

EQUITA GROUP CLOSSES THE FIRST SIX MONTHS OF 2021 WITH STRONG GROWTH IN NET REVENUES AND NET PROFITS, AND RECORDS THE STRONGEST SEMESTER SINCE IPO

- CONSOLIDATED NET REVENUES AT EURO 46.1 MILLION, UP 58% YEAR-ON-YEAR
- CONSOLIDATED NET PROFITS¹ AT EURO 11.4 MILLION, UP 123% YEAR-ON-YEAR, WITH PROFIT MARGIN AT 25%
- AVERAGE RETURN ON TANGIBLE EQUITY (ROTE)² AT 39% AS OF 30 JUNE 2021; GROUP'S CAPITAL REQUIREMENTS WELL-ABOVE MINIMUM THRESHOLDS
- OUTLOOK 2021: BOARD OF DIRECTORS TO CONSIDER NEXT YEAR – ABSENT SIGNIFICANT MARKET CHANGES – THE DISTRIBUTION OF DIVIDENDS HIGHER THAN WHAT WAS PAID-OUT IN 2021 (EURO 0.20) THANKS TO POSITIVE EXPECTATIONS ON FULL-YEAR RESULTS AND THE NEW FRAMEWORK ON CAPITAL REQUIREMENTS
- SARA BIGLIERI, NON-EXECUTIVE DIRECTOR, NAMED CHAIRMAN OF THE BOARD OF DIRECTORS FOLLOWING THE APPOINTMENT OF FRANCESCO PERILLI AS EXECUTIVE DIRECTOR

Milan, 9 September 2021

The Board of Directors of Equita Group S.p.A. (the “**Company**” and, together with its subsidiaries, “**Equita**” or the “**Group**”) today approved the financial results for the first half ended 30 June 2021.

Andrea Vismara, Chief Executive Officer at Equita, commented: *“We are very satisfied with the solid results achieved in the first six months of the year, with Net Revenues up 58% and Consolidated Net Profits up 123%, the strongest half-year performance since IPO. This was the result of well-executed diversification strategy and unique positioning in all business areas, and led the Group to benefit from particularly favourable market conditions in the first half”.*

Vismara also added: *“We welcome the new role of Sara Biglieri as Non-Executive Chairman of the Board of Directors. She is a well renowned professional and we have known her for years. The appointment of Francesco Perilli as Executive Director will add great value to the Group thanks to his long-standing expertise. Francesco will contribute more actively to the growth of the business, as he already did in the past successfully”.*

CONSOLIDATED NET REVENUES (DIVISIONAL BREAKDOWN)

The **Global Markets** division – which includes *Sales & Trading, Client Driven Trading & Market Making* activities and *Directional Trading* – recorded a 36% increase in Net Revenues, up from Euro 18.2 million in the first half of 2020 to Euro 24.8 million in the first half of 2021. During the first six months of the year, Equita confirmed its **role as leading independent broker in Italy by maintaining its high market share in the brokerage of financial instruments on behalf of clients in all relevant segments (8% on the Italian Stock Exchange – MTA, AIM Italia, bonds and equity options, 7% on ETFPlus)**³.

In the same period, brokerage activities for third parties in the Italian market saw increasing volumes on cash equities and declining volumes on bonds year-on-year (+7% and -27% respectively, H1'21 vs H1'20)⁴.

¹ Consolidated Net Profits, post-minorities

² ROTE = Last 12-months Net Profits / Average Tangible Equity. Tangible Equity excludes current period Net Profits. Average calculated between beginning of the year Tangible Equity (31 December 2020) and end of period Tangible Equity (30 June 2021)

³ Source: ASSOSIM

⁴ Source: ASSOSIM. Figure on equities refers to the Italian Stock Exchange – MTA. Figure on bonds refers to DomesticMOT, EuroMOT and ExtraMOT Italian markets

(€m)	H1 2021	H1 2020	% Var	Q2 2021	Q2 2020	% Var
Global Markets	24,8	18,2	36%	12,3	9,1	35%
o/w Sales & Trading	12,0	12,2	(2%)	5,9	5,5	7%
o/w Client Driven Trading & Market Making	6,6	7,1	(6%)	3,0	3,5	(15%)
o/w Directional Trading	6,2	(1,1)	n.m.	3,4	0,1	n.m.
Investment Banking	18,1	9,0	102%	12,0	5,0	139%
Alternative Asset Management	3,2	2,0	62%	1,6	2,1	(25%)
o/w Asset management fees	2,6	2,0	34%	1,3	0,9	38%
o/w Investment Portfolio & Other ⁽¹⁾	0,6	0,0	n.m.	0,3	1,2	n.m.
Consolidated Net Revenues	46,1	29,1	58%	25,8	16,2	59%
o/w Client Related (S&T, CD&MM, IB...)	39,3	30,2	30%	22,1	14,9	48%
o/w Non-Client Related (Directional Trading)	6,2	(1,1)	n.m.	3,4	0,1	n.m.
o/w Investment Portfolio & Other ⁽¹⁾	0,6	0,0	n.m.	0,3	1,2	n.m.

