

CASTA DIVA GROUP S.P.A.



**CONSOLIDATED MID-TERM FINANCIAL REPORT
UP TO 30TH JUNE 2018**

Approval: Board Committee 27th September 2018

INDEX

CORPORATE GOVERNANCE	3
MID-TERM MANAGEMENT REPORT.....	4
CONSOLIDATED FINANCIAL STATEMENT CHARTS UP TO 30TH JUNE 2018	10

CORPORATE GOVERNANCE

The holding and its subsidiaries are using the so-called “traditional system” for management and control. In particular, the Shareholders Committee of Blue Note S.p.A. (Casta Diva Group S.p.A. from 5th August) on 20th July 2016 has deliberated, for a three-year period, starting from the merging operation date, as follows:

- The Board has sole responsibility in managing the company;
- The Board of Statutory Auditors will monitor how to proceed according to the law, the Resolution Board and administration procedures;
- The auditing company.

The Board

Andrea Giovanni Rodolfo De Micheli – Chairman and Board Member

Luca Rodolfo Guido Oddo – CEO and Board Member

Francesco Merone – Board Member (since 30th May 2018)

Gianluigi Rossi – Board Member

Vittorio Giaroli – Independent Advisor

Board of Auditors

Monica Mannino – Chairman

Andrea Pozzolini – Statutory auditor

Davide Mantegazza – Statutory auditor

Mauro Lorini – Substitute Statutory auditor

Gaetano Pignatti – Substitute Statutory auditor

Auditing company

Ernst & Young S.p.A.

Up to the 30th June 2018, based on the companies' information, the Group share capital was:

- Reload S.r.l 72,27%
- Market 27,19%

Own shares up to the 30th June 2018 are equal to 68.500, 0,54%, equivalent 104.000 Euro.

As listed on AIM Milano, on Friday 29th June 2018, the share closing price of Casta Diva Group S.p.A was equal to 1.62 Euro, equivalent to a capitalisation of over 20 Million Euro.

Casta Diva Group S.p.A., with its subsidiaries, operates in Italy and abroad in the field of communications for companies and contents creation.

The Group is located in Milan and operates, through 100% controlled companies or controlled by local partners, in Italy, UK, Czech Republic, Turkey, Lebanon, South Africa, US, China, Dubai (recently established, operating from second semester of 2018) and Argentina.

The Group mainly operates in two areas of Digital & Live Communications:

1. **Spots department (and Digital Video Content)**, that creates spots and adverts, digital and viral videos, web series, branded content and it is managed by the subsidiaries Casta Diva Pictures, operating worldwide.
2. **Events department (or Live & Digital Communication)**, that creates and manages conventions, web events, road shows, stands, team building, product launches, press conferences, experiential events as test drive for car makers companies, concerts and festival, all areas of live communications, for companies (B2B) and consumers (B2C), managed by Casta Diva Events S.r.l., whereas B2B/B2C and Blue Note Milano for in-house live concerts.

The Group has gained clear skills in Digital Communications and is also developing own production projects for Cinema and TV. It operates in all sectors described below.

MANAGEMENT REPORT

Dear Shareholders,

This report has been written according to article 2428 of the civil code; it provides relevant information on the financial status, assets and management of Casta Diva Group S.p.A. and its group ("CDG Group").

MAIN FACTS IN 2018

We are going to sum up the main facts that took place from the first semester of 2018. Please check the link below for the press release.

Share capital increase 2018

On the 10th June 2018, the Board of Casta Diva Group during the notary session, in partial operation of the delegation conferred by the extraordinary general meeting on the 18th of July 2016, has declared to increase, divisible and chargeable, the share capital for a maximum amount of 380.000 Euro, of which 285.000,00 Euro through share premium, through the emission with exclusion of the right of option for the existing members, for the price of Euro 2,00 per share, with a maximum of 190.000,00 new ordinary shares. The shares will be offered in subscription, in compliance with law. 2441 paragraph 5 of the Civil code for the company administrators, employees and collaborators (in Italy and abroad) who went the extra mile in reaching the company targets.

<http://www.castadivagroup.com/wp-content/uploads/2016/06/2018-01-10-0941pm-CDG-CS-CDA-e-Bracknor.pdf>

Job reference Spot in South Africa with our client Alibaba

CDG, on 18th January, announces to have won the bidding, through our branch Casta Diva Cape Town, for the production project of 3 adverts for the Alibaba Group, thanks to Shanghai Red Horse Advertising Media Co., Ltd., partner of Joint Venture Casta Diva China Co., Ltd. The spots will be produced in South Africa and the total value of the signed contract is approximately 500.000 Dollars.

