

PRESS RELEASE

## **COSTAMP GROUP: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS FOR THE YEAR 2018**

The main results as at 31 December 2018 are shown below with the corresponding figures as at 31 December 2017\*.

### **Main consolidated results at 31 December 2018**

- Production value: 55.3 million Euros (41.9 million Euros in 2017)
- EBITDA: 1.4 million Euros (3.3 million Euros in 2017)
- EBIT: -1.7 million Euros (1.4 million Euros in 2017)
- Net result: -1.7 million Euros (0.7 million Euros in 2017)
- Net Financial Position: 21.8 million Euros (17.6 million Euros at 31 December 2017)
- Net worth: 23.0 million Euros (12.6 million Euros at 31 December 2017)

### **Main pro-forma consolidated results at 31 December 2018**

- Production value: 58.0 million Euros (59.0 million Euros in 2017)
- EBITDA: 1.6 million Euros (4.6 million Euros in 2017)
- EBIT: -1.7 million Euros (1.7 million Euros in 2017)
- Net result: -1.7 million Euros (0.4 million Euros in 2017)
- Net Financial Position: 21.8 million Euros (26.9 million Euros at 31 December 2017)
- Net worth: 23.0 million Euros (27.4 million Euros at 31 December 2017)

*(\* 2017 consolidated figures re-calculated in accordance with current accounting standards, based on the new perimeter of the reverse take-over transaction, finalised on 21 February 2018, as described below)*

*Sirone, 24 May 2019*

The Board of Directors of **Costamp Group S.p.A.** has approved the consolidated financial statements and the financial statements at 31 December 2018.

### **MAIN CONSOLIDATED RESULTS AT 31 DECEMBER 2018**

The Group prepared the Consolidated Financial Statements at 31 December 2018 in accordance with International Accounting Standards.

In accordance with International Accounting Principles and, in particular, with IFRS 3, the business aggregation transaction carried out on 21 February 2018 through the reverse take over transaction of Costamp Group S.p.A. (formerly Modelleria Brambilla S.p.A.), issuer AIM, and Costamp Tools S.r.l. (the "Transaction") was considered a reverse acquisition in which Costamp Tools was identified as an accounting purchaser.

It is therefore not possible to make a comparison with the data of previous years, since following the effectiveness of the Transaction and the subsequent merger by incorporation of Costamp Tools S.r.l. into Costamp Group S.p.A. (formerly Modelleria Brambilla S.p.A.) the scope of consolidation has changed.

Therefore, for the purposes of preparing the consolidated financial statements in compliance with the provisions of the aforementioned accounting standards, the following was carried out:

- a) the balance sheet at 31 December 2018 was compared with that at 31 December 2017 of the subsidiary Costamp Tools (the accounting purchaser);
- b) the profit and loss account as at 31 December 2018 was drafted by consolidating the periods 01/03-31/12 of the companies Costamp Group and Modelleria ARA (the closing date for accounts as of 28 February 2018 was taken on a conventional basis since the transaction was carried out on 21 February 2018) and the entire 2018 period of Costamp Tools and was compared with that at 31 December 2017 of the parent company Costamp S.r.l. since Costamp Tools was only established in the second half of 2017.

The **Production Value** was 55.3 million Euros (41.9 million Euros in 2017). 49% of revenue was generated in Italy, the remaining 51% derived from commercial transactions concluded in the rest of Europe (38%), North America (Mexico and the USA, 10%) and in Asia (India, China and Korea, for the remaining 3%).

The Gross Operating Margin (**EBITDA**) was 1.4 million Euros (3.3 million Euros in 2017). The Net Operating Margin (**EBIT**) was -1.7 million Euros (1.4 million Euros in 2017), after depreciation and write-downs of 3.1 million Euros (1.9 million Euros in 2017).

**Pre-tax profit** amounted to € -2.4 million (€ 1.1 million in 2017).

**Net Profit** was -1.7 million Euros (0.7 million Euros in 2017).

The **Net Financial Position** was 21.8 million Euros (17.6 million Euros at 31 December 2017).

**Shareholders' equity** amounted to € 23.0 million (€ 12.6 million at December 31, 2017).

The operations for the 2018 financial year were affected by the slowdown in orders in the last quarter of the year, caused by the known uncertainties in the diesel engine market and not entirely balanced by the growth for mould orders for structural components.