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

Sales & Trading revenues, net of commissions and interest expenses, reached Euro 12.0 million in the first half of 2021 (Euro 12.2 million in the first half of 2020, -2%) while **Client Driven Trading & Market Making**⁵ net revenues came in at Euro 6.6 million (Euro 7.1 million in the first half of 2020, -6%). **By combining the incomes of the two units, Net Revenues linked to clients' activities in the Global Markets division reached Euro 18.6 million in total, one of the best results achieved by the Group in a semester since the IPO, confirming the successful diversification strategy executed by the management over the years.** More in detail, Net Revenues recorded in the first half of 2021 were second only to the Net Revenues of the first half of 2020 which were affected by the significant increase in clients' activity following the outbreak of Covid-19 pandemic.

Directional Trading recorded Euro 6.2 million Net Revenues in the first half of 2021 (Euro -1.1 million in the first half of 2020) and materially contributed to the growth of the Global Markets division. Directional Trading continued its quarter-on-quarter increase in profitability and **the performance of the first half of 2021 represented the strongest semester since the IPO, significantly above the average results of recent years, also thanks to particularly favourable market performance.**

In the second quarter of 2021, the *Global Markets* division increased its Net Revenues by 35% year-on-year, from Euro 9.1 million to Euro 12.3 million, predominantly driven by strong growth in Directional Trading.

The **Investment Banking** division grew Net Revenues 102%, from Euro 9.0 million in the first half of 2020 to Euro 18.1 million in the first half of 2021, thanks to the **solid performance of capital markets and M&A advisory activities** as well as the **consolidation of Equita K Finance**⁶, which contributed Euro 2.1 million Net Revenues. The solid performance recorded by the investment banking team was thanks to both its leadership position in Italy and the favourable underlying conditions in the Italian markets: equity capital markets transactions were up 71% (from 17 in the first half of 2020 to 29 in the first half of 2021) and debt capital markets transactions more than doubled (from 16 in the first half of 2020 to 39 in the first half of 2021, considering only corporate issues). M&A activities also increased significantly, both in terms of number of deals (from 421 in the first half of 2020 to 522 in the first half of 2021, +24% year on year) and in terms of volumes (from Euro 23 billion in the first half of 2020 to Euro 42 billion in the first half of 2021, +88% year on year), the latter including the Euro 19.6 billion merger of FCA – PSA Peugeot-Citroen).⁷

In the first half of 2021 – in addition to the transactions disclosed with first quarter announcement – Equita completed several high-profile mandates. The team assisted Antares Vision as Joint Bookrunner and Sponsor in the placement of its shares to re-IPO the firm to the STAR segment of the Italian Stock Exchange, REVO as Joint Bookrunner and Nomad with its IPO on the AIM Italia market, Banca Popolare di Sondrio and Unipol Group as Sole Bookrunner in their respective

⁵ "Client Driven Trading & Market Making" and "Directional Trading" are an internal reporting representation of Proprietary Trading

⁶ Acquisition completed on 14 July 2020

⁷ Source: Equita elaboration on Dealogic (Equity Capital Markets), Bondradar (Debt Capital Markets) and KPMG (M&A) figures

reverse accelerated book building offerings, and Italian Wine Brands as Placement Agent and Sole Bookrunner in the issue of Euro 130 million senior unsecured notes. Equita also assisted as Financial Advisor Crédit Agricole Italia in the tender offer to acquire all shares of Credito Valtellinese; FLY in the tender offer to acquire the shares of Carraro; the Redini family in the sale of Cedral Tassoni to Lunelli Group; Finanziaria Trentina in the sale of a minority stake in Dolomiti Energia Group; BIP – Business Integration Partners in the sale of a majority stake to CVC Capital Partners; and the board of directors of Italian Wine Brands in the acquisition of Enoitalia.

