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## Press Release

### **Methorios Capital S.p.A.**

### **Shareholders' Meeting**

#### **Ordinary Meeting**

1. Approval of the Company's Financial Statements as of December 31, 2016 with pertinent and consequent decisions;
2. Presentation of the Group's Consolidated Financial Statements as of December 31, 2016;
3. Appointment of the Chairman of the Board of Director following the resignation of Mr. Paolo Cacciari
4. Appointment of the Honorary Chairman.
5. Replacement by cooptation of a resigning Independent Member of the Board of Directors.
6. Appointment of the Board of Statutory Auditors and its Chairman for the period 2017-2019 and determination of their compensation following the resignation of the current Board of Statutory Auditors;
7. Exercise action of responsibility against previous Directors and Managers with pertinent and consequent decisions.

#### **Extraordinary Meeting**

1. Measures pursuant art. 2446 of the Italian Civil Code with pertinent and consequent decisions;
2. Change of the Company name with pertinent and consequent decisions.

**Rome, 4 August 2017** – The Shareholders' Meeting of Methorios Capital S.p.A. ("Methorios" or the "Company"), held today on second call in Rome, Via della Fonte di Fauno n. 12, resolved to approve the financial statement at 31 December 2016; resolved to appoint the honorary Chairman; resolve to confirm Mr Saldutti as Independent member of the Board of Directors; resolve to appoint the new Board of Statutory Auditors and its Chairman and determined its compensation for the period 2017-2019; resolve to delegate the Board of Directors to carry out appropriate internal investigations over the last 5 financial year and to convene a new Shareholders' Meeting in order to report the result of such investigation within the end of the current financial year and resolve to change the Company name in "Argiletum Merchant S.p.A." .

Below are summarized the resolutions related to the items in agenda:

- **Approval of the financial statement at 31 December 2016, with pertinent and consequent decisions. Presentation of the consolidated yearly financial report at 31 December 2015.**

The Shareholders' Meeting approved the financial statement at 31 December 2016 as proposed by the Board of Directors on 5 July 2017 and acknowledged the consolidated yearly financial report at 31 December 2016. The Shareholders' Meeting also approved to carry forward the loss for the year 2016.

Hearbelow the Key figures of Consolidated and Parent Company Financial Statements:

➤ **Consolidated Figures 2016**

- Operating Revenues €1 million (€ 2.5 million in 2015);
- Operating Income € -13.8 million (€ -61.9 million in 2015);
- Net Income € - 12.9 million (€ -62.1 million in 2015);
- Shareholders' Equity € 8.4 million (€ 22.4 million in 2015);
- Net Financial Debt € 0.4 million (€ 3.2 million in 2015).

The 2016 Consolidated Report includes, as long as the results of Methorios, the following subsidiaries: Methorios Capital Services Ltd (owned at 100%), Methorios Capital LLP (owned at 100%) and Sunstream S.A. (owned at 100%). Compared to 2015, the Group's scope of consolidation saw the exit of Methorios Insurance Broker S.p.A. and its subsidiaries since the entity has been placed in liquidation.

**Trend of the Group in the Fiscal Year 2016**

The negative net result of € 12.9 million (negative of € 62.1 million in 2015), is mainly attributable to impairment of assets equal to €13.4 million (€ 54.9 million in 2015). The impairment was due in part to the impossibility of reliably determining the fair value of two equity assets.

Operating costs show a significant decrease across individual budget items; in particular, net of reductions due to variations in the scope of consolidation, service costs decreased by € 2 million, mainly due to a decrease in consultancy costs (€ 1.5 million), Personnel costs dropped by € 1,5 million following the Parent Company's resolutions of working relationships with former executives, and other operating costs decreased by € 0.6 million. Significant write-offs of €13.4 million derived from the particularly cautious approach adopted in the recognition at fair value of the equity investments. However, those losses improved sharply compared to the previous period.

The Group's financial position at 31 December 2016 shows the following main items:

- tangible assets equal to €0.2 million (€0.5 million in 2015). The change compared to the previous year is mainly attributable to a €0.2 million write-down of the non-instrumental real estate property held by the Parent Company;
- Intangible assets zeroed (€3,8 million in 2015). The decrease was due almost entirely to the complete write-down of the Goodwill related to the Parent Company's CGU advisory (€ 1,5 million) and to the previously recorded goodwill on Methorios Capital Services Ltd (€ 2.2 million) believed to be no longer recoverable by the Directors;
- Equity investments in associated companies equal to zero (€ 5 million in 2015). The change from the previous year is attributable to the reclassification of the Parent Company's equity share in Imvest S.p.A. to "assets held for sale" following the Directors' decision to divest the entire stake within 12 months. The value of Astrim S.p.A. was maintained at zero due to a lack of information needed to determine its fair value;
- Investments in other companies equal to €8,9 million (€18,1 million in 2015). The decrease compared to the previous year is attributable mainly to the following components: (i) zeroing the € 6,6 million investment in Prodigy Capital LLC due to lack of the information needed to determine its fair value; (ii) the write-down of the investment held in Net Insurance S.p.A. by € 1.6 million as a result of adjusting the value of the investment based on the subsidiary's share price; (iii) depreciation due to adjustment to the fair value of the equity investment in Dynamica Retail S.p.A., by €0.5 million;
- Trade receivables of €0.4 million (€0.5 million in 2015, net of changes in the scope of consolidation), slightly down on the previous year, with respect to bad debt provisions for the deterioration of some positions;
- other current receivables of € 1,7 million (€ 2 million in 2015). The decrease is primarily attributable to the allocation to bad debt provisions of part of the amounts of credit outstanding from the associate Astrim S.p.A., in the amount of €0.3 million;
- assets held for sale of € 3,7 million (zero in 2015). The change is attributable to the reclassification of the above-mentioned holding held by the Parent Company in the share capital of Imvest S.p.A.

Shareholders' equity at 31 December 2016 amounted to €8.8 million (€ 22.4 million in 2015), mainly due to losses of €12.9 million recorded for the year.

Net financial debt at 31 December 2016, amounted to negative at €0.4 million (negative at €3.2 million in 2015).

## Data and figures connected to the Parent Company Financial Report at 31 December 2015

### ➤ Consolidated Figures 2016

- Operating Revenues €1 million (€ 1.3 million in 2015);
- Operating Income € -15.1 million (€ -51.7 million in 2015);
- Net Income € -15 million (€ -51.9 million in 2015);
- Shareholders' Equity € 8 million (€ 22.8 million in 2015);
- Net Financial Debt € 4.5 million (€ 2.3 million in 2015).

The negative net result of €15 million (negative €51,9 million in 2015), is mainly attributable to impairment of assets equal to €13.9 million (€45.4 million in 2015). The impairment was due in part to the impossibility of reliably determining the fair value of two equity assets. In this respect, the Board of Directors has formally undertaken not to divest these holdings, until it can determine their fair value.

Methorios in 2016 continued its cost-cutting policy and embarked on a policy of divesting from assets that are not strictly strategic to its core business. The objective is to improve the company's financial equilibrium while refocusing its services offered, gradually abandoning its merchant banking activity in favour of advisory services, and expanding its offer.

Operating costs show a significant decrease across individual budget items; in particular, net of reductions due to variations in the scope of consolidation, service costs decreased by €1,4 million mainly due to a decrease in consultancy costs (€0.8 million), personnel costs dropped by €1,5 million following the Parent Company's resolutions of working relationships with former executives.

Financial management was in line with the previous fiscal year and substantially influenced by accrued intragroup interest expenses owed by the Methorios Capital Services Ltd subsidiary (€0.2 million).

The Company's financial asset position at 31 December 2016 shows the following main items:

- Tangible assets worth €0.2 (€0.3 in 2015). The change compared to the previous year is mainly attributable to a €160,000 write-down of the non-instrumental real estate property held by the Company;
- Intangible assets worth to zero (€1,5 million in 2015). The decrease was due almost entirely to the complete write-down of goodwill for CGU advisory believed to be no longer recoverable by the Directors;
- Equity investments in subsidiaries of €4,3 million (€6,8 million in 2015). The change is due mainly to adjustments in the *fair value* of the subsidiaries (i) Methorios Capital Services Ltd, of €2,5 million due to the modification of the evaluation method of the company following the failure to implement the Economic and Financial Plan drawn up by management last year, and (ii) Sunstream, S.A., of €0.3 million due to the company's current lack of an Industrial Plan;
- Equity in associated companies of €3,6 million (€4,7 million in 2015). The change compared to the previous fiscal year is due mainly to the decrease in the Company's shares in Imvest S.p.A. The value of associated company Astrim S.p. A. was maintained at zero due to a lack of information needed to carry out an impairment test;
- Equity in other companies is equal to €8,9 million (€18,1 million in 2015). The decrease compared to the previous fiscal year is due mainly to the following components: (i) zeroing the investment of €6,6 million in Prodigy Capital LLC due to a lack of information needed to carry out an impairment test; (ii) the write-down of equity held in Net Insurance S.p.A. by €1,6 million following a value adjustment based on the subsidiary's share price; (iii) the write-down due to adjustment to fair value of equity in Dynamica Retail S.p.A., equal to €0.5 million;
- trade receivables of €0.4 million euro, slightly down on the previous year, in connection with allocations for bad debt provisions due to the deterioration of some positions;
- other current receivables of €1,7 million (€2 million in 2015). The decrease is due mainly to the allowance for bad debt related to the receivable due from the associated company Astrim S.p.A. for €0.3 million.