<http://www.castadivagroup.com/wp-content/uploads/2018/03/2018-01-18-1010pm-CDG-CS.pdf>

BLUE NOTE OFF

On 24th June the first part of the program of Blue Note Off has been presented at Sisal Wincity in Piazza Diaz, the new brand of Blue Note Milano (part of Casta Diva Group), aiming at reaching unconventional venues for jazz music. Blue Note Milano, and its brand Blue Note Off, wants to offer to a bigger audience an opportunity to see international artists and new talents in different parts of the city.

The Blue Note Off calendar starts from Sisal Wincity in Piazza Diaz and includes 14 concerts from 5th February featuring Ragonese Bros, Naim, "Lands Project" Decorato and Costantini, Pat Rich, Lady Dillinger and many others.

<http://www.castadivagroup.com/wp-content/uploads/2016/06/2018-01-24-1138am-CDG-CS-Blue-Note-Off1.pdf>

Cash pooling 2018

In February CDG has signed a cash pooling contract with MPS bank, later with Unicredit. This type of cash pooling is Zero balance system. With the zero balance system, a single company of the group (CDG/the pooler) manages a centralised bank account (pool account), where the transactions of all other company accounts are paid into. Hence, the pooler will manage all centralised financial needs and all relations with the creditors. The pooler will deal with the liquidation of interest income and expense, calculated by adding them up for all companies of the group and will provide the pooling participants with a bank statement.

This is a daily system and Casta Diva Pictures S.r.l, Casta Diva Events S.r.l. and Blue Note S.r.l. will be using it.

Casta Diva operating in the TV series industry

On the 7th of February, Casta Diva Pictures Lebanon enters the world of Tv series with an investment of 250 thousand dollars. The company will invest without contacting a bank, thanks to the free cash flow production from 2017. CDP Beirut will take part, with other local investors, in the production of a new TV series with a cost budget of 550.000 dollars and revenue, for 2018, of 1,277 million dollars. CDG indirect commitment (that contributes to Casta Diva Pictures Lebanon share capital with a share of 50, 1%) is about \$ 125,000, forecasting revenue for CDG in 2018 over twice this figure. This TV series will be produced in April, May and June and broadcasted in September 2018. The project is "AWAKE", a well-structured family-drama, which tells the story of Dana, the main character, a Lebanese girl in her 30s'. She wakes up after being going in a coma and finds out that her parents got divorced, her sisters grew older, her boyfriend got married to someone else and the Master dissertation project she wrote with one of her university colleagues became an advertising agency. Soon, the secrets bound to her coma get disclosed; once again, she has to face her past and make difficult decisions for her future.

<http://www.castadivagroup.com/wp-content/uploads/2016/06/2018-02-07-0451pm-CDG-CS-CDP-LIBANO-AWAKE.pdf>

Trade Agreement with Class CNBC

CDG, on the 8th of May, announces through Casta Diva Financial Events S.r.l. (CDEF) the trade agreement with CLASS CNBC and a new brand launch, Casta Diva Forums (CDF), which will broadcast 40 shorts on blockchain and the best ICOs, for a total of 240 replica. The shows are produced at Nasdaq in New York; the conferences are organised by the company and divided into educational on one side, on blockchain apps and interviews with Casta Diva Forums CEOs clients on the other side. The clients will introduce to the investors their companies and ICO in preparation.

<http://www.castadivagroup.com/wp-content/uploads/2018/05/2018-05-08-0700am-CDG-CS-CDF-Accordo-CNBC.pdf>

Governance re-structuring for Casta Diva Group

The Board of Casta Diva Group, on the 30th of May, has nominated Andrea De Micheli as Chairman of the Group, Luca Oddo as CEO and co-opted Francesco Merone onto the Board, appointing him as Managing Director of the Group.

Andrea De Micheli, in his new role, will be managing all institutional relations and will follow new businesses, mainly in high tech and the movie industries.

Luca Oddo, as the CEO of the Group, will focus on strengthening the international network, especially in China and the Middle East, and will implement new models of integrated communications to meet the markets needs for the main players in the world of advertising.

The co-optation onto Advisor and Managing Director of Francesco Merone, who still is the Chief Financial Officer, is a great step, which will be beneficial to the whole network.