In the second quarter of 2021, investment banking Net Revenues were up 139% compared to the second quarter of 2020, from Euro 5.0 million to Euro 12.0 million, thanks to the positive contribution of all the investment banking teams.

The **Alternative Asset Management** division recorded Euro 3.2 million Net Revenues in the first half of 2021 (Euro 2.0 million in the first half of 2020, +62%). Assets under Management reached Euro 998 million as of 30 June 2021 (Euro 944 million as of 31 December 2020, +6%, and Euro 896 million as of 30 June 2020, +11%).

Revenues linked to asset management fees - Portfolio Management and Private Debt - were up 34% year on year, from Euro 2.0 million in the first half of 2020 to Euro 2.6 million in the first half of 2021. Growth was mainly driven by the additional fees coming from the new, second private debt fund (Equita Private Debt Fund II) which completed its first closing in September 2020 (Euro 100 million) reaching Euro 131.5 million total commitments as of 30 June 2021.

The Investment Portfolio⁸ contributed to the Alternative Asset Management Net Revenues with Euro 0.6 million in the first half of 2021 (Euro 0.0 million in the first half of 2020).

The **Portfolio Management team** recorded solid results in the management of discretionary portfolios and flexible funds, performing above the benchmark in most cases. The **Private Debt team** continued its marketing activities to raise additional commitments for its second fund (with the aim to reach the Euro 200 million target by year-end). The team also continued its deal sourcing activities aimed at identifying new investment opportunities. In July 2021, the Equita Private Debt Fund II reached Euro 148.5 million thanks to the closing of an additional commitment of Euro 17 million and in August 2021 completed an additional investment, bringing to five the number of investments in portfolio. The **Private Equity team** launched its first ELTIF in June 2021 (**Equita Smart Capital - ELTIF**), an **alternative PIR mainly focused on private equity investments in Italian SMEs**. The team has started the marketing activities and set the fundraising target to Euro 140 million by 2022 year-end.

In the second quarter of 2021, the Alternative Asset Management Net Revenues were Euro 1.6 million (Euro 2.1 million in the second quarter of 2020, -25%). **Excluding the impacts of the Investment Portfolio and considering revenues directly linked to asset management fees only, Net Revenues were up 38%**, from Euro 0.9 million in the second quarter of 2020 to Euro 1.3 million in the second quarter of 2021. The performance of the Investment Portfolio was affected by the comparison with the previous year, as the result recorded in the second quarter of 2020 was positively impacted (Euro 1.2 million) by the mark-to-market of some investments held at portfolio level. The latter rapidly recovered its value after the sharp decline in markets following the spread of the pandemic in March 2020.

The **Research Team** continued to support all business areas of the Group, assisting institutional investors in making investment decisions on 117 Italian and 38 foreign listed companies. The research team also added several debt instruments to the coverage, building a significant presence in the fixed income domain.

CONSOLIDATED INCOME STATEMENT (RECLASSIFIED)

In the first half, Equita recorded 58% growth in Net Revenues, from Euro 29.1 million in 2020 to Euro 46.1 million in 2021. **Net Revenues linked to activities with clients** – excluding Directional Trading contribution and the impacts of the Group's Investment Portfolio as of 30 June 2021 – **were up 30%**, from Euro 30.2 million in 2020 to Euro 39.3 million in 2021.

⁸ The Investment Portfolio includes the investments made by the Group in the Alternative Asset Management products that have been launched (private debt funds, ...), with the purpose of further aligning Equita's and investors' interests

Consolidated Profit & Loss (reclassified, €m)	H1 2021	% R.N.	H1 2020	% R.N.	% Var
Consolidated Net Revenues	46,1	100%	29,1	100%	58%
Personnel costs ⁽¹⁾	(21,8)	(47%)	(13,3)	(46%)	64%
Other operating costs ⁽²⁾	(9,1)	(20%)	(8,6)	(30%)	6%
<i>of which Information Technology</i>	(2,8)	(6%)	(2,8)	(10%)	(1%)
<i>of which Trading Fees</i>	(1,7)	(4%)	(1,7)	(6%)	(1%)
<i>of which Other (marketing, governance...)</i> ⁽²⁾	(4,6)	(10%)	(4,1)	(14%)	13%
Total Costs	(30,9)	(67%)	(21,9)	(75%)	41%
Consolidated Profit before taxes	15,2	33%	7,2	25%	110%
Income taxes	(3,5)	(8%)	(2,1)	(7%)	67%
Consolidated Net Profit (pre-minorities)	11,7	25%	5,1	18%	128%
Consolidated Net Profit (post-minorities)	11,4	25%	5,1	18%	123%

