ALFIO BARDOLLA
TRAINING GROUP

www.alfiobardolla.com

ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

CONTENTS


ALFIO BARDOLLA
TRAINING GROUP

1

CORPORATE BODIES

Composition of corporate bodies:

BOARD OF DIRECTORS	
Chairman and Chief Executive Officer	Alfio Bardolla
Non-executive director	Federica Parigi
Non-executive director	Robert Allen
Non-executive director	Nicola De Biase
Non-executive director	Giovanni Natali
Independent director (*)	Matteo Bonelli

(*) Director who meets the independence requirements set forth in Article 148, Paragraph 3, of Legislative Decree 58/98.

BOARD OF STATUTORY AUDITORSE	
Chairman	Vincenzo Miceli
Standing Auditors	Elisabetta Clerici Alberto La Civita
Alternate Auditors	Gessica Cecilia Luraschi Greta Isi

INDEPENDENT AUDITORS - NOMAD	
Independent Auditors	BDO Italia S.p.A.
Nomad	Envent Capital Market L.t.D.

2

KEY FINANCIALS AND ASSET DATA

The following is a summary of the key economic/financial indicators of the Company, as of December 31, 2017:

Income statement	31.12.2017		31.12.2016		Var Vs 2016
Revenues	9,345,895	98%	5,962,048	93%	57%
Other revenues	235,177	2%	442,885	7%	-47%
TOTAL REVENUES	**9,581,072**	**100%**	**6,404,934**	**100%**	**50%**
Cost of raw materials and consumables	102,644	1%	68,836	1%	49%
Service costs	5,732,999	60%	3,710,909	58%	54%
Cost of rents and leases	365,889	4%	211,861	3%	73%
Personnel costs	1,411,000	15%	975,323	15%	45%
Other operating expenses	144,621	2%	106,078	2%	36%
Adjusted EBITDA*	**1,823,919**	**19%**	**1,331,927**	**21%**	**37%**
Extraordinary or non-recurring income	(63,950)	-1%	(508,127)	-8%	-87%
Extraordinary or non-recurring expenses	85,834	1%	909,360	14%	-91%
EBITDA**	**1,802,035**	**19%**	**930,694**	**15%**	**94%**
Amortisation	836,156	9%	391,643	6%	113%
Provisions	0	0%	142,522	2%	-100%
Depreciation	268,000	3%	508,697	8%	-47%
EBIT	**697,879**	**7%**	**(112,167)**	**-2%**	**n/a**
Financial Income and Expenses	(94,432)	-1%	(83,350)	-1%	13%
PROFIT (LOSS) BEFORE TAXES	**603,447**	**6%**	**(195,517)**	**-3%**	**n/a**
Taxes	(183,956)	-2%	(114,978)	-2%	60%
NET PROFIT (LOSS)	**419,491**	**4%**	**(310,495)**	**-5%**	**n/a**

Balance sheet in Euros	31.12.2017		31.12.2016	
Intangible fixed assets	2,542,015	41%	1,290,662	26%
Tangible fixed assets	3,666,742	59%	3,590,949	74%
Financial fixed assets	24	0%	561	0%
(A) Net fixed capital	**6,208,782**	**102%**	**4,882,172**	**105%**
Inventory	106,312	33%	10,012	4%
Trade receivables	914,362	285%	1,158,511	407%
Tax receivables	372,148	116%	343,894	121%
Other receivables	332,222	104%	457,450	161%
Trade payables	(524,570)	-164%	(494,137)	-173%
Other payables	(880,207)	-275%	(1,190,911)	-418%
(B) Working Capital	**320,267**	**5%**	**284,818**	**6%**
Provisions for liabilities and charges	(430,505)	100%	(511,250)	100%
(C) Total provisions	**(430,505)**	**-7%**	**(511,250)**	**-11%**
(D) = (A) + (B) + (C)	**6,098,544**	**100%**	**4,655,740**	**100%**
Cash and cash equivalentse	2,155,398	127%	183,378	-49%
Financial receivables	8,858	1%	-	0%
Financial liabilities	(467,205)	-28%	(558,079)	149%
(E) Net Financial Debt/Receivables	**1,697,051**	**-28%**	**(374,701)**	**8%**
(F) Net Equity	**7,795,595**	**128%**	**4,281,040**	**92%**
(G) = (F) - (E) Assets	**6,098,544**	**100%**	**4,655,740**	**100%**

(*) Adjusted EBITDA refers to earnings before interest, taxes, amortisation of fixed assets, provisions for liabilities and charges, and non-recurring items, accrued capital gains and losses, and contingent assets or liabilities.

(**) EBITDA refers to earnings before interest, taxes, amortisation of fixed assets, allowance for doubtful accounts, provisions for liabilities and charges, and extraordinary items. As a result, EBITDA represents the indicator that the Issuer's directors use to monitor and evaluate the Company's operating performance. Since EBITDA is not recognised as a measure of performance under national accounting standards, it shall not be considered as an alternative measure to evaluate the Issuer's operating results. Since EBITDA is not regulated by generally accepted accounting principles, the Company's calculation of this measure may not be consistent with that of other entities, and therefore not comparable.

ALFIO BARDOLLA
TRAINING GROUP

A

REPORT ON OPERATIONS

CORE ACTIVITIES

Alfio Bardolla Training Group is one of the major players in Italy in the personal finance education industry. Specifically, the Company organizes and promotes training courses and coaching programs on subjects such as psychology of money, real estate investments, financial trading, and business creation and development. The training offer is complemented by books and multimedia products marketed by the Company.

Personal training for advancing one's own financial understanding is gaining more and more traction among customers (both small investors and entrepreneurs). Through its training offer, the Company aims to widen and strengthen the customers' knowledge of all things financial, as well as provide them with sufficient financial education.

Over the years, more than 29,000 people have attended training courses run and organized by Alfio Bardolla, the Company's founder and Chairman.

Training programs

The training programs are divided into four segments:

A *psychology of money:* the training workshops organized by the Company aim to provide customers with crucial tools to responsibly manage their assets, as well as principles and strategies for participants to meet their success goals. As such, the "Psychology of Money" course's goal is to help participants change their mental approach to money;

B *real estate investments:* the real estate investment training program is aimed at providing specific strategies for investing in the real estate market;

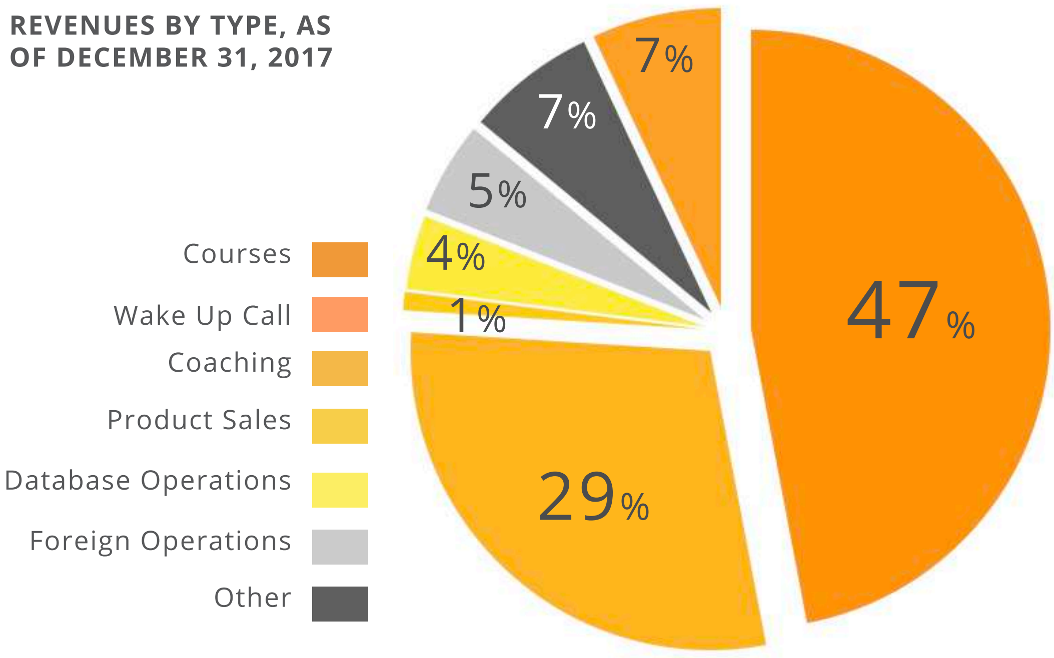
C *financial trading:* the goal of these courses is to spell out strategies for participants to hustle in the trading game, as well as techniques for handling and protecting one's own assets;

D *business & companies:* : the goal of these courses is to provide key insights for participants to recognize the different factors that can influence business management, as well as to hone the skills required for building up and scaling their company.

Each subject area is tackled through in-class training programs and individual training sessions (coaching), whose goals are to break down customers' specific needs, work out any potential snags, and help customers as they evolve, as well as through two-day events (Wake Up Call) which represent the starting point to set out on a training journey.

The following chart shows revenues, broken down by type of revenue, as of December 31, 2017:

