METI CAPITAL S.p.A.

REAL ESTATE WORKOUT SOLUTIONS

- INFORMATION MEMORANDUM -

(document provided pursuant to Annex A of the Rules for the Operation of the Third Market)

- December 2017 -

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1. GENERAL INFORMATION ON THE ISSUER

METI Capital S.p.A. (formerly MC Holding S.p.A. - the “**Issuer**” or the “**Company**”) is a joint stock company duly incorporated under the Italian Law operating in real estate sector through 3 (three) main business area, namely:

(1) real estate development and construction, including property and facility management;
(2) re.o.co. (real estate owned company) / direct investments and advisory services;
(3) holding of interests and participation in real estate entities.

Recently the Issuer changed its main strategy aiming to meet the needs of lenders and investors in the management of real estate assets and transactions, which seem to be no longer possible or economically feasible. In particular, the Issuer pursue the scope to solve the general critical situations regarding the traditional real estate activities moving the business approach to enable the real estate initiative to be reinitiated and brought to completion through the redefinition of its asset valuation strategy, the implementation of both its operations and its internal control system and the streamlining of the financial and legal frameworks. In particular, the Board of Directors of the Company decided to change the traditional business, so far consisting in the traditional holding of a portfolio of real estate corporate vehicles and pursuing profit by the dividends and / or the selling of the relevant units or shares to third parties moving on a new scope which will permit to share (i) the positive results of the holding activities, (ii) the new activities regarding the property and facility management services (i.e. mainly offered to real estate investment funds or institutional investors), as well as (iii) the construction and revamping services of real estate assets. Such strategy is in line with the current market trend of real estate in Italy, which, after the financial crisis started in 2008 and due to the needs of institutional investors (like as Pension Fund) to reduce the real estate exposition in their investment portfolio pursuant to the Italian regulation in force, is now characterized from a more attention to (a) a negotiation of NPLs (*non performing loans*) generally linked to real estate assets, (b) a good level of pricing of real estate assets and (c) a high level of professional offer in respect of real estate services (like as revamping or construction).

The Issuer was founded in December 27th, 2010; the Company has its registered office in Rome – Via Calabria 56 (in the main historical centre of the city), Tel +39 06 6876 006 - +39 02 8901 0660 and operating offices both in Milan – Via della Posta 8 (in front of Borsa Italiana S.p.A) – and in Palermo – Piazzale Ungheria 73. The Issuer is registered with the Camera di Commercio Industria Artigianato e Agricoltura di Roma under registration number 11216901006. The website of the Issuer is available under www.meticapital.com.

At the date of this document, the share capital of the Issuer is currently represented by No. 11,967,447 ordinary shares, without nominal value, as per the following capital structure:

Shareholder	No. of shares	% of share capital
YCA Ltd	5,768,000	48.20
IS Finance Srl	3,678,700	30.74
Sunset Financials Ltd	629,862	5.26
Luciano Capaldo	346,424	2.89
G Investment Managers SA	346,424	2.89
Olympia Wealth Management Ltd	314,931	2.63
Beaumont Invest Services Ltd	314,931	2.63
Giacomo Capizzi	216,673	1.81
Pigna Ltd	173,842	1.45
Other shareholders	177.660	1.48
TOTAL	**11,967,447**	**100.00**

The main shareholder is Yca Yeld Corporate Advisor Ltd, a holding company duly incorporated under the Law of Malta which is referred to its beneficial owner – Mr. Giancarlo Andreella, a UK resident manager who is expert in financing of club deals like as family office in UK (the “**Main Shareholder**”).

The Main Shareholder pursues the scope to raise capital of its investors (mainly represented by high net worth individuals based in UK) and invest the relevant assets with a “taylor made” approach, which provides to support the target entities both on financial and strategical side. IS Finance Srl is a company duly incorporated under the Italian Law which is referred to the managers of the Issuer, while the other investors are represented mainly by private institutions operating in capital market like as “family offices” on the main finance centre in Europe.

It is worth noting that the new business plan provided by the Company has been based on the assumption of the execution of a capital increase transaction necessary to finance the implementation of the business line and consequently the equity ratio of the Company itself; hence, the Company executed such capital increase which involved (i) a contribution in kind of 100% of share Capital of Virtualbricks Ltd, a UK property management company, and (ii) a cash contribution equal up to Euro 5,300,000 (five million three hundred thousand) currently in placement (at the date of this document such cash contribution was executed for a total amount of Euro 4,000,000.00).

Neither the Issuer nor its shareholders carry out regulated activities like as, for instance, management of alternative investments (i.e. AIF) pursuant the applicable law and regulations in force.

At the date of this document, there are no shareholders’ agreement in relation to the management of the voting rights and transfer of shares.