To better illustrate the above data, during the 2018 financial year, but more precisely from the second half of 2018, a real integration process of the Correggio Business Unit (LPDC Division) was undertaken, both from a production and managerial point of view, involving the activities of the incorporated Costamp Tools.

The integration, which had in any case already begun with the Reverse Take-Over operation, therefore led to standardization of the production, management and, last but not least, commercial methods, which were completed in the fourth quarter of the financial year and which are still in the optimisation phase.

Along with this process, thus maintaining a precautionary approach, it was also decided to allocate an incremental bad debt provision for the amount of 396.990 Euros in relation to the LPDC Division, derived from previous years.

Also with reference to the LPDC Division, during the year the issuer was involved in and immediately underwent a series of cancellations of prototype orders with respect to which costs had been incurred for feasibility and design analysis. These inefficiencies were considered extraordinary and non-recurring, and it is believed that the unification of the contract management methods will improve the group's ability to prevent these risks.

As regards the organisational structure, note that the reorganisation process led to a reduction in the workforce in the LPDC division from 64 employees at the end of 2017 to 53 employees at the end of 2018, in order to achieve greater operating efficiency in subsequent years, also considering the loss of integration costs.

Furthermore, in 2018 the Group completed its investment policy in plant and machinery with total investments of 4.7 million Euros, of which 1.5 million Euros in the LPDC division and 3.2 million Euros in the HPDC division, which will allow the exploitation of the potential provided by changes

in the automotive market towards lower weight components, to meet the needs of lower energy absorption for cars. These investments were financed entirely with the cash flow from operating activities and the NFP at 31 December 2018 of -21.8 million Euros improved, on a pro-forma basis, both compared to 31 December 2017 (-26.9 million Euros) and the half-year report at 30 June 2018 (- 26.1 million Euros) without recourse to capital transactions.

### **MAIN RESULTS OF THE COSTAMP GROUP S.P.A. AT 31 DECEMBER 2018**

For the purposes of preparing the financial statements for the year, the Group carried out the following:

- a) the Balance Sheet at 31 December 2018 was compared with that at 31 December 2017 of Costamp Group S.p.A. (formerly Modelleria Brambilla) as the legal purchaser;
- b) the income statement as at 31 December 2018 was prepared by consolidating the economic balances of the 12-month profit and loss account of Costamp Group S.p.A. (legal purchaser) and the 10-month profit and loss account (from the acquisition date) of Costamp Tools S.r.l. The comparative income statement refers to 12 months of Costamp Group S.p.A.

Given the above, it is therefore not possible to make a comparison with the data of previous years.

The **Production Value** amounted to 49.2 million Euros, compared to 16.6 million Euros in 2017.

The Gross Operating Margin (**EBITDA**) was 0.5 million Euros, compared to 1.0 million Euros in 2017. The Net Operating Margin (**EBIT**) was -2.4 million Euros, compared to 0.1 million Euros in 2017, after amortization and depreciation of 2.8 million Euros (0.9 million Euros in 2017).

**Pre-tax profit** was -3.0 million Euros (-0.5 million Euros in 2017).

**Net Profit** was -2.2 million Euros (-0.4 million Euros in 2017).

The **Net Financial Position** was 22.0 million Euros (8.3 million Euros in 2017).

**Net equity** amounted to € 22.7 million Euros (2.7 million Euros at 31 December 2017).

### **PROPOSAL FOR DISTRIBUTION OF THE FINANCIAL YEAR PROFIT**

The Board of Directors resolved to propose to the Shareholders' Meeting the coverage of the loss for the financial year of -2.156.451 Euros through the use of the extraordinary reserve.

### **PRO FORMA CONSOLIDATED RESULTS AT 31 DECEMBER 2018**

For the purpose of clearer disclosure of the Group's results, it was considered appropriate to prepare pro-forma consolidated financial statements of Costamp Group S.p.A. aimed at representing the main effects on the profit and loss account at 31 December 2018 of the new entity resulting from the Transaction, in order to simulate, according to valuation criteria compliant with legislation, consistent with historical data and the representation included in the Reverse Document Take-over published on 27 November 2017, the main effects of the Transaction on the balance sheet and financial position and on the profit and loss account of the Issuer as if it had virtually taken place on 31 December 2017, with reference to the effects on the balance sheet, and on 1 January 2018 with reference to the financial effects.

