

COMUNICATO STAMPA**Approval of Neodecortech's Draft Financial Statements and Consolidated Financial Statements as at December 31th 2017****Individual preliminary and consolidated pro-forma results for fiscal year 2017 get confirmed**

- **Pro-forma consolidated net revenues: €127.7 million** (+ 10.4% compared to the €115.7 million at 31.12.2016)
- **Adjusted pro-forma consolidated gross operating margin (EBITDA adj)** at €15.2 million, with a 12% impact on consolidated net revenues at December 31th 2017 (€12.5 million at 31.12.2016).
- **Adjusted pro-forma consolidated net profit equal to €4.8 million**, + €3.5 million, compared to €1.3 million at 31.12.2016.
- **Net Financial Debt improved by €10.1 million.**
- **Dividend proposal: €0.153 per share, with a 4% yield** calculated on the March 29th 2018 closing price.
- **The Prospect for Remedy Shares Approved**

Filago (BG), March 30th 2018

Neodecortech S.p.A., leader in Italy in the production of decorative papers for laminated panels and flooring used in the interior design sector, communicates that the Board of Directors, called on March 29th 2018, has examined and approved the draft financial statements, drawn up in accordance with international accounting standards, as well as the Consolidated Financial Statements for the 2017 financial year, drawn up in accordance with international accounting standards (IAS/IFRS) of the Pro-forma Consolidated Financial Statements for the 2017 financial year, drawn up in accordance with the international accounting standards (IAS/IFRS).

Furthermore, The Board of Directors has convened, in a single convocation, the Ordinary Shareholders' Meeting on April 30th 2018, to deliberate, among other

things, on the approval of the financial statements at December 31st 2017.

The Board of Directors has also decided to propose to the Shareholders' Meeting of Neodecortech S.p.A. the distribution of a €0.153 per share divided.

On this day, the Board of Directors has also examined and approved the corporate governance Report.

Finally, the Board of Directors has approved the prospect for Remedy Shares, whose validity is subject to a prior approval of the financial statements by the Shareholders' Meeting on April 30th 2018, as well as the control activities of calculation agent in charge, EpYon Audit & Consulting. Given all of the above, and therefore without amendments, corrective actions for 2017 will not be recognised, as the document approved by the Board of Directors has exceeded the parameters of Consolidated Net Profit and EBITDA pro-forma provided from the Protection Mechanism for 2017 and described in the Admission Document published on AIM Italia - Alternative Capital Market, for the possible Remedy Shares distribution.

THE GROUP'S MAIN ECONOMIC, BALANCE SHEET AND FINANCIAL RESULTS CONSOLIDATED AT DECEMBER 31st 2017

The pro-forma consolidated net profit at December 31st 2017 are equal to **€127.7 million**, representing a 10.4% growth compared to the €115.7 million reported in the same period of 2016.

The pro-forma consolidated gross operating margin (EBITDA adjusted) is equal to **€15.2 million** (a 12% impact on the proforma consolidated net revenue at December 31st 2017), with growth of about €2.8 million compared to the same period of 2016.

Similarly, **pro-forma consolidated adjusted net profit** at December 31st 2017 was equal to **€4.8 million**, compared to the €1.3 million of the same period of 2016.

Net Financial Debt Position at December 31st 2017 reached **€47 million** with a €10.1 million improvement compared to the same period of 2016 (€57.1 million). The rise was achieved after the share capital increase and the admission of shares to the official listing on Aim Italia in September 2017; considering investments amount of €7 million.

FORECAST ON THE COMPANY PERFORMANCE'S EVOLUTION

Despite the current tensions on raw materials within the paper industry (lower than

2017), for 2018 there are some programs in place to support the turnover increase and the margins improvement linked to a productivity increase. There also is the continuous overturn of sales price related to the aforementioned raw materials' costs.

