COSTAMP GROUP Spa
23844 Sirone (LC) Italy
Via Verdi, 6

Telephone +39 031 875 195
Telefax +39 031 875 196

E-mail: info@costampgroup.it
Web: www.costampgroup.it

Cod.Fisc.e Part.IVA IT 01763310354
REA 325890 CCIAA di Lecco

THE ABREVIATED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2019

COSTAMP GROUP S.P.A.

Registered office - Via Verdi no. 6 - 23844 - Sirone (LC)

Share capital 2.130.272 fully paid up

Tax Code and VAT number 01763310354

ABBREVIATED CONSOLIDATED HALF-YEARLY BALANCE SHEET AT 30/06/2019

CONSOLIDATED FINANCIAL POSITION STATEMENT

	Notes	30/06/2019	31/12/2018
Assets			
Non-current assets			
Real estate, plant and machinery	1	39.666.606	37.396.539
Intangible assets	2	9.409.250	9.172.661
Real estate investments	3	2.223.814	2.252.428
Shareholdings	4	496.570	493.069
Long-term financial assets	5	80.000	421.750
Tax assets paid in advance	6	1.104.290	1.254.871
Other non-current assets	4	1.240	1.240
Total non-current assets		**52.981.769**	**50.992.557**
Current assets			
Inventories	7	15.158.339	13.245.186
Trade receivables	8	11.428.612	7.899.753
Receivables for income taxes	9	242.488	340.278
Other receivables and current assets	10	2.403.646	1.790.969
Short-term financial assets	11	2.672	2.673
Cash availability	12	9.484.740	7.155.024
Total current assets		**38.720.496**	**30.433.883**
Non-current assets held for sale	**13**	**0**	**0**
Total assets		**91.702.265**	**81.426.439**
Net equity and liabilities			
Net worth			
Share capital		2.130.272	2.130.272
Other provisions		20.900.123	22.584.876
Financialyear profit		610.263	-1.679.626
Net worth		**23.640.658**	**23.035.522**
Liabilities			
Non-current liabilities			
Employee benefits	14	1.248.641	1.538.101
Long-term financial liabilities	15	19.694.901	16.022.631
Deferred tax liabilities	6	4.439.300	4.642.067
Total non-current liabilities		**25.382.842**	**22.202.800**
Current liabilities			
Trade payables	16	14.597.911	14.913.715
Income tax payables	17	0	0
Other current payables and liabilities	18	9.649.574	8.383.984
Short-term financial liabilities	15	18.431.279	12.890.419
Total current liabilities		**42.678.764**	**36.188.118**
Total net worth and liabilities		**91.702.265**	**81.426.439**

CONSOLIDATED ABBREVIATED HALF-YEARLY BALANCE SHEET AT 30/06/2019

CONSOLIDATED PROFITAND LOSS ACCOUNT

	Note	30/06/2019	30/06/2018

Revenues from sales and services	1	27.691.367	27.725.545
Other revenue	2	1.019.660	1.204.178
Total operating revenue		**28.711.027**	**28.929.723**
Costs for goods and services	3	-17.189.946	-18.632.053
Cost of labour	4	-8.276.899	-7.397.780
Depreciation and write-downs	5	-1.739.260	-1.078.272
Net reinstatement/write-down of receivables		0	0
Other costs and charges	6	-302.079	-281.423
Total operating costs		**-27.508.185**	**-27.389.528**
Operating profit		**1.202.843**	**1.540.195**
Financial charges	7	-406.039	-400.552
Financial income	7	706	1.376
Net reinstatement/write-down of equity investments	7	0	-1.192
Taxes for the financial year	8	-187.246	-353.868
Profit (loss) for the year		**610.263**	**785.959**

OVERALL CONSOLIDATED PROFIT AND LOSS ACCOUNT		
	30/06/2019	30/06/2018
Profit (loss) for the financial year	610.263	785.958
Items not to be reclassified in the Profit/Loss statement for the financial year	0	0
Actuarial profit/(loss) from end of service severenace pay	0	0
Taxes on items brought directly to, or transferred from the net worth	0	0
Total other components of comprehensive income	**610.263**	**785.958**
TOTAL COMPREHENSIVE INCOME STATEMENT FOR THE FINANCIAL YEAR	**610.263**	**785.958**

STATEMENT OF CHANGES IN CONSOLIDATED NET WORTH

Total Net Worth	**capitale sociale**	**altre riserve**	**risultati**	**totale**
Balance 31 December 2018	2.130.272	22.584.876	-1.679.626	23.035.522
Effect of IFRS 16 adoption		-55.127	0	-55.127
Balance adjusted at 01/01/2019	2.130.272	22.529.749	-1.679.626	22.980.395
Assignment of profit/(losses) from the previous financial year		-1.679.626	1.679.626	0
Sale of treasury shares		50.000	0	50.000
Total profit and loss account		0	610.263	610.263
Dividends		0	0	0
* change in IAS 19 provision		0	0	0
Balance 30/06/2019	**2.130.272**	**20.900.123**	**610.263**	**23.640.658**

* the item includes the actuarial profit or loss of the end of service severance pay

CONSOLIDATED FINANCIAL STATEMENT	**30/06/2019**	**30/06/2018**
Pre-tax profit	**798**	**1.140**
Adjustments for:		
Depreciation of:		
- intangible asets	310	101
- tangible assets	1.429	977
Impairment losses/(recoveries)		
Provisions for risks and charges		22
Financial (Income)/charges	405	399

(Gains)/Losses and other non-monetary items	133	92
Cash flow from operating activities before changes in net working capital		
Increase/(Decrease) benefits for employees	-289	
(Increase)/Decrease in inventories	-1.913	3.283
(Increase)/Decrease in trade receivables	-3.529	877
(Increase)/Decrease in other assets/liabilities and assets/liabilities for prepaid/deferred taxes	503	-146
Increase/(Decrease) in trade payables	-316	-2.821
Dividends collected		
Interest income and other financial revenue received	1	
Interest payable and other financial charges paid	-406	
Use of provisions for risks and charges and bad debt provision		
Taxes paid	0	-332
Cash flows from operating activities (a)	**-2.874**	**3.592**
Net investments in intangible assets	-397	-237
Net investments in tangible assets	-793	-2.526
Net costamp integration operation fund		0
Net investments in shares		2.163
(Increase)/Decrease in other investment activities	342	-6
Cash flows from investing/disinvesting activities (b)	**-848**	**-606**
Increase in financial debts	10.094	1.291
Financial payables repayments and other net changes)	-4.041	0
Payments on capital accounts and contribution		
Dividends paid		
Cash flow from financing activities (c)	**6.053**	**1.291**
Effect of changes in exchange rates on cash and cash equivalents (d)		
Increase/(decrease) in cash and cash equivalents (a + b + c + d)	2.331	4.277
Cash and cash equivalents at the beginning of the financial year	**7.155**	**5.344**
Cash and cash equivalents at the end of the financial year	**9.485**	**9.621**

For the Board of Directors

The Chairman CORTI MARCO

Located in Sirone, Via Verdi 6
Share capital 2,130,272.00 Euros
fully paid up
Tax Code 017663310354
Registered in the Lecco Register of Companies no. 01763310354
Economic and Administrative Repertory (R.E.A.) No. LC-325890

EXPLANATORY NOTES TO
THE ABREVIATED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2019

Introduction

Costamp Group S.p.a. carries out its business activity at its registered office in Via Verdi, 6 in Sirone (LC) and in the secondary offices in Via Coazze, 25 in Rivalta di Torino (TO) and in Via del Progresso, 1 and 3 in Correggio (RE).
Note that on 19 December 2018, after a resolution of the respective Board of Directors, the merger between the companies Costamp Group S.p.A. and Co.stamp Tools S.r.l. came into force. This merger has 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 (gravity and low-pressure processes) castings and moulds for plastic materials.
This merger has resulted in the creation of a combined entity, which is one of the international leaders in engineering with a dual industrial value of the operation, promoting the integration of production processes and amplifying the product range on international markets.

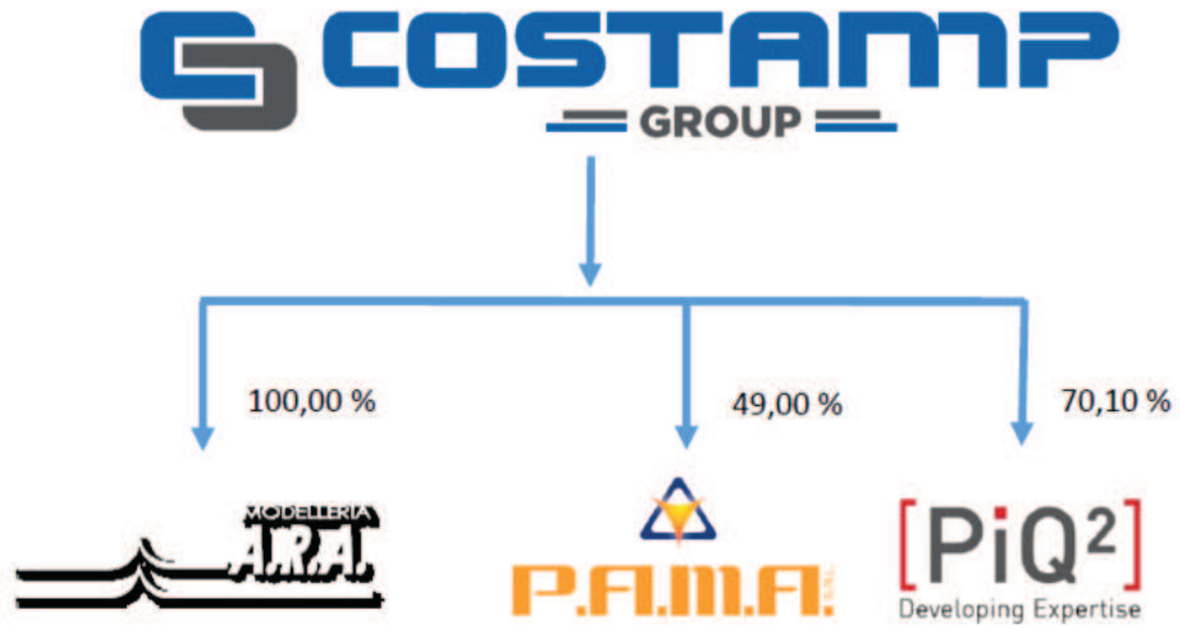
The publication of these abbreviated interim consolidated financial statements at 30 June 2019 was authorised by the Board of Directors on 27 September 2019.

1. INFORMAZIONI GENERALI

The obligation to draft these abbreviated consolidated half-year financial statements arises from the application of articles 18 and 19 of the AIM Italia Issuers Regulation which expressly provides for the prohibition of the application of exemptions from the obligation to draft the consolidated financial statements pursuant to article 27(1) of Legislative Decree 127/91.

2. CONSOLIDATION SCOPE

At 30 June 2019 the following is the Group's consolidation scope:



3. FORMAT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The abbreviated interim consolidated financial statements at 30 June 2019 were drafted in accordance with IAS 34, concerning interim financial reporting. IAS34 allows the drafting of financial statements in a "shortened" format, that is on the basis of a minimum level of information significantly briefer than that provided for by the International Financial Reporting Standards issued by the International Accounting Standards Board adopted by the European Union (IFRS), where a complete financial statement with disclosure drafted in accordance with the IFRS is made available to the public in advance. The abbreviated interim consolidated financial statements at 30 June 2019 were drafted in this format and must therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December, drafted in compliance with IFRS, except as otherwise described in the "New accounting standards, amendments and interpretations applicable from 1 January 2019" paragraphs below.

With regard to the presentation methods, note that:

- current and non-current assets and liabilities are shown separately in the balance sheet and financial position. Current assets that include cash and cash equivalents are those intended to be realised, sold or consumed in the company's normal operations. Non-current assets include positive balances with a realisation cycle beyond twelve months, including tangible, intangible and financial fixed assets and prepaid taxes. Current liabilities include payables due within 12 months, including the current quota of non-current loans. Non-current liabilities include payables due beyond 12 months, including financial payables, provisions for personnel and deferred taxes;
- the profit and loss account has classification of costs according to the type of cost;
- the cash flow statement separately shows the cash flows derived from the operating activity, investment and financing. The indirect method was followed for its drafting.