REVENUES BY TYPE, AS OF DECEMBER 31, 2017



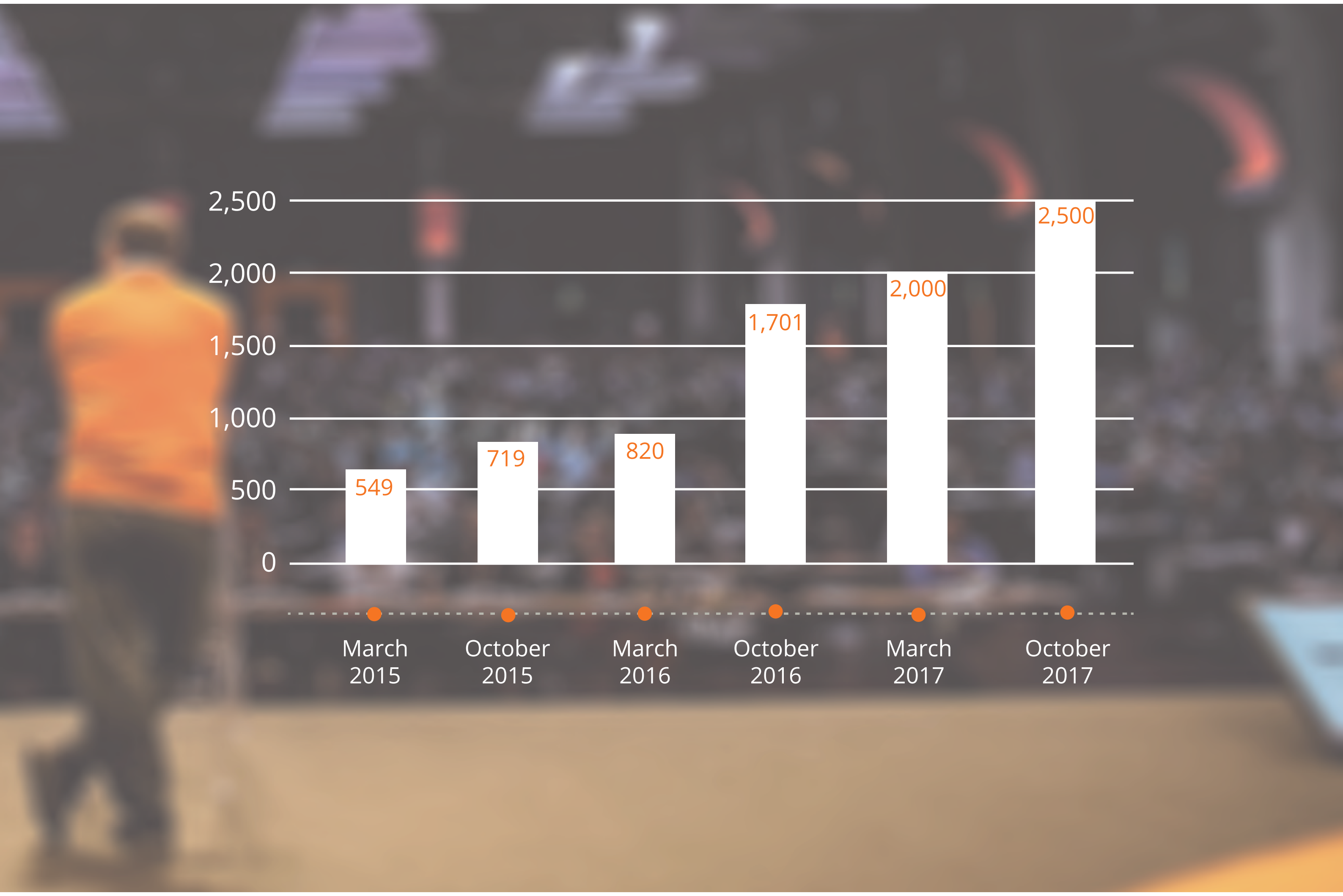
WAKEUP CALL

The Wake Up Call (WUP) workshop is the starting point to set out on a training journey. The workshop's goals are to empower participants with new strategies for personal finance management, to pinpoint problem areas arising from income patterns that each individual has put in place, as well as for them to implement specific investment techniques.

The workshop takes place over two days, during which topics relating to areas that the Company's training offer focuses on (i.e. psychology of money, real estate investments, financial trading, business & companies) are addressed.

The following chart details the growth in the number of Wake Up Call workshop attendees.

For the sake of thoroughness, please note that a Wake Up Call event will take place on April 13-15, 2018, in Parma, which is expected to continue the growth trend thanks to a healthy number of pre-enrollments.



SPECIALIZED COURSES

The Company's training offer includes three types of specialized programs:

REAL ESTATE INVESTMENT PROGRAM

FINANCIAL TRADING PROGRAM

BUSINESS & COMPANIES PROGRAM

Specialized courses are attended by about 300 participants each month.

Real estate investment program

The Company's training offer for this program includes the following courses:

- **Investing in real estate:** the "Investing in Real Estate" course aims to provide major techniques needed for real estate investments. Over the course of this training program, legal, tax and organizational aspects are covered in detail, as well as techniques for buying at free-market real estate auctions, buying by transferring preliminary sale agreements, and buying under full and final settlement terms.

- **Auctions, Transfer of Preliminary Sale Agreements and Fractional Ownership:** this course delves into the strategies that have to be implemented, as well as problem areas, including legal ones, associated with acquiring properties at court auctions, and with transfers of preliminary sale agreements and fractional ownersh.

- **Debt Extinguishment:** the aim of this course is to provide participants with the skills required to purchase real estate on a full and final settlement basis. Specifically, it sheds light on both legal issues and behavioral techniques to be used in each step of the negotiation process with the individual facing foreclosure. During this course, the different stages of this process are discussed, as well: from gathering information on the property up for auction to ways of handling interactions with the individual facing foreclosure, and to how to conduct negotiations with banks and creditors prior to putting it back on the market.

- **Sales – Real Estate Marketing – Returns:** this course focuses on the aspects related to the selling of properties in order to provide participants with specific tips on how to facilitate the sale process, speeding things up while keeping their value from dropping.

Financial trading program

The financial trading program is made up of the following courses:

- **AB Forex:** the course is designed to provide participants with the tools required to independently trade in the currency market, regardless of their trading background and experience. The goal is to lay out tried-and-tested strategies and ways of scouring for trades that are easily replicable and with guaranteed results.

- **Options Trading:** this course allows participants to familiarize with and master American options trading techniques, so as to exploit the volatility of stocks, as well as sideways-moving markets (i.e. non-directional trading). During this course, participants are assisted in setting up their computers, choosing a broker, and mapping out their strategies.

- **Commodity Spread Trading:** the course focuses on commodity trading by means of the Spread Trading technique, which makes it possible to hedge risk exposure, as well as to operate by using statistical data based on the behavior of commodity futures prices in recent years.

- **Money Management:** this course's goal is to provide participants with techniques for handling and protecting their assets. As part of the course, participants will learn techniques for splitting their capital depending on trading strategies, for determining capital allocation for each investment deal, while keeping their risk exposure in check.

- **Cryptocurrency Trading:** this is the only course that combines blockchain-based theories with cryptocurrencies, as well as Forex market-type trading techniques. During this course, participants will learn how new technologies are going to have an impact on their lives in the future, and how they can profit from new emerging opportunities.

Business & Companies program

The Business & Companies program includes the following coursesi:

- **Business School:** the course aims to teach the skills needed for business management, from the start-up phase to a potential sale to third parties.
- **From Lead to Customer: state-of-the-art techniques:** as part of the course, participants are introduced to techniques for brand development, identification of market opportunities, implementation of lead generation campaigns (1), and conversion of contacts into potential customers.
- **Key numbers for entrepreneurs and investors:** this course aims to provide participants with the techniques required to analyze indicators (key performance indicators) in the industry in which the company operates, in order to take appropriate strategic decisions.
- **Asset protection and tax planning:** this course gives participants the necessary skills to reduce their overall tax burden, as well as to protect their personal and/or company assets from unforeseen events.

(1) Marketing activity that allows for the generation of a list of potential customers who may be interested in products or services offered by a company.

Coaching programs

The Company's training offer also allows for participation in personalized individual courses (Coaching), so as to assist customers during their training journey.

The Company offers individual courses to customers in the following subject areas: (i) financial freedom; (ii) investing in real estate; (iii) AB trading school; (iv) business school.

Typically, individual courses take place at the principal executive offices of the Company, or through audio conferences, and are conducted by experts in the customer's field of business.

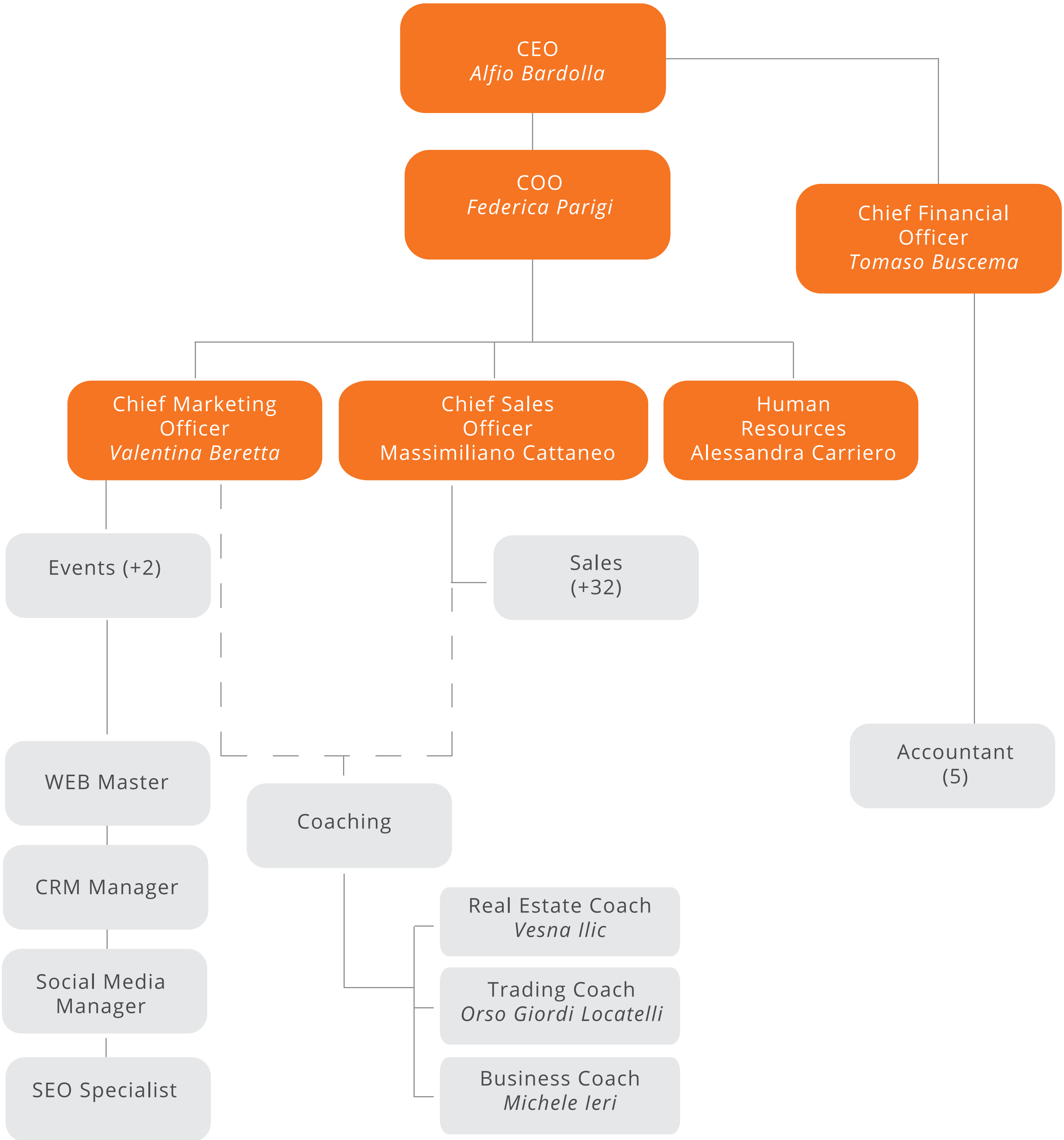
Coaching sessions draw in as many as 36 participants each month.

