Equita Group S.p.A. approved the consolidated financial statements as at December 31st, 2017
Net income increased by 25% with respect to 2016
Proposed a dividend per share of Euro 0.22

Milan, 14th March 2018

- **Net revenues at Euro 53.9 million, increased by 11.1% compared to 2016 (Euro 48.5 million)**
- **Net income at Euro 11.0 million, increased by 25.1% compared to 2016 (Euro 8.8 million)**
- **Return on Tangible Equity[(a)] at 27%, increasing compared to 23% in 2016**
- **Proposed the distribution of a Euro 0.22 dividend per share, with a pay-out ratio of c. 90%, representing one of the highest dividend yield[(b)] on the Italian stock market, equal to 7.2%**
- **Launch of the transition process to the STAR segment of Borsa Italiana, with the aim of completing the transition within the year**
- **The Shareholders' Meeting shall be convened the 16th of April, on first call, and the 17th of April 2018, on second call**

Milan, 14th March 2018 – The Board of Directors of Equita Group S.p.A. (hereinafter "**Equita Group**" or the "**Company**"), met today, examined and approved the draft financial statements of the Company and the consolidated financial statements as at 31st December 2017 in accordance with the International Financial Reporting Standards (IFRS) as defined by the International Accounting Board (IAS).

Selected reclassified economic data of Equita Group as at December 31, 2017 and 2016

(Euro millions)	2017	% N.R.	2016	% N.R.	Change Y-o-Y
Sales & Trading	20.8	*39%*	24.4	*50%*	*-15%*
Proprietary Trading	9.7 (c)	*18%*	6.2	*13%*	*+56%*
Investment Banking	20.2	*37%*	15.9	*33%*	*+27%*
Alternative Asset Management	3.2	*6%*	2.1	*4%*	*+57%*
Net Revenues	**53.9**	***100%***	**48.5**	***100%***	***+11%***
Personnel costs (d)	(26.4)	*49%*	(24.5)	*50%*	*+8%*
Fixed component	*(13.6)*	*-25%*	*(12.7)*	*-26%*	*+7%*
Variable component	*(12.9)*	*-24%*	*(11.8)*	*-24%*	*+9%*
Other administrative expenses	(12.1)	*-22%*	(10.7)	*-22%*	*+13%*
Profit before taxes	**15.4**	***29%***	**13.4**	***28%***	***+15%***
Income taxes	(4.3)	*-8%*	(4.5)	*-9%*	*-4%*
Net Income	**11.0**	***20%***	**8.8**	***18%***	***+25%***

(c) Includes Euro 143 thousands interest expenses on Equita Group corporate loan

(d) Net of directors and auditors compensation, included in "Other administrative expenses"

(a) Tangible book value 2017 includes IPO proceeds (Euro 22.1 million) from November 2017

(b) Dividend yield based on closing price as at 13th March 2018

All the business lines as at 31st December 2017 showed a positive trend compared to 2016, except for Sales & Trading business line that decreased its revenues - as expected - mainly because of the impact of MiFID 2 and the low level of volatility in the markets.

In 2017, the diversification of revenues strategy continued. It allowed absorbing the decrease recorded by the Sales & Trading business line, whose weight on net revenues decreased from 50% in 2016 to 39% in 2017. Furthermore, it strengthened the Company's presence in the two main business lines of the Equita Group growth strategy: Investment Banking – with a relative weight on net revenues comparable to the Sales & Trading business line - and Alternative Asset Management.

Net Revenues

Revenues from the Sales & Trading business line decreased from Euro 24.4 million in 2016 to Euro 20.8 million in 2017 (-15%). The reduction, lower than expected, was mainly due to the introduction of MiFID 2 and the low levels of volatility of the Italian market.

Revenues from the Proprietary Trading business line rose from Euro 6.2 million in 2016 to Euro 9.7 million in 2017 (+56%) thanks to both the growth of directional revenues and the development of “client driven” revenues, that continues to represent a solid base (around 45% of the revenues of the business line).

Revenues from the Investment Banking business line rose from Euro 15.9 million in 2016 to Euro 20.2 million in 2017 (+27%), mainly due to the increase in the number and the counter value of extraordinary transactions carried out in 2017 by Equita Group driven by the recent expansion of the range of services offered and the dedicated professional team, as well as the positive performance of the financial markets. Equity and Debt Capital Markets areas in 2017 recorded an aggregate increase in the number of transactions coordinated by the Company and in revenues compared to 2016, showing a strong synergy with the Sales & Trading business line. Overall, 2017 is a record year for the results of the Investment Banking, despite the efforts of the Equita Group team in the IPOs of the SPAC EPS Equita PEP SPAC and Equita Group itself, which did not generate revenues in the year.

