EQUITA GROUP S.p.A.
FINANCIAL STATEMENTS AT DECEMBER 31ST 2017

Sommario

Corporate Governance

Board of Directors

Francesco Perilli	Chairman
Andrea Vismara	Chief Executive Officer
Thierry Porté	Vice Chairman (independent)
Stefano Lustig	Board Member (executive)
Sara Biglieri	Board Member (non-executive)
Michela Zeme	Board Member (independent)
Massimo Ferrari	Board Member (independent)

Statutory Board of Auditors

Franco Fondi	Chairman of the Statutory Board (1)
Laura Acquadro	Statutory Auditor
Paolo Redaelli	Statutory Auditor
Andrea Polizzi	Alternate Auditor

Audit Firm

KPMG S.p.A.

Corporate Information

Registered Office - Via Turati 9, Milan, Italy
Tax ID and VAT Code 09204170964
Share Capital, fully paid-up €11,376,344.50
Milan Corporate Registry no. 2075478
Corporate Website: www.equitagroup.it

Sedi secondarie

Equita Group S,p,A, non ha sedi secondarie di cui al comma 3 dell'art, 2428 del codice civile,

(1) In office since January 25th 2018 following the resignation of Mr. Francesco di Carlo.

Report on Operations

Signori azionisti.

The separate financial statements of EQUITA Group S.p.A. (hereafter also the "Company") at December 31st 2017, which we submit for your attention, close with a net profit of €4,455,544 compared to a net profit of €5,764,703 for the previous year.

On November 23rd 2017 trading in the ordinary shares of Equita Group began on the Italian AIM (Alternative Investment Market) (45.2 million shares at a price of €2.90/share, stock symbol BIT: EQUI).

MARKET BACKDROP

2017 was characterized by the synchronized acceleration of the global economic growth, recently revised upwards by the International Monetary Fund ("IMF") to +3.7% up from +3.1% of 2016. Europe was the geographic area with the biggest positive surprises in terms of growth acceleration.

As a matter of fact, while in December 2016 the European Central Bank ("ECB") estimated 1.7% GDP growth for the Eurozone, the year ended with a much stronger 2.4%, GDP growth mainly due to consumer spending and investments.

Consumption was bolstered by the increase in disposable income and the improvement in employment data that returned to pre-crisis levels in many European countries.

Investments benefited from a broader access to credit favored by central banks, demand from emerging countries and tax incentives introduced by various governments to stimulate growth.

Italy, among other European countries, benefited from this surge of the global economic growth and in particular from the excellent performance of its two main business partners, Germany and France. According to ISTAT preliminary estimates, 2017 is expected to close with a growth of +1.4% compared to +0.9% in 2016, the best percentage growth since 2007.

The strength of the Euro (+14% versus the US Dollar in 2017) did not have negative consequences on the economic performance of the Eurozone, because of the dynamic domestic demand and the growth of exports to emerging countries that benefited from the US currency weakness.

In terms of monetary policy, 2017 did not show any significant deviation versus the consensus view: the Federal Reserve System ("Fed") proceeded with three interest rate hikes, while the ECB, though keeping the "forward guidance" on interest rates unchanged, announced the halving of the Quantitative Easing ("QE") from €60 bn to €30 bn starting in January 2018.

2017 saw a moderate rise in bond yields, equal to 25 bps for the ten-year Bund and 22 bps for BTPs. Such an increase was the result of several factors: 1) the strengthening of the economic recovery in Europe; 2) the reduction of purchases of securities by the Fed and the ECB; 3) the expectation of a significant worsening of the American public deficit due to the aggressive fiscal policies; and 4) the potential inflationary pressures caused by the commodity rally.

The BTP-Bund spread decreased from 159 bps at the beginning of the year to 134 bps mainly because of the good performance of Italy in terms of growth and containment of the public deficit (2.1% of GDP compared to 2.4% in 2016).

As far as the equity markets are concerned, 2017 was an exceptional year for our country with all major indexes in a strong positive territory: FTSE MIB index +13.6%, FTSE Italy Mid Cap +32.3% and finally FTSE AIM Italia +22.4%. Dax (+12.8%) and CAC40 (+9.8%) showed a positive but lower increase than the Italian indices. Eurostoxx600 registered an increase of 7.7% while the MSCI Small cap Euro was up +22.2%.

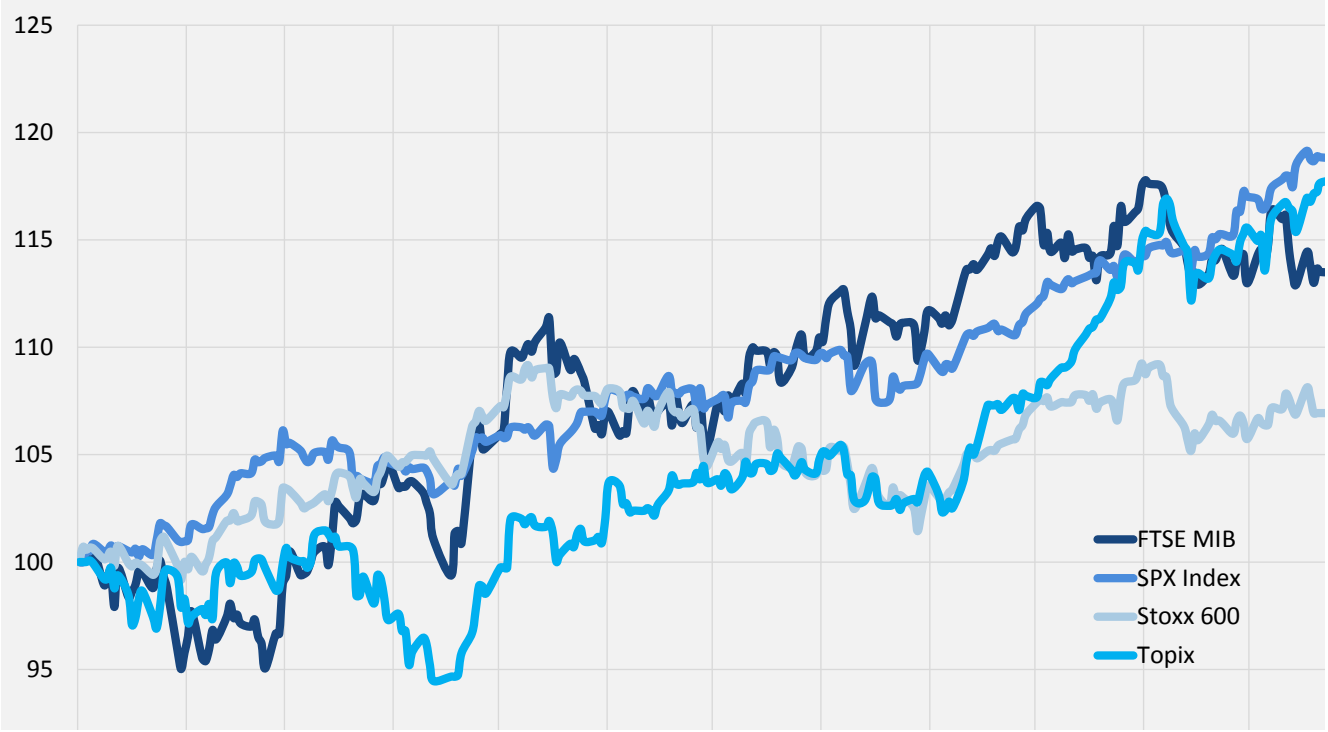
The renewed interest for Eurozone equities was fueled by the progressive upward revision of growth estimates and the favorable outcome of the elections in the Netherlands, France and Germany. In this context, investors increased the asset allocation to Italian stocks more than proportionally. The measures approved by our Government at the end of 2016, such as the creation of a restructuring fund for the banking sector and the launch of PIRs ("Piani Individuali di Risparmio", individual savings accounts that are estimated to have collected over €11 bn in 2017 alone), significantly improved the appeal of the Italian market.

For 2018, Bankitalia estimates an expansion of the Italian economy of +1.4% largely due to the rising volume of investments in equipment and transport from +5.2% to +6.0%, offset by a lower contribution of net exports.

The Fed is expected to carry out three additional interest rate hikes while the consensus is that Mario Draghi will stop QE in September and prepare the market for a first increase in rates over the course of 2019.

Nevertheless in the US the commodity rally, full employment and the dollar depreciation have brought inflation above the 2% target set by the Fed and introduced a new element in the long cycle of monetary expansion that began in 2008. This trend needs to be monitored.

2017 Major Market Index Performance



Business performance

Income Statement (reclassified)

- The distinguishing feature of 2017 was a significant change in the corporate structure; the Company firstly acquired Manco S.p.A., a company that holds 49.5% of the subsidiary Equita SIM S.p.A., and was subsequently listed on the AIM during the last quarter.

Reclassified income statement	2017	2016	Change %
Revenues from equity investments	5,230,760	6,137,770	-15%
Total revenues	**5,230,760**	**6,137,770**	**-15%**
Commissions, net	(1,540)	–	n,s
Interest margin	(143,219)	(130,906)	9%
Brokerage income	**5,086,001**	**6,006,864**	**-15%**
Administrative expenses	(1,135,447)	(82,344)	n,s,
Other expenses	(840,915)	(82,344)	n,s,
Profit from ordinary activities	**3,950,554**	**5,924,520**	**-33%**
Income taxes	504,991	(159,817)	-416%
Net profit	**4,455,544**	**5,764,703**	**-23%**

The Company's economic performance accordingly suffered as far as administrative expenses were concerned, firstly due to consultancy costs arising from the corporate reorganization (+€0.5 million) and then due to the costs incurred as part of the IPO which were recognized in the income statement (+€0.3million).

Among other things the corporate reorganization saw a strengthening of the corporate bodies starting from the second half of the year, leading to a rise in costs of €0.3million.

There was a decrease of 15% in the dividends received from the subsidiary Equita SIM.

In 2017 income taxes include the benefits resulting from the application of the "Aid for Economic Growth" scheme (ACE - Aiuto alla Crescita Economica) in respect of the Company's fully paid-up capital and retained earnings.

Reclassified balance sheet

	2017	2016	Difference %
Loans and receivables	17,558,498	277,978	n,s,
Equity investments	47,147,885	30,122,439	57%
Tax assets	3,161,490	509	n,s,
Other assets	47,856	0	n,s,
Total assets	**67,915,729**	**30,400,926**	**123%**
Payables	0	5,000,000	n,s,
Tax liabilities	0	159,817	n,s,
Other liabilities	1,516,082	458,592	n,s,
Shareholders' equity	66,399,647	24,782,517	168%
Total liabilities and shareholders' equity	**67,915,729**	**30,400,926**	**123%**

Equita Group's balance sheet is essentially unchanged compared to the end of the previous year.

On the assets side there is an increase in receivables from the banking system as the effect of the IPO which generated liquidity of €22 million and the receipt of dividends from the subsidiary of over €5 million, offset by the early repayment of €5 million of the loan taken out in 2016 , the payment of over €2 million for the 2016 dividend and the purchase of treasury shares for an amount of over €3 million.

