



Approval of the Financial Statements of Vimi Fasteners and the Consolidated Financial Statements for 2018

- **Proforma consolidated turnover of Euro 52.3 million (+4.2% compared to Euro 50.2 million in 2017);**
- **Adjusted proforma consolidated EBITDA of Euro 7.5 million, representing 14.4% of revenues (compared to Euro 7.9 million in 2017);**
- **Adjusted proforma consolidated net profit of Euro 2.9 million, representing 5.6% of revenues, higher than the result achieved in the previous year (Euro 2.7 million in 2017);**
- **Consolidated NFP amounting to Euro 14.2 million, an improvement compared to Euro 19.9 million in 2017.**

Novellara, 29 March 2019

The Board of Directors of Vimi Fasteners S.p.A. has approved today the draft financial statements as at 31 December 2018, prepared in accordance with international accounting standards (IAS/IFRS), as well as the 2018 consolidated financial statements prepared in accordance with international accounting standards (IAS/IFRS).

For a better representation of economic/financial figures, the Company has also prepared the proforma financial statements, as the consolidated financial statements for 2018 include the economic results of MF Inox S.r.l. as from 1 June 2018.

The Board of Directors also resolved to convene the ordinary Shareholders' Meeting on 30 April 2019, in a single call, to resolve, among other things, on the approval of the financial statements as at 31 December 2018.

MAIN PROFORMA CONSOLIDATED CAPITAL, FINANCIAL POSITION AND RESULTS OF OPERATIONS AS AT 31 DECEMBER 2018

In order to better represent the Group's consolidated results and to provide continuity to the information included in the Admission Document, the Company has voluntarily prepared the proforma consolidated financial statements as at 31 December 2018, the figures of which are described below.

Proforma consolidated revenues for 2018 amounted to Euro 52.3 million, an increase of 4.2% compared to 2017 (Euro 50.2 million), mainly due to the increase for the holding company Vimi Fasteners S.p.A. (from Euro 43.4 million to Euro 45.7 million). Around 70% of sales were carried out abroad, mainly in Germany, England, the USA and China in the following sectors: automotive 42% (including 5% in the supercar segment), industrial 34%, commercial vehicles 7%, energy and oil & gas 7%, infrastructure 6% and other sectors 4%.

The adjusted proforma consolidated gross operating margin (EBITDA)¹ was Euro 7.5 million (14.4% of revenues) compared to Euro 7.9 million in 2017. The 2018 result was influenced by extraordinary factors such as excessive saturation of the production structure and supply chain. Furthermore, the temporary relocation of a number of production activities and the simultaneous preparation of the new plant have created a physiological reduction in the general efficiency of production activities with a consequent impact on industrial margins.

Adjusted proforma consolidated net profit was Euro 2.9 million (5.6% of revenues), up from Euro 2.7 million in 2017. The higher amortisation and depreciation due to investments made in 2018 was offset by improved financial management and a reduction in the tax burden.

The consolidated net financial position (NFP) at the end of 2018 was Euro 14.2 million, down from Euro 19.9 million in 2017. The figure includes an amount of Euro 4.3 million as an earn-out obligation for the selling shareholders of MF Inox, to be paid in 2022 with the approval of the financial statements as at 31 December 2021.

The net financial resources deriving from the IPO, amounting to Euro 11.2 million, were partly used to finance productive investments, partly to increase working capital and partly to reduce debt.

Business outlook

2019 will be a year of transition for Vimi Fasteners. There are positive expectations for the Industrial, Aerospace and Oil & Gas sectors, while the Automotive sector will continue to be affected by a negative trend in demand. Therefore, it is estimated that the impact of non-Automotive sectors on revenues will increase significantly compared to 2018.

During the current year, research and development, marketing and commercial activities will continue to focus on new applications for Aerospace/Motorsport, Oil & Gas and Industrial, where there is ample room for growth for the Group.

The rationalisation of production processes and the construction of the new plant, which is expected to be completed in the second half of the year, will continue in 2019.

As set out in the strategic plan, the Group continues to scout the market for potential acquisitions for the expansion of the product range offered and for greater internationalisation of its activities.

¹ Adjustments to adjusted values mainly concern costs relating to the stock grant plan approved during the IPO phase, non-recurring costs incurred for the temporary transfer of certain production activities necessary to carry out the expansion of the plant and the costs of the M&A operation for MF Inox Srl.

SHAREHOLDERS' MEETING

The Board of Directors has provided a mandate to the Chairman to convene the Ordinary Shareholders' Meeting on 30 April 2019, at 3.00 p.m., at Villa Manfredini in Piazza del Martiri 29, Reggiolo (RE), which will be called to discuss and resolve on the following items on the agenda:

1. Financial statements as at 31 December 2018; Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Related and consequent resolutions. Presentation of the consolidated financial statements as at 31 December 2018.
2. Allocation of profit for the year. Related and consequent resolutions.
3. Assignment to perform the statutory independent audit; related and consequent resolutions.