In drafting these abbreviated interim consolidated financial statements, the same accounting and standards followed in the drafting of the consolidated financial statements at 31 December 2018 were applied, to which reference is made for a detailed analysis, with the exception of the adoption of the new accounting standard IFRS16 as described below.

Note that the drafting of the abbreviated interim consolidated financial statements requires the Directors to make estimates and assumptions that affect the values of revenue, costs, assets and liabilities in the financial statements and the information relating to assets and contingent liabilities at the date of the abbreviated consolidated interim financial statements. Should, in the future, these estimates and assumptions, which are based on the best assessment of the Directors, differ from the actual circumstances, they will be modified as necessary for the period in which the circumstances changed.

Also note that certain valuation processes, in particular the more complex ones such as the determination of any permanent losses in the value of non-current assets, were generally only comprehensively carried out when the annual financial statements are drafted, when all the necessary information is available, except in cases where there are impairment indicators that require an immediate assessment of any losses in value; in the case in question, in the first half of 2019, there were no impairment indicators requiring the activation of the test also for abbreviated interim consolidated financial statements.

The balance sheet, profit and loss account, overall profit and loss account, the cash flow statement and the statement of changes in consolidated shareholders' equity are shown in Euros and the amounts are shown in thousands of Euros unless otherwise indicated.
The Group's abbreviated consolidated half-yearly financial statements include the balance sheet, profit and loss account and financial position of the Parent Company, Costamp Group S.p.A., and of the Italian operating companies which are directly or indirectly subsidiaries of the Parent Company, namely Modelleria Ara S.r.l. With reference to the subsidiary PiQ 2 S.r.l., taking into account the company's irrelevance and characteristics, inhomogeneous with respect to that of the Group, it was not includedin the consolidation.

In the abbreviated interim consolidated financial statements, the profit and loss account and cash flow statement data for the semester were compared with those for the same semester in the previous period. The net financial position and the items of the consolidated balance sheet at 30 June 2019 are compared with the corresponding final data at 31 December 2018.

With reference to IAS 1, the directors confirm that, in consideration of the economic prospects, capitalization and financial position of the Group and taking into account the large unused credit lines currently available, the company operates on a going concern basis and the abbreviated interim consolidated financial statements were prepared using the accounting standards of a Group in operation, as better described in the Interim Report on Operations.

4. CONSOLIDATION STANDARDS

The scope of consolidation includes subsidiaries for which it is possible to exercise control in accordance with the definition provided by IFRS 10, which requires an investor to control an entity in which it has invested when it has rights that give it the opportunity to control the entity's relevant activities, or a right to receive variable returns from its involvement with the entity and has the practical possibility of using its power to influence the returns obtainable from the investment.
Investments in associated companies (for which significant influence is exercisable pursuant to IAS 28) are included according to the equity method, while the equity method is applicable for "joint arrangements" (i.e. agreements where two or more parties have joint control pursuant to IFRS 11), if they qualify as "joint ventures", or the recognition of their share of assets, liabilities, costs and revenues, if they qualify as "joint operations".

The financial results of the subsidiaries acquired or sold during the year are included in the consolidated profit and loss account from the effective acquisition date until the actual date of sale.
Where necessary, adjustments were made to the financial statements of subsidiaries to align the accounting criteria used with those followed by the Group.
Consolidation of the interim financial statements of subsidiaries was carried out according to the line-by-line consolidation method, assuming the full value of the assets, liabilities, costs and revenue of the individual companies, regardless of the shareholdings, eliminating the book value of the consolidated equity investments held by the company against the related net equity.
The minority shareholders' interest in the net assets of the consolidated subsidiaries is recorded separately from the Group's shareholders' equity. This interest is determined on the acquisition date based on the fair value of the minority share or on the pro-quota of the current value of the net assets included for the acquired company and after that date in the changes in net equity. The valuation method was decided on per transaction

Losses attributable to third parties in a consolidated subsidiary may exceed the quota pertaining to third parties of the subsidiary's shareholders' equity; in such cases, minority interests will show a negative balance.
The effects of changes in the percentage of ownership of subsidiaries that do not involve acquisition/loss of control were included under changes in shareholders' equity.

Profit and losses, as long as they are significant, not yet realised and derived from transactions between companies falling within the scope of consolidation were eliminated, as were all the items of a significant amount that generated payables and receivables, costs and revenue between the Group companies. These adjustments, like the three consolidation adjustments, took into account the related deferred tax effect, where applicable

5. SUMMARY OF ACCOUNTING STANDARDS AND VALUATION CRITERIA FOLLOWED

Accounting standards
The accounting policies and standards applied in drafting the Company's financial statements (the "Financial Statements") were applied consistently for all the years shown in this document.

IFRS accounting standards, amendments and interpretations applied from 1 January 2019

The accounting standards, amendments and IFRS interpretations stated below were applied for the first time by the Group from 1 January 2019:

- On 13 January 2016, the IASB published the IFRS 16 - Leases standard, which was intended to replace the IAS 17 – Leases standard, as well as IFRIC 4 interpretations, determining whether an Agreement contains a Lease, SIC - 15 Operating Leases - Incentives and SIC - 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The new standard provides for a new definition of a lease and introduces a criterion based on the control (right of use) of an asset to distinguish leasing contracts from service contracts, identifying the following as distinguishing elements: the identification of an asset, the right to replace an asset, the right to substantially obtain all the economic benefits derived from the use of the asset and the right to control the use of the asset underlying the contract.
The standard establishes a single model for the recognition and evaluation of leasing contracts for the lessee, which provides for the registration of the asset the lease concerns, even if it is operating in the assets with a financial debt, also providing the possibility of not recognising contracts that involve "low-value assets" as a lease, as well as leases with a contractual duration of 12 months or less.
On the contrary, the standard does not include significant changes for landlords.
The standard applies from 1 January 2019.
The Group decided to apply the modified retrospective approach by entering the cumulative effect derived from the application of the standard in equity at 1 January 2019, in accordance with the provisions of paragraphs IFRS 16: C7-C13.
In relation to contracts that provide for a renewal option at the end of the non-cancellable period, the Group decided to consider only the non-cancellable period, in consideration of the assessments made which lead to consider failure to exercise the renewal option reasonable. For contracts with renewal options that can be automatically exercised at the end of the period that cannot be cancelled by either party, the duration considered is the maximum duration, normally exceeding the time scale covered by the Group's business plan.
The table below shows the effect of the adoption of IFRS 16 on the transition date:

	01/01/2019
Real estate, plant and machinery	2.526.385

Intangible assets	31.426
Prepaid taxes	21.332
Total asset impact	2.579.143
Short-term financial liabilities	713.617
Long financial liabilities	1.920.654
Net worth	-55.128
Total liability capital impact	2.579.143

The application of the modified retrospective method impacted the shareholders' equity at the date of first application of € 55,128.

The impact derived from the application of the new standard on the pre-tax result for the first half of 2019, resulting in € 1,295 higher costs, is summarised below:

	30/06/2019
Rental costs	-402.916
Tangible assets depreciation	307.364
Intangible assets depreciation	12.571
Interest payable	84.276
Additional costs	1.295

In order to help understand the impact of the first application of the standard, the following table provides a reconciliation between the future commitments relating to the lease contracts in the 2018 financial statements and the impact derived from the adoption of IFRS 16 at 1 January 2019:

	31/12/2018	application of IFRS 16	01/01/2019
Long term financial payables	4.024.807	1.920.654	5.945.461
Short term financial payables	1.783.690	713.617	2.497.307

In adopting IFRS 16, the Group took advantage of the exemption granted by paragraph IFRS 16-5 (a) in relation to short-term leases.
Likewise, the Group took advantage of the exemption granted by IFRS 16-5 (b) with regard to leasing contracts for which the underlying asset is configured as a low-value asset (i.e. where the assets underlying

the leasing contract does not exceed € 5,000 when new). The contracts for which the exemption has been applied fall mainly within the categories stated below:

o Computers, phones and tablets;

o Printers;

o Other electronic devices.

In relation to these contracts, the introduction of IFRS 16 did not entail recognition of the financial liability of the lease and the related right of use, but the lease payments were recorded in the profit and loss account on a linear basis for the duration of the respective contracts.
Furthermore, with reference to the transition rules, the Group took advantage of the following practical expedients available in the event of choosing the modified retrospective transition method:
o Exclusion of initial direct costs from the measurement of the right of use as of 1 January 2019;
o Use of the information present at the transition date for the determination of the lease term, with particular reference to the exercise of extension options and early closure.

The discount rates applied to the different types of lease liabilities recorded in the consolidated statement of financial position at the date of first application (1 January 2019) range from 4.23 to 8.01.

· On 12 October 2017, the IASB published an amendment to IFRS 9 "Prepayment Features with Negative Compensation (Amendments to IFRS 9)". This document specifies that instruments that provide for early repayment can comply with the Solely Payments of Principal and Interest test characteristics of contractual cash flows ("SPPI" test) also if the "reasonable additional compensation" to be paid in the event of early repayment and there is a "negative compensation" for the lender. Following this amendment did not have a significant effect on the Group's abbreviated consolidated half-yearly financial statements.

· On 7 June 2017 the IASB published the interpretation "Uncertainty over Income Tax Treatments (IFRIC Interpretation 23)". This interpretation deals with the issue of uncertainties regarding the tax procedure to be applied to income taxes. In particular, the interpretation requires an entity to analyse uncertain tax treatments (individually or as a whole, depending on the characteristics), always assuming that the tax authority examines the tax position in question, having full knowledge of all relevant information. In the event that the entity considers it unlikely that the tax authority will accept the tax treatment in question, the entity shall reflect on the effect of the uncertainty in the measurement of its current and deferred income taxes. Furthermore, the document does not contain any new disclosure obligation, but underlines that the entity will have to establish whether it will be necessary to provide information on the considerations made by the management and relating to the uncertainty inherent in tax accounting, in accordance with the provisions of IAS 1. The adoption of this document did not have any effects on the Group's abbreviated consolidated half-yearly financial statements.

· On 12 December 2017, the IASB published the document "Annual Improvements to IFRSs 2015-2017 Cycle" which implements the changes to some standards as part of an annual improvement process. The main changes concern:

o IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: the amendment clarifies that when an

entity takes over a business that represents a joint operation, it must re-measure the interest previously held in that business.
This process is not, however, prescribed if joint control is obtained.

o o IAS 12 Income Taxes: the amendment clarifies that all the tax effects linked to dividends (including payments on financial instruments classified as being within shareholders' equity) should be recorded in the accounts in a consistent manner with the transactions that generated the profit (profit and loss account, OCI or net worth).

o o IAS 23 Borrowing costs: the amendment clarifies that in the case of loans that stay in place even after the relevant qualifying asset is already ready for use or for sale, they become part of the loans used to calculate financing costs.

The adoption of this amendment did not have any effects on the Group's abbreviated consolidated half-yearly financial statements.

· On 7 February 2018 the IASB published the document "Plant Amendment, Curtailment or Settlement (Amendments to IAS 19). The document clarifies how an entity must identify a change (i.e. a curtailment or a settlement) of a defined benefits plan. The changes require the entity to update its assumptions and re-measure the liability or net asset resulting from the plan. The amendments clarify that after this event occurs, an entity must use updated assumptions to measure the current service cost and the interest for the rest of the relevant period following the event. The adoption of this amendment did not have any effects on the Group's abbreviated consolidated half-yearly financial statements.

· On 12 October 2017 the IASB published the document "Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)". This document clarifies the need to apply IFRS 9, including the requirements related to impairment, other long-term interests in affiliates and joint ventures for which the equity method is not applied. The adoption of this amendment did not have any effects on the Group's abbreviated consolidated half-yearly financial statements

IFRS accounting standards, amendments and interpretations not yet approved by the European Union.

