

PERIODIC FINANCIAL INFORMATION  
AT 31 MARCH 2019





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# INTERIM REPORT ON OPERATIONS

I.M.A. INDUSTRIA MACCHINE AUTOMATICHE S.P.A.

HEAD OFFICE: OZZANO DELL'EMILIA (BOLOGNA) SHARE CAPITAL FULLY PAID-IN: €20,415,200

REGISTERED WITH THE BOLOGNA COMPANIES REGISTER AT NO. 00307140376

(THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN TRANSLATED FROM THE ORIGINAL ITALIAN INTO ENGLISH SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## DIRECTORS AND OFFICERS

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### BOARD OF DIRECTORS

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2020)

#### **HONORARY CHAIRMAN AND DIRECTOR**

Marco Vacchi

#### **CHAIRMAN AND MANAGING DIRECTOR**

Alberto Vacchi

*Delegated powers:* all powers of ordinary and extraordinary administration, excluding the following powers:

- ) to transfer or receive for whatever purpose or reason, shares or quotas in companies, associations or entities, lines of business, businesses or combinations of businesses and real estate;
- ) to give secured or other guarantees, and give sureties or letters of patronage, except (in relation to the sureties and letters of patronage) for those given on behalf of direct or indirect subsidiaries of the Company or associates;
- ) to grant beneficial rights over the assets of the Company.

#### **CHIEF OPERATING OFFICERS**

Giovanni Pecchioli

*Delegated powers:* the powers associated with responsibility for the Pharmaceutical business.

#### **DIRECTORS**

Sonia Bonfiglioli, Stefano Cataudella, Cesare Conti, Paolo Frugoni, Andrea Malagoli, Luca Poggi, Rita Rolli, Alessandra Schiavina, Maria Carla Schiavina, Gianluca Vacchi, Valentina Volta.

## **BOARD OF STATUTORY AUDITORS**

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2021)

### **STANDING AUDITORS**

Francesco Schiavone Panni - Chairman  
Roberta De Simone  
Riccardo Andriolo

### **ALTERNATE AUDITORS**

Chiara Molon  
Giovanna Bolognese  
Federico Ferracini

## **INTERNAL CONTROL, RISK AND RELATED-PARTY TRANSACTIONS COMMITTEE**

Rita Rolli - Independent Director - Chairman  
Cesare Conti - Independent Director - Deputy Chairman  
Sonia Bonfiglioli - Independent Director

## **NOMINATIONS AND REMUNERATION COMMITTEE**

Paolo Frugoni - Independent Director - Chairman  
Maria Carla Schiavina - Director - Deputy Chairman  
Rita Rolli - Independent Director

## **MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS**

Sergio Marzo

## **LEAD INDEPENDENT DIRECTOR**

Paolo Frugoni

## **INDEPENDENT AUDITORS**

(In office until the Shareholders' Meeting called to approve the financial statements at 31 December 2021)

EY S.p.A.

GROUP STRUCTURE AT 31 MARCH 2019



## GROUP PERFORMANCE

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### GENERAL PERFORMANCE

In the April 2019 update of its World Economic Outlook, the IMF cut global GDP growth in 2019 by 0.2%, compared with the January figure, which was reduced to 3.3% (3.7% in 2018).

The slowdown is widespread because it concerns both the major advanced economies and those in developing and emerging markets.

As expected, there is no winner in the so-called "tariff war" between the United States and China, even if an agreement is expected to be reached between the two superpowers; the IMF hopes that such an agreement might allow the various countries to work together to reduce tariff barriers and modernize the global trading system.

However, the outlook for global growth remains "uncertain", with a "prudent" outlook because of these commercial tensions, not to mention Brexit and a general risk of instability linked to various factors, such as the upcoming European elections scheduled towards the end of May 2019, as well as for potential turbulence on financial markets.

The IMF is calling on all countries to make more efficient use of fiscal policy, to achieve a better balance between growth, welfare objectives and debt sustainability.

In this context, during the first quarter of 2019 the Group still managed to generate a steady stream of orders in all key sectors.

### CONSOLIDATED INCOME STATEMENT

IMA Group revenue in first quarter 2019 amounted to 326.1 million euros, compared with 306.3 million euros in the same period of 2018.

EBITDA amounted to 38.7 million euros, an increase over the first quarter of 2018 when it was 36.9 million euros.

The operating profit amounted to 21.9 million euros, compared with 28.1 million euros in first quarter 2018.

The following is a summarized version of the income statement for the period under review, with comparative figures for the corresponding period in 2018, restated following the sale, during 2018, of 60% of the investment in IMA Dairy & Food Holding GmbH:

in millions of euros	1st quarter 2019		1st quarter 2018 RESTATED	
	Amount	%	Amount	%
<b>Revenue from contracts with customers</b>	<b>326.1</b>		<b>306.3</b>	
Cost of sales	(212.7)	65.2	(195.9)	64.0
<b>Industrial gross profit</b>	<b>113.4</b>	34.8	<b>110.4</b>	36.0
R&D costs	(14.2)		(13.4)	
Commercial and sales costs	(33.9)		(30.4)	
General and administrative costs	(42.9)		(38.5)	
<b>Operating profit before non-recurring items (EBITA)</b>	<b>22.4</b>	6.9	<b>28.1</b>	9.2
Non-recurring items	(0.5)		–	
<b>Operating profit (EBIT)</b>	<b>21.9</b>	6.7	<b>28.1</b>	9.2
Net financial income (expense)	(3.7)		(3.3)	
<b>Profit before taxes</b>	<b>18.2</b>	5.6	<b>24.8</b>	8.1
Taxes	(5.5)		(6.9)	
<b>Net profit from continuing operations</b>	<b>12.7</b>	3.9	<b>17.9</b>	5.8
Profit (loss) from discontinued operations/disposal groups	–		(5.3)	
<b>Profit for the period</b>	<b>12.7</b>	3.9	<b>12.6</b>	4.1
Profit attributable to non-controlling interests	(0.7)		(3.2)	
<b>Profit attributable to equity holders of the parent</b>	<b>12.0</b>	3.7	<b>9.4</b>	3.1
<b>Gross operating profit (EBITDA) * before non-recurring items</b>	<b>39.2</b>	12.0	<b>36.9</b>	12.0
<b>Gross operating profit (EBITDA) *</b>	<b>38.7</b>	11.9	<b>36.9</b>	12.0
<b>Backlog</b>	<b>992.2</b>		<b>915.8</b>	

(\*) *Gross operating profit (EBITDA) corresponds to the sum of operating profit (EBIT), depreciation, amortisation and write-downs.*

## REVENUE FROM CONTRACTS WITH CUSTOMERS AND ORDERS

Consolidated revenue for the first quarter of 2019 came to 326.1 million euros, an increase on the same period last year thanks to a higher backlog at the beginning of the period.

The sector in which the Group operates is affected by the strong seasonality of deliveries, such that the early quarters of the year are never truly indicative of the results achievable for the full year.

The order trend in the first quarter of 2019 shows a growing backlog, which now amounts to 992.2 million euros, an increase of 76.4 million euros (+8.3%) compared with the previous period. Total orders acquired during the period amount to 376.7 million euros versus 415.4 million euros in 2018, down on the previous year.

### OPERATING PROFIT (EBIT)

The industrial gross profit in first quarter 2019 (as a percentage of sales) came to 34.8%, which is slight down on the previous year (36.0%), due to a different sales mix.

The operating profit comes to 21.9 million euros, a decrease over the previous year (28.1 million euros).

### PROFIT BEFORE TAXES

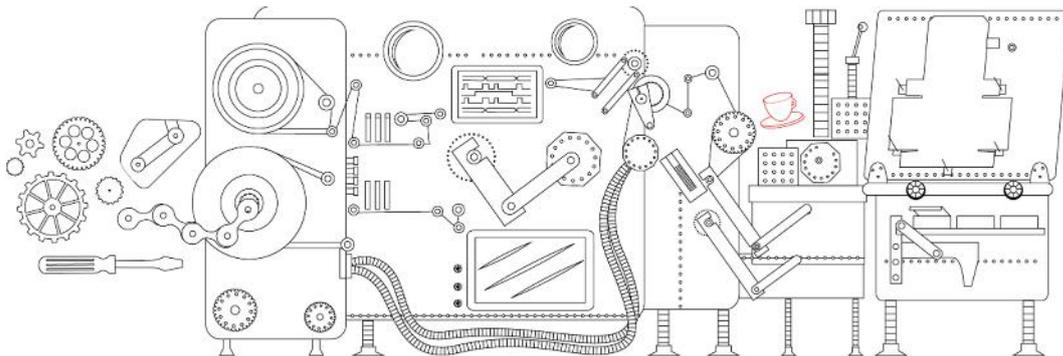
Net financial charges amounts to 3.7 million euros (3.3 million euros at 31 March 2018), a slight increase compared with the first quarter of last year. Accordingly, profit before taxes was 18.2 million euros versus 24.8 million euros at the end of March 2018.

### PROFIT (LOSS) FROM DISCONTINUED OPERATIONS/DISPOSAL GROUPS

The negative balance relating to discontinued operations, 5.3 million euros in the first quarter of 2018, refers to the sale of 60% of IMA Dairy & Food Holding GmbH carried out in December 2018.

### PROFIT FOR THE PERIOD

The profit for the period of 12.7 million euros compares with 12.6 million euros in the same period of last year. The reasons for this difference were explained in the previous sections.



## ANALYSIS OF PERFORMANCE BY SECTOR

The following schedule analyses operations by business sector:

in millions of euros	Tea, Food & Other	Pharmaceutical	Tobacco packaging	Not allocated	Total
<b>Revenue from contracts with customers</b>					
1st quarter 2019	140.3	166.1	19.7	–	326.1
1st quarter 2018	114.6	150.4	41.3	–	306.3
<b>Gross operating profit (EBITDA) before non-recurring items</b>					
1st quarter 2019	5.0	28.8	5.4	–	39.2
1st quarter 2018	(1.5)	24.3	14.1	–	36.9
<b>Gross operating profit (EBITDA)</b>					
1st quarter 2019	4.5	28.8	5.4	–	38.7
1st quarter 2018	(1.5)	24.3	14.1	–	36.9
<b>Operating profit (EBIT)</b>					
1st quarter 2019	(6.6)	23.6	4.9	–	21.9
1st quarter 2018	(7.2)	21.3	14.0	–	28.1
<b>Net invested capital (*)</b>					
31 March 2019	551.8	234.9	54.9	(2.5)	839.1
31 March 2018	392.8	136.1	36.9	1.6	567.4
<b>R&amp;D costs</b>					
1st quarter 2019	6.0	7.4	0.8	–	14.2
1st quarter 2018	5.9	6.8	0.7	–	13.4
<b>Average personnel</b>					
1st quarter 2019	2,721	2,782	167	–	5,670
1st quarter 2018	2,387	2,638	145	–	5,170
<b>Backlog</b>					
31 March 2019	351.1	588.6	52.5	–	992.2
31 March 2018	261.8	541.6	112.4	–	915.8

(\*) Not allocated assets and liabilities mainly relate to investments, income tax receivables and payables and net deferred tax liabilities which cannot be directly attributable to the operating sector.

The revenue of the Tea, Food & Other sector, 140.3 million euros, was higher than in the same period of the prior year (+25.7 million euros) due to the higher backlog at the beginning of the period. Gross operating profit (EBITDA) improved to 5.0 million euros, also as a result of FTA of IFRS 16 for 2.8 million euros. New orders during the period fell slightly (165.3 million euros compared with 182.5 million euros in the previous year) and resulted in a much larger backlog than the previous year (+89.3 million euros or +34.1%, with a contribution from TMC, Ciemme and Petroncini of 47.2 million euros). This means that the trend over the year should be in line with expectations.

Revenue in the Pharmaceuticals sector was 15.7 million euros higher than in the same period last year (totally organic growth of +10.4%). Gross operating profit of 28.8 million euros was up from 24.3 million euros previously, due to higher volumes and a different sales mix, as well as a contribution from the FTA of IFRS 16 of 2.4 million euros. Orders are higher than in the same period of 2018 with a backlog that has grown by 47.0 million euros (+8.7%) with a good outlook for the rest of this year.

The revenue of the Tobacco sector was down compared with the corresponding period of the previous year, coming in at 19.7 million euros (41.3 million euros in the first quarter of 2018). Gross operating profit

of 5.4 million euros was consequently down compared with 14.1 million euros of the previous year due to lower volumes. The flow of orders was lower than the corresponding period of 2018 (18.7 million euros compared with 43.3 million euros) showing a lower backlog of 52.5 million euros (112.4 million euros in the previous year), but in line with expectations for the current year.

