

## THE BOARD OF DIRECTORS OF EQUITA GROUP APPROVES THE FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

- CONSOLIDATED NET REVENUES AT EURO 20.3 MILLION, UP 57% YEAR-ON-YEAR
- CONSOLIDATED NET PROFITS<sup>1</sup> AT EURO 4.5 MILLION, UP 137% YEAR-ON-YEAR, WITH A POST-TAXES PROFITABILITY OF 22%
- RETURN ON TANGIBLE EQUITY AT 31% AND TOTAL CAPITAL RATIO AT 18% AS OF 31 MARCH 2021, CONSISTENTLY ABOVE CAPITAL REQUIREMENTS

Milan, 13<sup>th</sup> May 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 quarter ended 31 March 2021.

**Andrea Vismara, Chief Executive Officer at Equita, commented:** “The Group’s performance achieved in the first three months of the year followed the growth path of previous quarters and confirmed Equita’s solid position in the Italian market. The results reaffirm the uniqueness of our business model, with double-digit growth across all business units, strong operating leverage, efficient cost structure and ratios that continue to prove strong financial soundness and profitability. We maintain a resilient performance in a tough context while also exploiting growth opportunities during buoyant markets”.

**Mr. Vismara added:** “We launched a number of strategic initiatives to accelerate Equita’s growth trajectory and generate further sustainable, long-term value for all stakeholders. These initiatives include the launch of new Alternative Asset Management products, the diversification of the Global Markets offering, the scale up of the Investment Banking team and the appointments of new senior experts on the Advisory Board of the Group”.

### CONSOLIDATED NET REVENUES (DIVISIONAL BREAKDOWN)

In the first quarter 2021, the **Global Markets** division – which includes *Sales & Trading*, *Client Driven Trading & Market Making* activities and *Directional Trading* – recorded a 38% increase in net revenues, from Euro 9.1 million in 2020 to Euro 12.5 million.

**Sales & Trading** revenues, net of commissions and interest expenses, moved from Euro 6.7 million in the first quarter 2020 to Euro 6.1 million in the first quarter 2021 (-10%). The performance was mainly driven by lower year-on-year trading volumes on markets (-3% on equities and -17% on bonds in Q1’21 vs Q1’20)<sup>2</sup> but looking to a longer, normalised timeframe, and comparing the first

(€m)	Q1 2021	Q1 2020	% Var
<b>Global Markets</b>	<b>12.5</b>	<b>9.1</b>	<b>38%</b>
o/w Sales & Trading	6.1	6.7	(10%)
o/w Client Driven Trading & Market Making	3.6	3.6	2%
o/w Directional Trading	2.8	(1.2)	n.m.
<b>Investment Banking</b>	<b>6.1</b>	<b>4.0</b>	<b>55%</b>
<b>Alternative Asset Management</b>	<b>1.6</b>	<b>(0.1)</b>	<b>n.m.</b>
o/w Asset management fees	1.3	1.0	30%
o/w Investment Portfolio & Other <sup>(1)</sup>	0.3	(1.2)	n.m.
<b>Consolidated Net Revenues</b>	<b>20.3</b>	<b>12.9</b>	<b>57%</b>
o/w Client Related (S&T, CD&MM, IB...)	17.2	15.3	13%
o/w Non-Client Related (Directional Trading)	2.8	(1.2)	n.m.
o/w Investment Portfolio & Other <sup>(1)</sup>	0.3	(1.2)	n.m.

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

quarter 2021 results (Euro 6.1 million) with the first quarter 2019 results (Euro 5.5 million), **the Sales & Trading division grew 10%**, benefitting from the diversification of the product offering and cross-selling initiatives.

<sup>1</sup> Consolidated Net Profits post minorities

<sup>2</sup> Source: ASSOSIM. Figure on equities refers to the Italian Stock Exchange – MTA. Figure on bonds refers to DomesticMOT, EuroMOT and ExtraMOT Italian markets

In the first quarter 2021, Equita confirmed its high market share in the brokerage of financial instruments on behalf of clients in all relevant segments (7% on the Italian Stock Exchange – MTA, 8% on the AIM Italia, 8% on bonds, 9% on equity options and 7% on ETFPlus)<sup>3</sup>.

**Client Driven Trading & Market Making**<sup>4</sup> net revenues grew 2% to Euro 3.6 million in the first quarter 2021. This result was driven by the strong performance of the fixed income desk (especially in market making activities) that compensated the lower trading volumes on markets year-on-year. As highlighted with the *Sales & Trading* performance, the net revenues of the first quarter 2021 (Euro 3.6 million) were significantly higher compared to the net revenues of the first quarter 2019 (Euro 2.1 million, +70%).