<http://www.castadivagroup.com/wp-content/uploads/2018/05/2018-05-30-0915pm-CDG-Nomine-CDA.pdf>

"BREAK THE TABOO", SPOT PRODUCED BY THE ARGENTINE SOCIETY OF UROLOGY IS AWARDED WITH THE SILVER LION AT CANNES LIONS 2018

On the 20th June, CDG announced that "Break the Taboo", spot produced by the Argentine Society of Urology won the **Silver Lion for the Healthcare category at Cannes Lions 2018**. This prize has been awarded at the International Festival of Creativity 2018, the most important international event in advertising, where professionals in this field celebrate the best world productions from the previous year.

"**Break the Taboo**", produced by the subsidiary Casta Diva Pictures SA, located in Buenos Aires, is an awareness campaign for prostate cancer prevention, directed by Jonathan Perel, featuring Grey Argentina.

<https://www.castadivagroup.com/wp-content/uploads/2018/06/2018-06-20-0508pm-CDG-Premio-Cannes.pdf>

Industrial Plan 2018 - 2020

On 21st of June, the Board of Casta Diva Group S.p.A. has approved the Strategic Plan 2018-2020. Its goals could be quickly reached by M&A, which is the main strategic guideline for all business areas. As per our recent acquisitions, the selection of target companies will take place by integrating supply and creative chains and penetrating new markets, increasing marginalisation of the Group. In the three-year period 2018-2020, the Group will be focusing on marginality increase more than on the volumes development, as already implemented and highlighted in the consolidated sheet 2017. The strategic targets include reaching adjusted EBITDA margin of 8% in 2018, then reaching 10% in 2020. In the previous plan, It was forecasted a revenue of 33,5 Million Euro in 2019, in order to reach adjusted EBITDA of 2,5 Million Euro, equal to 8% of the production value. After the plan update, the target of marginality is forecasted to be reached in 2018, one year earlier, and overcome the result in 2019. The Net Financial Position trend forecast, as strategic target in 2020, would be equal to -3,0 Million Euro (positive liquidity), resulting in efficient cash management.

This is a chart of the most important index for the new industrial plan (Production Value, Ebitda, Ebitda Margin and Net Financial Position):

€M	2016A	2017A	2018E	2019E	2020E
Valore della Produzione	24,9	23,5	26	29	32
EBITDA	0,7	1,3	2,1	2,6	3,2
EBITDA margin	~3%	~6%	8%	9%	10%
Posizione Finanziaria Netta (Cassa)	0,8	(1,8)	(1,0)	(2,5)	(3,0)

<http://castadivagroup.com/investor-relations/presentazioni/>.

<https://www.castadivagroup.com/wp-content/uploads/2018/06/2018-06-21-0341pm-CDG-CS-Piano-2018-2020.pdf>

Analysis of economic, capital and financial results

In this section you can find the most important information regarding the capital and financial situation of the companies, for a better understanding of the main factors of management.

MAIN CONSOLIDATED INDEX OF CASTA DIVA GROUP UP TO 30.06.18 IN COMPARISON TO RESULTS UP TO 30.06.2017

Casta Diva Group - Consolidated

(Amounts in thousand Euro)	30.06.2018	30.06.2017	Variation	Var. %
Production value	10.814	12.330	(1.516)	-12%
Production costs	(11.411)	(12.074)	663	-5%
Net operating margin	(597)	256	(853)	-333%
Ammortisation and depreciation	(654)	(374)	(279)	74,6%
Risk provision	0	(45)	45	-100,0%
Ebitda	56	675	(619)	-91,7%
Ebitda Percentage	1%	5%		
Extraordinary expenses	(747) -		(747) -	
Adjusted EBITDA	803	675	128	19%
Adjusted EBITDA percentage	7,4%	5,5%		
Interest and financial expenses	(133)	(78)	(55)	70%
Ammortisation and depreciation	(654)	(374)	(279)	75%
Risk provision	0	(45)	45	-100%
Extraordinary expenses	(747)	0	(747) -	
Taxes	(252)	(252)	-11,9%	0,0%
Net profit	(982)	(74)	(908)	1226%
Net profit of third party	146	445	(299)	-67%
Net Profit (of minority)	(1.128)	(519)	(609)	117%
Equity	6.789	5.748	1.040	18%

Adjusted EBITDA has been calculated deducting non-recurring expenses from operational costs in this first semester 2018 (extraordinary and non recurring expenses are no longer highlighted in the chart from the income statement, section E, in compliance to IV legislation CEE) that refer to:

- extraordinary bonus, given to national and international management, as explained in a press release, for a value of approximately 240.000 Euro;
- approximately 50.000 euro for extraordinary and non-recurring cost for an employee of Casta Diva Events;
- approximately 330.000 euro of total costs (equipment, services costs, advisory services, legal costs, insurance costs and other general expenses) paid by Casta Diva Events for taking part in a bidding in Public Administration, ended negatively due to a legal case;
- approximately 142.000 euro regarding legal and administrative costs due to a legal case ended positively. No other liabilities are expected for the Group.