Net shareholders' equity at 31 December 2016 amounted to €8 million (€22,8 million in 2015), almost wholly due to losses of €15 million recorded for the fiscal year.

Net financial debt at 31 December 2016 equalled €4,6 million (€2,3 million in 2015).

The financial statement and the consolidated yearly financial report are available on Methorios' website in the Investor Relations/ Financial Information.

- **Appointment of the Chairman of the Board of Director following the resignation of Mr. Paolo Cacciari.**

The Shareholders' Meeting determined to postpone the appointment of the new Chairman of the Board of Directors, replacing the resignation of Paolo Cacciari, to the next Shareholders' Meeting given the possibility that a new partner could be shortly involved as a strong minority Shareholder.

- **Appointment of the Honorary Chairman.**  
The Shareholders' Meeting determined to appoint Mr Antonio Muto as Honorary Chairman for special merit in Satis – Methorios project.
- **Replacement by cooptation of a resigning Independent Member of the Board of Directors.**  
The Shareholders' Meeting determined to confirm Mr Nicola Saldutti as Independent member of the Board of Directors,
- **Appointment of the Board of Statutory Auditors and its Chairman for the period 2017-2019 and determination of their compensation following the resignation of the current Board of Statutory Auditors;**

The Shareholders' Meeting appointed the following Board of Statutory Auditors: Alessandro Ciccaglione (Chairman), Giancarlo Ardochini (Effective Auditor), Alessandro Mancini (Effective Auditor) and determined their compensation. The Board of Statutory Auditors will remain in charge until the Shareholders' Meeting called to approve the financial statement at 31 December 2019.

- **Exercise action of responsibility against previous Directors and Managers with pertinent and consequent decisions.**  
The Shareholders' Meeting resolved to delegate the Board of Directors to carry out appropriate internal investigations over the last five financial years starting in 2011, with particular reference to investment and disinvestment that have caused the unjustified decrease of the Company Equity as well as initiatives of any nature which are in any case to qualify as committed in detriment of the Company. The Shareholders' Meeting invites the Board of Directors to report the result of investigation by convening a special Shareholders' Meeting by financial year 2017, also in the light of the results, where known, of ongoing investigations by the Prosecutor of the Republic of Rome for the same financial years.
- **Measures pursuant art. 2446 of the Italian Civil Code with pertinent and consequent decisions;**  
The Shareholders' Meeting resolved to cover the losses carried forward, amounting to € 69,806,495 including the Result of the year for € 15,084,317, through the use of the available reserves and, for the remain part, through the reduction of the share capital as follows:
  - a. Clearance of the Share Premium Reserve amounting to € 53,958,140;
  - b. Clearance of the Legal Reserve amounting to € 1,197,013;
  - c. Reduction in Share Capital for € 14,651,342.

As a consequence, the new Share Capital is equal to € 7,971,199.65

- **Change of the Company name with pertinent and consequent decisions**

The Shareholders' Meeting resolved to change the Company name in "Argiletum Merchant S.p.A." in order to show a full discontinuity with the former management.

Minutes of the Shareholders' Meeting will be made available according to laws currently in force.

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Methorios Capital S.p.A. – Methorios is an advisory firm which represents a platform of a new open and independent generation specialized in corporate finance transactions for small and medium sized enterprises that focuses its activity in the area of M&A transactions, IPO listings and financial restructuring and recapitalizations, The company benefits from its expertise in the sectors of aerospace and defence, publishing and new media, information technology, gaming and betting, telecommunications, real estate, renewable energy, oil and gas exploration, production and distribution, life style and luxury, movie production and distribution, mining.

Drawing on the 20 years experience of its partners in the area of Corporate Finance and benefiting from the relationship network of its management, Methorios has since its founding become the point of reference for SMEs in Italy.

Methorios is an open advisory platform of a new generation that is unique in its independence from any banking institution and for its ability to develop long term relationships with its clients, offering services in tailor made structuring operations and the provision of assistance in addressing extraordinary situations, In addition to this activity, Methorios invests in minority holdings in companies, be they clients and potential clients, both listed and private. The shares ISIN code is IT 0004615396.