At the date of these abbreviated consolidated half-yearly financial statements, the competent bodies of the European Union had not yet completed the approval process necessary for the adoption of the amendments and standards described below.

· On 18 May 2017, the IASB published IFRS 17 - Insurance Contracts which is intended to replace IFRS 4 - Insurance Contracts.

The objective of the new standard is to ensure that an entity provides relevant information that correctly represents the rights and obligations arising from issued insurance contracts. The IASB has developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies, providing a single standard-based framework to take into account all types of insurance contracts, including reinsurance contracts.

The new standard also includes submission and disclosure requirements to improve comparability between entities in this industry.

The new standard measures an insurance contract based on a General Model or a simplified version of the same, called the Premium Allocation Approach ("PAA").
The following are the main features of the General Model:
o the estimates and assumptions of future cash flows are always the current ones;
o the measurement reflects the time value of money;
o the estimates require an extensive use of information observable on the market;
o there is a current and express measurement of the risk;
o the expected profit is deferred and aggregated in groups of insurance contracts at the time of initial identification; and/or the expected profit is recorded in the contractual hedging period, taking into account the adjustments derived from changes in the assumptions relating to the cash flows concerning each group of contracts.
The PAA approach involves measuring liability for the residual coverage of a group of insurance contracts provided that, at the time of initial identification, the entity expects that this liability reasonably represents an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications derived from the application of the PAA method do not apply to the valuation of the liabilities for outstanding claims, which are measured using the General Model.
However, it is not necessary to discount those cash flows if it is expected that the balance to be paid or received will be paid within one year of the date on which the claim took place.

The entity must apply the new standard to insurance contracts that have been issued, including reinsurance contracts, as well as investment contracts with a discretionary participation feature (DPF).
This standard is applicable from 1 January 2021 but early application is permitted, only for entities that apply IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers.
The Directors do not expect a significant effect on the Group's abbreviated consolidated half-yearly financial statements from the adoption of this standard.

· On 22 October 2018, the IASB published the document "Definition of a Business (Amendments to IFRS 3)". This document provides some clarification regarding the definition of business for the purpose of the correct application of IFRS 3. In particular, the amendment clarifies that while a business usually produces an output, the presence of an output is not strictly necessary to identify a business in the presence of an integrated set of activities/processes and assets. However, to meet the definition of business, an integrated set of activities/processes and assets must include, as a minimum, an input and a substantial process that together contributes significantly to the ability to create output. To this end, the IASB has replaced the term "ability to create output" with "ability to contribute to the creation of outputs" to clarify that a business can exist even without all the inputs and processes necessary to create an output.
The amendment also introduced a test ("concentration test"), optional for the entity, to determine whether a set of assets/processes and assets purchased is not a business. If the test gives a positive outcome, the set of activities/processes and goods purchased does not constitute a business and the standard does not require further verification. In the event that the test gives a negative outcome, the entity will have to carry out further analyses on the activities/processes and assets purchased to identify the presence of a business. To this end, the amendment has added numerous illustrative examples to IFRS 3 in order to understand

the practical application of the new definition of business in specific cases. The amendments apply to all types of business and assets acquisitions subsequent to 1 January 2020, but early application is permitted. The Directors do not expect the adoption of this amendment to affect the Group's abbreviated consolidated half-yearly financial statements.

· On 31 October 2018, the IASB published the document "Definition of Material (Amendments to IAS 1 and IAS 8)". This document introduced a change in the definition of "significant" contained in the following standards: IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The purpose of this amendment was to make the definition of "relevant" more specific and to introduce the concept of "obscured information" alongside the concepts of omitted or incorrect information already contained in the two modified standards. The amendment clarifies that an information is "obscured" if it has been described in such a way as to produce an effect similar to the one that would have been produced if this information had been omitted for the main readers of a balance sheet. The amendments apply to all transactions subsequent to 1 January 2020. The Directors do not expect this amendment to have a significant effect on the Group's abbreviated consolidated half-yearly financial statements.

· On 11 September 2014, the IASB published an amendment to IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Affiliate or Joint Venture. This document was published in order to resolve the current conflict between IAS 28 and IFRS 10. In accordance with IAS 28, the profit or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or affiliate in exchange for a share in the latter's capital is limited to the shareholding in the joint venture or affiliate by other investors unrelated to the transaction. On the contrary, IFRS 10 provides for the inclusion of the entire profit or loss in the event of loss of control of a subsidiary, even if the entity continues to hold a non-controlling stake therein, also including, in this case, the sale or transfer of a subsidiary to a joint venture or affiliate. The changes introduced require that in a sale/transfer of an asset or a subsidiary to a joint venture or affiliate, the measure of the profit or loss to be recorded in the financial statements of the transferor depends on

whether the assets or subsidiary companies sold/transferred constitute or do not constitute a business, in accordance with the meaning prescribed by IFRS standard 3. In the case in which the assets or the subsidiary company sold/transferred is a business, the entity must record the profit or loss on the entire quota it previously held; while, otherwise, the share of profit or loss relating to the shareholding still held by the entity must be deleted. The IASB has now suspended the application of this amendment. The Directors do not expect a significant effect on the Group's abbreviated consolidated interim financial statements from the adoption of these amendments.

6. NOTES ON THE BALANCE SHEET ASSETS

Values in Euros

FIXED ASSETS

1. Tangible fixed assets

At 30 June 2019, the following are the details on changes related to real estate:

TANGIBLE FIXED ASSETS		valore 31/12/2018	incrementi	decrementi	valore 30/06/2019
land	cost	0	0	0	0
	Depreciation provision	0			0
	net value	0	0	0	0
					0
industrial buildings	cost	14.845.183	2.781.845	0	17.627.028
	Depreciation provision	-1.324.342	-515.909	0	-1.840.251
	net value	13.520.842	2.265.936	0	15.786.778
					0
plant and machinery	cost	28.829.343	1.486.085	-502.058	29.813.370
	Depreciation provision	-7.029.306	-1.379.880	99.391	-8.309.795
	net value	21.800.037	106.205	-402.667	21.503.575
					0
industrial equipment	cost	2.464.774	0	-515.940	1.948.834
	Depreciation provision	-1.716.349	-84.866	432.537	-1.368.678
	net value	748.425	-84.866	-83.403	580.156
					0
other assets:					0
supply of office machines	cost	529.532	55.347	0	584.879
	Depreciation provision	-296.111	-21.905	5.171	-312.845
	net value	233.422	33.442	5.171	272.035
					0
electronic office machines	cost	1.363.746	287.255	-7.249	1.643.752
	Depreciation provision	-1.037.489	-150.839	7.633	-1.180.695
	net value	326.257	136.416	384	463.057
					0
trucks	cost	439.354	25.877	-8.780	456.451
	Depreciation provision	-225.775	-27.402	9.232	-243.945
	net value	213.578	-1.525	452	212.505
					0
trucks and cars	cost	419.049	700.565		1.119.614
	Depreciation provision	-286.035	-338.284	39	-624.280
	net value	133.014	362.281	39	495.334
					0
cell phones	cost	34.535	295	0	34.830
	Depreciation provision	-14.142	-3.660	0	-17.802
	net value	20.393	-3.365	0	17.028

current fixed assets	cost	400.571	81.254	-145.687	336.138
	Depreciation provision	0			0
	net value	400.571	81.254	-145.687	336.138
					0
total	cost	49.326.087	5.418.523	-1.179.714	53.564.896
	Depreciation provision	-11.929.548	-2.522.745	554.003	-13.898.290
	net value	37.396.539	2.895.778	-625.711	39.666.606

The increases in the financial year refer to the investments made during the year and to the application of the IFRS 16 accounting standard with regard to rental and lease contracts.

The increases and decreases include the actual increases and decreases made during the year, mainly relating to plant and machinery.

The increases derived from the first application of IFRS 16 relating to industrial buildings, machinery, trucks and cars amounted to € 3,010,290.

There are no purchase commitments or encumbrances relating to technical fixed assets, except for:

- the building owned by the Company, located in Sirone (LC) Via Verdi 6, on which a voluntary mortgage is registered against a loan made by Banco Popolare;

- the building owned by the Company, located in Cornate d'Adda (MB) Via Primo Stucchi, on which a voluntary mortgage is registered against a loan made by Credito Valtellinese;

- the building owned by the Company, located in Rivalta (TO) Via Coazze 25, on which a voluntary mortgage is registered against a loan made by Credito Valtellinese.

The main increases refer to purchases of specific plant and machinery to be used in production activities and improvements to buildings.

The table below shows the original value of the leased assets already recorded as fixed assets, for which a finance lease was therefore recorded (based on the requirements of IAS 17/IFRIC 4):

LEASING			
Company	nr.	Asset	Asset value
ICCREA	2149830051	FIDIA TORINO	645.000
FINDOMESTIC	39913	JEEP CHEROKEE	48.958
BMW FINANCIAL	3495395	BMW 550D	73.348
MEDIOCREVAL	201711/1	ISOLA IP3000	2.146.027
MPS LEASING	1428568	MACCH TORINO	910.000
ALBA LEASING	1049835	LINDE E20	32.000
ALBA LEASING	1049835	LINDE E45	58.000
FIGESTIM	130513	SACMAN TRT314HS TOR	540.000

SG LEASING	340064	SACMAN TRT314HS SIR	550.000
CREDEM	SI 176796	MIKRON HPM800	445.000
ICCREA	2151070185	HETO	530.000
BIELLA LEASING	3054189	STS AVANGARDE	240.000
CREDEM	SI 181872	MAS MCV 1270	165.000
PORSCHE FIN.	58597	PORSCHE 918	75.156
FIGESTIM	150465	PRESSA PROVA STAMPI	465.000
ALBA LEASING	1078735	MIKRON HPM1850	655.000
ALBA LEASING	1078561	PRESSA IDRA 1900	1.313.900
VOLSKWAGEN	231830	T-ROC	16.612
CREDEMLEASING	AA 198672	BMW X1	32.496
SARDALEASING	S3/166064	CARROPONTE	200.000
SARDALEASING	S2/166758	MIKROFORATRICE CR800	79.000
CREDEM	SI195582	MAS MCV 1270	165.000
SG LEASING	SS372725	MIKRON	670.000
UNICREDIT	LS1674035	INGERSOLL GANTRY	415.000
CREDEM	SI195585	MAZAK	222.000
UNICREDIT	AS/1694908	PORSCHE MACAN	66.159
UNICREDIT	LS1681632	CARROPONTE	150.000
UNICREDIT	L21680608	SCAFFALATURE	157.400
CREDEM		ALESATRICE CASTEL	120.000
UNICREDIT	L21680613	CARRELLO RETRATTILE	49.600
CABEL	LB 218404	RISCALDAMENTO	85.000
CABEL	LB 218402	DEA	92.000
BANCA PRIVATA	131855	IMMOBILE CORREGGIO	2.026.867

In regard to the item “Current fixed assets”, these are advances paid to suppliers for machinery that will be delivered in 2019. The detail is shown in the table below:

	Goods value
Adjustments	11.500
Mould tests	126.000
R&S fixed assets	14.061
Collection of water	3.000
Collection of water	145.000
Collection of water	25.000
Adjustments	11.500
Numerical counting milling	77

2. Intangible fixed assets

At 30 June 2019 the following are the details on changes in relation to "Intangible fixed assets:

INTANGIBLE FIXED ASSETS		value 31/12/2018	increases	decreases	value 30/06/2019
Research and development costs	cost	44.078	338.433	0	382.511
	depreciation provision	-28.589	-1.962	0	-30.551
	net value	15.489	336.471	0	351.960
Granting of licenses and	cost	1.435.154	206.897	-26.533	1.615.518
	depreciation provision	-1.143.712	-130.409	8.500	-1.265.621
	net value	291.441	76.488	-18.033	349.896
Start up	cost	5.557.229	0	0	5.557.229
	depreciation provision	-209.546	0	0	-209.546
	net value	5.347.683	0	0	5.347.683
Other intangible fixed assets	cost	3.740.907	0	0	3.740.907
	depreciation provision	-370.358	-184.732	0	-555.090
	net value	3.370.549	-184.732	0	3.185.817
Improvement of rented goods	cost	154.756	45.432	0	200.188
	depreciation provision	-7.257	-19.037	0	-26.294
	net value	147.499	26.395	0	173.894
total	cost	10.932.124	590.762	-26.533	11.496.353
	depreciation provision	-1.759.462	-336.140	8.500	-2.087.102
	net value	9.172.661	254.622	-18.033	9.409.250

The main increases that occurred during the year refer to improvements to leased assets and to the capitalization of R&D costs. For more details please refer to the "research and development" section included in the interim management report.