2. COMPANY STRUCTURE

Description of the Issuer and its equity interest

Pursuant Art. 3 of the by-laws of the Issuer, 3. "*the Company has as its object the following activities:*

- *the sale, own, management of securities, both public and private, the hiring of investments, interests in companies, entities, consortia and associations of any kind, both in Italy and abroad, even if constituting fixed assets financial statements in accordance with international accounting standards or shares of real estate funds, already constituted or in the course of incorporation;*
- *the financing (as long as it is not in relation to the public), the technical and financial coordination of the companies in which it participates if it holds control interests both directly and indirectly;*
- *the purchase, management, enhancement, restructuring, rationalization, transformation and disposal of real estate and property assets and, more generally, the pursuit of real estate activities of all kinds;*
- *the leasing of real estate owned by property, usufruct or other real right, as well as on the basis of financial leasing contracts;*
- *the development activity of the real estate compendium to be allocated to the lease;*
- *the provision of services and consultancy in the field of real estate, including through the organization and coordination of activities carried out by third parties.*

As anticipated in the paragraph 1. above, the Issuer is performing real estate services and investment through 3 (three) main business area, like as following:

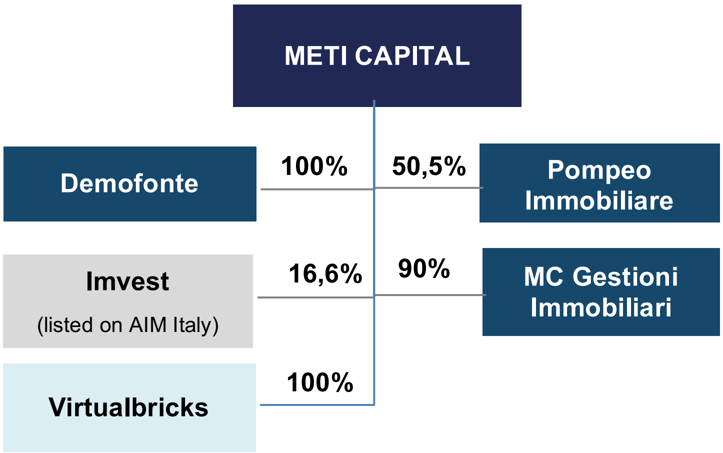
(1) real estate development and construction, including property and facility management;
(2) re.o.co. (real estate owned company) / direct investments and advisory services;
(3) holding of interests and participation in real estate entities;

pursuing a diversification goals aimed at mitigation the market's risks.

In particular, in the context of the general financial crisis which impacted especially on the real estate sector, the Issuer reacted by specializing in the NPLs (i.e. *non performing loans*), carrying out services and activities to institutional clients aimed to preserve the real value of the assets, adding on its experience and know-how of development and placing of real estate portfolios. An example of that is the extraordinary results performed in 2016, regarding the development of real estate located in Milan – "Il Salico", a project which involves ten real estate units and Washington Street, which provides 17 (seventeen) real estate units – as well as in Rome – where the Issuer developed a project up to thousand square meters in the main centre providing with a direct revamping and construction of a very smart building in line with the new business indicated in point (1) above –.

In addition, the Issuer prosecuted its activity of holding of interest, investing and financing its subsidiaries to assure the business development of the group.

Please find herein below the participation chart representing the current the equity interest of the Issuer.



- DEMOFONTE: The Issuer owns a share representing the 100% of the share capital of Demofonte S.p.A.. Demofonte derives from the divestment of the real estate portfolio of Enel S.p.A. (one of the leading operator in energy sector in Italy and abroad), consisting in No. 168 real estate assets (mainly residential and offices) located in all the region of Italy, with a particular focus in the North of Italy; the Issuer performs the asset property management and real estate agency of Demofonte.

€/000

Raffaele Israilovici *Chairman*	Entrepreneur with over 30 years experience in real Estate development and trading
Giacomo Capizzi *CEO*	Qualified Accountant and expert Tax consultant with over 20 years experience in Real Estate, in Imvest since 2010. Manager and Director specialized in corporate restructuring and turn-around of listed companies. Financial advisor and analyst for major Italian Banks. Liquidator encharged by the Ministry of Industry and Agriculture

61,227 REVENUES	-1,201 EBITDA
62,110 NET DEBT	3,211 EQUITY

- IMVEST: The Issuer owns No. 7.834.822 shares issued by such company representing the 16,62% of the share capital of Imvest S.p.A.. The shares of Imvest have been listed on AIM – Mercato Alternativo del Capitale following an IPO performed in 2011. For any information, please go to the investor relation sector available on the website http://imvest.it.

€/Mln

Luciano Capaldo *Chairman*	Dr. Ing. Arch. with over 30 years experience in Real Estate Valuation and Project-Property Design & Management. CEO of Euroconsultancy RE, Partner GBPA Architects, Consulting CFO at AGS Corporation Ltd and Past Chairman of Royal Institution of Chartered Surveyors – Europe World Regional Board (RICS Europe)	7.5 REVENUES
Giacomo Capizzi *CEO*	Qualified Accountant and expert Tax consultant with over 20 years experience in Real Estate, in Imvest since 2010. Manager and Director specialized in corporate restructuring and turn-around of listed companies. Financial advisor and analyst for major Italian Banks. Liquidator encharged by the Ministry of Industry and Agriculture	(1.1) EBITDA
Gianguido Belardi *Board Member*	Chartered Surveyor, Academic and Statistical Researcher in the filed of real Estate, Asset Management and Real Estate Management Consultancy with over 20 years of industry experience	11.3 EQUITY

- POMPEO IMMOBILIARE: The Issuer owns a share representing the 50,50% of the share capital of Pompeo Immobiliare S.r.l. as well as a call option for the remaining 49,50% of the share capital of the latter.