Revenues from the Alternative Asset Management business line rose from Euro 2.1 million in 2016 to Euro 3.2 million in 2017 (+57%) for the increased number of assets under management by both the Private Debt fund and the asset management under delegation. The total amount of Asset under Management is Euro 654 million as at 31st December 2017, showing a growth with respect to 2016 (Euro 358 million).

The Research Team is among the first ones in terms of quality and depth of research according to the surveys towards institutional investors (Thomson Extel and Institutional Investor rankings) and with about 120 Italian and 50 foreign companies covered. Equita Group strengthens its positioning on the Mid-Small Caps also in 2017.

Total net revenues rose from Euro 48.5 million in 2016 to Euro 53.9 million in 2017 (+11%).

Profit Before Taxes

Profit before taxes rose from Euro 13.4 million in 2016 to Euro 15.4 million in 2017 (+15%) as personnel expenses and other administrative expenses have maintained an almost stable impact on the total net revenues. Personnel expenses increased from Euro 24.5 million in 2016 to Euro 26.4 million in 2017 (+8%), with an incidence on total net revenues decreasing from 50% in 2016 to 49% in 2017. Other administrative expenses increased from Euro 10.7 million in 2016 to Euro 12.1 million in 2017 (maintaining a weight of 22% on total net revenues), including Euro 0.7 million of extraordinary expenses due to the IPO execution and the Company reorganization needed for the listing process.

Net Income

Net Income rose from Euro 8.8 million in 2016 to Euro 11.0 million in 2017 (+25%). The increase was due both to the higher profit before taxes and to the lower impact of income taxes. The latter fell from 34% of the profit before taxes in 2016 to 28% in 2017, due to the elimination of the IRES surcharge on Equita SIM and the ACE benefits.

Selected Equita Group reclassified consolidated balance sheet figures as at December 31st, 2017 and 2016

	2017	2016
Cost/income ratio	71%	73%
Comp/revenues	49%	50%
Net Equity (Euro million)	79.0	51.4
Return on Tangible Equity (ROTE) (a)	17%	23%
Return on Tangible Equity (ROTE) (b)	27%	23%
Payout Ratio	90%	(c)
EPS (Euro) (d)	0.24	0.19
TCR	29%	10%

(a) Tangible book value as at 31st December

(b) Tangible book value 2017 takes into consideration proceeds from IPO (€22.1m) since November 2017

(c) Equita SIM: 117%; Equita Group: 27%

(d) EPS 2016 based on the net outstanding shares as at 31st December 2017 (45.3m), excluding treasury shares

Total Capital Ratio of Equita Group continues to be extremely strong and the ROTE one of the best in the sector, also taking into account the capital raised in the IPO in the fourth quarter of 2017. The dividend (Euro 0.22 per share) stood at very close values to the profit achieved in the period, confirming the historical track record of high pay-out and exceeded the figure announced at IPO (Euro 0.20 per share). The personnel is constantly growing, with a change in the number of employees from 107 units at the end of 2016 to 120 units in 2017.

The CEO Andrea Vismara commented:

"Equita Group confirms its position as a key player in the Italian capital markets, a point of reference for investors and companies. The excellent results highlight the success of the diversification strategy and strengthen the positioning of the Company as the leading independent Investment Bank in Italy, consistently with the development lines presented in IPO".

Foreseeable evolution

The main European stock markets registered a positive start in 2018. However, since February 2018, the increase in volatility, the persistence of the difficulties in defining an agreement to form a stable government in Germany and the Italian elections have led to a decline in the main European equity markets that returned close to the end of 2017 values.

The volumes traded on the Italian stock market in the first two months of 2018 were substantially in line with 2017 and several listing transactions on the Italian list have been closed, mainly related to Special Purpose Acquisition Company ("SPAC"). Equita SIM played the role of Global Coordinator and Sole Bookrunner in the listing of SPAC Life Care Capital S.p.A. on the AIM Italia market, with a placement of Euro 140 million. It also played the role of Joint Bookrunner in the listing of SPAC ALP.I. S.p.A. on the AIM Italia market, with a placement of Euro 100 million, and the role of Joint Bookrunner in the listing of SPAC Spaxs S.p.A. on the AIM Italia market, with a placement of Euro 600 million. Furthermore, in February 2018, Equita SIM played the role of Sole Bookrunner and Placement Agent in the Carraro Group's Euro 180 million bond issue. Equita has been the Sole Bookrunner in the ABB of Tecnoinvestimenti (Euro 13 million) and the Joint Bookrunner in the capital increase of Creval (Euro 700 million). Equita ranks among the first brokers for number of transactions closed, having participated in the main transactions that took place on the Italian market.