SHAREHOLDERS ' MEETING

The Board of Directors mandated the Chairman to convene the Ordinary Shareholders' Meeting for next April 30th 2018, at 11:00 am, at the Company's headquarter in Filago (BG), via Provinciale 2. The Shareholders' Meeting will discuss and deliberate the following points on the Agenda:

- 1) Financial Statement and consolidated one's presentation at December 31st 2017 with the Directors' Report on the management of Fiscal year 2017, as well as the reports of Board of Auditors and the Auditing firm. Inherent and consequent resolutions.
- 2) The proposed profit allocation. Inherent and consequent resolutions.
- 3) The approval of norms for the functioning and development of the Shareholders' Meetings.

In particular, the Board of Directors, in the light of Neodecortech's net profit equal to €5.480 million, prepared the dividend distribution proposal to the Shareholders' Meeting of €2,002,081.5 (at current date), equal to €0.153 per share. Ex-dividend date will be expected for May 28th 2018, and the payment one will start from May 30th 2018 (record date May 29th 2018).

Luigi Cogni, Chief Executive Officer, commented: "I am very pleased with this positivity value, despite the complexities of 2017 due to the unexpected increase of raw materials needed in the paper production segment (cellulose +33% and titanium dioxide +40.2%, weighted average data 2017 on 2016). These costs represent approximately 67% of total costs."

The integral notice of convocation of the Shareholders' Meeting will be made available to the public in accordance with the law, while the documentation related to the topics on the agenda will be made available to the public at the head office and on the website www.neodecortech.it.

Attached:

- The prospectus of the consolidated Balance Sheet, consolidated Profit and Loss Account and consolidated Cash Flow Statement as at December 31st 2017, prepared according to the international accounting standards. **The consolidated Profit and Loss Account includes subsidiaries' figures from the second half of 2017.**
- The prospectus of the Balance Sheet, consolidated Profit and Loss Account and consolidated Cash Flow Statement of Neodecortech S.p.A. as of December 31st 2017.

With reference to the accounting data shown in this press release, it should be noted that these figures have not been audited with an independent auditing activity performed by the independent auditors and have not been audited by the Board of Statutory Auditors. The draft financial statements as at December 31st 2017 will be available within the statutory deadlines at the registered office.

In this press release, some 'alternative performance indicators' are not used in the IAS/IFRS accounting standards adopted by the European Union (Adjusted EBITDA, Adjusted Net Profit, Net Financial Position) for which reference is made to the Report on Operations at December 31st 2017. It should be noted that the criteria used to determine these indicators applied by Neodecortech may not be the same as those adopted by other companies or groups and, therefore, the above non-GAAP measures may not be comparable with those determined by others. It should be noted that Adjusted Net Profit is calculated as a consequence of Adjusted EBITDA.

Consolidated Profit and Loss Account (in Euro)	31/12/2017	%
Sales revenues	85.680.703	97,3
Other revenues and proceeds	2.390.981	2,7
Total Revenues	88.071.684	100
Raw material surplus	- 3.280.627	-3,7
Raw materials, semi-finished products, material:	54.465.953	61,8
Services	10.758.793	12,2
Use of third parties assets	445.899	0,5
Personnel	13.152.649	14,9
Other operating expenses	1.794.372	2,0
Total operating costs	77.337.039	88
Gross Operating Margin	10.734.645	12
Amortisation of fixed intangible assets	287.808	0,3
Amortisation of fixed tangible assets	4.033.502	4,6
Operating results	6.413.335	7
Financial proceeds	280.227	0,3
Financial charges	2.128.889	2,4
Operating results (EBT)	4.564.673	5
Financial Income (charges)	1.846.753	2,1
Income/(loss) before taxes	6.411.426	7
Operating income taxes	931.444	1,1
Fiscal year Income/(loss)	5.479.981	6

Other income statement's components

Profits (losses) which will not subsequently be reclassified in yearly results

Actuarial profits (losses) after taxes

Fiscal year profits/(loss)