In any event, the Group is increasing its efforts to rationalize expenses by reducing production costs and limiting overheads.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table summarizes the Group's balance sheet and financial position at 31 March 2019:

in millions of euros	31.03.2019	31.12.2018
Trade receivables	419.5	384.0
Inventories	342.4	319.7
Trade payables	(482.6)	(514.7)
Other, net	(84.7)	(90.0)
<b>Net working capital</b>	<b>194.6</b>	<b>99.0</b>
Property, plant and equipment	254.5	111.9
Intangible assets	450.2	454.0
Investments	57.6	57.8
<b>Non-current assets</b>	<b>762.3</b>	<b>623.7</b>
Provision for severance indemnities and other provisions	(117.8)	(117.2)
<b>Net invested capital</b>	<b>839.1</b>	<b>605.5</b>
<b>FINANCED BY:</b>		
<b>Net debt</b>	<b>403.1</b>	<b>184.6</b>
Non-controlling interests	25.8	23.9
<b>Group equity attributable to equity holders of the parent</b>	<b>410.2</b>	<b>397.0</b>
<b>Total sources of financing</b>	<b>839.1</b>	<b>605.5</b>

Other payables, net, mainly includes the amounts due to employees, income tax payable and provisions for risks and charges.

The net invested capital at the end of the first quarter of 2019 was 233.6 million euros higher than at the end of 2018. The change was mainly attributable to the introduction of IFRS 16 (138.2 million euros at non-current assets level) and to the increase in net working capital. Analysing the changes in net working capital, we see that there has been an increase in trade receivables linked to the valuation at stage of completion as reflected in higher revenues and inventories to meet finished product delivery deadlines, a consequence of the high level of the backlog.

Net debt is analyzed below:

in millions of euros	31.03.2019	31.12.2018
A. Cash and cash equivalents	(88.3)	(140.9)
B. Other cash equivalents	(5.2)	(5.0)
C. Investments in securities	(9.2)	(8.0)
<b>D. Liquidity (A)+(B)+(C)</b>	<b>(102.7)</b>	<b>(153.9)</b>
<b>E. Current financial receivables</b>	<b>(8.8)</b>	<b>(9.1)</b>
F. Current payables to banks	116.9	79.2
G. Current portion of non-current payables	44.7	27.0
H. Other current financial payables	0.4	0.3
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>162.0</b>	<b>106.5</b>
<b>J. Net current financial debt (D)+(E)+(I)</b>	<b>50.5</b>	<b>(56.5)</b>
K. Non-current portion of non-current bank payables	173.7	176.6
L. Bonds issued	95.1	100.3
M. Other non-current financial payables	126.4	6.4
N. Non-current financial assets	(42.6)	(42.2)
<b>O. Net non-current financial debt (K)+(L)+(M)+(N)</b>	<b>352.6</b>	<b>241.1</b>
<b>P. Net financial debt (J)+(O)</b>	<b>403.1</b>	<b>184.6</b>

At 1 January 2019, the FTA of IFRS 16 resulted in an increase in payables of 141.1 million euros.

Net debt at the end of the period amounts to 403.1 million euros (184.6 million euros at 31 December 2018). The increase compared with 31 December 2018 derives mainly from the effect of introducing IFRS 16 of 137.9 million euros and the physiological growth in net working capital. It is expected that net debt will fall considerably in the latter part of the year.

## CAPITAL EXPENDITURE

Capital expenditure on intangible assets amounted to 6.0 million euros (3.6 million euros in the first quarter of 2018) and related mainly to the capitalisation of development costs incurred on totally new products for market segments not previously occupied.

Group capital expenditure amounted to 5.6 million euros (5.4 million euros in first quarter 2018) and mainly relates to costs incurred to extend and upgrade buildings, rights of use assets and the purchase of plant, machinery and electronic machines.

Amortization and depreciation expense for the period was 16.8 million euros, compared with 8.8 million euros in the same period last year; in the first quarter of 2019 the FTA of IFRS 16 entailed the recognition of depreciation on rights of use for 4.9 million euros.

## ALTERNATIVE PERFORMANCE INDICATORS

These comments on the results for the period also include some performance indicators to give a better picture of the Group's operations and financial position.

We provide below the criteria used in preparing these indicators.

The income statement classified by purpose is prepared according to the following criteria:

- ) cost of sales: represents costs incurred directly by the Group to generate revenue. For example, it includes materials, labour, the technical offices' costs involved in customizing products and production overheads;
- ) research and development costs: these include, by function, costs relating to the research and development of new products or to the maintenance of existing products. They also include costs relating to technical personnel, materials used for trials and technical departments' overheads;
- ) commercial and sales cost: these include costs connected with commercial operations, such as staff, commissions paid to agents, promotional and advertising costs and associated overheads;
- ) general and administrative costs: these include all of the costs associated with general operations such as administrative offices in the broadest sense, the management of sectors or divisions, production planning and all depreciation and amortization not directly related to the foregoing functions;
- ) gross operating profit (EBITDA): this corresponds to the sum of operating profit, depreciation and amortization for the period and write-downs. EBITDA is an indicator used as a financial target in internal and external presentations and is a useful measure for evaluating the Group's performance.

The following main items in the reclassified income statement are equivalent to the corresponding items in the consolidated income statement forming part of the "Consolidated financial statements": revenue from contracts with customers, operating profit, financial income and expense, profit before taxes, income taxes and profit for the period.

The statement of financial position is structured so that assets and liabilities are classified to show the net capital invested. The following main items in the statement of financial position are equivalent to the corresponding items in the consolidated statement of financial position included in the "Consolidated financial statements": inventories, property, plant and equipment and intangible assets, equity pertaining to the parent company's shareholders and minority interests.

Lastly, the analysis of net debt takes account of Consob Communication DEM/6064293 dated 28 July 2006, while including the financial receivables classified as non-current financial assets. The figure for non-current financial assets differs from that reported in the balance sheet as it does not include equity interests in other companies.

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## OTHER INFORMATION

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### RELATED-PARTY TRANSACTIONS

The "Regulation on Related Party Transactions", adopted by Consob Resolution 17221 of 12 March 2010 and subsequently amended by Consob Resolution 17389 of 23 June 2010 implemented art. 2391-bis of the Italian Civil Code.

By a resolution adopted on 1 December 2010, the Board implemented the procedure on related parties, last updated on 15 February 2019, which takes account of the additional instructions on how to apply the new rules provided in Consob Communication DEM/10078683 of 24 September 2010.

The purpose of this procedure, which is published on the Company's website ([www.ima.it](http://www.ima.it)), is to lay down the approach to be taken in identifying, reviewing and approving transactions to be carried out by IMA, or by its subsidiaries, with related parties to ensure that they are transparent and fair from both a substantial and procedural point of view.

Related party transactions are identified in accordance with the guidelines of the Consob regulation.

The IMA Group carries on business with related parties, mainly comprising persons who are responsible for administration and management within IMA S.p.A., or entities that are controlled by them.

Such transactions mainly include commercial and real estate activities (leased premises) carried out on an arm's-length basis in the ordinary course of business and participation in the consolidated tax mechanism.

Material related party transactions are submitted for advance approval by the Board, which in turn has to obtain consent from a special committee made up solely of independent directors; to express their opinion, this committee can make use of outside experts, who also have to be independent.

Note that during the period:

- ) there were no more relevant transactions, as defined in the Consob regulation;
- ) there were no individual Related Party transactions that have significantly impacted Group companies' balance sheets or results;
- ) there have been no changes or developments in Related Party transactions as disclosed in the last annual report that have had a significant effect on the companies' balance sheets or results.

Transactions with related parties are described more fully in Note 25.

### OUTLOOK FOR OPERATIONS

The economic trend in the first quarter of 2019 reflects the increased backlog at the end of 2018 and a constant acquisition of orders for the Pharmaceutical and Tea, Food & Other businesses. The trend in orders in these segments, as confirmed in April, combined with the size of the backlog at the end of the first quarter, is a positive sign, even though it does not provide total visibility for the entire year. The level of market activity and the number of potential projects, some of them worth considerable amounts, make us

confident about the rest of the year, during which we will always maintain a focus on cost restraint and on improving commercial incisiveness.

If these signs are confirmed over the next few months, a revenue forecast of around 1.58 billion euros and a gross operating profit of around 280 million euros, including the impact of IFRS 16, could be feasible.



# CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2019

I.M.A. INDUSTRIA MACCHINE AUTOMATICHE S.P.A.  
AND SUBSIDIARIES

(THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN TRANSLATED FROM THE ORIGINAL ITALIAN INTO ENGLISH SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MILLIONS OF EUROS)

ASSETS	Note	31 March 2019	31 December 2018
<b>NON-CURRENT ASSETS</b>			
<i>Property, plant and equipment</i>	2	254.5	111.9
<i>Intangible assets</i>	3	450.2	454.0
<i>Investments accounted for using the equity method</i>	4	52.7	52.9
<i>Financial assets</i>	5	47.9	47.5
<i>Receivables from others</i>		4.4	4.1
<i>Deferred tax assets</i>	7	49.5	49.2
<b>TOTAL NON-CURRENT ASSETS</b>		<b>859.2</b>	<b>719.6</b>
<b>CURRENT ASSETS</b>			
<i>Inventories</i>	8	342.4	319.7
<i>Trade and other receivables</i>	9	266.9	257.7
<i>Contract assets</i>	9	226.3	189.5
<i>Income tax receivables</i>		10.9	9.8
<i>Financial assets</i>	5	23.2	22.2
<i>Derivative financial instruments</i>	6	0.3	0.4
<i>Cash and cash equivalents</i>	10	88.3	140.9
<b>TOTAL CURRENT ASSETS</b>		<b>958.3</b>	<b>940.2</b>
<b>TOTAL ASSETS</b>		<b>1,817.5</b>	<b>1,659.8</b>
EQUITY AND LIABILITIES	Note	31 March 2019	31 December 2018
<b>EQUITY</b>			
<i>Share capital</i>		20.4	20.4
<i>Reserves and retained earnings</i>		377.8	272.6
<i>Profit for the period</i>		12.0	104.0
<b>Equity attributable to equity holders of the parent</b>	11	<b>410.2</b>	<b>397.0</b>
<b>Non-controlling interests</b>	12	<b>25.8</b>	<b>23.9</b>
<b>TOTAL EQUITY</b>		<b>436.0</b>	<b>420.9</b>
<b>NON-CURRENT LIABILITIES</b>			
<i>Borrowings</i>	13	395.2	283.3
<i>Employee defined benefit liabilities</i>		34.8	34.7
<i>Provisions for risks and charges</i>	14	4.2	4.6
<i>Other payables</i>	15	76.4	74.7
<i>Derivative financial instruments</i>	6	4.5	3.8
<i>Deferred tax liabilities</i>	7	59.8	58.8
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>574.9</b>	<b>459.9</b>
<b>CURRENT LIABILITIES</b>			
<i>Borrowings</i>	13	162.0	106.5
<i>Trade and other payables</i>	15	417.6	462.5
<i>Contract liabilities</i>	15	183.8	173.9
<i>Income tax liabilities</i>		13.1	7.4
<i>Provisions for risks and charges</i>	14	28.5	27.4
<i>Derivative financial instruments</i>	6	1.6	1.3
<b>TOTAL CURRENT LIABILITIES</b>		<b>806.6</b>	<b>779.0</b>
<b>TOTAL LIABILITIES</b>		<b>1,381.5</b>	<b>1,238.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,817.5</b>	<b>1,659.8</b>

## CONSOLIDATED INCOME STATEMENT

(MILLIONS OF EUROS)

	Note	1st quarter 2019	1st quarter 2018 RESTATED
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	1	326.1	306.3
<b>OTHER REVENUE</b>		1.4	1.9
<b>OPERATING COSTS</b>			
<i>Change in work in progress, semifinished and finished goods</i>		18.3	18.6
<i>Change in inventory of raw, ancillary and consumable materials</i>		3.3	7.5
<i>Cost of raw, ancillary and consumable materials and goods for resale</i>		(134.7)	(132.5)
<i>Services, rentals and leases</i>		(70.8)	(70.0)
<i>Personnel costs</i>	16	(105.6)	(94.8)
<i>Capitalized costs</i>		4.0	2.1
<i>Depreciation, amortization and write-downs</i>	17	(17.2)	(8.8)
<i>Provisions for risks and charges</i>		(0.6)	0.3
<i>Other operating costs</i>		(2.3)	(2.5)
<b>TOTAL OPERATING COSTS</b>		(305.6)	(280.1)
<b>OPERATING PROFIT</b>	1	21.9	28.1
<i>- of which: effect of non-recurring items</i>	26	0.5	-
<b>FINANCIAL INCOME AND EXPENSE</b>			
<i>Financial income</i>	18	7.4	7.6
<i>Financial expense</i>	19	(11.1)	(10.9)
<b>TOTAL FINANCIAL INCOME AND EXPENSE</b>		(3.7)	(3.3)
<b>PROFIT BEFORE TAXES</b>		18.2	24.8
<b>TAXES</b>	20	(5.5)	(6.9)
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>		12.7	17.9
<b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS/DISPOSAL GROUPS</b>	21	-	(5.3)
<b>NET PROFIT FOR THE PERIOD</b>		12.7	12.6
<b>ATTRIBUTABLE TO:</b>			
<b>EQUITY HOLDERS OF THE PARENT</b>		12.0	9.4
<b>NON-CONTROLLING INTERESTS</b>		0.7	3.2
		12.7	12.6
<b>BASIC/DILUTED EARNINGS PER SHARE (in euros)</b>	22	0.31	0.24
<i>- of which from continuing operations</i>		0.31	0.38
<i>- of which from discontinued operations/disposal groups</i>		-	(0.14)