The comparison concerns the pro-forma consolidated financial statements of Costamp Group S.p.A. at 31 December 2017 already drafted and illustrated in the consolidated financial statements of Costamp Group at 31 December 2017.

The Pro-Forma Prospectuses, prepared in compliance with the IFRS, were derived from the following historical data:

- consolidated financial statements at 31 December 2017 of Costamp S.r.l. drafted in accordance with international accounting standards solely for the purposes of the proforma profit and loss

account since, as already underlined, on 27 September 2017 it conferred its activities to Costamp Tools S.r.l.,

- consolidated financial statements at 31 December 2018 of the Issuer drafted in accordance with international accounting standards.

All the financial statements of the companies have been drafted adopting the same evaluation and classification criteria and this allows us to show a Pro-Forma situation in line with the relevant principles. The Pro-Forma Prospectuses have been prepared in accordance with CONSOB Communication no. DEM/1052803 of 5 July 2001 which regulates the methodology for preparing pro-forma data and is not subject to audits.

The **Production Value** was 58.0 million Euros (59.0 million Euros in 2017).

The Gross Operating Margin (**EBITDA**) was 1.6 million Euros (compared to 4.6 million Euros in 2017). The Net Operating Margin (**EBIT**) was -1.7 million Euros (1.7 million Euros in 2017). The **Net Profit** was -1.7 million Euros (0.4 million Euros in 2017).

The **Net Financial Position** was 21.8 million Euros (26.9 million Euros in 2017). **Shareholders' equity** amounted to € 23.0 million (€ 27.4 million at 31 December 2017).

## **SIGNIFICANT FACTS REGARDING THE 2018 FINANCIAL YEAR**

### CHANGES MADE IN THE GROUP STRUCTURE AND MERGER TRANSACTION

The reverse take-over and integration transaction involving Costamp Group S.p.A. and Costamp Tools S.r.l. was finalised during the 2018 financial year. The latter was first included in the scope of consolidation on 21 February 2018 following the reverse take-over transaction through the resolution of the share capital increase of 1,932,750 Euros, with the issuance of 38,655,000 shares with no par value, or 1.62 Euros per share, to be offered for subscription to the Offeror Co.Stamp S.r.l. and to be paid by contribution in kind. In execution of this resolution, on 21 February 2018 Co.Stamp S.r.l. contributed the 100% stake in the share capital of Costamp Tools S.r.l. to the Issuer, thus determining the acquisition of a 90.97% stake in the Issuer and, by virtue of this, forcing the Offeror to promote a public purchase offer ("OPA") on all remaining outstanding Issuer's shares, for a value of 3 Euros per share.

The Public Purchase Offer pursuant to article 1(1), letter (v) of Legislative Decree no. 58, as amended, promoted by Co.Stamp S.r.l. on the ordinary shares of the Issuer pursuant to and for the purposes of article 102 et seq. of the TUF, as well as the applicable implementation provisions contained in the regulation approved with Consob resolution no. 11971 of 14 May 1999, as amended, was opened on 3 April 2018 and closed on 23 April 2018.

As a result of the tender offer, 2,890,207 ordinary shares of the Issuer which, added to the 38,655,000 ordinary shares of the Issuer already held by the Offeror before the start of the subscription period (equal to 90.97% of the share capital) resulted in the Offeror holding 41,545,207 ordinary shares of the issuer, equal to 97.775% of the share capital.

Moreover, in consideration of the achievement, by the Offeror Co.Stamp S.r.l. of a shareholding exceeding 95% of the Issuer's share capital, the legal requirements for the exercise by Co.Stamp S.r.l. of the Procedure resulted in an Obligation to Purchase the remaining shares still in circulation, a procedure which was opened on 7 May 2018 and closed on 25 May 2018, resulting in 44,400 ordinary shares of the Issuer which, added to the 41,545,207 ordinary shares of the Issuer already held by the Offeror before the start of the Purchase Obligation Procedure, determined that as a result of the definitive closure of the PTO, the Offeror came to hold 41,589,607 ordinary shares of the issuer, equal to 97.88% of the share capital.

On 19 December 2018, after a regular resolution of the respective Board of Directors, the merger between the companies Costamp Group S.p.A. and Co.stamp Tools S.r.l. took place. This merger

allowed the creation of a leading international integrated operator, involved in the engineering, production and sale of moulds for die-casting aluminium and magnesium, shells and core boxes for cast iron and aluminium castings (gravity and low-pressure processes) and moulds for plastic materials.