The consolidated production value is equal to 10.814 thousand Euro, decreasing by 1.516 thousand in comparison to the six-month consolidated up to 30.06.2017.

Below the distribution of production value generated by the Italian companies in comparison to the branches abroad:

(amounts in thousand Euro)			
CDG Group	Italy	Abroad	Total
Production Value	6.114	4.699	10.814

The Italian share is 57% of the total value.

The production value decrease is a consequence of external factors, such as the currency rate of the Turkish Lira and Argentinian Pesos that, over the past months, have lost up to 50% of their value. This affected negatively the Group figures.

Apart from this loss due to the currency rate, CDP Argentina and CDP Turkey have increased their revenue by more than 20%.

External operational costs percentage is constantly decreasing in comparison to proceeds; also, in the first semester of 2018, we have been focusing on adjusting operational costs for the market. Trade agreements have been revised, together with incentive policies fixed costs to adjust the costs structure with proceeds.

Thanks to careful trading policies, operational marginality (Adjusted EBITDA) has increased by 18,5%, from approximately 675.000 Euro to more than 800.000. The relation between Production Value and Adjusted Ebitda has increased by 3% in 2016, up to 5,5% on 30th June 2017 and up to 7,3% in the first semester of 2018, according to the Industrial Plan 2018/2020.

Ammortisation increased in comparison to the semester 2017 because the company is investing in Information Technology. Also, ammortisation and depreciation increased: in this case, as mentioned above, the company is carrying on rationalisation activities for the branches in Italy and abroad: this includes reserves distribution, provision risks and depreciation of some assets.

Consolidated Balance Sheet

The chart below is the balance sheet of the Group up to 30.06.2018, in comparison to the figures up to 30.06.2017

Semestrial consolidated

(amounts in thousand euro)	30.06.2018	31.12.2017	Variation	Var. %
Consolidated Balance Sheet				
Intangible Fixed assets	4.975	4.527	448	10%
Tangible fixed assets	272	286	(14)	-5%
Financial assets	298	153	145	95%
Total fixed asset	5.545	4.966	579	12%
Trade receivables	7.089	6.209	880	14%
(Trade payables)	(4.409)	(4.397)	(11)	0%
Inventory	510	287	223	78%
Other assets	2.337	2.102	234	11%
Other liabilities	(2.065)	(2.482)	417	-17%
Net working capital	3.461	1.719	1.742	1
Net invested capital	9.006	6.685	2.322	0
Financial receivables	(942)	(1.642)	700	-43%
Cash and cash equivalents	(649)	(2.068)	1.419	-69%
(Financial debts)	3.511	1.874	1.637	87%
Net financial position	1.920	(1.837)	3.757	-205%
Share capital and reserves	7.771	9.204	(1.433)	-16%
Profit/loss of the year	(982)	(1.315)	333	-25%
Equity	6.789	7.889	(1.101)	-14%
TFR funds	298	633	(335)	-53%
Total sources	9.006	6.685	2.321	35%

The increase of intangible fixed assets is related to capitalised costs for investments in IT, aimed at improving the Group productivity and security.

The net working capital (trade receivables plus Inventory minus Trade payables) keeps on increasing in comparison to 2017, from 1,179 Million Euro value to 3,699 Million Euro, as a constant increase of operational activity. The NWC increase has been supported by external finance companies.

Consolidated financial situation

Net financial position is 1.920 thousand Euro.

Consolidated Net Financial Position	30.06.2018	31.12.2017	Variation	Var. %
Financial receivables	(942)	(1.642)	700	-43%
Cash and cash equivalent	(649)	(2.068)	1.419	-69%
(Financial debts)	3.511	1.874	1.637	87%
Net financial position	1.920	(1.837)	3.757	-205%

This chart highlights cash flows related to half-year consolidated figures in 2018, starting from cash, as stated on the consolidated balance sheet up to 31.12.2017.

The net financial position decrease is a consequence of the increase of NWC, M&A activities and investments mentioned in the Industrial Plan 2018/2020.

STAFF AND WORKING ENVIRONMENT

This chart summerises the number of employees:

Description	30.06.2018	30.06.2017
Managers	2	1
Employes Italy	30	27
Contractors Italy	9	8
Employes Abroad	30	27
Other collaborators	5	1
Total	71	63

Apart from the figures mentioned in the previous chapters, this chart shows that the Group is developing and keeps on investing, also in human resources. The increase of 8 people from 2017 to 2018 shows value of approximately 13%.