For further information:

## **Listing Sponsor**

Midcap Partners  
96, boulevard Haussmann  
75008 Paris  
Tel : +33 (0)1 55 04 04 55  
Fax : +33 (0)1 55 04 04 59

**Methorios Capital S.p.A.: Balance Sheet and Income Statement**

**BALANCE SHEET**

**Assets**

<i>(Values in Euro)</i>	<b>31/12/2016</b>	<b>31/12/2015 Restated</b>	<b>01/01/2015 Restated</b>
<i>Non-current assets</i>			
Property, plant and equipment	204,167	378,677	404,294
Goodwill and intangible assets with defined useful life	373	1,468,535	3,955,458
Equity investments in subsidiaries	4,317,539	6,826,065	18,751,714
Equity investments in associated companies	3,660,011	4,677,414	27,142,131
Equity investments in other companies	8,893,444	18,105,475	30,080,191
Other non-current receivables	22,054	21,643	178,821
Tax receivables	-	-	-
<b>Total Non-current Assets</b>	<b>17,097,587</b>	<b>31,477,809</b>	<b>80,512,609</b>
<i>Current assets</i>			
Trade receivables	373,753	396,453	647,215
Other receivables	1,659,571	2,076,908	3,904,907
Assets held for trading	1,165	557,176	5,454,110
Other current assets	810,854	601,156	631,684
Tax receivables	43,753	281,695	253,016
Cash and cash equivalents	182,053	165,948	130,197
<b>Total Current Assets</b>	<b>3,071,148</b>	<b>4,079,336</b>	<b>11,021,129</b>
<b>Total Assets</b>	<b>20,168,735</b>	<b>35,557,145</b>	<b>91,533,738</b>

Liabilities

<i>(Values in Euro)</i>	<b>31/12/2016</b>	<b>31/12/2015 Restated</b>	<b>01/01/2015 Restated</b>
<u>Shareholders' equity</u>			
Share capital	22,012,283	22,012,283	22,012,283
Other reserves	629,975	52,379,253	52,425,104
IFRS Reserve	609,660	609,660	609,660
Net result for the year	(15,084,317)	(51,943,810)	-
Reserve for actuarial gains and losses	(122,955)	(199,591)	(197,045)
<b>Total Shareholders' Equity</b>	<b>8,044,646</b>	<b>22,857,795</b>	<b>74,850,002</b>
<u>Non-current liabilities</u>			
Non-current financial payables	1,069,111	1,527,694	1,966,446
Other non-current payables	-	-	-
Provision for employee benefits	114,353	608,873	486,138
<b>Total Non-current Liabilities</b>	<b>1,183,465</b>	<b>2,136,566</b>	<b>2,452,584</b>
<u>Current liabilities</u>			
Current financial payables	5,842,991	5,768,051	7,474,256
Trade payables	949,958	866,862	669,102
Current tax payables	390,503	860,252	1,568,434
Other current payables	1,839,043	2,030,478	4,123,666
Other current liabilities	1,918,129	1,037,140	395,694
<b>Total Current Liabilities</b>	<b>10,940,625</b>	<b>10,562,784</b>	<b>14,231,152</b>
<b>Total Liabilities</b>	<b>12,124,029</b>	<b>12,699,350</b>	<b>16,683,736</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>20,168,735</b>	<b>35,557,145</b>	<b>91,533,738</b>

## Income Statement

<i>(Values in Euro)</i>	<b>2016</b>	<b>2015 Restated</b>
Revenues	764,343	1,159,590
Write-ups on assets	305,901	152,811
<b>Revenues from operating activities</b>	<b>1,070,244</b>	<b>1,312,401</b>
Other income	1,223,874	6,137
Services	(735,999)	(2,121,968)
Leasing and operational rentals	(142,373)	(238,195)
Personnel expenses	(616,699)	(2,113,835)
Other operating costs	(537,014)	(1,222,920)
Provisions for risks and charges and impairment	(1,408,165)	(1,951,609)
Loss of value of assets - Impairment losses	(13,952,694)	(45,403,061)
Amortisation and depreciation	(33,403)	(45,165)
<b>EBIT</b>	<b>(15,131,630)</b>	<b>(51,778,214)</b>
Financial income	128,124	193,573
Financial expenses	(327,105)	(412,699)
<b>Net financial (income) expenses</b>	<b>(198,981)</b>	<b>(219,125)</b>
<b>EBT</b>	<b>(15,330,611)</b>	<b>(51,997,340)</b>
Income tax	-	-
Deferred taxes	246,294	53,529
<b>Net result</b>	<b>(15,084,317)</b>	<b>(51,943,810)</b>