Enrico Biusi *CEO*	Building Contractor, Vice president of ANCE Sicily ((National Association of Building Contractors), Treasury of Cepima (Buildin Contractors social security fund)	

€/000

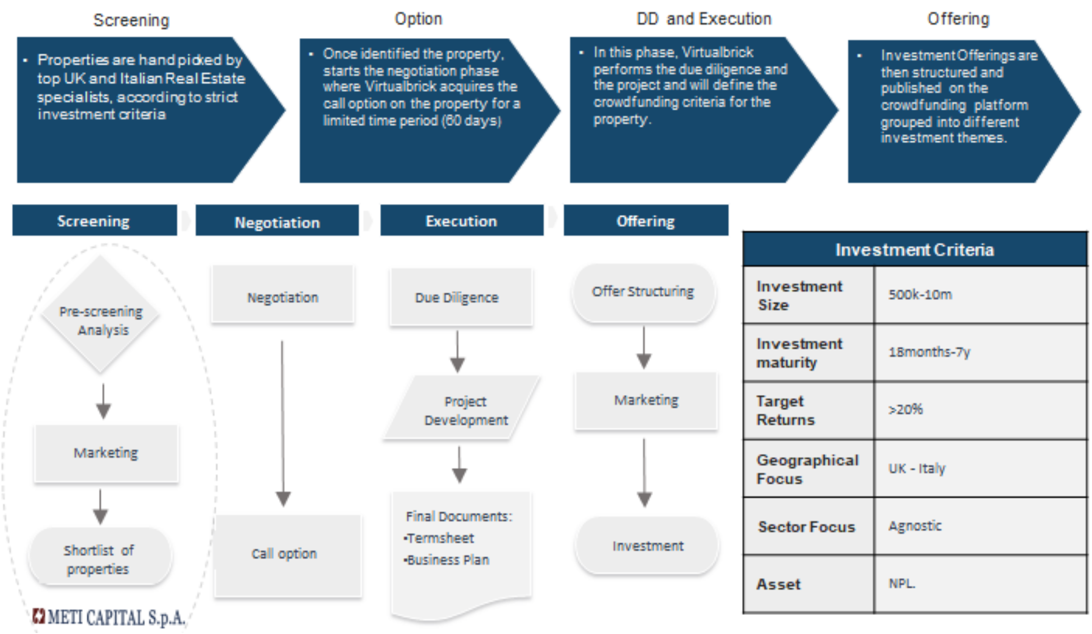
- REVENUES	4,920 INVENTORY
3,344 NET DEBT	1,834 EQUITY

- MC GESTIONI IMMOBILIARI: The Issuer owns a share representing the 90% of the share capital of MC Gestioni Immobiliari S.r.l.. The company has not been operating since 2016.

- VIRTUALBRICKS: The Issuer owns 100% of shares issued by such company representing 100% of the share capital of Virtualbricks Ltd. Virtuabricks is a UK property management company which is now launching a new real estate investing marketplace through its online platform. The mission of Virtualbricks is to remodel the whole real estate industry by making accessible institutional quality projects (which were previously prerogative only of High Net Worth Individuals) to retail, non-accredited investors. In other words, Virtualbricks gives investors the opportunity to adapt their investments to their needs, by offering debt and equity instruments without any size requirements and among hundreds of projects. Virtualbricks' investment opportunities embrace both prime residential and commercial real estate properties ranging from multifamily, office, industrial, retail and hospitality.

Key People		Key Figures (£/m)	
Fabio Bottari *Director*	Former manager and entrepreneur in the financial industry with over 20 years experience in Corporate and Structured finance	1.4 REVENUES	(0.1) EBIT
Luciano Capaldo *Director*	Dr. Ing. Arch. with over 30 years experience in Real Estate Valuation and Project-Property Design & Management	34.1 AMOUNT RAISED	2.5 NET PROFIT AFTER DIVIDENDS

Finally, please consider that some crucial positive business forecast will be implemented on the basis of the business process of Virtualbricks as described herein-below:



Investment Criteria	
Investment Size	500k-10m
Investment maturity	18months-7y
Target Returns	>20%
Geographical Focus	UK - Italy
Sector Focus	Agnostic
Asset	NPL

The Issuer does not own other non-significant equity interest.

Administration, management and supervisory bodies

Currently the Board of Directors of the Issuer is composed by 3 (three) members namely:

Raffaele Israelovici	born 18/08/1973, Italian, Chairman
Giacomo Capizzi	born 04/12/1969, Italian, Chief Executive Officer
Roberta Camalò	born 08/03/1982, Italian, Independent member

For any details regarding the professional requirements of the member of the Board, please see the CVs attached to the present document.

Pursuant the by-laws, a Board of Auditors is appointed and represented by:

Giorgio Di Stefano President of the Board of Auditors
Giuseppe Tortorici
Antonio Sclafani
Caterina Sabella Dota
Bruno Giordani

At the date of this document, the Issuer has 6 employees and 1 contractor (Fabrizio Cereghini - Architect).

3. OBJECT OF BUSINESS

Historic development

As described above, the Company was incorporated in 2010 to operate in the real estate sector carrying out investments to create its assets' portfolio and services to real estate operators.