**Directional Trading** recorded net revenues of Euro 2.8 million in the first quarter 2021, up from the loss of Euro 1.2 million recorded in the first quarter 2020 (the latter linked to the sharp market correction that impacted the proprietary trading portfolio as of 31 March 2020). As in the second half of 2020, directional trading continued to positively contribute to the profitability of the Global Markets division (Euro 0.1 in the third quarter 2020, Euro 1.3 million in the fourth quarter 2020, Euro 2.8 million in the first quarter 2021).

Excluding *Directional Trading*, Net Revenues linked to clients' activity in the *Global Markets* division (*Sales & Trading* and *Client Driven Trading & Market Making*) moved from Euro 10.3 million in the first quarter 2020 to Euro 9.7 million in the first quarter 2021 (-5%) due to lower brokered volumes on markets. However, net revenues in the first quarter 2021 were still up 27% compared to the first quarter 2019 (Euro 7.7 million).

The **Investment Banking** division grew 55%, from Euro 4.0 million in the first quarter 2020 to Euro 6.1 million in the first quarter 2021. The double-digit growth was driven by the **solid performance of both capital markets and M&A advisory activities**, as well as the consolidation of Equita K Finance<sup>5</sup> – the primary independent financial advisory firm and leader in the mid-market M&A segment in Italy, that contributed only marginally in the first quarter 2021 due to its usual seasonality over quarters. The growth of the investment banking division was mainly driven by the strong positioning of the team and the underlying levels of activities on markets: equity capital markets transactions doubled (14 in the first quarter 2021 vs 7 in the first quarter 2020), debt capital markets transactions more than tripled (with specific reference to corporate issues, 21 in the first quarter 2021 vs 6 in the first quarter 2020), while M&A deals remained broadly in line with the previous year (232 in the first quarter 2021 vs 239 in the first quarter 2020) despite volumes increased 161% to Euro 26.4 billion (boosted by some large deals, including the Euro 19.6 billion merger of FCA – PSA Peugeot-Citroen).<sup>6</sup>

In the first three months of the year, Equita completed several high-profile mandates. The investment banking team assisted Prysmian and Garofalo Health Care as joint bookrunner in their respective accelerated book building offerings; BFF Group as sole bookrunner in the reverse accelerated book building offering; Newlat Food as placement agent in the issue of Euro 200 million senior unsecured notes; and WeBuild as co-manager in the issue of Euro 200 million senior unsecured notes. The team also assisted as financial advisor Ferrovie Nord Milano in the acquisition of Milano Serravalle – Milano Tangenziali; MagMa Holding in the sale of a majority stake of MagMa to Ravago Group; Alperia, Dolomiti Energia and Finest in the sale of a majority stake of PVB Power Bulgaria; and the Related Parties Committee of Astaldi in the partial and proportional demerger of Astaldi in favour of WeBuild.

In the first quarter 2021, Equita also assisted Crédit Agricole Italia as financial advisor in the tender offer for all shares of Credito Valtellinese. This transaction – formally completed in April 2021, with more than 90% of share capital adhering

<sup>3</sup> Equita elaboration on ASSOSIM data

<sup>4</sup> "Client Driven Trading & Market Making" and "Directional Trading" are an internal reporting representation of Proprietary Trading.

<sup>5</sup> Acquisition completed on 14 July 2020

<sup>6</sup> In the first quarter, the volumes of Equity Capital Markets transactions increased 211%, from Euro 0.9 billion in 2020 to Euro 2.8 billion in 2021. The volumes of Debt Capital Markets – with specific reference to high yield and not rated corporate issues – increased to Euro 12.1 billion (+278% year-on-year). Source: Equita elaboration on Dealogic (Equity Capital Markets), Bondradar (Debt Capital Markets) and KPMG (M&A) figures

to the tender offer – followed the successful completion in July 2020 of the public tender offer launched by Intesa Sanpaolo on UBI Banca shares, where Equita acted as financial advisor of the bidder, confirming the execution capabilities of Equita's FIG team. The FIG team has also recently strengthened its ability to assist banking groups and financial institutions by appointing Fabrizio Viola as senior advisor of the Group.

The **Alternative Asset Management** division recorded Euro 1.6 million net revenues in the first quarter 2021 (compared to a loss of Euro 0.1 million in the first quarter 2020 that followed the mark-to-market of the Investment Portfolio as of 31 March 2020)<sup>7</sup>. More in details, revenues linked to asset management fees (*Portfolio Management* and *Private Debt*) increased from Euro 1.0 million in the first quarter 2020 to Euro 1.3 million in the first quarter 2021 (+30%). The Investment Portfolio contributed with net revenues of Euro 0.3 million in the first quarter 2021 (Euro -1.2 million in the first quarter 2020). As of 31 March 2021, assets under management increased to Euro 974 million (Euro 944 million as of 31 December 2020, Euro 896 million as of 30 June 2020), thanks to the second closing of Equita Private Debt Fund II – the second private debt fund of the Group – that occurred in March 2021 reaching total commitments of Euro 131.5 million. The **Private Debt team continued its deal sourcing activities** aimed at identifying new investment opportunities and the **marketing activities** to close the fundraising of Equita Private Debt Fund II, which is expected by 2021 as planned (target of Euro 200 million). The **Private Equity team continued its preparatory activities to start the marketing of its first ELTIF** (Equita Smart Capital – ELTIF), an **alternative PIR** mainly focused on **private equity investments in Italian SMEs**.