Assets (in euro)	31/12/2017	%
Tangible assets	72.562.807	47%
Goodwill		
Intangible assets	4.573.237	3%
Holdings	135	0%
Other non-current assets	36.036	0%
Long-term financial claims	1.628.670	1%
Deferred tax assets	2.499.495	2%
Available-for-sale assets	2.073.586	1%
Non-current assets	83.373.966	54%
Inventories	32.126.603	21%
Trade receivables	26.332.654	17%
Tax claims	3.229.514	2%
Short-term financial claims	868.467	1%
Other current assets	3.665.365	2%
Cash	6.103.764	4%
Currents Assets	72.326.367	46%
Total Assets	155.700.333	100%
Net and passive Equity (in euro)	31/12/2017	%
Share Capital	16.203.000	
Share Premium	17.356.686	
Other reserves	7.860.465	
OCI Reserve	(25.766)	
Fair Value Reserve	(177.817)	
IAS Reserve	(1.422.835)	
Previous fiscal years profit (lost)	8.754.822	
Financial Statements	5.479.982	
Net worth	54.028.537	35%
Funds for risks and charges	456.681	0%
Deferred tax	6.011.531	4%
Benefits following employment termination	2.905.467	2%
Non-current financial liabilities	31.834.245	20%
Non-current liabilities	41.207.924	26%
Trade debts	33.596.294	22%
Tax debts	1.220.254	1%
Financial liabilities	22.048.189	14%
Other current liabilities	3.599.136	2%
Current liabilities	60.463.873	39%
Net Equity and Liabilities	155.700.333	100%

Consolidated Cash Flow Statement as at December 31st 2017

A. Cash flows deriving from income management (indirect method)

Fiscal year Income(loss)	5.479.982
Income taxes	931.444
Interests payable/(interest receiveable)	1.848.662
(Dividends)	
(Profits) losses deriving from assets' sales	138
1. Year profits (loss) before income taxes, interest, dividends and profits/losses from disposals	8.260.226
<u>Adjustments for non-monetary items that did not have a counterpart in the net working capital</u>	
Provisions for funds	138.928
Fixed assets ammortisation	4.321.310
Write-downs for permanent value losses	
Other adjustments for non-monetary items	
2. Financial flow before the issuance of net working capital	12.720.464
<u>Net working capital changes</u>	
Surplus decrease/(increase)	(4.596.603)
Credits towards clients decrease/(increase)	9.105.850
Debts towards suppliers increase/(decrease)	3.882.627
Other credits decrease/(increase)	(2.498.809)
Other debts increase/(decrease)	(5.744.537)
Other amendments of net working capital	(2.716.306)
3. Financial flows after net working capital'amendments	10.152.685
<u>Other adjustments</u>	
Cashed in/(payed) interests	(1.848.662)
(Payed income taxes)	(827.184)
Cashed in dividends	
(Funds use)	(612.255)
4. Financial flow after other adjustments	6.864.584
Financial flow of income management (A)	6.864.584

B. Cash flows coming from investment activity

Tangible fixed asset

(Investments) (4.572.021)

Disinvestments' realization price 111.254

Intangible assets

(Investments) (3.184.363)

Disinvestments' realization price

Financial assets

(Investments in risk assets)

Disinvestments' realization price in risk assets

(Investments)

Disinvestments' realization price

Financial assets other than fixed assets

(Investments) /Granted fundings

Realization price for disinvestments

(Investments)

Realization price for disinvestments

Flusso finanziario dell'attività di investimento (B) (7.645.130)

C. Flussi finanziari derivanti dall'attività di finanziamento

Third parties' means

Increase/(decrease) of short-term banks debts (4.926.871)

New loans 11.928.372

Loans reimbursement (10.051.883)

Own means

Capital increase payment 11.403.000

Reserves' adjustments

Payed dividends (and interim dividends) (1.000.000)