Equity investments include the 100% interest in Equita SIM S.p.A., consisting of a holding of 50.5% carried at €30.1 million, arising from the purchase completed on January 25th 2016 (excluding transaction costs which were recognized in equity on first-time adoption of IFRS), and 49.5% deriving from the purchase of Manco S.p.A. for €15.7 million which was completed on July 1st 2017.

In addition Equita Group set up a joint venture, Equita Pep Holding S.r.l., in June 2017. The aim of this initiative is to develop the business of an "SPAC" (Special Purpose Acquisition Company). The 50% interest held by Equita Group S.p.A. in the venture is carried at €1,350,000. Further details of this initiative can be found in the specific section of the report on operations in the consolidated financial statements.

Tax assets consist of the IRAP regional production tax benefit and the ACE tax credit amounting to a total of €0.5 million and recognized deferred tax assets of €1 million arising from the franking of the goodwill acquired as part of the acquisition of Equita SIM on January 25th 2016.

Other assets consist of intragroup receivables generated as part of the national tax consolidation.

Other liabilities consist of payables due to suppliers and invoices to be received.

Two significant events affected Equita Group's equity during the year: the merger of Manco S.p.A. into the Company and the Company's IPO.

The merger led to an increase of €25.6 million in equity (net of the negative merger reserve of €0.5 million) and a redetermination of share capital to €10 million. The increase of €25.6 million and the increase of €9.2 million in share capital were both recognized as part of capital reserves.

The IPO led to an increase of €1.4 million in share capital and of €18.2 million in the share premium reserve.

In accordance with IFRSs, part of the listing costs were recognized in equity net of the tax effect (€0.8 million) and previously capitalized start-up and acquisition costs of €0.2 million were charged against the FTA reserve.

As a result of the above two operations the Company recorded treasury shares of €4.5 million.

New products introduced and major initiatives undertaken during the year

As part of the corporate reorganization in 2017 Equita Group got the initiative based on the above-mentioned joint venture under way and therefore set-up an SPAC, EPS Equita PEP SPAC S.p.A., which was listed on the Italian AIM on August 1st 2017 (this latter activity was carried out by the subsidiary Equita SIM).

Information on personnel and the environment

The Company operates in a low environmental impact sector and complies with current laws and regulations on safety and the workplace.

The Company had no employees apart from its directors in 2017.

Research and development activities

Pursuant to article 3, point 1) of article 2428 of the Italian Civil Code it is hereby stated that the Company performed no research and development activities in 2017.

Relations with subsidiaries, associates, parent companies and companies under common control

Pursuant to paragraph 3, point 2) of article 2428 of the Italian Civil Code it is hereby stated that in 2017 related party transactions regard service agreements for the performance of administrative and corporate activities entered into with:

- Equita SIM S.p.A. (fully owned)
- Equita-PEP Holding S,r,l, (controllata al 50%).

as well as compensation paid to key management personnel during the year.

Further details can be found in Section 5 of Part D "Related party transactions" of the notes to the financial statements.

Share capital and treasury shares

Following the corporate reorganization and the IPO the Company's share capital consists of 50,000,000 ordinary shares and 4,748,025 treasury shares.

Number and nominal value of treasury shares and shares or quotas of parent companies held by the Company, including by way of a trust company or intermediary, indicating the corresponding percentage of capital

Pursuant to paragraph 3, point 3) of article 2428 of the Italian Civil Code it is hereby stated that Equita Group holds 4,748,025 treasury shares equal to approximately 9.5% of share capital.

In addition, in the held-for-trading portfolio the subsidiary Equita SIM holds 261 shares of the parent company Equita Group S.p.A. purchased at a price of €2.90 on November 23rd 2017 (the day of listing on the AIM) and relating to the "splits" resulting from the allocation on the issue of these shares on the primary market (minimum lot 500 shares).

Number and nominal value of treasury shares and shares or quotas of parent companies purchased or disposed of by the Company during the year, including by way of a trust company or intermediary, indicating the corresponding percentage of capital, the amounts paid or received and the reasons for the purchases and disposals

Pursuant to paragraph 3, point 4) of article 2428 of the Italian Civil Code it is hereby stated that Equita Group holds 4,748,025 treasury shares equal to approximately 9.5% of share capital.

During the year, as part of the operation to buy out non-controlling interests, the Company purchased 8,189,025 treasury shares (16.4% of ordinary shares) at a unit price of €1 and during the IPO sold 3,300,000 shares (6.6% of ordinary shares) at a price of €2.90 and subsequently sold a further 141,000 shares (0.3% of ordinary shares) at a price of €1 to the employees of Equita SIM S.p.A..

In addition, in the held-for-trading portfolio the subsidiary Equita SIM holds 261 shares of the parent company Equita Group S.p.A. purchased at a price of €2.90 on November 23rd 2017 (the day of listing on the AIM) and relating to the "splits" resulting from the allocation on the issue of these shares on the primary market (minimum lot 500 shares).

Disclosures relating to the use of financial instruments by the company and if material for an evaluation of the balance sheet and result for the year concerning:

a) the company's objectives and policies for financial risk management including the hedging policy for each major class of transaction;

b) the company's exposure to price risk, credit risk, liquidity risk and the risk of changes in cash flows.

Pursuant to paragraph 3, point 6) of article 2428 of the Italian Civil Code it is hereby stated that the most important risks to which the Company is exposed regard the market context in which it operates and in particular those that may affect the results of its subsidiary Equita SIM, because the subsidiary is currently the Company's main source of income through the distribution of dividends.

Business risks are assessed by the members of the Board of Directors on an annual basis as part of the ICAAP. In addition they are periodically reviewed at Group level as part of normal monitoring activity.

Further details may be found in the relevant section of the consolidated financial statements of Equita Group S.p.A..

Subsequent events

Pursuant to paragraph 3, point 5) of article 2428 of the Italian Civil Code it is hereby stated that that no corporate events of importance occurred during the first few months of 2018 nor anomalous or unusual events or in any case events that may require to be taken into consideration in the preparation of these financial statements.

Business outlook

For 2018, the Bank of Italy estimates an expansion of the Italian economy of +1.4% largely due to the rising volume of investments in equipment and transport from +5.2% to +6.0%, offset by a lower contribution of net exports.

The moves made by the central banks appear less predictable than they were last year. The Fed is expected to carry out three additional interest rate hikes while the consensus is that Mario Draghi will stop QE in September and prepare the market for a first increase in rates over the course of 2019. Nevertheless in the US the commodity rally, full employment and the dollar depreciation have brought inflation close to the 2% target set by the Fed and introduced a new element in the long cycle of monetary expansion that began in 2008. This trend needs to be monitored.

For 2018 Equita Group will continue with its reorganization of operations as part of its role as the parent company of a SIM group.

Proposals to shareholders

Profit for 2017 amounts to €4,455,544; shareholders in general meeting propose to:

- allocate €222,777 to the legal reserve;
- distribute a dividend of €4,167,309 out of profit for the year after the above allocation to the legal reserve;
- distribute a dividend of €5,788,125 out of reserves.
- mettere in pagamento il dividendo il giorno 9 maggio 2018. con stacco cedola il giorno 7 maggio 2018,

The dividend proposed for distribution accordingly amounts to €0.22 euro for each outstanding share making a total of €9,955,435.

p, il Consiglio di Amministrazione
l'Amministratore Delegato
Andrea Vismara

Milano. 14 marzo 2018

SEPARATE FINANCIAL STATEMENTS OF EQUITA GROUP S.p.A. December 31st 2017

Balance sheet

Assets (euros)		31/12/2017	31/12/2016
60.	Loans and receivables	17,558,498	277,978
90.	Equity investments	47,147,885	30,122,439
120.	Tax assets	3,161,490	509
120a.	a) Current	3,157,738	–
120b.	b) Deferred	3,752	509
	of which as per Law no. 241/2011		
140.	Other assets	47,856	
	of which intragroup (national tax consolidation)	47,856	
	Total assets	**67,915,729**	**30,400,926**

Liabilities and shareholders' equity (euros)		31/12/2017	31/12/2016
10.	Payables	–	5,000,000
70.	Tax liabilities	–	159,817
70a.	Current		159,817
90.	Other liabilities	1,516,082	458,592
100.	Employees' leaving entitlement	–	
110.	Allowances for risks and charges	–	
	a) pension and similar		
	b) other allowances		
120.	Share capital	11,376,345	19,240,000
	Paid in as capital		
130.	Treasury shares (-)	(4,748,025)	
140.	Equity instruments	–	
150.	Share premium reserve	18,198,319	
160.	Other reserves	37,117,465	(222,186)
180.	Profit (loss) for the year	4,455,544	5,764,703
190.	Non-controlling interests	–	
	Total liabilities and shareholders' equity	**67,915,729**	**30,400,926**

Income statement

Income statement line item (euros)		2017	2016
60.	Commission expense	1,540	
70.	Interest and similar income	450	
80.	Interest and similar expense	143,669	130,906
90.	Dividends and similar income	5,230,760	6,137,770
	Brokerage income	**5,086,001**	**6,006,864**
110.	Administrative expenses:	1,153,768	79,925
110a.	a) personnel expenses	294,532	
110b.	b) other administrative expenses	859,235	79,925
120.	Net losses (recoveries) on impairment of tangible assets	–	
130.	Net losses (recoveries) on impairment of intangible assets	–	3,757
160.	Other operating income and expense	18,097	1,338
	Operating income	**3,950,331**	**5,924,520**
170.	Profit (loss) on equity investments	223	
200.	Profit (loss) on disposal of investments	–	
	Profit (loss) on ordinary operations before tax	3,950,554	5,924,520
190.	Income tax for the year on ordinary operations	504,991	(159,817)
	Profit (loss) on ordinary operations after tax	**4,455,544**	**5,764,703**
200.	Profit (loss) on discontinued operations after tax	–	–
	Profit (loss) for the year	**4,455,544**	**5,764,703**

Statement of comprehensive income

Line item (euros)		2017	2016
10.	Profit (loss) for the year	4,455,544	5,764,703
	Other comprehensive income, net of tax		
20.	Available-for-sale financial assets		–
30.	Property, plant and equipment	–	–
40.	Intangible assets	–	–
50.	Foreign investment hedges	–	–
60.	Cash flow hedges	–	–
70.	Foreign exchange differences	–	–
80.	Non-current assets held for sale	–	–
90.	Actuarial gains (losses) on defined benefit plans	–	–
100.	Portion of the revaluation reserve – equity accounted investees	–	–
110.	**Total other comprehensive income, net of tax**	**–**	**–**
120.	Total comprehensive income (Items 10+110)	4,455,544	5,764,703