FOR FURTHER INFORMATION ON THE RESTATEMENT OF THE FIRST QUARTER OF 2018, PLEASE REFER TO THE COMMENTS IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MILLIONS OF EUROS)

	1st quarter 2019	1st quarter 2018
<b>Net profit for the period</b>	12.7	12.6
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
<i>Exchange rate gains (losses) on the translation of foreign currency financial statements</i>	2.3	(2.0)
<i>Gains (losses) on financial assets measured at FVOCI</i>	1.2	–
<i>Gains (losses) on cash flow hedges</i>	(1.1)	0.1
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>2.4</b>	<b>(1.9)</b>
Other comprehensive income not being reclassified to profit or loss in subsequent periods:		
<i>Actuarial gains (losses) on post employment benefit obligations</i>	–	1.0
<i>Tax effect</i>	–	(0.1)
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>	<b>–</b>	<b>0.9</b>
<b>Gains and losses recognized in equity</b>	<b>2.4</b>	<b>(1.0)</b>
<b>Total comprehensive income</b>	<b>15.1</b>	<b>11.6</b>
<b>Attributable to:</b>		
<b>Equity holders of the parent</b>	14.5	8.3
<b>Non-controlling interests</b>	0.6	3.3
	<b>15.1</b>	<b>11.6</b>

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(MILLIONS OF EUROS)

	Share capital	Share premium reserve	Treasury shares	Translation reserve	Fair value reserve	Other reserves and retained earnings	Profit attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
<b>Balance at 01.01.2018</b>	<b>20.4</b>	<b>122.8</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>(1.3)</b>	<b>142.5</b>	<b>85.6</b>	<b>369.2</b>	<b>21.3</b>	<b>390.5</b>
Allocation of earnings for 2017	-	-	-	-	-	85.6	(85.6)	-	-	-
Total comprehensive income	-	-	-	(2.0)	0.1	0.8	9.4	8.3	3.3	11.6
<b>Balance at 31.03.2018</b>	<b>20.4</b>	<b>122.8</b>	<b>(0.1)</b>	<b>(2.7)</b>	<b>(1.2)</b>	<b>228.9</b>	<b>9.4</b>	<b>377.5</b>	<b>24.6</b>	<b>402.1</b>
<b>Balance at 01.01.2019</b>	<b>20.4</b>	<b>122.8</b>	<b>(5.6)</b>	<b>(0.6)</b>	<b>(2.9)</b>	<b>158.9</b>	<b>104.0</b>	<b>397.0</b>	<b>23.9</b>	<b>420.9</b>
Allocation of earnings for 2018	-	-	-	-	-	104.0	(104.0)	-	-	-
Change of non-controlling interests	-	-	-	-	-	(1.3)	-	(1.3)	1.3	-
Total comprehensive income	-	-	-	2.3	0.1	0.1	12.0	14.5	0.6	15.1
<b>Balance at 31.03.2019</b>	<b>20.4</b>	<b>122.8</b>	<b>(5.6)</b>	<b>1.7</b>	<b>(2.8)</b>	<b>261.7</b>	<b>12.0</b>	<b>410.2</b>	<b>25.8</b>	<b>436.0</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(MILLIONS OF EUROS)

	31 March 2019	31 March 2018
<b>OPERATING ACTIVITIES</b>		
Net profit from continuing operations	12.0	14.7
Profit (loss) from discontinued operations/disposal groups	–	(5.3)
Profit attributable to equity holders of the parent	12.0	9.4
Adjustments for:		
- Depreciation and amortization	16.8	11.1
- Changes in provisions for risks and charges and employee defined benefit liabilities	0.8	–
- Unrealized losses (gains) on exchange rate differences	(0.7)	(1.5)
- Other changes	–	0.2
- Taxes	5.5	6.0
- Non-controlling interests	0.7	3.2
Operating profit before changes in working capital	35.1	28.4
(Increase) decrease in trade and other receivables, including contract assets	(43.8)	(76.6)
(Increase) decrease in inventories	(22.7)	(27.1)
Increase (decrease) in trade and other payable, including contract liabilities	(35.6)	(28.1)
Taxes paid	(1.6)	(1.7)
<b>CASH FLOW USED IN OPERATING ACTIVITIES (A)</b>	<b>(68.6)</b>	<b>(105.1)</b>
<b>INVESTING ACTIVITIES</b>		
Investments in property, plant and equipment	(5.6)	(5.4)
Investments in intangible assets	(3.9)	(3.6)
Acquisition business divisions/companies	(2.0)	–
Sale of non-current assets	0.2	0.2
Other changes	0.8	(1.1)
<b>CASH FLOW USED IN INVESTING ACTIVITIES (B)</b>	<b>(10.5)</b>	<b>(9.9)</b>
<b>FINANCING ACTIVITIES</b>		
Granting of loans	1.0	2.0
Repayment of borrowings	(3.0)	(3.0)
Bonds	(5.2)	(5.2)
Increase (decrease) in other financial payables	35.3	65.8
Consideration for exercise of option on non-controlling interests	–	(1.7)
Net change in financial assets and other non current receivables	(0.5)	(4.5)
Payment of interest	(1.2)	(1.4)
Receipt of interest	0.1	–
<b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES (C)</b>	<b>26.5</b>	<b>52.0</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (D=A+B+C)</b>	<b>(52.6)</b>	<b>(63.0)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (E)</b>	<b>140.9</b>	<b>206.7</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (F=D+E)</b>	<b>88.3</b>	<b>143.7</b>

A BREAKDOWN OF "CASH AND CASH EQUIVALENTS" IS PROVIDED IN NOTE 10.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I.M.A. INDUSTRIA MACCHINE AUTOMATICHE S.P.A.  
AND SUBSIDIARIES

(THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN TRANSLATED FROM THE ORIGINAL ITALIAN INTO ENGLISH SOLELY FOR THE CONVENIENCE  
OF INTERNATIONAL READERS)

## A) OVERVIEW

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The periodic financial information at 31 March 2019 was approved by the Board of Directors on 15 May 2019 and has not been audited.

IMA Group is a world leader in the design and production of automatic machines for the processing and packaging of pharmaceuticals, cosmetics, tea, coffee, tobacco and other food products.

Interim results for the market sector in which the IMA Group operates are generally not fully representative of those expected for the year as a whole, since there is a concentration of business during the second half of the year.

The Parent Company of the IMA Group is I.M.A. Industria Macchine Automatiche S.p.A. (referred to as "IMA", "IMA S.p.A." or the "Parent Company"), with registered offices at Via Emilia 428/442, Ozzano dell'Emilia (Bologna). IMA is listed on the electronic stock exchange of Borsa Italiana S.p.A. in the STAR segment.

At 31 March 2019, IMA S.p.A. is 56.789% owned by SO.FI.M.A. Società Finanziaria Macchine Automatiche S.p.A., which is a subsidiary of Lopam Fin S.p.A.

## B) GENERAL PREPARATION POLICIES

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### GENERAL PRINCIPLES

As an issuer trading on the STAR segment of the MTA market run by Borsa Italiana, IMA is subject to the aforementioned art. 2.2.3 of the Stock Exchange Regulations. As announced on 20 January 2017, the Parent Company will continue to publish quarterly reports within 45 days from the end of the first and third quarter of the year.

This periodic financial information is prepared using the measurement criteria envisaged in the IAS/IFRS endorsed by the European Union.

The accounting policies used to prepare the periodic financial information at 31 March 2019 are consistent with those used to prepare the financial statements at 31 December 2018, to which the reader is referred for further information, with the exception of first-time adoption of IFRS 16 - Leases, as commented on below.

### IMPLEMENTATION OF ACCOUNTING STANDARDS

*Accounting standards, amendments and interpretations applied from 1 January 2019*

The Group has applied IFRS 16 - Leases from 1 January 2019. This standard, published in January 2016, replaces IAS 17 - Leases, IFRIC 4 - Determining whether an arrangement contains a lease, SIC-15 - Operating Leases - Incentives and SIC-27 - Evaluating the substance of transactions in the legal form of a lease.

IFRS 16 defines the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize all leases on the balance sheet on the basis of a single model similar to the one used to account for finance leases under IAS 17.

The Group has applied the standard by adopting the simplified retrospective method, assessing, for leases previously classified as operating leases, the lease liability at the current value of the residual payments due, discounted using the lessee's marginal financing rate on the date of the initial application, and recognising the asset consisting of the right of use for an amount equal to that of the liability. In particular, the net assets recorded at the date of FTA amounted to 141.1 million euros (property, plant and equipment of 141.7 million euros, net of deferred costs of 0.6 million euros) and lease liabilities of 141.1 million euros. There are therefore no cumulative effects to adjust the opening balance of the equity and the figures for the comparative period have not been restated.

The lease contracts entered into by the Group are essentially attributable to real estate and car leases. The Group did not consider the non-leasing components. It included in the duration of the contract any extension periods covered by the renewal option, when assumed with reasonable certainty that it will be exercised, also based on past experience, and took advantage of the option to exclude short-term contracts (including leases with a duration that ends within 12 months from the date of initial application) from the scope of application of the standard and contracts in which the underlying asset is of low value.

The effects at 31 March 2019 of FTA of the standard come to a total of 138.2 million euros in property, plant and equipment and 137.9 million euros in amounts due to other lenders.

In the income statement for the first quarter of 2019, the FTA of IFRS 16 led to the elimination of operating lease payments for 5.4 million euros and the recognition of depreciation of the right of use and financial charges on the debt of 4.9 million euros and 0.8 million euros, respectively.

The other amendments and interpretations of accounting standards and methods in force from 1 January 2019 govern circumstances and situations that are not relevant to the Group's consolidated financial statements or, in any case, not significant.

*Accounting standards issued but not yet in force*

The Group does not foresee significant impacts on equity, results and financial situation deriving from the application of the other standards and interpretations that had already been issued, but were not yet in force at the date of preparation of this document.

USE OF ESTIMATES AND ASSUMPTIONS

Preparing interim reports requires the directors to make estimates and assumptions based on their best assessment at the time, which then have an effect on the figures shown in the financial statements and in the notes. These estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the period when circumstances change.

The interim result is stated net of taxes calculated using the best estimate of the weighted average tax rate expected for the full year.

#### FINANCIAL STATEMENTS

The statement of financial position has been classified on the basis of the operating cycle, distinguishing between current and non-current components. Costs and revenues for the period are presented in two schedules: a consolidated income statement, which analyses costs according to their nature and a consolidated statement of comprehensive income. The statement of cash flows has been prepared using the indirect method for determining cash flow from operating activities.

Unless stated otherwise, the figures in the periodic financial information at 31 March 2019 are expressed in millions of euros.

### **C) FINANCIAL RISK MANAGEMENT**

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#### **RISK FACTORS**

The Group is exposed to various types of financial risk connected with its business activities, the following in particular:

- ) Credit risk arising from commercial transactions or financing activities;
- ) Liquidity risk related to the availability of financial resources and access to the credit market;
- ) Market risk, specifically:
  - a) Exchange rate risk, relating to operations in areas using currencies other than the functional currency;
  - b) Interest rate risk, relating to the Group's exposure to interest-bearing financial instruments;
  - c) Price risk, associated with changes in the listed price of capital instruments held as financial assets and in commodity prices.

This periodic financial information does not include all of the disclosures on financial risk management that are required in annual financial statements. It should therefore be read together with the annual report at 31 December 2018.

There have been no substantial changes in financial risk management nor in the policies adopted by the Group during the period.

#### **FAIR VALUE**

IFRS 13 establishes the following fair value hierarchy to be used when measuring the financial instruments shown in the balance sheet:

- ) Level 1: quoted prices in active markets;

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- ) Level 2: inputs other than the quoted prices of Level 1 that are observable on the market, either directly (prices) or indirectly (derived from prices);
- ) Level 3: inputs that are not based on observable market data.