Publishing and related products

The Company offers a variety of free and paid products to its customers, including ebooks, video and audio courses, as well as board games to put in practice time. Moreover, the Company sells books written and published by the founder and Chairman of the Board of Directors, Alfio Bardolla, which are distributed in Italy by Sperling & Kupfer and Gribaudo. In 2017, and for the first time, a book was distributed by the Mondadori publishing company, under the title of "First Class".

Organizational chart

Below is the Company's organizational chart, along with a brief description:



Business model

The Company's business model consists of five stages that go from acquiring potential customer data (leads) to the selling of training services that the Company provides.

The order of the stages is as follows:

- **lead acquisition (first stage):** the lead acquisition process is carried out through online promotion activities (web or social media), offline promotion, and word of mouth. The Company makes available free PDF, video, and illustrated resources, in exchange for registration by submitting personal data such as email, name, and phone number, thus becoming a lead.

- **conversion from lead to customer (second stage):** a lead is assigned to a marketing team member, and is then contacted to test the waters on their purchasing interest in a product or book. A lead becomes a customer when they buy a product or course.

- **sale of admission tickets to Wake Up Call event (third stage):** the customer, happy with their first purchase, decides to attend the workshop event and buys a ticket.

- **sale of specialized courses (fourth stage):** following participation in the Wake Up Call event, the customer feels the need to delve deeper into some topics, and, as a result, purchases a course focusing on the subject area that most appeals to them. This stage may involve the purchase of additional courses.

- **sale of Coaching programs (fifth stage):** the customer feels the need to delve deeper into some topics, or needs private counseling, and ends up buying a Coaching session with an ABTG trainer/consultant.

Significant events during the financial year

The core business of ABTG S.p.A. once again made important strides, above all in significantly increasing the number of customers, which was fueled by ever-growing investments in lead generation.

Operating results for the 2017 financial year show a significant increase in revenues (+50%) compared to the same period in 2016, and positive Adjusted EBITDA of EUR 1,823,919, in line with the previous year when incremental fixed costs are taken into account.
For the sake of completeness of information, it should be noted that, on November 17, 2017, an advance of EUR 157,304 on the CEO's variable compensation was paid out, which amounted to EUR 263,158 in operating expenses.

In the second half of the year, ABTG S.p.A. completed the listing process on Borsa Italiana's AIM Italia stock exchange sub-market on July 28, 2017. Based on bids that came in during the IPO process, a total of 747,600 newly-issued shares were allotted. The final listing price of a share was EUR 4.14. The counter value in the Private Placement amounted to EUR 2.12 million, after expenses and placement fees. The public float was 14.68% of the capital. The Company also issued 600,000 warrants to some employees, consultants, and members of the Board of Directors. As of the date of this report, the value of a share is EUR 5.85, whereas the value of a warrant is EUR 1.95.

The Company also communicates that, on July 6, 2017, it was awarded the INNOVATIVE SME seal of approval by the Milan Chamber of Commerce, in recognition of the Company's propensity for technology innovation as it evolves its business model. The 2017 Stability Law has paved the way for a couple of tax breaks which, being cumulative, make investing in innovative SMEs listed on AIM Italia all the more appealing:

- tax breaks for professional and retail investors: natural persons can deduct from their taxes up to 30% of the amount invested, while corporations get the 30% tax break, while simultaneously enjoying a capital gain exemption if the shares are placed into a PIR fund;

- maximum benefits: the maximum investment amount base on which deduction is computed is now up to EUR 1 million from the original EUR 500,000 (for IRES-taxable entities, the maximum investment amount for each tax period is unchanged at EUR 1.8 million).

The designation was awarded in a partnership with the Compliance Division of IR Top Consulting.

For the first time ever, the Company also organized a Wake Up Call workshop event on foreign soil, more precisely in London, on September 9-10, 2017, in a partnership with the British company Global Financial Education L.t.D.

Alfio Bardolla Training Group S.p.A. pushed ahead with its international development plan, and has steadfastly penetrated the Spanish market, with a view to expanding to Central and South America. A preliminary contract was signed to acquire assets, predominantly revolving around the database of current customers, of the Istituto para la Education Financiera, which operates in the Spanish market, and with which Alfio Bardolla Training Group had established business relations, as detailed in the Admission Document, in paragraph 3.1, 3.2, as well as in paragraph 6.1.1.

Furthermore, by the same resolution, the Board of Directors gave the green light to the start of renovation work to double the office space at the Company's headquarte.

Analysis of economic, asset, and financial performance

With regard to key aspects of operations management, the following figures are listed to serve as a sort of commentary on the values of the reclassified statements that were prepared, so as to provide a comprehensive overview of the economic, asset, and financial performance.

Income statement	31.12.2017		31.12.2016		Var Vs 2016
Revenues	9,345,895	98%	5,962,048	93%	57%
Other revenues	235,177	2%	442,885	7%	-47%
TOTAL REVENUES	**9,581,072**	**100%**	**6,404,934**	**100%**	**50%**
Cost of raw materials and consumables	102,644	1%	68,836	1%	49%
Service costs	5,732,999	60%	3,710,909	58%	54%
Cost of rents and leases	365,889	4%	211,861	3%	73%
Personnel costs	1,411,000	15%	975,323	15%	45%
Other operating expenses	144,621	2%	106,078	2%	36%
Adjusted EBITDA*	**1,823,919**	**19%**	**1,331,927**	**21%**	**37%**
Extraordinary or non-recurring income	(63,950)	-1%	(508,127)	-8%	-87%
Extraordinary or non-recurring expenses	85,834	1%	909,360	14%	-91%
EBITDA**	**1,802,035**	**19%**	**930,694**	**15%**	**94%**
Amortisation	836,156	9%	391,643	6%	113%
Provisions	0	0%	142,522	2%	-100%
Depreciation	268,000	3%	508,697	8%	-47%
EBIT	**697,879**	**7%**	**(112,167)**	**-2%**	**n/a**
Financial Income and Expenses	(94,432)	-1%	(83,350)	-1%	13%
PROFIT (LOSS) BEFORE TAXES	**603,447**	**6%**	**(195,517)**	**-3%**	**n/a**
Taxes	(183,956)	-2%	(114,978)	-2%	60%
NET PROFIT (LOSS)	**419,491**	**4%**	**(310,495)**	**-5%**	**n/a**

With regard to the most significant items, the following should be particularly noted:

Total revenues from sales and services amounted to EUR 9,581,072.

Revenues by type	31.12.2017	
Wake Up Call	687,692	7%
Courses	4,642,204	48%
Coaching	3,293,604	34%
Product Sales	345,291	4%
Database Operations	122,104	1%
Foreign Operations	255,000	3%
Other	235,177	2%
Total	**9,581,072**	**100%**

Other revenues	31.12.2017	31.12.2016	Variazione
Rentals	28,800	39,801	(11,001)
Other revenues and	87,372	93,800	(6,428)
Increases of non-current assets from in-house production	0	36,576	(36,576)
Research and Development activities	119,005	272,708	(153,703)
Total	**235,177**	**442,885**	**(207,709)**

As a result of the increase in revenues, operating costs also increased significantly; their larger incidence is mainly linked to a bigger impact of service costs, as well as to incurring higher overall operating expenses, due to growing sales.
Total personnel costs amounted to EUR 1,411,000, an increase of EUR 975,323 on the previous year, due to hiring a number of new professionals capable of facilitating the Company's listing process, as well as further national and overseas expansion.

Adjusted EBITDA for the 2017 period is positive EUR 1,823,919, accounting for as much as 19 percent of Revenues.

EBIT is positive EUR 697,879, a significant increase compared to the previous year, and is impacted by amortisation of intangible fixed assets, amounting to EUR 790,800, by amortisation of tangible fixed assets, in the amount of EUR 45,356, as well as by provisions worth EUR 268,000, due to prudently establishing an allowance for doubtful accounts.

The operating result was influenced by financial income and expenses, amounting to EUR 94,432, and primarily related to interest payable on mortgage loans.

The following statement shows instead the analysis of capital structure, as of December 31, 2017.

Balance sheet in Euros	31.12.2017		31.12.2016	
Intangible fixed assets	2,542,015	41%	1,290,662	26%
Tangible fixed assets	3,666,742	59%	3,590,949	74%
Financial fixed assets	24	0%	561	0%
(A) Net fixed capital	**6,208,782**	**102%**	**4,882,172**	**105%**
Inventory	106,312	33%	10,012	4%
Trade receivables	914,362	285%	1,158,511	407%
Tax receivables	372,148	116%	343,894	121%
Other receivables	332,222	104%	457,450	161%
Trade payables	(524,570)	-164%	(494,137)	-173%
Other payables	(831.241)	-275%	(1,190,911)	-418%
(B) Working Capital	**369.233**	**5%**	**284,818**	**6%**
Provisions for liabilities and charges	(430,505)	100%	(511,250)	100%
(C) Total provisions	**(430,505)**	**-7%**	**(511,250)**	**-11%**
(D) = (A) + (B) + (C)	**6,098,544**	**100%**	**4,655,740**	**100%**
Cash and cash equivalentse	2,155,398	127%	183,378	-49%
Financial receivables	8,858	1%	-	0%
Financial liabilities	(467,205)	-28%	(558,079)	149%
(E) Net Financial Debt/Receivables	**1,697,051**	**-28%**	**(374,701)**	**8%**
(F) Net Equity	**7,795,595**	**128%**	**4,281,040**	**92%**
(G) = (F) - (E) Assets	**6,098,544**	**100%**	**4,655,740**	**100%**

With regard to fixed assets (before amortisation), it should be noted that the intangible fixed assets, worth a total of EUR 2,542,015, are composed as follows:

- The sum of EUR 461,856 pertains to the database, of which, EUR 236,129 accounts for the net increase for the year.
- The sum of EUR 83,993 pertains to the implementation of a new business model.
- With regard to the amortisation of long-term expenses, the sum of EUR 1,294,656 largely pertains to expenses incurred for the listing process on Borsa Italiana's AIM Italia stock exchange sub-market.
- The sum of EUR 385,016 pertains to investments that the company is making to penetrate foreign markets and to develop new online products.
- The sum of EUR 261,336 pertains to improvements to third-party assets, of which, EUR 215,083 accounts for office renovation costs that the company is incurring as part of expanding its operating facilities.
- The sum of EUR 55,158 pertains to other investments, which will be further detailed below.

With regard to tangible fixed assets, properties owned by the Company were contemplated, as shown in the following table.