The **Research Team** continued to support all business areas of the Group, assisting institutional investors to take investment decisions on 119 Italian and 37 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)

Consolidated Profit & Loss (reclassified, €m)	Q1 2021	% R.N.	Q1 2020	% R.N.	% Var
Global Markets	12.5	62%	9.1	71%	38%
Investment Banking	6.1	30%	4.0	31%	55%
Alternative Asset Management	1.6	8%	(0.1)	(1%)	n.m.
<b>Consolidated Net Revenues</b>	<b>20.3</b>	<b>100%</b>	<b>12.9</b>	<b>100%</b>	<b>57%</b>
Personnel costs <sup>(1)</sup>	(9.7)	(48%)	(5.9)	(46%)	64%
Other operating costs <sup>(2)</sup>	(4.4)	(22%)	(4.3)	(33%)	1%
<i>of which Information Technology</i>	(1.4)	(7%)	(1.4)	(11%)	(1%)
<i>of which Trading Fees</i>	(0.9)	(4%)	(0.9)	(7%)	(5%)
<i>of which Other (marketing, governance...) <sup>(2)</sup></i>	(2.0)	(10%)	(1.9)	(15%)	5%
<b>Total Costs</b>	<b>(14.0)</b>	<b>(69%)</b>	<b>(10.2)</b>	<b>(79%)</b>	<b>38%</b>
<b>Consolidated Profit before taxes</b>	<b>6.2</b>	<b>31%</b>	<b>2.7</b>	<b>21%</b>	<b>130%</b>
Income taxes	(1.9)	(9%)	(0.8)	(6%)	127%
<b>Consolidated Net Profit (pre-minorities)</b>	<b>4.4</b>	<b>21%</b>	<b>1.9</b>	<b>15%</b>	<b>131%</b>
<b>Consolidated Net Profit (post-minorities)</b>	<b>4.5</b>	<b>22%</b>	<b>1.9</b>	<b>15%</b>	<b>137%</b>

(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

**In the first quarter 2021, Equita recorded 57% growth in Net Revenues**, from Euro 12.9 million in 2020 to Euro 20.3 million. **Net Revenues linked to activities with clients** – excluding Directional Trading contribution and the impacts of the Group's Investment Portfolio as of 31 March 2021 – **were up 13%**, from Euro 15.3 million in 2020 to Euro 17.2 million in 2021.

<sup>7</sup> 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

**Personnel costs** were up 64% from Euro 5.9 million in the first quarter 2020 to Euro 9.7 million in the first quarter 2021, following the increase in Net Revenues. The Compensation/Revenues ratio was 47.0% (vs 45.7% in the first quarter 2020) and the employees base reached 162 as of 31 March 2021 (152 at year-end 2019 and 164 at year-end 2020).

**Other operating costs** grew 1% from Euro 4.3 million in the first quarter 2020 to Euro 4.4 million in the first quarter 2021. Trading fees – directly linked to *Global Markets* Net Revenues – decreased 5% and Information Technologies expenses decreased 1%. Other costs increased from Euro 1.9 million in the first quarter 2020 to Euro 2.0 million in the first quarter 2021 (+5%) due to some additional costs deriving from the extended Group’s operations, such as the acquisition of Equita K Finance. **The Cost/Income ratio<sup>8</sup> of the first quarter improved from 79% in 2020 to 69% in 2021, on the back of the solid performance of Net Revenues and the strong operating leverage.**

**Consolidated Net Profit, adjusted for minorities, grew 137% year-on-year, from Euro 1.9 million in the first quarter 2020 to Euro 4.5 million in the first quarter 2021. Post-tax margin came in at 22%.**

#### CONSOLIDATED SHAREHOLDERS’ EQUITY

Consolidated Shareholders’ Equity was Euro 90.2 million as of 31 March 2021. The Consolidated Return on Tangible Equity (ROTE)<sup>9</sup> was 31% and the Consolidated Total Capital Ratio (TCR) was 18%, consistently above capital requirements.