The following tables show the assets and liabilities measured at fair value at 31 March 2019 and at 31 December 2018 by fair value hierarchy level:

in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets	–	–	20.5	20.5
Derivative financial instruments	–	0.3	–	0.3
<b>Total assets at 31.03.2019</b>	<b>–</b>	<b>0.3</b>	<b>20.5</b>	<b>20.8</b>
Liabilities:				
Payables for acquisition	–	–	63.3	63.3
Derivative financial instruments	–	6.1	–	6.1
<b>Total liabilities at 31.03.2019</b>	<b>–</b>	<b>6.1</b>	<b>63.3</b>	<b>69.4</b>
in millions of euros	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets	–	–	19.0	19.0
Derivative financial instruments	–	0.4	–	0.4
<b>Total assets at 31.12.2018</b>	<b>–</b>	<b>0.4</b>	<b>19.0</b>	<b>19.4</b>
Liabilities:				
Payables for acquisition	–	–	62.0	62.0
Derivative financial instruments	–	5.1	–	5.1
<b>Total liabilities at 31.12.2018</b>	<b>–</b>	<b>5.1</b>	<b>62.0</b>	<b>67.1</b>

During the first quarter of 2019, there were no transfers between the three levels of the fair value hierarchy laid down in IFRS 13. There have not been any significant changes in the commercial or economic circumstances which affect the fair value of financial assets and liabilities.

The liabilities at 31 March 2019 mainly consist of payables for the options subscribed in connection with the purchase of minority interests in subsidiaries.

### D) SCOPE OF CONSOLIDATION

The periodic financial information at 31 March 2019 includes the financial and operating information of I.M.A. Industria Macchine Automatiche S.p.A. (the Parent Company) and all the companies in which it directly or indirectly holds a controlling interest.

A list of the companies included in the consolidation is provided in paragraph F of the Notes, with an indication of the consolidation method used.

The following are the main events that took place in the first quarter of 2019:

- ) absorption of Fillshape S.r.l., a wholly-owned subsidiary, by IMA S.p.A., which took effect from 1 January 2019;

- ) on 2 January 2019, Delta Systems & Automation Inc., 100% owned by Ilapak Inc., was sold to the subsidiary Packaging Systems Holdings Inc. for a total of 12.5 million US dollars. On the same date, Delta Systems & Automation Inc. was absorbed by Delta Systems & Automation LLC, a newly formed company of Packaging Systems Holdings Inc.;
- ) on 4 February 2019, Transworld Packaging Holding S.p.A. acquired 100% of the Swiss company Luna Investment SA, based in Lugano with share capital of 100 thousand Swiss francs, for a total of 2.0 million euros. The company has as its object to purchase, hold, manage and sell equity investments;
- ) on 11 February 2019, IMA Packaging India Pvt. Ltd. was set up, with head office in Thane (India) and share capital of 10 million INR, 100% owned by IMA S.p.A. The company deals with commercial activity.

## E) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The changes reported below were determined with respect to the amounts at 31 December 2018 for balance sheet items and the amounts for first quarter 2018 for income statement items. The 2018 income statement figures have been restated following the sale in 2018 of 60% of IMA Dairy & Food Holding GmbH as mentioned in Note 21. In addition, the figures relating to increases in non-current assets for internal work, previously included under Other revenue, were shown separately under Capitalised costs in the consolidated income statement.

### 1. SEGMENT INFORMATION

Operating segments have been identified based on the internal reports used by senior management, in order to allocate resources by sector and evaluate the results.

The following are the operating segments into which the Group's activities are divided:

- ) Tea, Food & Other segment: it produces plants for the processing of coffee, machines for the packaging of tea and herbal teas in filter bags and the packaging of coffee, for the food & beverage sector, for the personal care sector, for end-of-line equipment, for the dairy sector and for stock cubes and for primary packaging in the food sector with the use of flexible material (horizontal and vertical flow packs) for assembling medical products, for the tissue segment, plus related services;
- ) Pharmaceutical segment: it makes machines for the packaging of pharmaceutical capsules and tablets in blisters and bottles, machines for filling bottles and vials with liquid and powdered products in sterile and non-sterile environments, machines for freeze-drying, tube-filling and cartoning, systems for the production of tablets and capsules and for coating and fluid-bed granulation, as well as related services;
- ) Tobacco segment: it designs, manufactures and markets machines and plants for tobacco packaging and related services.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The information on operating segments for first quarter 2019 and 2018 is as follows:

in millions of euros	1st quarter 2019			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
Revenue from contracts with customers	140.3	166.1	19.7	326.1
Segment operating profit	(6.6)	23.6	4.9	21.9
Net financial income (expense) (*)				(3.7)
Profit before taxes				18.2
Taxes				(5.5)
Net profit from continuing operations				12.7
Profit (loss) from discontinued operations/ disposal groups				-
Net profit for the period				12.7

in millions of euros	1st quarter 2018			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
Revenue from contracts with customers	114.6	150.4	41.3	306.3
Segment operating profit	(7.2)	21.3	14.0	28.1
Net financial income (expense) (*)				(3.3)
Profit before taxes				24.8
Taxes				(6.9)
Net profit from continuing operations				17.9
Profit (loss) from discontinued operations/ disposal groups	(5.3)	-	-	(5.3)
Net profit for the period				12.6

(\*) Financial income and expense have not been allocated to the individual operating segments, since it is not possible to indicate specific amounts for each segment; this subdivision is not made in internal reports.

Consolidated revenue for the first quarter of 2019 came to 326.1 million euros, an increase on the same period last year thanks to a higher backlog at the beginning of the period.

The sector in which the IMA Group operates is affected by the strong seasonality of deliveries, such that the early quarters of the year are never truly indicative of the results achievable for the full year.

The revenue of the Tea, Food & Other sector, 140.3 million euros, was higher than in the same period last year (+25.7 million euros) due to a higher backlog at the beginning of the period. The operating result was negative, but improved as a result to -6.6 million euros.

Revenue in the Pharmaceuticals sector was 15.7 million euros higher than in the same period last year (totally organic growth of +10.4%). The operating profit of 23.6 million euros was higher than in 2018, due to higher volume and a different sales mix.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The revenue of the Tobacco sector was down compared with the corresponding period of the previous year, coming in at 19.7 million euros (41.3 million euros in the first quarter of 2018). The operating profit of 4.9 million euros was therefore down from 14.0 million euros previously, due to lower volumes.

Following the adoption of IFRS 15 in 2018, the Group has broken down the revenue from contracts with customers into categories that illustrate how economic factors affect the nature, amount, timing and degree of uncertainty of revenue and financial flows.

Both the information provided in the presentations to investors and the information periodically reviewed by the highest operational decision-making level were considered and therefore the breakdown of revenue subsequently presented in three categories was considered appropriate: geographical area, category of business and timing of recognition.

### REVENUE BY GEOGRAPHICAL AREA

in millions of euros	1st quarter 2019			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
European Union (excluding Italy)	40.4	52.3	7.0	99.7
Other European countries	10.5	6.4	1.5	18.4
North America	31.8	22.5	–	54.3
Asia & Middle East	27.6	47.2	9.6	84.4
Italy	13.9	16.4	1.6	31.9
Other countries	16.1	21.3	–	37.4
<b>Total</b>	<b>140.3</b>	<b>166.1</b>	<b>19.7</b>	<b>326.1</b>

in millions of euros	1st quarter 2018			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
European Union (excluding Italy)	39.1	43.7	16.8	99.6
Other European countries	10.8	17.6	2.7	31.1
North America	25.4	22.5	–	47.9
Asia & Middle East	17.5	30.1	18.9	66.5
Italy	11.4	22.7	2.8	36.9
Other countries	10.4	13.8	0.1	24.3
<b>Total</b>	<b>114.6</b>	<b>150.4</b>	<b>41.3</b>	<b>306.3</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REVENUE BY BUSINESS CATEGORY

in millions of euros	1st quarter 2019			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
Original Equipment	97.3	118.1	8.7	224.1
After-Sales	43.0	48.0	11.0	102.0
<b>Total</b>	<b>140.3</b>	<b>166.1</b>	<b>19.7</b>	<b>326.1</b>

in millions of euros	1st quarter 2018			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
Original Equipment	79.1	100.7	32.1	211.9
After-Sales	35.5	49.7	9.2	94.4
<b>Total</b>	<b>114.6</b>	<b>150.4</b>	<b>41.3</b>	<b>306.3</b>

REVENUE BY TIMING OF RECOGNITION

in millions of euros	1st quarter 2019			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
Revenue at a point in time	63.6	56.5	6.9	127.0
Revenue over time	76.7	109.6	12.8	199.1
<b>Total</b>	<b>140.3</b>	<b>166.1</b>	<b>19.7</b>	<b>326.1</b>

in millions of euros	1st quarter 2018			Total
	Tea, Food & Other	Pharmaceutical	Tobacco packaging	
Revenue at a point in time	62.2	59.6	7.9	129.7
Revenue over time	52.4	90.8	33.4	176.6
<b>Total</b>	<b>114.6</b>	<b>150.4</b>	<b>41.3</b>	<b>306.3</b>

## 2. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the period are analysed as follows:

in millions of euros	Land and Building	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
<b>Balances at 01.01.2019</b>	<b>66.5</b>	<b>21.8</b>	<b>5.0</b>	<b>12.9</b>	<b>5.7</b>	<b>111.9</b>
First time application IFRS 16	137.3	–	–	4.4	–	141.7
Additions	1.7	0.9	0.3	0.9	1.8	5.6
Sales and eliminations	–	(0.1)	–	–	–	(0.1)
Depreciation	(5.7)	(1.2)	(0.5)	(1.4)	–	(8.8)
Reclassifications	2.9	0.4	0.1	–	(0.5)	2.9
Exchange rate differences	1.1	0.2	–	–	–	1.3
<b>Balances at 31.03.2019</b>	<b>203.8</b>	<b>22.0</b>	<b>4.9</b>	<b>16.8</b>	<b>7.0</b>	<b>254.5</b>

As regards the accounting impact of FTA of IFRS 16, please refer to the comments in the section entitled "Implementation of accounting standards".

Additions for the period mainly relate to costs incurred to extend and upgrade buildings, rights of use assets and the purchase of plant, machinery and electronic machines.

Reclassifications refer to the allocation to land and buildings of part of the goodwill provisionally recognised as part of the acquisition of Ciemme S.r.l.

## 3. INTANGIBLE ASSETS

Movements in intangible assets during the period are analysed as follows:

in millions of euros	Development costs	Industrial patents rights	Software licences, trademarks and similar	Goodwill	Asset under development and advances	Total
<b>Balances at 01.01.2019</b>	<b>106.1</b>	<b>5.5</b>	<b>103.1</b>	<b>222.4</b>	<b>16.9</b>	<b>454.0</b>
Additions	–	0.3	0.1	2.1	3.5	6.0
Sales and eliminations	–	(0.1)	–	–	–	(0.1)
Amortization	(4.8)	(0.4)	(2.8)	–	–	(8.0)
Reclassifications and other changes	–	–	–	(1.9)	–	(1.9)
Exchange rate differences	–	–	–	0.2	–	0.2
<b>Balances at 31.03.2019</b>	<b>101.3</b>	<b>5.3</b>	<b>100.4</b>	<b>222.8</b>	<b>20.4</b>	<b>450.2</b>

Development costs include the costs incurred for unpatented technology, the useful life of which has been estimated to be between 5 and 10 years and is attributable to the following acquisitions:

- ) Ciemme S.r.l., acquired in 2018, 4.4 million euros;
- ) TMC Group, acquired in 2018, 21.4 million euros;
- ) Petroncini Impianti S.p.A., acquired in 2018, 6.9 million euros;

- ) Eurosicma business, 16.1 million euros;
- ) Medtech business, 1.7 million euros;
- ) Benhil GmbH and Hassia Packaging Pvt. Ltd., 7.9 million euros;
- ) Ilapak Group, 7.3 million euros;
- ) Dairy & Convenience Food sector of the Corazza Group for 3.3 million euros.

In addition, this caption includes costs of 10.7 million euros incurred by the Parent Company on projects related to the Pharmaceutical sector, as well as 4.6 million euros on the development of projects for the Tea, Food & Other sector.