Properties by geographical area	31.12.2017
Properties located at 17 Via Rutilia - Milan	1,838,540
Properties located at 6/A Viale Col di Lana - Milan	903,766
Properties located outside city limits	923,536
Total Cost	**3,665,842**
Amortisation Reserve	(60,072)
Property Depreciation Reserve	(319,193)
Net Total	**3,286,577**

An appraisal was conducted on these properties, some of which are operating properties, in July 2016, by the Milan-based independent company Eagle&Wise, as indicated above. In light of this appraisal, a decision was made to write down some assets related to the real estate sector, for a total amount of EUR 319,192. Other tangible fixed assets are composed as follows:

TANGIBLE FIXED ASSETS	Valore al 31.12.2017	F. Amm.to 31.12.2016	Ammortam.i 2017	F. Amm.to 31.12.2017	Netto a Bilancio
Furniture and office decor	**34,882**	3,519	4,186	**7,705**	27,177
Office equipment	**48,648**	8,724	8,468	**17,193**	31,456
Cell phones	**2,599**		260	**260**	2,339
Assets worth less than EUR 516.46	**16,078**		16,078	**16,078**	-
Total	**102,207**	**12,243**	28,992	**41,235**	60,972

With regard to Trade Receivables due from Customers, it should be noted that the item shown in the table above, amounting to EUR 914,362, includes receivables from business customers, primarily due from partner Companies in England and Spain, for a total amount of EUR 301,465, as well as receivables due from parent company, in the amount of EUR 7,461. With regard to the overdue receivable of EUR 150,000 from Global Financial Education, a specific allowance for doubtful accounts was established, amounting to EUR 268,000 (as noted on page 55 of this report). The Chief Executive Officer is, concurrently, in the process of carrying out appropriate debt collection activities. Please note that said receivable is covered by a surety bond which, as stated in the Admission Document, the company had pledged to repay by September 30, 2017, under penalty of triggering the excussion clause.

As for the receivable of EUR 150,000 due from the Instituto Para la Educacion Financiera SL, which is also covered by a specific surety bond and was similarly due by September 30, 2017, no write-down was made because the process of acquiring a business branch is underway and will be completed within the first months of 2018. Finally, with regard to additional overdue receivables of EUR 293,804, it should be noted that the Company has come to an agreement with counterparties over a repayment plan for them to make financial amends by December 31, 2018.

	31.12.2017	31.12.2016	Variation
National Customers	525,195	424,221	100,974
EEC Customers	298,305	560,716	(271,411)
Non-EEC Customers	90,862	194,697	103,835
Total Customers	**914,362**	**12,243**	**274,272**

With regard to Other Receivables, it should be noted that the item listed above, whose value amounted to EUR 810,682, is composed as follows.

Other Receivables	As of 31.12.2017	As of 31.12.2016	Variation
Miscellaneous Receivables	171,623	250,777	(79,155)
Advances to Suppliers	106,312	10,012	96,300
Advances to Employees	0	0	0
Tax Receivables	266,450	343,894	(77,444)
Deferred Tax Assets	105,698	0	105,698
Prepaid Expenses	160,599	206,673	(46,074)
Receivables from Associates	0	127,047	(127,047)
Totale	**810,682**	**938,403**	**(127,721)**

The Trade Payables item consists of payables due to current suppliers, for a total amount of EUR 524,570, which will be further detailed in the explanatory notes to the financial statements.

With regard to other liabilities, it should be noted that the item listed above, whose value amounted to EUR 880,207, is composed as follows:

- Tax payables and soc. sec. contributions, worth EUR 473,167;
- Payables to personnel and soc. sec. inst., worth EUR 240,560;
- Other payables, worth EUR 117,514;

With regard to provisions for liabilities and charges, amounting to a total of EUR 479,471, contingent liabilities were reclassified, due to there being no way of knowing for sure if and when they may arise, as tax provisions, for a total amount of EUR 9,797, as TFR (Severance Indemnity) provisions, for a total amount of EUR 94,015, as TFM (Post-employment Benefit) provisions, worth EUR 7,500, and as property depreciation provisions, worth EUR 319,193.

The Net Financial Debt/Receivables item, worth a total of EUR 1,697,051, is made up of payables due to banks, amounting to EUR 467,205, primarily related to real estate activities, and CBI banks (and/or cash flow), for a total amount of EUR 2,155,398.

More specifically, here is a breakdown of Payables due to Banks:

- Mortgage loan in the sum of EUR 196,239 due to Unicredit S.p.A., for properties located in Viale Col di Lana in Milan (as listed earlier in the real estate table);
- Mortgage loans in the sum of EUR 223,815 due to Unicredit S.p.A., for properties located in Via Rutilia in Milan (as listed earlier in the real estate table).

The significant improvement in the net financial position, from EUR 374,702 in 2016 to EUR 1,697,051 in 2017, stemmed from, in addition to generating ordinary cash-flow income, funds raised by going public on the AIM Italia stock exchange sub-market, worth a total of EUR 2.12 million.

Below is detailed the net financial position:

Key financials

The net financial position as of December 31, 2017, was as follows: 1.697.051

	31.12.2017	31.12.2016	Variation
Bank deposits	2,155,398	175,879	1,979,519
Cash on hand	453	7,499	(7,046)
Total cash and cash equivalents	2,155,851	183,378	1,972,473
Non-fixed assets financial activities	**2,155,851**	**183,378**	**1,972,473**
Bonds and convertible bonds (due within 12 months)			
Shareholder loans (due within 12 months)			
Bank financing (due within 12 months)	(102,849)	(133,158)	(30,309)
Other financing (due within 12 months)			
Short-term financing			
Receivables			
Short-term liabilities	**(102,849)**	**(133,158)**	**(30,309)**
Short-term net financial positione	**2,053,002**	**50,220**	**2,002,782**
Bonds and convertible bonds (due after 12 months)			
Shareholder loans (due after 12 months)			
Bank financing (due after 12 months)	(364,356)	(424,921)	(60,565)
Other financing (due after 12 months)			
Long-term financing			
Receivables	8,858		
Medium- and long-term net financial position	**(355,498)**	**(424,921)**	**(69,423)**
Net Financial Position	**1,697,504**	**(374,701)**	**2,072,205**

As further description of the financial situation, some balance-sheet indicators are listed in the following table.

	31.12.2017	31.12.2016
Quick ratio	2.44	0.94
Current ratio	2.44	0.94
Net debt	0.25	0.54
Fixed assets to equity ratio	1.26	0.88

The quick ratio value of 2.44 indicates a more-than-balanced correlation between short-term assets and short-term liabilities, which is an improvement compared to the previous year.

The current ratio index, having the same value as the quick ratio, is unchanged since the Company has no inventories.

The net debt index, which improved significantly compared to 2016, confirms a solid correlation between liabilities and assets. The value of this index emphasizes the Company's self-financing capability.

The fixed assets to equity ratio of 1.26 is an indicator of the Company's sound financial health, as it confirms that a large portion of its fixed assets is covered by own resources rather than third parties'. This, too, has improved compared to the previous year.

3

OTHER SUPPLEMENTARY INFORMATION

Research and development activities – core investments

The Company carries out research and development activities, with the primary purpose of implementing an advanced Management Control System (MCS), which means developing an in-house management system capable of interacting with the CRM system, the website, the e-commerce system, and the database. Such investments will make it possible to fully exploit the international growth opportunities that the Company is setting up, gaining new skills while honing the current ones. As such, the Company intends to claim, once again for the 2017 fiscal year, and on account of research and development-related investments, tax benefits, pursuant to Article 3 of Legislative Decree no. 145 of December 23, 2013, as amended by Law no. 190 of December 23, 2014, as well as by Law no. 232 of December 11, 2016.

In 2017, the Company, in carrying out the aforementioned R&D activities, relied exclusively on support from outsourced human resources.

Over the course of 2017, the following projects were developed, and named as follows:

- “Management Control and IT Convergence” project for internationalization purposes;
- “Online Products” project;

The “Management control and IT convergence” project for internationalization purposes was composed as follows:

- Finalisation of implementation process of the Vela ERP business management software;
- Optimization of integration of the Vela ERP business management software with the CRM suite;
- Feasibility analysis for future implementation of a Business Intelligence system capable of monitoring corporate performance and marketing activities;

- Research and development of a tool for assessing the progress of coaching activities through a fully integrated corporate timesheet system.

In order to bring the aforementioned project to fruition, over the course of 2017, the Company relied on the extensive experience of Sigmagest S.r.l., as well as that of Eng. Marcello Paglialonga.

The realization of the “Online Products” project, on the other hand, entailed the development of specific market studies to create an online program capable of designing a lead generation framework suited for the targeted types of products and markets.

Treasury shares

ABTG S.p.A. has not purchased nor sold, nor does it own, not even through third parties, any treasury shares.

Information on environment and personnel

Pursuant to the provisions of Article 2428, Paragraph 2 of the Italian Civil Code, the following is stated:

> The Company conducts its activities in full compliance with all applicable environmental and health regulations in the workplace;

The management of human resources involves a continuous and constant process of training and updating, not least because of the need to motivate the personnel to pursue professional growth opportunities.
With regard to Personnel Organization, an organizational chart rationalization process was carried out, safeguarding compliance with required segregation of functions, as well as identification of roles, responsibilities, and duties.

Computer privacy protection

It should be noted that ABTG S.p.A. plans on outsourcing a project to update and consolidate its business system for the management of compliance with Privacy regulation requirements (Leg. Dec. no. 196/03).

As a result, an external consultant was selected, having the required experience, expertise, and reliability, and who has been tasked with updating the Company's privacy system since the beginning of 2016.

Significant events occurred after year end, and predictable evolution of operations

In January 2018, the Company continued the positive trend of sales growth. In fact, revenues grew by 66 percent compared to the same month in 2017.

Moreover, it should be noted that the Company held its first Wake Up Call workshop event in Spain on February 10-11, whose number of participants was in line with budget expectations.

In early February, the first online sales were made for an English-language product about Forex trading and related coaching packages, in line with budget expectations.

B

FINANCIAL POSITION AS OF DECEMBER 31, 2017

STATEMENTS
BALANCE SHEET

Alfio Bardolla Training Group S.p.A.