This integration has the effect of creating a combined entity, which is among the international engineering leaders with a dual industrial value of the operation, promoting the integration of production processes and amplifying the range of products on international markets.

Therefore, as of 31 December 2018, the composition of the shareholding with details on the significant shareholders, is as follows:

<b>Shareholder</b>	<b>no. shares</b>	<b>%</b>
Co.Stamp S.r.l.	39,740,407	93.28
Own shares	73,200	0.17
AIM Italia	2,791,840	6.55
<b>Total</b>	<b>42,605,447</b>	<b>100</b>

Note that, following the close of the 2018 financial year, as part of the acquisition of Modelleria Ara (see press release of 15 February 2019) a sale of treasury shares amounting to 18,447 shares was carried out.

Lastly, it should be noted that on 23 August 2018, the sale by Co.stamp S.r.l. of a total of 1.849.200 ordinary Issuer shares corresponding to 4.35% of the share capital through accelerated bookbuilding aimed at qualified Italian and foreign investors, was completed.

#### MODELLERIA ARA

The acquisition of the shareholding in the subsidiary MODELLERIA ARA S.r.l. took place on 27 June 2017. This transaction is part of the strategy of Costamp Group S.p.A. aimed at strengthening its leadership in the Italian market and expanding its product range to the development and production of mechanical models and high quality moulds in all types of materials (wood, resins, aluminium, cast iron and steel) which are then sold to Foundries who use them to manufacture their own finished products.

Modelleria ARA, based in San Giovanni in Persiceto (BO), it was founded in 1976 as a small artisan company and carries out its activity in relation to foundry models and printed materials. Over time, it became increasingly specialised in this field, paying attention to the progress of production systems and acquiring a staff of highly qualified technicians constantly up to date in regard to new technologies. With the help of numerically controlled machines with high productivity and precision, the company is now able to produce models in metal, wood and resin of small and medium size as well as trimming masks and gravity shells for light alloys. During these years of its business activity, Modelleria ARA consolidated its collaboration with leading companies in different industries, such as those producing centrifugal pumps, speed reducers, hydraulic distributors and the automotive, motorcycle and agriculture sectors.

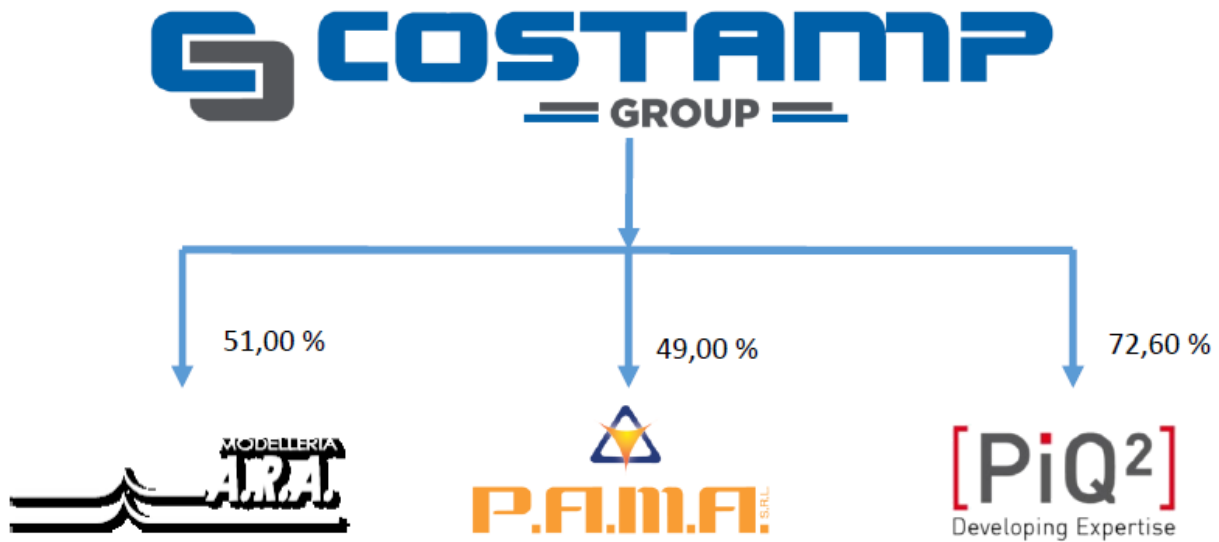
The value of the transaction, paid together with the transfer of the shares, was € 400,000 for 51%; the value entered in the financial statements is instead inclusive of incidental expenses incurred for its purchase.