Statement of changes in shareholders' equity –2017

(euros)	Balance at 31.12.2016	Adjustments to opening balances	Balance at 01.01.2017	Allocation of previous year's profit		Changes during the year						Comprehensive income 2017	Shareholders' equity at 31.12.2017
						Operations on shareholders' equity							
				Reserves	Dividends and other allocations	Changes in reserves	New share issues	Treasury stock purchases	Distribution of extraordinary dividends	Changes in equity instruments	Other changes		
Share capital	19,240,000	–	19,240,000	–	–	–	1,376,340	–		–	(9,240,000)	–	11,376,345
Share premium on issues		–	–	–	–	–	18,198,319.00	–	–	–	–	–	18,198,319
Reserves:													
a) revenue reserves	(63,763)	(19,227)	(82,990)	287,274	5,477,429	–	–	–	(2,380,625)	–	–	–	3,301,088
b) capital reserves		–	–	–	–	–	–	–	–	–	33,816,377	–	33,816,377
Valuation reserves		–	–	–	–	–	–	–	–	–	–	–	–
Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
Treasury shares	–	–	–	–	–	–	–	(4,748,025)	–	–	–	–	(4,748,025)
Profit (loss) for the year	5,764,703		5,764,703	(287,274)	(5,477,429)	–	–	–	–	–	–	4,455,544	4,455,544
Shareholders' equity	**24,940,940**	**(19,227)**	**24,921,713**	**(0)**	**–**	**–**	**19,574,664**	**(4,748,025)**	**(2,380,625)**	**–**	**24,576,377**	**4,455,544**	**66,399,647**

Statement of changes in shareholders' equity –2016

(euros)	Balance at 31.12.2015	Adjustments to opening balances	Balance at 01.01.2016	Allocation of previous year's profit		Changes during the year						Comprehensive income 2016	Shareholders' equity at 31.12.2016
						Operations on shareholders' equity							
				Reserves	Dividends and other allocations	Changes in reserves	New share issues	Treasury stock purchases	Distribution of extraordinary dividends	Changes in equity instruments	Other changes		
Share capital	19,240,000	–	19,240,000	–	–	–	–	–		–	–	–	19,240,000
Share premium on issues		–	–	–	–	–	–	–	–	–	–	–	–
Reserves:													
a) revenue reserves	–	–	–	–	(63,763)	–	–	–	–	–	(158,423)	–	(222,186)
b) capital reserves		–	–	–	–	–	–	–	–	–	–	–	–
Valuation reserves		–	–	–	–	–	–	–	–	–	–	–	–
Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
Treasury shares	–	–	–	–	–	–	–	–	–	–	–	–	–
Profit (loss) for the year	(63,763)		(63,763)	–	63,763	–	–	–	–	–	–	5,764,703	5,764,703
Shareholders' equity	**19,176,237**	**–**	**19,176,237**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(158,423)**	**5,764,703**	**24,782,517**

Statement of cash flows

(direct method)

A.	Operating activities	2017	2016
1.	Cash from operations	4,455,544	5,764,703
	interest received	450	–
	interest paid	(143,669)	(130,906)
	dividend and similar income	5,230,760	6,137,770
	commissions, net	(1,540)	–
	losses and recoveries on impairment		
	personnel expenses	(294,532)	–
	other expenses	(859,396)	(82,344)
	other income		
	taxes and duties	504,991	(159,817)
	profits/losses on discontinued operations after tax		
2.	**Cash (used by) financial assets**	**(3,209,346)**	**(509)**
	financial assets held for trading		
	financial assets at fair value		
	available-for-sale financial assets		
	due from banks		
	due from financial entities		
	due from customers		
	other assets	(3,209,346)	(509)
3.	**Cash from financial liabilities**	**897,673**	**268,979**
	due to banks		(349,430)
	due to financial entities		
	due to customers		
	outstanding securities		
	financial liabilities held for trading		
	financial liabilities at fair value		
	other liabilities	897,673	618,409
	Net cash from operating activities	**2,144,380**	**6,033,173**

B	Investing activities	2017	2016
1.	**Cash from**		
	– sale of equity investments		
	– dividends received from equity investments		
	– sale/redemption of held-to-maturity financial assets		
	– sale of property and equipment		
	– sale of intangible assets		
	– sale of business units		
2.	**Cash used in**		
	– purchase of equity investments	(1,350,000)	(30,122,439)
	– purchase of held-to-maturity financial assets		
	– purchase of property and equipment		
	– purchase of intangible assets		
	– purchase of business units		
	Cash (used in) investing activities	**(1,350,000)**	**(30,122,439)**
C	**Financing activities**		
	issue/purchase of treasury shares	23,477,063	
	issue/purchase of equity instruments		
	distribution of dividends and other purposes	(1,615,922)	(222,186)
	Cash from (used in) financing activities	**21,861,141**	**(222,186)**
	Net increase (decrease) in cash and cash equivalents during the year	**22,655,520**	**(24,311,452)**

Reconciliation

	Importo	
	2017	2016
Cash and cash equivalents at the beginning of the year	(5,097,022)	19,214,430
Net increase (decrease) in cash and cash equivalents during the year	22,655,520	(24,311,452)
Cash and cash equivalents at the end of the year	17,558,498	(5,097,022)

Notes to the Financial Statements

Part A – Accounting principles and policies

A.1 General part

Section 1 – Statement of conformity with International Financial Reporting Standards

The separate financial statements for the year ended December 31st 2017 have been prepared in accordance with all the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board and the relative interpretations of the International Financial Reporting Standards Interpretation Committee in force at December 31st 2017 and adopted by the European Commission in accordance with the procedure prescribed by Regulation (EU) no. 1606/2002.

In addition, the Company has complied with the provisions issued in implementation of article 43 of Legislative Decree no. 136 of August 18th 2015 and in particular the instructions for preparing "The IFRS financial statements of intermediaries other than bank intermediaries"([2]) issued by way of the Provision of the Bank of Italy of December 9th 2016 which fully replace those of December 15th 2015 and adopt and give practical application to the above-mentioned international accounting standards.

Such Instructions establish binding rules for presenting primary financial statements and the relative means by which they must be compiled, as well as the contents of the notes to the financial statements.

The 2016 separate financial statements of Equita Group S.p.A. were prepared in accordance with Italian Accounting Standards ("OICs"). On the other hand the separate financial statements of Equita Group S.p.A. for the year ended December 31st 2017 have been prepared in accordance with the above-mentioned Provision of the Bank of Italy of December 9th 2016 for the following reasons:

1. They no longer fall within the scope of article 2435 bis of the Italian Civil Code which gives companies that have NOT issued securities on regulated markets the possibility of preparing their financial statements in abbreviated form if certain size limits are not exceeded for two consecutive financial years (since November 23rd 2017 Equita Group S.p.A. has been listed on AIM Italia, the Italian Alternative Investment Market managed by Borsa Italiana and intended for the use of small and medium Italian companies with high growth potential);
2. The possibility of preparing abbreviated financial statements is excluded, international accounting standards must be adopted as prescribed by the above-mentioned instructions of the Bank of Italy of December 9th 2016, which inter alia must be applied to the financial parent companies of groups of SIMs enrolled in the register pursuant to article 11, paragraph 1-bis of the Financial Services Act (TUF) (Equita Group S.p.A. has been enrolled in this register since November 10th 2017).

These companies must prepare both separate and consolidated financial statements in accordance with international accounting standards as per article 1 of the IAS decree and the dispositions contained in annex C to this provision.

On this basis the Company has reclassified the comparative figures as December 31st 2016 and adopted the above-mentioned IAS/IFRS standards for the first time in the financial statements for the year ended December 31st 2017.

The balance sheet at January 1st 2017 (the date of transition to IFRSs) incorporates the differences in accounting treatment of balance sheet items between those obtained by applying IAS/IFRS and those obtained by applying the Italian Civil Code and the OICs.

The IFRS transition reserve, which summarizes the overall net effect of first-time adoption of IFRSs, was created as a result of this transition.

As discussed in further detail in the following, the means by which the first-time adoption reserve was established at the transition date and the effects on the accounting balances at the transition date and the balance sheet date of the comparative year (December 31st 2016) are described in Annex 1 to the financial statements "Main effects arising

(2) For completeness it is noted that on December 22th 2017, the Bank of Italy published new instructions for "the IFRS financial statements of intermediaries other than bank intermediaries" which will be applicable to financial statements ending on or after December 31st 2018.

from the application of IFRSs to the opening balance sheet at January 1st 2017 and on the financial statements for the year ended December 31st 2017".

The format and contents of the separate financial statements for the year ended December 31st 2017 have been prepared in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards", with particular reference to the reconciliations required by paragraphs 24 (a) and (b) of that standard together with the notes to the financial statements, the basis of preparation and the component items. More specifically, with respect to 2016 this information regards the effect caused by transition to IFRSs on the balance sheet, the income statement and the cash flows presented. An analysis in this respect is reported in Annex 1.

The IAS/IFRS standards (including SIC and IFRIC interpretations) becoming effective as at December 31st 2017 and adopted by the European Commission at that date were used in preparing the financial statements and a list of such is provided in these financial statements.

The following table sets out the new international accounting standards or the amendments to accounting standards already effective together with the relative adoption regulations issued by the European Commission, which became effective in 2017.

International accounting standards adopted as at December 31st 2017 and effective from 2017

Standard name	Effective date	Adoption regulation
Amendments to IAS 12 Income Taxes	January 1st 2017 Years beginning on or after January 1st 2017	1989/2017
Amendments to IAS 7 Statement of Cash Flows	January 1st 2017 Years beginning on or after January 1st 2017	1990/2017

The accounting standards applicable mandatorily for the first time from 2017 consist of a number of limited amendments to standards that are already effective, and were adopted by the European Commission in 2017 ([3]). These standards are not, however, particularly significant for Equita Group S.p.A..

The following table sets out new international reporting standards or amendments to accounting standards that are already effective together with the relative adoption regulation issued by the European Commission, which must be applied from January 1st 2018 - in the case of financial years coinciding with calendar years – or from the later starting date in other cases.

International accounting standards adopted as at December 31st 2017 with application subsequent to December 31st 2017

Standard name	Effective date	Adoption regulation
IFRS 15 Revenue from Contracts with Customers	January 1st 2018 Years beginning on or after January 1st 2018	1905/2016
IFRS 9 Financial Instruments	January 1st 2018 Years beginning on or after January 1st 2018	2067/2016
IFRS 16 Leases	January 1st 2019 Years beginning on or after January 1st 2019	1986/2017
Amendments to IFRS 15 Revenue from Contracts with Customers	January 1st 2018 Years beginning on or after January 1st 2018	1987/2017
Amendments to IFRS 4 Insurance Contracts	January 1st 2018 Years beginning on or after January 1st 2018	1988/2017

(3) More specifically Regulation 1989/2017 provides a number of clarifications concerning the accounting treatment of deferred tax assets arising from debt instruments measured at fair value, while Regulation 1990/2017 introduces a series of changes to improve disclosures on liabilities arising from financing activities provided to users of the financial statements.

The new accounting standards adopted by the European Commission in 2016 and 2017 are not applicable to the contents of the financial statements of Equita Group S.p.A..

Section 2 – Basis of preparation

In accordance with article 5, paragraph 2 of Legislative Decree no. 38/2005 these financial statements have been prepared in euros as the money of account. The financial statements consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes to the financial statements. They are also accompanied by a directors' report on the Company's operations, its results and its balance sheet and financial position.