Principal executive offices located at 89 Via G. Ripamonti,
Milan - 20141 MI
Tax Identification Number: 08009280960
REA Number: MI-1996976
VAT: 08009280960

Authorised Capital: EUR 7,441,064.00
Legal form: SOCIETÀ PER AZIONI (Public Limited Company) - SPA
Primary business activity (ATECO): 85592
Company in liquidation: no Sole proprietorship: no
Company subject to third-party management and coordination: no
Part of corporate group: yes

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FINANCIAL POSITION AS OF DECEMBER 31, 2017

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All financial amounts are expressed in Euros

ASSETS	31.12.2017	31.12.2016
B) FIXED ASSETS		
I – INTANGIBLE FIXED ASSETS		
1) Start-up and expansion costs	0	397
2) R&D expenses	0	216,024
5) Goodwill	36,000	42,000
6) Assets under construction and advances	701,521	0
7) Other	1,804,494	1,032,241
Total intangible fixed assets	2,542,015	1,290,662
II – TANGIBLE FIXED ASSETS		
1) Lands and buildings	3,605,770	3,532,276
4) Other assets	60,972	58,674
Total tangible fixed assets	3,666,742	3,590,950
III – FINANCIAL FIXED ASSETS		
2) Receivables		
d-bis) from others		
due after 12 months	24	561
Total receivables	24	561
Total financial fixed assets	24	561
Total fixed assets (B)	**6,208,781**	**4,882,173**
C) CURRENT ASSETS		
I - INVENTORY		
5) advances	106,312	10,012
Total inventory	106,312	10,012
II - RECEIVABLES		
1) from customers		
- due after 12 months	906,901	1,151,050
Total receivables from customers	906,901	1,151,050
4) from parents		
- due after 12 months	7,461	7,461
Total receivables from parents	7,461	7,461
5 bis) Tax Receivables		
- due after 12 months	266,450	336,421
Total Tax Receivables	266,450	336,421
5 ter) Deferred Tax Assets	105,698	7,473
5 quater) from Others		
- due after 12 months	171,623	250,777
Total Receivables from others	171,623	250,777
Total Receivables	1,458,133	1,753,182
III – Current financial assets		
6) other securities	8,859	0
Total current financial assets	8,859	0
IV - CASH AND CASH EQUIVALENTS		
1) Deposit accounts	2,154,945	175,879
3) Cash on hand	453	7,499
Total cash and cash equivalents	2,155,398	183,378
Total current assets (C)	**3,728,701**	**1,946,572**
D) ACCRUALS AND PREPAYMENTS	160,599	206,673
TOTAL BALANCE SHEET ASSETS	**10,098,082**	**7,035,418**

LIABILITIES	31.12.2017	31.12.2016
A) NET EQUITY		
I – SHARE CAPITAL	7,441,064	4,346,000
IV – LEGAL RESERVE	9,373	9,373
VII – OTHER RESERVES, TO BE SPECIFIED		
- Extraordinary reserve	140,992	140,992
- Reserve account to cover losses	338	338
- Merger reserve	(40,000)	(40,000)
- Other misc. reserves	128,493	128,493
Total other reserves	229,823	229,823
VIII - RETAINED EARNINGS (LOSSES)	(304,156)	6,339
IX - CURRENT EARNINGS (LOSSES)	419,491	(310,495)
Total Net Equity	**7,795,595**	**4,281,040**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
4) Other provisions	336,490	461,714
Total provisions for liabilities and charges	**336,490**	**461,714**
C) EMPLOYEE TERMINATION INDEMNITY PROVISION	94,015	49,536
D) PAYABLES		
3) Shareholder loans		
- due within 12 months	239	239
Total shareholder loans	239	239
4) Bank financing		
- due within 12 months	102,849	78,858
- due after 12 months	364,356	479,221
Total bank financing	467,205	558,079
7) Payables to suppliers		
- due within 12 months	524,569	494,137
Total payables to suppliers	524,569	494,137
12) Tax Payables		
- due within 12 months	434,002	685,957
- due after 12 months	39,166	51,245
Total tax payables	473,168	737,202
13) Payables to social security and welfare institutions		
- due within 12 months	135,067	85,759
Total payables to social security and welfare institutions	135,067	85,759
Total payables to social security and welfare institutions		
14) Other Payables	271,733	367,711
- due within 12 months	271,733	367,711
Total Payables	**1,871,982**	**2,243,127**
TOTAL BALANCE SHEET LIABILITIES	**10,098,082**	**7,035,418**


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STATEMENTS
INCOME STATEMENT

Alfio Bardolla Training Group S.p.A.

Principal executive offices located at 89 Via G. Ripamonti,
Milan - 20141 MI
Tax Identification Number: 08009280960
REA Number: MI-1996976
VAT: 08009280960

Authorised Capital: EUR 7,441,064.00
Legal form: SOCIETÀ PER AZIONI (Public Limited Company) - SPA
Primary business activity (ATECO): 85592
Company in liquidation: no Sole proprietorship: no
Company subject to third-party management and coordination: no
Part of corporate group: yes

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FINANCIAL POSITION AS OF DECEMBER 31, 2017

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All financial amounts are expressed in Euros

	31.12.2017	31.12.2016
A) PRODUCTION VALUE		
1) Revenues from sales and services	9,345,895	5,962,048
5) Other revenues and gains		
other	299,127	951,013
Total other revenues and gains	299,127	951,013
Total production value	**9,645,022**	**6,913,061**
B) PRODUCTION COSTS		
6) Cost of raw materials, consumables and supplies	102,644	68,836
7) Cost of services	5,736,683	3,755,576
8) Cost of rents and leases	365,889	211,861
9) Personnel costs:		
a) Salaries and wages	1,071,534	755,606
b) Social security and welfare contributions	268,554	170,817
c) Employee termination indemnity	70,911	48,899
Total personnel costs	1,410,999	975,322
10) Amortisation and write-downs		
a) Amortisation of intangible assets	790,800	339,105
b) Amortisation of tangible assets	45,356	52,538
c) Other write-downs of fixed assets	-	469,666
d) Write-downs of current receivables and of cash and cash equivalents	268,000	39,031
Total amortisation and write-downs	1,104,156	900,340
13) Other provisions	-	142,522
14) Other operating expenses	226,771	970,771
Total production costs	**8,947,143**	**7,025,228**
Difference between production value and production costs (A-B)	**697,879**	**(112,167)**
C) FINANCIAL INCOME AND EXPENSES		
16) Other financial income:		
d) other financial income - other	3,528	60
Total other financial income	3,528	60
17) Interest and other financial expenses		
other	98,212	82,145
Total interest and other financial expenses	98,212	82,145
17-bis) Gains and losses on foreign currency transactions	251	(1,264)
Total financial income and expenses (15+16+17+-17-bis)	**(94,433)**	**(83,349)**
NET INCOME BEFORE TAXES (A-B+-C+-D)	**603,447**	**(195,516)**
20) Current, deferred and future tax liabilities		
- current tax liabilities	289,654	122,451
- deferred and future tax liabilities	(105,698)	(7,473)
Total current, deferred and future tax liabilities	183,956	114,978
21) NET INCOME (LOSS)	**419,491**	**(310,495)**


ALFIO BARDOLLA

STATEMENTS
CASH FLOW STATEMENT, INDIRECT METH

Alfio Bardolla Training Group S.p.A.

Principal executives offices located at 89 Via G. Ripamonti, Milan - 20141 MI
Tax Identification Number: 08009280960
REA Number: MI-1996976
VAT: 08009280960

Authorised Capital: EUR 7,441,064.00
Legal form: SOCIETÀ PER AZIONI (Public Limited Company) - SPA
Primary business activity (ATECO): 85592
Company in liquidation: no Sole proprietorship: no
Company subject to third-party management and coordination: no
Part of corporate group: yes

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FINANCIAL POSITION AS OF DECEMBER 31, 2017

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All financial amounts are expressed in Euros

	31.12.2017	31.12.2016
A) CASH FLOWS FROM OPERATING ACTIVITIES (indirect method)		
Net income (loss)	**419,491**	**(310,495)**
Income taxes	183,956	114,978
Interest paid/received	98,212	82,145
Capital gains/losses from sale of assets	-	806,002
1. Net income (loss) before taxes, interest, dividends, and capital gains/losses from sales	**701,659**	**692,630**
Adjustments for non-monetary items with no balancing entry in the net working capital		
Provisions	44,479	185,514
Amortisation of fixed assets	836,156	391,643
Write-downs due to permanent impairment	-	319,193
Total adjustments for non-monetary items with no balancing entry in the net working capital	880,635	896,350
2. Cash flow before NWC changes	**1,582,294**	**1,588,980**
Changes in NWC		
Decrease (increase) of inventories	(96,300)	(8,565)
Decrease (increase) of receivables from customers	244,149	(632,317)
Increase (decrease) of receivables from suppliers	(371,145)	134,919
Decrease (increase) of accruals and prepayments	46,074	(163,194)
Increase (decrease) of accruals and prepayments	-	(32,508)
Other decreases (increases) in NWC	42,041	516,600
Total changes in NWC	(135,181)	(185,065)
3. Cash flow after NWC changes	**1,447,113**	**1,403,915**
Other adjustments		
Interest paid (received)	(98,212)	(82,145)
(Income taxes paid)	(183,956)	(114,978)
(Use of reserves)	(125,225)	(20)
Total other adjustments	(407,393)	(197,143)
Cash flow from operating activities (A)	**1,039,721**	**1,206,772**
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Tangible fixed assets		
(Investments)	(121,148)	-
Divestments	-	771,153
Intangible fixed assets		
(Investments)	(2,042,153)	(979,994)
Financial fixed assets		
Divestments	537	10,000
Non-fixed financial assets		
(Investments)	-	(25)
Cash flow from operating activities (B)	**(2,162,764)**	**(198,866)**
C) CASH FLOWS FROM INVESTING ACTIVITIES		
Third party financing		

Raising of loans	-	15,330
(Repayment of loans)	-	(1,224,953)
Shareholders’ equity		
Increase in share capital	3,095,063	-
Cash flow from financing activities (C)	**3,095,063**	**(1,209,623)**
Increase (decrease) of cash and cash equivalents (A±B±C)	**1,972,019**	**(201,717)**
Cash and cash equivalents at period start		
Deposit accounts	175,879	384,178
Cash on hand	7,499	914
Total cash and cash equivalents at period start	183,378	385,092
Cash and cash equivalents at period end		
Deposit accounts	2,154,945	175,879
Cash on hand	453	7,499
Total cash and cash equivalents at period end	2,155,398	183,378

Alfio Bardolla Training Group

4

EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

EXPLANATORY NOTES, INTRODUCTION

The financial statements of ABTG S.p.A. for the year ended December 31, 2017, were ordinarily prepared in compliance with the provisions of Article 2423 of the Italian Civil Code, and the report on operations is attached to it. The financial statements were drafted in accordance with OIC (Italian Accounting Board) accounting standards and principles.

The financial statements were prepared on the basis of the going concern assumption, pursuant to the provisions of Article 2423-bis of the Italian Civil Code.

The data and analysis of this document, also in terms of economics, financials, and assets, along with key information provided by the report on operations, reflect the Company's overall financial position, courtesy of a comprehensive and cautious analysis which the Board of Directors believes to be adequately reflective of the going concern concept.