Financing activities' financial flow(C) 7.352.619

Cash increase/(decrease) (A) 6.572.073

Neodecortech's cash as at January 1st 2017 60.691

BEG's cash as at 30/06/2017 (first consolidation) (75.000)

CDG's cash as at 30/06/2017 (first consolidation) (454.000)

Cash as at Consolidated January 1st 2017 6.103.764

Assets (unità di Euro)	Note	31/12/2017	%	31/12/2016	%
Tangible assets	1	21.683.689	25%	21.985.899	46%
Goodwill		-		-	
Intangible assets	2	302.690	0%	238.228	0%
Holdings	3	19.006.789	22%	135	
Other non-current assets	4	9.021	0%	9.021	0%
Long-term financial claims	5	9.513.141	11%	1.153.390	2%
Deferred tax assets	6	520.722	1%	519.346	1%
Available-for-sale assets		-		-	
Non-current assets		51.036.051	60%	23.906.019	50%
Inventories	7	6.349.108	7%	6.168.529	13%
Trade receivables	8	9.113.428	11%	12.575.485	26%
Tax claims	9	586.043	1%	225.240	0%
Short-term financial claims	10	14.435.448	17%	4.635.523	10%
Other current assets	11	97.557	0%	279.741	1%
Cash	12	3.656.186	4%	60.691	0%
Currents Assets		34.237.771	40%	23.945.210	50%
Total Assets		85.273.822	100%	47.851.229	100%

Net and passive Equity

Net and passive Equity (in euro)					
Share Capital		16.203.000		4.800.000	
Share Premium		17.356.686		-	
Other reserves		7.860.465		7.004.257	
OCI Reserve		(58.469)		(70.504)	
Fair Value Reserve		(177.817)		0	
IAS Reserve		(1.303.321)		(1.303.321)	
Previous fiscal years profit (lost)		8.754.821		5.990.816	
Financial Statements		5.479.982		2.898.578	
Net worth	13	54.115.348	63%	19.319.826	40%
Provisions for risks and charges		-	0%	-	0%
Deferred tax	14	2.412.240	3%	2.424.013	5%
Benefits following employment termination	15	1.312.499	2%	1.515.004	3%
Non-current financial liabilities	16	16.794.779	20%	14.973.800	31%
Non-current liabilities		20.519.517	24%	18.912.817	40%
Trade Payable	17	3.908.897	5%	3.255.959	7%
Tax debts	18	357.002	0%	432.866	1%
Financial liabilities	19	4.148.083	5%	3.641.394	8%
Other current liabilities	20	2.224.975	3%	2.288.365	5%
Current liabilities		10.638.957	12%	9.618.585	20%
Net Equity and Liabilities		85.273.822	100%	47.851.229	100%

Consolidated Profit and Loss Account (in Euro)	31/12/2017		31/12/2016	
		%		%
Sales revenues	43.825.016	98,4	42.358.653	97,05
Other revenues and proceeds	695.006	1,6	1.286.385	2,95
Total Revenues	44.520.022	100,0	43.645.037	100,00
Raw material surplus	- 385.694	0,9	415.390	0,95
Raw materials, semi-finished products, material:	24.301.202	54,6	23.496.873	53,84
Services	6.068.065	13,6	5.089.248	11,66
Use of third parties assets	106.272	0,2	33.546	0,08
Personnel	8.358.493	18,8	7.694.562	17,63
Other operating expenses	412.730	0,9	313.859	0,72
Total operating costs	38.861.067	87,3	37.043.478	84,87
Gross Operating Margin	5.658.956	12,7	6.601.559	15,13
Amortisation of fixed intangible assets	126.843	0,3	120.891	0,28
Amortisation of fixed tangible assets	2.029.724	4,6	2.012.145	4,61
Operating results	3.502.389	7,9	4.468.523	10,24
Financial proceeds	489.143	1,1	319.607	0,73
Financial charges	1.076.141	2,4	1.064.165	2,44
Financial Income (charges)	2.916.276	6,6	-	
Income/(loss) before taxes	5.831.668	13,1	3.723.965	8,53
Operating income taxes	351.686	0,8	825.387	1,89
Fiscal year Income/(loss)	5.479.982	12,3	2.898.578	6,64
Other income statement's components				
<i>Profits (losses) which will not subsequently be reclassified in yearly results</i>				
Actuarial profits (losses) after taxes	12.035		49.010	
Fiscal year profits/(loss)	5.492.017		2.947.588	-