In December 2018, following agreements between the new management of Costamp Group S.p.A. and the minority shareholders of Modelleria Ara S.r.l., a new contract was signed for the acquisition of the remaining 49% of Modelleria ARA S.r.l. The parties entered into a put & call option to be finalised by 22 February 2019 (instead of a put option to be exercised in July 2019 and a call option

to be exercised in August 2019) for consideration of 900,000 Euros (instead of consideration of 270,000 Euros, increased by an earn-out equal to 180% of the net profit for 2017 and 130% the net profit for 2018).

The transaction was completed on 15 February 2019 through the acquisition by Costamp Group S.p.A. of the shares held by the four selling partners, each equal to 12.25% of the share capital of Modelleria ARA S.r.l., for a total value of € 900,000. The transaction was settled by a cash payment of € 850,000 and the remaining € 50,000, paid to one of the above-mentioned selling shareholders, through the transfer of treasury shares of the Costamp Group, which were transferred on 12 March 2019.

As at 31 December 2018, the Group structure is therefore as follows:



### **PREDICTABLE OPERATIONAL DEVELOPMENT**

It is expected that 2019 operations will no longer see extraordinary costs for the integration of the companies acquired in the 2018 financial year.

The Group is improving the organisational synergy between the production sites in Sirone (LC), Rivalta di Torino (TO) and Correggio (RE), with the recovery of internal efficiency. These production poles are increasingly integrated and interconnected for a better and more efficient rationalisation of the whole planning and production mechanism. There is also an improvement in the commercial strategy, for a more widespread and incisive coverage of the international market, especially in countries that are increasingly industrialising in the sectors the Costamp Group is involved in.

As regards growth programs also for external channels, the Group will try to consolidate relations with existing partners. This will happen both through greater cooperation already in the planning phase and with the expansion of the international service structure managed directly by the Group.

### **Calling of the Ordinary Shareholders' Meeting and changes to the corporate calendar**



The Board of Directors resolved to call the Ordinary Shareholders' Meeting for 24 June 2019 at 10.30 am at the company's registered office, and if necessary, for 1 July 2019 at 10.30 am, to approve the financial statements at 31 December 2018 and presentation of the consolidated financial statements).

Following this resolution, the corporate calendar for approving the 2018 balance sheet has therefore been modified (see the press release of 21 March 2019).

**THE COSTAMP GROUP (MOLD IM)** is a leading company in the design, engineering and production of moulds for components in the automotive industry. With over 50 years of history and 311 employees, it is a main partner and strategic supplier, through the foundries, of the main car manufacturers. Worldwide it is the only player able to provide a complete range of processes (HPDC, LPDC & Gravity, Plastic) and products (aluminium, magnesium, cast iron and plastic): the main applications in the automotive field, which represents 95% of turnover, are the manufacturing of powertrains, structural parts and bumpers. The Costamp Group oversees the entire value chain, working directly with the OEMs in the design and development phases and providing customers with products that are fully tested in the internal foundry and software solutions for their use. The R&D department, with a team of 24 engineers, has developed innovative solutions capable of anticipating the needs of the market and is currently working on the PUZZLE\_DIE project, partially funded by Horizon 2020, aimed at extending the life-cycle of moulds and improving the quality of the pieces produced. Design and production are entirely carried out in Italy in the factories of Sirone (LC), Correggio (RE), Rivalta di Torino (TO), Azzano Mella (BS), Brescia (BS) and San Giovanni in Persiceto (BO).