MAIN FACTORS AFTER 30.06.2018

LONG TERM INCENTIVE PLANS FOR ADMINISTRATORS, MANAGERS AND EMPLOYEES OF THE GROUP AND ITS SUBSIDIAREIS

On 12th July, the Board of Casta Diva has approved incentive plans for administrators, managers and employes of Casta Diva Group S.p.A. and its Italian subsidiaries, as appointed by the Board itself. These plans include incentives (in shares for the administrators) measured by achieving and overcoming (+15%) the strategic targets in terms of consolidated EBITDA. This's been stated in the "STRATEGIC PLAN 2018-2020", approved by the Board on the 21st of June, as specific strategic targets in terms of EBITDA and/or Gross Margin ("GM"), individually for the Group subsidiaries, determined in specific annual budgets for 2018-2020.

Bonuses are in company's shares, at a price equal to the arithmetic mean of the market prices from the last two months, prior to the approval date of the relevant consolidated financial statement, however not less than 2,00 Euro, with a lock-up of 12 months. The maximum combined total of new issue shares in the three-year-period 2019-2021 could amount to n. 363.796 shares, based on estimated theoretical prices, equal to 2,8% of the total number of the company's outstanding shares following the emission of the shares (total number of outstanding shares 13.079.673).

<https://www.castadivagroup.com/wp-content/uploads/2018/07/2018-07-12-0446pm-CDG-Approvazione-piano-di-incentivi.pdf>

CASTA DIVA GROUP ACQUIRES 51% OF G.2 EVENTI SRL, METE TRAVEL AND EVENTS SRL. THE NEW EVENTS BRAND "DISTRICT" HAS BEEN CREATED, WITH OVER 18 MILLION EURO PRODUCTION VALUE.

On the 27th September, Casta Diva Group announced the acquisition of 51% from G.2 Eventi and 51% of MeTe Travel and Events. These two companies have total production value of approximately 13 Million Euro, which represents more than 50% of Casta Diva Group consolidated production value in 2017, approximately 23 Million Euro.

CDG together with Matteo Valcelli, founder of G.2 and his partner Ernesto De Pellegrini, will establish a new company called DISTRICT, owned 51% by Casta Diva Group and 49% by a Newco, owned by the G.2 and MeTe partners.

Casta Diva Group SpA will take part in District Srl by providing 100% of the shares of Casta Diva Events Srl. The Newco established by Valcelli and De Pellegrini will take part in District Srl by providing 100% of the shares of G.2 Eventi and MeTe Srl.

<https://www.castadivagroup.com/wp-content/uploads/2018/09/2018-09-27-0707pm-CDG-CS-DISTRICT.pdf>

Management evolution forecast

Casta Diva Group S.p.A believes that the Industrial Plan 2018-2020 released in June 2018 will be soon updated, thanks to the results achieved in the half-year financial report in 2018 and the acquisition mentioned in the previous paragraph.

	Casta Diva Group				
	2016	2017	2018*	2019*	2020*
2018-2020					
INCOME STATEMENT (€)					
TOTAL PRODUCTION VALUE	24.912.420	23.525.118	26.000.000	29.000.000	32.000.000
Total Production Costs	16.512.927	15.166.517	17.420.000	18.560.000	19.520.000
Contribution Margin	8.399.494	8.358.601	8.580.000	10.440.000	12.480.000
<i>Contribution Margin</i>	34%	36%	33%	36%	39%
Total Personnel Costs	3.528.655	3.366.531	3.870.534	4.797.062	5.774.832
General Costs	4.133.656	3.654.538	2.629.467	3.032.937	3.505.168
SG&A	7.662.311	7.021.069	6.500.000	7.830.000	9.280.000
<i>% SG&A on Turnover</i>	31%	30%	25%	27%	29%
EBITDA	737.183	1.337.532	2.080.000	2.610.000	3.200.000
<i>ebitda %</i>	3%	6%	8%	9%	10%
Depreciations and Amortization	767.347	1.999.258	1.150.000	1.207.500	1.267.875
Financial Revenues/(Costs)	-112.729	-399.308	-350.000	-400.000	-450.000
Yearly Current/Deferred Tax	-279.164	254.376	400.000	530.000	650.000
Net Profit	136.271	-1.315.411	180.000	472.500	832.125
<i>NP %</i>	1%	-6%	1%	2%	3%

Milan, 27th September 2018

For the Board

Advisor and Chief Executive Officer

Luca Oddo

Legal representative of the Company declares that this document has been written according to Italian law DPR 445 from 2000.