In particular, the Board of Directors proposes to cover the loss for the year ended 31/12/2018 of Euro 47 thousand through the use of the Extraordinary Reserve up to said amount.

The entire call notice for the Shareholders' Meeting will be made available to the public within the time limits required by law, while the documentation relating to the items on the agenda will be made available to the public at the company's registered office and on the website www.vimifasteners.com

The following are attached:

- The Balance Sheet and Income Statement relating to the proforma consolidated figures as at 31 December 2018, prepared in accordance with international accounting standards (IAS/IFRS).
- The Balance Sheet, Income Statement and Cash Flow Statement relating to the consolidated figures as at 31 December 2018, prepared in accordance with international accounting standards (IAS/IFRS). **The income statement includes the results of MF Inox S.r.l. as from 1 June 2018**, the day conventionally designated as the acquisition date for accounting purposes only. The 2017 comparison figures refer only to Vimi Fasteners S.p.A.
- The Balance Sheet, Income Statement and Cash Flow Statement of Vimi Fasteners S.p.A. as at 31 December 2018, prepared in accordance with international accounting standards (IAS/IFRS).

With reference to the accounting data presented in this press release, it should be noted that these are figures for which statutory audit activities have not been completed by the Independent Auditors nor have Board of Statutory Auditors verification activities. The draft financial statements as at 31 December 2018 will be available at the company's registered office within the time limits required by law.

PROFORMA CONSOLIDATED INCOME STATEMENT

	2018 Proforma		2017 Proforma	
Revenues	52,328	100.0%	50,199	100.0%
Cost of sales	-32,280	-61.7%	-29,938	-59.6%
Gross profit	20,048	38.3%	20,261	40.4%
Research and development expenses	-479	-0.9%	-760	-1.5%
Commercial selling expenses	-2,788	-5.3%	-2,521	-5.0%
General and administrative expenses	-10,959	-20.9%	-9,005	-17.9%
Gross operating margin (EBITDA)	5,821	11.1%	7,974	15.9%
Amort., deprec. and other write-downs	-3,471	-6.6%	-3,074	-6.1%
Operating profit - (EBIT)	2,351	4.5%	4,900	9.8%
Net financial income (expenses)	-150	-0.3%	-408	-0.8%
Profit before tax	2,200	4.2%	4,492	8.9%
Taxes for the year	-573	-1.1%	-1,781	-3.5%
Profit for the year	1,627	3.1%	2,712	5.4%
non recurring costs	1,724			
ADJUSTED EBITDA	7,545	14.4%		
taxes for adjustment	-420			
ADJUSTED Profit for the year	2,931	5.6%		

PROFORMA CONSOLIDATED BALANCE SHEET

	2018 Proforma		2017 Proforma	
thousands of Euro	amounts	%	amounts	%
Trade receivables and advances to suppliers	12,579	31.3%	14,159	42.8%
Inventories	10,697	26.6%	7,413	22.4%
Trade payables and advances from customers	-10,885	-27.1%	-10,636	-32.1%
Other net	-1,538	-3.8%	-3,471	-10.5%
Net working capital	10,853	27.0%	7,465	22.5%
Tangible fixed assets	15,183	37.8%	13,173	39.8%
Intangible fixed assets	14,151	35.3%	14,317	43.2%
Financial fixed assets	1	0.0%	26	0.1%
Receivables from others and deferred tax assets	2,016	5.0%	1,372	4.1%
Fixed assets	31,351	78.1%	28,888	87.2%
Provision for severance indemnities and other long-term liabilities	-2,066	-5.1%	-3,233	-9.8%
Net invested capital	40,139	100.0%	33,120	100.0%
	0	0.0%		0.0%
Net financial position (A)	-14,174	-35.3%	-19,941	-60.2%
	0	0.0%		0.0%
Net equity (B)	-25,965	-64.7%	-13,179	-39.8%
	0	0.0%		0.0%
Total sources of financing (B+A)	-40,139	-100.0%	-33,120	-100.0%

NOT FOR DISTRIBUTION OR PUBLICATION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN OR IN ANY OTHER JURISDICTION WHERE THE DISSEMINATION OF THIS PRESS RELEASE IS NOT PERMITTED.