#### OTHER RELEVANT RESOLUTIONS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company ascertained, based on the declarations submitted by the Director Marzio Perrelli, that the requirements set forth by Article 13 of the Legislative Decree No. 58/98 (“TUF”) and by Article 2, Recommendation 7, of the Corporate Governance Code are met. More in details, the Board of Directors verified the independence of Mr. Marzio Perrelli – Director of the Company – pursuant to the TUF and the Corporate Governance Code, as well as the absence of conflicts with interlocking provisions applicable. The correct application of criteria and procedures adopted by the Board of Directors of the Company to assess and ascertain the independence of its members was verified by the Board of Statutory Auditors during the meeting.

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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.*

*Additional financial information and financial statements for the first quarter ended 31 March 2021 are not audited.*

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<sup>8</sup> Ratio of Total Costs and Net Revenues

<sup>9</sup> Calculated excluding the Consolidated Net Profit from Tangible Equity

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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.*

**Consolidated Income Statement – Equita Group**

<b>Profit &amp; Loss</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
10 Net trading income	6,142,255	2,176,366
40 Commission income	178,876	(1,317,760)
50 Commission income	15,220,974	13,224,913
60 Commission expense	(1,780,345)	(1,760,032)
70 Interest and similar income	216,412	515,909
80 Interest and similar expense	(514,783)	(413,926)
90 Dividends and similar income	724,638	469,555
<b>110 Net Income <sup>(1)</sup></b>	<b>20,188,027</b>	<b>12,895,025</b>
120 Net losses/recoveries on impairment a) financial assets at amortized cost	39,969 39,969	43,343 43,343
<b>130 Net Result of financial activities</b>	<b>20,227,995</b>	<b>12,938,368</b>
140 Administrative expenses a) personnel expenses <sup>(2)</sup> b) other administrative expenses	(13,559,588) (10,040,191) (3,519,397)	(9,693,761) (6,210,920) (3,482,841)
150 Net provisions for risks and charges	-	-
160 Net (losses) recoveries on impairment of tangible assets	(306,736)	(323,701)
170 Net (losses) recoveries on impairment of intangible assets	(76,869)	(93,450)
180 Other operating income and expense	(72,290)	(106,681)
<b>190 Operating costs</b>	<b>(14,015,483)</b>	<b>(10,217,593)</b>
200 Profit (loss) on equity investments <sup>(1)</sup>	-	(19,213)
<b>240 Profit (loss) on ordinary operations before tax</b>	<b>6,212,513</b>	<b>2,701,562</b>
250 Income tax on ordinary operations	(1,860,000)	(820,354)
<b>260 Net Profit (loss) on ordinary operations after tax</b>	<b>4,352,513</b>	<b>1,881,208</b>
<b>280 Net Profit (loss) of the period</b>	<b>4,352,513</b>	<b>1,881,208</b>
<b>290 Net Profit (loss) of the period - Third parties interests</b>	<b>(111,072)</b>	<b>(6,684)</b>
<b>300 Net profit (loss) of the period - Group</b>	<b>4,463,585</b>	<b>1,887,892</b>

(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**

Assets	31/03/2021	31/12/2020
10 Cash and cash equivalents	491	464
20 Financial assets at fair value with impact on P&L	74,859,716	43,849,094
<i>a) financial assets held for trading</i>	66,958,313	35,269,620
<i>b) financial assets at fair value</i>	-	-
<i>c) other financial assets mandatory at fair value</i>	7,901,403	8,579,474
40 Financial assets at amortized cost	221,634,933	203,341,805
<i>a) banks</i>	168,098,642	173,573,118
<i>b) financial companies</i>	44,661,428	19,563,356
<i>c) clients</i>	8,874,863	10,205,331
70 Equity investments	67,267	67,267
80 Tangible assets	5,986,707	6,223,374
90 Intangible assets	27,463,562	27,523,570
100 Tax assets	2,954,715	3,105,994
<i>a) current</i>	1,941,587	2,092,866
<i>b) deferred</i>	1,013,128	1,013,128
120 Other assets	2,840,609	1,643,880
<b>Total assets</b>	<b>335,807,999</b>	<b>285,755,449</b>
Liabilities and shareholders' equity	31/03/2021	31/12/2020
10 Financial liabilities at amortized cost	184,995,608	157,033,579
<i>a) debt</i>	184,995,608	157,033,579
20 Financial trading liabilities	28,276,122	14,217,087
60 Tax liabilities	4,022,639	2,178,035
<i>a) current</i>	3,262,236	1,417,632
<i>b) deferred</i>	760,403	760,403
80 Other liabilities	23,325,802	21,700,338
90 Employees' termination indemnities	2,284,421	2,269,815
100 Allowance for risks and charges	2,664,133	2,672,933
<i>b) other allowances</i>	2,664,133	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	59,735,986	47,217,517
160 Revaluation reserve	(30,315)	(30,315)
170 Profit (loss) of the period	4,352,512	12,896,353
180 Third parties' equity	75,943	85,248
<b>Total liabilities and shareholders' equity</b>	<b>335,807,999</b>	<b>285,755,449</b>