For the Board

Advisor and Chief Executive Officer

Luca Oddo

CASTA DIVA GROUP S.P.A.

Located in MILAN - VIA LOMAZZO, 34

Social Capital 6.121.477,50 Euro

Chart of Half-Year Consolidated Financial Report up to 30th June 2018

CONSOLIDATED ACCOUNTS	CDG GROUP	CDG GROUP
BALANCE SHEET		
ASSETS	30/06/2018	31/12/2017
A) SUBSCRIBED CAPITAL, UNPAID	-	-
Total subscribed capital unpaid (A)	0	0
B) FIXED ASSETS		
<i>I - Intangible fixed assets</i>		
1) Installation and expansion costs	1.396.310	1.536.738
3) Industrial patents and intellectual property rights	0	0
4) Concessions, licences and trademarks	325.132	170.736
5) Goodwill	2.543.932	2.152.371
6) Assets under construction and payments on account	592.328	479.479
7) Others	117.110	187.865
Total intangible fixed assets (I)	4.974.813	4.527.190
<i>II - Tangible fixed assets</i>		
2) Plant and machinery	22.618	30.486
3) Industrial and commercial equipment	222.988	207.587
4) Other assets	26.526	47.914
Total tangible fixed assets (II)	272.132	285.987
<i>III - Financial fixed assets</i>		
1) Shareholdings		
a) Subsidiaries	298.000	150.392
d) Companies under the control of parent companies	0	0
d bis) other companies	251	2.500
2) Receivables		
a) From subsidiaries	0	0
b) From associated companies	0	93.964
c) From parent companies	0	0
d) Companies under the control of parent companies	0	0
d bis) From others	0	0
Due in the next financial year	942.190	1.548.371
Due after the next financial year	0	0
<i>Total receivables</i>	<i>0</i>	<i>93.964</i>
<i>Other financial fixed assets</i>	<i>0</i>	<i>0</i>
4) Own shares	0	0
Total financial fixed assets (III)	1.240.441	1.795.227
Total fixed assets (B)	6.487.386	6.608.404
C) CURRENT ASSETS		
<i>I - Stock</i>		
3) Contract work in progress	491.439	276.666
4) Finished products and goods for sale	18.731	10.135

Total stock (I)	510.170	286.801
<i>II - Receivables</i>		
1) Trade receivables		
Due in the next financial year	7.088.705	6.209.201
Total trade receivables (1)	7.088.705	6.209.201
2) From subsidiary companies		
Due in the next financial year	0	0
Total receivables from subsidiaries (2)	0	0
5 bis) Tax receivables		
Due in the next financial year	683.781	463.414
Total tax receivables (5 bis)	683.781	463.414
5 ter) Prepaid taxes		
Due in the next financial year	747.858	752.227
Due after the next financial year	0	0
Total prepaid taxes (4 ter)	747.858	752.227
5 quater) From others		
Due in the next financial year	747.970	710.463
Due after the next financial year	0	0
Total receivables from others (5)	747.970	710.463
	<i>Due in the next financial year</i>	<i>9.268.314</i>
	<i>Due after the next financial year</i>	<i>0</i>
Total receivables (II)	9.268.314	8.135.305
<i>III - Financial assets that do not constitute long term investments</i>		
Total financial assets which do not constitute long term investments (III)	0	0
<i>IV - Cash and cash equivalents</i>		
1) Bank and post office deposits	617.683	2.012.147
3) Cash and cash equivalents in hand	30.998	56.025
Total cash and cash equivalents (IV)	648.681	2.068.173
Total current assets (C)	10.427.165	10.490.278
D) ACCRUALS AND DEFERRALS		
Accrued income and prepaid expenses	156.966	176.343
Total accrued income and prepaid expenses (D)	156.966	176.343
TOTAL ASSETS	17.071.518	17.275.025