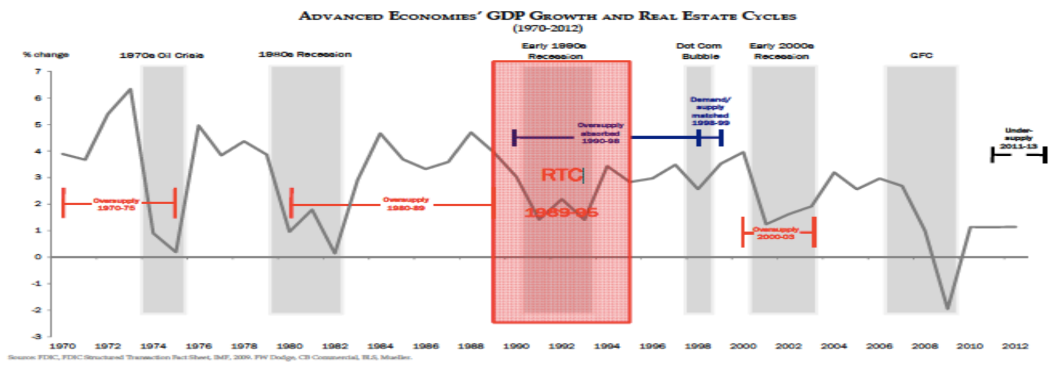
In the context of the financial crisis which, as known, was very impressive on the real estate sector, the Issuer specialized its services also on NPLs, providing the management, development and placing of portfolio assets deriving from divestment of large corporate / investors and taking interests in real estate listed and unlisted companies, pursuing the goal of a good positioning of the real estate market in Italy.

THERE ARE DISTRESSED PROPERTIES . . .

…AND, THERE ARE DISTRESSED OWNERS

A range of factors can create distress for otherwise institutional quality assets

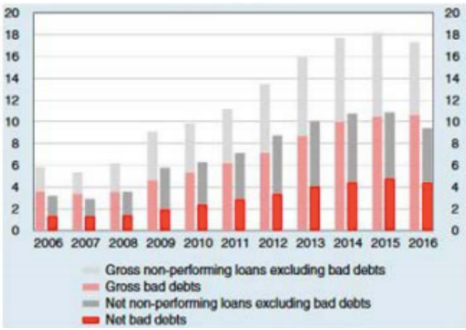
- Needing refurbishment/redevelopment
- Debt maturity and/or overleverage
- Barriers to entry (size)
- Short lease term
- Vacancy



On the basis of the graphic above, the Issuer have considered that there is a financial (structural) problem rather than a real estate problem (cyclical).

Majority of European real estate debt exposure through direct balance sheet debt exposure…

…increasing non-performing, especially in Italy.



The Company had access distress throughout the capital structure:

DISTRESSED EQUITY

- Individual, non-core properties sold out of portfolios in need of active asset management
- Properties in need of capital for renovations or tenant improvements held by capital constrained owners or “unnatural” owners (i.e. banks)
- Opportunities to restructure balance sheets and provide new capital
- Acquire properties trough “loan-to-own” situations
- Sources include forced sellers, including funds, banks, corporations, governments, REOCOs, REITs.

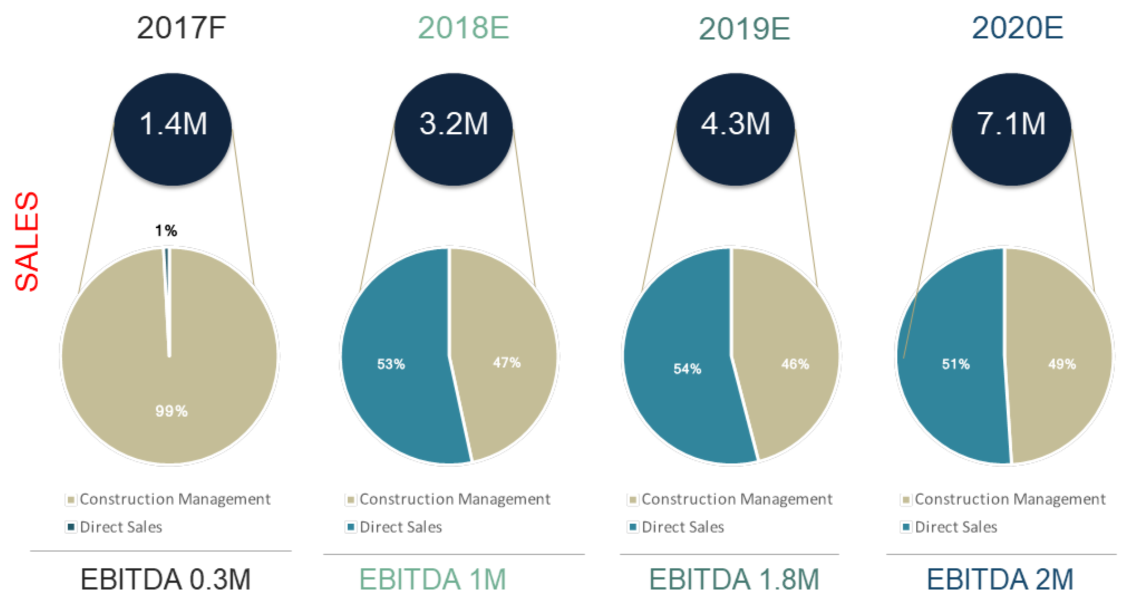
DISTRESSED DEBT

- Opportunities include large portfolio as well as individual assets
- Complex transactions that require structuring capabilities
- Illiquid debt environment creates mispriced segments in the capital structure
- Sources include banks, borrowers (owners), property developers, relationship with lenders and borrowers key to successfully sourcing transactions-

Principal investments in the current and past business year, planned investments

In 2017 the Company decided to remodelling its business scope focusing its experience mainly on (i) construction activities (captive and for external clients) and (ii) workout / direct investments, buying assets at a substantial discount to their intrinsic value from constrained owners of “unnatural” owners (i.e. banks, real estate funds).