These separate financial statements have been prepared with clarity and give a true and fair view of the Company's financial position, the results of its operations and its cash flows and are based on the application of the following general principles of preparation contained in the IASB Framework as well as in IAS 1:

- **Going concern** - Assets, liabilities and "off balance sheet" transactions are measured on a going concern basis because the Company is expected to continue to operate in the future, based on all the available information and taking as a reference, in accordance with IAS 1 "Presentation of Financial Statements", a future period of at least but not limited to 12 months from the balance sheet date.
- In preparing the separate financial statements management has assessed the Company's ability to continue as a going concern, arriving at the conclusion that this assumption is reasonable as there is no reasonable doubt in this respect.
- **Accrual basis of accounting** - Income and expense are recognized when they occur, regardless of when the corresponding balances are settled, and in accordance with the matching principle.
- **Consistency of presentation** - The presentation and classification of items are kept constant over time to ensure comparability of information, unless changes are required by an IFRS or an interpretation or if it makes the representation of the amounts more appropriate in terms of relevance and reliability. If a presentation or classification policy is changed, the new one is applied retrospectively if possible; in this case the nature and the reason for the change as well as the items concerned are stated. The formats prescribed by the Bank of Italy for the financial statements of SIMs have been used in the presentation and classification of items.
- **Materiality and aggregation** - All significant aggregations of items with a similar nature or function are reported separately. Items having a different nature or function are presented distinctly.
- **Offsetting** - Assets and liabilities, and income and expenses are not offset with each other unless required or permitted by an IFRS or interpretation or by the formats prescribed by the Bank of Italy for the financial statements of SIMs.
- **Comparative information** - Comparative information for the previous year is reported for all the figures contained in the financial statements unless otherwise prescribed or permitted by an IFRS or interpretation. This also relates to information of a narrative or descriptive nature or comments when useful to an understanding of the figures.
- **Consistency in the application of accounting standards** - The means by which items are recognized are kept constant over time in order to ensure the comparability of financial statements unless changes are required by an IFRS or an interpretation or if it makes the representation of the amounts more appropriate in terms of relevance and reliability. If there is a change in principle, the new principle is adopted retrospectively if possible; in this case the nature and the reason for the change as well as the items concerned are stated.
- **Use of estimates and assumptions** - In the preparation of the financial statements accounting estimates and assumptions are used that are based on complex and/or objective judgements, on past experience and on assumptions that are considered reasonable and realistic on the basis of the information known when the estimates are made. The use of these estimates affects the carrying amount of assets and liabilities and disclosures about contingent assets and liabilities at the balance sheet date, as well as the amounts of income and expense for the reporting period. Actual results may differ from the estimates owing to the uncertainty that characterizes the assumptions and the conditions on which the estimates are based.

The main cases for which management is mostly required to make subjective assessments are as follows:

- the quantification of impairment losses on loans and receivables and in general on other financial assets;
- the quantification of personnel allowances and other allowances;
- estimates and assumptions regarding the recoverability of deferred tax assets.

Section 3 – Subsequent events

No corporate events of importance occurred during the first few months of 2018 nor anomalous or unusual events or in any case events that may require to be taken into consideration in the preparation of these financial statements.

In accordance with the requirements of IAS 10 it is hereby stated that the Board of Directors authorized the publication of these financial statements on March 14th 2018.

Section 4 – Other matters

New international accounting standards and amendments to accounting standards already effective were taken into consideration in the preparation of these financial statements.

With specific regard to paragraph 125 of IAS 1 reference should be made to the section "Risks connected with the business".

The following table sets out the new international accounting standards and amendments to accounting standards already effective together with the relative adoption regulation issued by the European Commission, which must be applied from January 1st 2017 - in the case of financial years coinciding with calendar years – or from the later starting date in other cases.

New standards issued by the IASB and adopted by the EU which are mandatorily applicable for financial statements beginning on January 1st 2017

Standard name	Date of adoption	EU regulation and issue date
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	December 17th 2014	(EU) 2015/29 January 9th 2015
Annual Improvements to International Financial Reporting Standards (2010-2012 cycle)	December 17th 2014	(EU) 2015/28 January 9th 2015
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	November 23rd 2015	(EU) 2015/2113 November 24th 2015
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	November 24th 2015	(EU) 2015/2173 November 25th 2015
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	December 2nd 2015	(EU) 2015/2231 December 3rd 2015
Annual Improvements to International Financial Reporting Standards (2012-2014 cycle)	December 15th 2015	(EU) 2015/2343 December 16th 2015
Disclosure Initiative (amendments to IAS 1)	December 18th 2015	(EU) 2015/2406 December 19th 2015
Equity Method in Separate Financial Statements (amendments to IAS 27)	December 18th 2015	(EU) 2015/2441 December 23rd 2015
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	December 22nd 2016	(EU) 2016/1703 September 23rd 2016

Standards adopted by the EU as at October 31st 2017

Standard name	Effective date	Adoption date	EU regulation and issue date
IFRS 15 – Revenue from Contracts with Customers	January 1st 2018	September 23rd 2016	(EU) 2016/1905 October 29th 2016

A.2 Part relating to financial statement items

Set out below are the accounting principles and policies adopting in preparing the separate financial statements for the year ended December 31st 2017. More specifically, information is provided on the policies used in the initial recognition, subsequent recognition, classification, measurement and derecognition of assets and liabilities and the recognition of income and expense.

Equity Investments

Recognition, classification and measurement

This item consists of the Company's equity interests in jointly controlled entities and associates. Entities are considered to be jointly controlled (joint ventures) when on a contractual basis control is shared between the Company and one or more other parties or when decisions about the relevant activities require the unanimous consent of the parties sharing control. Entities are considered to be those over which the investor has significant influence (associates) if the Company holds 20% or more of the voting power (including "potential" voting power) or – albeit with less than 20% of the voting power – if it has the power to participate in financial and operational policy-making processes by virtue of specific legal means such as participation in shareholders' agreements. The Company is not considered to exert a significant influence in interests of more than 20% if it only holds asset rights on a portion of the results of those investments, if it has no access to operational policies and if its governance rights are limited to protecting its asset interests. If there is evidence of the impairment of an investment its recoverable amount is estimated, taking into account the present value of the future cash flows it will be able to generate including the final disposal value of the investment. If the carrying amount of the investment exceeds its recoverable amount, the difference is recognized in profit or loss. If the reason for the impairment no longer holds as the result of an event occurring after the recognition of the impairment loss this loss is reversed and the effect of the reversal is recognized in profit or loss.

Derecognition

Investments in an entity are derecognized when the Company no longer has contractual rights to the entity's cash flows or when the investment is sold, effectively transferring the risks and rewards of the investment to the buyer.

Loans and Receivables

Recognition, classification and measurement

This item consists of loans and receivables due from customers, banks and financial entities. More specifically, the item includes all the non-derivative assets not listed on an active market that are not classified as "financial assets held for trading", including trade receivables and deposits with banks. In addition this item includes repurchase agreements ("repos").

Swaps and repurchase agreements with a forward obligation to repurchase or resell are recognized in the financial statements as lending transactions. More specifically repurchase agreements are recognized as liabilities for the amount received on sale while reverse repurchase agreements are recognized as receivables for the amount paid on purchase.

Measurement

An assessment of loans and receivables is performed at each balance sheet date designed to determine whether there is any objective evidence which indicates that an asset may be impaired as the result of events occurring after initial recognition.

Any impairment loss recognized against the original carrying amount of loans is reversed in subsequent years to the extent that the reasons that led to the recognition of the loss no longer hold, provided that this valuation can be objectively linked to an event occurring after the recognition of the loss.

Derecognition

Loans and receivables are derecognized when the Company no longer has contractual rights to the cash flows deriving from these loans and receivables or when the loans and receivables are sold, effectively transferring the risks and rewards of the assets to the buyer.

Recognition of income and expense

Income and expense are recognized in the appropriate line items of the income statement on the basis of the following:

interest income is recognized in the line item "interest and similar income";

impairment losses and reversals of impairment losses are recognized in the line item "Net losses/recoveries from impairment of: a) other financial transactions".

Property and Equipment

Recognition

Property, plant and equipment is initially recognized at cost which in addition to the purchase price includes any accessory costs directly attributable to the purchase and incurred for the asset to be capable of operating as intended.

Classification

Property, plant and equipment includes technical equipment, furniture and fittings and equipment of any other kind. Property, plant and equipment represents tangible items that are held for use in the production or supply of goods and services or for administrative purposes and which are expected to be used during more than one period.

Measurement

Property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

At the end of each reporting period, if there is any indication that an asset may be impaired its carrying amount is compared with its recoverable amount, which is the higher of its fair value less costs to sell and its value in use, understood as the present value of the future cash flows expected to be derived from the asset. Any changes are recognized in profit or loss.

If the reasons that led to the recognition of an impairment loss no longer hold the impairment loss is reversed. The resulting carrying amount of the asset does not exceed that which would have been determined net of depreciation had no impairment loss been recognized for the asset in prior years.

Derecognition

An item of property and equipment is derecognized on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Recognition of income and expense

Extraordinary maintenance expenses that lead to an increase in future economic benefits are attributed to the carrying amount of the asset concerned, whereas ordinary maintenance expenses are recognized in profit or loss.

Depreciation is calculated using criteria based on the passage of time, and together with any impairment losses or reversals of impairment losses is recognized in the line item "Net losses (recoveries) on impairment of tangible assets".

Intangible assets

Recognition and classification

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance. The characteristics required to satisfy the definition of an intangible asset are that it should be a resource:

- that is identifiable;
- that it is controlled by an entity;
- from which future economic benefits are expected to flow.

In the absence of these characteristics expenses incurred to acquire or generate the asset are fully recognized as a cost in profit or loss in the year in which they are incurred.

An intangible asset is recognized as such if it is identifiable and arises from contractual or other legal rights. It is measured at cost, adjusted for any accessory costs only if it is probable that the future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Measurement and derecognition

At the end of each reporting period, if there is any indication that an asset may be impaired an estimate is made of its recoverable amount. The amount of any impairment loss, recognized in profit or loss, is equal to the difference between the asset's carrying amount and its recoverable amount.

An intangible asset is derecognized on disposal or if future economic benefits are no longer expected.

Recognition of income and expense

Intangible assets are amortized on a straight line basis over their useful lives. Intangible assets with indefinite useful lives are not amortized and an impairment test is carried out on a regular basis to ensure that no impairment losses need be recognized with respect to an asset's carrying amount. Leasehold improvement costs incurred by the Company are amortized over a period not exceeding the term of the lease agreement.

Tax assets and liabilities

The Company recognizes the effects of current and deferred taxation in compliance with national fiscal legislation and on an accruals basis, consistent with the means of recognizing the income and expense that have generated such taxes and applying the tax rates that are currently applicable.

Income taxes are always recognized in profit or loss except for those relating to items directly debited or credited to equity.

The accrual for income taxes is calculated on the basis of a prudent estimate of the current tax charge and deferred tax income and expense. More specifically, deferred tax assets and liabilities are determined on the basis of the temporary differences – with no time limits – between the carrying amount of an asset or liability calculated in accordance with civil law criteria and the corresponding tax bases.

In the balance sheet current tax receivables and payables are recognized under "Current tax assets" and "Current tax liabilities" in the case in which the offsetting between receivables and payables leads to a net receivable or a net payable respectively.