CONSOLIDATED INCOME STATEMENT

	2018		2017	
	amounts	%	amounts	%
Revenues	49,175	100.0%	43,385	100.0%
Cost of sales	-31,336	-63.7%	-27,480	-63.3%
Gross profit	17,838	36.3%	15,905	36.7%
Research and development expenses	-479	-1.0%	-760	-1.8%
Commercial selling expenses	-2,748	-5.6%	-2,428	-5.6%
General and administrative expenses	-10,396	-21.1%	-7,786	-17.9%
Gross operating margin (EBITDA)	4,215	8.6%	4,931	11.4%
Amort., deprec. and other write-downs	-3,290	-6.7%	-2,744	-6.3%
Operating profit - (EBIT)	925	1.9%	2,187	5.0%
Net financial income (expenses)	-193	-0.4%	-153	-0.4%
Profit before tax	732	1.5%	2,034	4.7%
Taxes for the year	-148	-0.3%	-445	-1.0%
Profit for the year	584	1.2%	1,588	3.7%

CONSOLIDATED BALANCE SHEET

thousands of Euro	2018		2017	
	amounts	%	amounts	%
Trade receivables and advances to suppliers	12,579	31.2%	13,076	70.4%
Inventories	10,697	26.5%	7,215	38.9%
Trade payables and advances from customers	-10,885	-27.0%	-9,985	-53.8%
Other net	-1,538	-3.8%	-2,505	-13.5%
Net working capital	10,853	26.9%	7,802	42.0%
Tangible fixed assets	15,363	38.1%	10,782	58.1%
Intangible fixed assets	14,151	35.1%	796	4.3%
Financial fixed assets	1	0.0%	26	0.1%
Receivables from others and deferred tax assets	2,016	5.0%	1,104	5.9%
Fixed assets	31,532	78.2%	12,708	68.4%
Provision for severance indemnities and other long-term liabilities	-2,066	-5.1%	-1,944	-10.5%
Net invested capital	40,319	100.0%	18,566	100.0%
	0	0.0%		
Net financial position (A)	-14,174	-35.2%	-5,386	-29.0%
	0	0.0%		
Net equity (B)	-26,146	-64.8%	-13,179	-71.0%
	0	0.0%		
Total sources of financing (B+A)	-40,319	-100.0%	-18,566	-100.0%

CONSOLIDATED CASH FLOW STATEMENT

<i>in thousands of Euro</i>	31.12.2018	31.12.2017
OPERATING ACTIVITIES		
Profit for the year	584	1,588
<i>Adjustments for:</i>		
- Depreciation and amortisation of tangible and intangible fixed assets	4,054	2,744
- (Gains) losses on disposal of fixed assets	(23)	138
- Change in provisions for risks and charges and liabilities for employee benefits	3,979	(117)
- Other non-monetary changes	307	258
- Taxes	71	445
Sub Total	8,972	5,056
(Increase) decrease in trade and other receivables	1,263	(1,620)
(Increase) decrease in inventories	(3,420)	(1,879)
Increase (decrease) in trade and other payables	532	3,046
Taxes paid	(1,349)	(45)
CASH FLOW FROM OPERATING ACTIVITIES (A)	5,998	(498)
INVESTING ACTIVITIES		
Investments in tangible fixed assets	(7,339)	(3,199)
Investments in intangible fixed assets	(12,897)	(537)
Equity investments	0	(25)
Sale of fixed assets	0	6
CASH AND CASH EQUIVALENTS USED IN INVESTING ACTIVITIES (B)	(20,236)	(3,755)
FINANCING ACTIVITIES		
Repayment of financial payables	(3,636)	3,008
Other changes in financial assets/liabilities	8,744	(8)
Collection from AIM quotation	11,174	
Dividends paid	(450)	(450)
Interest paid	(114)	(152)
CASH AND CASH EQUIVALENTS USED IN FINANCING ACTIVITIES (C)	15,717	2,398
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	1,479	3,201
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (E)	3,614	413
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (L=H+I)	5,093	3,614

VIMI FASTENERS S.P.A. INCOME STATEMENT

thousands of Euro	2018		2017	
	amounts	%	amounts	%
Revenues	45,660	100.0%	43,385	100.0%
Cost of sales	-29,711	-65.1%	-27,480	-63.3%
Gross profit	15,950	34.9%	15,905	36.7%
Research and development expenses	-479	-1.0%	-760	-1.8%
Commercial selling expenses	-2,563	-5.6%	-2,428	-5.6%
General and administrative expenses	-9,959	-21.8%	-7,786	-17.9%
Gross operating margin (EBITDA)	2,949	6.5%	4,931	11.4%
Amort., deprec. and other write-downs	-3,036	-6.7%	-2,744	-6.3%
Operating profit (EBIT)	-87	-0.2%	2,187	5.0%
Net financial income (expenses)	-91	-0.2%	-153	-0.4%
Profit before tax	-178	-0.4%	2,034	4.7%
Taxes for the year	131	0.3%	-445	-1.0%
Profit for the year	-47	-0.1%	1,588	3.7%