In relation to goodwill, the company carried out a check on any lasting loss of goodwill value without finding impairment indicators.

3. Real estate investments

At 30 June 2019 the following are the details on changes in relation to real estate investments:

REAL ESTATE INVESTMENTS	value 31/12/2018	increases	decreases	value 30/06/2019

Real estate investments	cost	2.564.344		0	2.564.344
	depreciation provision	-311.916		-28.614	-340.530
	net value	2.252.428	0	-28.614	2.223.814

The real estate investment refers to the building located in Cornate d'Adda (MB) Via Primo Stucchi, on which a voluntary mortgage is registered against a loan made by Credito Valtellinese. This real estate is currently leased to the company Casseforme Alsina S.p.A.

4. Shares in subsidiaries (non-consolidated) and affiliates

As of 30 June 2019, the following are the details on changes in relation to investments in subsidiaries and affiliates:

SHARES 30/06/2019	value 01/01/2019	increases	decreases	financial capitalization	value 30/06/2019
Shares in subsidiaries					
PiQ2 Srl	91.890	0	0	0	91.890
Shares in affiliate companies					
Pama Srl	404.680	0	0	0	404.680
JV brambilla India	0	0	0	0	0
total	496.570	0	0	0	496.570
Other shares					
Other shares	1.240	0	0	0	1.240
total	1.240	0	0	0	1.240

Note that PiQ2, although it is a subsidiary, was not consolidated due to its non-homogeneous operating activity and the irrelevance of the economic-equity values.

The detail of the Investments in subsidiaries and affiliates item shows the value of the shareholding and is the following:

- Pama S.r.l. shareholding of 49% of the share capital. Shareholding value of € 404,680;
- JV Brambilla India with 50% of the share capital. Shareholding value of € 0;
- PiQ2 S.r.l. equity investment of 70.1% of the share capital. Shareholding value of € 91.890.

JV Brambilla India

In 2015, a 50% JV with headquarters in Bhiwadi (Delhi area), adjacent to the foundry, was established with Continental Engines, a leading Indian foundry that is in the Baxy Group.

Following a strategic change at Group level, the partnership with the Indian company is being reviewed, consequently and prudentially. The book value of the shareholding of € 9,769.79 has been fully written down in previous periods.

PiQ2 S.r.l.
The Company carries out a software production activity different from that of the other companies in the Group.

Pama S.r.l.
The company is involved in a light carpentry activity and is affiliated since the shareholding is 49%.

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 € 900,000 (instead of a fixed payment of € 270,000, increased by an earn-out of 180% of the net profit 2017 and 130% of net profit 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 an overall value of € 900,000. The transaction was settled through the cash payment of € 850,000 and for the remaining € 50,000, paid to one of the aforementioned selling shareholders, through the transfer of Costamp Group treasury shares, which were transferred on 12 March 2019. Based on said contractual clauses, as per previous financial years, Modelleria Ara was entirely consolidated, without recording third party interests.

5. Long term financial assets

As of 30 June 2019, the following are the details on changes in relation to long-term financial assets:

FINANCIAL ASSETS 30/06/2019	current assets	non-current assets	Total
Non-interest bearing loans	0	80.000	80.000
TFM	0	0	0
total	0	80.000	80.000

FINANCIAL ASSETS 31/12/2018	current assets	non-current assets	Total
Non-interest bearing loans	0	80.000	80.000
TFM	0	341.750	341.750

total	0	421.750	421.750

a) Non-interest-bearing loans regard a loan to the non-consolidated subsidiary PiQ2; as required by contract, the PiQ2 company will provide reimbursement following the repayment of third-party loans;
b) TFM was liquidated following the new appointment of the Board of Directors on 12/20/2018 with a deed of merger for the overall amount of € 341,750.

6. Deferred tax assets and liabilities

Deferred taxes were recorded on temporary differences, subject to prepaid or deferred taxation, between the value of assets and liabilities for statutory purposes and their value for tax purposes.

Note that the rate used to calculate deferred taxes was the nominal IRES rate of 24%, increased where applicable, by the IRAP rate (3.9%).

Deferred tax assets were recorded where their future recovery is likely.

At 30 June 2019 and at 31 December 2018, prepaid and deferred tax liabilities are detailed as follows:

Assets for pre=paid taxes	30/06/2019	Ires 24%	Irap 3,90%
Plant costs	1.254	300	49
Extraordinary operation costs	266.094	63.863	10.377
Buildings	163.170	39.161	6.364
Prepayments	554.590	133.102	21.629
Revaluation of building depreciation	82.846	19.883	3.231
Interest (share etc. Rol)	20.512	4.923	0
Losses on receivables	565.182	135.644	0
Losses on receivables	58.242	13.978	0
Others	34.915	8.380	124
Tax losses	2.591.458	621.950	0
Advance rental fees	76.460	18.350	2.982
Totale	4.414.723	1.059.534	44.756

Assets for pre-paid taxes	31/12/2018	Ires 24%	Irap 3,90%
Plant costs	1.882	451	74
Extraordinary operation costs	304.106	72.986	11.860
Buildings	179.884	43.172	7.015
Prepayments	705.693	169.352	27.520
Revaluation of building depreciation.	82.846	19.883	3.231
Interest (quota ecc, Rol)	20.512	4.923	0
Losses on receivables	565.182	135.644	0

Exchange rate losses	58.242	13.978	0
Others	42.986	10.317	124
Tax losses	3.038.327	729.198	0
Modelleria Ara Put	21.429	5.143	0
Total	5.021.089	1.205.047	49.824

Liabilities for deferred taxes	30/06/2019	Ires 24%	Irap 3,90%
Bonds	62.395	14.975	0
Employee severance pay	167.531	40.207	0
Leasing	4.974.892	1.193.974	194.021
Machinery	4.485.349	1.076.483	174.931
Non-contractual relations with customers (intangible fixed assets emerged from PPA)	3.162.406	758.977	123.334
Proft on exchange rates	25.260	6.062	0
Buildings	240.167	57.640	9.367
Cranes	98.612	23.667	3.846
Others	275.928	66.223	10.761
Buildings Law 185	2.310.768	554.584	90.120
Trademarks	88.518	21.244	3.452
Revalutation Pama Srl	53.154	12.757	0
Leasing Modelleria Ara	9.587	2.301	374
Total	15.954.567	3.829.094	610.206

Liabilities for deferred taxes	31/12/2018	Ires 24%	Irap 3,90%
Bonds	62.395	14.975	0
Employee severance pay	167.531	40.206	0
Leasing	4.911.021	1.178.645	191.532
Machinery	4.808.704	1.154.088	187.541
Non-contractual relations with customers (intangible fixed assets emerged from PPA)	3.343.250	802.379	130.388
Proft on exchange rates	25.260	6.062	0
Buildings	256.206	61.489	9.992
Cranes	102.743	24.658	4.007
Others	275.928	66.223	10.761
Buildings Law 185	2.338.363	561.207	91.197
Trademarks	90.267	21.664	3.520
Revalutation Pama Srl	49.653	11.917	0
Leasing Modelleria Ara	247.233	59.336	9.642

Imposte differite MA	2.287	638	0
Total	16.680.841	4.003.487	638.580

7. Inventories

At 30 June 2019 the composition of the inventories can be detailed as follows:

INVENTORIES	30/06/2019	31/12/2018
Commissioned work in progress	12.728.233	10.662.461
Raw materials, ancillaries and consumables	1.606.287	1.665.684
Finished products and goods	809.545	915.419
Obsolescence provision	-108.000	-108.000
Subtotal	15.036.065	13.135.564
Modelleria Ara consolidation	122.274	109.622
totale	15.158.339	13.245.186

The "*Raw materials, ancillary materials and consumables*" item mainly includes the material necessary for the activities carried out by the Companies, valued according to weighted average cost criterion.

The "*Work in progress*" item includes the Goods subject to a transformation process but not yet completed at the end of the year, valued on the basis of the direct cost actually incurred at the date of the balance sheet.

The "*Finished products and goods*" item includes stocks of goods for sale, on which a bad debt provision of € 108,000 was calculated, unchanged compared to the previous year.

At 30 June 2019, no assets in stock were pledged as collateral for loans or other outstanding transactions at that date.

The following are the changes related to the obsolescence provision:

TRADE RECEIVABLES	Value 31/12/2018	increases	decreases	Value 30/06/2019
Warehouse stocks obsolescence provision	108.000	0	0	108.000
total	108.000	0	0	108.000

8. Trade receivables

As of 30 June 2019, the following are the details on changes in relation to trade receivables:

TRADE RECEIVABLES	30/06/2019	31/12/2018
Receivables versus customers	12.288.780	8.705.087
Provision for devaluation of receivables	-1.318.966	-1.318.966
Subtotal	10.969.814	7.386.121
Modelleria Ara consolidation	458.798	513.632
total	11.428.612	7.899.753

Trade receivables versus customers of € 12,756,741 before the allowance for the devaluation of receivables of € 1,328,129 (a provision that is deemed adequate to cover existing insolvency risks), of which € 9,163 is included in the Modelleria Ara consolidation item.

The allowance for the devaluation of receivables refers to items that could be written off, as well as late payments and substandard loans, and the changes are shown below:

RECEIVABLES DEVALUATION PROVISION	Value 31/12/2018	Increases	Decreases	Value 30/06/2019
Bad debts provision	1.318.966	0	0	1.318.966
Modelleria Ara consolidation	9.163	0	0	9.163
total	1.328.129	0	0	1.328.129

The bad debts provision refers to items that could be written off, as well as delays in, payment and substandard.
There are no non-EU currency positions.

9. Current taxes receivable

At 30 June 2019 the following are the details in relation to changes in current tax receivables:

INCOME TAX	30/06/2019	31/12/2018
Inland revenue Ires advance payments	246.132	246.132
Inland revenue Irap advance payments	74.065	74.065
Ires tax liabilities	-26.812	0
Irap tax liabilities	-102.865	-12.526
Subtotal	190.520	307.671
Modelleria Ara CONSOLIDATION	51.968	32.607

total	242.488	340.278

10. Other receivables and current assets

At 30 June 2019 the following are the changes in relation to other receivables and current assets:

OTHER RECEIVABLES AND CURRENT ASSETS	30/06/2019	31/12/2018
VAT account	0	610.926
Other tax receivables	90.636	10.424
Other current receivables	1.697.119	672.553
Accrued income	8.326	20.347
Prepayments	607.565	476.719
total	2.403.646	1.790.969

The following are the main items that make up the "other current receivables" item:

- Advance payments to suppliers for € 1,097,024;
- Other receivables versus Co.Stamp S.r.l. for € 416.418.

At 30 June 2019, there were no write-downs on receivables included in the Other receivables and current assets item.

The prepaid expenses are detailed as follows:

PREPAYMENTS	
Aci	2.607
Insurance	107.261
Patents	1.827
Maintenance fees	106.995
Rental fees	435
Consultancies	46.590
Taxes	77.480
Various charges	102.967
Subscriptions	111
Utilities	1.213
Other prepayments	160.079
Total	607.565

The following is the detail on accrued income:

ACCRUED INCOME	
Utilities	1
Maintenance fees	3.815
Other accruals	4.510
Total	8.326

11. Short term financial assets

At 30 June 2019 there were short-term financial assets in the amount of € 2,672 resulting from the consolidation of the subsidiary Modelleria Ara S.r.l., refers to unlisted third-party shares.