EPS Equita PEP SPAC S.p.A. is a company controlled by the joint venture between Equita Group S.p.A. and Private Equity Partners S.p.A. and listed on the AIM Italia market since the 1st August 2017. On 19th January 2018, the Board of Directors approved the business combination transaction with Industrie Chimiche Forestali SpA, an Italian leading company in the production of textiles for tips, counters and stickers for the footwear, automotive, packaging and furniture industries.

The Board of Directors of Equita Group started the project for the transition to the STAR segment of the MTA - to be completed by the end of 2018 - and has conferred to the Chief Executive Officer the delegations for the Advisors selection and for the preparatory activities. The Company's Board of Directors will analyse in the next meetings the corporate structure and the required amendments to achieve this objective.

Ordinary Shareholders' Meeting

The Board of Directors gave the mandate to the CEO and the Chairman to convene the Ordinary Shareholders' Meeting for the 16th April 2018, in first call, and for the 17th April 2018, on second call. The main purpose is to deal with the following items: (i) financial statements and consolidated financial statements for the year ended the 31st December 2017 and the allocation of profit for the year and the distribution of the reserves; (ii) appointment of the Chairman of the Board of Statutory Auditors and integration of the Board of Statutory Auditors; (iii) statutory audit engagement for the period 2018-2020 and determination of the related fees; (iv) conclusion of an insurance policy for civil and professional liability of the corporate bodies and employees; (v) provide information regarding the remuneration policy of Equita SIM SpA concerning the year 2017.

This press release is available on the website www.equitagroup.it, in the Investor Relations section.

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Consolidated Income Statement of Equita Group

	Income statement	31/12/2017	31/12/2016
10	Net trading income	9.230.158	4.799.565
50	Fees and commission income	47.134.764	45.096.830
60	Fees and commission expenses	(3.573.278)	(2.835.086)
70	Interests and similar income	187.398	334.082
80	Interests and similar expenses	(1.338.796)	(1.320.353)
90	Dividends and similar income	2.256.326	2.437.921
	Brokerage income	53.896.571	48.512.959
100	Net impairment loss on:	(98.782)	35.000
	c) other financial assets	(98.782)	35.000
110	Administrative expenses:	(38.373.822)	(35.190.077)
	a) personnel expenses	(27.252.750)	(25.305.678)
	b) other administrative expenses	(11.121.071)	(9.884.399)
120	Depreciation and net impairment losses on property and equipment	(146.807)	(103.979)
130	Amortization and net impairment losses on intangible assets	(314.333)	(24.489)
150	Provision for risk and charges	0	(160.556)
160	Other operating income and costs	402.124	284.424
	Operating income	15.364.951	13.353.282
170	Income (loss) from investments	223	0
	Pre-tax profit from continuing operations	15.365.174	13.353.282
190	Income taxes from continuing operations	(4.349.344)	(4.546.663)
	Post-tax profit from continuing operations	11.015.831	8.806.619
	Profit of the year	11.015.831	8.806.619

Statement of Financial Position of Equita Group

	Assets	31/12/2017	31/12/2016
10	Cash and cash equivalents	816	2.740
20	Financial assets held for trading	47.322.106	38.757.296
40	Available for sale	3.454.394	413.725
60	Loan and Receivables	160.007.782	151.809.708
100	Property and equipment	602.655	591.526
110	Intangible assets	13.654.486	13.454.650
120	Tax assets	6.315.791	5.994.060
	a) current	4.275.340	*3.117.242*
	b) deferred	2.040.451	*2.876.818*
140	Other assets	14.939.114	7.152.572
	Total assets	246.297.144	218.176.277

	Liabilities and equity	31/12/2017	31/12/2016
10	Trading liabilities	129.136.377	125.032.545
30	Financial liabilities from trading	14.625.536	14.059.847
70	Tax liabilities	1.028.976	1.898.382
	a) curreni	289.369	*1.036.469*
	b) deferred	739.607	*861.913*
90	Other liabilities	14.211.005	13.456.441
100	Post employment benefits	1.970.684	4.160.648
110	Provision for risk and charges	6.344.994	8.130.629
	b) other provision	*6.344.994*	*8.130.629*
120	Share capital	11.376.345	19.240.000
130	Treasury shares (-)	(4.748.025)	
150	Share premium	18.198.319	
160	Reserves	43.137.103	(91.435)
180	Profit of the year	11.015.831	8.806.619
190	Equity attributable to minority interests		23.482.601
	Total liabilities and equity	246.297.144	218.176.277