ISIN ordinary shares: IT0005068249 – ISIN “Costamp Group Convertible 7% 2014-2019”: IT0005068645

Press release available at [www.costampgroup.it](http://www.costampgroup.it) e [www.linfo.it](http://www.linfo.it)

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## CONSOLIDATED PROFIT AND LOSS ACCOUNT

<b>Euros</b>	<b>31/12/2018</b>		<b>31/12/2017</b>	
Revenue from sales and services	52,964,967		41,170,129	
Other income	2,332,341		686,307	
<b>Total production value</b>	<b>55,297,308</b>		<b>41,856,436</b>	
Production costs	-		-	
	37,844,045		26,714,708	
Other operating costs	-614,547		-725,637	
<b>VALUE ADDED</b>	<b>16,838,716</b>	30.45%	<b>14,416,091</b>	34.44%
Personnel costs	-		-	
	15,466,459		11,087,224	
<b>EBITDA</b>	<b>1,372,257</b>	2.48%	<b>3,328,867</b>	7.95%
Depreciation and devaluations	-3,103,278		-1,906,781	
<b>OPERATING MARGIN (EBIT)</b>	<b>-1,731,021</b>	-3.13%	<b>1,422,086</b>	3.40%
Financial income and expenses	-634,242		-468,170	
Write-down of financial assets	0		132,274	
<b>PRE-TAX PROFIT</b>	<b>-2,365,263</b>		<b>1,086,190</b>	
Taxes on financial year revenue	685,637		-370,096	
<b>FINANCIAL YEAR PROFIT</b>	<b>-1,679,626</b>		<b>716,094</b>	



**CONSOLIDATED BALANCE SHEET**

<b>Euros</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Intangible fixed assets	9,172,661	711,949
Tangible fixed assets	37,396,539	29,021,107
Real estate investments	2,252,428	0
Financial fixed assets	493,069	496,569
<b>A) Total net intangible fixed assets</b>	<b>49,314,697</b>	<b>30,229,625</b>
Inventories	13,245,186	14,481,793
Receivables from customers	7,899,753	8,898,756
Receivables from others (including deferred tax assets)	3,386,117	2,167,392
Other operational activities	425,662	373,990
Payables to suppliers	-14,913,715	-18,224,296
Other debts	-8,383,984	-3,929,376
Deferred tax liabilities	-4,642,067	-3,095,951
<b>B) Total financial year capital</b>	<b>-2,983,048</b>	<b>672,308</b>
<b>C) INVESTED CAPITAL (A+B)</b>	<b>46,331,649</b>	<b>30,901,933</b>
<b>D) END OF SERVICE SEVERANCE PAY</b>	<b>-1,538,101</b>	<b>-725,472</b>
<b>E) NET CAPITAL REQUIREMENT (C+D)</b>	<b>44,793,548</b>	<b>30,176,461</b>
covered by		
<b>F) OWN CAPITAL</b>	<b>-23,035,522</b>	<b>-12,619,890</b>
Share capital	-2,130,272	-10,000
Reserves	-22,527,839	-12,066,169
Results carried forward	-57,037	0
Operating result	1,679,626	-543,721
<b>G) NET FINANCIAL POSITION</b>	<b>-21,758,026</b>	<b>-17,556,571</b>
Medium-long financial debts	-16,022,631	-10,866,476
Short-term financial payables	-12,890,419	-12,034,302
Cash on hand	7,155,024	5,344,207
<b>H) TOTAL AS IN "E" (F+G)</b>	<b>-44,793,548</b>	<b>-30,176,461</b>

## CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL STATEMENTS	31/12/2018	31/12/2017
<b>Pre-tax profit</b>	<b>-2,365</b>	<b>1,086</b>
<b>Adjustments for:</b>		
Depreciation of:		
- intangible assets	543	118
- tangible assets	2,130	1,508
Impairment losses / (reversals)	430	149
Provisions for risks and charges		0
(Income) / Financial charges	634	468
(Gains) / Losses and other non-monetary items	43	527
Cash flow from operating activities before changes in net working capital		
Increase / (Decrease) benefits for employees	-9	20
(Increase) / Decrease in inventories	5,806	-3,722
(Increase) / Decrease in trade receivables	8,202	7,028
(Increase) / Decrease in other assets / liabilities and assets / liabilities for prepaid / deferred taxes	3,634	-107
Increase / (Decrease) in trade payables	-8,940	4,443
Dividends collected		
Interest income and other financial income received	73	
Interest expense and other financial charges paid	-707	-474
Use of provisions for risks and charges and the bad debt provision		-514
Taxes paid	-164	-898
<b>Cash flows from operating activities (a)</b>	<b>9,310</b>	<b>9,632</b>
Net investments in intangible assets	-355	-99
Net investments in tangible assets	-4,327	-2,121
Net costamp integration operation	2,163	
Net investments in equity investments	0	0
(Increase) / Decrease in other investment activities	170	-49
<b>Cash flow from investment / disinvestment activities (b)</b>	<b>-2,349</b>	<b>-2,269</b>
Increase in financial debts	6,800	0
Financial repayments and other net changes)	-12,298	-4,718
Payments on capital account and contribution	348	0
Dividends paid		-275
<b>Cash flow from financial activities (c)</b>	<b>-5,150</b>	<b>-4,993</b>
Effect of changes in exchange rates on cash and cash equivalents (d)		
<i>Increase / (decrease) in cash and cash equivalents (a+b+c+d)</i>	1,811	2,370
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>5,344</b>	<b>2,977</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7,155</b>	<b>5,347</b>