12. Available cash or equivalent

At 30 June 2019 the following were the cash and cash equivalents:

CASH AND CASH EQUIVALENT	30/06/2019	31/12/2018
Bank accounts	9.051.392	6.667.777
Cash on hand	1.571	3.176
Subtotal	9.052.963	6.670.953
Modellerie Ara consolidation	431.777	484.071
total	9.484.740	7.155.024

At 30 June 2019 the credit lines granted by the banking system, available to the company, amounted to € 24,350,000 (self-liquidating), € 15,000,000 (factoring), € 1,610,000 (cash) and were not affected by real guarantees.

At 30 June 2019, the uses were as follows:

- €10.755.461 for self-liquidating lines;
- €12.865.000 for factoring lines.

13. Non-current Assets held for sale

Al 30 giugno 2019 non sono presenti Attività non correnti destinate alla vendita.

7. NOTES ON THE NET WORTH

1. Share capital

At 30 June 2019 the company's share capital was € 2,130,272, composed of 42.605.447 ordinary shares without a nominal value.

2. Dividends
The Group did not distribute dividends during the financial year.

3. Altre riserve
At 30 June 2019 the following are the details in relation to other reserves:

OTHER PROVISIONS	30/06/2019	31/12/2018
Legal reserve	65.960	65.960
Extraordinary reserve	120.562	120.562
Reserve for revaluation of buildings	1.060.124	1.060.124
IAS reserve	-55.077	-55.077
Price premium reserve	19.938.899	21.673.652
Own shares	-230.345	-280.345
total	20.900.123	22.584.876

8. NOTES ON THE BALANCE SHEET LIABILITIES
Values in Euros

14. Benefits for employees
At 30 June 2019 the following are the details in relation to employee benefits:

Benefits for employees	30/06/2019	31/12/2018
End of task severance pay	0	341.750
End of service severance pay	1.140.507	1.100.038
Subtotal	1.140.507	1.441.788
Modelleria Ara End of service severance pay	108.134	96.313
total	1.248.641	1.538.101

Employee severance indemnity is paid to each employee of the company on the date of termination of the employment relationships
In regard to the IFRS, from 01.01.2017, following the reform, it is similar to a "benefit after the employment relationship" of a "defined contribution plan" type".

With regard to the TFM, note that this is an annual provision in favour of the directors through an insurance policy. The annual payment is € 50,000 and there is no minimum contractual duration. The TFM fund was fully liquidated during 2019.

15. Short term and long-term financial liabilities

At 30 June 2019 the following are the details in relation to short-term and long-term financial liabilities:

FINANCIAL PAYABLES	current payables	Non-current payables	total
Financial payables versus financial institutes	15.413.398	13.402.234	28.815.632
Leasing payables	1.477.814	3.495.208	4.973.022
Payables Vs. bond holders	947.171	0	947.171
Payables Vs. long-term rental IFRS 16	427.280	1.920.654	2.347.934
Subtotal	18.265.663	18.818.096	37.083.759
Payables Vs. long-term rental (IFRS Modelleria Ara consolidation	141.857	798.261	940.118
Altri debiti finanziari Modelleria Ara	23.759	78.544	102.303
total	18.431.279	19.694.901	38.126.180

	Total	within 1 year	beyond 1 within 5	beyond 5 years
Leasing capital payables	4.973.022	1.477.814	2.480.989	1.014.219
Payables versus financial institutes	28.815.632	15.413.398	8.107.112	5.295.122
Payables Vs. bond holders	947.171	947.171	0	0
Payables for long-term rental (IFRS 16)	2.347.934	427.280	1.403.158	517.496
Subtotal	37.083.759	18.265.663	11.991.259	6.826.837
Payables for long-term rental (IFRS 16) Modelleria Ara consolidation	940.118	141.857	798.261	0
Other Modelleria Ara financing payables	102.303	23.759	78.544	0
	38.126.180	18.431.279	12.868.064	6.826.837

Payables to lenders refer to payables to credit institutions for medium-long term loans and mortgages and for use of credit lines.

During 2018, the bond loan launched by the Costamp Group was converted into capital for € 348,000, the remaining amount of € 947,171 will be repaid in full by the expiry date 05/12/2019.

With regard to financing, the following information is provided:

Financing	Expiry	Rate	base	spread	covenant
Unicredit	31/05/2019	Var.	Euribor 3M/365	2	
Medio Credito	10/07/2019	Var.	Euribor 3M/360	1,95	
Cv Fei	01/08/2019	Var.	Euribor 3M/360	3,25	
Sace	01/09/2019	Var.	Euribor 3M/360	2	
Bper	09/10/2019	Var.	Euribor 3M/360	1,5	
Cv Fei	01/11/2019	Var.	Euribor 3M/360	1,85	
Bper	09/12/2019	Var.	Euribor 3M/360	1,25	
Banco Popolare	07/01/2020	Var.	Euribor 3M/360	3,5	
Banco Popolare	31/03/2020	Var.	Euribor 3M/360	3,5	
Simest	19/04/2020	Fisso		0,5	
BNL	24/06/2020	Fisso		0,8	Financial
Banco Popolare	30/06/2020	Var.	Euribor 3M/360	0,95	
Banco Popolare	30/06/2020	Fisso		0,894	
Fin. L.662/96	01/02/2021	Var.	Euribor 3M/360	2	
Mps	30/06/2021	Var.	Euribor 3M/360	1,05	Trade
Unicredit	30/06/2021	Var.	Euribor 3M/360	1,5	
Ubi	08/07/2021	Var.	Euribor 3M/360	1,6	Financial
Creval	31/01/2022	Var.	Euribor 3M/360	1,05	
Bper	18/05/2022	Var.	Euribor 3M/360	0,95	
Raffaisen	31/08/2022	Var.	Euribor 3M/360	2,3	
Banca Pop. Sondrio	31/03/2024	Var.	Euribor 3M/360	1,5	
Banca di Cambiano	01/11/2024	Var.	Euribor 3M/360	2,5	
Creval	31/01/2029	Var.	Euribor 3M/360	0,85	
Creval	01/12/2029	Var.	Euribor 3M/360	3	
Creval	31/12/2029	var.	Euribor 3M/360	3	
Banco Popolare	01/07/2032	Fisso		1,89	

Three financial loan contracts were stipulated in 2016, with the provision of commercial and financial covenants.
The results of verification of the commercial and financial ratios highlighted the failure to comply with the financial covenants for two loan agreements as at 30/06/2019, are shown in the table below:

Pre-verification covenants

Bank	original liability	liability at 30/06	quota within	quota beyond	rate
MPS	1.200.000	480.000	240.000	240.000	**0,916%**
UBI	1.000.000	421.836	201.549	220.287	**0,850%**
BNL	1.000.000	250.000	250.000	0	**0,800%**
Totale	3.200.000	1.151.836	**691.549**	**460.287**	

Post verification covenants

Bank	original liability	liability at 30/06	quota within	quota beyond	rate
MPS	1.200.000	480.000	240.000	240.000	**0,916%**
UBI	1.000.000	421.836	201.549	220.287	**1,600%**
BNL	1.000.000	250.000	250.000	0	**1,300%**
Totale	3.200.000	1.151.836	**691.549**	**460.287**	

As shown in the table above, there were no differences arising from the failure to respect covenants; this was the case because the quota of the debt to be repaid, relating to the BNL loan for which the failure to comply with the covenant occurred, had already been indicated among the payables due within the year.

As regards the commercial covenants, there is no contractual negativity in the event of non-compliance. In summary, as regards the financial covenants, the overruns of these involve:

- For the BNL loan, the possibility that the bank requires early repayment; as of today, given the imminent expiration and the remaining amount, the possibility/necessity that the lender bank requires early redemption has not been perceived.
- The UBI loan was subject to the application of a higher interest rate;

The following are the details of the Group's loans (in particular the former Modelleria Brambilla) subject to compliance with covenants:

- BNL, whose debt at 06/30/2019 was € 250,000, and failure to comply with the covenant could result in an early repayment request from the bank. We also report the failure to comply with this covenant in previous years (2017 and 2018), without the bank using this option.
  As of today, the Group has regularly repaid the amortization plan and the residual debt is € 250,000.
- UBI, whose debt at 06/30/2019 was € 421,836, and failure to comply with the covenant involves the application of the interest rate. We also report the failure to comply with this covenant in previous years (2017 and 2108) and that the company is currently subject to the maximum contractually applicable interest rate (1.60%). As of today, the Group has regularly repaid the amortization plan and the residual debt is € 371,609.

16. Trade liabilities

At 30 June 2019 the following are the details related to the composition of trade payables:

TRADE PAYABLES	30/06/2019	31/12/2018
Payables versus suppliers:		

Italy / Overseas	14.275.119	14.576.209
Payments in advance from customers	0	0
Subtotal	14.275.119	14.576.209
Modelleria Ara consolidation	322.792	337.506
total	14.597.911	14.913.715

At 30 June 2019, trade payables related to the amount due for supplies of capital goods and consumables, goods, services received and other management expenses.

17. Income tax liabilities

The income tax payables item had a zero balance at both 30 June 2019 and 31December 2018.

18. Other current liabilities

At 30 June 2019 the following are the details in relation to other current liabilities:

OTHER LIABILITIES AND CURRENT PAYABLES	30/06/2019	31/12/2018
Tax payables	528.388	665.561
Payables versus social security institutes	456.226	709.995
Other payables	8.063.299	5.461.329
Accrued liabilities	339.405	27.093
Deferred income	58.473	407.181
Modelleria Ara Put	0	900.000
Subtotal	9.445.791	8.171.159
Modelleria Ara consolidation	203.783	212.825
total	9.649.574	8.383.984

The Group's *tax payables* are detailed as follows:

TAX PAYABLES	30/06/2019	31/12/2018
Inland revenue account for employees	238.125	621.647
Inland revenue account end of service severance pay	0	29.831
Inland revenue account worker withholding	10.088	12.367
Other tax payables	16	1.716
Inland revenue account VAT	280.159	0
total	528.388	665.561

The Group's *payables versus social security institutes* can be summarised as follows:

PAYABLES VERSUS SOCIAL SECURITY INSTITUTES	30/06/2019	31/12/2018

Payables versus Inps	348.537	591.726
Cometa pension fund	75.366	80.519
Metasalute fund	3.471	2.730
Generali Ina Assitalia end of service severance pay fund	6.676	5.549
Arca pension	1.246	1.757
Alleata pension	9.101	14.242
Posta life	1.459	1.328
Intesa life	3.639	4.723
Ebm fund	0	5.162
tax benefit fund	0	621
Allianz	486	626
Mediulanum life	393	1.013
Family finance	305	0
Fasi	1.360	0
Previndai	4.187	0
total	456.226	709.995

The Group's *Other Payables* can be summarised as follows:

OTHER PAYABLES	30/06/2019	31/12/2018
Accrued employee vacation	2.580.944	1.951.337
Employee remuneration	606.918	605.339
Employee expenses reimbursement	540	59
Directors expenses reimbursement	383	0
Directors' salaries	52.162	45.496
Liquidation of employees	0	0
Trade Unions	1.422	1.985
Transfer of 1/5 of salary	5.256	10.615
Welfare payables	91.006	0
Other payables	40.433	28.516
Credit cards	18.627	18.929
Payables versus customers	0	0
Telecom payables	12.648	9.940
Payables versus insurers	59.916	451
Payments in advance Italian customers	2.161.730	414.870
Payments in advance overseas customers	2.431.314	2.373.792
total	8.063.299	5.461.329

The Group's *accrued liabilities* and *deferred income* can be summarised as follows:

ACCRUED LIABILITIES

Insurances	65
Maintenance fee	3.815
Interest	68.091
Utilities	150.641
Other expenses	85
Consultants	29.362
AIM Costs	16.000
Taxes and charges	934
Other charges	49.242
Commission	2.774
Aci	71
Other accruals	18.325
Total	339.405

DEFERRED INCOME	
Insurance	615
Other revenue	57.858
Totale	58.473

9. NOTE AL CONTO ECONOMICO

Values in Euros

1. Income and revenue from sales and services

At 30 June 2019 revenue and proceeds from sales and services, compared with 30 June 2018, can be summarised as follows:

REVENUE FROM SALES AND SERVICES	30/06/2019	30/06/2018
Sales revenue:		
Revenue from Italy	15.276.637	17.537.602
Revenue from the EU	9.048.542	11.460.422
Revenue from outside of the EU	1.408.900	2.631.637
Variances for products being processed, semi-finished and finished goods	-105.874	142.930
Variances for ongoing works based on orders	2.063.162	-4.047.046
total	27.691.367	27.725.545

The relevant information for the analysis of the revenue trend is included in the interim management report.

