.145.300)	(4.733.562)
260 Net Profit (loss) on ordinary operations after tax	**22.071.091**	**12.896.353**
280 Net Profit (loss) of the period	**22.071.091**	**12.896.353**
290 Net Profit (loss) of the period - Third parties interests	**559.498**	**645.681**
300 Net profit (loss) of the period - Group	**21.511.592**	**12.250.672**

(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"

Consolidated Balance Sheet – Equita Group

Assets	**31-Dec-21**	**31-Dec-20**
10 Cash and cash equivalents	136.126.012	117.227.794
20 Financial assets at fair value with impact on P&L	49.243.191	43.849.094
a) financial assets held for trading	41.993.017	35.269.620
b) financial assets at fair value	-	-
c) other financial assets mandatory at fair value	7.250.174	8.579.474
40 Financial assets at amortized cost	91.438.682	86.114.475
a) banks	40.684.941	56.345.788
b) financial companies	38.406.064	19.563.356
c) clients	12.347.677	10.205.331
70 Equity investments	46.267	67.267
80 Tangible assets	5.203.160	6.223.374
90 Intangible assets	27.221.201	27.523.570
of which: Goodwill	*24.152.987*	*24.152.987*
100 Tax assets	4.428.711	3.105.994
a) current	1.552.518	2.092.866
b) deferred	2.876.193	1.013.128
120 Other assets	1.916.272	1.643.880
Total assets	**315.623.495**	**285.755.449**

Liabilities and shareholders' equity	**31-Dec-21**	**31-Dec-20**
10 Financial liabilities at amortized cost	166.487.398	157.033.579
a) debt	166.487.398	157.033.579
20 Financial trading liabilities	9.091.005	14.217.087
40 Hedging derivatives	3.545	-
60 Tax liabilities	6.034.615	2.178.034
a) current	5.278.395	1.417.632
b) deferred	756.221	760.403
80 Other liabilities	27.928.052	21.700.338
90 Employees' termination indemnities	2.397.194	2.269.815
100 Allowance for risks and charges	4.372.648	2.672.933
c) other allowances	4.372.648	2.672.933
Total Liabilities	**216.314.457**	**200.071.787**
110 Share capital	11.427.911	11.376.345
120 Treasury shares (-)	(4.059.802)	(4.059.802)
140 Share premium reserve	18.737.040	18.198.319
150 Reserves	51.175.550	47.217.515
160 Revaluation reserve	(42.752)	(30.315)
170 Profit (loss) of the period	22.071.091	12.896.353
180 Third parties' equity	-	85.248
Shareholders' Equity	**99.309.038**	**85.683.663**
Total liabilities and shareholders' equity	**315.623.495**	**285.755.449**

Income Statement (stand-alone) – Equita Group

Profit & Loss	31-Dec-21	31-Dec-20
40 Commission income	137.613	(222.796)
50 Commission income	-	-
60 Commission expense	(209.176)	(77.261)
70 Interest and similar income	134.205	1.021.624
80 Interest and similar expense	(191.179)	(261.919)
90 Dividends and similar income	10.747.299	8.714.553
110 Net Income	**10.618.762**	**9.174.201**
120 Net losses/recoveries on impairment	-	-
130 Net Result of financial activities	**10.618.762**	**9.174.201**
140 Administrative expenses	(4.949.906)	(3.566.508)
a) personnel expenses [2]	(3.696.449)	(2.047.582)
b) other administrative expenses	(1.253.458)	(1.518.925)
150 Provisions on risks and charges	(24.000)	-
160 Net (losses) recoveries on impairment of tangible assets	(260.011)	(261.374)
170 Net (losses) recoveries on impairment of intangible assets	(18.366)	(18.366)
180 Other operating income and expense	203.882	181.115
190 Operating costs	**(5.048.401)**	**(3.665.133)**
200 Profit (loss) on equity investments	-	-
240 Profit (loss) on ordinary operations before tax	**5.570.360**	**5.509.068**
250 Income tax on ordinary operations	1.925.159	833.753
260 Net Profit (loss) on ordinary operations after tax	**7.495.519**	**6.342.821**

Balance Sheet (stand-alone) – Equita Group

Assets	31-Dec-21	31-Dec-20
10 Cash and cash equivalents	-	-
20 Financial assets at fair value with impact on P&L	3.387.167	3.710.195
a) financial assets held for trading	-	-
b) financial assets at fair value	-	-
c) other financial assets mandatory at fair value	3.387.167	3.710.195
30 Financial assets at fair value	-	-
	-	-
40 Financial assets at amortized cost	3.122	3.122
a) banks	-	-
b) financial companies	3.122	3.122
c) clients	-	-
70 Equity investments	57.525.322	56.561.219
80 Tangible assets	1.569.680	1.818.121
90 Intangible assets	37.236	55.602
100 Tax assets	2.161.147	999.562
a) current	740.473	958.383
b) deferred	1.420.674	41.179
120 Other assets	8.353.534	7.898.507
Total assets	**75.468.824**	**75.830.311**

Liabilities and shareholders' equity	31-dic-2021	31-dic-2020
10 Financial liabilities at amortized cost	8.757.637	10.200.502
a) debt	8.757.637	10.200.502
20 Financial trading liabilities	-	-
60 Tax liabilities	2.478.656	1.021.862
a) current	2.478.656	1.021.862
b) deferred	-	-
80 Other liabilities	2.682.765	2.435.877
	-	-
90 Employees' termination indemnities	21.637	17.325
100 Allowance for risks and charges	190.763	56.197
c) other allowances	190.763	56.197
Total Liabilities	**14.131.458**	**13.731.763**
110 Share capital	11.427.911	11.376.345
120 Treasury shares (-)	(4.059.802)	(4.059.802)
140 Share premium reserve	18.737.040	18.198.319
150 Reserves	27.794.078	30.808.454
160 Revaluation reserve	(16.380)	(15.102)
170 Profit (loss) of the period	7.454.519	5.790.334
Shareholders' Equity	**61.337.366**	**62.098.548**
Total liabilities and shareholders' equity	**75.468.824**	**75.830.311**