**COSTAMP GROUP SPA PROFIT AND LOSS ACCOUNT**

<b>Euros</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Revenue from sales and services	47,152,088	16,283,790
Other revenue	2,076,450	315,557
<b>Total production value</b>	<b>49,228,538</b>	<b>16,599,347</b>
Production costs	-34,434,133	-11,539,210
Other operating costs	-516,411	-130,444
<b>VALUE ADDED</b>	<b>14,277,994</b>	<b>4,929,693</b>
Personnel costs	-13,819,820	-3,880,014
<b>EBITDA</b>	<b>458,174</b>	<b>1,049,679</b>
Depreciation and write-down	-2,826,257	-951,176
<b>OPERATING MARGIN (EBIT)</b>	<b>-2,368,083</b>	<b>98,503</b>
Financial revenue and costs	-653,336	-630,507
Financial assets write-downs	0	
<b>PRE-TAX PROFIT</b>	<b>-3,021,419</b>	<b>-532,004</b>
Taxes on financial year revenue	864,968	133,387
<b>FINANCIAL YEAR PROFIT</b>	<b>-2,156,451</b>	<b>-398,617</b>

**BALANCE SHEET OF COSTAMP GROUP SPA**

<b>Euros</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Intangible fixed assets	8,541,020	138,947
Tangible fixed assets	36,825,141	5,167,319
Real estate investments	2,252,428	0
Financial fixed assets	924,758	428,188
<b>A) Total net intangible fixed assets</b>	<b>48,543,347</b>	<b>5,734,454</b>
Inventories	13,135,564	4,458,805
Receivables from customers	7,386,121	7,290,882
Receivables from others (including deferred tax assets)	3,306,336	1,080,211
Other operational activities	422,990	219,001
Payables to suppliers	-14,807,094	-5,960,596
Other debts	-7,271,159	-936,316
Deferred tax liabilities	-4,573,291	-91,680
<b>B) Total financial year capital</b>	<b>-2,400,533</b>	<b>6,060,307</b>
<b>C) INVESTED CAPITAL (A+B)</b>	<b>46,142,814</b>	<b>11,794,761</b>
<b>D) EMPLOYEE SEVERANCE PAY</b>	<b>-1,441,788</b>	<b>-769,623</b>
<b>E) NET CAPITAL REQUIREMENT (C+D)</b>	<b>44,701,026</b>	<b>11,025,138</b>
covered by		
<b>F) OWN CAPITAL</b>	<b>-22,654,232</b>	<b>-2,675,463</b>
Share capital	-2,130,272	-188,119
Reserves	-22,680,411	-2,885,961
Results carried forward		
Operating result	2,156,451	398,617
<b>G) NET FINANCIAL POSITION</b>	<b>-22,046,794</b>	<b>-8,349,675</b>
Medium-long financial debts	-15,932,183	-6,540,485
Short-term financial payables	-12,785,564	-3,686,209
Cash on hand	6,670,953	1,877,019
<b>H) TOTAL AS IN "E" (F+G)</b>	<b>-44,701,026</b>	<b>-11,025,138</b>