2. Other income and revenue

At 30 June 2019 the other revenues, compared with 30 June 2018, can be summarised as follows:

OTHER REVENUE	30/06/2019	30/06/2018
Other revenue	326.583	300.430
Contributions	459.781	759.208
Contingent assets	233.296	144.540
total	1.019.660	1.204.178

The Other Revenue item mainly refers to insurance damage compensation for € 198,984 and other income for € 396,068.

The Contributions item relates mainly to the relevant quota of the contribution recognised by the European Community regarding the Puzzle Die Project - H2020 and to the contribution for Research and Development for a total of € 70.405.

There were no inter-group transactions to be removed.

3. Costs for good and services

At 30 June 2019, the Costs for goods and services, compared to 30 June 2018, can be summarised as follows:

COSTS FOR GOODS AND SERVICES	30/06/2019	30/06/2018
Raw materials, ancillary materials and consumables	8.861.469	9.510.475
Inventories variances	50.734	-312.093
Services	7.902.040	9.070.942
Use of third-party goods	46.298	283.534
Contingent liabilities	329.405	79.195
total	17.189.946	18.632.053

Please refer to the management report for more information on the performance of the market and, consequently, of the above items.

4. Labour cost

At 30 June 2019, the labour cost, compared to 30 June 2018 can be summarised as follows:

Labour Cost	30/06/2019	30/06/2018
Salaries	6.019.397	5.415.196
Social security charges	1.804.105	1.569.651
Employee severance pay	354.491	316.947
Other costs	98.906	95.986
total	8.276.899	7.397.780

The following are the details of the average number of employees, divided according the companies in the Group:

NUMBER OF EMPLOYEES	30/06/2019	30/06/2018
Manager	1	1
Cadres	16	17
White collar	90	90
Blue collar	167	160
Apprentices	11	7
Temporary	6	6
total	291	281

5. Depreciation e Devaluations

At 30 June 2019, the depreciation and write-downs, compared to 30 June 2018 can be summarised as follows:

DEPRECIATION AND WRITE-DOWNS	30/06/2019	30/06/2018
Depreciation of intangible fixed assets	310.413	101.126
Depreciation of tangible fixed assets	1.428.847	977.146
Other write-downs of fixed assets	0	0
Credit write-downs	0	0
total	1.739.260	1.078.272

The increases relating to the depreciation of tangible and intangible assets are due mainly to the effects of the first application of the IFRS16 standard and to the effects of the Purchase Price Allocation (PPA) carried out in the previous year.

Comments are covered in the corresponding asset items.

6. Other costs and charges

At 30 June 2019 the other costs and charges, compared to 30 June 2018 can be summarised as follows:

OTHER COSTS AND CHARGES	30/06/2019	30/06/2018
Other operating costs	302.079	281.423
total	302.079	281.423

The other operating expenses item mainly relates to capital losses from the sale of assets for € 138,207, costs for defective products for € 40,226 and municipal IMU and Tasi taxes for € 63,073.

7. Financial income and charges and write-downs of financial assets

At 30 June 2019 financial income and charges, as well as impairment losses on financial assets, compared with 30 June 2018, can be summarised as follows:

FINANCIAL REVENUE AND EXPENSES	30/06/2019	30/06/2018
Leasing interest	73.830	87.602
Losses on exchanges rates	74	5.358
Profit on exchange rates	-15.374	-905
Financial charges versus others	347.509	308.497
Financial revenue	-706	-1.376

Write-down of financial assets (for derivatives)	0	1.192
total	405.333	400.368

The item Financial charges versus others includes the interest accrued in the year towards credit institutions for the use of credit lines and loans.

8. Taxes

At 30 June 2019 the taxes item, compared to 30 June 2018, can be summarised as follows:

TAXES	30/06/2019	30/06/2018
Current taxes Imposte	155.106	382.828
Deferred tax assets	166.770	-17.919
Deferred tax liabilities	-134.630	-11.041
totale	187.246	353.868

OTHER INFORMATION

9. Liabilities serviced by real guarantees

The Group has been granted the following mortgages contracts:

- Banco Popolare, mortgage on original capital of € 5,500,000, current capital of € 4,880,933; mortgage on real estate in Sirone (LC), Via Verdi 6.
- Credito Valtellinese, € 3,600,000 mortgage on original capital € 2,000,000, current capital € 1,952,043; mortgage on a property in Cornate d'Adda (MB) Via Stucchi.
- - Credito Valtellinese, mortgage of € 1,260,000 on original capital € 700,000, current capital € 523.006; mortgage on real estate in Rivalta (TO) Via Coazze

10. Profit per share

Earnings per share was calculated by dividing the result attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares issued, excluding any treasury shares acquired.

Description	30/06/2019	30/06/2018
Profit attributed to shareholders of the parent company in Euros	610.263	785.959
Average weighted number of the shares	42.550.694	42.418.007

Profit per share in Euro cents	0.014	0.019

In this specific case, the diluted earnings per share coincide with the basic earnings per share.

11. Subsequent events

There are no subsequent significant events that need to be highlighted

Sirone, 27 September 2019

For the Board of Directors
The Chairman
Marco Corti

Costamp Group S.p.A.

Via Giuseppe Verdi 6, 23844 Sirone (LC)

Share Capital € 2.130.272,00 fully paid up

Tax Code and registration number in the Lecco Register of Companies

01763310354

INTERIM REPORT ON OPERATIONS at 30/06/2019

Dear shareholders,

this Interim Management Report, prepared by the Board of Directors, includes the abbreviated interim consolidated financial statements at 30 June 2019, drafted in accordance with IAS 34, concerning interim financial reporting. The abbreviated consolidated half-year financial statements as at 30 June 2019 were drafted in a “abbreviated” format and must therefore be read in conjunction with the consolidated financial statements of the Costamp Group for the year ended 31 December 2018, drafted in accordance with IFRS, subject to what is described in the paragraph of the explanatory notes "accounting standards, amendments and interpretations applicable from 1 January 2019".

The abbreviated consolidated half-yearly financial statements were drafted on the basis of the Group's ability to operate as an operating entity. The Group believes that there are no economic, equity and financial and organisational indicators (as defined by paragraph 25 of IAS 1) that cause uncertainties to emerge in relation to a going concern.

This interim report on operations must be read in conjunction with the financial statements and the related explanatory notes, which are an integral part of the abbreviated interim consolidated financial statements.

Finally, it should be noted that the alternative performance indicators used are, on the one hand, a key to understanding the results not envisaged by the IAS/IFRS, and on the other, they must not be considered as substitutes for those outlined by the standards.

The Costamp Group S.p.A. Group closed the six-month period with a net profit of € 610,263.

Once the Reverse Take-Over transaction was concluded, which involved the Group for the last two years, the current year is the first that sees the companies involved as a single entity.
The integration of the Correggio Business Unit (LPDC Division) continued during the first half of the year, and it will be completed by the end of the year.

To give an appropriate interpretation of the half-year result it is necessary to note the slowdown in the automotive sector during the last quarter of 2018 and the first few months of the current year, conditioned by the known uncertainties on the automobile market.

Given the above, profit returned for the period, which indicates that the path the company has taken is correct and that the profit level of € 610,263 is to be considered more than satisfactory.

To better analyse the numbers it is also necessary to remember that the new IFRS16 accounting standard came into force during the current year, which requires companies to include, in their financial statements, a valuation of long-term lease contracts and rentals which increased financial payables at 30 June 2019 by € 3,288,052 (of which the short-term quota is equal to € 569,137).

In regard to the Gross Operating Margin (EBITDA), it stood at 2.9 million Euros, with an EBITDA of 10.60% of revenue from sales and services, 2.6 million Euros at 30 June 2018 of 9.1% and therefore increased by 0.30 million compared to the same period last year.
Note that the previous period included the results of the former Modelleria Brambilla starting from 28 February 2018 (acquisition date).

The positive impact derived from the application of IFRS 16 on EBITDA at 30 June 2019 was € 0.4 million.

The Group has made investments for about 1.1 million in plants, machinery and software licenses for the three divisions HPDC, LPDC and PLASTIC, as well as € 338,000 relating to a new R&D project that will end in the first half of 2020 and that will show results in the second half of 2020.

These investments, financed entirely with the cash flow of operating activities, in addition to the start-up of new contracts of significant amounts, required the purchase of raw materials in the first half but, ending only in the second half, have affected the NFP, which stood at € 28.6 million, of which € 3.3 million related to the application of the IFRS 16 accounting standard, compared to € 21.8 million at 31 December 2018.
The net financial position at 30 June 2018, not including the effects of IFRS 16, amounted to € 26.1 million.
It is necessary to emphasise that the cash and cash equivalents held by the company at 30 June 2019 were € 9.48 million, compared to € 7.15 million at 31 December 2018.
To further confirm the positive operation in the period in question, the order portfolio amounted to € 54.8 million compared to € 46 million at 30 June 2018.
The abbreviated consolidated half-yearly financial statements were drafted based on the Group's ability to operate as an operating entity. The Directors believe that, given a net equity of € 23,640,658, given the cash and cash equivalents of € 9,484,740 and taking into account the large unused lines of credit currently available, and considering the expected additional recoveries in profitability defined in the company’s short and medium term plans, there are no net worth, financial or organisational indicators (as defined in paragraph 25 of the IAS 1 standard) that could make uncertainties about business continuity emerge.
In the Explanatory Notes, information was provided to illustrate the abbreviated consolidated half-year financial statements as at 30 June 2019; in this report we provide information concerning the economic-equity and financial situation of the Group and information on operating performance.

COMPANY ORGANS

Board of Directors

Marco Corti	-	Chairman and Managing Director
Mario Pagani	-	Board member
Aldo Alessandro Corti	-	Board member
Carlo Corti	-	Board member
Cesare Carbonchi	-	Board member
Giacomo Maria Molteni	-	Board member
Davide Corti	-	Board member

In office until approval of the 2020 financial statements

Board of Auditors

Paolo Antonio Comuzzi	-	Chairman
Lucilla Dodesini	-	Statutory auditor
Umberto Callegari	-	Statutory auditor
Marzia Galli	-	Statutory auditor
Cristiano Fracassi	-	Statutory auditor

In office until approval of the 2020 financial statements

External auditors

PricewaterhouseCoopers Spa

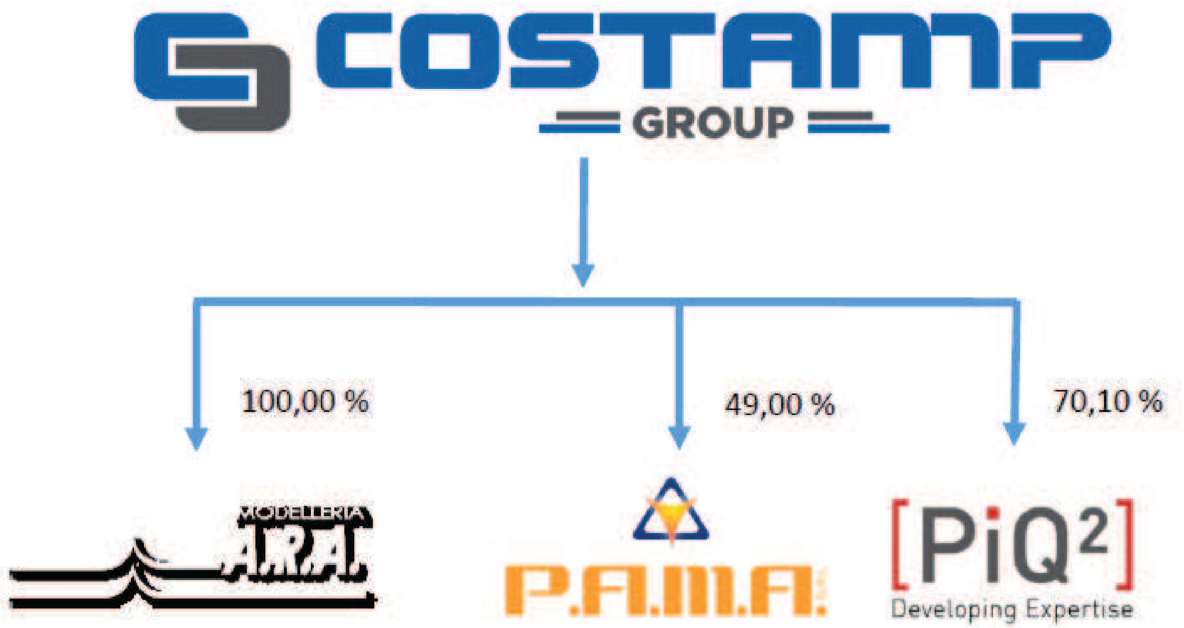
In office until approval of the 2019 financial statements

Nomad

Banca Intermobiliare di Investimenti e Gestioni Spa

STRUCTURE OF THE GROUP AT 30 JUNE 2019

At 30 June 2019, the Group was structured as follows:



BUSINESS OF THE GROUP

The core business of the Costamp Group is based on the design and production of moulds; especially for the automotive industry, the production activity regards the production of moulds for aluminium and magnesium for high pressure and the production of large thermoplastic moulds and the production of low-pressure moulds. These technologies that are not in competition with each other but are instead synergistic.

