

PRESS RELEASE

THE BOARD APPROVES THE DRAFT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

GROWING USERS AND FACILITIES

Gallarate, 27 April 2020. The Board of Directors of SosTravel.com S.p.A. (AIM Italia, ticker: SOS), a digital operator in the market for assistance services for air transport passengers, approved the economic and financial results as of 31 December 2019:

- **Total revenues** of 3,174 thousand Euro, an increase with respect to the figure of 31 December 2018 of 2,495 thousand Euro (due to the increase in changes in internal work and other revenues); this figure was in line with the annual target of 3,038 thousand Euro;
- **EBITDA** of -125 thousand Euro, a decrease compared to the figure of 31 December 2018 of 473 thousand Euro (this was due to the planned strengthening of the organizational structure which serves to promote growth); it was also a decrease with respect to the annual target of 310 thousand Euro;
- **EBIT** of - 1,205 thousand Euro, down with respect to the figure of 31 December 2018 of -97 thousand Euro and the annual target of - 682 thousand Euro; this was due not only to the elements that affect EBITDA but also due to the increased amortization costs relative to listing and software development costs;
- **Net INCOME** of -1,265 thousand Euro (which does not include prepaid taxes);
- **Positive NFP (cash)** equal to 1,222 thousand Euro but down compared to the same figure of 31 December 2018 which was equal to 3,267 thousand Euro; this was mainly for due to: (i) investments on the APP for 600 thousand Euro (ii); the acquisition of the competitor Flio for approximately 300 thousand Euro (iii); the purchase of properties (to be used as an office) for approximately 560 thousand Euro; and (v) support for operating activities for approximately 600 thousand Euro.

Primary economic and operational results as of 31 December 2019:

In addition to economic and financial data, the growth of the database of analyzed customers and the downloads of the two APPs (Flio and sostravel) are also relevant for the purposes of a complete assessment; this data is reported below (it includes - it should be reiterated - the acquisition of the Flio database).

- Customer database at the end of 2019 : **1,022,412 + 98%** (equal to 517,284 as of 30.6.2019);
- Customers analyzed in the year 2019 : **678,917 + 323%** (equal to 160,317 as of 30.6.2019);
- Download of APP in 2019 : **642,408 + 1935%** (equal to 31,564 as of 30.06.2019);
- Total downloads of the app : **1,740,870 + 1424%** (equal to 114,229 as of 30.06.2019);
- Monthly Active users at the end of 2019 : **221,000 + 531%** (equal to 35,000 as of 30.06.2019);

Comparison of Actual 2019 / 2018 economic and financial data and the 2019 Forecast

Shown below is a comparison of the Actual 2019 and 2018 economic-financial data in addition to the 2019 Forecast communicated to the market on 27 November 2019.

(In thousands of Euros)	2018 Act	2019 Act	2019 F
Revenues from sale	2,481	2,238	2,281
Total revenues	2,495	3,174	3,038
EBITDA	473	(125)	310
EBITDA Margin (%)	16.9%	-3.9%	10.20%
EBIT	(97)	(1,205)	(682)
Net Financial Position (Cash)	(3,267)	(1,222)	(1,781)

Revenues from sales, for a total of 2,238 thousand Euro - down compared to 2018, but in line with the 2019 Forecast - primarily refer to the Lost & found concierge services sold to the TraWell Group (95.7%) and partially refer to B2B sales (3.8%) as well as sales generated through the Sostravel APP (<1%).

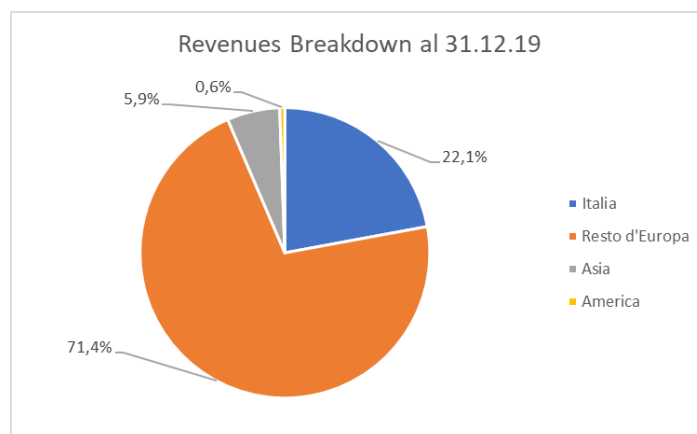
The Lost & found concierge services refer to the activity of tracking the baggage of customers sold through the TraWell Group.

The geographical breakdown of the sales reported above shows an excellent geographical diversification with Italy at 22.1% of sales, the rest of Europe at 71.4%, followed by Asia (5.9%) and America (0.6 %).

EBITDA is equal to approximately -125 thousand Euro, a decrease compared to the annual target of 310 thousand Euro; this was mainly due to the higher charges resulting from customer reimbursements on 2019 Lost & Found services (for a total of 238 thousand Euro) which were paid, for commercial purposes, in advance (compared to the ordinary refund disbursement procedures) at the end of 2019 and at the time of the launch of the new "Freemium" pricing model. The difference relative to 2018 - the year in which EBITDA was equal to 473 thousand Euro - was mainly ascribable to the planned recruitment of new professional figures which are essential to future growth (Android and iOS programmers, marketing, graphics) as well as to the costs of general and digital marketing supported in 2019.