**FINANCIAL STATEMENTS COSTAMP GROUP SPA**

FINANCIAL STATEMENTS	31/12/2018	31/12/2017
<b>Pre-tax profit</b>	<b>-3,021</b>	<b>-532</b>
<b>Adjustments for:</b>		
Depreciation of:		
- intangible assets	543	155
- tangible assets	1,853	592
Impairment losses / (reversals)	430	204
Provisions for risks and charges		
(Income) / Financial charges	657	630
(Gains) / Losses and other non-monetary items	43	
Cash flow from operating activities before changes in net working capital		
Increase / (Decrease) benefits for employees	-25	-43
(Increase) / Decrease in inventories	7,887	-1,267
(Increase) / Decrease in trade receivables	11,563	1,595
(Increase) / Decrease in other assets / liabilities and assets / liabilities for prepaid / deferred taxes	-5,743	-545
Increase / (Decrease) in trade payables	-2,185	1,488
Dividends collected		
Interest income and other financial income received	89	37
Interest expense and other financial charges paid	-746	-667
Use of provisions for risks and charges and the bad debt provision		
Taxes paid	-164	409
<b>Cash flows from operating activities (a)</b>	<b>11,181</b>	<b>2,056</b>
Net investments in intangible assets	-277	-105
Net investments in tangible assets	-3,992	-588
Net costamp integration operation	802	
Net investments in equity investments		-425
(Increase) / Decrease in other investment activities	170	-232
<b>Cash flow from investment / disinvestment activities (b)</b>	<b>-3,297</b>	<b>-1,350</b>
Increase in financial debts		
	6,500	
Financial repayments and other net changes)	-9,938	-822
Payments on capital account and contribution	348	
Dividends paid		
<b>Cash flow from financial activities (c)</b>	<b>-3,090</b>	<b>-822</b>
Effect of changes in exchange rates on cash and cash equivalents (d)		
<i>Increase / (decrease) in cash and cash equivalents (a+b+c+d)</i>	4,794	-116
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>1,877</b>	<b>1,993</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6,671</b>	<b>1,877</b>

**CONSOLIDATED PRO-FORMA PROFIT AND LOSS ACCOUNT**  
*(data not subject to audit)*

Thousands of Euros	31/12/2018	31/12/2017
Revenue from sales and services	55,624	57,957
Other income	2,415	1,008
<b>Total operating income</b>	<b>58,039</b>	<b>58,964</b>
Costs for goods and services	39,652	38,279
Cost of labour	16,174	15,239
Other costs and charges	651	862
Total operating costs	<b>56,477</b>	<b>54,381</b>
<b>Gross operating profit (EBITDA)</b>	<b>1,562</b>	<b>4,584</b>
Depreciation and devaluations	3,223	2,914
<b>Profit (EBIT)</b>	<b>-1,661</b>	<b>1,670</b>
Financial charges	-785	-1,103
Financial income	70	11
Write-down of financial assets	3	-10
Adjustment of equity method equity investments	0	50
Taxes for the year	692	-257
<b>Profit/(loss) in the financial year</b>	<b>-1,681</b>	<b>361</b>

## CONSOLIDATED PRO-FORMA BALANCE SHEET

(data not subject to audit)

Description	31/12/2018	31/12/2017
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible fixed assets, real estate, plant and machinery	37,397	34,725
Intangible fixed assets	9,173	13,497
Real estate investments	2,252	0
Shares in subsidiaries and affiliates	493,069	497
Long-term financial assets	421,75	373
Deferred tax assets	1,255	1,392
Other assets		1
<b>TOTAL NON-CURRENT ASSETS</b>	<b>50,991</b>	<b>50,485</b>
<b>Current assets</b>		
Inventories	13,245	19,051
Trade receivables	7,900	16,532
Receivables for current taxes	340	288
Other receivables and current assets	1,791	2,546
Short-term financial assets	3	7
Financial liquidity	7,155	7,508
<b>TOTAL CURRENT ASSETS</b>	<b>30,434</b>	<b>45,931</b>
Non-current assets destined for sale	1	215
<b>TOTAL ASSETS</b>	<b>81,426</b>	<b>96,630</b>
<b>Net equity and liabilities</b>		
<b>TOTAL NET WORTH</b>	<b>23,036</b>	<b>27,385</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Provisions for risks and charges		
TFR	1,538	1,575
Deferred tax liabilities	4,642	3,945
Long-term financial liabilities	16,023	18,060
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>22,203</b>	<b>23,580</b>
<b>Current liabilities</b>		
Trade liabilities	14,914	18,566
Other and current liabilities	8,384	10,472
Liabilities for current taxes	0	276
Short-term financial liabilities	12,890	16,351
<b>TOTAL CURRENT LIABILITIES</b>	<b>36,188</b>	<b>45,665</b>
<b>NET ASSETS AND LIABILITIES</b>	<b>81,426</b>	<b>96,630</b>