The new business vision will increase the size and profitability of the Company in the next few years as provided in below:



Notwithstanding of the above, the Company will consider its forecast also on the basis of the current portfolio of real estate assets, as described in below.

LOCATION	Italy – Milan – Via Corrado il Salico 12
ASSET TYPE	Residential building
SELLER	Unnatural owner
SELLER RATIONALE	Borrower unable to valorise the asset
MANAGER'S STRATEGY	Value Added -Renovation -Reposition to high end apartments -Exit to retail investors

1,100 Square Meters
2,300 Book Value/Cost
2,493 €/k Market Value (1,348 €/k loan)
2,493 €/k NNNAV

4. FINANCIAL FIGURES

Sales Revenues

FY 2015	FY 2016	FY 2017 (mid-year) 30 June 2017	FY 2017 (IAS compliant)
1,937.00	2,224.00	1,314.00	1,314.00

EBITDA

FY 2015	FY 2016	FY 2017 (mid-year) 30 June 2017	FY 2017 (IAS compliant)
292	341	303	303

EBIT

FY 2015	FY 2016	FY 2017 (mid-year) 30 June 2017	FY 2017 (IAS compliant)
96	143	204	204

Profit on ordinary business activities (or EBT)

FY 2015	FY 2016	FY 2017 (mid-year) 30 June 2017	FY 2017 (IAS compliant)
- 80	- 257	72	72

Equity Ratio

FY 2015	FY 2016	FY 2017 (mid-year) 30 June 2017	FY 2017 (IAS compliant)
55%	47%	54%	67%

5. PURPOSE OF THE USE OF THE ISSUING PROCEEDS

In 2017 the Board of Directors of the Issuer, also considering the significant interest received by some private investors, resolved about a capital injection equal to Euro 5,300,000.00 (five million and three hundred thousand) reserved to the shareholders and "family and friends" as well a contribution in kind of Virtualbricks Ltd to implement its business lines and consequently to list the shares of the Issuer on the Third Market managed by the Vienna Stock Exchange in order to increase the visibility of the Issuer itself and at the same time to facilitate the access of the Issuer to professional investors (as in the past happened with Imvest S.p.A. on Borsa Italiana).

In particular, the main purposes of the listing process can be summarized as follows:

- to create additional value for the Company's shareholders through a potential valuation uplift from increasing market demand;
- to expand the reach beyond the current market and bolster Company's reputation. In addition, a potential inclusion in financial indices which can appeal to benchmark investors;
- to allow the Company to gain further access equity and debt markets to support the capital needs without losing control of the Company itself;
- to have the ability to retain additional resources to attract senior management and experienced professionals.

6. RISK FACTORS

The ability of the Issuer to earn its target return will be impacted by a number of factors. A summary of the key risks of investing in the Company is set out below. The risks set out below and other risks not specifically referred to may in the future materially adversely affect the value of an investment in the Company.

Company-specific risks

Risks relating to the Company and the Group

The risk associated with investing in the Company consists in the possible decrease in the value of the Company's shares, which in turn depends on the performance of the value and profitability of the assets and securities in which the Company's assets are invested.
Particularly, the following factors should be taken into account.

A. Risk relating to the Company's real estate activity

A.1 ***Risks relating to the performance of the real estate market***

The Italian real estate market experiences a cyclical trend and is influenced by a series of variable macroeconomic factors. Market demand and supply is in particular affected by, amongst others, general economic conditions, interest rate fluctuations, inflation trend, tax regime, market liquidity and alternative investment opportunities.
Although the Issuer pursues an investment strategy aimed at minimizing the impact of the economic cycles, an extended period of economy downturn or the occurrence of other factors that negatively impact real estate values could have an adverse effect on the Company's financial condition and results of operations.

A.2 ***Risks relating to the geographical concentration of the Group's property assets***

The Company mainly operates in the Italian market and its property assets are concentrated in northern and central Italy, thereby exposing it to the trends of the local economy. Consequently, the Company's results of operations and the value of its property portfolio can be negatively affected by a worsening of the local economy or of the real estate market in those Italian cities where the Company's real estate assets are concentrated.

A.3 ***Risks relating to the change in the legislative and regulatory framework***

The Company's activities are subject to a number of building, health and safety and planning legislation and regulations, both at a national and regional level, environmental laws and regulations at the European Community level, landlord-tenant legislation and specific tax regime. There can be no assurance that increased capital expenditures and operating costs resulting from future laws and regulations will not adversely affect the Company's results of operations and financial conditions.

The failure to comply by any property with the requisite standards may adversely affect such property's value or result in increased costs to be borne by the Issuer in order to remedy such non-compliance.

A.4 *Risks relating to competition in the real estate market*

The entry of international players in the Italian real estate market has, on the one hand, created increased liquidity in the market and on the other hand, resulted in more competitive pricing thereby restricting investment opportunities. This could have a negative effect on the Issuer's ability to purchase properties for sale in the short-term and thus on the Company's property sales activities and results of operations in general.

A.5 *Risks relating to pending disputes*

To this date, the Issuer is part to a number of legal and tax disputes arising in the ordinary course of her activities. The Company monitors the development of these proceedings, also with the help of external advisers, and where necessary, has recorded provisions considered appropriate in light of the circumstances following a prudent analysis of each dispute and the risks concerned. The evaluation of risks is however subjective and necessarily involves estimations of potential liabilities. There can therefore be no assurance that the ultimate outcome of these disputes will not have a material adverse impact on the Company's financial conditions as a whole.