Deferred tax assets are recognized to the extent that it is probable that they will be recovered, with recovery assessed on the basis of the Company's ability to generate taxable income on a continuous basis.

Deferred tax liabilities are always recognized with the sole exception of increases in the value of assets which are in tax suspension and represented by untaxed reserves, as the amount of the available reserves already taxed allows the reasonable conclusion to be drawn that no transactions will be carried out on the Company's initiative that would lead to the taxation of these reserves.

Deferred tax assets and liabilities are recognized gross and are not offset, with the former being classified as "Tax assets" and the latter as "Tax liabilities".

Deferred tax assets and liabilities are systematically assessed to take account of any changes that may have occurred in legislation or in tax rates and of any of the Company's various subjective situations.

The tax liability is adjusted as necessary to account for any costs that may arise from assessments received from the tax authorities or disputes in course with these authorities.

Allowances for risks and charges

In accordance with IAS 37 this item contains recognized liabilities of uncertain timing or amount when the following conditions occur: a) the Company has a present obligation as a result of a past event; b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and c) a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material the amount of on allowance is the present value of the expenditures expected to be required to settle the obligation.

Allowance are no longer recognized in the case of utilization or if the conditions for keeping them in the balance sheet no longer hold.

Accruals to allowances and any reversals of accruals are recognized in the line item "Net charges for allowances".

Payables

This item consists of payables to banks, financial entities and customers; it also includes repurchase agreements with a forward obligation or option to resell.

Items are initially recognized at the fair value of the liability which is usually the contractual value.

Payables are derecognized when the related contractual rights have expired or been extinguished.

Transactions in foreign currency

Transactions in foreign currency are initially recognized in the money of account by applying the exchange rate at the date of the transaction to the amount in currency.

At each balance sheet date items in foreign currency are measured as follows: (i) monetary items are translated at the closing rate; (ii) non-monetary items that are measured in terms of historical cost are translated at the exchange rate at the date of the transaction; (iii) non-monetary items that are measured at fair value are translated at the closing rate.

Exchange differences arising from the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in previous financial statements are recognized in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognized directly in equity any exchange component of that gain or loss is recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss any exchange component of that gain or loss is recognized in profit or loss.

Treasury shares

Treasury shares are deducted from equity. Any gains or losses on the sale of treasury shares are also recognized in equity.

Revenue

Revenue is recognized when received or when the future benefits can be measured reliably.

Related parties

On the basis of IAS 24, related parties are:

a) parties that are directly or indirectly controlled by the Company and the relative associates and parents;
b) associates, joint ventures and the companies controlled by such;
c) key management personnel, meaning those persons having authority and responsibility for planning, directing and controlling the activities of the parent company, directly or indirectly, including directors and members of the Statutory Board of Auditors;
d) entities controlled, jointly controlled or significantly influenced by any person referred to in c);
e) close members of the family of any person referred to in c), meaning family members who may be expected to influence, or be influenced by, that person in their dealings with the Company (these may include that person's spouse or domestic partner, children, children of that person's spouse or domestic partner and dependants of that person's spouse or domestic partner) as well as the entities controlled, jointly controlled or significantly influenced by any of those persons;
f) post-employment benefit plans for the benefit of the parent company's employees or any other entity related to such;
g) In addition, transactions with corporate vehicles which may not necessarily be directly linked to related parties but whose benefits are attributable to related parties are also considered to be related party transactions.

A.3 Disclosure on reclassifications of financial assets between categories

In accordance with the requirements of paragraph 12A of IFRS 7 it is hereby stated that there have been no reclassifications of financial assets from one category to another during the year.

A.4 Fair value disclosures

The disclosures required by paragraphs 91 and 92 of IFRS 13 are provided in the following.

Qualitative information

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

Market quotations are used for the determination of the fair value of listed financial instruments. In the absence of an active market, estimation methods and valuation models are used; these take into consideration all the risk factors related to the instruments and are based on information obtainable from the market, such as: valuation methods of listed instruments that have the same characteristics, discounted cash flow calculations, option-pricing models and prices in recent comparable transactions. Equity securities and the related derivative instruments for which it is not possible to determine fair value in a reliable manner in accordance with the above guidelines are measured at cost.

A.4.2 Valuation processes and sensitivity

Estimation method and valuation models used when there is no active market assume relevance in the case of a significant level of assets or liabilities. If the assets or liabilities subject to estimation have only marginal relevance they are measured at cost.

A.4.3 Fair value hierarchy

In accordance with paragraph 95 of IFRS 13 the valuation techniques used to determine the fair value of financial assets and liabilities are categorized into three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company can access at the valuation date. Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

A.4.4 Other information

As there are no financial assets or liabilities measured at fair value having the nature of those described in paragraphs 51, 93(i) and 96 of IFRS 13, meaning assets/liabilities for which there is a difference between fair value at initial recognition (transaction price) and the figure determined at that date by using level 2 or 3 valuation techniques for fair value, no disclosures of a quantitative nature are provided.

Disclosures of a quantitative nature

A.4.5 - Fair value hierarchy

A.4.5.1 - Assets and liabilities that are measured at fair value on a recurring basis: analysis by fair value level

The Company has no assets or liabilities measured at fair value.

A.4.5.4 - Assets and liabilities that are not measured at fair value or are measured at fair value on a non-recurring basis: analysis by fair value level

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	2017				2016			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Held-to-maturity investments								
2. Loans and receivables	17,558,498			17,558,498	277,978			277,978
3. Tangible assets held for investment purposes								
4. Non-current assets held for sale								
Total	**17,558,498**			**17,558,498**	**277,978**			**277,978**
1. Payables					5,000,000			5,000,000
2. Outstanding securities								
3. Liabilities associated with assets held for sale								
Total					**5,000,000**			**5,000,000**

Key:
CA = Carrying amount
L1 = Level 1; L2 = Level 2; L3 = Level 3

A.5 - Disclosure on "day one profit/loss"

Day one profit/loss, governed by paragraph 28 of IFRS 7 and paragraph AG 76 of IAS 39, arises from the difference on initial recognition between the transaction price of a financial instrument and its fair value. This difference generally occurs for financial instruments that do not have an active market and is recognized in profit or loss over the useful life of the instrument.

The Company does not have operations that are liable to generate significant components of income that have the nature of day one profit/loss.

Part B – Information on the balance sheet

Assets

Section 6 – Loans and receivables – Line item 60

6.1 Loans and receivables due from banks

Composition		2017				2016			
			Fair value				Fair value		
		Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
1.	Loans	17,558,498			17,558,498	277,978			277,978
1.1	Deposit and current accounts	17,558,498			17,558,498	277,978			277,978
1.2	Receivables for services								
	– of which order execution								
	– of which management								
	– of which consultancy								
	– of which other services								
1.3	Repos								
	– of which on government bonds								
	– of which on other debt securities								
	– of which on equity securities								
1.4	Other loans								
2.	Debt securities								
2.1	Structured securities								
2.2	Other debt securities								
	Total	**17,558,498**			**17,558,498**	**277,978**			**277,978**

Key:

L1 = Level 1; L2 = Level 2; L3 = Level 3

Section 9 – Equity investments– Line item 90

9.1 Equity investments: information on participation relationships

Company name	Registered office	Operating office	Quota di partecipazione	Voting power %	Carrying amount	Fair value
Fully controlled company	Equita SIM S.p.A.	Via Turati 9 Milano	Via Turati 9 Milano	100%	45,797,885	59,648,592
Jointly controlled company	Equita PEP Holding S.r.l.	Via Turati 9 Milano	Via Turati 9 Milano	50%	1,350,000	1,350,000

9.2 Annual changes in equity investments

Opening balance	30,280,862
B. Increases	
B.1 Purchases	1,350,000
B.2 Reversals of impairment losses	
B.3 Revaluations	
B.4 Other changes	15,675,446
C. Decreases	
C.1 Sales	
C.2 Value adjustments	
C.3 Other changes	(158,423)
D. Closing balance	47,147,885

The other changes relate to the investment in Equita Sim S.p.A. acquired following the merger of Manco S.p.A..

Section 12 – Tax assets and tax liabilities – Line item 120

12.1 Composition of line item 120 "Current and deferred tax assets"

		2017	2016
A.	Current	3,157,660	509
1.	Payments on account	275,855	
2.	Tax provision	(22,236)	
3.	Tax credits and withholding taxes	2,904,041	
B.	Deferred	3,752	
	Total	**3,161,412**	**509**

The sub-item "Tax credits and withholding taxes" refers to the following: a receivable for IRAP regional production tax recognized following the conversion of the ACE excess of the previous year; an IRAP receivable due to the fact that the Company has no employees; a receivable for IRES corporate income tax following the adoption of the national tax consolidation scheme; and an advance for current taxes recognized following the franking of the values of trademarks and goodwill.

"Deferred tax assets" refer to the tax calculated on the temporary differences arising following the deferral of the deductibility of expenses for tax purposes with respect to the year they are recognized for accounting purposes.

The Company has no deferred tax assets relating to Law no. 214/2011.

12.3 Changes in deferred tax assets (with counter-entry to profit or loss)

		2017	2016
1.	**Opening balance**		
2.	**Increases**		
2.1	Deferred tax assets recognized in the year:		
	a) relating to prior years		
	b) due to a change in accounting policy		
	c) reinstatements		
	d) other	3,752	509
2.2	New taxes or increases in tax rates		
2.3	Other increases		
3.	**Decreases**		
3.1	Deferred tax assets derecognized during the year:		
	a) reversals		
	b) write-downs for non-recoverability		
	c) due to a change in accounting policy		
	d) other		
3.2	Reductions in tax rates		
3.3	Other decreases		
	a) conversion to tax credits pursuant to Law no. 214/2011		
	b) other		
4.	**Closing balance**	**3,752**	**509**

12.2 Composition of line item 70 "Current and deferred tax liabilities"

	2017	2016
Current	–	159,817
Tax credits and withholding taxes	–	159,817
Deferred	–	
Total	**–**	**159,817**

Section 14 – Other assets – Line item 140

14.1 Composition of line item 140 "Other assets"

The line item other assets consists of prepayments of €47,856 relating to nomad and specialist services.

Liabilities and shareholders' equity

Section 1 – Payables– Line item 10

		2017			2016		
		Due to banks	Due to financial entities	Due to customers	Due to banks	Due to financial entities	Due to customers
1.	Borrowings				5,000,000		
1.1	Repos						
	– of which government bonds						
	– of which other debt securities						
	– of which equity securities						
1.2	Loans				5,000,000		
2.	**Other payables**	**0**		**–**			
	Total	**0**		**–**	**5,000,000**		**–**
	Fair value - level 1						
	Fair value - level 2						
	Fair value - level 3	0		–	5,000,000		–
	Total fair value	**0**			**5,000,000**		

The outstanding loan at December 31st 2016 was early-extinguished in December 2017.