LIABILITIES	30.06.2018	31.12.2017
A) NET ASSETS		
I - Capital	6.121.478	6.055.796
II - Share premium reserve	4.373.507	4.184.189
III - Revaluation reserves	0	0
IV - Legal reserve	8.000	8.000
V - Statutory reserves	0	0
VI - Other reserves, separately indicated		
<i>Share capital reduction reserve</i>	511	511
<i>Reserve for translation differences</i>	-200.054	-32.386
<i>Extraordinary reserve</i>	43.759	43.759
<i>Consolidation reserve</i>	804.919	840.978
<i>Merger surplus</i>	186.639	186.639
Total other reserves (VI)	835.774	1.039.501
VIII - Retained earnings (or losses) carried forward	-4.072.925	-2.993.788
IX - Profit (loss) for the year		
Group interest in profit (loss) for the year	-1.128.194	-1.708.571
X - Reserve for own shares held in portfolio	-133.994	-30.164
NET MINORITY ASSETS	5.373.646	6.554.962
Profit (loss) from minority interests	145.870	393.160
Net Assets Under Management	1.268.993	940.646
Total equity (A)	6.788.509	7.888.769
B) FUNDS FOR RISKS AND CHARGES	64.264	134.685
Total provisions for risks and charges (B)	64.264	134.685
B) FUNDS FOR RISKS AND CHARGES		
2) For taxes	60.397	85.892
3) Other	3.867	48.793
C) TERMINATION OF SUBORDINATE EMPLOYMENT CONTRACTS	298.172	632.974
D) DEBT		
3) Payables to shareholders for loans		
Due in the next financial year	28.808	3.841
Due after the next financial year	0	0
Total payables to shareholders for loans (3)	28.808	3.841
4) Payables to banks		
Due in the next financial year	3.391.810	1.301.172
Due after the next financial year	118.786	572.443
Total amounts due to banks (4)	3.510.596	1.873.615
6) Advances on account		
Due in the next financial year	62.288	499.219
Total payments on account (6)	62.288	499.219
7) Payables to suppliers		
Due in the next financial year	4.408.776	4.397.329
Total trade payables (7)	4.408.776	4.397.329
9) Payables to subsidiary companies		
Due in the next financial year	0	0

Total payables to subsidiary companies (9)	0	0
12) Tax payables		
Due in the next financial year	560.619	440.521
Due after the next financial year	0	0
Total tax payables (12)	560.619	440.521
13) Payables to pension and social security institutions		
Due in the next financial year	261.607	251.128
Total payables to pension and social security institutions (13)	261.607	251.128
14) Other payables		
Due in the next financial year	577.633	494.322
Total other payables (14)	577.633	494.322
<i>Due in the next financial year</i>	9.291.542	7.387.532
<i>Due after the next financial year</i>	118.786	572.443
Total payables (D)	9.410.328	7.959.975
E) ACCRUALS AND REFERRALS		
Accrued liabilities and deferred income	510.246	658.623
Total accrued income and prepaid expenses (E)	510.246	658.623
TOTAL LIABILITIES	17.071.518	17.275.025

Income Statement	30.06.2018	30.0.2017
A) PRODUCTION VALUE:		
1) Revenues from sales and services	9.860.735	14.219.048
2) Var. work in progress, semi-finished and finished products	42.749	-1.943.383
3) Var. work in progress on request	217.054	0
5) Other revenues and income	693.218	54.267
Total value of production (A)	10.813.756	12.329.933
B) PRODUCTION COSTS:		
6) raw, ancillary, consumable materials and goods for sale	334.406	518.250
7) for services	8.506.702	8.791.082
8) for use of third party assets	212.032	300.167
9) for staff:		
<i>a) wages and salaries</i>	<i>1.376.219</i>	<i>1.420.990</i>
<i>b) social security contributions</i>	<i>271.616</i>	<i>416.546</i>
<i>c) Employee severance indemnities</i>	<i>56.453</i>	<i>137.573</i>
<i>d), e) severance indemnity, retirement benefits, other persecution costs.</i>	<i>0</i>	<i>0</i>
9) Total costs for staff	1.704.288	1.975.109
10) depreciation, amortisation and write-downs	653.585	374.432
<i>a) Amortisation of intangible fixed assets</i>	<i>446.778</i>	<i>367.313</i>
<i>b) Depreciation of tangible fixed assets</i>	<i>31.008</i>	<i>52.119</i>
<i>c) Depreciation of receivables from financial assets</i>	<i>175.800</i>	<i>-45.000</i>
11) Var. remnants. of raw materials, consumables and goods for sale	0	0
12) Provisions for risks	0	45.000
14) Sundry operating charges		69.843
Total cost of production (B)	11.411.013	12.073.882
Difference between production value and costs (A-B)	-597.256	256.050
C) FINANCIAL INCOME AND CHARGES:		
16) other financial income:	-53.792	-8.489
<i>d) income other than previous income</i>	<i>-53.792</i>	<i>-8.489</i>
17) interest and other financial charges	188.335	74.686
<i>other</i>	<i>188.335</i>	<i>74.686</i>
17 bis) exchange gains and losses	1.910	5.342
Total financial income and expenses (C) (15+16-17+-17 bis)	-132.633	-77.832
D) VALUE ADJUSTMENTS OF FINANCIAL ACTIVITIES:		
Total value adjustments of financial assets (D) (18-19)	0	0
E) EXTRAORDINARY INCOME AND EXPENSES:		
20) Income	0	0
<i>Difference due to rounding off to one unit of euro</i>	<i>0</i>	<i>0</i>