**Methorios Capital Group:  
Consolidated Balance Sheet and Income Statement**

**Assets**

<i>(Values in thousands of Euro)</i>	<b>31/12/2016</b>	<b>31/12/2015 Restated</b>	<b>01/01/2015 Restated</b>
<u>Non-current assets</u>			
Property, plant and equipment	204	502	9,072
Goodwill and intangible assets with defined useful life	-	3,799	6,364
Equity investments in subsidiaries	-	-	-
Equity investments in associated companies	-	4,989	35,960
Equity investments in other companies	8,894	18,122	30,080
Other non-current receivables	22	73	21
<b>Total Non-current Assets</b>	<b>9,120</b>	<b>27,485</b>	<b>81,497</b>
<u>Current assets</u>			
Inventories	-	100	-
Trade receivables	374	1,170	1,019
Other receivables	1,665	2,057	3,479
Assets held for trading	27	663	5,847
Other current assets	811	1,028	1,103
Tax receivables	52	295	274
Cash and cash equivalents	285	1,271	934
<b>Total Current Assets</b>	<b>3,214</b>	<b>6,584</b>	<b>12,656</b>
<b>Assets held for sale</b>	<b>3,660</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>15,994</b>	<b>34,069</b>	<b>94,153</b>

Liabilities

<i>(Values in thousands of Euro)</i>	<b>31/12/2016</b>	<b>31/12/2015 Restated</b>	<b>01/01/2015 Restated</b>
<u>Shareholders' equity</u>			
Capitale sociale	22,012	22,012	22,012
Share capital	(28)	61,952	56,496
IFRS Reserve	610	610	610
Reserve for actuarial gains and losses	(123)	(199)	(197)
Consolidation reserve	(115)	-	28
Translation reserve	(651)	267	410
Held for sale reserve	(318)	-	-
Net result for the year	(12,906)	(62,139)	-
Shareholders' equity of non-controlling interests	-	(103)	1,583
<b>Total Shareholders' Equity</b>	<b>8,481</b>	<b>22,400</b>	<b>80,942</b>
<u>Non-current liabilities</u>			
Non-current financial payables	1,069	1,528	3,887
Other non-current payables	-	-	-
Provision for employee benefits	114	722	496
Other funds	-	22	4
<b>Total Non-current Liabilities</b>	<b>1,183</b>	<b>2,272</b>	<b>4,387</b>
<u>Current liabilities</u>			
Current financial payables	1,033	1,314	3,276
Trade payables	1,147	2,559	1,498
Current tax payables	391	1,630	1,619
Other current payables	1,839	2,732	2,001
Other current liabilities	1,918	1,163	430
<b>Total Current Liabilities</b>	<b>6,329</b>	<b>9,398</b>	<b>8,824</b>
<b>Total Liabilities</b>	<b>7,513</b>	<b>11,670</b>	<b>13,211</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>15,994</b>	<b>34,069</b>	<b>94,153</b>

**INCOME STATEMENT**

<i>(Values in thousands of Euro)</i>	<b>2016</b>	<b>2015 Restated</b>
Revenue	739	2,360
Write-ups on assets	306	153
<b>Revenues from operating activities</b>	<b>1,045</b>	<b>2,513</b>
Other income	2,380	162
Consumption of material and other	-	(21)
Services	(831)	(3,527)
Leasing and operational rentals	(142)	(345)
Personnel expenses	(617)	(2,836)
Other operating costs	(575)	(1,398)
Provisions for risks and charges and impairment	(1,645)	(1,715)
Loss of value of assets - Impairment losses	(13,408)	(54,935)
Amortisation and depreciation	(33)	(126)
Portion of results from equity investments recognised using the shareholders' equity method	-	336
<b>EBIT</b>	<b>(13,826)</b>	<b>(61,893)</b>
Financial income	790	176
Financial expenses	(116)	(242)
<b>Net financial income (expenses)</b>	<b>674</b>	<b>(66)</b>
<b>EBT</b>	<b>(13,151)</b>	<b>(61,959)</b>
Income tax	(1)	(11)
Deferred taxes	246	(169)
<b>Net result</b>	<b>(12,906)</b>	<b>(62,139)</b>
of which pertaining to the Group	(12,906)	(60,136)
of which pertaining to non-controlling interests	-	(2,003)
<b>Profit/(loss) per share (values in Euro)</b>	<b>(0,10)</b>	<b>(0,46)</b>