Section 9 – Other liabilities – Line item 90

9.1 Composition of line item 90 "Other liabilities"

		2017	2016
1.	Other liabilities:		
	– due to suppliers and other payables	530,532	375,000
	– due to subsidiary for national tax consolidation	931,690	–
	– due to state agencies for social security and accident insurance contributions for collaborators	11,596	–
	– invoices issued relating to future periods	14,000	33,624
	– due to the tax authorities for various taxes	28,263	49,968
	Total	**1,516,082**	**458,592**

The item "due to suppliers and other payables" consists of accruals for invoices to be received and liabilities for invoices already received but not yet settled at the balance sheet date.

The item "due to state agencies for social security and accidence insurance contributions" refers to amounts due to the agencies INPS and INAIL on fixed and variable remuneration paid/to be paid to collaborators.

Section 12 – Shareholders' equity – Line items 120, 130, 140, 150, 160 and 170

12.1 Composition of line item 120 "Share capital"

Type		Amount
1.	Share capital	
1.1	Ordinary shares	11,376,345

Share capital consists of 50 million ordinary shares without nominal value.

12.2 Composition of line item 130 "Treasury shares"

Type		Amount
1.	Share capital	
1.1	Ordinary shares	11,376,345

Type		Amount
2.	Share capital	(4,748,025)

During the year the Company acquired treasury shares in the amount of €4,329,000 by way of the merger with Manco S.p.A. and in the amount of €3,860,025 from selling shareholders, and sold treasury shares in the amount of €3,441,000 as part of the IPO.

12.4 Composition of line item 150 "Share premium reserve"

Type		Amount
3.	Share premium reserve	18,198,319

The share premium reserve arose as part of the IPO.

12,5 "Other information"

	Legal reserve	Retained earnings	Reserve for treasury shares		Other reserves			Valua-tion reserves	Total
			Extraor-dinary reserve	Merger surplus	Extraor-dinary reserve	IAS/FTA reserves	Merger surplus		
Opening balance	–	(82,990)	–	–	–		–		(82,990)
Increases									
B1. Allocation of profit	287,274	5,477,429	–	–	–	–	–		5,764,703
B2. Other changes	–	–	–	–	35,412,184	–	–		35,412,184
Decreases									
C1. Utilizations	–	–	–	–	–	–	–	–	–
– loss absorption	–	–	–	–	–	–	–	–	–
– distribution	–	(2,380,625)	–	–	–	–	–	–	(2,380,625)
– transfer to capital	–	–	–	–	–	–	–	–	–
C2. Other changes	–	–			(873,988)	(161,013)	(560,808)	–	(1,595,808)
Closing balance	287,274	3,013,814		–	34,538,196	(161,013)	(560,808)	–	37,117,465

Analysis of the composition of shareholders' equity with reference to availability and possibilities for use pursuant to article 2427, paragraph 1, 7-bis of the Italian Civil Code

	Amount	Possibilities for use	Available portion	Summary of uses in the past three years	
				to absorb losses	for other purposes
Share capital	11,376,345				
Share premium reserve	18,198,319	A.B.C			
Revenue reserves:	3,301,088				
Legal reserve	287,274	A. B			
Retained earnings	3,013,814	A.B.C			
Merger surplus					
Extraordinary reserve					
Capital reserves:	33,816,377				
Merger surplus	(560,807)				
Extraordinary reserve	34,377,184	A.B.C			
Reserve for treasury shares:	(4,748,025)				
Total	**61,944,104**				
Non-distributable portion					
Remainder - distributable portion	48,292,489				

As discussed in the report on operations the Board of Directors makes the proposal to shareholders to allocate the whole of the profit for the year to shareholders by way of a dividend, to be assigned on the basis of the rules established in the Company's bylaws, and also to pay a dividend out of the distributable reserves, with the total dividend to be put into payment from the day following that scheduled for the shareholders' meeting dealing with these matters.

Parte C – Information on the income statement

Section 5 – Commissions – Line items 50 and 60

5.2 Composition of line item 60 "Commission expense"

		2017	2016
1.	Proprietary trading		
2.	Execution of orders on behalf of customers		
3.	Placement and distribution	–	–
	– of securities	–	–
	– of third party services:	–	–
	- portfolio management	–	–
	- other	–	–
4.	Portfolio management	–	–
	– proprietary	–	–
	– delegated by third parties	–	–
5.	Order collection	–	–
6.	Investment advice	–	–
7.	Custody and administration	–	–
8.	Other services	1,540	
	Total	**1,540**	

Section 6 – Interest– Line items 70 and 80

6.1 Composition of line item 70 "Interest and similar income"

	Line item/technical form	Debt securities	Repos	Other tran-sactions	Total 2017	Total 2016
1.	Financial assets held for trading					
2.	Financial assets at fair value					
3.	Available-for-sale financial assets					
4.	Held-to-maturity financial assets					
5.	Loans and receivables			450	450	
5.1	Due from banks			450	450	
5.2	Due from financial entities					
5.3	Due from customers					
6.	Other assets					
7.	Hedging derivatives					
	Total	**0**		**450**	**450**	**0**

6.2 Composition of line item 80 "Interest and similar expense"

	Line item/technical form	Debt securities	Repos	Securities	Other	Total 2017	Total 2016
1.	Due to banks				143,669	143,669	130,906
2.	Due to financial entities						
3.	Due to customers						
4.	Outstanding securities						
5.	Financial liabilities held for trading						
6.	Financial liabilities at fair value						
7.	Other liabilities						
8.	Hedging derivatives						
	Total				**143,669**	**143,669**	**130,906**

Section 7 – Dividends and similar income– Line item 90

7.1 Composition of line item 90 "Dividends and similar income"

		2017		2016	
		Dividends	Income from units in UCIs	Dividends	Income from units in UCIs
1.	Financial assets held for trading				
2.	Available-for-sale financial assets				
3.	Financial assets at fair value				
4 .	Equity investments	5,230,760		6,137,770	
	Total	**5,230,760**		**6,137,770**	

This item consists of dividends distributed by the subsidiary Equita SIM S.p.A..

Section 9 – Administrative expenses – Line item 110

9.1 Composition of line item 110.a "Personnel expenses"

		2017	2016
1.	Employees		
	a) salaries and wages		
	b) social charges		
	c) employees' leaving entitlement		
	d) pension expense		
	e) accrual to the employees' leaving entitlement		
	f) accrual to the retirement fund and other obligations		
	– defined contribution		
	– defined benefit		
	g) payments to external supplementary pension funds:		
	– defined contribution		
	– defined benefit		
	h) other expenses		
2.	Other personnel in service		
3.	Directors and statutory auditors	294,532	
4.	Retired personnel	–	
5.	Expense reimbursements for employees seconded to other companies		
6.	Expense reimbursements for employees seconded within the Company		
	Total	**294,532**	

9.2 Average number of employees by category

The Company has no employees.

9.3 Composition of line item 110.b "Other administrative expenses"

		2017	2016
1.	Other administrative expenses		
	a) expenses for technology and systems	22,936	
	b) professional consultancy	268,833	62,845
	c) miscellaneous expenses	537,942	
	d) auditors' fees	29,524	17,080
	Total	**859,235**	**79,925**

Section 14 – Other operating income and expense – Line item 160

14.1 Composition of line item 160 "Other operating income and expense"

		2017	2016
1.	Other operating income		
	a) prior year income		
	b) miscellaneous income	18,097	
	Total income	**18,097**	
2.	Other operating expense		
	a) prior year expense		
	b) miscellaneous expense		1,338
	Total expense		**1,338**
	Total, net	**18,097**	**1,338**

Section 17 - Income tax for the year on ordinary operations – Line item 190

17.1 Composition of line item 190 "Income tax for the year on ordinary operations"

		2017	2016
1.	Current taxes	582,882	159,817
2.	Changes in prior years' current taxes		
3.	Reduction of current taxes for the year	(1,084,121)	
3.bis	Reduction of current taxes for the year for tax credits pursuant to Law no. 214/2011		
4.	Change in deferred tax assets	(3,752)	
5.	Change in deferred tax liabilities		
	Taxes relating to the year	**(504,991)**	**159,817**

17.2 Reconciliation between theoretical tax charge and actual tax charge

	Thousands of euros	Tax rate %
Gross profit for the year	3,950	
Theoretical tax charge	1,306	33.07%
Tax effect of costs non-deductible either wholly or in part	(1,439)	-36.44%
Tax effect of ACE subsidy	(4)	-0.1%
Actual tax charge	(368)	-9.31%
Imposte effettive	(505)	-12.77%

Part D – Other information

Section 1 – Specific references to the activities performed

The Company's activity is principally the direction and coordination of its subsidiaries.

Further details can be found in the report on operations.

Section 2 – Information on risks and relative hedging policies

The Company's receivables mainly consist of liquidity held in current accounts at primary banks and accordingly are not exposed to any significant financial risks.

Financial risks mean the risks to which the investments the Company makes using liquidity not needed for ordinary operations on a constant basis are exposed.

2.2 Operating risks

The Company's main activity is the coordination and operational management of equity investments and accordingly its exposure to operating risks is not significant.

Section 3 – Information on equity

3.1 The entity's equity

3.1.1 Disclosures of a qualitative nature

Equity consists mainly of share capital – fully subscribed and paid-in – and capital reserves and the share premium reserve.

In addition to retained earnings revenue reserves consist of the legal reserve, the bylaws reserve and the Company's share of the merger surplus.

3.1.2 Disclosures of a quantitative nature

3.1.2.1 The entity's equity: composition

		2017	2016
1.	Share capital	11,376,345	19,240,000
2.	Share premium reserve	18,198,319	
3.	Other reserves	37,117,465	(222,186)
	– revenue reserves	3,301,088	(63,763)
	a) legal	287,274	
	b) bylaws	–	–
	c) treasury shares	–	–
	d) other	3,013,814	–
	– other	33,816,377	(158,423)
4.	(Treasury shares)	(4,748,025)	
5.	Valuation reserves	–	–
	– Financial assets held for sale	–	–
	– Property, plant and equipment	–	–
	– Intangible assets	–	–
	– Foreign investment hedges	–	–
	– Cash flow hedges	–	–
	– Foreign exchange differences	–	–
	– Non-current assets held for sale	–	–
	– Special revaluation laws	–	–
	– Actuarial gains/losses on defined benefit pension plans	–	–
	– Portion of valuation reserves relative to investments at equity	–	–
6.	Equity instruments	–	–
7.	Profit (loss) for the year	4,455,544	5,764,703
	Total	**66,399,647**	**24,782,517**

3.2 Equity funding and supervisory ratios

By virtue of its nature Equita Group is not subject to the application of legislation on prudent requirements for credit entities and investment companies on an individual basis; conversely, being the parent of one of such entities it is required to comply with this legislation on a consolidated basis.