The key to success is the possibility of offering customers tested and products ready for production, with production checks carried out at its plants.

At the date of drafting of this interim management report, as a result of the transactions carried out for the purpose of restoring a free float sufficient to ensure the regular trading of shares in Costamp Group S.p.A., the following is the composition of the significant shareholders:

Shareholder	No. shares	%
Co.Stamp srl	39.740.407	93,28
Azioni proprie	54.753	0,13
Mercato AIM Italia	2.810.840	6,59
Total	**42.605.447**	100

SIGNIFICANT FACTS IN THE FIRST SEMESTER OF 2019

MODELLERIA ARA

The acquisition of the shareholding in the subsidiary MODELLERIA ARA S.r.l. took place on 27 June 2017 by Costamp Group S.p.A. (formerly Modelleria Brambilla).

The transaction was part of the Group's strategy aimed at strengthening its leadership on the Italian market and expanding its product range in relation to the development and production of high-quality mechanical models and moulds in all types of materials (wood, resins, aluminium, cast iron and steels) which are then sold to foundries, where they are used to manufacture their own finished products.
Modelleria ARA, based in San Giovanni in Persiceto (BO), was founded in 1976 as a small artisan company and carries out its activity in the sector of foundry moulds and models. Over time, he became increasingly specialized in the branch, paying attention to the progress of production systems and acquiring a staff of highly qualified technicians constantly updated on 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, gravity shells for light alloys. Modelleria ARA, during these years of activity, has consolidated collaborations with leading companies in different sectors, 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% plus ancillary expenses.
In December 2018, following agreements between the new management of Costamp Group 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 have entered into a put & call option to be finalized 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 a fixed fee of € 900,000 (instead of a fixed fee of € 270,000, increased by an earn-out of 180% of the 2017 net profit and 130% of the 2018 net profit).
The transaction was completed on 15 February 2019 through the acquisition by Costamp Group of the shares held by the four selling shareholders, 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 through the cash payment of € 850,000 and the remaining and 50,000, paid to one of the aforementioned selling shareholders, through the transfer of treasury shares of Costamp Group S.p.A.; the shares the treasury shares were transferred on 12 March 2019.

OPERATING PERFORMANCE BALANCE SHEET, FINANCIAL AND ECONOMIC SITUATION OF THE COSTAMP GROUP AT 06/30/2019

The Group uses some alternative performance indicators, which are not recorded as accounting measures under the IFRS, to allow a better understanding of the Group's performance, the economic results achieved and the financial situation; for these reasons the following is a reclassification statement of the Balance Sheet and the Profit and loss account.

REPORT ON OPERATIONS

<u>Economic - revenue situation</u>

Euro	**30/06/2019**	**30/06/2018**
Revenue from sales and services	27.691.367	27.725.545
Other revenue and income	1.019.660	1.204.178
Total production value	**28.711.027**	**28.929.723**
Production costs	-17.189.946	-18.632.053
Other operating charges	-302.079	-281.423

VALUE ADDED	**11.219.002**	39,08%	**10.016.247**	34,60%
Personnel costs	-8.276.899		-7.397.780	
EBITDA	**2.942.103**	10,25%	**2.618.467**	9,10%
Depreciation and write-downs	-1.739.260		-1.078.272	
OPERATING MARGIN (EBIT)	**1.202.843**	4,19%	**1.540.195**	5,30%
Financial revenue and charges	-405.333		-399.176	
Financial assets write-downs	0		-1.192	
PRE-TAX PROFIT	**797.509**		**1.139.827**	
Taxes on financial year income	-187.246		-353.868	
FINANCIAL YEAR PROFIT	**610.263**		**785.959**	

Revenue from sales and services includes the item internal production referred to the change in contract work in progress.

Production costs consist of costs for goods and services.

Result indicators

The result indicators make it possible to understand the situation, the performance and the management result of the company in the epigraph.

The result indicators examined will be:

- financial result indicators;
- non-financial result indicators.

These will be quantitative measures that reflect the critical success factors of the company and measure.

Financial result indicators

It is believed that they are in any case suitable for giving indications on the general performance of the asset's economic management of the asset.

The term financial result indicators define the performance indicators that are "developed" starting from the information contained in the financial statements and can be divided into:

- revenue indicators;
- economic indicators;
- financial indicators;
- solidity indicators;
- solvency (or liquidity) indicators.

Revenue indicators

The table below summarises the indicators that can be deduced from the general accounts that are able to enhance the information already contained in the financial statements.

Description of the ratios	30/06/2019	30/06/2018
Turnover	25.734.079	31.629.661
Production value	27.691.367	27.725.545

Pre-tax profit	797.510	1.139.826

The operating production value, equal to € 27,691,367 shows the result achieved in terms of productivity. The following are some intermediate income margins:

Description of the ratios	30/06/2019	30/06/2018
EBITDA	2.942.103	2.618.466
Operating profit EBIT	1.202.848	1.540.195

Financial indicators

The following table summarizes some of the main economic indicators used to measure economic performance:

The Roe (return on equity) is an index of return on equity. Expresses the economic results of the company. It is a percentage index for which the net income (RN) produced is compared to the net capital (CN) or equity of the year.

The ROI (return on investment) is a balance sheet index that indicates the profitability and economic efficiency of the typical management regardless of the sources used: that is, it expresses the return on capital invested in the company.

The Ros (return on sales) represents the average operating result per unit of revenue. This report expresses the company's profitability in relation to the remunerative capacity of the revenue flow.

Description of the ratios	30/06/2019	31/12/2018
Net ROE (financial year profit / net worth)	2,58	-7,29
ROI (Return on Investment) Operating margin / (fixed assets+inventories +trade receivables-trade liabilities)	1,90	-0,32
ROS - (Return on Sales)	4,34	-6,19

Financial indicators

It should be noted that the company is adequately capitalized and proves to be able to maintain a financial balance in the medium to long term, therefore no indications are required in this regard.

ANALYSIS OF NET WORTH AND FINANCIAL BALANCES

To verify the Group's ability to meet its commitments, it is necessary to examine its financial soundness. To this end, it is advisable to read again the statutory balance sheet according to a "financial" logic. The financial balance sheet is shown below:

Euro	30/06/2018	31/12/2017
Intangible fixed assets	9.409.250	9.172.661
Tangible fixed assets	39.666.606	37.396.539
Real estate investments	2.223.814	2.252.428
Financial fixed assets	496.570	493.069
A) Total net fixed assets	**51.796.240**	**49.314.697**
Inventories	15.158.339	13.245.186
Receivables versus customers	11.428.612	7.899.753
Receivables versus others (including deferred taxes attive)	3.750.421	3.386.117
Other operating assets	83.912	425.662
Payables versus suppliers	-14.597.911	-14.913.715
Other payables	-9.649.574	-8.383.984
Payable deferred taxes	-4.439.300	-4.642.067
B) Total financial year capital	**1.734.499**	**-2.983.048**
C) INVESTED CAPITAL (A+B)	**53.530.739**	**46.331.649**
D) EMPLOYEE SEVERANCE PAY.	-1.248.641	-1.538.101
E) NET CAPITAL REQUIREMENT (C+D)	**52.282.098**	**44.793.548**
covered by		
F) OWN CAPITAL	**-23.640.658**	**-23.035.522**
Share capital	-2.130.272	-2.130.272
Provisions	-20.900.123	-22.584.876
Financial year profit	-610.263	1.679.626
G) NET FINANCIAL POSITION	**-28.641.440**	**-21.758.026**
Medium-term financial payables	-19.694.901	-16.022.631
Short-term financial payables	-18.431.279	-12.890.419
Cash	9.484.740	7.155.024
H) TOTAL COME IN "E" (F+G)	**-52.282.098**	**-44.793.548**

Some aspects are also highlighted:

Net invested capital

Net invested capital is the result of the sum of net working capital and net fixed assets. This quantity expresses the capital invested by the company in its typical activity.

Net working capital

Net working capital is represented by the difference between trade receivables, inventories and trade payables.

The value of the net working capital is summarized in the table below:

	30/06/2019	31/12/2018
Trade receivables	15.158.339	13.245.186
Inventories	11.428.612	7.899.753
Trade payables	- 14.597.911	14.913.715
CCN	11.989.040	6.231.224

The net operating working capital indicates the capital invested by the company in its typical business net of the liabilities related to the company's typical activity.

Net financial liability

The net financial debt is the difference between the financial liabilities (current and non-current financial liabilities) and the active ones (cash and other financial assets included in the assets); depending on the prevalence of active or passive items, net financial debt will be negative or positive, respectively.

NET FINANCIAL DEBT	30/06/2019	31/12/2018
Non-current financial payables	19.694.901	16.022.631
Current financial payables	18.431.279	12.890.419
Cash	- 9.484.740	- 7.155.024
	28.641.440	21.758.026

Investments

The main investments made by the Group refer to the acquisition of tangible fixed assets, mainly concentrated in specific plant and machinery destined for production activities and improvements to buildings for a total amount of € 1,422,949, net of the application of the standard IFRS 16.

Solidity indicators

The balance sheet analysis aims to study the ability of the company to maintain financial balance in the medium to long term.

This capacity depends on:

- method of financing medium-long term loans;
- composition of funding sources.

With reference to the first aspect, considering that the recovery time of the loans must be correlated "logically" to the recovery time of the sources, the indicators considered useful to highlight this correlation are the following:

Description of the ratios	30/06/2019	31/12/2018
Primary structural margin	- 29.341.112	- 27.957.036
Primary structural ratio	0,45	0,45
Secondary structural margin	- 3.958.270	- 5.754.235
Secondary structural ratio	0,93	0,89

The primary structural margin is the difference between the net assets and the fixed assets. The primary structure quotient is the ratio between net assets and fixed assets.

The secondary structural margin is given by the difference between the net assets plus the consolidated liabilities and the fixed assets

The secondary structure quotient is the ratio between net equity plus consolidated liabilities and fixed assets.