(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

Personnel costs grew from Euro 13.3 million in the first half of 2020 to Euro 21.8 million in the first half of 2021 (+64%), following the increase in Net Revenues. The *Compensation/Revenues ratio* stood at 46.9%, compared with 47.2% in full year 2020 and 45.7% in the first half of 2020. The number of professionals – including the additional resources of Equita K Finance acquired in July 2020 – reached 162 as of 30 June 2021, from 147 on 30 June 2020. **Other operating costs** shifted from Euro 8.6 million in the first half of 2020 to Euro 9.1 million in the first half of 2021 (+6%). Trading fees⁹ decreased by 1%, following the performance of Global Markets revenues linked to clients' activities. Information Technology expenses decreased too, down 1% year-on-year. Other costs increased from Euro 4.1 million in the first half of 2020 to Euro 4.6 million in the first half of 2020 (+13%), due to additional costs deriving from the enlarged perimeter (consolidation of Equita K Finance) and some advertising expenses linked to the launch of the new fund Equita Smart Capital - ELTIF. **The Cost/Income ratio**¹⁰ improved from 75% in the first half of 2020 to 67% in the first half of 2021, on the back of the solid performance of Net Revenues and the strong operating leverage.

Consolidated Net Profits, adjusted for minorities, was up 123% year-on-year, from Euro 5.1 million in the first half of 2020 to Euro 11.4 million in the first half of 2021. **Post-tax margin came in at 25%**, benefitting from an effective tax rate of 23%, lower than the 29% recorded in the first half of 2020. The lower tax rate of the first half of 2020 was impacted by tax benefits deriving from the tax step up of goodwill and the offset of tax losses at Equita K Finance level.

CONSOLIDATED SHAREHOLDERS' EQUITY

Consolidated Shareholders' Equity was Euro 88.3 million as of 30 June 2021. The Average Return on Tangible Equity (ROTE) was 39% and the Group's capital was well-above the minimum thresholds required by new regulations.

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. However, during the first half of 2021, the Group continued to monitor capital requirements and ratios (including the Total Capital Ratio) and persistently recorded levels of capital well above the minimum requirements. At the end of July 2021, Bank of Italy confirmed the introduction of the new EU 2033/19 Regulation (IFR). The Group will submit an assessment of the impacts of the new regulations on its capital by 15 September 2021. As of today, the Group – classified as a "Class 2" intermediary – recorded levels of capital well above minimum thresholds.

⁹ Fees directly linked to Sales & Trading and Client Driven Trading Net Revenues

¹⁰ Ratio of Total Costs and Net Revenues

OUTLOOK 2021

For the fiscal year 2021, the management of the Group expects Net Revenues and Net Profits to make significant progress towards the 2022 targets set in the 2020-2022 Strategic Plan announced in November 2019.

In addition to this, the new capital requirements – introduced by new prudential framework defined by IFR Regulation and IFD Directive – set the Group’s capital at levels that are well above minimum thresholds. The Group’s capital requirements are higher than the previous applicable ones (which were already solid also under the previous framework). As a result, the new framework is expected to make it easier to deploy additional capital, including investments in new products, execution of potential acquisitions and shareholders’ remuneration.

Considering what is mentioned above, the Board of Directors will assess the Group’s future dividend policy taking into consideration the expected 2021 results and the positive implications deriving from new capital requirements. Absent significant changes in the market, the dividend proposal to be submitted to the next Shareholders’ Meeting (based on 2021 results) is expected to be significantly higher than the Euro 0,20 dividend distributed in 2021. The dividend will be paid out in two tranches, as the Company did in 2021.

OTHER RELEVANT RESOLUTIONS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company acknowledged the wish of Mr. Francesco Perilli to step down as Chairman¹¹ and have therefore appointed Ms. Sara Biglieri as new Chairman. During the meeting, the Board of Directors ascertained the qualifications of Ms. Sara Biglieri pursuant to applicable law.

The Board of Directors also conferred the role of Executive Director to Mr. Francesco Perilli and vested him with specific mandates, including the management of the relationships between the Company and key and/or majority shareholders and the management of the relationships between the Company and the participants to the shareholders’ agreements in place from time to time. Mr. Francesco Perilli will also actively contribute to the assessment of new investments as well as business development opportunities.