A.6 *Risks relating to sources of funding*

In order to meet its funding needs, the Company relies on short- and medium-term credit facilities, long-term mortgage loans and syndicated bank loans. The Issuer also raises debt financing in the capital markets through bond issuances and securitisation transactions. Mortgage loans stipulated to fund property purchases are structured on the basis of the expected rental cash flows from the purchased property taking into account operating costs to be borne by the lessor. The Company has been able to meet its funding requirements to date, but there can be no assurance that it will be able to secure additional debt or equity financing to fund its capital expenditure requirements or to refinance its existing debts upon their maturity; or that it will be able to generate sufficient cash from operations to meet its funding costs.

A.7 *Risks relating to interest rate fluctuations*

The Issuer is exposed to the risk of interest rate fluctuations since its financial indebtedness is characterized by floating rate transactions. The Company seeks to minimize its exposure through hedging activities. The protection offered by derivative instruments is limited in amount and in time and, as a result, future interest rate fluctuations may nonetheless adversely affect the Company's financial conditions and results of operations.

A.8 *Risk relating to counterparty*

The counterparty risk refers to the possible risks of default relating to contracts entered into with the counterparties employed to carry out the Company's transactions.

A.9 ***Risk relating to operativeness***

The operational risks refer to all the activities and events deriving from deficiencies or inefficiencies in the organizational structure or IT systems, from human errors or external events.

B. Risk relating to the holding company activity

B.1 ***Risks associated with the distribution of dividends***

The distribution of dividends by the Issuer and the amount of such dividends depend on the Company's future profits which in turn depend on the dividends distributed by the Issuer's subsidiaries and affiliates and on the gains realized on divestments of these companies, events which by their nature are neither periodic nor recurrent. Accordingly, the Issuer's results in different financial years may not be regular and/or comparable. It is highlighted that where investments have been made having recourse also to debt financing, part of the resources arising from the divestment will as a priority be applied in repayment of such debt and only the remaining part may be used for the distribution of dividends.

The financial results of the Issuer are not indicators of the future profitability of the Issuer itself. There can be no assurance concerning the profitability of the Company in future periods. Further, the Issuer does not have a policy for the payment of dividends (for example a minimum distribution per share in absolute terms) and has not made any specific undertaking in this respect.

B.2 ***Risks associated with market conditions***

The Company holds investments in both publicly listed companies and non-listed companies. The value of the investments in listed companies is based on their market prices, whereas for investments in non-listed companies one of the methods used to value the shareholdings is based on multiples of comparable listed companies. Therefore, changes in prices and market conditions can negatively impact the value of the Company's business operations. A substantial weakening of equities and/or bond markets or changes in interest rates and/or currency exchange rates could impact negatively on the value of the Company's businesses. Further, the operating costs which the Company incurs cannot be reduced with the same speed as a fall or unabated decline in financial markets and, in the case of inadequately efficient cost management, this could negatively impact the financial results of the Issuer.

B.3 ***Risks associated with acquisitions and disposals***

No assurance can be given that the present investments or those in the future, if completed, will not impact negatively on the Issuer's results and financial position in the short and/or the medium term and on its ratings and will not encounter obstacles of an administrative, legal, technical, industrial, operational, regulatory, financial policy nature or other difficulties, such that they may not assure the achievement of the results, objectives or benefits expected. The Issuer is also exposed to the risk that the disposal of its investments may be affected on terms and conditions which are unsatisfactory with consequent negative impacts on its financial position and on its own prospects. The Issuer is a holding company and in the normal course of its business assesses new investment opportunities as well as opportunities to disinvest, such activity being its core business. Any delay in completing, or the failure to complete, an acquisition, disposal, merger, joint venture or similar operation, could prejudice the full achievement or delay fully achieving, the results and the benefits expected for the Issuer, and could have significant negative repercussions on the its business prospects and on its results and/or its financial situation.

B.4 *Risks associated with the investment portfolio and the concentration of investments*

The Issuer is *inter alia* a holding company and, consequently, the results of its major investments and the financial resources distributed by the subsidiaries and affiliates (as dividends or otherwise) have a significant influence on its results. The failure to achieve the objectives or the revision of the objectives by the subsidiaries and affiliates due to, among other things, deterioration of economic and financial conditions and of the general conditions of the market, may have a significant negative effect on the economic results and financial position and on the business activities, strategies and prospects of the Issuer, as well as on the performance of the Issuer shares on the stock market. No assurance can be given with regard to the fact that the Company will receive constant flows of dividends from the subsidiaries and affiliates which depend on the economic and financial performance and the investment and dividend policies of such companies. The Issuer holds a limited number of investments and, consequently, the economic and financial performance of the Company may be materially influenced by the negative performance or indeed the negative economic and financial results even of one of the investments made. The Company's investment portfolio is monitored and analyzed constantly both through use of corporate governance rights (e.g. board representation) and through constant dialogue with the management of the subsidiaries and affiliates without affecting their independence as the managers of the companies. The maintenance of long term investments and the decisions to invest and divest entail business risks, such as a high exposure to specific industries or to a particular investment, changes in market conditions and the presence of obstacles which impede the disposal of its investments.