Section 4 – Analytical schedule of comprehensive income

		Gross	Income tax	Net
10.	Profit (loss) for the year			4,455,544
	Items that will not be reclassified to profit or loss			
20.	Property, plant and equipment			
30.	Intangible assets			
40.	Defined benefit plans			
50.	Non-current assets held for sale			
60.	Portion of valuation reserves relative to investments at equity			
	Items that may be reclassified to profit or loss			
70.	Foreign investment hedges:			
	a) fair value changes			
	b) reclassification to profit or loss			
	c) other changes			
80.	Foreign exchange differences:			
	a) fair value changes			
	b) reclassification to profit or loss			
	c) other changes			
90.	Cash flow hedges:			
	a) fair value changes			
	b) reclassification to profit or loss			
	c) other changes			
100.	Available-for-sale financial assets:			
	a) fair value changes			
	b) reclassification to profit or loss			
	– impairment adjustments			
	– profit/loss on disposal			
	c) other changes			
110.	Non-current assets held for sale:			
	a) fair value changes			
	b) reclassification to profit or loss			
	c) other changes			
120.	Portion of valuation reserves relative to investments at equity:			
	a) fair value changes			
	b) reclassification to profit or loss			
	– impairment adjustments			
	– profit/loss on disposal			
	c) other changes			
130.	**Total other comprehensive income**			
140.	**Total comprehensive income (Line items 10+130)**			**4,455,544**

Section 5 – Related party transactions

5.1	Information on key management personnel	330,000
5.2	Loans and guarantees granted in favor of directors and statutory auditors	–
5.3	Information on related party transactions	8,333

Section 6 – Information on structured entities

There is no information to report in this respect.

Section 7 – Other disclosures

Disclosure of audit fees and fees for services other than audit

As required by article 149-duodecies of the Issuers' Regulation adopted by Consob by way of Resolution no. 11971/1999 the following table sets out the fees relating to the year for services provided to the Company by the audit firm and other entities belonging to the audit firm's network:

Type of service	Entity providing the service	Fees (*)
Audit of the separate and consolidated financial statements	KPMG S.p.A	10,000
Attestation	–	–
Tax advice	–	–
Other (signing tax returns)	***KPMG S.p.A***	1,000

(*) excluding expenses, VAT and the Consob contribution

Public disclosures

Equita Group has a corporate website www.equitagroup.it to make public disclosure of the information required by part eight, Titles I and II of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26th 2013 on prudential requirements for credit institutions and investment firms.

On behalf of the Board of Directors
The Chief Executive Officer
Andrea Vismara

Milan, March 14th 2018

KPMG S.p.A.
Revisione e organizzazione contabile
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Relazione della società di revisione indipendente ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
Equita Group S.p.A.

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Equita Group S.p.A. (nel seguito anche la "Società"), costituito dallo stato patrimoniale al 31 dicembre 2017, dal conto economico, dal prospetto della redditività complessiva, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa che include anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Equita Group S.p.A. al 31 dicembre 2017, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 43 del D.Lgs. 136/15.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nel paragrafo "*Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio*" della presente relazione. Siamo indipendenti rispetto alla Equita Group S.p.A. in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio.

Responsabilità degli Amministratori e del Collegio Sindacale della Equita Group S.p.A. per il bilancio d'esercizio

Gli Amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 43 del D.Lgs. 136/15 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità della Società di continuare a operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio Sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

— abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;

— abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle

circostanze e non per esprimere un giudizio sull'efficacia del controllo interno della Società;

— abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;

— siamo giunti a una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di un'incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare a operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;

— abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di *governance*, identificati a un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Relazione su altre disposizioni di legge e regolamentari

Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D.Lgs. 39/10

Gli Amministratori della Equita Group S.p.A. sono responsabili per la predisposizione della relazione sulla gestione della Equita Group S.p.A. al 31 dicembre 2017, incluse la sua coerenza con il relativo bilancio d'esercizio e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio della Equita Group S.p.A. al 31 dicembre 2017 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio della Equita Group S.p.A. al 31 dicembre 2017 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, comma 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Milano, 30 marzo 2018

KPMG S.p.A.

Roberto Fabbri
Socio

EQUITA GROUP

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEGLI AZIONISTI DI EQUITA GROUP SPA CONVOCATA PER L'APPROVAZIONE DEL BILANCIO AL 31 DICEMBRE 2017

Signori azionisti,

la presente relazione è redatta ai sensi dell'articolo 2429 comma 2 CC ed esprime la sintesi dell'attività svolta dallo scrivente Collegio Sindacale della società Equita Group Spa (già Turati 9 Spa) ai sensi degli articoli 2403 e 2404 bis del Codice civile nel corso dell'esercizio chiuso al 31/12/2017.

Riteniamo necessario richiamare preliminarmente l'attenzione sul fatto che nel corso del primo semestre del 2017 EQUITA Group SpA ha attuato la riorganizzazione dell'assetto proprietario del Gruppo avviata nel 2015. In particolare, il progetto ha riguardato la fusione per incorporazione in EQUITA Group SpA (già Turati 9 S.p.A.) del socio di minoranza Manco SpA, in vigore dal 1° luglio 2017 e retrodatato al 1 maggio 2017.

A seguito di tale operazione poiché Manco S.p.A. deteneva il 49,5% delle azioni di EQUITA SIM S.p.A., EQUITA Group S.p.A. è divenuto l'unico azionista di EQUITA SIM S.p.A.

Nel corso dell'anno 2017 EQUITA ha inoltre partecipato alla costituzione di Equita PEP Holding S.r.l., un'iniziativa di private capital congiunto al 50% di EQUITA Group S.p.A. e di Private Equity Partners S.p.A.

In relazione a quanto sopra la società ha provveduto alla redazione del Bilancio consolidato includendo nel perimetro di consolidamento la società controllata Equita Sim Spa, consolidata con il metodo "integrale", e la società sottoposta a controllo congiunto Equita PEP Holding S.r.l. consolidata con il metodo del "patrimonio netto".

A partire dal 10 novembre 2017 il Gruppo EQUITA è iscritto all'Albo speciale di Banca d'Italia per i Gruppi di SIM e soggetto a vigilanza consolidata ai sensi dell'articolo 12 del TUF.

"EQUITA Group S.p.A." svolge attività di direzione e coordinamento ed emana le disposizioni per i singoli membri del Gruppo per l'esecuzione delle istruzioni impartite da Banca d'Italia.

Da ultimo si segnala che a partire dal 23 novembre 2017 EQUITA Group Spa è stata ammessa alla quotazione sull'AIM Italia.

Nel corso dell'esercizio chiuso al 31 dicembre 2017 abbiamo vigilato sull'osservanza della legge e dello Statuto sul rispetto dei principi di corretta amministrazione e sull'adeguatezza dell'assetto organizzativo amministrativo e contabile adottato dalla società facendo riferimento nell'espletamento dell'incarico alle indicazioni contenute nelle norme di comportamento del Collegio Sindacale raccomandate dal Consiglio nazionale dei dottori commercialisti e degli esperti contabili.

Con riferimento alla nostra attività diamo atto in particolare che:

- ai sensi dell'articolo 2405 del Codice civile abbiamo partecipato alle riunioni del consiglio di amministrazione ed abbiamo ottenuto dagli amministratori periodiche informazioni sul generale andamento della gestione sulla sua prevedibile evoluzione nonché sulle operazioni di maggior rilievo economico finanziario e patrimoniale effettuate dalla società assicurandoci che le delibere assunte e poste in essere non fossero manifestamente imprudenti, azzardate, in potenziale conflitto di interessi, in contrasto con le delibere assembleari o tali da compromettere l'integrità del patrimonio sociale

- abbiamo vigilato sulla adeguatezza e sull'efficacia dei sistemi di controllo interno e del sistema amministrativo contabile nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione analizzando in tale ambito altresì il processo di informativa finanziaria; tali analisi e verifiche sono state effettuate in particolare mediante scambi di informazioni con gli esponenti aziendali e con la società di revisione

- per gli aspetti di nostra competenza abbiamo acquisito conoscenza e vigilato sull'adeguatezza della struttura organizzativa della società tramite la raccolta di informazioni ed incontri con gli esponenti aziendali

- diamo atto che la società ha istituto il Comitato Controlli e rischi e le funzioni di compliance, internal audit e Risk Management con i cui responsabili abbiamo dialogato al fine di un adeguato scambio di informazioni, chiedendo ed ottenendo un riscontro circa gli esiti delle verifiche svolte, abbiamo inoltre preso visione dei piani di attività presentati dai responsabili delle funzioni di controllo per l'esercizio 2018

- abbiamo verificato con riferimento alle disposizioni del D.Lgs 39/2010 l'indipendenza della società di revisione legale KPMG analizzando i presidi istituiti da KPMG e constatando che nel corso dell'esercizio di riferimento KPMG non ha assunto alcun incarico diverso dalla revisione legale

- in considerazione del fatto che l'AIM è un "sistema multilaterale di negoziazione" e non viene considerato un "mercato regolamentato" ai fini del D.Lgs 39/2010 come modificato con il D.Lgs 135/2016, la società non si qualifica né come "Ente di interesse pubblico" né come "Ente

sottoposto a regime intermedio"; in considerazione di quanto sopra il Collegio Sindacale non svolge il ruolo di "Comitato per il controllo interno e la revisione contabile" di cui al D.Lgs 39/2010

- abbiamo effettuato scambi di informazioni periodici con il socio responsabile della KPMG ed abbiamo preso atto della relazione di revisione del bilancio di esercizio al 31 dicembre 2017 che esprime un giudizio senza rilievi.

Nel corso dell'attività di vigilanza sopra descritta non sono emersi omissioni, fatti censurabili o irregolarità tali da richiedere la segnalazione ai competenti organi di controllo e vigilanza esterni o la menzione nella presente relazione.

Nel periodo di riferimento non sono pervenute al Collegio Sindacale denunce ex articolo 2408 del Codice civile né sono pervenuti esposti.

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Abbiamo esaminato il bilancio di esercizio chiuso al 31 dicembre 2017 da cui emerge un utile netto di euro 4.455.544, (rispetto ad un utile netto di euro 5.745.746 dell'anno precedente).

Desideriamo richiamare preliminarmente l'attenzione sul fatto che, in dipendenza degli eventi sopra descritti che hanno, tra l'altro, portato la società ad assumere il ruolo di capogruppo di gruppo di Sim, il Bilancio al 31/12/2017 è stato per la prima volta predisposto secondo i Principi Contabili Internazionali IAS/IFRS mentre il bilancio al 31/12/2016 di Equita Group S.p.A. era stato redatto in accordo con i principi Principi Contabili Italiani.

Ciò ha comportato la necessità di indicare i dati comparativi al 31/12/2016 opportunamente riclassificati (First Time Adoption). La situazione patrimoniale e finanziaria al 1° gennaio 2016 (data di transizione agli IFRS) riflette le differenze di trattamento dei valori patrimoniali in applicazione degli IAS/IFRS rispetto all'esposizione in base al Codice civile e ai principi contabili emanati dall'OIC.