EBIT and **Net Profit** were negative, respectively, by approximately -1,205 thousand Euro and by approximately -1,265 thousand Euro; this was not only due to the aforementioned items that affect EBITDA but also higher depreciation/amortization, write-downs and allocations for a total of 1,080 thousand Euro in 2019 (including amortization relative to the IPO process for circa 388 thousand Euro and software for a total of 406 thousand Euro) if the comparison is made with 2018. It was due to greater amortization related to software investments and the Flio acquisition if the comparison is made with the 2019 objectives.

Positive NFP (cash) equal to 1,222 thousand Euro but down compared to the same figure of 31 December 2018 which was equal to 3,267 thousand Euro; this was mainly for due to: (i) investments on the APP for 600 thousand Euro (ii); the acquisition of the competitor Flio for approximately 300 thousand Euro (iii); the properties (to be used as an office) for 560 thousand Euro; support for activities for 600 thousand Euro; and (v) operating approximately 300 thousand Euro.



Primary events

On 14 January 2019, the company's Board of Directors deliberated to purchase two properties located in Gallarate to be used for office use in anticipation of the company's growth.

- On 14 February 2019, the purchase of a first property was completed.
- On 14 March 2019, the purchase of a second property was completed.

The registered office and the operations of the Company will be transferred to the new offices by the upcoming September.



On 16 July, the Company undersigned an agreement to take over the main assets of the competitor Flio GmbH. **In this case, the agreement provides for the purchase of the "Flio" brand, the www.flio.com** website (which manages around 1 million visitors a year), the accounts relative to the App Store and Android Store and the database with over 1.2 million downloads, 140,000 active users per month, as well as a selection of commercial and content contracts for the airport traveler.

On 19 July, the Company signed a commercial and co-marketing agreement with Huawei, the world leader in the telecommunications market and the second largest smartphone vendor in the world. Sostravel.com and Huawei will develop content and will mutually promote their own brands; in particular, Huawei will promote the Sostravel APP in its distribution channels (over 50 million users), while Sostravel.com will promote the Huawei brand in the corners where it operates.

On 12 August, the Company notified the market of the change in certain significant shareholders. In fact, and following the distribution of the dividend in kind of the previous parent company TraWell co S.p.A., the company and the firm RG Holding S.r.l., a company controlled by Mr. Rudolph Gentile, announced that they hold 41.36% and 11.13% respectively, which - following the dilution for the assignment of the Bonus Shares will equal 41.03% and 11.04%.

On 17 September 2019, in application of the provisions set out in the Admissions Document, the Issuer granted Bonus Shares free of charge to entitled parties for a total of 47,225 ordinary Sostravel.com S.p.A. Shares with ISIN code IT0005338675. As a result of the issue of 47,225 ordinary shares, the share capital of sostravel.com S.p.A. is divided into 5,981,225 ordinary shares.

Primary events after 31 December 2019

On 4 March 2020, the Issuer communicated a strategic partnership agreement - jointly stipulated with TraWell Co S.p.A. (the "Partnership Agreement") - with the American company Secure Wrap of Miami Inc., also specialized in the baggage wrapping and protection sector and part of a group (the "Secure Wrap Group") which is operational in 17 countries in North and South America and with more than 50 sales points.

In execution of the Partnership Agreement, Secure Wrap of Miami Inc. will initiate operations for the promotion, distribution and sale - within its airport stores - of the active baggage tracking service ("Lost Luggage Concierge"). The agreement also provides that Lost Luggage Concierge promotion, distribution and sales activities will be progressively extended to the entire scope of consolidation of the Secure Wrap Group. The tracking service subject of the Lost Luggage Concierge will be implemented, in the interest and for the benefit of the customers of the Secure Wrap Group, by TraWell Co S.p.A. which will avail itself of the collaboration of Sostravel.com S.p.A. for this purpose. The Partnership Agreement will have a duration of 5 (five) years and provides for a tacit renewal at the first expiration date for a further 5 (five) years.



The Partnership Agreement also provides for recognition in favor of TraWell Co S.p.A. of a fixed fee for each service effectively sold by the companies of the Secure Wrap Group. Relations between TraWell Co S.p.A. and Sostravel S.p.A., on the other hand, will be regulated on the basis of commercial agreements already existing between the two companies.

Forecast of operational management following the Covid-19 emergency

The Company, due to the particular nature of its business, is significantly exposed to the critical issues connected with the spread of infections and to the regulatory measures adopted to contain the spread of the epidemic; the latter, as of 21 February 2020, began to manifest in northern Italy and then spread within a few weeks to the whole country and subsequently to Europe and in the rest of the world which was not yet affected. This has prompted the government authorities of the various countries involved in the pandemic to adopt increasingly restrictive "containment" measures.

The succession of national ordinances and decrees has entailed, since the beginning of the emergency, the need to adapt to the various prescribed measures, and this, first of all, has forced the closure of the Company's operational headquarters and the need to allocate the entire staff at home under a smart-working regime.