B.5 *Risks associated with the loss of key management figures*

The success of the Company depends to a large extent on the abilities of its own senior executives and of the other components of the management team to manage efficiently the Issuer and the individual business areas. If the Issuer should lose the contribution of key executives, this could have a negative effect on the business prospects as well as the financial results and/or financial position. Furthermore, if one or more managers should resign from service with the Company's investee companies and should it not be possible to adequately replace them in a timely manner with persons of equal skill and experience, the competitive capacity of such companies could diminish with potentially negative effects on the business and on the ability to replicate the results achieved in the past.

Market-specific risks

The property market both nationally and internationally has a cyclical trend and is conditional to a series of variable macroeconomic as the relationship between the supply and demand which is linked, *inter alia*, to general conditions of economy, variables of interest rates, inflation, taxation, liquidity on the market and the presence of alternative remuneration investments.

The domestic real estate market, although, has been characterized in the last five years of an excellent dynamics, linked to the reproduction of national economy and continuing low interest rates. Although the Company adopted a financial investment policy to minimize the effects of the different phases of the economic cycle, it cannot exclude that evaluation of the growing trends of the sector or the evaluation of other factors which may increase the value of the property, can make negative effects on the Company's income, with possible effects of the situation on economic, capital and / or financial situation of the Company.

Generally, investment in real estate sector is subject to various risks, including (i) adverse changes in political or economic conditions, such as domestic or international recessions and overall declines in consumer demand; (ii) adverse local real estate market conditions; (iii) changes in interest, inflation, and foreign exchange rates, (iv) changes in international monetary policies or other economic policies; (v) unexpected increases in real estate operating expenses; (vi) changes in environmental laws and regulations, zoning laws, and other governmental rules and fiscal policies; (vii) environmental claims arising with respect of real estate property; (viii) changes in market rental rates and real estate property prices; (ix) acts of a tenant that may impact the business or reputation of the lessor; (x) inability to collect rents from tenants on a timely basis or at all due to tenants' bankruptcy or insolvency or otherwise; (xi) insufficiency of insurance coverage or increases in insurance premiums; (xii) inability of the manager of a real estate property to provide or procure the provision of adequate maintenance and other services; (xiii) the relative illiquidity associated with investment in real estate property; (xiv) force majeure, uninsurable losses, and other factors.

7. BUSINESS PLANS FOR THE COMING YEARS

	2017F	2018E	2019E	2020E
SALES	**1,418**	**6,420**	**11,028**	**14,852**
EBITDA	**303**	**2,540**	**4,288**	**5,829**
%	21.4%	39.6%	38.9%	39.2%
NET INCOME	**42**	**2,278**	**4,147**	**5,637**
%	3.0%	35.5%	37.6%	38.0%
INVESTED CAPITAL	**18,588**	**18,804**	**20,270**	**21,751**
SHAREHOLDERS' EQUITY	**(14,530)**	**(16,808)**	**(20,954)**	**(26,592)**
NET FINANCIAL POSITION	**(4,058)**	**(1,996)**	**685**	**4,841**

	2017F	2018E	2019E	2020E
SALES	**59,639**	**69,103**	**67,992**	**66,398**
EBITDA	**-1,581**	**2,495**	**5,200**	**7,868**
%	-2.7%	3.6%	7.6%	11.9%
NET INCOME	**-2,735**	**1,540**	**4,736**	**7,590**
%	-4.6%	2.2%	7.0%	11.4%
INVESTED CAPITAL	**90,239**	**79,625**	**75,971**	**71,855**
SHAREHOLDERS' EQUITY	**(21,251)**	**(23,641)**	**(28,377)**	**(35,967)**
NET FINANCIAL POSITION	**(68,988)**	**(55,984)**	**(47,594)**	**(35,888)**

Business Plan stand-alone

METICAPITAL SPA (€.000)				
€.000	**2017F IAS**	**2018E IAS**	**2019E IAS**	**2020E IAS**
Intangible Assets	2,492	2,492	2,492	2,492
Tangible Assets	32	48	92	156
Financial Assets	13,039	13,889	13,889	13,889
Tot. Capital Employed	**15,563**	**16,429**	**16,473**	**16,537**
Inventory	3,336	1,861	2,741	3,841
Receivables	2,280	2,866	3,675	4,282
Accrued Income and Prepaid Expenses	93	-	-	-
Current Assets	**5,710**	**4,727**	**6,417**	**8,123**
Payables	(1,499)	(1,200)	(1,348)	(1,608)
Tax and SS payables	(443)	(429)	(526)	(530)
Other Payables	(689)	(689)	(689)	(689)
Accrued Liabilities and Deferred Income	(39)	-	-	-
Current Liabilities	**(2,669)**	**(2,318)**	**(2,563)**	**(2,828)**
Working Capital	**3,041**	**2,410**	**3,853**	**5,295**
Employees' termination benefits provision (TFR)	(16)	(35)	(57)	(82)
Long Term Liabilities	**(16)**	**(35)**	**(57)**	**(82)**
Invested Capital	**18,588**	**18,804**	**20,270**	**21,751**
Shareholders Equity	**(14,530)**	**(16,808)**	**(20,954)**	**(26,592)**
Long Term NFP	**(3,303)**	(2,441)	(2,479)	(2,633)
Short Term NFP	**(754)**	**444**	**3,164**	**7,474**
Cash and cash equivalents	*466*	1,125	4,166	8,879
Short Term Debt	*(1,220)*	(681)	(1,002)	(1,405)
Shareholders Equity + NFP	**(18,588)**	**(18,804)**	**(20,270)**	**(21,751)**
	-	-	-	-