Software, licences, trademarks and other rights mainly include applications, management and technical software and intangible assets related to customers ("customer list") and trademarks for 60.0 million euros and 28.8 million euros respectively, recognized following the acquisitions of Eurosicma, Ilapak, Corazza, TMC, Petroncini and Ciemme.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Goodwill comprises the following:

in millions of euros	31.03.2019	31.12.2018
Tea, Food & Other sector:		
CGU Benhil GmbH	21.2	21.2
CGU B.F.B. S.p.A.	1.8	1.8
CGU Ciemme S.r.l.	4.4	6.1
CGU Eurosicma	12.8	12.8
CGU GIMA S.p.A.	1.7	1.7
CGU Corazza Group	18.9	18.9
CGU Ilapak Group	4.1	4.1
CGU Teknoweb Group	13.3	13.3
CGU TMC Group	36.4	36.6
CGU Hassia Packaging Pvt. Ltd.	1.8	1.8
CGU Luna Investment SA	2.1	–
CGU MAI S.A.	7.4	7.4
CGU Mapster S.r.l.	2.8	2.8
CGU Medtech	9.9	9.9
CGU Naturapack S.r.l.	8.7	8.7
CGU Petroncini Impianti S.p.A.	8.2	8.2
CGU TEAMAC	0.7	0.7
CGU Telerobot S.p.A.	4.9	4.9
	<b>161.1</b>	<b>160.9</b>
Pharmaceutical sector:		
CGU CO.MA.DI.S. S.p.A.	3.8	3.8
CGU DOSA S.r.l.	0.8	0.8
CGU G.S. S.r.l. Coating System	7.4	7.4
CGU G.S. Coating Technologies S.r.l.	0.6	0.6
CGU Edwards Group	23.1	23.1
CGU Nova Group	13.9	13.7
CGU ICO OLEODINAMICI S.p.A.	1.6	1.6
CGU MKCS Inc.	0.6	0.6
CGU Pharmasiena Service S.r.l.	2.1	2.1
CGU Precision Gears Ltd.	4.0	4.0
CGU Shanghai Tianyan	0.9	0.9
CGU Zanchetta S.r.l.	2.9	2.9
	<b>61.7</b>	<b>61.5</b>
<b>Total</b>	<b>222.8</b>	<b>222.4</b>

With regard to the goodwill recognised following the acquisition of Luna Investment SA, please refer to the comments in the Scope of Consolidation section.

The change in goodwill relating to the Ciemme S.r.l. and TMC Group CGUs, shown in the reclassifications and other changes shown on the statement of changes in intangible assets, refers to the completion of the initial recognition of business combinations during the previous year within the assessment period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The impairment tests performed on goodwill pursuant to IAS 36 did not identify the need for any write-downs, having regard for current forecasts and the absence of events suggesting possibly significant losses of value.

For completeness, the goodwill of the Nova Group, Zanchetta and ICO OLEODINAMICI CGUs was written down in prior years by 0.8 million euros, 2.5 million euros and 1.5 million euros respectively.

Assets under development and advances mainly relate to the capitalization of development costs in progress incurred by the Parent Company (12.6 million euros) and IMA Automation USA Inc. (1.8 million euros).

#### 4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This caption is analyzed as follows:

in millions of euros	31.03.2019	31.12.2018
<b>Associates:</b>		
Amherst Stainless Fabrication LLC	0.4	0.4
Atopbi S.p.A.	16.3	16.3
B.C. S.r.l.	3.0	3.0
Bacciottini F.lli S.r.l.	0.9	0.9
Bognesi S.r.l.	1.1	1.1
I.E.M.A. S.r.l.	1.4	1.5
IMA Dairy & Food Holding GmbH	12.0	12.0
Inkbit LLC	2.1	2.1
LA.CO S.r.l.	0.5	0.5
Logimatic S.r.l.	0.9	0.9
Meccanica Sarti S.r.l.	1.2	1.2
MORC2 S.r.l.	1.7	1.7
O.M.S. Officina Meccanica di Sonico S.r.l.	1.0	1.0
SIL.MAC. S.r.l.	1.1	1.1
Sirio S.p.A. Associazione in partecipazione	3.3	3.3
Other associates	1.6	1.7
	<b>48.5</b>	<b>48.7</b>
<b>Joint venture:</b>		
CMRE S.r.l.	4.2	4.2
	<b>4.2</b>	<b>4.2</b>
<b>Total</b>	<b>52.7</b>	<b>52.9</b>

## 5. FINANCIAL ASSETS

The item breaks down as follows:

in millions of euros	31.03.2019	31.12.2018
Non-current:		
· Financial asset measured at amortized cost	42.6	42.2
· Financial asset measured at FVOCI	4.9	4.9
· Financial asset measured at FVPL	0.4	0.4
	<b>47.9</b>	<b>47.5</b>
Current:		
· Financial asset measured at amortized cost	8.0	8.5
· Financial asset measured at FVOCI	14.4	12.9
· Financial asset measured at FVPL	0.8	0.8
	<b>23.2</b>	<b>22.2</b>
<b>Total</b>	<b>71.1</b>	<b>69.7</b>

Non-current financial assets measured at amortised cost essentially refer to the loan granted by the Parent Company to the associate IMA Dairy & Food Holding GmbH for 40.0 million euros.

Current financial assets measured at amortised cost essentially comprise loans granted by the Parent Company and Packaging Manufacturing Industry S.r.l. to CMRE S.r.l., a joint venture, and to associates, totalling 7.9 million euros.

Current financial assets valued at FVOCI mainly include investment funds attributable to the Parent Company for 9.1 million euros.

## 6. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments comprise:

in millions of euros	Assets		Liabilities	
	31.03.2019	31.03.2019	31.12.2018	31.12.2018
Interest rate hedging instruments - cash flow hedges	-	4.5	-	3.8
Exchange rate hedging instruments - cash flow hedges	0.3	1.6	0.4	1.3
<b>Total</b>	<b>0.3</b>	<b>6.1</b>	<b>0.4</b>	<b>5.1</b>

### INTEREST RATE DERIVATIVES

At 31 March 2019, the amount of 4.4 million euros in liabilities represents the fair value of derivative contracts to hedge the interest rate risk arranged by the Parent Company with leading banks and connected to a bond loan, and part of the medium-term loans that expire by the end of 2023, on a nominal value of 28.6 million US dollars and 180.0 million euros.

Furthermore, the residual amount of 0.1 million euros in liabilities represents the fair value of the interest rate hedging derivative contract entered into by GIMA S.p.A. on a nominal value of 6.6 million euros.

#### EXCHANGE RATE DERIVATIVES

At 31 March 2019, the amount of 0.3 million euros in assets and 1.6 million euros in liabilities are the fair value of the forward currency purchase and sale contracts taken out by the Group to manage its exchange risk exposure based on a notional of 56.1 million US dollars, 21.9 million Chinese yuan and 0.8 million GB pounds sterling.

### 7. DEFERRED TAX ASSETS AND LIABILITIES

At 31 March 2019, the deferred tax asset of 49.5 million euros (49.2 million euros at 31 December 2018) mainly relates to a deferred tax asset recognised in 2012 on the release of the step-up in the carrying amounts of the controlling interests recorded in IMA S.p.A.'s consolidated financial statements and temporary differences arising on provisions.

At 31 March 2019, deferred tax liabilities amount to 59.8 million euros (58.8 million euros at 31 December 2018) and relate mainly to temporary differences between the book values of certain tangible and intangible assets and their values recognised for tax purposes.

### 8. INVENTORIES

This item is made up as follows:

in millions of euros	31.03.2019			31.12.2018		
	Gross value	Impairment provision	Net value	Gross value	Impairment provision	Net value
Raw, ancillary and consumable materials	80.4	(10.9)	69.5	76.6	(10.7)	65.9
Work in progress and semifinished goods	293.1	(36.3)	256.8	274.6	(34.7)	239.9
Finished products and goods for resale	19.0	(2.9)	16.1	16.8	(2.9)	13.9
<b>Total</b>	<b>392.5</b>	<b>(50.1)</b>	<b>342.4</b>	<b>368.0</b>	<b>(48.3)</b>	<b>319.7</b>

The increase in inventories since 31 December 2018 reflects the preparation of machines for delivery to customers in subsequent quarters, as well as the substantial backlog at the end of March.

### 9. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

#### TRADE AND OTHER RECEIVABLES

This item comprises:

in millions of euros	31.03.2019	31.12.2018
Trade receivables	193.2	194.5
Advances to suppliers	26.4	23.4
Tax receivables	21.9	20.0
Deferred costs	12.1	9.6
Other receivables	13.3	10.2
<b>Total</b>	<b>266.9</b>	<b>257.7</b>

TRADE RECEIVABLES

Trade receivables include amounts due from customers of 182.7 million euros (183.1 million euros at 31 December 2018) and receivables from associates of 10.5 million euros (11.4 million euros at 31 December 2018).

Customer receivables falling due beyond 12 months amounted to 0.6 million euros (1.2 million euros at 31 December 2018). Deferred payment terms granted to customers resident in countries presenting particular risks are guaranteed by suitable financial instruments to secure collection. There are no significant financial components or rights to make returns.

Trade receivables are carried net of accumulated provisions amounting to 18.6 million euros (18.4 million euros at 31 December 2018).

Assigned receivables without recourse not yet due at 31 March 2019 amount to 18.1 million euros, of which 13.3 million euros have been assigned to factoring companies and 4.8 million euros to other financial institutions. No assignment of receivables without recourse was made in 2019.

ADVANCES TO SUPPLIERS

At 31 March 2019, these relate to advances for goods to be used in production and for services totalling, respectively, 17.6 million euros (15.9 million euros at 31 December 2018) and 8.8 million euros (7.5 million euros at 31 December 2018).

This balance includes 3.0 million euros of advances to associated companies (3.3 million euros at 31 December 2018).

TAX RECEIVABLES

Tax receivables mainly consist of VAT recoverable.

OTHER RECEIVABLES

The item includes the residual amount of 5.0 million euros due from TB Tauris Italia S.r.l. in connection with the sale of 60% of the investment in IMA Dairy & Food Holding GmbH.

**CONTRACT ASSETS**

Contract assets relating to existing contracts are shown net of the related advances, as illustrated below:

in millions of euros	31.03.2019	31.12.2018
Contract assets related to contract works	469.9	432.6
Advances received	(243.6)	(243.1)
<b>Total</b>	<b>226.3</b>	<b>189.5</b>

These contract assets consist of the amount due from customers for contracts in progress at the end of the period, net of advances already received.

## 10. CASH AND CASH EQUIVALENTS

This item comprises:

in millions of euros	31.03.2019	31.12.2018
Bank current accounts	87.6	140.6
Deposits	0.5	0.1
Cheques and cash	0.2	0.2
<b>Total</b>	<b>88.3</b>	<b>140.9</b>

For a better understanding of the trend in net financial indebtedness, reference should be made to Note 13.

## 11. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

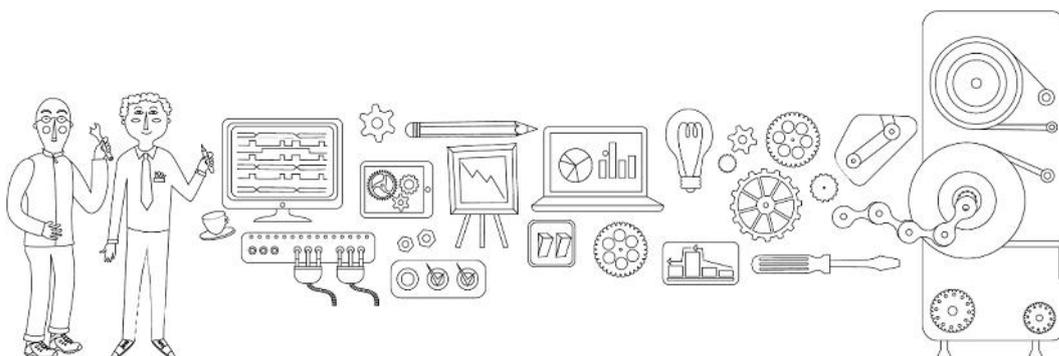
### SHARE CAPITAL

The share capital reported in the consolidated financial statements at 31 March 2019, 20.4 million euros, is the share capital issued (fully subscribed and paid up) by the Parent Company, IMA S.p.A., and is made up of 39,260,000 ordinary shares with a par value of 0.52 euros each.

### TREASURY SHARES

On 15 November 2018 the repurchase of treasury shares (share buy-back) was initiated in compliance with the authorisation given by the Shareholders' Meeting of IMA S.p.A. on 27 April 2018. Since the start of the programme, the Parent Company has carried out transactions in its own equity instruments in 2018 by acquiring 101,500 treasury shares for a total of 5.5 million euros. As a result of these purchases and considering the shares already held in portfolio, at 31 December 2018 IMA S.p.A. held 107,000 treasury shares, equal to 0.273% of the share capital.

The Parent Company did not carry out any transactions on treasury shares during the first quarter of 2019.



FAIR VALUE RESERVE

The changes in the fair value reserve are analysed as follows:

in millions of euros	
<b>Balance at 01.01.2018</b>	<b>(1.3)</b>
<i>Cash flow hedges/hedging instruments</i>	
Realization recognized in PL	0.1
<b>Balance at 31.03.2018</b>	<b>(1.2)</b>
<b>Balance at 01.01.2019</b>	<b>(2.9)</b>
<i>Financial assets at FVOCI</i>	
Measurement at fair value	1.2
Fair value - tax effect	(0.3)
<i>Cash flow hedges/hedging instruments</i>	
Measurement at fair value	(1.5)
Fair value - tax effect	0.4
Realization recognized in PL	0.4
Tax effect - realization recognized in PL	(0.1)
<b>Balance at 31.03.2019</b>	<b>(2.8)</b>

OTHER RESERVES AND RETAINED EARNINGS

The changes during the period principally reflect the allocation to reserves of the net profit for the prior period.