The pandemic, which is still ongoing, as well as the regulatory provisions mentioned above have moreover led to a massive decrease in air traffic and ultimately forced the closure of almost all sales points located inside airports and assigned to the sale of non-essential goods and/or services. In particular, and for that falling under our primary concern, the main customer of Sostravel (TraWell Co s.p.a.), was in fact forced to progressively close - between the past 10 and 25 March - all its sales points.

Given the above, it is inevitable to expect a decrease in revenues in the first half of 2020, but accompanied, however, with the hope of a recovery in the second half of the year, it being understood that the business is, as is known, particularly subject to seasonal fluctuations and that the peak periods are traditionally those of the summer months (June-September) as well as the month of December.

The Company's management is obviously working to adopt all provisions which are necessary to preserve the company's economic and financial solidity and, from this perspective, is working to contain costs in the period associated with the current emergency phase, including costs relative to employees by means of the Company's access to all available "social safety nets".

Shareholders' meeting

Sostravel reports that the Shareholders' Meeting will be held on 28 May 2020 on first call and on 29 May 2020 on second call.

In addition to approving the draft financial statements as of 31 December 2019, the Shareholders' Meeting will be convened to deliberate upon the renewal of the corporate bodies



(Board of Directors and Board of Statutory Auditors) and on the appointment of the party entrusted with the regulatory audit.

The documentation relating to the items of the agenda and the draft financial statements as of 31 December 2019, drawn up according to Italian accounting principles and subject to auditing by the company Audirevi S.p.A., will be made available to the public as well as on the website of sostravel.com S.p.A. (www.sostravel.com) in the 'Investor Relations' section, in compliance with the legal deadlines pursuant to Art. 2429 of the Italian Civil Code.

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Sostravel, founded in 2017 by Rudolph Gentile, is a company operating in the market of passenger assistance services. The Company operates under the “Sostravel” and “Flio” trademark, and through the Sostravel App proposes itself as “aggregator” of a range of air passenger assistance services during the whole journey, from departure to arrival at the destination airport, with the aim of becoming an important reference point” for passengers “before, during and after their journey”.

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Financial statements as of 31 December 2019

Income statement

Valori in euro	31-dic-19	31-dic-18
Ricavi	2.238.911	2.481.273
Variazioni per lavori interni	600.577	
Atri ricavi	334.758	14.695
Totale Ricavi	3.174.246	2.495.968
Costo del prodotto	-2.542.213	-1.568.121
Costi del personale	-725.969	-420.724
Variazioni delle rimanenze		
Altri costi	-31.762	-33.374
EBITDA	-125.698	473.750
Ammortamenti	-974.844	-392.783
Svalutazioni	-12.334	0
Accantonamenti	-93.088	-178.165
EBIT	-1.205.964	-97.198
Proventi ed oneri finanziari (netti)	-8.443	66.733
Rivalutazioni/Svalut. attività finanziarie	0	0
Utile(perdita) prima delle imposte	-1.214.407	-30.465
Imposte	-50.803	12.538
Risultato netto	-1.265.210	-17.927

Balance sheet

Valori in euro	31-dic-19	31-dic-18
Immobilizzazioni immateriali	2.367.251	2.428.377
Immobilizzazioni materiali	560.951	13.078
Immobilizzazioni finanziarie	0	0
(A) Capitale immobilizzato netto	2.928.202	2.441.455
Rimanenze		
Crediti commerciali	2.379.259	1.456.505
Altre attività	970.318	487.830
Debiti commerciali	-1.298.380	-536.680
Altre passività	-598.226	-182.422
(B) Capitale circolante gestionale	1.452.971	1.225.233
(C) Totale fondi	-117.016	-182.977
(D) = (A) + (B) + (C) Capitale investito netto	4.264.157	3.483.711
Disponibilità liquide	1.222.028	3.267.683
Passività finanziarie	0	0
(E) Debiti/Crediti Finanziari Netti	1.222.028	3.267.683
(F) Patrimonio netto	5.486.185	6.751.394
(G) = (F) – (E) Fonti	4.264.157	3.483.711

Net Financial Position

Valori in euro	31-dic-19	31-dic-18
A Cassa	-	-
B Altre disponibilità liquide	1.222.028	3.267.683
C Titoli detenuti per la negoziazione	-	-
D Liquidità (A+B+C+)	1.222.028	3.267.683
E Crediti finanziari correnti	0	0
F Debiti bancari correnti		
G Parte corrente dell'indebitamento non corrente		
H Altri debiti finanziari correnti		
I Indebitamento finanziario corrente (F+G+H)	0	0
J Indebitamento finanziario corrente netto (I-E-D)	-1.222.028	-3.267.683
K Debiti bancari non correnti		
L Obbligazioni emesse Altri debiti non correnti		
M Altri debiti non correnti		
N Indebitamento finanziario non corrente (K+L+M)	0	0
O Indebitamento finanziario netto (cassa) (J+N)	-1.222.028	-3.267.683

It should be noted that the aforementioned data is currently subject to auditing.