ACCOUNTING STANDARDS USED

The Financial Statement items were evaluated in accordance with established accounting principles of prudence and accrual, on the basis of the going concern assumption, as well as considering the nature of transactions or agreements.
The valuation criteria used are those set forth in Article 2426 of the Italian Civil Code, as referenced and supplemented by accounting standards established by the Consiglio Nazionale Dottori Commercialisti e Ragionieri (Association of Chartered Certified Accountants), as revised by the Organismo Italiano di Contabilità (Italian Accountancy Body) through an amendment document, as a result of new regulations set out in Legislative Decree no. 139 of August 18, 2015. More specifically, the following standards were used in preparing the financial statements, in accordance with Article 2423-bis of the Italian Civil Code:

- Items were evaluated in accordance with accounting principles of prudence and on a going concern basis, as well as considering the economic aspects of examined assets or liabilities;
- Operating profits were listed merely as of year end;
- Financial income and expenses for the period were contemplated, regardless of the date of collection or payment;

• Liabilities and charges for the period were considered, even though they came to light after year end;
• Miscellaneous elements included in various items were evaluated separately.

Below is a description of the valuation criteria used for the most significant balance sheet items.

EXPLANATORY NOTES, ASSETS

FIXED ASSETS

Intangible fixed assets

They are recorded on the basis of their historical cost of acquisition, including directly attributable ancillary costs, and are stated net of the accumulated amortisation charged to specific items for the relevant periods.
In the event, and regardless of previously recorded amortisation expenses, a permanent impairment occurs, the carrying value of the fixed asset is written down accordingly. If, over subsequent fiscal periods, the reasons for the write-down cease to exist, the original value, adjusted for amortisation only, is restored.
The choice was made not to capitalise borrowing costs, and no intangible fixed assets were listed that had been purchased in currencies other than the Euro.
Recorded costs are reasonably correlated to their providing usefulness extending over several periods, and are systematically amortised on the basis of their estimated useful life, from the moment a fixed asset is available and ready for its intended purpose. Here's a detailed breakdown:

• Start-up and expansion costs are amortised over a period of five years;
• International expansion expenses will be amortised concurrently with the Company's overseas expansion efforts;
• Database-related expenses entailed, over the course of 2015, amortisation over four financial periods on a straight-line basis. This amortisation was adjusted on the basis of its estimated useful

life, and, since 2016, is being spread over three periods;
• Licensed software is amortised over three periods;
• Goodwill is amortised over ten periods;
• Improvements to third-party assets are amortised over twelve years;
• Other long-term costs are amortised over five periods.

Tangible fixed assets

They are stated at cost of acquisition, including directly attributable ancillary costs, and adjusted for accumulated amortisation.

Depreciation expenses, recorded in the Income Statement, were computed on the basis of estimated useful lives, which we deemed to be fairly represented by the following depreciation rates, reduced by 50 percent in the year of acquisition of the asset:

LANDS AND BUILDINGS

- Industrial Buildings: 3%

OTHER ASSETS

- Furniture and office decor items: 12%
- Electronic office equipment: 20%
- Mobile phones: 10%

In the event, and regardless of amortisation already posted, a permanent impairment occurs, that fixed asset is written down accordingly. If, over subsequent periods, the reasons for the write-down cease to exist, the original value, adjusted for amortisation only, is restored.

No currency or inflation adjustments were made.
Expenditures for ordinary maintenance and repairs are recorded in the income statement, while those providing for improvements to assets or extending their useful life are instead capitalised and recorded as an addition of value to the existing asset.

In addition to systematic reductions in value resulting from amortisation, each tangible fixed asset is regularly tested for permanent impairment in value. In the event this occurs, the resulting additional reduction is reflected in the balance sheet as a write-down and revised estimate of future useful life, which in turn impacts amortisation over subsequent periods. If, over subsequent fiscal periods, the reasons for the original write-down no longer apply, the value of acquisition, adjusted for amortisation, is restored.

Operating assets whose individual cost of acquisition amounts to less than EUR 516.46, and with limited useful life expectancy, are fully amortised in the period of acquisition.

Financial fixed assets

This item is made up of security deposits, for a total of EUR 24.00 (EUR 561.00 in the previous period).

CURRENT ASSETS

Receivables

Receivables are valued based on amortisation of acquisition costs, factoring in time and estimated collection date. More specifically, the entry value reflects the nominal value of the receivable, net of all premiums, discounts, and allowances, and including any cost directly attributable to the transaction that generated the receivable. Transaction costs, as well as contingent fees receivable and payable, and any variation between entry value and nominal value at maturity date, are considered to calculate the amortisation expense on the basis of real interest rates.

A special allowance for doubtful accounts is established to offset the accounts receivables which may be uncollectible, whose balance relative to doubtful accounts is periodically reviewed, and, in any case, at the end of each financial year.

Tax receivables

Under this item are shown all the receivables that the Company expects to collect from tax authorities. They are recorded at estimated realisable value.

Activities for prepaid income taxes and Provision for deferred tax assets

In accordance with the provisions of Article 2424 of the Italian Civil Code, as amended by Legislative Decree no. 6 of 2003, activities for prepaid income tax purposes are individually recorded in the balance sheet as item C II under assets, and as item B under liabilities, for deferred tax assets. Prepaid and deferred taxes are calculated on the basis of temporary differences between the carrying value assigned to an asset or liability in the income statement and the corresponding taxable values. Prepaid taxes are only recorded if reasonable certainty exists with respect to their future recoverability, a condition that, in this case, was thoroughly corroborated by the Board of Directors' budget reports.

Cash and cash equivalents

They are recorded at nominal value.

OUTSTANDING CONTRIBUTIONS RECEIVABLES DUE FROM SHAREHOLDERS

As of December 31, 2017, as well as, as of December 31, 2016, there were no outstanding contributions receivables due from shareholders.

Intangible fixed assets

Intangible fixed assets, recorded in financial statements as net of respective provisions, have experienced movements, as listed in the following table:

Movements in intangible fixed assets

	Start-up and expansion costs	R&D costs	Goodwill	Under construction and advances	Other intangible fixed assets	Total intangible fixed assets
Value at period start						
Cost	1,986	216,024	60,000	0	1,456,241	1,734,251
Amortisation (Amort. Reserve)	1,589	-	18,000	0	424,000	443,589
Book value	397	216,024	42,000	0	1,032,241	1,290,662
Changes in value during period						
Cost increases for acquisition projects	-	-	-	-	1,556,657	1,556,657
Cost value reconciliation	-	(216,024)	-	701,521	-	485,497
Amortisation during period	397	-	6,000	-	784,403	790,800
Value at period end						
Cost	1,986	0	60,000	701,521	3,012,898	3,776,404
Amortisation (Amort. Reserve)	1,986	-	24,000	-	1,208,404	1,234,390
Book value	0	0	36,000	701.521	1,804,494	2,542,015

All costs recorded as intangible fixed assets are reasonably correlated to their providing usefulness extending over several periods, and are systematically amortised on the basis of their estimated useful life.

1. Start-up and expansion costs include expenditures for the establishment of the Company.
2. Database: the Company has completed the acquisition of a significant portion of its Database (about 200,000 leads and 20,000 customers) at the end of April 2016, for a total expenditure of EUR 466,700, fully paid up. Amortisation of this asset is to be carried out over three financial periods on a straight-line basis. The Company is also pushing forward with its plan to further improve the Database through investments in lead generation.
3. Licensed software pertains to investments that the Company is making to overhaul the management software system that is integrated with other corporate software programs.
4. Goodwill, resulting from extraordinary activities carried out in the 2014 financial year, is financed by income from rentals on owned properties.
5. Improvements to Third-Party Assets pertains to improvements made by the Company to the property that houses its principal executive offices.
6. Other long-term costs, which have yet to be amortised, include the investment that the Company has made for the listing process, which was completed in 2017.

Tangible fixed assets

The table below shows movements in tangible fixed assets as of December 31, 2017. During the period, for the purpose of providing a comprehensive representation of financial statements, and in compliance with adopted accounting standards, land values were overlooked and a comprehensive review of the uses of assets recorded in the financial statements was made.

With regard to buildings recorded as assets, the Company, in 2016, hired Eagle and Wise Srl (independent surveyor) to carry out a valuation survey.

Movements in tangible fixed assets

	Lands and buildings	Other intangible fixed assets	Total intangible fixed assets
Value at period start		-	-
Cost	3,575,984	70,917	3,646,901
Amortisation (Amort. Reserve)	43,709	12,243	55,952
Book value	3,532,276	58,674	3,590,950
Changes in value during period			
Cost increases for acquisition projects	89,858	31,290	121,148
Amortisation during period	16,364	28,992	45,355
Value at period end			
Cost	3,665,842	102,207	3,768,049
Amortisation (Amort. Reserve)	60,073	41,235	101,308
Book value	3,605,770	60,972	3,666,742

Financial fixed assets

Financial fixed assets decreased from EUR 536.00 to EUR 24.00. This amount pertains to security deposits.

Changes in, and maturity of, fixed asset receivables

	Value at period start	Changes during period	Value at period end	Maturity after 12 months
Receivables from others	561	(537)	-	24
Total fixed asset receivables	**561**	**(537)**	**24**	**24**

CURRENT ASSETS

INVENTORY

	Value at period start	Changes during period	Value at period end
Advances	10,012	96,300	106,312
Total inventory	**10,012**	**96,300**	**106,312**

This item's increase in value stems from a cost of EUR 49,000 in foreclosed assets, while the remaining portion is due to deposits to book the facilities where workshops are held.

SHORT-TERM RECEIVABLES

Receivables recorded in the financial statements are summarized as follows:

Changes in, and maturity of, short-term receivables

	Value at period start	Changes during period	Value at period end	Maturity after 12 months
Short-term trade receivables	1,151,050	(244,149)	906,901	0
Short-term receivables from parents	7,461	0	7,461	0
Short-term tax receivables	336,421	(69,971)	266,450	0
Short-term activities for prepaid taxes	7,473	98,225	105,698	0
Short-term receivables from others	250,777	(79,154)	171,623	0
Total short-term receivables	**1,753,182**	**(295,049)**	**1,458,133**	**-**

Breakdown of short-term receivables by geographical area.

With regard to receivables due within 12 months, they are made up of:
Trade Receivables, as detailed below:

	Italy	EEC	Non-EEC	Total
Short-term trade receivables	368,185	416,305	122,411	906,901
Short-term receivables from parents	7,461	-	-	7,461
Short-term tax receivables	266,450	-	-	266,450
Short-term activities for prepaid taxes	105,698	-	-	105,698
Short-term receivables from others	171,623	-	-	171,623
Total short-term receivables	**919,417**	**416,305**	**122,411**	**1,458,133**

CASH AND CASH EQUIVALENTS

As of December 31, 2017, cash and cash equivalents amounted to EUR 2,164,257, which included cash on hand in the amount of EUR 453.00, PayPal account balance of EUR 71,426, EUR 11,732 worth of other pre-paid cards, deposit accounts worth EUR 2,071,787, and finally, EUR 8,859 stored in a dollar-based cryptocurrency wallet which is converted to euros at the end of the financial period.