Cash Flow Statement as at December 31st 2017

A. Cash flows deriving from income management (indirect method)

Fiscal year Income(loss)	5.479.982
Income taxes	351.686
Interests payable/(interest receivable)	586.997
(Dividends)	
(Profits) losses deriving from assets' sales	138
1. Year profits (loss) before income taxes, interest, dividends and profits/losses from disposals	6.418.804
<u>Adjustments for non-monetary items that did not have a counterpart in the net working capital</u>	
Provisions for funds	46.309
Fixed assets ammortisation	2.156.566
Write-downs for permanent value losses	
Other adjustments for non-monetary items	(2.938.263)
2. Financial flow before the issuance of net working capital	5.683.417
<u>Net working capital changes</u>	
Surplus decrease/(increase)	(180.580)
Credits towards clients decrease/(increase)	3.443.782
Debts towards suppliers increase/(decrease)	979.109
Other credits decrease/(increase)	(272.229)
Other debts increase/(decrease)	(323.668)
Other amendments of net working capital	1.094.556
3. Financial flows after net working capital'amendments	10.424.387
<u>Other adjustments</u>	
Cashed in/(payed) interests	(586.997)
(Payed income taxes)	(351.686)
Cashed in dividends	0
(Funds use)	(612.255)
4. Financial flow after other adjustments	8.873.449
Financial flow of income management (A)	8.873.449

B. Cash flows coming from investment activity

Tangible fixed assets

(Investments) (1.838.193)

Disinvestments' realization price 111.254

Intangible assets

(Investments) (191.304)

Disinvestments' realization price

Financial assets

(Investments in risk assets)

Disinvestments' realization price in risk assets

(Investments) (16.090.378)

Disinvestments' realization price

Financial assets other than fixed assets

(Investments) /Granted fundings

Realization price for disinvestments

(Investments)

Realization price for disinvestments

Flusso finanziario dell'attività di investimento (B) (18.008.622)

C. Flussi finanziari derivanti dall'attività di finanziamento

Third parties' means

Increase/(decrease) of short-term banks debts 451.177

New loans 11.928.372

Loans reimbursement (10.051.883)

Own means

Capital increase payment 11.403.000

Reserves' adjustments

Payed dividends (and interim dividends) (1.000.000)

Financing activities' financial flow(C) 12.730.667

Cash increase/(decrease) (A) **3.595.494**

Neodecortech's cash as at January 1st 2017 60.691

Cash as at Consolidated January 1st 2017 3.656.186

Neodecortech S.p.A

Neodecortech is the leader in Italy in the production of decorative paper for laminated panels and flooring used in the interior design sector. The Group's business is in the production of complete and technologically advanced solutions for the realization of interior design projects, covering all stages of the production process for the production of decorative paper, from raw material management, through surface finishing and impregnation, until the finished product and the management of end-of-line logistics. The Group is able to offer 51 products divided into the following 5 categories: decorative papers; decorative printings; *finish foil*; melamine film; PPF or LVT (www.neodecortech.it).

ISIN Code for ordinary shares: IT0005275778

Please note that the Company elected the Italian language for all the documents made available to the shareholders and for any other information to be provided pursuant to the AIM Issuers Regulation. Therefore, the one above is only a courtesy translation and in case of

differences between the English and the Italian text, the Italian text shall prevail.

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