Tanto premesso e ferma restando la competenza esclusiva della società di revisione con riguardo al giudizio sul bilancio di esercizio e le verifiche in merito alla corretta tenuta della contabilità sociale, vi riferiamo quanto segue:

- non essendo a noi demandato il controllo analitico di merito sul contenuto del bilancio abbiamo vigilato sull'impostazione generale data allo stesso, sulla sua generale conformità alla legge per quello che riguarda la forma e la struttura; a seguito dei menzionati controlli abbiamo riscontrato la conformità del contenuto della forma del bilancio alla legge vigente nonché la adozione dei principi contabili IAS/IFRS (che sono stati debitamente descritti nota integrativa) nella predisposizione dello stesso; abbiamo inoltre verificato l'osservanza delle norme inerenti alla predisposizione della relazione sulla gestione di cui all'articolo 2428 del Codice civile

- per quanto a nostra conoscenza nella redazione del bilancio non si sono verificati casi eccezionali che abbiamo reso necessario il ricorso a deroghe di cui all'articolo 2423 comma 4 e all'articolo 2423 bis comma 2 del Codice civile, se e nella misura in cui possono ritenersi applicabili

- abbiamo verificato la rispondenza del bilancio di esercizio ai fatti di gestione ed alle informazioni di cui abbiamo avuto conoscenza partecipando alle adunanze del consiglio di amministrazione e dell'assemblea dei soci e nell'espletamento dei nostri doveri non abbiamo osservazioni in merito.

Fermo restando che i compiti in materia di revisione legale e quindi di giudizio sul bilancio di esercizio sono attribuiti in via esclusiva alla società di revisione KPMG, lo scrivente Collegio Sindacale per quanto di propria competenza ed anche alla luce della relazione predisposta dalla società incaricata della revisione legale e del relativo giudizio sul bilancio, non rileva motivi ostativi all'approvazione del bilancio di esercizio chiuso al 31 dicembre 2017 predisposto dal Consiglio di amministrazione ed all'accoglimento della proposta dello stesso organo amministrativo in ordine alla destinazione del risultato di esercizio.

Da ultimo segnaliamo che per effetto delle dimissioni del Presidente del Collegio Sindacale Dott. Francesco Di Carlo dovute alla sopravvenuta sussistenza di situazioni di incompatibilità ai sensi dell'Art.36 del D.L. 201/2011, a partire dal 25/01/2018 è subentrato nella carica di Presidente del Collegio Sindacale il Sindaco supplente più anziano Dott. Franco Fondi e vi invitiamo a reintegrare il Collegio Sindacale provvedendo alle necessarie nomine.

Milano, 30 marzo 2018

I SINDACI

Franco Fondi

Laura Acquadro

Paolo Redaelli

Annex 1

Main effects arising from the application of IFRSs to the opening balance sheet at 1st January 2016 and to the balance sheet at December 31st 2016

Comments are provided in the following on the main IAS/IFRS adjustments and reclassifications to the balances stated in accordance with Italian accounting standards, used in the preparation of the separate financial statements for the year ended December 31st 2016.

The accumulated effects on the Company's equity at the date of first-time adoption (1st January 2016) and at December 31st 2016 resulting from the application of international accounting standards are summarized in analytical reconciliation schedules and commented on as follows.

In particular **adjustments** derive from the application of IAS 39 and IAS 36.

At December 31st 2016 held a 50.5% investment in Equita SIM S.p.A..

Under Italian accounting standards ("OICs") the acquisition costs were capitalized and added to the purchase price of the investment. Under IAS/IFRS these costs have been passed through the income statement with recognition in the IFRS transition reserve.

Accordingly such costs capitalized in the separate financial statements prepared in accordance with OICs which do not have the requisites for being capitalized under IAS/IFRS, together with those incurred for forming the Company and recognized as intangible assets, have been recorded in the IFRS transition reserve.

Reclassifications

In addition, in accordance with IFRSs the Company has also made the following reclassification entries:

a) certain trade receivables have been reclassified to the line item "Current tax assets";

b) prepayments and accrued income have been reclassified to the line item "Other assets";

c) other payables have been reclassified to the line item "Other liabilities";

d) due to suppliers have been reclassified to the line item "Other liabilities";

e) accruals and deferred income have been reclassified to the line item "Other liabilities";

f) other operating costs, on the basis of the nature of the contents of the account, have been reclassified to "Other administrative expenses".

Reconciliations of net equity at 1st January 2016 and December 31st 2016 and of the result for the year ended December 31st 2016 are as follows:

	Net equity Italian GAAP	Profit for the year 2016	IFRS transition reserve	Other income statement items 2016	Net equity IFRS
Net equity ITALIAN GAAP	19,176,237	–			19,176,237
First-time adoption IFRS			(158,423)		(158,423)
Net equity IFRS at 1.1.2016	19,176,237	–	(158,423)	0	19,017,814

	Net equity Italian GAAP	Profit for the year 2016	IFRS transition reserve	Other income statement items 2016	Net equity IFRS
Effect on intangible assets			(12,272)		(12,272)
Effect on measurement of equity investment			(146,151)		(146,151)
Effect on taxes			–		0
Profit for the year		5,764,703			5,764,703
Net equity IFRS at 31.12.2016	19,176,237	5,764,703	(158,423)	0	24,782,517

Analytical schedules providing reconciliations of the balance sheets at 1st January 2016 and December 31st 2016 and the income statement for the year ended December 31st 2016

In addition to the schedules providing the reconciliations of net equity at 1st January 2016 and December 31st 2016 and the result for the year ended December 31st 2016, accompanied by the comments to the adjustments made to the balances prepared in accordance with Italian accounting standards, set out below are analytical schedules of the balance sheets at 1st January 2016 and December 31st 2016 and the income statement for the year ended December 31st 2016 which show the following for every item in the individual columns:

- balances in accordance with Italian accounting standards;
- the reclassifications and adjustments made on conversion to IFRSs;
- the adjusted balances in accordance with IFRSs.

Reconciliation of balance sheet at January 1st 2016

(euros)	Balance sheet ITA GAAP 1.1.2016	Adjustments IFRS	Reclassifica-tions IFRS	Balance sheet IFRS 1.1.2016
Non-current assets				
Property, plant and equipment				0
Intangible assets	11,030			11,030
Financial fixed assets				0
Non-current tax assets	–			0
Total non-current assets	**11,030**	**0**	**0**	**11,030**
Current assets				
Current trade receivables	161		(161)	0
Cash and cash equivalents	19,589,269			19,589,269
Prepayments and accrued income	80,629		(80,629)	–
Other current assets	0		80,790	80,790
Total current assets	**19,670,059**	**0**	**0**	**19,670,059**
TOTAL ASSETS	**19,681,089**	**0**	**0**	**19,681,089**

(euros)	Balance sheet ITA GAAP 1.1.2016	Adjustments IFRS	Reclassifica-tions IFRS	Balance sheet IFRS 1.1.2016
Shareholders' equity				
Share capital	19,240,000			19,240,000
Reserves				0
Retained earnings	–			–
Profit (loss) for the year	(63,763)			(63,763)
TOTAL SHAREHOLDERS' EQUITY	**19,176,237**	**–**	**–**	**19,176,237**
Non-current liabilities				
Payables	375,000		(375,000)	0
Allowances for risks and charges				
Other non-current liabilities			375,000	375,000
Total non-current liabilities	**375,000**	**0**	**0**	**375,000**
Current liabilities				
Payable to suppliers	125,214		(125,214)	0
Tax payables	4,638			4,638
Other current liabilities			125,214	125,214
Total current liabilities	**129,852**	**0**	**0**	**129,852**
TOTAL LIABILITIES	**504,852**	**0**	**0**	**504,852**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**19,681,089**	**0**	**0**	**19,681,089**

Reconciliation of balance sheet at December 31st 2016

(euros)	Balance sheet ITA GAAP 31.12.2016	Adjustments IFRS	Reclassifica-tions IFRS	Balance sheet IFRS 31.12.2016
Non-current assets				
Property, plant and equipment	–			–
Intangible assets	12,272	(12,272)		–
Financial fixed assets	30,268,590	(146,151)		30,122,439
Non-current tax assets	–	–		–
Total non-current assets	**30,280,862**	**(158,423)**	**–**	**30,122,439**
Current assets				
Current trade receivables - tax	509		(509)	–
Cash and cash equivalents	277,978			277,978
Prepayments and accrued income	–		–	–
Other current assets	–			–
Current tax receivables			509	509
Total current assets	**2,604,864**	**–**	**–**	**278,487**
TOTAL ASSETS	**3,717,493**	**59,624**	**–**	**30,400,926**

(euros)	Balance sheet ITA GAAP 31.12.2016	Adjustments IFRS	Reclassifica-tions IFRS	Balance sheet IFRS 31.12.2016
Shareholders' equity				
Share capital	19,240,000			19,240,000
Reserves	(63,763)	(158,423)		(222,186)
Profit (loss) for the year	5,764,703	0		5,764,703
TOTAL SHAREHOLDERS' EQUITY	**24,940,940**	**(158,423)**	**–**	**24,782,517**
Non-current liabilities				
Payables	5,375,000		(375,000)	5,000,000
Other non-current liabilities			375,000	375,000
Total non-current liabilities	**5,375,000**	**–**	**–**	**5,375,000**
Current liabilities				
Tax payables	49,968		(49,968)	–
Current tax payables	159,817			159,817
Accruals and deferred income	33,624		(33,624)	–
Other current liabilities			83,592	83,592
Total current liabilities	**243,409**	**–**	**–**	**243,409**
TOTAL LIABILITIES	**5,618,409**	**–**	**–**	**5,618,409**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**30,559,349**	**(158,423)**	**–**	**30,400,926**

Reconciliation of the income statement for the year ended December 31st 2016

(euros)	Income statement ITA GAAP 2016	Adjustments IFRS	Reclassifica-tions IFRS	Income statement IFRS 2016
Service costs	(65,078)		(14,847)	(79,925)
Depreciation, amortization and write-downs	(3,757)			(3,757)
Other operating expenses	(14,847)		14,847	–
Income from equity investments	6,137,770			6,137,770
Other income	1,338			1,338
Interest and other financial expense	(130,906)			(130,906)
Profit before tax	**5,924,520**	**–**	**–**	**5,924,520**
Income tax	(159,817)			(159,817)
Profit (loss) for the year	**5,764,703**			**5,764,703**
Other items of comprehensive income that will not be reclassified to profit or loss	–			
Profit (loss) for the year	**–**	**–**	**–**	**–**

Adjustments arising from the application of IAS/IFRS:

IAS 39 – The application of IAS 39 led to the recognition in the FTA reserve of the costs incurred for the purchase of the interest in Equita SIM S.p.A. for an amount of €141 thousand.

IAS 36 – The application of IAS 36, which does not permit the capitalization of certain items of start-up and extension costs and goodwill, led to the recognition of intangible assets in the FTA reserve for an amount of €12 thousand.

Main reclassifications arising from the application of IAS/IFRS:

The Company made the following reclassifications in its balance sheet at the date of transition:

a) €161 from trade receivables to "Current tax receivables" (which amounted to €590 at the end of the year);

b) €80 thousand from accrued income to "Other current assets" (which had a nil balance at the end of the year);

c) €375 thousand from payables to "Other current liabilities" (unchanged at the end of the year);

d) €125 thousand from payable to suppliers to "Other liabilities" (which amounted to €49 thousand at the end of the year);

e) accruals and deferred income to "Other liabilities" which at the date of transition had a nil balance (and at the end of the year amounted to €33 thousand).

At December 31st 2016 in its income statement the Company reclassified €14 thousand from operating expenses to service costs, classified as "Other administrative expenses".