	Value at period start	Changes during period	Value at period end
Deposit accounts	175,879	1,979,066	2,154,945
Cash on hand	7,499	(7,046)	453
Total cash and cash equivalents	183,378	1,972,020	2,155,398

ACCRUED INCOME AND PREPAID EXPENSES

Accrued income and prepaid expenses amounted to EUR 160,599, and were composed as follows:

	Value at period start	Changes during period	Value at period end
Prepaid expenses	206,673	(46,074)	160,599
Total accrued income and prepaid expenses	206,673	(46,074)	160,599

Prepaid expenses as of December 31, 2017, included the following amounts: i) EUR 2,395 for insurance policies, ii) EUR 35,029 for courses, iii) EUR 91,000 for copyrights, iv) EUR 15,000 for merchandise purchases, and v) EUR 17,175 for other items.

EXPLANATORY NOTES, LIABILITIES AND NET EQUITY

Payables

They are recorded at nominal value and can be adjusted after approval from counterparties, in the event of returns or billing errors. This item is made up of established and confirmed liabilities, both in amount and date of occurrence.
Cash discounts are recorded at time of payment.

Accruals and deferrals

They were recorded observing matching and accrual principles for their respective costs and revenues. These are either cost or revenue amounts whose matching and accrual basis varies over time. For long-term accruals and deferrals, the conditions that had led to their original recording were verified, and adjusting accordingly when needed.

Provisions for Liabilities and Charges

In evaluating these provisions, the accounting concepts of prudence and accrual were adhered to. Contingent liabilities were identified and recorded in the financial statements, and charged as provisions if deemed likely to occur and whose amount could be reasonably estimated. In compliance with OIC Accounting Principle no. 31, it should be noted that there are contingent and prospective liabilities, as pointed out while describing the values listed later on in these explanatory notes.

Employee Termination Indemnities

This item consists of the total debt accrued for employee benefit plans, in compliance with applicable labor laws and employment regulations, and taking into account all forms of ongoing employee compensation.
This Reserve makes up the Company's liabilities, as it stands, toward current employees as of period end on December 31, 2017, in compliance with the provisions of Article no. 2120 of the Italian Civil Code, as well as of national collective bargaining agreements, net of any advances provided.

NET EQUITY

The following table shows changes in net equity.

Changes in net equity items

Net Equity	Value at period start	Other changes		Net income (loss)	Value at period end
		Inc.	Dec.		
Share capital	4,346,000	3,095,064	-		7,441,064
Legal reserve	9,373	-	-		9,373
Other reserves		-	-		
Extraordinary reserve	140,992	-	-		140,992
Provisions to cover losses	338	-	-		338
Merger reserve	(40,000)	-	-		(40,000)
Other miscellaneous reser-ves	128,493	-	-		128,831
Total other reserves	229,823	-	-		229,823
Retained earnings (losses)	6,339	-	(310,495)		(304,156)
Current earnings (losses)	(310,495)	-	-	419,491	419,491
Total Net Equity	4,281,040	3,095,064	(310,495)	419,491	7,795,595

AVAILABILITY AND USE OF NET EQUITY

	Amount	Source/type	Potential use
Share capital	7,441,064	capital	
Legal reserve	9,373	profits	B
Other reserves			
Extraordinary reserve	140,992	profits	A, B, C
Provisions to cover losses	338	capital	B
Merger reserve	(40,000)	capital	
Other miscellaneous reserves	128,493	profits	A, B, C
Total other reserves	229,823		
Retained earnings (losses)	(304,156)		
Total	7,376,104		

Legend: A: capital increase; B: cover of losses; C: dividends; D: other statutory constraints; E: other

ORIGIN, POTENTIAL USE AND POSSIBLE DISTRIBUTION OF VARIOUS OTHER RESERVES

Description	Amount	Source/type	Potential use
Other reserves	128,493	profits	A, B, C
Total	128,493		

Legend: A: capital increase; B: cover of losses; C: dividends; D: other statutory constraints; E: other

Provisions for Liabilities and Charges

This item experienced the following movements during the period:

	Other reserves	Tot. provisions for liabilities and charges
Value at period start	461,714	461,714
Changes in value during period		
Other changes	(125,224)	-
Total changes	(125,224)	(125,224)
Value at period end	336,490	336,490

The "Provisions for liabilities and charges" item is made up of: i) provision for depreciation of properties, in the amount of EUR 319,193, and tax provision, in the amount of EUR 9,797; iii) provision for severance indemnity, in the amount of EUR 7,500. The tax provision pertains to contingent tax liabilities, which were contemplated so as to shed light on contingencies, because of the need to provide a prudent representation of financial data.

Employee Termination Indemnities

Accrued and reclassified provision that represents current liabilities as of December 31, 2017, toward current employees at that date, and reported gross of provisions required by law. The Provision amount was calculated pursuant to Article 2120 of the Italian Civil Code. The TFR gross provision for the period was reduced by an amount resulting from employees resigning.

No TFR indemnity contributions were made toward the INPS (Italian National Social Security Institute) Treasury Fund.

The TFR reserve has grown from a total of EUR 49,536 to EUR 94,015.

	Employee Termination Indemnities
Value at period start	49,536
Changes in value during period	
Provisions during period	44,479
Total changes	**44,479**
Value at period end	94,015

PAYABLES

Payables due within the subsequent period, amounting to EUR 1,468,459, consist of trade payables, as detailed in the following table:

CHANGES IN, AND MATURITY OF, PAYABLES

	Value at period start	Value at period	Maturity within 12 months	Maturity after 12 months
Shareholder loans	239	239	239	-
Bank financing	558,079	467,205	102,849	364,356
Payables to suppliers	494,137	524,569	524,569	-
Tax Payables	737,202	473,168	434,002	39,166
Payables to social security and welfare institutions	85,759	135,067	135,067	-
Other Payables	367,711	271,733	271,733	-
Total	**2,243,127**	**1,871,982**	**1,468,459**	**403,522**

The “Other Payables” item is composed as follows: i) payables to associates, amounting to EUR 84,000 ii) payables to the Board of Directors, amounting to EUR 20,889 iii) payables to employees, amounting to EUR 105,493 iv) reimbursements of expenses, amounting to EUR 7,603 v) payables stemming from legal disputes, amounting to EUR 48,966.

PAYABLES BY GEOGRAPHICAL AREA

Geographical area	Italy	EEC	Non-EEC	Total
Shareholder loans	239	-	-	239
Bank financing	467,205	-	-	467,205
Payables to suppliers	520,532	21,188	(17,151)	524,569
Tax Payables	473,167	-	-	473,168
Payables to social security and welfare institutions	135,067	-	-	135,067
Other Payables	271,733	-	-	271,733
Total	**1,867,943**	**21,188**	**(17,151)**	**1,871,982**

PAYABLES SECURED BY COLLATERAL ON ASSETS

Mortgages and other payables to banking institutions pertain to real estate deals stemming from special transfer transactions. It should be noted that the mortgage on the properties located in Via Rutilia in Milan, for a total outstanding balance of EUR 188,702, expires on November 30, 2023, while the mortgage on the properties located in Viale Col di Lana in Milan, for a total outstanding balance of EUR 175,655, expires on June 30, 2026. Below are listed the mortgage collaterals on properties owned by the Company: i) property located in Via Rutilia, for a total amount of EUR 1,105,980, and ii) property located in Viale Col di Lana, for a total amount of EUR 1,800,000.

Mortgages and other payables to banking institutions pertain to real estate deals stemming from special transfer transactions, as detailed in the following table:

Outstanding Mortgage Balance	Value as of 12.31.2017	Value as of 12.31.2016	Variation
Properties in Via Rutilia	223,815	258,101	(34,286)
Properties in Viale Col di Lana	196,239	221,120	(24,881)
Total	**420,055**	**479,221**	**(59,167)**

It should be noted that the mortgage on the properties located in Via Rutilia in Milan expires on November 30, 2023, while the mortgage on the properties located in Viale Col di Lana in Milan expires on June 30, 2026.

Below are listed the mortgage collaterals on properties owned by the Company:

	Value as of 12.31.2017	Value as of 12.31.2016	Variation
Properties in Via Rutilia	1,105,980	1,105,980	0
Properties in Viale Col di Lana	1,800,000	1,800,000	0
Total	**2,905,980**	**2,905,980**	**0**

EXPLANATORY NOTES, INCOME STATEMENT

Revenues, Costs, Income, and Liabilities
They are recorded in the financial statements in compliance with the accounting concepts of prudence and accrual, as well as factoring in accruals and prepayments.

Current and deferred tax liabilities
Income taxes for the period are computed pursuant to applicable laws by applying relevant tax rates, in compliance with the provisions of the Testo Unico (Tax Consolidation Act).
Income taxes were determined on the basis of the taxable income for the period. Payables recorded as liabilities in the Balance Sheet are shown as net of prepayments, withholding taxes, and tax credits.
Prepaid and deferred taxes are calculated on the basis of temporary differences between the carrying value assigned to an asset or liability in the income statement and the corresponding taxable values, as well as that of deferred tax assets on retained tax losses, subject to demonstrating a reasonable certainty of future profits that might cover the aforementioned temporary differences relative to deferred tax assets.

Commitments and Contingencies
The Company has no commitments or contingencies other than the ones described in the Memorandum Accounts section of the balance sheet.

PRODUCTION VALUE

The production value amounted to EUR 9,645,022, an increase of EUR 2,731,961 on the previous period.

Breakdown of revenues from sales and services by business segment

As of December 31, 2017, the “Revenues from sales and services” item amounted to EUR 9,645,022, and is composed as follows: i) revenues from operations of EUR 9,345,895 ii) other revenues and gains of EUR 299,127. More specifically, it should be noted that the “Other revenues and gains” item is composed as follows: i) income from rentals, amounting to EUR 28,800 ii) non-operating income, amounting to EUR 63,950 iii) other revenues and gains, amounting to EUR 87,372, iv) tax credit for research and development expenditure, amounting to EUR 119,005.

It should be noted that the aforementioned research and development provision pertains to research and development expenses incurred by ABTG S.p.A. in 2017, in compliance with Law no. 190 of December 23, 2014 (Stability Law).

Type of activity	Current period value
Sales	131,856
Services	9,214,039
Total	**9,345,895**

PRODUCTION COSTS

As of December 31, 2017, operating costs amounted to EUR 8,947,143, an increase of EUR 1,921,914 on the previous year; this significant growth is due mainly to the greater impact of service costs and growing operational expenses, resulting from the increase in sales revenue. Here is a detailed breakdown of the “Production Costs” item: i) cost of raw materials, amounting to EUR 102,644 ii) service costs, amounting to EUR 5,736,683 iii) cost of rents and leases, amounting to EUR 365,889 iv) personnel costs, amounting to EUR 1,411,000 v) amortisation and write-downs, amounting to EUR 1,104,156 vi) other operating expenses, amounting to EUR 226,771.