In addition, this item includes the reserve on the remeasurement of defined benefit plans, the movements of which during the period were as follows:

in millions of euros	
<b>Balance at 01.01.2018</b>	<b>(11.6)</b>
Actuarial value	0.9
Tax effect	(0.1)
<b>Balance at 31.03.2018</b>	<b>(10.8)</b>
<b>Balance at 01.01.2019</b>	<b>(6.0)</b>
Actuarial value	0.1
<b>Balance at 31.03.2019</b>	<b>(5.9)</b>

## 12. NON-CONTROLLING INTERESTS

The direct and indirect investments held by the Parent Company IMA S.p.A. together with non-controlling interests are indicated below:

	Country	31 March 2019		31 December 2018	
		% held by the Group	% held by third parties	% held by the Group	% held by third parties
Digidoc S.r.l.	Italy	80%	20%	80%	20%
Dreamer S.r.l.	Italy	90%	10%	90%	10%
Eurotekna S.r.l.	Italy	85.71%	14.29%	85.71%	14.29%
GIMA TT S.p.A. (*)	Italy	60.40%	39.60%	60.39%	39.61%
IMA Fuda (Shanghai) Packaging Mach. Co. Ltd.	PRC	80%	20%	80%	20%
O.A.S.Y.S. S.r.l.	Italy	70%	30%	70%	30%
Petroncini Impianti S.p.A.	Italy	80%	20%	80%	20%
Petroncini International Trad. (Shanghai) Co. Ltd.	PRC	80%	20%	80%	20%
Pharmasiena Service S.r.l.	Italy	70%	30%	70%	30%
IMA Life (Shanghai) Ph. Mach. Co. Ltd.	PRC	86.29%	13.71%	86.29%	13.71%
Teknoweb N.A. LLC	USA	75%	25%	75%	25%
Transworld Packaging Holding S.p.A.	Italy	81%	19%	81%	19%

(\*) Percentages calculated taking into account the treasury shares repurchased by the company.

Transworld Packaging Holding S.p.A. controls twelve companies, either directly or indirectly. For further information, see the list of equity investments provided in section F of the explanatory notes.

Non-controlling interests at 31 March 2019 amounted to 25.8 million euros (23.9 million euros at 31 December 2018) and refer to GIMA TT S.p.A. for 23.8 million euros.

## 13. BORROWINGS

The item includes financial liabilities valued at amortized cost and, in particular, amounts due to banks of 308.5 million euros (273.6 million euros at 31 December 2018), amounts due to other lenders of 145.5 million euros (8.2 million euros at 31 December 2018) and bonds of 103.2 million euros (108.0 million euros at 31 December 2018).

### PAYABLES TO BANKS

The main changes in payables to banks relate to the Parent Company and refer to advances on export transactions.

### PAYABLES TO OTHER LENDERS

At 31 March 2019, amounts due to other lenders include 137.9 million euros of liabilities arising from IFRS 16 (141.1 million on FTA at 1 January 2019); for further information, see comments in the paragraph entitled "Implementation of accounting standards".

Amounts due to other lenders beyond five years amounted to 59.6 million euros, essentially attributable to property leases.



NET DEBT

The breakdown of net debt, alternative performance indicator, is as follows:

in millions of euros	31.03.2019	31.12.2018
A. Cash and cash equivalents	(88.3)	(140.9)
B. Other cash equivalents	(5.2)	(5.0)
C. Investments in securities	(9.2)	(8.0)
<b>D. Liquidity (A)+(B)+(C)</b>	<b>(102.7)</b>	<b>(153.9)</b>
<b>E. Current financial receivables</b>	<b>(8.8)</b>	<b>(9.1)</b>
F. Current payables to banks	116.9	79.2
G. Current portion of non-current payables	44.7	27.0
H. Other current financial payables	0.4	0.3
<b>I. Current financial debt (F)+(G)+(H)</b>	<b>162.0</b>	<b>106.5</b>
<b>J. Net current financial debt (D)+(E)+(I)</b>	<b>50.5</b>	<b>(56.5)</b>
K. Non-current portion of non-current bank payables	173.7	176.6
L. Bonds issued	95.1	100.3
M. Other non-current financial payables	126.4	6.4
N. Non-current financial assets	(42.6)	(42.2)
<b>O. Net non-current financial debt (K)+(L)+(M)+(N)</b>	<b>352.6</b>	<b>241.1</b>
<b>P. Net financial debt (J)+(O)</b>	<b>403.1</b>	<b>184.6</b>

At 1 January 2019, the FTA of IFRS 16 resulted in an increase in payables of 141.1 million euros.

When preparing the table of net financial indebtedness, which is not indicated as an accounting measurement by international accounting standards, we took into account the requirements of Consob Communication DEM/6064293 of 28 July 2006, except that we included non-current financial assets represented by financial receivables.

Total non-current financial assets differs from that reported in the balance sheet as it does not include equity interests in other companies. A breakdown of the items comprising net debt is given in Notes 5 and 10.

The Group also has payables in respect of acquisitions totalling 64.0 million euros (65.9 million euros at 31 December 2018), essentially relating to the options agreed for the purchase of the minority interests in subsidiaries.

Net debt at the end of the period amounts to 403.1 million euros compared with 184.6 million euros at the end of 2018. The increase is mainly due to the effect of the introduction of IFRS 16 of 137.9 million euros and the physiological growth in net working capital. It is expected that net debt will fall considerably in the latter part of the year.

## 14. PROVISIONS FOR RISKS AND CHARGES

These provisions are analysed as follows:

in millions of euros	Balance at 31.12.2018	Net increases	Net decreases	Adjustments and exchange rate differences	Balance at 31.03.2019
Non-current:					
Agency termination indemnities	3.4	–	–	–	3.4
Other provisions	1.2	–	–	(0.4)	0.8
	<b>4.6</b>	<b>–</b>	<b>–</b>	<b>(0.4)</b>	<b>4.2</b>
Current:					
Product guarantee provision	25.0	1.1	(0.6)	0.1	25.6
Other provisions	2.4	0.1	–	0.4	2.9
	<b>27.4</b>	<b>1.2</b>	<b>(0.6)</b>	<b>0.5</b>	<b>28.5</b>
<b>Total</b>	<b>32.0</b>	<b>1.2</b>	<b>(0.6)</b>	<b>0.1</b>	<b>32.7</b>

The product guarantee provision was established on the basis of estimated expenses for work performed under guarantee after 31 March 2019.

Other provisions are made up of provisions for risks and charges made to cover tax liabilities or charges that might arise from contractual obligations.

## 15. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

### TRADE AND OTHER PAYABLES

This item is made up as follows:

in millions of euros	31.03.2019	31.12.2018
Trade payables	325.3	364.2
Social security and defined-contribution plans payables	12.7	14.2
Tax payables	11.0	12.1
Due to employees	69.8	67.2
Payables in respect of acquisitions	64.0	65.9
Deposits	1.5	2.0
Other payables	9.7	11.6
<b>Total</b>	<b>494.0</b>	<b>537.2</b>

#### TRADE PAYABLES

This item includes trade payables of 235.7 million euros (264.7 million euros at 31 December 2018), payables to agents of 14.4 million euros (16.0 million euros at 31 December 2018) and trade payables to associates of 75.2 million euros (83.5 million euros at 31 December 2018).

#### TAX PAYABLES

Tax payables mainly consist of income tax withheld from employees' wages and salaries.

DUE TO EMPLOYEES

These mainly relate to deferred payroll and accrued holiday entitlement, which will mostly be taken during the second half of the year.

This item includes 8.9 million euros classified among the non-current liabilities (7.7 million euros at 31 December 2018).

PAYABLES IN RESPECT OF ACQUISITIONS

At 31 March 2019 these include payables for the purchase of investments relating to the acquisitions that took place in 2018 for 30.6 million euros, mainly attributable to Ciemme S.r.l. and to the TMC Group and to the acquisitions that took place in previous years for 33.4 million euros, mainly relating to Eurosim S.p.A. and Teknoweb Converting S.r.l.

The total amount of payables for acquisitions classified under non-current liabilities comes to 63.3 million euros (62.6 million euros at 31 December 2018).

OTHER PAYABLES

Other payables include 4.2 million euros classified under non-current liabilities (4.4 million euros at 31 December 2018).

**CONTRACT LIABILITIES**

The item breaks down as follow:

in millions of euros	31.03.2019	31.12.2018
Advances received from customer	141.3	133.5
Contract liabilities related to contract works	42.5	40.4
<b>Total</b>	<b>183.8</b>	<b>173.9</b>

The high level of advances from customers for uncompleted contracts is due mainly to the large volume of orders received at the reporting date.

Contract liabilities relating to existing contracts are shown net of the related assets, as illustrated below:

in millions of euros	31.03.2019	31.12.2018
Advances received	126.3	104.1
Contract assets related to contract works	(83.8)	(63.7)
<b>Total</b>	<b>42.5</b>	<b>40.4</b>

Contract liabilities consist of advances received for contract work in progress at the end of the period, net of the assets relating to existing contracts.

**16. PERSONNEL COSTS**

This item comprises:

in millions of euros	1st quarter 2019	1st quarter 2018	Change
Wages and salaries	75.9	66.9	9.0
Social security contributions	18.2	15.8	2.4
Board of Directors' emoluments	2.3	3.3	(1.0)
Pensions - defined-benefit plans	0.4	0.4	–
Pensions - defined-contribution plans	3.9	3.5	0.4
Other personnel costs	4.9	4.9	–
<b>Total</b>	<b>105.6</b>	<b>94.8</b>	<b>10.8</b>

Personnel costs related to Petroncini Impianti S.p.A., Ciemme S.r.l. and to the TMC Group, not included in the scope of consolidation in 2018, amounted to 6.1 million euros.

In the first quarter of 2019, the IMA Group employed 5,670 people on average (5,170 persons in first quarter of the previous year). At the end of period employees are 5,712 (5,623 at 31 December 2018).

**17. DEPRECIATION, AMORTIZATION AND WRITE-DOWNS**

This caption includes the depreciation of property, plant and equipment of 8.8 million euros (3.3 million euros in the same prior year period), amortization of intangible assets of 8.0 million euros (5.6 million euros in the first quarter of 2018) and the bad debt provision of 0.4 million euros (use of 0.1 million euros in the same prior year period).

In the first quarter of 2019 the FTA of IFRS 16 led to the recognition of depreciation on rights of use assets of 4.9 million euros.

**18. FINANCIAL INCOME**

This item comprises:

in millions of euros	1st quarter 2019	1st quarter 2018	Change
Interest income from banks	0.1	0.1	–
Income from derivative financial instruments	0.1	0.1	–
Other interest and financial income	0.7	0.1	0.6
Exchange rate gains	6.5	7.3	(0.8)
<b>Total</b>	<b>7.4</b>	<b>7.6</b>	<b>(0.2)</b>

**19. FINANCIAL EXPENSE**

This item comprises:

in millions of euros	1st quarter 2019	1st quarter 2018	Change
Interest expense on bank payables	1.1	0.7	0.4
Interest expense on bonds	1.2	1.3	(0.1)
Interest expense on leases	0.8	–	0.8
Net financial expense on defined-benefit plans	0.1	0.1	–
Bank guarantee expenses	0.2	0.2	–
Expense from derivative financial instruments	0.4	0.2	0.2
Other interest and financial expense	1.2	0.3	0.9
Exchange rate losses	6.1	8.1	(2.0)
<b>Total</b>	<b>11.1</b>	<b>10.9</b>	<b>0.2</b>

Exchange gains and losses in the period to 31 March 2019 included, respectively, an unrealized gain of 3.7 million euros and an unrealized loss of 3.0 million euros (4.9 million euros and 3.5 million euros respectively in first quarter of the previous year).

**20. TAXES**

Taxation includes taxes for the period, calculated using the best estimate of the weighted average tax rate for the full year.

The following companies form part of the domestic tax group: IMA S.p.A., CO.MA.DI.S. S.p.A., Corazza S.p.A., Packaging Manufacturing Industry S.r.l. and Revisioni Industriali S.r.l. as consolidated companies and SO.FI.MA. S.p.A. as the consolidating company.

Furthermore, GIMA S.p.A. and Tissue Machinery Company S.p.A. as consolidating companies and Mapster S.r.l. and Asset Management Service S.r.l. as consolidated companies form part of the domestic tax group.