With reference to the second aspect, namely the composition of funding sources, the useful indicators are the following:

Description of the ratios	30/06/2019	31/12/2018
Debt to Equity Ratio (current liabilities+consolidated/net assets)	2,88	2,53
Financial Debt Ratio (financial payables/net assets)	1,61	1,26

Solvency (or liquidity) indicators

The purpose of the liquidity analysis is to study the ability of the company to maintain the financial balance in the short term, i.e. to face the expected short-term outlays (current liabilities) with the existing liquidity (immediate liquidity) and the expected revenues for the short term (deferred liquidity). Considering that the recovery time of the loans must be correlated "logically" to the recovery time of the sources, the indicators considered useful to highlight this correlation are the following:

Description of the ratios	30/06/2019	31/12/2018
Availability margin (current assets – current liabilities)	- 3.958.270	- 5.754.235
Availability ratio (current assets / current liabilities)	0,91	0,84
Treasury margin (immediate + deferred liquidity - current liabilities)	- 19.116.608	- 18.999.421
Treasury rate (immediate liquidity + deferred/current liabilities)	0,55	0,47

FINANCIAL SITUATION OF THE COSTAMPGROUP S.P.A. GROUP AT 30/06/2019

As is known, the effects of the reverse acquisition transaction between Costamp Group S.p.A. and Costamp Tools S.r.l., already described in the consolidated financial statements as at 31 December 2018, started from the acquisition date (28 February 2018), therefore, in accordance with the provisions of the IFRS 3, the profit and loss account of the acquiree (formerly Modelleria Brambilla) was charged to the profit and loss account of the previous period starting from that date.

For this reason, as the results for the current half year compared to the previous period are not fully comparable, the comparative financial data of the Costamp Group is shown below as if the transaction had taken place on 1 January 2018.

Description	**30/06/2019**	**30/06/2018**
Revenue from sales and services	27.691.367	30.162.312
Other income	1.019.660	1.287.291
Total operating revenues	**28.711.027**	**31.449.603**

Costs for goods and services	17.189.946	20.218.012
Cost of labour	8.276.899	8.105.002
Amortization, depreciation and write-downs	1.739.260	1.197.977
Other costs and charges	302.079	318.358
Total operating costs	**27.508.185**	**29.839.349**
Operating income	**1.202.843**	**1.610.254**
Financial charges	-406.039	-478.650
Financial income	706	2.050
Write-down of financial assets	0	-1.192
Taxes for the year	-187.246	-347.597
Profit/(loss) for the financial year	**610.263**	**784.865**

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The Group is exposed to the normal risks and uncertainties typical of an entrepreneurial activity.
The markets in which the Group operates are world markets, in many cases niche, and therefore contained size, and with few relevant competitors; these characteristics constitute an important barrier at the entry of new competitors, due to the significant investments (also in highly human resources) qualified) related to economic returns not adequate to a start-up effort.
The Group's exposure to financial risks did not undergo significant changes in the first half 2019.
The following is a description of the financial risk factors to which the Group is exposed:

Risks related to the market

The world market in addition to being conditioned by two relevant events, which have been dragging on for some time year:

- Dieselgate, which broke out at the end of 2015, which generated a revolution in investment processes by the major car manufacturers, in which strategic choices are being rescheduled on future engines through the abandonment of the diesel engine;
- Trump's victory in the United States of America at the end of 2016 and the adaptation to a neo-protectionist policy by the main American automobile manufacturers.

Added to this is uncertainty on the part of consumers, which is consequently reflected in the large automotive groups, with regard to the new cars to be purchased, given the ever-increasing demand for less polluting vehicles; the result is a slowdown in consumption which is manifested in a decrease in investment.
The effects described above are currently underway, with an outcome that is difficult to estimate.
In any case, beyond the phenomena linked to individual continents, the automotive industry's need to promote the production and use of low environmental impact infrastructures and vehicles based on the highest possible contribution of renewable sources remains.
Despite the fact that the Group has increased its ability to penetrate the world market in recent years to be ready to seize the opportunities that developments in the market will offer, it cannot in any case be excluded that this global phenomena could have a negative impact on the business and its growth prospects.

Risks associated with customer concentration and order-based relationship management

In 2019, the Group achieved 50% of its turnover with 13% of its customers.
Three significant categories are among the Group's customers:

a) the first, comprising ten main customers who contributed 50% of the Group's turnover (or half of the Group's total turnover);

b) the second, including a further thirteen main customers who contributed a total of 25% of the Group's turnover (more or less equally distributed);

c) the third, including the other smaller customers who contributed, overall, 25% of the Group's turnover.

Although the concentration of turnover in the hands of a few customers is a risk for the Group, it should be noted however that the consolidation, over the years, of stable and lasting trade relationships, has led to a strong loyalty of the aforementioned customers. Furthermore, it should be noted that the number of Group competitors is extremely limited, even from a global point of view.

Risks connected to the contractual conditions and to the payment times and methods of the customers

The supply relationships between the Group and its customers are governed by the general conditions of purchase which, in addition to not being negotiable, result in significant burdens for the Group.
Although this circumstance is customary in the automotive sector, it should be noted in particular that all the above-mentioned general conditions give the Group's main customers ample room to terminate already concluded supply contracts (already signed but not yet processed), as well as temporary suspension of already scheduled deliveries and/or cancellation or modification, at any time, of orders already placed without incurring any liability..
This risk is mitigated by the fact that the products supplied by the Group are strategic and essential to the production cycles of customers since they are the initial basis for the production of a new engine. The suspension or cancellation of an already planned order would, in fact, result in a slowdown or even halt in the launch of a new vehicle on the market.
This is also why the supply relationships between the Group and its main customers are long-term relationships that, in addition to never having resulted in any litigation, are supported by a very strong bond of trust, evidenced by the practice that orders are often formalised close to the supply, when the important co-design phase between the technical departments of the Group and those of the customer has finished.

Risks related to exchange rate trends

The Group operates mainly on international markets and is therefore exposed to exchange risks related to the countries where its customers are based.
In fact, only 60% of its turnover remains in Italy.
The remaining 40% of turnover is based on trade transactions concluded in the rest of Europe (36%), Central and North America (i.e. in Mexico and USA, for 3%) and in Asia (i.e. India, China and Korea for the remaining 3%).
At the end of the year the only exposure in currencies of the Group other than the Euro concern marginal positions in US dollars due to some commercial transactions carried out in the United States by the consolidating company towards a customer.
The Group did not use specific hedging instruments in this financial year.

Risks associated with the structure of debt and change in interest rates

In addition to the flows deriving from the operational management of the business, the Group obtains its financial resources through the traditional banking channel, through the usual medium/long-term financing instruments, mortgages and credit lines.
At 30 June 2019, the Group had a net bank liability of approximately € 27,694 thousand, in addition to a POC of € 947 thousand.

Based on the *business model* implemented by the Group, this liability is used partly to finance working capital and partly to finance investments that have already been made.
The underlying loan agreements include terms and conditions in line with market practice. In particular, these contracts provide for ***i)*** the usual obligations of disclosure and prior authorisation for significant changes to the company's structure or Articles of Association which, if not respected, give the banks the right to terminate the contract, ***ii)*** the usual forfeiture clauses in relation to the benefit of the term and the termination clauses applicable upon the occurrence of prejudicial events affecting the contracting company (such as being subject to judicial procedures, executive or insolvency procedures and to events that adversely affect the financial position of the Company), ii***i)*** covenants tied to compliance with financial indicators and/or commercial relationships (on three contracts).
To date, all commitments have been met, with the exception of the covenants referred to in point iii) above, on two loan agreements, the effects of which have been described in detail in note 15 of the attached explanatory notes.
Loans are also linked to the risk of interest rate fluctuations since they are negotiated primarily at variable rates.
Even an increase in interest rates (as is expected in the medium term given the imminent termination of the QE program by the European Central Bank) could therefore negatively impact the Group's economic and financial situation.

Liquidity risks

The Management believes that the funds and credit lines currently available, in addition to the resources that will be generated by operating and financing activities, will enable the Group to meet the requirements resulting from investment activities, management of working capital and repayment of debts at their normal maturity, as well as ensuring the continuation of a growth strategy through targeted acquisitions that can create value for shareholders.

At 30 June 2019, cash and cash equivalents amounted to € 9.5 million.

The latter, and the cash from the operating activities that the Group has been able to generate, in continuity with past years, are factors that without doubt make it possible to reduce the Group's exposure to liquidity risks.

PREDICTABLE OPERATIONAL DEVELOPMENT

Following the aggregation process with Modelleria Brambilla S.p.A., the Group is improving the production synergy of the production sites in Sirone (LC), Rivalta di Torino (TO) and Correggio (RE), with the recovery of internal efficiency. Such productive poles will be interchangeable for production purposes for a better and more efficient rationalisation of the whole planning and production system. Furthermore, an improvement in the commercial strategy is possible, for more widespread and incisive coverage on the international market.
With regards to growth programs for external lines, the company will also seek to consolidate relations with existing partners.

Information concerning relations with personnel

With regards to this point, the information provided is intended to ensure an understanding of the way in which the relationship between the company and the parties it collaborates with is expressed.

Composition of the personnel:

NUMBER OF EMPLOYEES	30/06/2019	30/06/2018
Managers	1	1
Cadres	16	17
White collar	90	90
Blue collar	167	160
Apprentices	11	7
Temporary	6	6
total	291	281

Research and development

During the 2019 financial year, the company carried out research and development activities aimed at technological innovation and, in particular, focused its efforts on projects deemed particularly innovative, carried out in the Sirone (LC) and Correggio (RE) plants, which are the following:

Project 1 - Study and technical development activities aimed at improving the moulding process through vacuum valve systems;

Project 2 - Study and development activities for the creation and development of highly efficient and reliable software systems for the simulation of industrial production processes;

Project 3 - Study and development activities aimed at defining and testing new technological solutions as part of the PUZZLE DIE project;

Project 4 - Study and development activities aimed at defining and testing new technological solutions as part of the "Metal additive for Lombardy" project";

Project 5 - Technical study activities aimed at defining a sensor for measuring the vacuum level inside the moulds;

Project 6 - Study and development activities aimed at the definition and testing of new technological solutions in relation to business process optimisation (Correggio site);

Project 7 - Integration of HPDC/LPC hybrid technology - LOW PRESSURE FORGING

We are confident that the positive outcome of these innovations will generate good results in terms of turnover with a favourable economic impact for the company.

In relation to R&D activities, the company intends to take advantage of the tax credit provided by Article 1(35) of Law no. 190 of 23 December 2014, as amended, including article 1 paragraphs 70 – 72 of Law no.145 of 30 December 2018

The tax credit for research and development activities is € 70.405

Relationships with subsidiaries, affiliates, and parent companies

Changes in receivables and payables to parent companies, subsidiaries and affiliates were not eliminated since they did not fall within the scope of consolidation.

RELATIONS OF AFFILIATES 30/06/2019	Trade receivables	Financial receivables	Other receivables	Trade payables	Financial payables	Other payables
Pa.ma S.r.l.	41,155	-	-	534,645	-	-

PiQ2 S.r.l.	-	80,000	-	88,870	-	-
Costamp S.r.l.	-	-	416,418	-	4,772	-
total	41,155	80,000	416,418	623,515	4,772	-

The volume of costs and revenue relating to the exchange of goods and services with parent, affiliated and subsidiary companies.

VOLUMES	Costi	Ricavi
Subsidiaries	431.992	42.188
Affiliates	642.845	44.896
total	1.074.837	87.084

With regard to transactions with related parties, these are production support activities by the company Pa.ma S.r.l., for the production of mould housings.

List of locations

The Group operates in the location stated below:

Sirone Via Verdi no.6 Lecco (LC), operating headquarters and registered office.

Rivalta di Torino, Via Coaze no.25 Torino (TO), operating headquarters.

Correggio, Via del Progresso no.1 e 3 Reggio Emilia (RE), operating headquarters.

Own and Group shares

As of 30 June 2019, the Parent Company holds 54.753 treasury shares (equal to 0.13% of the share capital) purchased for a total value of € 280,345.32 for an average value of € 3.86 per share.

SIGNIFICANT FACTS AFTER THE CLOSURE OF THE FINANCIAL YEAR

No other significant events occurred after the end of the year.

Financial year profit

The financial year profit at 30 June 2019 was in the amount of €610.263.

Sirone, 27/09/2019

FOR THE BOARD OF DIRECTORS

The Chairman CORTI MARCO