		-	-	-
€/000	**2017F IAS**	**2018E IAS**	**2019E IAS**	**2020E IAS**
Revenues				
Revenues from sales and services	1,314	10,470	15,348	20,252
Construction Management	*1,309*	*3,700*	*7,300*	*10,000*
Construction Management intragroup	-	*700*	*500*	*500*
Direct Investment – sales	-	*6,065*	*7,543*	*9,747*
Direct Investment – rental	*5*	*5*	*5*	*5*
Change in work in process and finished goods	-	(4,050)	(4,320)	(5,400)
Other revenues and income	104	-	-	-
Total Revenues	**1,418**	**6,420**	**11,028**	**14,852**
Production costs				
Cost of raw materials, consumables and merchandise	(15)	-	-	-
Cost of services	(1,236)	(3,045)	(5,557)	(7,538)

Cost of rents and leases	(150)	(154)	(159)	(163)
Personnel costs	(222)	(255)	(293)	(337)
Other operating expenses	(292)	(426)	(731)	(985)
Change in raw materials, consumables and merchandise	800	-	-	-
Total Operating Costs	**(1,115)**	**(3,880)**	**(6,740)**	**(9,023)**
EBITDA	**303**	**2,540**	**4,288**	**5,829**
Depreciation and Amortization	(99)	(184)	(29)	(49)
EBIT	**204**	**2,356**	**4,259**	**5,780**
Net Financial income and expenses	(132)	93	108	128
Net Adjustments to the carrying value of financial assets	-	-	-	-
EBT	**72**	**2,449**	**4,367**	**5,908**
Current and deferred income taxes	(30)	(172)	(221)	(270)
Net income (loss)	**42**	**2,278**	**4,147**	**5,637**

Business Plan consolidated

METICAPITAL GROUP - PRO-FORMA CONSOLIDATED				
€.000	**2017F**	**2018**	**2019**	**2020**
Intangible Assets	6,729	7,579	7,579	7,579
Tangible Assets	32	48	92	156
Financial Assets	8,814	10,078	11,840	13,093
Tot. Capital Employed	**15,575**	**17,705**	**19,511**	**20,828**
Inventory	75,567	62,440	56,589	50,958
Receivables	2,673	3,002	3,811	4,418
Accrued Income and Prepaid Expenses	2,696	2,601	2,601	2,601
Current Assets	**80,935**	**68,044**	**63,002**	**57,978**
Payables	(1,835)	(1,536)	(1,685)	(1,945)
Tax and SS payables	(3,183)	(3,354)	(3,603)	(3,726)
Other Payables	(1,199)	(1,199)	(1,199)	(1,199)
Accrued Liabilities and Deferred Income	(39)	-	-	-
Current Liabilities	(6,256)	(6,089)	(6,486)	(6,870)
Working Capital	**74,680**	**61,955**	**56,516**	**51,108**

Employees' termination benefits provision (TFR)	(16)	(35)	(57)	(82)
Long Term Liabilities	**(16)**	**(35)**	**(57)**	**(82)**
Invested Capital	**90,239**	**79,625**	**75,971**	**71,855**
Shareholders' Equity	**(21,251)**	**(23,641)**	**(28,377)**	**(35,967)**
Long Term NFP	**(68,582)**	**(58,152)**	**(51,459)**	**(44,882)**
Short Term NFP	**(406)**	**2,168**	**3,866**	**8,995**
Cash and cash equivalents	*1,331*	*5,048*	*8,304*	*13,270*
Short Term Debt	*(1,738)*	*(2,881)*	*(4,438)*	*(4,275)*
Shareholders Equity + NFP	**(90,239)**	**(79,625)**	**(75,971)**	**(71,855)**

Consolidated Profit & Loss Statement 2016-2020

€/000	2017F	2018	2019	2020
Revenues				
Revenues from sales and services	2,074	17,039	16,617	21,521
Construction Management	*1,309*	*4,400*	*7,800*	*10,500*
Construction Management intragroup	-	*700*	*500*	*500*
Direct Investment - sales	*760*	*12,634*	*8,812*	*11,016*
Direct Investment - rental	*5*	*5*	*5*	*5*
Change in work in process and finished goods	57,310	51,609	49,528	41,717
Other revenues and income	255	455	1,847	3,160
Total Revenues	**59,639**	**69,103**	**67,992**	**66,398**
Production costs				
Cost of raw materials, consumables and merchandise	(16)	-	-	-
Cost of services	(1,538)	(5,254)	(7,606)	(9,757)
Cost of rents and leases	(150)	(290)	(295)	(300)
Personnel costs	(222)	(747)	(800)	(860)
Other operating expenses	(662)	(437)	(743)	(996)
Change in raw materials, consumables and merchandise	(58,633)	(60,579)	(53,848)	(47,117)
Total Operating Costs	(61,221)	(66,607)	(62,792)	(58,530)
EBITDA	**(1,581)**	**2,495**	**5,200**	**7,868**
Depreciation and Amortization	(99)	(184)	(29)	(49)
EBIT	**(1,680)**	**2,311**	**5,171**	**7,819**
Net Financial income and expenses	(601)	(89)	240	688
Net Adjustments to the carrying value of financial assets	(50)	-	-	-
EBT	**(2,332)**	**2,222**	**5,411**	**8,507**
Current and deferred income taxes	(403)	(682)	(675)	(917)

Net income (loss)	**(2,735)**	**1,540**	**4,736**	**7,590**