	<i>Other</i>	0	0
21) Costs		0	0
	<i>Other</i>	0	0
Total extraordinary items (E) (20-21)		0	0
Result before taxes (A-B+-C+-D)		-729.890	178.218
22) Current, deferred and prepaid income taxes for the year			
Current taxes		252.435	252.316
Advance taxes		0	0
Total income taxes for the year (22)		252.435	252.316
23) PROFITS (LOSSES) DURING THE YEAR		-982.324	-74.098
USE OF THE THIRD PERDITION PERTINENCE OF THIRD PERSONS		145.870	444.856
USE OF THE GROUP' S EXERCISE PERDITION FOR THE GROUP		-1.128.194	-518.954

Consolidated Cash Flow Statement

(figures in euro)

CDG GROUP	30/06/2018	30.06.2017
Operating activities		
<i>Operating result</i>	(1.128.194)	(74.097)
<i>Adjustments for</i>		
a depreciation of tangible fixed assets	31.008	52.119
b write-downs for impairment losses on tangible fixed assets	175.800	
c amortisation of goodwill	187.832	150.093
d amortisation of intangible assets	258.945	217.220
e write-downs of trade receivables	0	(45.000)
f (capital gains) / capital losses from disposals of fixed assets	0	0
g changes in the scope of consolidation	0	0
h provisions / (utilisations) of funds	(405.223)	53.251
<i>Total adjustments</i>	248.362	427.683
<i>Changes in working capital</i>		
a (increase) / decrease in stock	(223.369)	1.944.560
b (increase) / decrease in trade and other receivables	(1.118.001)	(2.603.916)
c increase (or decrease) in trade payables and other payables	(359.972)	(726.049)
<i>Total changes in working capital</i>	(1.701.343)	(1.385.405)
Cash flow generated by operating activities	(2.581.175)	(1.031.819)
<i>Income taxes and adjustments to prepaid taxes</i>	4.368	773.009
<i>Interest paid</i>	(188.335)	0
Net cash flow from (used in) operating activities	(2.765.142)	(258.810)
Investment activities		
<i>Interest received</i>	0	0
<i>Dividends received</i>	0	0
<i>Proceeds from (purchases) / sales of financial assets</i>	378.986	0
<i>Disposals of investments in subsidiaries</i>		
a part of the consideration received in cash or cash equivalents	0	0
b cash and cash equivalents of the equity investments disposed of	0	0
<i>Total effect of disposals of investments in subsidiaries</i>	0	0
<i>Divestiture of equity investments in other companies</i>	0	0
<i>Purchases of investments in subsidiaries</i>		
a part of the consideration paid in cash or cash equivalents	0	0
b cash and cash equivalents of the equity investments purchased	0	0
<i>Total effect of purchases of equity investments in subsidiaries</i>	0	0

<i>Purchases of equity investments in other companies</i>	0	0
<i>Tangible and intangible investments</i>	(911.553)	(109.212)
<i>Proceeds from the sale of property, plant and equipment and intangible assets</i>	0	0
Net cash flow from (used in) investing activities	(532.567)	(109.212)
Financial assets		
<i>Exchange gains (losses)</i>	167.668	0
<i>Payments for finance leases</i>	0	0
<i>New loans raised</i>	1.237.575	0
<i>Repayment of loans</i>	612708	(213.226)
<i>Shareholder Financing</i>	0	0
<i>Changes in the scope of consolidation</i>	(36.059)	(2.071)
<i>Other changes in equity</i>	0	396.081
<i>Transactions in own shares</i>	103.830	(4.132)
<i>Share capital increase</i>	255.000	104.000
<i>Other changes</i>	(462.505)	178.993
Net cash flow from (used in) financial assets	1.878.217	459.645
	0	
Increase/ (or decrease) in net cash and cash equivalents	(1.419.491)	91.623
Cash and cash equivalents at the beginning of the year	2.068.173	2.261.401
<i>Effect of changes in foreign currency exchange rates</i>	0	0
Cash and cash equivalents at the end of the year	648.682	2.353.024