**21. PROFIT (LOSS) FROM DISCONTINUED OPERATIONS/DISPOSAL GROUPS**

As mentioned in the 2018 annual report, on 20 December 2018, IMA S.p.A. completed the closing of the sale of 60% of its investment in IMA Dairy & Food Holding GmbH to TB Tauris Italia S.r.l.

The income statement items attributable to the business sold were as follows:

in millions of euros	1st quarter 2018
Revenue and other revenue	25.8
Costs	(31.8)
Financial income and expense	(0.2)
Income taxes	0.9
<b>Profit (loss) from discontinued operations/disposal groups</b>	<b>(5.3)</b>

## 22. EARNINGS PER SHARE

Basic earnings per share are calculated as the ratio of Group net profit to the weighted average number of ordinary shares outstanding during the year, as follows:

	1st quarter 2019	1st quarter 2018
Net profit from continuing operations (millions of euros)	12.0	14.7
Average number of outstanding ordinary shares (millions of shares)	39.2	39.2
<b>Earning per share from continuing operations (in euros)</b>	<b>0.31</b>	<b>0.38</b>
Profit (loss) from discontinued operations/disposal groups (millions of euros)	–	(5.3)
Average number of outstanding ordinary shares (millions of shares)	39.2	39.2
<b>Earning per share from discontinued operations/disposal groups (in euros)</b>	<b>–</b>	<b>(0.14)</b>
Profit for the period (millions of euros)	12.0	9.4
Average number of outstanding ordinary shares (millions of shares)	39.2	39.2
<b>Earning per share (in euros)</b>	<b>0.31</b>	<b>0.24</b>

For the IMA Group, basic earnings per share and diluted earnings per share are the same, given the absence of instruments that might result in dilution.

## 23. GUARANTEES GRANTED

At 31 March 2019, the Group has given sureties and other bank guarantees to customers totalling 22.7 million euros for the proper operation of machinery, bid bonds and advances not yet received, sureties to guarantee rental contracts for 8.4 million euros, sureties associated with the sale of CMH S.r.l. for 3.5 million euros and sureties in favour of others for 2.4 million euros.

The Parent Company has also given sureties and other guarantees (binding letters of patronage) to third parties on behalf of subsidiaries and associates, with respect to lines or credit or financing extended by banks and the payment of rental fees for 348.4 million euros.

Ilapak International SA and Packaging Manufacturing Industry S.r.l. have provided guarantees to third parties in the interest of Ilapak Verpackungsmaschinen GmbH for 2.1 million euros and Logimatic S.r.l. for 0.6 million euros.

Lastly, note that sureties were issued against advances received from customers for a total of 107.3 million euros (117.0 million euros at 31 December 2018), of which 36.5 million euros reflect the use of credit lines guaranteed by commitments on the part of the Parent Company.

## 24. COMMITMENTS

At 31 March 2019 there are commitments for the purchase of property, plant and equipment and intangible assets of 3.5 million euros relating principally to plant and machinery and software.

Other commitments in favour of third parties, 4.2 million euros, mainly consist of the Parent Company's agreement to buy further units of the mutual funds.

## 25. RELATED-PARTY TRANSACTIONS

In compliance with current Consob regulations on Related-Party Transactions, from 2010 IMA S.p.A. adopted the procedure to be followed by IMA and its subsidiaries when carrying out transactions with parties related to IMA; this procedure was updated on 15 February 2019.

The Parent Company of the IMA Group is I.M.A. Industria Macchine Automatiche S.p.A., which at 31 March 2019 is owned 56.789% by SO.FI.M.A. S.p.A., which in turn is controlled by Lopam Fin S.p.A.

Intercompany transactions are carried out in the ordinary course of business on arm's-length terms. Relations with other related parties are mainly attributable to the persons who control the Parent Company, to persons who administer and direct the activities of IMA S.p.A. and to entities that are controlled by them.

The Board must give advance approval in its meetings for all transactions with related parties, including inter-company transactions, except for transactions carried out in the ordinary course of business on arm's-length terms.

Related party transactions mainly refer to commercial and property operations (leased premises used by the Parent Company or Group companies), as well as to membership of the tax group.

Note that during the period there were no "more relevant transactions", as defined in the Consob regulation, no individual Related Party transactions that could have had a significant influence over the companies' balance sheet or results and no changes or developments in Related Party transactions explained in the last annual report that could have had a significant influence over the companies' balance sheet or results.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table details the main transactions carried out with related parties:

in millions of euros	Receivables at 31.03.2019	Receivables at 31.12.2018	Payables at 31.03.2019	Payables at 31.12.2018
<b>Associates and joint venture:</b>				
Amherst Stainless LLC	0.9	1.1	0.2	0.6
Atopbi S.p.A.	16.3	16.3	–	–
B.C. S.r.l.	3.0	3.0	1.7	0.8
Bacciottini F.Ili S.r.l.	0.9	1.2	6.1	5.7
Bolognesi S.r.l.	1.1	1.1	4.8	5.1
CMRE S.r.l.	9.9	8.5	–	–
Doo Officina-Game East Vrsac	1.3	1.4	–	0.1
I.E.M.A. S.r.l.	2.6	2.9	18.5	20.0
IMA Dairy & Food Holding GmbH	52.5	52.8	–	1.3
Inkbit LLC	2.1	2.1	–	–
L.A.CO S.r.l.	0.8	0.8	2.7	2.9
Logimatic S.r.l.	10.4	8.7	17.8	20.9
Meccanica Sarti S.r.l.	1.2	1.2	0.6	0.8
Me.Mo. S.r.l.	1.7	1.5	0.1	0.1
MORC 2 S.r.l.	1.7	1.7	1.2	0.9
O.M.S. Officina Meccanica di Sonico S.r.l.	1.0	1.0	0.8	1.2
RO.SI S.r.l.	0.3	0.3	2.1	2.3
SIL.MAC S.r.l.	2.1	2.2	8.8	10.4
STA.MA. S.r.l.	0.1	0.1	1.7	1.6
Talea S.r.l.	6.8	7.1	6.3	6.7
Other associates	1.4	1.5	1.8	1.9
	<b>118.1</b>	<b>116.5</b>	<b>75.2</b>	<b>83.3</b>
<b>Other related parties:</b>				
3-T S.r.l.	–	–	1.3	–
Atop S.p.A.	2.7	4.0	–	–
Costal S.r.l.	–	–	1.3	1.6
EPSOL S.r.l.	1.2	1.3	5.1	5.1
Erca S.A.S.	1.1	1.3	–	0.1
Hamba-Gasti GmbH	0.4	0.8	–	–
Hassia Verpackungsmaschinen GmbH	0.9	1.3	–	0.1
Hotminds S.r.l.	0.1	0.2	1.2	0.9
IMA Dairy & Food USA Inc.	0.1	0.3	–	–
LPM.GROUP S.r.l.	–	0.1	5.7	5.4
Timage S.r.l.	–	–	0.8	1.3
Other related parties	1.1	0.7	2.2	1.9
	<b>7.6</b>	<b>10.0</b>	<b>17.6</b>	<b>16.4</b>
<b>Total</b>	<b>125.7</b>	<b>126.5</b>	<b>92.8</b>	<b>99.7</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table details the main transactions carried out with related parties:

in millions of euros	Revenues 1st quarter 2019	Revenues 1st quarter 2018	Costs 1st quarter 2019	Costs 1st quarter 2018
<b>Associates and joint venture:</b>				
Amherst Stainless LLC	–	–	0.9	0.6
B.C. S.r.l.	–	–	1.7	1.7
Bacciottini F.lli S.r.l.	–	–	2.9	1.5
Bolognesi S.r.l.	–	–	1.7	1.5
I.E.M.A. S.r.l.	0.4	0.8	4.0	4.8
LACO S.r.l.	–	–	1.0	1.2
Logimatic S.r.l.	1.8	1.9	2.7	5.3
Meccanica Sarti S.r.l.	–	–	0.2	0.3
MORC 2 S.r.l.	–	–	1.0	0.6
O.M.S. Officina Meccanica Sonico S.r.l.	–	–	0.6	–
Powertransmission.it S.r.l.	–	–	0.3	0.4
RO.SI S.r.l.	–	–	0.7	–
SIL.MAC. S.r.l.	0.2	0.4	2.3	2.0
S.I.Me. S.r.l.	–	–	0.3	0.4
STAMA. S.r.l.	–	–	0.6	0.5
Talea S.r.l.	–	–	1.5	1.2
Other associates	0.4	–	0.7	0.6
	<b>2.8</b>	<b>3.1</b>	<b>23.1</b>	<b>22.6</b>
<b>Other related parties:</b>				
Atop S.p.A.	0.9	1.3	–	–
Costal S.r.l.	–	–	0.7	0.8
EPSOL S.r.l.	0.4	0.4	1.5	1.3
LPM.GROUP S.r.l.	–	–	1.5	–
Timage S.r.l.	–	–	0.5	–
Other related parties	0.8	–	2.9	2.1
	<b>2.1</b>	<b>1.7</b>	<b>7.1</b>	<b>4.2</b>
<b>Total</b>	<b>4.9</b>	<b>4.8</b>	<b>30.2</b>	<b>26.8</b>

In the first quarter of 2018 there was 0.7 million euros relating to rental costs attributable to other related parties. In the first quarter of 2019, the adoption of IFRS 16 led to the elimination of costs from related parties for rents of 0.7 million euros.

These balances and transactions relate primarily to the Group's Italian companies. There are also dealings with SO.FI.M.A. S.p.A., the Parent Company, as a result of setting up the domestic tax group, as mentioned in Note 20.

## 26. SIGNIFICANT NON-RECURRING TRANSACTIONS AND EVENTS

During the first quarter of 2019, the amount of 0.5 million euros mainly refers to ancillary charges on acquisitions classified as Services.

## 27. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No significant positions or operations deriving from atypical and/or unusual transactions arose during the first quarter of 2019.

## 28. SIGNIFICANT EVENTS AFTER THE END OF THE FIRST QUARTER

The Shareholders' Meeting of the Parent Company IMA S.p.A. held on 30 April 2019 approved:

- ) the financial statements at 31 December 2018 and the Board of Directors' Report on the operations of IMA S.p.A.;
- ) the proposal to distribute a total dividend of 2.00 euros gross for each share outstanding, allocating for this purpose the entire profit for the year and the "Extraordinary reserve" for the remainder;
- ) to grant the necessary powers to the Board of Directors, for a period of 12 months, to buy and sell treasury shares up to the maximum permitted by law and within the limits of unrestricted reserves and distributable earnings;
- ) the appointment of a new Board of Statutory Auditors which shall remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2021. For the composition of the Board of Statutory Auditors please refer to the section "Directors and Officers";
- ) the Remuneration Report.

It should also be noted that:

- ) on 11 April 2019, IMA completed the closing of the acquisition of 61.45% of Tecmar S.A., based in Mar del Plata (Argentina), an important player in the South American market in the design, production and marketing of automatic packaging machines in the coffee and food sectors. The deal envisages a financial intervention of 1.7 million euros, of which 1.4 million euros paid at the closing and the remainder to be paid in the second quarter of 2019. IMA has also signed put & call options on the other 38.55%, to be exercised after the approval of the financial statements at 31 December 2023;
- ) on 16 April 2019, IMA completed the closing for the purchase of 70% of Spreafico Automation S.r.l.; the company, based in Calolziocorte (LC), is an important player in the design, production and marketing of automatic machines for filling and preparing capsules for coffee and other soluble products. The deal envisages a financial intervention of 11.7 million euros, of which 10 million euros paid at the closing and the remainder to be paid by the end of May which, based on the results achieved by the company over

the next three years, could reach 15.5 million euros. IMA has also been granted a purchase option, exercisable in April 2028, for the other 30% of the company;

- ) on 24 April 2019 IMA S.p.A. signed a contract concerning the lease of a building with a surface area of approximately 32,600 square metres, located in Castel San Pietro Terme (Bologna), to be used for industrial activities, owned by Kryalos SGR S.p.A., as well as the preliminary lease of the building that will be realised, including the existing building and an office to be built.