As a result of the changes in the governance, the Board of Directors also modified the composition of the Remuneration Committee by substituting Mr. Francesco Perilli, now Executive Director, with the Independent Director Ms. Silvia De Martini. The Remuneration Committee is today represented by Independent Directors Mr. Paolo Colonna (Chairman of the Committee), Ms. Michela Zeme and Ms. Silvia De Martini.

Following the changes in the Board of Directors’ composition, the board is today represented by a Non-Executive Chairman, two Executive Directors and four Independent Directors, the latter representing majority of Directors.

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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 Milanese, stated that the accounting information herein contained tallies with the company’s documentary evidence, ledgers and accounts.

¹¹ Mr. Perilli notified his willingness to step down as Chairman to Board members on 1 September 2021

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**Equita Group**

Investor Relations – Andrea Graziotto

ir@equita.eu**Close to Media**

Adriana Liguori

adriana.liguori@closetomedia.it**FinElk**

Teresa Wincrantz

equita@finelk.eu

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.

Consolidated Income Statement – Equita Group

Profit & Loss	30/06/2021	30/06/2020
10 Net trading income	10.983.672	4.503.825
40 Commission income	354.373	(201.375)
50 Commission income	36.101.851	26.273.397
60 Commission expense	(3.528.476)	(3.368.302)
70 Interest and similar income	442.926	931.759
80 Interest and similar expense	(1.398.393)	(999.505)
90 Dividends and similar income	3.129.358	1.962.584
110 Net Income	46.085.311	29.102.383
120 Net losses/recoveries on impairment <i>a) financial assets at amortized cost</i>	(69.040) (69.040)	(34.156) (34.156)
130 Net Result of financial activities	46.016.271	29.068.227
140 Administrative expenses <i>a) personnel expenses ⁽¹⁾</i> <i>b) other administrative expenses</i>	(29.978.484) (22.524.664) (7.453.820)	(20.797.547) (13.991.123) (6.806.424)
160 Net (losses) recoveries on impairment of tangible assets	(626.657)	(646.656)
170 Net (losses) recoveries on impairment of intangible assets	(159.955)	(174.362)
180 Other operating income and expense	(80.603)	(232.896)
190 Operating costs	(30.845.699)	(21.851.461)
240 Profit (loss) on ordinary operations before tax	15.170.572	7.216.766
250 Income tax on ordinary operations	(3.508.432)	(2.101.007)
260 Net Profit (loss) on ordinary operations after tax	11.662.140	5.115.760
280 Net Profit (loss) of the period	11.662.140	5.115.760
290 Net Profit (loss) of the period - Third parties interests	238.911	(6.661)
300 Net profit (loss) of the period - Group	11.423.229	5.122.421

(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	30/06/2021	31/12/2020
10 Cash and cash equivalents	435	464
20 Financial assets at fair value with impact on P&L	71.995.541	43.849.094
<i>a) financial assets held for trading</i>	64.310.126	35.269.620
<i>b) financial assets at fair value</i>	-	-
<i>c) other financial assets mandatory at fair value</i>	7.685.415	8.579.474
40 Financial assets at amortized cost	229.543.303	203.341.805
<i>a) banks</i>	170.426.101	173.573.118
<i>b) financial companies</i>	49.039.617	19.563.356
<i>c) clients</i>	10.077.585	10.205.331
70 Equity investments	67.267	67.267
80 Tangible assets	5.724.529	6.223.374
90 Intangible assets	27.401.901	27.523.570
100 Tax assets	2.995.902	3.105.994
<i>a) current</i>	2.209.502	2.092.866
<i>b) deferred</i>	786.400	1.013.128
120 Other assets	2.837.364	1.643.880
Total assets	340.566.244	285.755.449
Liabilities and shareholders' equity	30/06/2021	31/12/2020
10 Financial liabilities at amortized cost	205.094.878	157.033.579
<i>a) debt</i>	205.094.878	157.033.579
20 Financial trading liabilities	12.081.476	14.217.087
60 Tax liabilities	3.229.239	2.178.035
<i>a) current</i>	2.460.256	1.417.632
<i>b) deferred</i>	768.984	760.403
80 Other liabilities	27.643.551	21.700.338
90 Employees' termination indemnities	2.270.271	2.269.815
100 Allowance for risks and charges	1.929.162	2.672.933
<i>b) other allowances</i>	1.929.162	2.672.933
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	50.512.257	47.217.517
160 Revaluation reserve	(37.928)	(30.315)
170 Profit (loss) of the period	11.662.140	12.896.353
180 Third parties' equity	76.049	85.248
Total liabilities and shareholders' equity	340.566.244	285.755.449