VIMI FASTENERS S.P.A. BALANCE SHEET

thousands of Euro	2018		2017	
	amounts	%	amounts	%
Trade receivables and advances to suppliers	11,569	32.1%	13,076	70.4%
Inventories	9,225	25.6%	7,215	38.9%
Trade payables and advances from customers	-9,197	-25.5%	-9,985	-53.8%
Other net	-1,297	-3.6%	-2,505	-13.5%
Net working capital	10,300	28.6%	7,802	42.0%
Tangible fixed assets	13,165	36.6%	10,782	58.1%
Intangible fixed assets	1,050	2.9%	796	4.3%
Financial fixed assets	11,754	32.6%	26	0.1%
Receivables from others and deferred tax assets	1,562	4.3%	1,104	5.9%
Fixed assets	27,532	76.4%	12,708	68.4%
Provision for severance indemnities and other long-term liabilities	-1,814	-5.0%	-1,944	-10.5%
Net invested capital	36,018	100.0%	18,566	100.0%
Net financial position (A)	-12,158	-33.8%	-5,386	-29.0%
Net equity (B)	-23,860	-66.2%	-13,179	-71.0%
Total sources of financing (B+A)	-36,018	-100.0%	-18,566	-100.0%

VIMI FASTENERS S.P.A. STATEMENT OF CASH FLOWS

<i>in thousands of Euro</i>	31.12.2018	31.12.2017
OPERATING ACTIVITIES		
Profit for the year	(47)	1,588
<i>Adjustments for:</i>		
- Depreciation and amortisation of tangible and intangible fixed assets	3,036	2,744
- (Gains) losses on disposal of fixed assets	(14)	138
- Change in provisions for risks and charges and liabilities for employee benefits	(177)	(117)
- Other non-monetary changes	(1,039)	258
- Taxes	(131)	445
Sub Total	1,629	5,056
(Increase) decrease in trade and other receivables	1,464	(1,620)
(Increase) decrease in inventories	(2,052)	(1,879)
Increase (decrease) in trade and other payables	(729)	3,046
Taxes paid	(338)	(45)
CASH FLOW FROM OPERATING ACTIVITIES (A)	(26)	(498)
INVESTING ACTIVITIES		
Investments in tangible fixed assets	(5,063)	(3,199)
Investments in intangible fixed assets	(596)	(537)
Equity investments	(11,728)	(25)
Sale of fixed assets	0	6
CASH AND CASH EQUIVALENTS USED IN INVESTING ACTIVITIES (B)	(17,387)	(3,755)
FINANCING ACTIVITIES		
	0	
Repayment of financial payables	(2,802)	3,008
Other changes in financial assets/liabilities	8,744	(8)
Collection from AIM quotation	11,174	
Dividends paid	(450)	(450)
Interest paid	(83)	(152)
CASH AND CASH EQUIVALENTS USED IN FINANCING ACTIVITIES (C)	16,583	2,398
NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)	(830)	3,201
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (E)	3,614	413
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (L=H+I)	2,784	3,614

www.vimifasteners.com

Vimi Fasteners, based in Novellara (RE), operates in the high-precision mechanical sector and is a leader in the design and production of highly engineered fasteners for the automotive, industrial, oil & gas and aerospace sectors. The Group works in partnership with its customers (OEM, Tier 1 and distributors) and develops customised solutions, which it exports all over the world, using special steels, super-alloys and cutting-edge technologies in the integrated production of its products.

ISIN Code: **IT0004717200**

Ticker: **VIM**

For more information:



Investor Relations Contacts

Fabio Storchi | fabio.storchi@vimifasteners.com

Communications and Public Relations

Valeria Braglia | ir@vimifasteners.com | +39 335 6552491

Nominated Adviser Contacts

BPER Banca S.p.A. | vimi@bper.it | +39 059 2021140

* * * * *

This press release does not constitute an offer to the public of financial products in Italy pursuant to Article 1(1)(t), of Legislative Decree No. 58 of 24 February 1998. This press release (including the information contained herein) is neither part of a public offering of financial products nor a solicitation of offers to purchase financial products and no offer to sell such products will be made in any jurisdiction where such offer or sale is contrary to applicable law. This release does not constitute an offer to sell financial products in the United States of America, Australia, Canada, Japan or any other jurisdiction in which such offer or sale is prohibited and may not be published or distributed, directly or indirectly, in such jurisdictions. The financial products mentioned in this press release have not been and will not be registered under the Securities Act of the United States of America of 1933, as amended; such products may not be offered or sold in the United States of America without registration or exemption from the application of registration requirements. The documentation relating to the offer has not been/will not be submitted for approval to CONSOB and Borsa Italiana S.p.A.