More specifically, it should be noted that the “Service Costs” item is composed as follows: i) services for courses and coaching programs, for a total of EUR 1,872,820 ii) commercial fees, for a total of EUR 2,003,925 iii) utilities and maintenance, for a total of EUR 92,475 iv) external consultancy services, for a total of EUR 483,046 v) advertising, for a total of EUR 296,291 vi) compensation for corporate directors, for.

FINANCIAL INCOME AND EXPENSES

Net operating income was negative EUR 94,431. As of December 31, 2017, financial income was composed as follows: i) interest earned from bank deposits, amounting to EUR 14.00 ii) income from discounts and allowances, amounting to EUR 3,514. Financial expenses were instead composed as follows: i) after-sales services, for a total of EUR 26,088 ii) interest payable on financing, amounting to EUR 12,253 iii) deferred interest payables, amounting to EUR 1,769 iv) discounts and allowances payables, amounting to EUR 2,448 v) interest payable on outstanding tax debts, amounting to EUR 3,114 vi) financing payables, amounting to EUR 25,753, and finally, vii) bank charges, amounting to EUR 26,805.

Breakdown of financial income from investments.

	Non-dividend income
From others	3,528
Total	**3,528**

It should be noted that, as of the time of preparing this Explanatory Notes section, there were no significant adverse effects recorded arising from changes in currency exchange rates, since the Company operates primarily in Italy (Article 2427, Paragraph 1, no. 6-bis of the Italian Civil Code).

Interest and financial expenses by debt type

	Interessi e altri oneri finanziari
Bank financing	64,792
Others	33,419
Total	**98,211**

This item is composed as follows: i) loan interest payables, amounting to EUR 64,792, and ii) other interest payables, amounting to EUR 33,419.

AMOUNT AND TYPE OF INDIVIDUAL INCOME / EXPENSE ITEMS OF EXTRAORDINARY SIZE OR IMPORTANCE

Pursuant to the provisions of Article 2427, subsection 13, of the Italian Civil Code, it should be noted that under item A5, “Other revenues and gains”, tax credit for research and development activities was accounted for, in compliance with Article 3 of Legislative Decree no. 145 of December 23, 2013, and subsequent amendments thereto. In 2017, the Company incurred expenses due to investments in research and development activities related to the projects called: 1) online overseas expansion and 2) software developmentt.

CURRENT, DEFERRED, AND PREPAID INCOME TAXES

The “Income taxes” item for the period in the financial statements is composed as follows: i) current taxes, amounting to EUR 289,654 ii) deferred tax assets, amounting to EUR 105,698. More specifically, current taxes are composed as follows: i) IRAP taxes, amounting to EUR 59,373 and ii) IRES taxes, amounting to EUR 230,281. As of December 31, 2017, estimated deferred tax assets amounted to EUR 105,698, related to temporary differences between accounting and tax amortisation.

EXPLANATORY NOTES, CASH FLOW STATEMENT

The cash flow statement of the ABTG S.p.A. Company was prepared using the indirect method.

EXPLANATORY NOTES, OTHER INFORMATION

Employment data

Pursuant to the provisions of subsection 15) of Article 2427 of the Italian Civil Code, jobs/employment data, as of December 31, 2017, is provided below.

	Average number
Corporate Directors	1
Managers	4
Employees	16
Total employees	**21**

Compensation, advances, and assignment awarded to directors and auditors, and commitments made on their behalf

Pursuant to the provisions of Article 2427, subsection 16, of the Italian Civil Code, it is hereby given notice that a deliberation was adopted to provide compensation, as listed below, to Directors and Auditors, which is recorded in the Income Statement under item B7 as “Service Costs”:

	Directors	Auditors
Compensation	250,000	14,000

Compensation to statutory auditor or auditing company

LEGAL AUDIT OF FINANCIAL STATEMENTS
These financial statements were entrusted to BDO Italia S.p.A. for legal auditing of the accounts, pursuant to the resolution of the Board of Directors' meeting convened on June 29, 2015, which mandated the Board of Statutory Auditors to audit the accounts, in compliance with the provisions of Article 2403 and Article 2409-bis of the Italian Civil Code, and Article 23 of the Corporate Charter, for the three-year period ending with the approval of the financial statements for the fiscal year ended December 31, 2017.

	Value
Legal audit of accounts	27,000
Total amount due to statutory auditor or auditing company	27,000

Obligations, guarantees, and contingent liabilities not recorded in the balance sheet

No agreements have been omitted from the Balance Sheet that might significantly affect the Company's financial position and result of operations, in compliance with the provisions of Article 2427, subsection 22-ter of the Italian Civil Code.

Information on related-party transactions

In order to identify the notion of related parties, OIC accounting standards were adhered to, while concurrently abiding by established regulations that govern companies listed on Borsa Italiana's AIM Italia stock exchange sub-market.

It should be noted that the Shareholders' Meeting of the Company, through a resolution passed on May 6, 2016, approved a one-off dividend payment to shareholder and CEO Alfio Bardolla that is linked to the Company's listing on the Stock Exchange, accounting for 1.75 percent of its share capital as of the date negotiations were initiated.

It should be noted that the Board of Directors of the Company, through a resolution passed on June 16, 2016, awarded shareholder and CEO Alfio Bardolla, pursuant to the resolution of the Board of Directors' meeting convened on May 6, 2016, a total compensation package of EUR 170,000 per year, before taxes.
Furthermore, at the same meeting, the Board of Directors resolved to finalise the following agreements with shareholder and CEO Alfio Bardolla:

• Alfio Bardolla Training Group Trademark License Agreement;
• Alfio Bardolla Trademark License Agreement;
• Wake Up Call (WUP) Trademark License Agreement.

Alfio Bardolla Training Group Trademark License Agreement
This agreement provides for licensing the "Alfio Bardolla Training Group" trademark, for use both in Italy and abroad, to the Company for a period of five years, and whose registration can be renewed for an equal period of time, with a one-off fixed fee of EUR 50,000 which is to be paid in full upon signing the agreement, and a variable fee of 0.5 percent of the Company's revenues for the financial year, which would be triggered only in the event they were to exceed EUR 10 million (for each fiscal year).

Alfio Bardolla Trademark License Agreement
This agreement provides for licensing the "Alfio Bardolla" trademark, for use both in Italy and abroad, to the Company for a period of five years, and whose registration can be renewed for an equal period of time, with a one-off fixed fee of EUR 50,000 which is to be paid in full upon signing the agreement, and a variable fee of 1 percent of the Company's revenues for the financial year, which would be triggered only in the event they were to exceed EUR 10 million (for each fiscal year).

Wake Up Call Trademark License Agreement (WUP)
This agreement provides for licensing the "Wake Up Call (WUP)" trademark, for use both in Italy and abroad, to the Company for a period of five years, and whose registration can be renewed for an equal period of time, with a one-off fixed fee of EUR 30,000 which is to be paid in full upon signing the agreement, and a variable fee of 0.5 percent of the

Company's revenues for the financial year, which would be triggered only in the event they were to exceed EUR 10 million (for each fiscal year).

These licensing agreements, as detailed above, were ratified on July 17, 2016, resulting in a payable of EUR 130,000 due to shareholder and CEO Alfio Bardolla.

Furthermore, it should be noted that the Board of Directors of the Company, through a resolution passed on June 19, 2017, resolved to reduce the compensation of shareholder and CEO Alfio Bardolla to EUR 150,000, before taxes. In compliance with a resolution passed by the Board of Directors on November 17, 2017, it should be noted that shareholder and CEO Alfio Bardolla was awarded an advance payment of EUR 150,000 on his variable compensation.

Receivables due for Association in Participation Agreement for property located in Varese, and credit notes.
In July 2008, Peak Performance Quattro S.r.l. (hereinafter PPQ) and Academy Real Estate S.r.l. (hereinafter ARE) independently finalised an Association in Participation Agreement with shareholder and CEO Alfio Bardolla which provided for the aforementioned companies to share in profits arising from a transaction carried out on real estate located at 12 Via Maspero in Varese (ex Article 2549 of the Italian Civil Code).
Furthermore, on December 31, 2017, credit notes were issued, for a total amount of EUR 82,392 due from shareholder and CEO Alfio Bardolla, as a result of a compensation package overhaul, in compliance with a resolution passed by the Board of Directors on May 6, 2016.

Receivable from parent company King Holding S.r.l.
As of the date of this report, the Company has a receivable of EUR 9,760 from parent company King Holding S.r.l.

Receivable from American Coffee Company S.r.l.
As of the date of this report, the Company has a receivable of EUR 126,420 (due by March 2018) from American Coffee Company S.r.l., a subsidiary of King Holding S.r.l. (parent company of ABTG S.p.A.).

Payable due to Smart Business Lab S.r.l.
As of the date of this report, the Company has a receivable of EUR

24,722, as well as a payable of EUR 16,966 due to the company Smart Business Lab S.r.l., a subsidiary of King Holding S.r.l. (parent company of ABTG S.p.A.).

Information on significant events occurred after the end of the financial year

With regard to information concerning the nature of, and effect on, asset, financial, and economic performance, arising from significant events occurred after the end of the financial year, in compliance with the provisions of Article 2427, subsection 22-quater of the Italian Civil Code, it should be noted that the Company, over the course of January 2018, continued the positive trend of sales growth. In fact, revenues grew by 66 percent compared to the same month in 2017.

Moreover, it should be noted that the Company held its first Wake Up Call workshop event in Spain on February 10-11, whose number of participants was in line with budget expectations. In early February, the first online sales were made for an English-language product about Forex trading and related coaching packages, in line with budget expectations.

Companies preparing the financial statements of the larger/smaller group of companies of which they are a subsidiary

Pursuant to the provisions of Article 2427, subsection 22-quinquies and 22-sexies of the Italian Civil Code, no Company prepares the consolidated financial statements of the larger/smaller group of companies of which it is a subsidiary.

Proposal for allocation of profits or to cover losses

With regard to information required under the provisions of Article 2427, subsection 22-septies of the Italian Civil Code, it is proposed to the Board of Directors that profits be allocated as follows:

Net profit for the year ended December 31, 2017: EUR 419,491

Allocation of profits:

Legal reserve: EUR 20,975
Extraordinary reserve: EUR 163,164

Cover of accumulated losses: EUR 304,156 (also accounting for distributable reserves)
Dividends: EUR 235,352

For consideration by Board of Directors
Alfio Bardolla

DECLARATION OF CONFORMITY OF FINANCIAL STATEMENTS

I, the undersigned, Alfio Bardolla, in his capacity as Chairman of the Board of Directors, and being aware of penalties in case of false declarations, do hereby attest, pursuant to the provisions of Article 47 of D.P.R. no. 445 of December 28, 2000, that the XBRL instance document(s) of the Balance Sheet, Income Statement, Cash Flow Statement, and this Explanatory Notes section, are identical in all respects to those filed in the Company’s records.