## F) EQUITY INVESTMENTS INCLUDED IN THE SCOPE OF CONSOLIDATION AND METHOD USED

Companies consolidated line-by-line	Registered office		Share capital	Currency	Direct investment	Indirect investment
<b>Industrial and service companies:</b>						
- I.M.A. Industria Macchine Automatiche S.p.A.	Ozzano dell'Emilia	Bologna - Italy	20,415,200	EUR	Parent company	
- Ciemme S.r.l.	Albavilla	Como - Italy	100,000	EUR	100% (1)	-
- CO.MA.DI.S. S.p.A.	Senago	Milan - Italy	1,540,000	EUR	100%	-
- Corazza S.p.A.	Bologna	Bologna - Italy	15,675,000	EUR	100%	-
- Eurosicma - Costruzioni Macchine Automatiche S.p.A.	Milan	Milan - Italy	700,000	EUR	100% (2)	-
- Eurotekna S.r.l.	Milan	Milan - Italy	32,243	EUR	-	85.71% (3)
- GIMA S.p.A.	Zola Predosa	Bologna - Italy	1,000,000	EUR	100%	-
- GIMA TT S.p.A.	Ozzano dell'Emilia	Bologna - Italy	440,000	EUR	60.4%	-
- G.S. Coating Technologies S.r.l.	Castel San Pietro T.	Bologna - Italy	100,000	EUR	100%	-
- Ilapak Italia S.p.A.	Foiano della Chiana	Arezzo - Italy	4,074,000	EUR	-	81% (4)
- Mapster S.r.l.	Collecchio	Parma - Italy	10,000	EUR	-	100% (5)
- O.A.SYS. Open Automation System S.r.l.	Segrate	Milan - Italy	20,800	EUR	-	70% (3)
- Petroncini Impianti S.p.A.	Modena	Modena - Italy	120,000	EUR	-	80% (5)
- Pharmasienna Service S.r.l.	Siena	Siena - Italy	100,000	EUR	70%	-
- Revisioni Industriali S.r.l.	Ozzano dell'Emilia	Bologna - Italy	100,000	EUR	-	100% (6)
- Teknoweb Converting S.r.l.	Palazzo Pignano	Cremona - Italy	1,000,000	EUR	100% (7)	-
- Telerobot S.p.A.	Alessandria	Alessandria - Italy	50,000	EUR	-	100% (5)
- Tissue Machinery Company S.p.A.	Castel Guelfo	Bologna - Italy	8,000,000	EUR	100% (8)	-
- Benhil GmbH	Neuss	Germany	5,500,000	EUR	100%	-
- Delta Systems & Automation Inc.	Lowell	USA	1,000	USD	-	100% (9)
- Hassia Packaging Pvt. Ltd.	Taluka Shirur Pune	India	42,000,000	INR	100%	-
- Ilapak International SA	Collina d'Oro Lugano	Switzerland	4,000,000	CHF	-	81% (10)
- Ilapak (Beijing) Packaging Machinery Co. Ltd.	Beijing	PRC	3,000,000	USD	-	81% (11)
- IMA Automation Malaysia Sdn. Bhd.	Penang	Malaysia	3,000,000	MYR	-	100% (5)
- IMA Automation USA Inc.	Loves Park	USA	10,610,000	USD	-	100% (9)
- IMA Life (Beijing) Pharmaceutical Systems Co. Ltd.	Beijing	PRC	400,000	USD	100%	-
- IMA Life (Shanghai) Pharmaceutical Mach. Co. Ltd.	Shanghai	PRC	5,250,000	RMB	-	86.29% (12)
- IMA Life North America Inc.	Tonawanda	USA	100	USD	-	100% (9)
- IMA Life The Netherlands B.V.	Dongen	The Netherlands	22,382,654 (*)	EUR	100%	-
- IMA MAI S.A.	Mar del Plata	Argentina	1,284,317	ARS	100% (13)	-
- IMA Medtech Switzerland SA	La Chaux de Fonds	Switzerland	13,250,000	CHF	-	100% (5)
- IMA North America Inc.	Leominster	USA	8,052,500	USD	-	100% (9)
- IMA-PG India Pvt. Ltd.	Mumbai	India	17,852,100	INR	100%	-
- IMA Swiftpack Ltd.	Alcester	UK	1,403,895	GBP	100%	-
- Tianjin IMA Machinery Co. Ltd.	Tianjin	PRC	200,000	USD	100%	-
- Valley Tissue Packaging Inc.	Kaukauna	USA	3,645	USD	-	100% (14)

(\*) The nominal share capital of IMA Life The Netherlands B.V. amounts to Eur 45,400,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Companies consolidated line-by-line (continued)	Registered office		Share capital	Currency	Direct investment	Indirect investment
<b>Commercial companies:</b>						
- Asset Management Service S.r.l.	Castel Guelfo	Bologna - Italy	500,000	EUR	-	100% (15)
- Ilapak do Brasil Maquinas de embalagem Ltda.	Sao Paulo	Brazil	8,219,229	BRL	-	81% (10)
- Ilapak France SA	Lognes Paris	France	105,130	EUR	-	81% (4)
- Ilapak Inc.	Newtown	USA	12,500	USD	-	81% (4)
- Ilapak Israel Ltd.	Caesarea	Israel	5,310,505	ILS	-	81% (4)
- Ilapak Ltd.	Uxbridge London	UK	795,536	GBP	-	81% (4)
- Ilapak SNG OOO	Moscow	Russia	1,785,700	RUB	-	81% (4)
- Ilapak Sp. Z o.o.	Krakow	Poland	3,740,400	PLN	-	81% (4)
- Ilapak Verpackungsmaschinen GmbH	Haan Duesseldorf	Germany	102,500	EUR	-	81% (4)
- IMA Est GmbH	Vienna	Austria	280,000	EUR	100%	-
- IMA France E.u.r.l.	Rueil Malmaison	France	45,735	EUR	100%	-
- IMA Fuda (Shanghai) Packaging Machinery Co. Ltd.	Shanghai	PRC	6,000,000	RMB	80%	-
- IMA Germany GmbH	Cologne	Germany	90,000	EUR	100%	-
- IMA Iberica Processing and Packaging S.L.	Barcelona	Spain	590,000	EUR	100%	-
- IMA Industries GmbH (in liquidation)	Frankfurt am Main	Germany	100,000	EUR	100%	-
- IMA Life Japan KK	Tokyo	Japan	40,000,000	YEN	-	100% (16)
- IMA Pacific Co. Ltd.	Bangkok	Thailand	132,720,000	THB	99.99%	-
- IMA Packaging & Processing Equipment (Beijing) Co. Ltd.	Beijing	PRC	2,350,000	USD	100%	-
- IMA Packaging Technology India Pvt. Ltd.	Thane	India	10,000,000	INR	100%	-
- IMA UK Ltd.	Alcester	UK	1	GBP	-	100% (17)
- Imautomatich Do Brasil Ltda.	Sao Paulo	Brazil	6,651,550	BRL	99.98%	-
- OOO IMA Industries	Moscow	Russia	12,000,000	RUB	-	100% (6)
- Petroncini International Trading (Shanghai) Co. Ltd.	Shanghai	PRC	300,000	RMB	-	80% (18)
- Teknoweb N.A. Llc	Loganville Atlanta	USA	56,000	USD	-	75% (19)
- TMC Do Brasil Industria de Maquinarios e Servicos Ltda.	Valinhos	Brazil	678,405	BRL	-	100% (15)
- TMC North America Inc.	Appleton	USA	100,000	USD	-	100% (15)
<b>Financial companies:</b>						
- Luna Investment SA	Lugano	Svizzera	100,000	CHF	-	81% (10)
- Packaging Systems Holdings Inc.	Wilmington	USA	1,000	USD	100%	-
- Tekno NA Inc.	Atlanta	USA	50,000	USD	-	100% (20)
- Transworld Packaging Holding S.p.A.	Ozzano dell'Emilia	Bologna - Italy	64,833	EUR	81%	-
<b>Other companies:</b>						
- Digidoc S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	-	80% (21)
- Dreamer S.r.l.	Bologna	Bologna - Italy	100,000	EUR	-	90% (5)
- Packaging Manufacturing Industry S.r.l.	Castenaso	Bologna - Italy	110,000	EUR	100%	-
- Società del Sole S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	100%	-

**Note:**

- (1) The percentage interest held in Ciemme S.r.l. includes an option to purchase 30% of the quota capital
- (2) The percentage interest held in Eurosicma - Costruzioni Macchine Automatiche S.p.A. includes an option to purchase 40% of the quota capital
- (3) Held by Eurosicma - Costruzioni Macchine Automatiche S.p.A.
- (4) Held by Ilapak International SA at 100% except Ilapak France SA held at 99.99%
- (5) Held by GI MA S.p.A.
- (6) Held by Corazza S.p.A.
- (7) The percentage interest held in Teknoweb Converting S.r.l. includes an option to purchase 40% of the quota capital
- (8) The percentage interest held in Tissue Machinery Company S.p.A. includes an option to purchase 17.5% of the quota capital
- (9) Held by Packaging Systems Holding Inc.
- (10) Held by Transworld Packaging Holding S.p.A. at 100%
- (11) Held by Ilapak Italia S.p.A. at 100%
- (12) Held by IMA Life (Beijing) Ph. Systems Co. Ltd.
- (13) The percentage interest held in IMA MAI S.A. includes an option to purchase 30% of the quota capital
- (14) Held by TMC North America Inc. The percentage interest includes an option to purchase 49% of the quota capital
- (15) Held by Tissue Machinery Company S.p.A.
- (16) Held by IMA Life The Netherlands B.V.
- (17) Held by IMA Swiftpack Ltd.
- (18) Held by Petroncini Impianti S.p.A. at 100%
- (19) Held by Tekno NA Inc. at 75%
- (20) Held by Teknoweb Converting S.r.l. at 100%
- (21) Held by Packaging Manufacturing Industry S.r.l.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Investment accounted for using the equity method	Registered office		Share capital	Currency	Direct investment
- Amherst Stainless Fabrication LLC	Amherst NY	USA	1,100,000	USD	20% (1)
- Atopbi S.p.A.	Milan	Milan - Italy	249,400	EUR	25%
- B.C. S.r.l.	Imola	Bologna - Italy	36,400	EUR	30%
- Bacciottini F.lli S.r.l.	Oste Montemurlo	Prato - Italy	60,000	EUR	30% (2)
- BLQ S.r.l.	Castel Guelfo	Bologna - Italy	30,000	EUR	30% (2)
- Bolognesi S.r.l.	Dozza	Bologna - Italy	10,920	EUR	30% (2)
- Brio Pharma Technologies Pvt. Ltd.	Mumbai	India	1,000,000	INR	30%
- CAIMA S.r.l.	Monghidoro	Bologna - Italy	10,000	EUR	20% (2)
- Ciemme Engineering S.r.l.	Albavilla	Como - Italy	100,000	EUR	40% (3)
- CMRE S.r.l.	Bologna	Bologna - Italy	50,000	EUR	50%
- Doo Officina-Game East Vrsac	Vrsac	Serbia	130,474,863	RSD	49% (2)
- FID S.r.l. Impresa Sociale	Bologna	Bologna - Italy	20,000	EUR	30%
- I.E.M.A. S.r.l.	S.Giorgio di Piano	Bologna - Italy	100,000	EUR	30% (2)
- IMA Dairy & Food Holding GmbH	Stutensee	Germany	25,000	EUR	40%
- Inkbit LLC	Delaware	USA	2,407	USD	21.1%
- LA.CO S.r.l.	Ozzano dell'Emilia	Bologna - Italy	30,000	EUR	30% (2)
- Logimatic S.r.l.	Ozzano dell'Emilia	Bologna - Italy	120,000	EUR	29.17% (2)
- Masterpiece S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,000	EUR	30% (2)
- Meccanica Sarti S.r.l.	Bologna	Bologna - Italy	102,000	EUR	30% (2)
- Me.Mo. S.r.l.	Gaggio Montano	Bologna - Italy	10,000	EUR	20% (2)
- MORC2 S.r.l.	Faenza	Ravenna - Italy	20,800	EUR	20% (2)
- O.M.S. Officina Meccanica Sonico S.r.l.	Sonico	Brescia - Italy	31,200	EUR	40% (2)
- Powertransmission.it S.r.l.	Castenaso	Bologna - Italy	50,000	EUR	20% (2)
- RO.SI S.r.l.	Bentivoglio	Bologna - Italy	10,000	EUR	20.8% (2)
- Scriba Nanotecnologie S.r.l.	Bologna	Bologna - Italy	25,556	EUR	24.9%
- SIL.MAC. S.r.l.	Gaggio Montano	Bologna - Italy	90,000	EUR	30% (2)
- S.I.Me. S.r.l.	Granarolo dell'Emilia	Bologna - Italy	125,000	EUR	39.2% (2)
- STA.MA. S.r.l.	Ozzano dell'Emilia	Bologna - Italy	10,400	EUR	30% (2)
- Talea S.r.l.	Castel Guelfo	Bologna - Italy	25,000	EUR	20% (2)
- Sirio S.p.A. Associazione in partecipazione	Milan	Milan - Italy			

**Note:**

- (1) Held by IMA Life North America Inc.
- (2) Held by Packaging Manufacturing Industry S.r.l.
- (3) Held by Ciemme S.r.l.

**G) DECLARATION OF THE MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS PURSUANT TO ART. 154 BIS, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998.**

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The Manager responsible for preparing financial reports, Sergio Marzo, declares in accordance with article 154 bis paragraph 2 of the Consolidated Finance Act that the accounting information contained in this Periodic Financial Information at 31 March 2019 agrees with the books of account, the accounting entries and supporting documentation.